

Report Title	TRAFALGAR HOUSE – CONTRACTOR APPOINTMENT
Meeting	Executive
Meeting Date	27 th August 2026
Report Author	Phillip Spurr
Directorate	Place
Lead Executive Member(s)	Leader's Portfolio - Cllr A Mahmood
Wards Affected	Bradley
Public. Part Exempt, or Fully Exempt	Public
Appendices (if any)	N/A

1. Executive Summary

1.1 The purpose of this report is to update the Executive on the outcome of the contractor procurement exercises to deliver the renovation of Trafalgar House, and to seek approval to appoint Fox Brothers (Leyland) Limited to carry out the partial demolition of Trafalgar House and Radcliffe Construction Limited to complete the renovation of the retained front portion of the building.

2. Recommendations

2.1 For the reasons set out in this report, Executive is recommended to:

- agree that PBC acts as employer for the contractors to carry out the construction work on Trafalgar House, with Penbrook Developments Limited acting as Managing Agent for the Council.
- approve a waiver of the contract procedure rule requiring an open tender and, as set out in 3.7 following a competitive process, award the contract to carry out the partial demolition of Trafalgar House to Fox Brothers (Leyland) Limited.
- approve a waiver of the contract procedure rule requiring an open tender and, as set out in 3.11 following a competitive process, award the contract for the renovation of the retained portion of Trafalgar House to Radcliffe Construction Limited.

3. Information: The Rationale & Evidence for the Recommendations

3.1 At its meeting of 17th December 2025, Executive decided to proceed with a regeneration scheme which retains the front portion of Trafalgar House. The approved scheme is to renovate the front part of the building. The rear of the building is to be demolished, with the area to the rear of the retained portion to be used for car parking.

3.2 The agreed resolutions were to:

- note the intention to undertake the redevelopment of Trafalgar House through Penbrook, the Council's Joint Venture arrangement with Brookhouse.
- acknowledge the procurement exercise being undertaken for the project
- agree that a further report be brought back to Executive for consideration following the completion of the procurement exercise with a view to progressing the scheme at the earliest opportunity given the deterioration of the building.

3.3 This report addresses the third Resolution.

3.4 Planning permission for the project was granted in March 2026. The December 2025 report set out the following budgets for the project against which Executive approval was given. These budgets were also approved by the Nelson Town Deal Board at a meeting held on 16th December 2025.

Item	£
Costs	
QS Estimate	1,702,066
Additional 15% contingency	256,231
Planning and Professional Fees	70,000
Penbrook Development Mgt Fee	85,000
Client side professional fees	150,000
Sub Total	2,263,297
Funding	
Budget	1,590,297
Relocation Properties Virement	543,000
PRSC Virement	130,000
Sub Total	2,263,297
Balance	
Total	0

3.5 It should be noted that the scope of proposals for Trafalgar House have previously included the extension of car parking provision between the

rear of No1 Market Street and the ACE Centre. Costs for this are not included in the above table, nor in the tender returns set out below, and this aspect of the project will be revisited once works are complete and any calls on the contingency budget are known.

3.6 It has become apparent that to comply with the rules and regulations of the

Construction Industry Scheme (CIS), which is an HM Revenue and Customs (HMRC) tax deduction system where contractors deduct money from a subcontractor's payments and pass it directly to HMRC, the employer for the contract must be Pendle Borough Council rather than Penbrook Limited, as the Council is already registered for the scheme. Therefore, the recommendations are for the Council to appoint the contractors directly. Penbrook will continue to act as managing agent on behalf of the Council for the Development Management Fee as detailed in the table at 3.4.

3.7 When the need for the Council to act as employer was identified, tenders for the works packages had already been issued by Penbrook's Quantity Surveyors, Howell Goodfellow, and the procurement process started. These processes have been checked, and where necessary, updated in conjunction with the Director of Resources, which resulted in an exemption to the contract procedure rules to issue an open tender based on the urgency of the works due to the condition of the building. However, a competitive process across three specialist demolition contractors was carried out as part of the selection process, with the following results:

Contractor Name	£
Fox Brothers (Leyland) Ltd	380,000 +VAT
Contractor B	480,000 + VAT
Contractor C	396,100 + VAT

3.8 It is therefore recommended to appoint Fox Brothers (Leyland) Ltd to carry out the demolition works.

3.9 Due to the specialist nature of the demolition, Howell Goodfellow recommended a need for two separate works packages and hence two separate building contracts: one for the specialist demolition and the other for the renovation of the retained structure.

3.10 The renovation project also requires a specialist contractor with the necessary mix of skills, experience and knowledge to allow the project

to be delivered safely and within budget. The building is in poor condition and will require specialist retention to prevent the collapse of the elements which are sought to be retained during the partial demolition and specialist skills to reuse and reinstate salvaged heritage materials. The location of the building is highly constrained with other heritage assets in close proximity, and there is a need to keep clear working space on a tight site surrounded on all sides by adopted highways which will be in ongoing daily use serving the nearby buildings.

- 3.11 These specialist requirements put the project beyond the skills of most building contractors and so an open tender process was not used. The Director of Resources granted a waiver to the contract procedure rules due to the specialist nature of the contract. However, to ensure value for money was achieved five contractors were invited to tender, with the following results:

Contractor Name	£
Radcliffe Construction Limited	1,301,130
Contractor B	1,426,485
Contractor C	1,499,919
Contractor D	1,434,782
Contractor E	1,340,211

- 3.12 It is therefore recommended to appoint Radcliffe Construction Limited to carry out the renovation works.

- 3.13 These confirmed prices can be used to update the budget table from s.3.4 as follows:

		Original Budget £	Revised Budget £	Variance
Demolition Contractor	CDEL	0	380,000	380,000
Renovation Contractor	CDEL	1,702,066	1,301,130	(400,936)
5% QS Fees	CDEL	0	84,057	84,057
Planning & Other Professional Fees	CDEL	70,000	90,000	20,000
Penbrook Management Fee	CDEL	85,000	85,000	0
Client-Side Professional Fees	CDEL	150,000	170,000	20,000
Contingency	CDEL	256,231	153,111	(103,121)
TOTALS		2,263,297	2,263,297	0

3.14 The appointment of the recommended contractors is therefore budget compliant.

3.15 All tendering parties were requested to provide an anticipated programme for their works. The proposed demolition contractor indicated a 10-week programme and the renovation contractor 24-weeks. Therefore a 9-month overall contract period should be assumed overall from instruction and mobilisation.

4 Link to Council Plan Priorities: (Providing High Quality Services and Facilities, Proud and Connected Communities and Places, Good Growth and Housing and Healthy Communities)

4.1 The proposals are essential to deliver the Revitalised Nelson element of the Nelson Town Deal. Delivery of Nelson Town Deal is fundamental to Council Plan Priorities, in particular, Proud and Connected Communities and Places, Good Growth, and Housing and Healthy Communities.

5. Implications

5.1 Financial Implications

The funding for the project, including fees and contingencies, is provided by the Town Deal Fund.

As highlighted at s.3.13, above, the scheme is budget compliant.

5.2 Legal and Governance Implications

The proposals ensure compliance with the Construction Industry Scheme.

The Council will enter into construction contracts with the two selected companies.

The development will be managed on behalf of the Council by Penbrook Developments Limited.

5.3 Climate and Biodiversity Implications

The proposals will result in the bulk of the materials arising from the demolition of the rear of the building being used to fill in the rear basement and leave a levelled site, while the majority of the superstructure of the retained front portion will be retained. This means that there will be no significant release or generation of carbon associated with the project when compared with total demolition, removal of the bulk of materials off-site, and any new build on the site.

The renovated portion of the building will be fitted with modern energy efficient systems. The project also provides for Electric Vehicle Charging points (which will be located on the Pendle Rise Development and/or the ACE Centre car park extension).

5.4 Human Resources Implications

The Property Services team will provide a point of liaison with Penbrook throughout the project.

5.5 Equality and Diversity Implications

An Equality Impact Assessment (EIA) is not required as a result of these proposals.

6. Consultation

Full consultation was carried out as part of the planning process, and as part of the process to identify priority projects for the Nelson Town Deal programme, one of which was Trafalgar House.

7. Alternative Options Considered

Alternative options for the future of Trafalgar House were considered in the original August 2022 public consultations and feasibility studies and then were supplemented by new consideration outlined in the September 2024 report to Executive.

8. Statutory Officer Sign off (please put an x in the relevant box below)

Section 151 Officer	
Monitoring Officer	x

9. Background Documents

Executive reports, Trafalgar House – 19th September 2024, 31st October 2024 and 17th December 2025. **10. Appendices**

N/A.

Contact Officers

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