

POLICY & FINANCE COMMITTEE

24 JUNE 2021

URGENCY ITEMS - MINUTE OF DECISION

Delegation arrangements for dealing with matters of urgency

Paragraph 7.2.1 of the Council's Constitution provides that Chief Officers may take urgent decisions if they are of the opinion that circumstances exist which make it necessary for action to be taken by the Council prior to the time when such action could be approved through normal Council Procedures. They shall, where practicable, first consult with the Leader and Chairman (or in their absence the Vice-Chairman) and the Opposition Spokesperson of the appropriate committee.

Subject:

Levelling Up Fund - Newark Southern Link Road (SLR).

Appropriate Committees:

Economic Development; Policy & Finance

Details of Item (including reason(s) for use of urgency procedure):

Background

Members will be aware of the intention to deliver the SLR, as captured in the Core Strategy (revised 2019), Community Plan (2020), and Newark Town Investment Plan (2020).

Phase 1 of the SLR is complete, save for the A1 roundabout. Residential development at Middlebeck is currently limited to 599 dwellings (Avant, Bellway, and Countryside who are now building out have consented schemes for 542 dwellings) until such time as the A1 roundabout is provided, and later phases of the SLR are delivered.

Progress on Delivery

As has been previously reported Strategic Urban Extension (SUE) sites by their nature often require considerable, up-front and occasionally disproportionate infrastructure costs compared to smaller sites delivered by volume house-builders. Middlebeck is no exception. Since the provision of phase 1 of the SLR (itself supported by a £11.2m loan from Homes England) the developer and a range of public sector partners have been working to secure a funding package to allow whole SLR delivery. As was detailed and resolved at the June 2020 Policy & Finance Committee meeting there are now funding commitments from NSDC and LEP. Negotiations are ongoing with Homes England which remain positive in terms of new loan facility to support the scheme, albeit it is expected that a significant funding shortfall will remain (c£15-20m).

Proposed Levelling Up Fund (LUF) bid

Members will be aware that NSDC is able to submit 2 LUF bids for the lifetime of the fund, one for the parliamentary constituency area of Newark and the other for the constituency area of Sherwood. Members will also recall that any Round One bid is invited for project(s) which are well advanced,

allowing delivery of capital grant in 2021/22 and full spend by 31st March 2024. Round one bids must be submitted to the government by 18 June 2021.

Homes England, Highways England, the D2N2 LEP, Nottinghamshire County Council, and the developer are all willing to back a Newark Constituency LUF bid for submission to government on or before 18 June 2021. The bid will be developed using highway and economic consultancy support paid for jointly by the developer (Urban & Civic), NCC, and NSDC. The total cost of the consultancy support including both the highway and economic support is anticipated to be £66,000. NCC and U&C have agreed to equally match any NSDC payments therefore sharing the total cost between the three parties. This would mean a budget requirement of £22,000 from NSDC. NSDC will formally commission the work, with the Council then invoicing NCC and U&C for work undertaken.

It is anticipated that the consultancy support identified in the paragraph above will support a bid to the LUF which will close the identified funding gap. Policy & Finance Committee resolved to support the Newark Constituency LUF bid for the SLR, subject to the bid closing the whole financial gap at its meeting in April 2021.

In addition to highway and economic consultancy support there is a need to refine further the outstanding design of the A1 end of the SLR. Based on quotes obtained the developer reports that this will need support of up to £600,000. For the avoidance of doubt this cost will not increase the overall costs of delivering the SLR. Rather, allow further design and cost certainty alongside a very clear statement of intent that there will then be no other barriers to delivery, save for funding. It is accordingly proposed that up to £600,000 be released as part of the Council's contribution to the SLR.

Relationship with the A46 Newark Northern Bypass

Members will be aware that in February this year NSDC submitted a detailed formal response to Highways England's non-statutory period of consultation on design options for the route of the A46 Newark Northern Bypass upgrade scheme. Our submission sought to make clear the importance of traffic management, network co-ordination, and sequencing throughout the construction phase of the approved scheme, highlighting the potential significance of the SLR and its potential role in traffic management. Closing the funding gap, and allowing delivery in advance of the A46 Newark Northern Bypass works commencing will mean an alternative traffic route across the strategic highway network throughout construction.

Equalities Implications

SLR design and operational equality considerations are addressed by the approval processes for each of the highway authorities involved.

Financial Implications (FIN21-22/3972)

Based on fee proposals received it is clear that the overall costs of the consultancy support needed will be up to £66,000. The Council will commission these works on behalf of the two partners involved, Nottinghamshire County Council (NCC) and Urban & Civic (the developer), both of whom have confirmed that they will contribute towards both commissions on an equal 1/3 split basis across all of the partners. Accordingly, the Council's contribution to both commissions will be up to £22,000. Currently there is no budget provision for this value and hence this would need to be funded through the Change Management Fund.

Due to the speed at which the consultancy support needs to take place (i.e. to ensure a bid by 18th June 2021) a Contract Procedure Rules Exemption form is also required, with authorisation agreed by the Chief Executive and s151 Officer.

There is a scheme for the Southern Link Road in the Capital Programme at a total cost of £12m. This is financed by £7m LEP grant and £5m of the Council's own resources (£2.5m specifically set aside from the Change Management Reserve as our additional contribution to the funding gap).

There is currently £11m left of this budget profiled over 2021/22 and 2022/23. This budget can be used to provide the funding of £0.600m required by Urban & Civic to progress the scheme in preparation for the LUF bid and is not additional cost to the overall scheme.

Decision

- a) That funds of up to £22,000 (funded by the Change Management Fund) be made available for NSDC's contribution to procuring consultancy support to prepare and submit a Newark LUF bid to Government on or before 18th June 2021; and
- b) That the Director – Planning & Growth in consultation with the Business Manager, Law & Information Governance be given delegated authority to enter into contractual arrangements with the developer (Urban & Civic) to utilise up to a maximum of £600,000 from NSDC as part of its overall maximum contribution of £5m towards the delivery of the whole SLR.

Reason for Decision

To enable preparation and submission of a Newark Levelling Up Fund bid for Newark by the nationally set deadline of 18th June 2021.

Members Consulted:

Councillor David Lloyd - Chairman and Leader of the Council (17/05/21)

Councillor Keith Girling – Chairman, Economic Development Committee and Deputy Leader of the Council (17/05/21)

Councillor Paul Peacock - Opposition Spokesperson (17/05/21)

Signed: 

Date: 18th May 2021

Matt Lamb
Director – Planning & Growth