

**REPORT OF:** HOUSING, HEALTH AND ENGINEERING SERVICES  
MANAGER

**TO:** NELSON TOWN DEAL BOARD

**DATE:** 23<sup>rd</sup> JULY 2021

**Contact Details:** Judith Stockton  
**Tel. No:** 01282 661040  
**E-mail:** judith.stockton@pendle.gov.uk

## NELSON TOWN DEAL – HEADS OF TERMS OFFER

### PURPOSE OF REPORT

To seek agreement to the draft Heads of Terms offer for a Town Deal for Nelson. To outline the next phases of work in the development of the deal/development and delivery of the Town Investment Plan and to agree additional capacity and expertise to help the Board through this process.

### RECOMMENDATIONS

The Board are recommended to:

1. Agree to the Heads of Terms offer for a Town Deal for Nelson.
2. Note the next phases of work and associated timescales for bringing forward the deal and securing the release of funding.
3. Agree to use Capacity Funding to appoint Hatch to support the Board through this Stage 2 process (subject to approval by Pendle Borough Council).

### REASONS FOR RECOMMENDATIONS

1. To accept the offer of a Town Deal for Nelson.
2. To outline to the Board the next steps as set out in the Towns Fund Guidance and Head of Terms offer.
3. To have the necessary expertise to support the Board through the Stage 2 process.

### ISSUE

#### Background

1. On 12<sup>th</sup> February 2021, the Nelson Town Investment Plan was submitted to Government seeking £29.9mill from the Towns Fund through a 'Town Deal'.

2. As well as establishing a vision and a set of strategic objectives for the Nelson, the Town investment Plan detailed 8 strategic projects for which funding was sought to help achieve this vision. These are summarised in the table below:

| Project   | Towns Fund Ask |
|---|----------------|
| <b>Revitalised Nelson:</b> Bringing high profile, long term vacant and underused buildings and sites back into use for residential and commercial purposes.   | £10.72m        |
| <b>Digital Skills Hub and Academy:</b> will create a new skills facility within Nelson and Colne College's main building and a smaller facility within the town centre. As well as creating new learning facilities, the project will provide high-quality creative workspace that inspires, supports and encourages enterprise in service and digital technology.                                    | £2.49m         |
| <b>Modernising Nelson's Industrial Offer:</b> Seeks to acquire and redevelop sites for new employment uses.   | £4.08m         |
| <b>Business Resilience and Growth:</b> supporting the strategically important manufacturing sector to be resilient in the face of disruption including COVID-19, EU Exit and industrial digitalisation  | £2.04m         |
| <b>YES Hub:</b> supporting Pendle's 16-24 year olds to overcome barriers to employment by providing a holistic employment service through a 'one stop shop' where people can go to access a range of information, advice and guidance alongside a breadth of learning, training, health improvement and employment opportunities.   | £0.57m         |
| <b>This is Nelson:</b> Engaging Nelson's communities in a 5-year programme of work that actively engages them in the town's development to facilitate ownership, pride and identity.  | £0.8m          |
| <b>Accessible Nelson:</b> A comprehensive scheme of improvement works to improve the perception and experience of the town as a place to visit, live and work, through enhancing key gateway routes, access and public realm improvements, improving junctions to improve vehicle flow and reduce congestion, improving cycling and walking routes and improving parking provision                    | £5.51m         |
| <b>Healthy Town:</b> Improving the town's leisure offer to diversify reasons to visit Nelson, provide improved facilities for young people and facilitate health, well-being and quality of life. This includes investing in Pendle Wavelengths through new and enhanced facilities, investing in three parks, and encouraging healthy lifestyles and volunteering through a programme of activities. | £3.75m         |
| <b>Total</b>  | <b>£29.9m</b>  |

### Draft Heads of Terms Offer

3. On 15<sup>th</sup> July 2021, it was confirmed that Nelson was to be offered a Town Deal **up to the value of £25 million.**
4. A draft Heads of Terms offer has been received and is attached as Appendix 1 to this report. The Heads of Terms is not a contractually binding document, but will act as a Memorandum of Understanding between the Town Deal Board, Pendle Borough Council (as the Accountable Body) and the Government for the future development and delivery of Nelson's Town Investment Plan. It sets out joint expectations and conditions (project specific and general) that will need to be met as Nelson enters the next phase of work. **The draft Heads of Terms must be signed by the Chairman of the Board and the Lead Local Authority and returned by Thursday 5<sup>th</sup> August 2021.**
5. The offer outlines the next steps in the development of the deal. Once the Heads of Terms have been agreed, **towns have two months to confirm which projects will be taken forward as part of their Town Deal.** A project confirmation table needs to be completed and submitted for each project, and agreed by the Board, outlining the following information:
1. Towns Fund ask
  2. match-funding total and breakdown
  3. expected outputs and outcomes
  4. plan for addressing key conditions (outlined in the Heads of Terms offer)

5. whether the project will be fast-tracked
  6. proposed financial profile and the Revenue/Capital split
6. A draft Monitoring and Evaluation Plan must also be developed and submitted.
  7. Subject to this information being approved by MHCLG, the Heads of Terms highlight that Nelson must then **complete business cases for each project, appraise them (following local assurance processes) and submit a Town Deal Summary Document for each to MHCLG within 12 months of the Head of Terms being agreed.** This Summary Document includes:
    - ◆ The name of the project
    - ◆ Details of how the business case has been appraised
    - ◆ The total project value, Towns Fund allocation and public and private sector match funding
    - ◆ Financial profile
    - ◆ The final list of projected outputs and outcomes
    - ◆ Cost benefit projection
    - ◆ Actions taken to address project conditions (if applicable)
    - ◆ A project delivery plan and monitoring and evaluation plan
    - ◆ Public Sector Equalities Duty analysis
    - ◆ Approval from the Board and Lead Council/Accountable Body
  8. Projects are able to progress business cases and submit summary documents at their own pace, enabling smaller/simpler projects to proceed more quickly than those that are larger/more complex. Only once the project Summary Document is approved by MHCLG, will Year 1 funding for each project be released.

### **The funding offer**

9. The offer of £25mill unfortunately falls short of the £29.9mill requested (a 16.4% reduction) to deliver the projects and achieve the expected outputs and outcomes outlined in our Town Investment Plan. It is however, at the top of the £25mill threshold that towns were invited to bid for, unless they could demonstrate credible regional or national impacts.
10. The funding offered to Nelson is significant and has the potential to deliver significant change across the town. For this reason, it is recommended that the Board support the Deal and agree the Heads of Terms offer.
11. In line with the steps outlined above, the Board will need to prioritise the projects and decide how the funding should be split within the funding envelope being offered. The options for doing this are outlined in a separate paper on the agenda.

### **Additional support and expertise for the Stage 2 process**

12. To support to the Board through the work required over the next 12 months, including the development of HM Treasury compliant business cases for each of the projects, it is recommended that Hatch are commissioned to help co-ordinate and carry out some of this work alongside the project leads. Hatch have the technical expertise required and a good working knowledge of the projects from their work on the Town Investment Plan and the development of the projects to Strategic Outline Business Case stage. Their commission will be paid for utilising additional capacity funding secured by the Council for this purpose earlier this year, but will be subject to the Council agreeing to waiver Standing Orders.

## **IMPLICATIONS**

**Policy:** Agreeing the Heads of Terms offer is the next step in the development and delivery of Nelson's Town Investment Plan.

**Financial:** By agreeing the Heads of Terms offer, the Government will provide up to a total of £25mill for Nelson from the Towns Fund. Local partners will need to work with the government to demonstrate the feasibility, viability and value for money of the projects through business case development and assurance before funding will be released.

**Legal:** The Heads of Terms is not a contractually binding document, but will act as a Memorandum of Understanding between the Town Deal Board, Pendle Borough Council (as the Accountable Body) and the Government for the future development and delivery of Nelson's Town Investment Plan.

**Risk Management:** None directly arising from this report.

**Health and Safety:** None directly arising from this report.

**Sustainability:** None directly arising from this report.

**Community Safety:** None directly arising from this report.

**Equality and Diversity:** None directly arising from this report.

## **Appendix 1: Heads of Terms offer for Nelson**