

REPORT FROM: DIRECTOR OF PLACE

TO: EXECUTIVE

DATE: 22 JUNE 2023

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**NELSON TOWN DEAL
RE-PROFILE OF THE BUSINESS RESILIENCE AND GROWTH PROJECT**

PURPOSE OF REPORT

- To consider the re-profiling of the Nelson Town Deal - Business Resilience and Growth project intervention rates and to amend the grant availability from 4 to 3 years.
- To review the buffer zone at the end of each year.

RECOMMENDATION

- (1) To agree re-profiling of the Nelson Town Deal Business Resilience and Growth project intervention rates and to amend the grant availability to 3 years rather than 4 years.
- (2) To review the take up of bids and agree to review the buffer zone on an annual basis.

REASON FOR RECOMMENDATION

- (1) To encourage take up of grants throughout the life of the project and leave a monitoring year at the end of the programme.
- (2) To ensure the continuing success of the take up of grants.

Background

1. Nelson Town Deal Business Grants

The Business Resilience and Growth £2 million project is one of seven Department for Levelling Up, Housing and Communities, DLUH, approved projects within the Nelson Town Deal programme. The project supports the provision of capital grants to help enable business expansion projects, including premises, plant and machinery to support the creation of sustainable jobs and improved productivity within the manufacturing sector.

2. Progress and the issue

A percentage of the total amount of capital the business requires will be awarded as a grant with the business expected to match fund the investment. This grant is called the intervention rate and is currently set at a maximum of 50%.

3. The project has been extremely successful in Year One and in total 11 grants have been approved and supported to date. The maximum grant available is £100k. The current percentage of total grant awarded, or intervention rate for each year of the project is shown in Table 1:

Table 1

Year	Current Intervention Rate %
2021/22	0
2022/23	50
2023/24	50
2024/25	30
2025/26	20

4. Given the current financial climate it is thought that the reductions to a 30% intervention rate and 20% in the last two years of the grant will result in a very poor take up in interest from businesses as the capital investment from the business for these two years would be expected to be 70% in 2024/25 and 80% in 2025/26. To maintain the current successful rate of grant uptake it's therefore recommended that the intervention rate is re-profiled as in Table 2 below.
5. In addition to this the final year of the project has been profiled as mainly a monitoring year to allow for the lag between the allocation of the grant, the actual spend of the grant and then to satisfy DLUH that the monitoring of all outputs have been satisfied.

Table 2

Year	Suggested Intervention Rate %
2021/11	0
2022/23	50
2023/24	50
2024/25	50
2025/26	0

6. Table 3 below shows the existing funding split and the suggested split following re-profiling. The proportion of total columns shows the breakdown of the total capital spend for each year over the four years of the project. Re-profiling of this would require the proportion of capital spend to be broken down over 3 years instead of 4 as shown in the columns highlighted green. The revenue spend for the project relates to management & governance costs, including marketing.

Table 3

Year	Current capital spend	Proportion of Total	Current revenue spend	Total	Suggested capital spend	Proportion of Total
2021/22	£0		£0	£0	0	
2022/23	£500K	25.00%	£25K	£525K	£500K	25.00%
2023/24	£500K	25.00%	£25K	£525K	£700K Requires additional £200K	35.00%
2024/25	£450K	22.50%	£25K	£475K	£700K requires additional £250K	35.00%
2025/26	£450K	22.50%	£25K	£475K	0	0.00%
	£1,900,000	95.00%	5%	£2,000,000	£1,900,000	95.00%

Outputs and Outcomes

7. Due to the time delay between the grant allocation, actual payment, and then evidencing of the outputs through the bi-annual monitoring returns to DLUCH it is suggested that the outputs and outcomes are also re-profiled. Otherwise, we will always be forecasting target outputs rather than meeting them. See Appendix 1 for the Outputs agreed as part of the original Business Case to DLUCH and re-profiling analysis.
8. To try and keep things relatively simple it is suggested that we re-profile the agreed outputs by removing the output targets for 2022/23 and adding these targets to 2023/24 and then tapering off in years 2024/25 and 2025/26.

The Buffer Zone

9. At present only manufacturing businesses which are within the defined Town Centre Boundary are eligible to apply for a grant. See the boundary plan at Appendix 3.
10. It has previously been suggested that a buffer zone of 0.5 mile from the official boundary as “the crow flies” is considered to provide opportunities for other manufacturing businesses to apply for a grant. In addition to meeting the criteria to be accepted for these grants, any business within this buffer zone would be asked to state additional reasons why they should be accepted for these grants.
11. The re-profiling of this project will encourage the continued take up of grants throughout the life of the project, and therefore it is recommended that the buffer zone is not introduced at this time.

12. A review of the level of grant take up will be carried out annually and any drop off in the success may result in a re-consideration of the buffer zone and a report to the Executive.

IMPLICATIONS

Policy: The re-profiling of this project around the spend allocation supports the Councils Plan 2023-2027 Priority 2 Good Growth by seeking to achieve economic prosperity and development and the successful delivery of the Nelson Town Deal.

Financial: As detailed within the body of the report

Legal: None arising directly from this report.

Risk Management: The re-profiling of the project will ensure the continued success and take up of grants by businesses ensuring the spend is fully achieved.

Health and Safety: None arising directly from this report.

Sustainability: None arising directly from this report.

Community Safety: None arising directly from this report.

Equality and Diversity: None arising directly from this report.

LIST OF BACKGROUND PAPERS - None.

APPENDIX 1 – Original/Revised Project Outputs and Outcomes

APPENDIX 2 – Town Centre Boundary Plan

APPENDIX 1

Output		2021-22	%	2022-23	%	2023-24	%	2024-25	%	2025-26	%	Total
Jobs created	Current	0	0.00	45	27.27	40	24.24	40	24.24	40	24.24	165
	Suggested	0	0.00	0	0.00	85	515.52	50	30.30	30	18.18	165
Jobs safeguarded	Current	0	0.00	90	26.87	85	25.37	80	23.88	80	23.88	335
	Suggested	0	0.00	0	0.00	175	52.24	100	29.85	60	17.91	335
No of Enterprises receiving grants	Current	0	0.00	10	26.32	10	26.32	9	23.68	9	23.68	38
	Suggested	0	0.00	0	0	20	52.63	11	28.95	7	18.42	38
Number of closer collaborations with employers	Current	0	0.00	10	26.32	10	26.32	9	23.68	9	23.68	38
	Suggested	0	0.00	0	0	20	52.63	11	28.95	7	18.42	38
No of businesses receiving non-financial support	Current	0	0.00	10	26.32	10	26.32	9	23.68	9	23.68	38
	Suggested	0	0.00	0	0	20	52.63	11	28.95	7	18.42	38
No of businesses with green retro fits	Current	0	0.00	4	30.77	4	30.77	3	23.08	2	15.38	13
	Suggested	0	0.00	0	0	8	61.54	3	23.08	2	15.38	13
New/adapted commercial floorspace (sqM)	Current	0	0.00	211	26.38	211	26.38	189	23.63	189	23.63	800
	Suggested	0	0.00	0	0	422	52.75	189	23.63	189	23.63	800
Carbon dioxide reductions (Tonnes)	Current	0	0.00	26.75	30.75	26.75	30.75	16.75	19.25	16.75	13.25	87
	Suggested	0	0.00	0	0	53.5	61.49	16.75	19.25	16.75	19.25	87