

ECONOMIC DEVELOPMENT COMMITTEE

16 JUNE 2021

NEWARK TOWNS FUND

1.0 Purpose of Report

1.1 To update on the Newark Towns Fund and associated Town Investment Plan.

2.0 Updates

Signing Heads of Terms

2.1 Members will recall from the last meeting of the Committee that on 3 March, as part of the Chancellors 2021 Budget announcement, Newark was confirmed as being successful in securing its full £25m ask from Government for projects detailed within the Newark Town Strategy and Investment Plan (TIP).

2.2 Following the Chancellors announcement, and in accordance with the resolution of the Newark Towns Board and this Council, Heads of Terms for the Newark Town Deal were formally signed on 20 April 2021 between the Government, the Co-Chairs of the Towns Board (on behalf of the Board), and the CEO of Newark & Sherwood District Council (on behalf of the accountable body).

Project Confirmation & Business Case Development

2.3 Members will recall from the March meeting that all of the priority projects promoted in the Newark TIP were identified in the Heads of Terms as being capable of receiving Towns funding, subject to business plan development and approval. In the case of the Newark Southern Link Road it was decided that NSDC would seek to close the current funding gap via a Newark Levelling Up Fund (LUF) submission on 18 June 2021, allowing towns funding to be available for all of the other priority TIP projects. This position is fully supported by the Newark Towns Board. An update on the Newark LUF for the Southern Link Road is provided elsewhere on this agenda.

2.4 On 21 May it was necessary to submit to Government confirmation of this position through the submission of 'Project Confirmation Documents' for each scheme, alongside details and/or commitments of proposed governance, assurance, engagement (including with the private sector), and monitoring and evaluation frameworks to manage the overall Towns Fund program and associated projects. This also included a commitment that all projects will demonstrate within submitted business cases how they would address Clean Growth Principles.

2.5 Table 1 below captures the projects being progressed through to Outline and Full Business Case Stage. Members will recall that each business case will be developed with the help and assistance of Hatch consulting, independent providers procured to assist each project sponsor in developing their submissions.

2.6 Members will note an additional revenue ask, endorsed by the Towns Board, for revenue capacity for management and delivery of the Towns Fund program.

Table 1.

| Project | Project Sponsor | Towns Fund Contribution |
|---|-----------------------------|-------------------------|
| 20 Minute Town | NSDC | £0.2m |
| 32 Stodman Street | NSDC | £2m |
| Castle Gatehouse | NSDC | £2.6m |
| Construction College Expansion *Costs discounted as completed using Accelerated Towns Fund | Lincoln College Group | £0.389m |
| Cultural Heart of Newark | NSDC | £2.1m |
| IASTI | Lincoln College Group | £10.6m |
| Police Station Relocation | Nottinghamshire Police/NSDC | £1m |
| SiScLog (Newark Gateway site) | University of Lincoln/NSDC | £4m |
| YMCA Community & Activity Village | YMCA | £2m |
| Towns Fund program management and Delivery | Accountable Body | £0.5m |
| | | £25m* |

Assurance Process

- 2.7 Members will be aware of the role of this Council, both in promoting and/or supporting TIP projects and as the accountable body for the Towns Fund. This latter role requires scrutiny and assurance of all projects and associated Business Plans in order to ensure value for money, delivery of expected outputs, and ultimately release of grant(s).
- 2.8 **Appendix A** details a proposed Newark Towns Board Assurance Framework (AF). The AF has been drafted in consultation with internal legal and finance colleagues, in addition to the S151 officer. Externally, colleagues at the D2N2 LEP, MCHLG, and independent consultants Hatch and Quod (those assisting in Business Case preparation and assurance respectively) have all contributed to the recommended AF. It is recommended that Members endorse the proposed AF, recommending to the Policy and Finance Committee that this be formally adopted by this Council as an approved Newark Towns Fund Assurance Framework (June 2021). If approved, all projects will be required to adhere to this Framework, with a formal recommendation on whether to release Towns Fund grant being provided by the Council's s151 Officer, in consultation with external consultancy support from Quod consulting. Any variation with the AF will be by exception, and only with the consent of this Council via the Policy & Finance Committee and the Newark Towns Board.

Business Case Approval

- 2.9 As Members would expect projects are at different stages of maturity. There are 3 projects which are likely to be advanced to Full Business Case by the autumn: 1) the YMCA Community & Activity Village; 2) the IASTI; and 3) 32 Stodman Street.
- 2.10 The YMCA Community & Activity Village is the first project to have completed and submitted a final Full Business Case (FBC) for the Council's consideration on behalf of the Newark Towns Board. At the time of writing this FBC is being appraised by Quod consulting and the Council's

s151 Officer. It is expected that this will be concluded prior to meeting of the Policy & Finance Committee, with an accompanying recommendation that the FBC is compliant and that the full £2m grant is released, subject also to the approval of the Newark Towns Board and execution of a required Grant Funding Agreement between the Council and the YMCA (that agreement will also include regular reporting of delivery and outputs). Members are asked to formally welcome and endorse this approach, which would see delivery of the completed Community and Activity Village in Spring 2022.

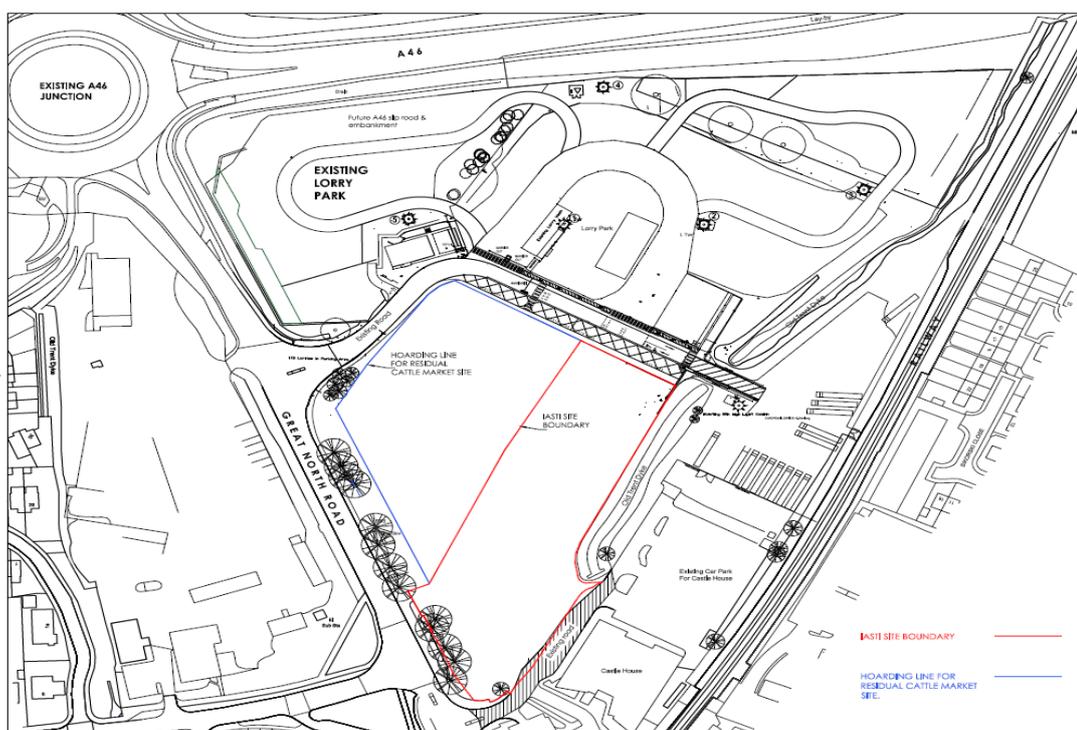
Project Updates

Newark Gateway Site (the former Cattle Market and current Lorry Park)

- 2.11 Members will be aware that following the decisions of this Committee and that of the Policy & Finance Committee in November 2020 and January 2021 works are progressing for the demolition and safe holding of the vacant cattlemarket site. Demolition consents have been issued and tenders via an open market procurement process must be submitted by the end of June. Subject to a successful award, it is expected that demolition will commence in July 2021, completing by the autumn. The site will then be securely held pending the first development, the International Air & Space Training Institute (IASTI® Newark).

IASTI® Newark

- 2.12 Members will recall this project, and its innovative approach to training across military and civil industries to create pre 16, post 16, and post 18 education pathways for pilots, ground crews, and engineers. IASTI® Newark is the first to be announced in the UK. A second at IASTI® London City has also now been [announced](#).
- 2.13 IASTI® Newark will welcome its first intake of students to temporary facilities at Newark College from September 2021 with a view to the new permanent IASTI facility opening from September 2023 on the Newark Gateway site. The proposed site of the IASTI is detailed below and follows feasibility work by the Council and College to progress a scheme. Members will see that the intention, subject to further detail and agreement by this Council as both landowner and planning authority, is for the IASTI to be serviced off the exiting access to Castle House.



- 2.14 It is expected that the IASTI® Newark will be phase 1 of the Newark Gateway development. Further phases, included the relocation of the lorry park and its redevelopment continue to be subject to feasibility work, including negotiations with Highways England giving the

scope and timings of works associated with the A46 Newark Northern Bypass. A decision of the redevelopment of the lorry park does not need to be made in order to accommodate the IASTI® Newark development with the Lincoln College Group understanding that the IASTI will be operational alongside the lorry park, albeit in the knowledge that the Council retains its desire to ultimately relocate and redevelop the lorry park, subject to conclusion of necessary feasibility work and business cases.

- 2.15 The IASTI® and Newark Gateway delivery programs have scheduled a likely planning application for the IASTI® in late summer 2021. Members are asked to recommend to the Policy & Finance Committee that they support, subject to realising best value land considerations, a land deal for the siting of the IASTI® Newark and consent to a planning application being submitted by the Lincoln College Group on Council land in summer 2021.

Replacement Livestock Market

- 2.16 The Council continues to negotiate with a third party who remain interested in progressing a new Livestock Market for Newark. This interested party already invested in purchasing various items of cattle market furniture and pennage from the old cattle market site, and continues to keep Officers informed of ongoing discussions. Further detail will be provided as this scheme is developed.

Other Projects

- 2.17 The other Towns Fund projects continue to be developed with the project sponsors, partners, and Hatch consulting. As they progress further updates will be provided.

3.0 Equalities Implications

- 3.1 Each TIP project is required to specifically address equalities and access implications as they are developed. This will be captured through the scheme and Business Case submissions.

4.0 Digital Implications

- 4.1 There are digital implications within many of the TIP plans and projects identified, with the need to ensure appropriate digital infrastructure, skills and future innovative and creative employment opportunities being key to many objectives. Each project will be required to identify this as they progress.

5.0 Financial Implications (FIN21-22/9077)

- 5.1 Budget for the funding and safe holding of the vacant livestock market was secured at the March Policy & Finance meeting, as was associated budget to progress the Newark Gateway development feasibility work.
- 5.2 As per paragraph 2.10, the business case for the Community and Activity Village has been submitted. Therefore, if members endorse the proposal to release the £2m funding a budget will need to be approved for addition into the Capital Programme.
- 5.3 Additional capacity and resources to continue to deliver the Town Fund programme, alongside other regeneration initiatives and funding opportunities will be addressed under separate cover.

6.0 Community Plan – Alignment to Objectives

6.1 The Newark Town Deal and TIP is a direct intervention of such scope and breadth that it significantly contributes to delivering all of the Council’s Community Plan objectives.

7.0 RECOMMENDATIONS that:

- (a) Members note and welcome confirmation that Heads of Terms for the Newark Towns Deal have now been signed with Government to allow access to up to £25m of capital funding for the range of Town Investment Plan (TIP) projects detailed at paragraph 2.6 of this report;**
- (b) Members endorse the proposed Newark Towns Fund Assurance Framework (June 2021) and recommend to the Policy & Finance Committee that this be adopted by the Council in its role as accountable body for the Newark Towns Fund;**
- (c) Members advise of their full support for the YMCA Community & Activity Village to the Policy & Finance Committee, requesting the release of Towns Fund Grant for this project, subject to the satisfaction of the Policy & Finance Committee and s151 Officer that the Full Business Case submitted is in accordance with the Newark Towns Fund Assurance Framework (June 2021); and**
- (d) Members welcome the update on the IASTI® Newark as the first of its kind in the UK and recommend to the Policy & Finance Committee that the development of the IASTI® Newark as a Phase 1 of the Newark Gateway redevelopment be supported, subject to necessary due diligence on securing an appropriate long lease of the land and permission for the Lincoln College Group to submit a planning application on the identified phase 1 Gateway site**

Reason for Recommendations

To continue the development the Newark Towns Strategy and Investment Plan.

Background Papers

Newark Town Investment Plan (July 2020)

For further information please contact Matt Lamb on Ext. 5842

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