

**REPORT FROM: HEAD OF ECONOMIC GROWTH**

**TO: EXECUTIVE**

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**COLNE MARKET  
JOINT VENTURE (JV) DELIVERY VEHICLE**

**PURPOSE OF REPORT**

To secure approval to the transfer of the Colne Market scheme into the PEARL2 delivery vehicle.

**RECOMMENDATION**

To adopt the Pearl 2 JV for the delivery of the Colne Market Hall scheme.

**REASON**

To ensure that the most appropriate method is adopted to deliver the Colne Market scheme in light of Together Housing not wishing to see it progressed through the Pearl Together JV, as originally intended.

**Background**

1. PBC secured Colne Levelling Up funding (LUF) – a £6.5m funding programme comprising two key elements: the refurbishment of Colne market hall and associated housing and public realm improvements, and the refurbishment of three theatres.
2. The Colne Market Hall project was originally submitted to the LUF as a complete demolition of the existing market hall and a rebuild to include a footprint for a cinema and a separate residential development.
3. However due to financial constraints and changes in the market, the scheme was revised and, instead of demolition, a full remodelling of the existing market hall building is proposed, including the refurbishment of residential units at first floor level.
4. The table below shows the makeup of the funding envelope for the scheme:

Levelling Up Funding	£3,056,720
Local authority	£305,672
Receipts*	£1,400,000
Total	£4,762,392

Receipts\* this relates to the receipt from housing disposals. Exact figures will be subject to market conditions.

5. The original proposal was that the scheme would be delivered through the Pearl Together JV, comprising PBC, Barnfield and Together Housing.
6. The foundation for this JV was outlined in the original report (dated 20 January 2022) to the Policy and Resource Committee. Where it set out that Pearl Together was selected as the developer and to seek planning permission for development of Market Hall/Bus Station site.
7. Following a recent Pearl Together Board Meeting Together Housing has confirmed that, as it does not have any direct involvement in the housing component of the scheme, it does not wish the project to be delivered through the Pearl Together JV, as was the original proposal.
8. There are a number of delivery options available to progress the scheme if it cannot be delivered through the Pearl Together JV.
9. One option would be to seek to continue to progress the project through the Pearl Together through indemnifying Together Housing for any losses incurred on the scheme by the existing Pearl Together partnership.
10. Another option would be to deliver the scheme through another Pearl JV..
11. A third options would be to directly award the contract from PBC to Barnfield although this will need to be subject to financial, technical and legal advice.
12. A fourth option would be to tender the scheme through a traditional tendering process. This would mean that a brief would need to be written and issued through a procurement process. This process will entail setting sufficient time for the returned tenders and associated paperwork and will take a number of months to complete which will add significant time before implementation of the scheme

## IMPLICATIONS

**Policy:** None arising directly from this report

**Financial:** All Levelling Up Fund resources are time limited must be spent with the programme period It is imperative that due to timescales, any selected projects are progressed within agreed timescales.

**Legal:** There may be a requirement to determine new terms of reference for the JV considering the new project

**Risk Management:** Financial risks, including inflation, project management and technical have been alluded to within the report. The proposal to move to another JV will mitigate project delivery risk.

**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**