

ECONOMIC DEVELOPMENT COMMITTEE
19 JANUARY 2022

NEWARK TOWN FUND

1.0 Purpose of Report

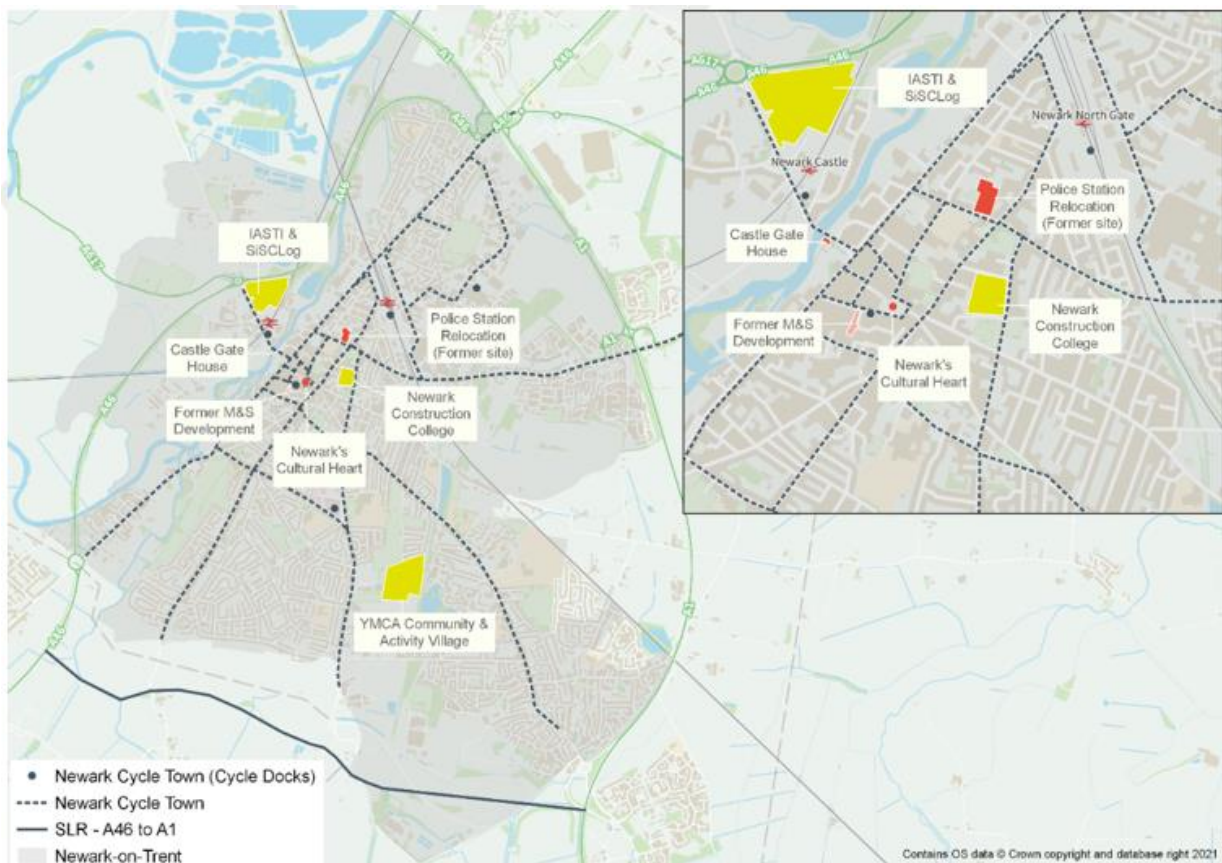
1.1 To update Members on the Newark Town Fund Programme including business case advancement and next steps in delivery of priority projects.

2.0 Background

2.1 Members are aware that the Newark Town Fund identified 10 priority projects for delivery between 2020 and 2025. This report provides an update on the progress of projects against the requirements outlined by Government in the legal agreement signed with Newark & Sherwood District Council as accountable body for Newark Town Board in March 2021.

Newark Towns Fund

2.2 The priority Town Investment Plan projects captured in the Towns Deal with Government are captured geographically below.



Towns Fund Business Case Development

Assured Business Cases

2.3 Business Case development continues at pace. The YMCA Community & Activity Village is now in a delivery phase having completed the Full Business Case, Contract and Monitoring

& Evaluation Framework. Towns Fund monies have been released by Government with the District Council making payments to the YMCA in accordance with a signed Grant Agreement. The 20 minute town cycle hire scheme and the 32 Stodman Street scheme have both had Full Business Cases assured and Summary Documents submitted to Government.

Developing/Pending Business Cases

IASTI

- 2.4 The Outline Business Case for the International Air & Space Technology Institute (IASTI) is pending assurance following the Newark Town Board meeting of 26th November 2021, with delegated authority having been given to the 151 Officer to agree the schemes after independent assurance has been secured.

SiScLog

- 2.5 The Newark Gateway Scheme (SiScLog) has progressed to complete an Outline Business Case (OBC). This is currently being independently assured for the Council as accountable body to the Newark Town Fund Board. The Gateway Scheme has identified a positive benefit cost ratio and will start delivery in 2022/23 by providing site enabling and infrastructure works.

32 Stodman Street

- 2.6 A planning application is pending for the preferred scheme, 29 residential units and 5,134 square feet of commercial floorspace. The Towns Fund Full Business Case for the development is attached at Exempt Appendix A and it is considered that with Towns Fund grant the scheme should be constructed without delay. The redevelopment of the site will secure key benefits in terms of additional residential units, increased town centre presence, footfall, and vibrancy, and more commercially attractive floorspace within the high street. The proposal delivery route for scheme is to be presented to the February meeting of the Policy & Finance Committee. Members are asked to recommend to the P&F Committee that this scheme be taken forward, subject to the Committee satisfying themselves with the Business Case and preferred delivery route.
- 2.7 Business Cases for all of the other Towns Fund projects continue to be developed, in accordance with the following timetable:

Project	Project Sponsor	Expected Funding sign-off
Newark Construction College	Lincoln College Group	Complete
Community & Activity Village	YMCA	Complete
32 Stodman Street	NSDC	Complete
IASTI®	Lincoln College Group	OBC Pending
20 Minute Town	NSDC	Complete
SiScLog (Newark Gateway site)	University of Lincoln/NSDC	February 2022
Castle Gatehouse	NSDC	March 2022
Cultural Heart of Newark	NSDC	March 2022
Newark Southern Link Road	Urban&Civic	Complete, subject to Grant Agreement, following the Levelling Up Fund announcement (see below)

Newark Police Station

- 2.8 Proposals to negotiate with government for a redistribution of the £1m allocated for the Newark Police Station Project to other priority projects based on likely cost inflations for projects delivering later in the programme has been presented to the Newark Town Fund Board on the 26th November 2021. Authorisation was given to submit the necessary project adjustment forms to Government.
- 2.9 Officers have sought approval from Newark Town Board for the £1m to be redistributed to alleviate cost pressures in priority projects that are later within the Town Investment Plan programme such as the Castle Gatehouse Scheme. The Castle Gatehouse project has identified, through an independent cost consultant, that the costs cited in 2020 will have increased by approximately £400,000 by the time delivery starts in late 2023. It is therefore of paramount importance to delivering this scheme that the available additional resources will support delivery of this project. Further the Newark Gateway Site, and Stodman Street Scheme are anticipated to see cost increases given the last 12 months have seen national and regional price increases for construction, materials and labour in excess of 15%.
- 2.10 Following discussion with the co-chairs and the S151 officer of NSDC as the accountable body, an urgency report was approved on 20th December 2021 giving authorisation to submit a revised Annex A1 Financial Profile and project adjustment forms, in addition to the Castle Gatehouse project, for the Stodman Street and Newark Gateway projects.
- 2.11 Officers have completed the necessary project adjustment forms required by the Department for Levelling Up, Housing & Communities (DLUHC) to seek the proposed changes to the Town Fund Programme to redistribute monies to the Gatehouse, SiSclog, and Stodman Street projects and submitted these to Government on 21st December 2021.

3.0 Equalities Implications

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

4.0 Digital Implications

- 4.1 There are digital implications within many of the 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 - FIN21-22/8994

- 5.1 Projects relating to the Towns Fund programme will be added to the capital programme in their entirety once the Business cases have been approved and approval granted at Policy & Finance.
- 5.2 Both the Stodman Street and Cycle Town projects are included within the capital programme in full.
- 5.3 IASTI and SiScLOG will be added once they have achieved final assurances and sign off.

5.4 We are currently awaiting the outcome of the request to redistribute the £1m from Newark Police Station to address potential pressures elsewhere within the Towns Fund programme. Once a decision has been made we will seek approval through Policy and Finance to update the budgets accordingly.

6.0 Community Plan – Alignment to Objectives

6.1 The Newark Town Deal is of such scope and breadth that they significantly contribute to delivering all of the Council's Community Plan objectives.

7.0 RECOMMENDATIONS that Members:

(a) Note the updates provided; and

(b) delegated authority be given to the s151 Officer to approve the 20 Minute Cycle Town and SiSCLog Business Cases after independent assurance reviews are completed; and

(c) Recommend to the Policy & Finance Committee that the 32 Stodman Street redevelopment proceeds, subject to the Committees assessment of the Business Case and Delivery options presented.

Reason for Recommendations

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

Background Papers

Newark Town Investment Plan (July 2020)

Newark Towns Fund Assurance Framework (June 2021)

For further information please contact Matt Lamb on Ext. 5842

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