

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

TO: POLICY AND RESOURCES COMMITTEE

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LEVELLING UP FUND

PURPOSE OF REPORT

To provide the Committee with information about the programme management arrangements for the Levelling Up Fund. To seek approvals to the way forward for the Market Hall/Bus Station site.

RECOMMENDATIONS

The Committee is asked to:

1. Note the programme management arrangements.
2. Agree that PEARL Together be selected as the developer for the Market Hall site, subject to the signing of a Development Agreement
3. Agree that PEARL Together act as agent for the Council in seeking planning permission for the Market Hall/Bus Station site and undertaking any demolition and site preparation works that are required to ready the site for development
4. Agree to receive a further report at an appropriate time to confirm the boundary of the site to be disposed of to PEARL Together and the terms of a Development Agreement

REASONS FOR RECOMMENDATIONS

1. To keep the Committee informed of how the programme will operate.
2. To support the progression of the Market Hall/Bus Station site.

ISSUE

Background

1. It was reported to the Committee on 25th November 2021 that we have been successful in obtaining £6,531,565 from Round 1 of the Levelling Up Fund (LUF) to deliver two projects in Colne Town Centre:

Colne Heritage Quarter (£3,474,845) – Investment in The Muni, Hippodrome and Little Theatre to provide new and enhanced facilities to underpin the growth in the night-time economy of Colne. This project will be led by Pendle Leisure Trust.

Market Hall/Bus Station (£3,056,720) – Making better use of the under-used site to provide: improved retail provision to contribute to an improved shopping experience for residents; new affordable apartments to encourage town centre living and increased footfall; and an improved bus station. This project will be led by Pendle Council.

Programme Management

2. Following approval of the bid we had to submit a Project Management Update form and this was discussed at an Inception meeting with the Levelling Up Fund Team on 21st December 2021. Some additional information and clarification has been requested by the LUF Team and this needs to be submitted by 14th January 2022 but no significant concerns were raised. Following on from this submission a Memorandum of Understanding (MoU) will be finalised rather than the original plan of issuing a Grant Funding Agreement to the Council. The Committee have previously given delegated authority to the s151 officer to sign an Agreement.
3. The draft MoU indicates that all LUF grant needs to be spent by 31st March 2025. At the time of the bid there was a requirement that the grant be spent by 31st March 2024, so we have an extra 12 months as a contingency.
4. Monitoring information and claims will need to be submitted every 6 months and payment will generally be made 3 months in advance and 3 months in arrears. The first payment will be made in February to cover expected expenditure in 2021/22. After that payments will be made in July (to cover the period April – September) and January (to cover the period October to March). Full guidance on the monitoring and reporting requirements will be provided to us at a later date.

Market Hall/Bus Station site

5. Within our funding bid we had to set out how we would deliver the projects to give confidence that we could deliver within the timescales. We also had to demonstrate how requirements around Subsidy Control (previously known as State Aid) could be met.
6. For the Market Hall/Bus Station scheme we said that Pendle Council would progress a planning application for the site and once permission was granted would undertake demolition/site preparation works that would be required for the development. The site

would then be sold at market value with the intention that it would be sold to PEARL Together (our Joint Venture Partnership with Barnfield Investment Properties and Together Housing) who would undertake the development. Members will need to confirm their agreement to PEARL Together being the developer for the site. At this stage agreement is being sought to the principle of this and it will be subject to agreeing satisfactory terms and conditions in relation to the land disposal, the development scheme for the site and use of any Levelling Up Fund grant. These terms and conditions will be included in a Development Agreement and a further report will be brought back to the Committee at an appropriate time providing more detail of the proposed terms of that agreement.

7. Since approval of the funding officers and PEARL Together have been reviewing the proposed timetable and delivery proposals to ensure that the development can be delivered in the most efficient and timely way. We have concluded that it would be most efficient for PEARL Together to work up a planning application, as agents for Pendle Council, so that design and construction can be effectively co-ordinated. If PEARL Together subsequently managed the demolition/site preparation this would mean that the demolition and future development could be fully integrated. These delivery proposals would still allow the scheme to be delivered in line with Subsidy Control requirements as the initial work would be done whilst the land was owned by Pendle Council and it would then be sold at market value.
8. It is proposed that the site for the reconfigured bus station be retained by Pendle Council as this is not a facility that PEARL Together would wish to take on. There will also need to be consideration over whether any areas of car parking are also retained or sold as part of the development. A further report will be brought to the Committee at an appropriate time to seek agreement to the exact area of land to be disposed of, following consultation with the Colne and District Committee.

IMPLICATIONS

Policy: The funding will support delivery of the Council's Strategic Plan

Financial: As set out in the report. External VAT Advice is being sought to ensure that all VAT associated with the scheme can be recovered.

Legal: The disposal of the site will need to include provisions to ensure that PEARL Together comply with any requirements of the LUF grant, in particular the delivery of outputs.

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

APPENDICES

None

LIST OF BACKGROUND PAPERS

Levelling Up Fund – Report to Policy & Resources 25th November 2021