

POLICY & FINANCE COMMITTEE

24 JUNE 2021

NEWARK TOWNS FUND UPDATE

1.0 Purpose of Report

1.1 To present the proposed Assurance framework for the Newark Towns Fund to assist the delivery of supported projects in the Newark Town Investment Plan (TIP) and associated Heads of Terms.

2.0 Background

Newark Towns Fund

2.1 Members will recall the welcomed announcement in the March 2021 budget that Newark had been successful in its bid for £25m of grant funding for a raft of transformative and long-term projects for the Town, all contained within the Newark Town Investment Plan (TIP). Following this announcement Heads of Terms were executed with the government for the Newark Town Deal on 20 April 2021. The Towns Board, in alignment with this Council, have confirmed that the following TIP supported projects will be progressed through to Outline and Full Business Case stage.

Project	Project Sponsor
IASTI	Lincoln College Group
SiScLog (Newark Gateway site)	University of Lincoln/NSDC
32 Stodman Street	NSDC
Castle Gatehouse	NSDC
YMCA Community & Activity Village	YMCA
Construction College Expansion	Lincoln College Group
Cultural Heart of Newark	NSDC
Police Station Relocation	Nottinghamshire Police/NSDC
20 Minute Town	NSDC

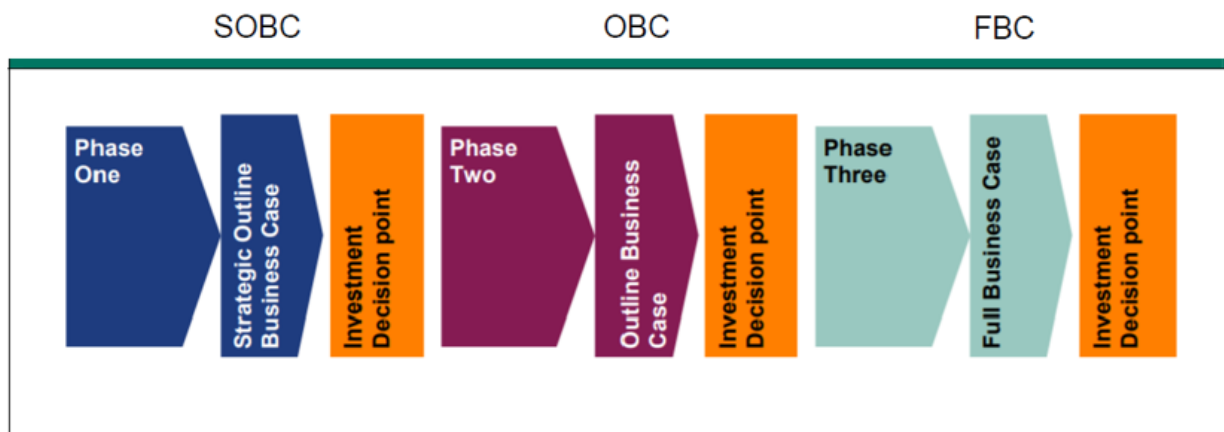
2.2 The Newark Southern Link Road (SLR), the final TIP supported project is subject to a separate funding bid by this Council, in partnership with Nottinghamshire County Council and the developer (Urban&Civic). It is not therefore proposed at this time that this project be progressed with the support of SLR funding.

Assurance Framework

2.3 Members will note the March update which detailed the need of the Council to perform an accountable body and assurance role for the Towns Fund and the Newark Towns Fund Board. This includes a requirement to adopt a Newark Towns Fund Assurance Framework (AF) to confirm the process for release of funds for agreed projects, including various decision-points and submission requirements from project sponsors. A proposed version of this AF is provided at **Appendix A** for adoption.

2.4 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 (who Members will recall which assist in Business Case preparation and assurance respectively) have all contributed to the recommended AF.

2.5 The process for sign-off of grant funding, as captured in the AF, is as follows.



2.6 The Newark Town Investment Plan (TIP) effectively provides the SOBC in the context of each of the Towns Fund supported projects.

2.7 OBC's will be provided in the majority of cases in advance of any FBC. This is not likely to be the case, subject to Towns Board approval, for projects which are further advanced. This will likely include the YMCA, IASTI, and 32 Stodman Street, all of which are sufficiently mature to advance straight to an FBC.

2.8 Any OBC and FBC must be approved by this Council (acting as the accountable body) and Newark Towns Board, acting upon the advice and recommendations of the Council's s151 Officer (themselves supported by Quod consulting).

Monitoring & Evaluation

2.9 The Newark Towns Fund program has a range of expected outputs and activities associated with each project, which is confirmed upon approval of a Full Business Case and associated Funding Agreement with the project sponsor. In addition all projects, as part of their Business Case submissions are required to embed and address the Public Sector Equality Duty (PSED), Subsidy Control, Clean Growth Principles, and Stakeholder Engagement (through the production of a Stakeholder Engagement Plan, within which will sit a Private Sector Engagement Plan).

2.10 Save for formal amendments throughout delivery (which must be approved by the Council and Newark Towns Board) all outputs will be formally captured and monitored. Qualitative evaluation will also take place, including where relevant with interviews with students and workers who have progressed as a result of each of the initiatives.

- 2.11 NSDC will be required to report formally to MHCLG twice a year (or more regularly, if agreed with the Towns Hub), and provide regular feedback to MHCLG on with a comprehensive set of data relating to each Town Investment Project including both total and forecast spend and output metrics. The approach will be mirrored for this Committee. The Towns Hub will also conduct an annual review, assessing progress, understanding issues and agreeing any actions to be taken forward by each town. Continued funding is linked to the effective delivery of the deal.

Full Business Case Assessment – YMCA Community and Activity Village

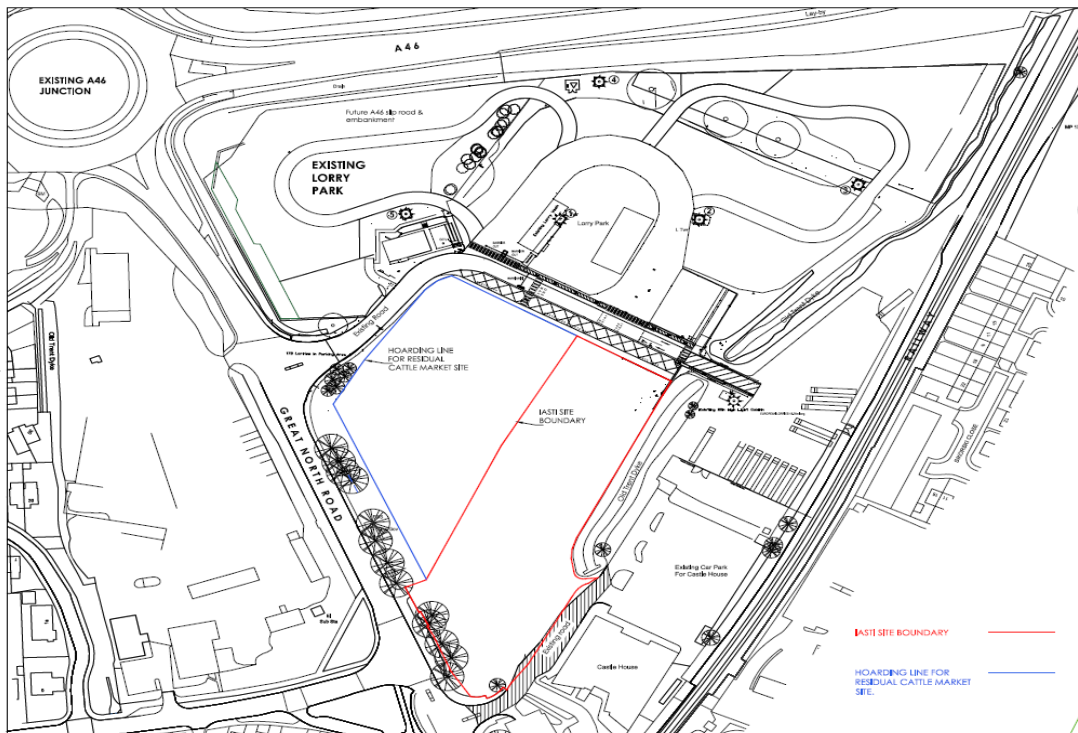
- 2.12 As Members will be aware all of the projects are at a different stage of development and maturity. Three projects are identified as being able to be accelerated, the IASTI, 32 Stodman Street, and the YMCA Community & Activity Village. In the case of the latter a Full Business Case have been received (**Appendix 2**) and has been appraised by Quod Consulting and the Council's S151 Officer. A number of qualifications have been sought, which it is expected will be received on or around the Committee date. A verbal update will be presented.

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

- 2.13 Members will be aware that following the decisions of this Committee and that of the Economic Development Committee in November 2020 and January 2021 works are progressing for the demolition and safe holding of the vacant cattle market 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

- 2.14 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](#).
- 2.15 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.



- 2.16 It is expected that the IASTI® Newark will be phase 1 of the Newark Gateway development, subject to Member approval on terms for a land lease which will be subject to an exempt update report to follow. 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.
- 2.17 The IASTI® and Newark Gateway delivery programs have scheduled a likely planning application for the IASTI® in late summer 2021. Members are asked to 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

- 2.18 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.

3.0 Equalities Implications

- 3.1 Each of the projects detailed above will be required, if and when they proceed to have regarding to equalities and access implications.

4.0 Financial Implications (FIN21-22/182)

- 4.1 Assurance consultancy support from Quod (on the assessor side) and Hatch (on the development side) detailed above is already addressed within existing towns fund revenue budget, covering support until March 2022.
- 4.2 Additional programme and delivery management resource is requested within the Exempt Regeneration Resources report elsewhere on this agenda.
- 4.3 From the table at 2.1, a Capital budget available for 32 Stodman Street. Once the other schemes reach the relevant points, a Capital budget will be proposed through a relevant report to Policy and Finance Committee.
- 4.4 As per paragraph 2.12 above and the recommendations below, £2m will need to be added to the Council's Capital Programme in order to pass the Towns Fund Grant to the YMCA, subject to the Full Business Case (FBC) and relevant approvals. This budget will be financed by the Towns Fund Grant.
- 4.5 The Towns Fund Grant will be applied for in funding batches and released by MHCLG upon receipt of a summary of the FBC. This is linked to the Assurance Framework at Appendix A which will ensure our role as Accountable Body of the funding is effectively undertaken.

5.0 Digital Implications

- 5.1 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.

6.0 RECOMMENDATIONS that Members:

- (a) Adopt the Newark Towns Fund Assurance Framework (June 2021) as provided at Appendix A;**
- (b) approve, subject to the recommendation(s) of the Council's sS151 Officer and Quod Consulting, the Full Business Case for the YMCA Community & Activity Village which seeks £2m of Towns Fund grant,**
- (c) subject to (b) above to confirm to the Newark Towns Fund Board that the Full Business Case for the YMCA Community and Activity Village (Newark) meets the requirements of the Newark Towns Fund Assurance Framework (June 2021);**
- (d) subject to (b) above, a budget of £2m be added to the Council's Capital Programme in order for the payment to be made, financed by Towns Fund Grant; and**
- (e) subject to (b) and (c) above give delegated authority to the Director – Planning & Growth, in consultation with the Business Manager – Law & Information Governance, to enter into a Grant Funding Contract with the YMCA to deliver the Community and Activity Village (Newark), including its associated outputs, outcomes, and monitoring and evaluation as detailed in the Full Business Plan.**

Background Papers

Draft Local Assurance Framework – Version 1 (June 2021)

<https://www.newark-sherwooddc.gov.uk/newarktownsfund/>

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