

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

**TO: POLICY AND RESOURCES COMMITTEE**

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## **NELSON TOWN DEAL – HEADS OF TERMS OFFER**

### **PURPOSE OF REPORT**

To provide an update on the offer of a £25million Town Deal for Nelson, to outline the next steps in the process and the associated timescales; and to note the commissioning of additional expertise to assist with the next phase of work.

### **RECOMMENDATIONS**

The Committee are recommended to:

- (1) Note the signing of 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) Delegate powers to the Interim Chief Executive, in consultation with the Leader, to agree the project confirmation tables detailing the projects that will be taken forward to full business case.
- (4) Note the waiver of standing orders to appoint Hatch consultants to support the Town Deal Board and the Council through the next stage of the Town Deal process.

### **REASONS FOR RECOMMENDATIONS**

- (1) To update Committee regarding the Nelson Town Deal and to outline the next steps as set out in the Head of Terms offer.
- (2) To enable the project confirmation tables to be agreed and submitted in a timely manner.
- (3) To have the necessary expertise to support the Town Deal Board and the Council through the Stage 2 process.

## ISSUE

### Background

1. At its meeting on 11<sup>th</sup> February 2021, this committee approved the Nelson Town Investment Plan for submission to Government. The Plan sought £29.9m 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 projects 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>

### Heads of Terms Offer

3. On 15<sup>th</sup> July 2021, a draft Heads of Terms offer was received from Government offering Nelson a Town Deal **up to the value of £25 million** (see Appendix 1).

4. 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.
5. The offer of £25m falls short of the £29.9m requested (a 16.4% reduction) to deliver the projects and achieve the expected outputs and outcomes outlined in Nelson's Town Investment Plan. It is, however, at the top of the £25m threshold that towns were invited to bid for (unless they could demonstrate credible regional or national impacts) and the offer has the potential to deliver significant change across the town.
6. A deadline of 5<sup>th</sup> August 2021 was given for accepting the Heads of Terms offer. The Town Deal Board met on 23<sup>rd</sup> July to discuss the offer and agreed that it should be accepted. The Heads of Terms were subsequently signed by the Chair of the Board and the Council's Interim Chief Executive and returned to the government on 4<sup>th</sup> August 2021.

### **Next steps**

7. The signing of the Heads of Terms is the first step in the development and delivery of the Nelson Town Investment Plan. Once agreed, towns have two months to confirm which projects will be taken forward with the available funding envelope. Project confirmation tables will need to be completed and signed by the Town Deal Board Chair and the accountable body's Interim Chief Executive. These will include details such as the Towns Fund ask, match funding, expected outputs and outcomes, etc.
8. The Board are currently looking at ways in which the required £4.9mill saving can be achieved. To ensure that project confirmation tables can be completed and signed off within the timescales required, it is requested that delegated powers are given to the Council's Interim Chief Executive, in consultation with the Leader of the Council.
9. Subject to the project confirmation tables being approved by MHCLG, Nelson must then complete HM Treasury compliant 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
10. 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 to the Accountable Body.

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

11. To support to the Board and the Council through the work required over the next 12 months, including the development of HM Treasury compliant business cases for each of the projects, additional technical expertise is required.
12. Hatch consultants, who were commissioned to produce the Nelson Town Investment Plan, have submitted a proposal to assist with the Stage 2 work which would include supporting the completion of the project confirmation tables, supporting the development of the detailed business cases in line with HM Treasury requirements, and developing a Delivery Plan and Monitoring and Evaluation Plan for the overarching Deal. Their fee for this work is £77,990.
13. Given the timescales set out in the Heads of Terms offer, and the fact that Hatch have the technical expertise required together with a good working knowledge of the projects from their work on the Town Investment Plan the Corporate Director has agreed a waiver of standing orders to appoint Hatch. This Committee are asked to note the waiver of standing orders. Their commission will be paid for utilising additional Towns Fund capacity funding secured by the Council for this purpose,

### **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 to the Accountable Body. The fee for the appointment of Hatch Consultants who assist with this work will be paid for using Town Deal capacity funding that has been received by the Council.

**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**