

REPORT OF: HOUSING, HEALTH AND ENGINEERING SERVICES
MANAGER

TO: NELSON TOWN DEAL BOARD

DATES: 12TH NOVEMBER 2021

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

**PROGRAMME UPDATE -
BUSINESS CASE DEVELOPMENT & PROGRAMME RISKS**

PURPOSE OF REPORT

To update the Board regarding progress with business case development and the management of key programme risks.

RECOMMENDATIONS

That the Board:

1. Note the progress regarding business case development.
2. Note the key programme risks and mitigating actions

REASONS FOR RECOMMENDATION

1. To keep the Board informed.

ISSUE

Background

1. Stage 2 of the Town Deal process requires towns to develop a business case for each project and to submit a Summary Document to Government. The Department for Levelling Up, Housing and Communities (DLUHC) will need to review and be satisfied with the Summary Document before delivery funding is released.
2. Business Cases need to be HM Treasury Green Book compliant and address in a proportionate manner the five cases set out in the Green Book. All business cases will need to pass through local assurance mechanisms, though DLUHC reserves the right to call in any business case to be assured centrally.

Progress to date

3. At its last meeting, the Board were presented with a high level timetable for business case development for each of the Nelson Town Deal projects. The Board also agreed the template that will be used for business case development.
4. During the last few weeks project working groups have been meeting with Hatch to run through the business case template and the key roles and requirements for its completion. Each group will continue to meet regularly to develop their case.
5. Project leads have been tasked with developing project engagement plans, in line with the Town Deal Engagement Plan, outlining engagement activities that will be undertaken to support business case development and project delivery. Each group has also been asked to set out key milestones for their business case development, against which progress will be reported to the Board.
6. Attached in Appendix 1 is a progress report for each project to date, which the Board are asked to note.

Programme Risks

7. Supporting the development of the business cases, a programme risk register has been developed and is attached at Appendix 2. The register identifies the key risks to the programme and how these are being managed (see 'Mitigating Actions' and 'Mitigating Actions Update').
8. At present, some of the key risks relate to the challenging timescales for completing business cases to ultimately enable delivery funding to be released early next year. The Pendle YES Hub business case is currently being fast tracked, with the working group meeting weekly. Arrangements are being put in place for the business case to be appraised within the required timescales and the appraisal report will be presented to the next Board meeting on 7th Jan.
9. The Advanced Digital Skills Hub & Academy and 'This is Nelson' project are also seeking delivery funding from Spring 2022, meaning business cases will need to be completed early in the New Year. Again, project working groups are meeting regularly to progress the required work and regular contact is being maintained between the Programme Manager and project leads to monitor progress and understand any issues.
10. The risk register will be maintained and regularly reported to the Board.

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 – Project/Business Case Progress Report Nov 21

Project Name	Pendle YES Hub		
Project Description	The YES Hub will support Pendle’s 16-24-year olds to overcome barriers to employment. It will provide a ‘one stop shop’ where young people can go to access a range of information, advice and guidance alongside a breadth of learning, training, health improvement and employment opportunities.		
Delivery Lead & Partners	Lead: Pendle Borough Council Key Partners: DWP, Active Lancashire, Lancashire Skills Hub, Nelson and Colne College		
Project Funding	Total Cost: £0.87m	Town Deal Funding: £0.42m	Match Funding: £0.45m
Project Outputs and Outcomes	<p>To include:</p> <ul style="list-style-type: none"> • # of full-time equivalent (FTE) permanent jobs created or safeguarded through the projects • # of learners/trainees/students enrolled at improved education and training facilities • # of learners/students/trainees gaining certificates, graduating or completing courses at new or improved training or education facilities, or attending new courses • Number of closer collaborations with employers • Number of people per year supported to address and remove barriers and social issues to skills development and employment pathways 		
Business Case Summary Document submission date	14 th Jan 22 - Project being fast-tracked due to need for revenue funding in 2021/22		
Scheme Development Progress	<ul style="list-style-type: none"> • Premises for YES Hub (39/41 Scotland Rd) acquired using Town Deal Accelerated Funding in 2020/21 • Project currently being piloted from this base, providing useful inputs for business case development • Project working group meeting weekly with Hatch to progress business case at pace, with the intention of having final draft ready for appraisal by end Nov. • Match funding is secured • External appraiser appointed to undertake business case appraisal from early Dec. Project appraisal sub-group will meet to review in early Dec. • Aim to bring appraisal report to Town Deal Board on 7th Jan 2022. Board to make recommendation(s) to Council. • Submit Project Summary Document to DLUHC by 14th Jan 2022 		
Key Challenges/Risks	<ul style="list-style-type: none"> • If the business case is not completed on time the Summary Document may not be submitted by 14th Jan. This would impact upon the ability to draw down revenue funding in 2021/22. 		

Project Name	Advanced Digital Skills Hub & Academy		
Project Description	This project will create a new digital 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.		
Delivery Lead & Partners	Lead: Nelson and Colne College Key Partners:		
Project Funding	Total Cost: £3.2m	Town Deal: £2.2m	Match Funding: £1m
Project Outputs and Outcomes	<p>To include:</p> <ul style="list-style-type: none"> • # of full-time equivalent (FTE) permanent jobs safeguarded/created through the projects • Amount of capacity of new or improved training or education facilities • Number of closer collaborations with employers • # of learners/students/trainees gaining certificates, graduating or completing courses at new or improved training or education facilities, or attending new courses • # of learners/trainees/students enrolled at new education and training facilities • # of potential entrepreneurs assisted to be enterprise ready 		
Business Case Summary Document submission date	Mar 22		
Scheme Development Progress	<ul style="list-style-type: none"> • The College have scheduled in regular meetings with Hatch to progress development of the business case. • The College are already well progressed with some key elements of the design work required to input into the business case • Discussions are ongoing regarding the 'spoke' element of this project within the Nelson town centre • Match funding is secured 		
Key Challenges/Risks	<ul style="list-style-type: none"> • Time pressures to complete business case and secure funding to enable the Hub element of the project to open at the start of the next academic year. • Ensuring a location for the spoke element of the scheme can be secured with agreeable terms 		

Project Name	This is Nelson		
Project Description	A 5-year arts and culture programme that actively engages Nelson's communities in the town's development to facilitate ownership, pride and a shared identity. This will be achieved through programmes of activity, events and the re-activation of places and spaces.		
Delivery Lead & Partners	Lead: In-Situ Key Partners: Building Bridges, SuperSlowWay, Creative Lancashire		
Project Funding	Total Cost: £1m	Town Deal: £0.7m	Match Funding: £0.7m
Project Outputs and Outcomes	To include: <ul style="list-style-type: none"> • # of full-time equivalent (FTE) permanent jobs created through the projects • Amount of public realm improved • Amount of existing parks/greenspace/outdoor improved • Number of young people engaged in the arts • Number of cultural events/projects 		
Business Case Summary Document submission date	March 22		
Scheme Development Progress	<ul style="list-style-type: none"> • Project working group met with Hatch 21st October to discuss business case template • Working group planning pilot/developmental work to inform business case • Working group will continue to meet on a regular basis 		
Key Challenges/Risks	<ul style="list-style-type: none"> • Ensuring a strong business case can be developed which allows the project to be driven by ongoing community engagement and creative activities throughout its lifetime 		

Project Name	Business Resilience and Growth		
Project Description	The provision of capital grants to support expansion projects including premises, plant and machinery to support the creation of sustainable jobs and improved productivity within the manufacturing sector.		
Delivery Lead & Partners	Lead: Pendle Borough Council Key Partners: Boost Business Lancashire, Growth Lancashire		
Project Funding	Total Cost: £6.7m	Town Deal: £2m	Match Funding: £4.7m
Project Outputs and Outcomes	<p>To include:</p> <ul style="list-style-type: none"> • # of full-time equivalent (FTE) permanent jobs created/safeguarded through the projects • # of enterprises receiving grants • Number of closer collaborations with employers • Amount of new commercial floorspace (office or light industrial) • Estimated carbon dioxide equivalent reductions as a result of support • Number of new non-domestic buildings with green retrofits completed 		
Business Case Summary Document submission date	March 22		
Scheme Development Progress	<ul style="list-style-type: none"> • Project working group has not yet met with Hatch due to loss of lead officer at PBC. Alternative arrangements being discussed. 		
Key Challenges/Risks	<ul style="list-style-type: none"> • Completion of business case in time to enable Summary Document to be submitted in March 22. 		

Project Name	Healthy Town		
Project Description	The Healthy Town project will result in new leisure facilities for young people at Wavelength's as well as improvements in Nelson's three parks. The project will provide new reasons to visit the town and seeks to address poor health issues, including high levels of childhood obesity, by encouraging more active lifestyles which improve health and wellbeing.		
Delivery Lead & Partners	Lead: Pendle Leisure Trust & Pendle Borough Council Key Partners:		
Project Funding	Total Cost: £3m	Town Deal: £2.3m	Match Funding: £0.7m
Project Outputs and Outcomes	<p>To include:</p> <ul style="list-style-type: none"> • # of temporary FT jobs supported during project implementation • # of full-time equivalent (FTE) permanent jobs created/safeguarded through the projects • Number of improved community/sports centres • Amount of existing parks/greenspace/outdoor improved • Estimated carbon dioxide equivalent reductions as a result of support • # of trees planted • Number of additional visitors using upgraded facilities • Health prevention savings 		
Business Case Summary Document submission date	End July 22		
Scheme Development Progress	<ul style="list-style-type: none"> • Project working group met with Hatch 4th Nov to discuss business case template • Design/feasibility inputs to be procured by project leads • Initial positive discussions held with Nelson Town Council regarding potential for match funding 		
Key Challenges/Risks	<ul style="list-style-type: none"> • Strategic review of leisure provision across Pendle has been commissioned and should be completed within the next 4 months. There is a risk that the recommendations of the review do not fit with the proposals in the business case. Any potential conflicts should become apparent in the next couple of months. 		

Project Name	Accessible Nelson		
Project Description	Accessible Nelson seeks to improve traffic flow, movement and parking around the town centre and improve the quality of the environment and public realm on key gateway routes into and through the town. This will improve people's perceptions and experience as they enter the town, provide an enhanced setting for local businesses and some investment sites, and improve sustainable transport links in order to encourage more walking and cycling to destinations within the town.		
Delivery Lead & Partners	Lead: Pendle Borough Council Key Partners: Lancashire County Council		
Project Funding	Total Cost: £3.5m	Town Deal: £3.4m	Match Funding: £0.1m
Project Outputs and Outcomes	<p>To include:</p> <ul style="list-style-type: none"> • # of new or improved car parking spaces • # of alternative fuel charging/re-fuelling points • Total length of new cycle ways • Total length of new pedestrian paths • Estimated carbon dioxide equivalent reductions as a result of support • Amount of public realm improved • Automatic / manual counts of pedestrians and cyclists (for active travel schemes) 		
Business Case Summary Document submission date	End July 22		
Scheme Development Progress	<ul style="list-style-type: none"> • Initial project working group meeting with Hatch – 11th Nov • Project lead starting to scope out/prepare brief for design/feasibility input and procure support 		
Key Challenges/Risks			

Project Name	Revitalised Nelson		
Project Description	Seeks to bring high profile, long-term vacant and underused buildings and sites in the town centre/edge of town centre back into use, e.g. for residential and commercial purposes. A priority building within this project is Pendle Rise Shopping Centre.		
Delivery Lead & Partners	Lead: Pendle Borough Council Partners: Liberata, Developer		
Project Funding	Total Cost: £38.7m	Town Deal: £9.2m	Match Funding: £29.5m
Project Outputs and Outcomes	<p>To include:</p> <ul style="list-style-type: none"> • # of temporary FT jobs supported during project implementation • # of full-time equivalent (FTE) permanent jobs safeguarded/created through the projects • # of sites cleared • # of derelict buildings refurbished • Amount of rehabilitated land • # of residential units provided • Amount of new office space • Amount of public realm improved • Amount of floor space repurposed (residential, commercial, retail) • Estimated carbon dioxide equivalent reductions as a result of support 		
Business Case Summary Document submission date	End July 22		
Scheme Development Progress	<ul style="list-style-type: none"> • Working group to meet with Hatch re Business Case template in the next few weeks • Feasibility study on future of Trafalgar House to commence imminently – will input into business case • Discussions re plans for other target buildings/site are ongoing 		
Key Challenges/Risks			

Project Name	Modernising Nelson's Industrial Offer		
Project Description	This project seeks to regenerate brownfield land and provide new, modern employment space for businesses.		
Delivery Lead & Partners	Lead: Pendle Borough Council Partners: Liberata, Developer		
Project Funding	Total Cost: £10.9m	Town Deal: £4m	Match Funding: £6.9m
Project Outputs and Outcomes	To include: <ul style="list-style-type: none"> • # of temporary FT jobs supported during project implementation* • # of full-time equivalent (FTE) permanent jobs safeguarded/created through the projects* • # of sites cleared • Amount of rehabilitated land • Amount of new commercial floorspace (office or light industrial) 		
Business Case Summary Document submission date	End July 2022		
Scheme Development Progress	<ul style="list-style-type: none"> • Working group to meet with Hatch re Business Case template in the next few weeks 		
Key Challenges/Risks	<ul style="list-style-type: none"> • A potential change in land ownership is a risk to development/delivery of the project as envisaged. 		

APPENDIX 2 – PROGRAMME RISK REGISTER

Risk No	Risk	Mitigating Action	Owner	Mitigating Actions Update	Likelihood 1-5	Impact 1-5	Risk Rating
1.	Delay in completion of business cases due to a lack of capacity and skills to complete them to the required standard and within required timescales. This could result in a delayed submission of Business Case Summary documents and the potential loss of Towns Fund allocation.	The Accountable body has appointed Hatch to support development of all businesses cases. This will ensure consistency of approach and quality control. Town Deal Board will be kept aware of progress.	PBC	No issues arising to date. Timescales are challenging for some projects and regular contact is being maintained between the Programme Manager and project leads to monitor progress and understand any issues.	2	4	
2.	There is a risk that the required inputs required to complete the business cases are delayed or do not meet requirements, resulting in delays to completion of business case	Accountable Body/PMO to work with project leads to develop a plan for completing business case, including procuring relevant expertise/inputs. Funding is being made available at an early stage to facilitate these inputs.	Project Leads	No issues arising to date. Project leads have been invited to request funding to cover early project development work.	2	3	
3.	There is a risk that local business case assurance cannot be completed within timescales and to the required standard, caused by lack of capacity in the Accountable Body, resulting in failure to submit the Town Deal Summary document.	New programme management resources are being put in place within the Accountable Body utilising Towns Funding. Additional technical expertise will be bought in to review full business cases of elements of them, e.g. economic case, depending on the size and complexity of the project.	PBC	An external appraiser is currently being appointed for the YES hub 'fast tracked' business case. External support is in the process of being procured for the remainder.	2	4	
4.	There is a risk that final business cases are not consistent with details provided to government in the TIP and Heads of Terms response, caused by changes made during business case development, resulting in delays or failure to receive	Regular meetings will take place between PMO and project leads to identify potential changes at an early stage. Early engagement with Towns Fund lead when it is identified that changes might occur. Utilise the Project Adjustment/Change process detailed in the Stage 2 guidance where necessary. Have robust justification for changes and new proposals	PBC	No issues arising to date.	4	3	

Risk No	Risk	Mitigating Action	Owner	Mitigating Actions Update	Likelihood 1-5	Impact 1-5	Risk Rating
	Government approval of the Town Deal Summary document.						
5.	There is a risk that projects cannot demonstrate compliance with subsidy control frameworks.	Accountable Body & PMO to work with each project delivery body to ensure potential subsidy implications are identified early on. Ensure development programmes allow sufficient time to receive appropriate legal advice, with corrective actions as necessary.	PBC and Project Leads	No issues arising to date.	2	4	
6.	There is a risk that projects do not have a secured funding package due to delays in securing match funding resulting in failure to complete project assurance within required timescales or Government not approving Summary Document	Ensure match funding requirements are addressed early in business case development programme. Where funding cannot be secured prior to assurance ensure sufficient detail on progress, timescales and risks. Regular liaison between PMO and project lead feeding into project and programme level risk register.	Project Leads	No issues arising to date.	3	3	
7.	There is a risk that projects cannot provide sufficient assurance with regards to deliverability due to failure to secure planning or provide sufficient confidence in planning status resulting in failure to complete project assurance within required timescales or Government not approving Summary Document.	Ensure projects undertake early engagement with planners as part of their business case development programme. Where planning cannot be secured prior to assurance ensure there is sufficient detail on progress, timescales and risks. Regular liaison between PMO and project lead feeding into project and programme level risk register.	Project Leads	No issues arising to date.	2	4	
8.	There is a risk that projects cannot provide sufficient assurance with regards to deliverability, caused by delays or failures to secure sites required for projects, resulting in failure to complete project assurance within the required timescales or failure by Government.	Ensure clear timescale and strategies for securing site where required. Local authority to commence CPO action early if required. Accountable Body to work with PMO and project leads to monitor progress and risk.	PBC and Project Leads	No issues arising to date.	3	4	
9.	There is a risk that business cases do not demonstrate the level of public support and engagement required for Town Deals, caused by delayed, incomplete or inconclusive public	Ensure projects have a Communication and Engagement Plan in place, enabling business cases to demonstrate public engagement within strategic case.	Project Leads	Project Engagement Plans are being developed by project leads early in the business case development process.	3	1	

Risk No	Risk	Mitigating Action	Owner	Mitigating Actions Update	Likelihood 1-5	Impact 1-5	Risk Rating
	engagement, resulting in failure to meet the expectations of Government and the ambitions reflected in the Town Investment Plan.						
10.	Lack of capacity to resource all Monitoring and Evaluation requirements to effectively monitor and manage the programme.	New programme management resources are being put in place within the Accountable Body utilising Towns Funding. The Programme Manager will develop effective monitoring systems. Each project will have an M&E agreement in place as part of the funding agreement with external delivery organisations. The lead officer for each project will be responsible for tracking progress of project delivery against milestones, regular monitoring of expenditure and output indicators, and collecting and analysing secondary data to track progress on outcomes and impacts. All information will be stored in a single database enabling progress to be reported regularly and consistently in line with the Nelson Town Deal governance structure and UK Government as required.	PBC	No issues arising to date.	1	4	