

POLICY & FINANCE COMMITTEE

24 JUNE 2021

RESOURCES FOR REGENERATION PROJECTS

1.0 Purpose of Report

- 1.1 To seek support for revised, additional and specifically focussed resources to allow the Council to deliver on its regeneration activities including successful delivery of existing grant-funded programs and projects, in addition to the ability to maximise future funding opportunities to deliver better outcomes for communities across and beyond the District.

2.0 Background

- 2.1 Members will be aware of the raft of already adopted strategies, programs, and projects focussed on the delivery of the Council's Growth aspirations, including the Community Plan(revised Sept 2020), Covid-19 Economic Recovery Strategy (Oct 2020), NSDC Economic Growth Strategy (Nov 2020), and the Visitor Economy Strategy (Nov 2020). This is in addition to ongoing work associated with implementing activity arising from the neighbourhood studies in Ollerton & Boughton, Hawtonville, and Bridge All this whilst continuing to support our local businesses as they start to open for business.
- 2.2 As part of the budget setting and business planning process for 2021/22 onwards amendments were made to the overall structure and resources available in a number of areas. This notably included the Housing, Health & Wellbeing Directorate, the Economic Growth and Visitor Economy Business Unit, and the Asset Management Business Unit (now the Corporate Property Business Unit and Corporate Property and Strategy Business Units). Associated revisions to the Council's revenue and capital budgets were made alongside such revisions in the GF Revenue Budget, MTFP, and Capital Program.
- 2.3 Since budget setting there have been a number of welcome but challenging announcements. First, the District Council and Newark Towns Board have been notified of a successful Towns Fund bid for up to £25m. Heads of Terms have been signed to allow the development of Full Business Cases for each of the 9 priority projects (see table 1 below) over the course of the next 12 months (by March 2022). 7 of the 9 projects involve NSDC, either as project lead, project support, and/or landowner. In addition, a raft of new funding opportunities have been identified including the Community Renewal Fund, Levelling Up Fund, Brownfield Renewal Fund, and the Public Sector Decarbonisation Scheme.
- 2.4 The Government's direction of travel appears clear with respect to requiring competitive bidding supported by evidence-based critical thinking, often with community consultation and industry/multi-agency backing. It is equally clear that such bidding is being invited at an Authority level, with the LEP's involvement as an accountable body completely lacking, and all but one fund (the CRF) allowing lower-tier submissions. The Government, post BRExit, remain committed to launching the UK Shared Prosperity Fund in 2022¹ which will also likely unlock significant revenue and capital opportunities. Our current commitments are rightly wide-ranging, in many cases ambitious, and focussed on better lives and opportunities for

¹ <https://www.gov.uk/government/publications/uk-community-renewal-fund-prospectus/uk-community-renewal-fund-prospectus-2021-22>

businesses, residents, and tenants. Without significant additional resources it is considered that the projects and transformational outcomes already to be supported by grant will be delayed or in some cases undelivered. Equally, without flexibility to work up 'grantable' strategies containing pipeline projects it is likely that we will fail to maximise future opportunities. This is particularly true if programs and projects are not developed in an evidence-based, community and industry supported manner. There are multiple examples now of failed bids from colleague authorities in this regard.

Newark Towns Fund

- 2.5 Below are the Town Investment Plan (TIP) priority projects, all supported by the Towns Deal Heads of Terms now signed by the Government on 20 April 2021. For the avoidance of doubt the Heads of Terms also reference the Newark Southern Link Road (SLR) for which it is proposed to seek funding via the Levelling Up Fund (LUF) rather than the Towns Fund (see LUF section below).
- 2.6 All projects will have the benefit of drawing on separately produced and paid for consultancy support for TM Treasury Green Book Business Case Development, a pre-requisite to securing Towns Funding.

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 *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 (Matt Finch & Robert Churchill)	£1m
SiScLog (Newark Gateway site)	University of Lincoln/NSDC (Matt Lamb &)	£4m
YMCA Community & Activity Village	YMCA	£2m
TOTAL		£24.5m*
Program Management and Delivery Support	NSDC	£0.5m

- 2.7 Members will note the level of NSDC involvement across the TIP priority projects. It is considered that there is existing capacity and funding support to progress the initial SiScLog project, 32 Stodman Street, Police Station Relocation and the IASTI (as a phase 1 of the Newark Gateway site), with reliance on the Business Manager for Corporate Property.
- 2.8 Additional resource, however, is required to develop and deliver the 20 minute Town, Castle Gatehouse, and Cultural Heart of Newark proposals. Whilst the Green Book Business Case Support described above is helpful in this regard, such cases cannot be developed without

the design, thinking, costing, and associated project management support. This is in addition to the more generic needs to ensure specification writing, contract management, legal, procurement, and financial support.

- 2.9 The Newark Towns Board are mindful of the challenges in managing, providing assurance for, and ultimately delivering a £25m capital program. On this basis the Board have agreed at a meeting on the 22nd April 2021 to top slice no more than 2% of the £25m (£500,000) to cover management and delivery over the lifetime of the fund. This is subject to central Government support, who will take a view on an acceptable revenue 'ask' against the revenue spend of all of the Newark TIP projects and the revenue funding profile of all successful towns nationally. This request has now been submitted to Government and a reply is awaited. For awareness, other partners on the Towns Board are likely to also call upon additional revenue funding within this £500,000 cap over the next 5 years (starting 2021/22).

Levelling Up Fund (LUF)

- 2.10 As Members will recall the LUF permits 2 no. bids across the District for the lifetime of the fund, one for the Newark Constituency area and the other for the Sherwood Constituency area. At the April 2021 Policy and Finance Committee, Members unanimously endorsed the submission of a Newark LUF bid for the Southern Link Road (SLR) in round one (deadline 18th June 2021).
- 2.11 Members also endorsed working up Sherwood LUF proposals in anticipation and readiness for a Sherwood bid. Any Sherwood bid is to be developed alongside negotiations with Mansfield District Council (including Mansfield communities and service centres) and Nottinghamshire County Council given the likely thematic, population, and geographical challenges and synergies but also to be able to persuade NCC colleagues to submit accompanying transport proposals for up to £50m.
- 2.12 Already secured resource (including match from the developer and Nottinghamshire County Council) allows for the Newark LUF bid to be delivered. That is not the case for the Sherwood LUF, notwithstanding there would be some revenue assistance from Government with a confirmation in the LUF prospectus that a one-off £125k revenue funding per place (yet to confirm if this is per constituency area or per District) will be made available for all areas not looking to progress in round one of the fund. This level of funding is likely to be insufficient to cover the level of support required. By way of comparison the Newark Towns Fund was developed utilising £162,000 worth of funding, in addition to a draw on internal resource. Capacity funding will also not cover the associated procuring, management, leading, communications, legal, and public consultation requirements.
- 2.13 For all of the above key activities required to deliver to the various programmes and projects include:
- Developing comprehensive and robust bids for external funding
 - Identifying, growing, and working with private sector leads and advocates locally
 - Commissioning research and data from specialists to enable progress
 - Commissioning activity to deliver the programmes
 - Contract managing activity and programmes including monitoring and evaluation

- Undertaking strategic dialogue with partners including Government, local Government, industry and community stakeholders
- Mobilising contractors for the delivery of projects
- Organising, hosting and chairing project groups and associated sub-groups
- Providing governance and assurance for resources including grants

3.0 Proposals

3.1 With over 100 Towns Fund areas, there is great demand for interim (fixed term or consultancy) individuals with the appropriate regeneration experience. Therefore, the proposal is to recruit to the following posts on a permanent basis as it is anticipated that the services of a suitable person will be required for a considerable number of years.

- 1) 1 x FTE Town Fund Programme and Delivery Manager within the Economic Growth & Visitor Economy Business Unit to lead on ongoing delivery, assurance, coordination, and business case development for the Council-led schemes [**Towns Fund funded NSDC grade NS 15 Subject to JE**]
- 2) 1 x FTE Economic Regeneration Officer within the Economic Growth & Visitor Economy Business Unit to support the delivery of commercial and economic growth activity [**GF funded grade NS 13 Subject to JE**]
- 3) Legal support – either through permanent appointment or external – **GF funded £60,000**

The following interim support will also be required:

- 1) 6 month FTC/Consultancy to support the initial set up of the Sherwood LUF governance, dialogue, evidence-base gathering, and Place meetings. **Estimated GF £50,000** (this is effectively front loading part of the £125k LUF fund which will land, we are advised within the guidance, at a future date); and
- 2) 6 month FTC/Consultancy to support the development of Newark 20 Minute Town, Castle Gatehouse, and Newark Cultural Heart. **Estimated GF £130,000 (of which £80,000 will be for Castle Gatehouse)** (could utilise Towns Fund if signed off by Government which we will not know until late May/June 2021). The £80,000 for the Castle Gatehouse will facilitate a range of costs including a condition survey, a number of design reviews and a consultant to deliver the NHLF application.
- 3) There will be requirements for support from other business units in the council, in particular Corporate Property and Housing Regeneration. The Director of Resources and Deputy Chief Executive and the Director for Housing, Health and Wellbeing are reviewing existing structures to ensure that there is capacity available to support the various regeneration projects. At present, they don't feel that there is a need for additional financial resource. If a need arises then a separate report will be brought to Committee for consideration and approval.

4.0 Equalities Implications

4.1 This proposal, whilst likely negatively affecting one individual financially, will benefit the delivery of the service.

5.0 Digital Implications

5.1 A laptop and ICT equipment to facilitate working from home for the additional Economic Growth Officer post will be required.

6.0 Financial Implications (FIN21-22/3682)

6.1 The interim resource required is estimated to total £180,000 in order for the commencement of the various schemes. There is a potential to utilise external funding to mitigate £100,000 of these costs through the Leveling Up Fund and the Towns Fund, albeit at the point of writing this report, these contributions are not guaranteed.

6.2 The annual cost of the proposed new additions (including on-costs) to the establishment is anticipated to be £104,909 if all posts are filled at the bottom of the scale (excluding any pay award that may be awarded this year). The table below shows the proposed allocation of these additional costs:

Post	Grade	2021/22 Cost FTE	GF /Towns Fund
Towns Fund Programme and Delivery Manager	NS15	£56,372	Towns Fund
Economic Regeneration Officer	NS13	£48,537	GF
Total		£104,909	
GF Total		£48,537	
Towns Fund Total		£56,372	

6.3 Additionally to this, there is a proposed requirement for an additional annual £60,000 of legal support to assist with the contracts and contract management throughout the delivery period which would need to be funded through the general fund. This is an equivalent budget to the top of an NS15 grade including on-costs.

6.4 The table below shows the total additional cost for the general fund during 2021/22 should the posts be filled at the end of September 2021 (6 month in year cost) together with the interim resource requirements. The table does not assume any contributions from the Towns Fund or the Levelling Up Fund:

	Interim Resource	6 month cost of posts from above	6 month cost of legal support	Total Cost
GF	£180,000	£24,269	£30,000	£234,269

6.5 The additional funding of £234,269 required in the general fund could be funded through the year end contribution of £140,650 into the Change Management Reserve, together with the balance of £93,619 being funded through uncommitted balances within the Change Management Reserve.

6.6 The future additional annual requirement of £108,537 within the general fund (subject to pay award and increase in scale point) would then need to be added into the budget for the

2022/23 financial year. The additional cost of £56,372 would also be added to the budget, but this would not lead to an increase in overall budget requirement, as an income budget (funded through the towns fund) would offset.

7.0 RECOMMENDATIONS that:

- (a) the in-year additional budget of £234,269 as set out in in section 5.4 above, to be funded from the Change Management Reserve, be approved; and**
- (b) Members approve the creation of the posts identified in section 5.2 of the report with the net addition of £108,537 (subject to annual pay awards) into the general fund revenue budget from financial year 2022/23 onwards.**

Reason for Recommendations

To ensure that the Council's Economic Growth and Social Mobility agendas are delivered in accordance with the Community Plan, Economic Growth, Tourism and Covid-19 Recovery Strategies.

Background Papers

Nil

For further information please contact Matt Lamb on 01636 655842.

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