

REPORT OF: HOUSING, HEALTH AND ENGINEERING SERVICES
MANAGER

TO: NELSON TOWN DEAL BOARD

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NELSON TOWN DEAL – ALLOCATION OF FUNDING

PURPOSE OF REPORT

To consider options for achieving the saving of £4.9mill between Nelson's Towns Fund ask and the Heads of Term offer.

RECOMMENDATIONS

The Board are recommended to:

1. Ask project leads to review their projects to see if savings could be made either by reducing the scope of their project or identifying new potential sources of match funding.

REASONS FOR RECOMMENDATIONS

1. To achieve the required saving of £4.9mill of Towns Fund investment for Nelson.

ISSUE

Background

1. The Nelson Town Investment Plan was submitted to Government seeking £29.9mill from the Towns Fund to deliver 8 strategic projects. A copy of the Investment Plan Summary, outlining the Towns Fund ask and match funding for each project, is provided in Appendix 1.
2. The Heads of Terms offer to Nelson provides up to £25mill of funding and gives the Board two months, once Heads of Terms are agreed, to decide how to prioritise and allocate the funding across these projects. A project confirmation table must be submitted for each project, as outlined in the previous report.

Options for achieving the savings

3. To secure the £4.9mill savings required, there are a number of broad options available to the Board. These include:

- a. **Reducing the allocation to each project by 16.4%** in line with the overall reduced amount of funding offered. Whilst this would be a relatively simple way to achieve the savings required, this blanket approach may adversely affect the scope and deliverability of the projects.
 - b. **Reviewing projects and seeking reductions** – liaising with project leads to understand whether any savings can be made by projects being scaled back or revisiting the availability of alternative funding. This would ensure that projects are still deliverable, but may lead to a reduction in scope.
 - c. **Project re-prioritisation** - dropping some 'lower priority' projects in favour of 'higher priority' projects, keeping the 'higher priority' projects at, or close to their original allocation. The Towns Hub have created a project re-prioritisation tool which could be used to assist with this process. The Board will recall that it has already been through a project prioritisation process to arrive at the existing shortlist of projects, which provide a good balance of interventions and outcomes. To lose certain projects completely would affect this balance.
 - d. **Grouping together or merging different projects**, where possible. Again, the Board has already merged projects where this was possible/logical to do so at the project shortlisting stage. Scope for making significant savings through this route may therefore be limited.
 - e. **A combination of the above.**
4. It is recommended that, in the first instance, project leads are asked to review their projects to see if/where savings could be made either by reducing the scope of their project or identifying new potential sources of match funding. It has been over 6 months since the projects were drawn up and there may be changes to be taken into consideration.
 5. A further report will then be brought back to the Board on the outcome of this exercise and the options for going forward (proposed date for the next Board meeting being Fri 13th August).

IMPLICATIONS

Policy: None directly arising from this report.

Financial: None directly arising from this report.

Legal: None directly arising from this report.

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: Nelson Town Investment Plan Programme Summary

	Towns Fund Ask	Match funding	Public	Private	Total cost	Capital	Revenue
Revitalised Nelson	10,721,736	29,926,545	14,569,545	15,357,000	40,648,281	40,431,360	216,921
Digital Skills Hub & Academy	2,490,385	835,445	25,445	810,000	3,325,830	3,030,000	295,830
Modernising Nelson's Industrial Offer	4,082,599	6,941,712	541,712	6,400,000	11,024,311	10,900,000	124,311
Business Resilience & Improvement	2,041,299	1,920,856	20,856	1,900,000	3,962,155	3,800,000	162,156
YES Hub	566,756	115,657	115,657	-	682,413	132,000	550,413
This is Nelson	803,251	221,207	188,207	33,000	1,024,458	343,000	681,458
Accessible Nelson	5,511,508	136,312	136,312	-	5,647,820	5,480,000	167,820
Healthy Town	3,753,658	478,975	478,975	-	4,232,633	3,808,772	423,860
Total	29,971,192	40,576,709	16,076,709	24,500,000	70,547,901	67,925,132	2,622,769

Table 3.1 Nelson Towns Fund Investment Programme Summary (£m)