

**NOTE OF A MEETING OF THE
NELSON TOWN DEAL BOARD
HELD REMOTELY VIA TEAMS
ON 6TH JANUARY, 2023**

PRESENT

S. Barnes (Chairman – in the Chair)

Members of the Board

<i>Councillor N. Ahmed</i>	<i>Pendle Borough Council (PBC)</i>
<i>Councillor M. Aslam</i>	<i>PBC</i>
<i>Councillor D. Whipp</i>	<i>PBC</i>
<i>Councillor Z. Ali</i>	<i>Nelson Town Council</i>
<i>C. Bennett</i>	<i>Positive Action in the Community</i>
<i>D. Gordon</i>	<i>Lancashire County Council</i>
<i>P. Hartley</i>	<i>In-Situ</i>
<i>L. Oddie</i>	<i>Oddie's Bakery</i>
<i>D. Rothwell</i>	<i>Nelson & Colne College</i>
<i>C. Smith</i>	<i>Pendle Engineering Ltd</i>

Consultants/Advisors

<i>D. Frost</i>	<i>Urban Edge Architects</i>
<i>D. Lindsay</i>	<i>ekosgen</i>
<i>H. Warren</i>	<i>Department for Work and Pensions</i>

Officers in attendance

<i>R. Rouse</i>	<i>Chief Executive, PBC</i>
<i>R. Gibson</i>	<i>Director of Resources, PBC</i>
<i>J. Whittaker</i>	<i>Housing, Health and Engineering Services Manager, PBC</i>
<i>R. Savory</i>	<i>Project Manager, PBC</i>
<i>D. Dixon</i>	<i>Assistant Project Manager, PBC</i>
<i>S. Lee</i>	<i>Principal Communications Officer, PBC</i>
<i>J. Robinson</i>	<i>Committee Administrator, PBC</i>

Also in attendance

<i>M. Nuttall</i>	<i>Property Director, Brookhouse Group</i>
-------------------	--

(Apologies for absence were received from Councillor M. Iqbal, D. Mendoros, C. Parker and S. Farnell.)

1. ANDREW STEPHENSON MP

The Chairman offered congratulations on behalf of the Board to Andrew Stephenson MP who had received a CBE in New Year's Honours for public and political service.

2.

JULIE WHITTAKER

The Chairman led the thanks to J. Whittaker who would be retiring from the Council. The Chairman, together with all Members of the Board thanked her for her hard work on and dedication to the Nelson Town Deal programme and wished her well in her retirement.

The Board were then formally introduced to R. Savory and D. Dixon of The Raise Partnership who would be undertaking work on the Revitalised Nelson project on the behalf of the Council and would report progress to the Board going forward.

3.

DECLARATIONS OF INTEREST

Members were reminded of the requirement to declare any interest they had on any item of business on the agenda.

4.

MINUTES

The minutes of the meeting held on 9th December, 2022 were submitted for approval.

AGREED

That the minutes of the meeting held on 9th December, 2022 be approved as a correct record and signed by the Chairman.

5.

REVITALISED NELSON: BUSINESS CASE ASSURANCE AND FUNDING RECOMMENDATIONS

The Housing, Health and Engineering Services Manager submitted a detailed report to inform Board Members of outcome of the Revitalised Nelson Business Case appraisal. The report also requested that the Board make funding recommendations to the Council as the Accountable Body for the Town Deal, in order for, subject to its agreement, a Project Summary Document (PSD) to be signed by the Chair of the Board and the Council's Chief Executive or S151 Officer and submitted to Government by 13th January, 2023.

The Revitalised Nelson project sought a Town Deal allocation of £13,265,297 subject to the twelve project conditions detailed in the report.

Board Members were asked to agree the twelve conditions as set out to enable the PSD to be submitted to Government in a timely manner. If the Government was happy with the details of the PSD, Year 1 delivery funding would be released. Following that, payments in future years would only be made subject to satisfactory spend and progress against agreed project milestones, outputs and outcomes.

A profile of match funding which was required for the PSD submission and monitoring returns to Department for Levelling Up, Housing and Communities (DLUHC) had not been provided in the Business Case but was now provided in Appendix 2 attached to the report.

It was reported that the viability of providing residential units above the retail offer at Pendle Rise had been further explored as requested by the Policy & Resources Committee on 24th November, 2022. PenBrook had reviewed their previous assumptions about costs and values and still felt that a solely retail scheme was more viable. House prices were low in Nelson and the level of interest in buying apartments in the town centre was unknown as it would be an untested market. Registered Providers had shown little interest in taking on such properties for affordable housing. Smaller developments of private rented properties elsewhere in the town centre appeared to have taken some time to let. The level of risk was currently considered too high by PenBrook to progress such a development. There was, however, still interest from Registered Providers on working with PenBrook elsewhere in the town centre.

D. Lindsay from ekosgen gave a presentation on the Business Case. In accordance with Nelson Local Assurance Framework, the Revitalised Nelson project Business Case had been independently appraised by ekosgen and had also been considered by the Project Appraisal Sub-Group of the Board. The views and comments from the Sub-Group had been provided to ekosgen and had formed part of their appraisal considerations.

The Business Case had been assessed against the Five Case Model, the; Strategic Case; Economic Case; Financial Case; Commercial Case; and Management Case. Overall the Business Case was considered suitable for investment subject to twelve suggested conditions.

With regards the Strategic Case, ekosgen considered that the case as set out was suitable for investment, however, could be strengthened with further evidence of potential demand from existing and potential occupiers.

With regards the Economic Case, the project outputs were expected to deliver a BCR of 1.51 which represented 'medium' value for money and was an acceptable level for Towns Fund investment. On this basis, the case as set out was considered to be suitable for investment. The assumptions made about benefits, however, were conservative and it was possible that greater value for money could be achieved, particularly once the wider economic and social benefits were considered. It was asked what the benefit of being conservative at this stage were. It was explained that greater reassurance would only be required should it drop below 1.2. But Members were advised to consider the impact of any changes to scope to ensure the scheme would continue to represent value for money.

The Financial Case reflected the stage of project development and, as such, the case was considered suitable for investment subject to conditions.

Board Members were advised to be mindful of the implications of any delays particularly given that £9 million of spend was allocated to the penultimate year and also of inflation given the potential for costs to change significantly as the project progresses. Board Members were further advised to be satisfied that all risks were manageable.

The status and security of the match funding was enquired about. Match funding

would primarily be sourced from the PenBrook Joint Venture. A formal procurement process had already been undertaken and Brookhouse had put a lot of time and effort into moving the project forward. Final approval would not be achieved until ownership of Pendle Rise had been secured and planning permission had been received and further viability work had been carried out. M. Nuttall gave assurance to the Board that Brookhouse, as JV partner was fully committed to providing the match funding primarily through standard development costs.

With regards the Commercial Case which also reflected the stage of project development, the case was considered suitable for investment subject to conditions.

With regards the Management Case, the case was considered suitable for investment subject to conditions.

More formal demand analysis was also recommended to the development proposition was viable.

Board Members were advised that the Risk Register and the consideration of potential mitigations and fall-backs should be more fully developed given the scale of the scheme. Some key risks which required more formal consideration had been excluded from the Risk Register.

Key milestones would need to be reviewed and a more detailed delivery programme produced. The Chief Executive gave assurances that this would be done by the next meeting as the Council was now in delivery mode.

AGREED

- (1) That the findings of ekosgen's Appraisal of the Revitalised Nelson Towns Fund Proposal report be noted.
- (2) That the Council's Chief Executive and Leader be recommended to:
 - a. Approve £13,265,297 Towns Funding towards the Revitalised Nelson project subject to the following conditions:
 - The Town Board receives the necessary assurances concerning the flexibility of the proposals to accommodate the realisation of project risks and/or cost inflation above the forecast level.
 - Clear timescales are agreed for when a full commitment to the development proposals can be made by the PenBrook Joint Venture (JV), and that appropriate mitigations / fall-back positions are considered.
 - The Council as applicant sets out options for managing the current forecast shortfall in funding (of £160,000) for Trafalgar House.
 - The implications of any reallocation of funding (including the Relocation Fund) are fully considered ahead alongside any approval for a change request – including the implications on value for money, delivery of outputs, and existing business tenants at Pendle Rise.
 - Timescales are agreed for the development of a more detailed development programme, to (i) provide assurance that funding is deliverable within the

- proposed timescales and (ii) to ensure that the implications of any potential delays can be considered at the earliest opportunity.
- A profile of match funding is provided by the applicant.
 - Milestones are agreed for confirming the proposed delivery model for each element.
 - The Town Board is satisfied that sufficient evidence is provided in relation to future occupier demand, and if necessary, an approach is agreed for more formally considering potential demand.
 - Release of funding is dependent on the receipt of satisfactory legal advice concerning Subsidy Control.
 - Early-stage development milestones are agreed for elements of the management case, including a detailed delivery programme and risk register, and consideration of external project dependencies.
 - Roles and responsibilities (specifically between the Council and PenBrook JV) for each element should be confirmed.
 - Further detail should be provided in relation to the management and operation of the Relocation Fund.
- b. Delegate authority to the Project Appraisal Sub-Group of the Town Deal Board to ensure these conditions are met (where specific reference to the Board is not made).
- c. Authorise the submission of the Project Summary Document to Government.
- (3) That delegated authority be granted to the Chairman to agree and sign the Project Summary Document, on the behalf of the Board, prior to submission to Government by Friday 13th January, 2023.
- (4) That the Policy & Resources Committee be advised that following further exploration it was still felt that a solely retail scheme for Pendle Rise was more viable.
- (5) That a report be brought to the next meeting setting out a detailed delivery programme, a more detailed risk register and further details of the delivery model.

6. PENDLE RISE DEVELOPMENT PROPOSALS

D. Frost from David Urban Edge Architects gave a presentation on the development proposals for Pendle Rise.

The layout of the development for Pendle Rise had been selected and featured two terraces, 150 car parking spaces and high quality public realm space with integrated landscaping in the centre. There would be a food anchor on the west side of the development and a retail one on the east side. Three options for the design were then presented. All three options would use local and high quality materials and would include biodiverse planting and active frontages.

Board Members asked a number of questions about the potential for traffic jams at the car park's exit, the potential for events to be held in the central space and the

level of confidence in having sufficient funding to deliver such a high quality scheme. There would be a single entrance from Broadway and two exits onto Broadway and Leeds Road which should alleviate the issue of potential traffic jams. A Transport Engineer had already been involved and would provide further technical details as the scheme progressed. The central space would be flexible and could be used for events as any street furniture could be moved easily and an electricity supply could be made available. There was a high level of confidence that the scheme would be deliverable at the level of quality proposed.

It was proposed that all three options be put out to public consultation as soon as is practicable. The consultation would be on the design of the proposed development only as the layout had already been determined.

AGREED

That the three design options proposed by Urban Edge Architects be put out to public consultation as soon as is practicable and before the next meeting.

7. COMMUNICATIONS AND ENGAGEMENT UPDATE

The Housing, Health and Engineering Services Manager submitted a report which gave an update on communication and engagement activities relating to the Town Deal over the last six months and further provided information on those planned for the next three months. The report also sought the Board's agreement for an updated Communication Strategy Action Plan for the next six months and a review of the Town Deal website.

It was reported that the Communications Strategy for Nelson Town Deal was approved by the Board in February, 2022. Between June, 2022 and December, 2022 twelve news stories on various Town Deal projects had been reported and a summary of each story was provided in the report. It was further reported that future press releases were planned between January, 2023 and March, 2023 on the Revitalised Nelson, This Is Nelson, Business Resilience and Growth and Accessible Nelson projects. The Business Resilience and Growth press release would go some way to respond to the Board's request at the last meeting for the possibility of a marketing campaign to encourage further take-up of Nelson Town Deal Business Grants to be explored. It was suggested that visuals of the three design options for Pendle Rise proposed by Urban Edge Architects should be included in the planned Revitalised Nelson press release.

It was further reported that public perception seems to be that the Town Deal projects only benefit Nelson when they in fact benefit the Borough as a whole. It was suggested that work be done to improve the reputation and perception of the projects. One particular suggestion was doing mini case studies on people who did not live in Nelson but worked for any of the 11 businesses that had already benefitted from Nelson Town Deal Business Grants.

It was then proposed that a new six month Communications and Engagement Action Plan (April to September, 2023) be created ahead of the next meeting. It was

envisaged that the Plan would focus on the promotion of the delivery of the various projects.

It was also proposed that a review of the Nelson Town Deal website be undertaken due to the receipt of advice from the Cities and Local Growth Unit (CLGU).

AGREED

- (1) That the communication and engagement activities relating to the Town Deal and its projects over the last six months be noted.
- (2) That visuals of the three design options for Pendle Rise proposed by Urban Edge Architects be included in the planned Revitalised Nelson press release.
- (3) That work be done to improve public perceptions of the Town Deal projects through demonstrating that they benefit the Borough as a whole and not just Nelson.
- (4) That a new six month Communications and Engagement Action Plan (April to September 2023) be created and submitted to the next meeting.
- (5) That a review of the Nelson Town Deal website be undertaken guided by the advice from the Cities and Local Growth Unit (CLGU).

8. DATE OF NEXT MEETING

The next meeting was scheduled for Friday, 17th March, 2023 at 10.00 a.m.

Chairman _____