

POLICY & FINANCE COMMITTEE

27 JANUARY 2022

NEWARK TOWNS FUND UPDATE AND APPROVALS

1.0 Purpose of Report

- 1.1 To update Members on the Newark Town Deal and identified Towns Fund Projects captured below.
- 1.2 To seek approval for the Outline Business Case of the Cycle Town project and the Outline Business Case of the International Air and Space Training Institute, subject to assurance by Quod consulting in consultation with the District Council's S151 Officer.

2.0 Updates

Business Case Development

Cycle Town

- 2.1 The Outline Business Case (OBC) for the Cycle Town Project has been received by Quod consulting and they have issued their evaluation report concluding that the project offers high value for money and recommending that it be approved by the Council, as the accountable body, and S151 officer. A summary document on the OBC has been prepared and supported by Newark Town Board on 13 January 2022. Subject to the approval of this Committee and the s151 Officer (who supports the OBC) a Summary Business Case will be submitted to the Department for Levelling Up, Housing and Communities, by their deadline on 18 January 2022. This deadline relates to projects which have spend in the financial year 2021/2022 and will allow drawdown of allocated funds.
- 2.2 The Cycle Town projects seeks £200k from the Newark Town Deal to support the purchase, installation and maintenance of four docks each containing, initially eight folding bikes for hire. In addition to the £200k from the Towns Fund, the project has secured £50k match funding utilising S106 receipts. The intention is to add to this private sector contribution once the initial first phase of the docks has been installed, galvanising interest and key private partners to engender a modal shift in movement and transport in and around Newark, through promotion, subsidised corporate memberships and offers. The project can then be expanded through the addition of more bikes, other dock locations or bolt-ons to the existing docks.

IASTI© Newark

- 2.3 The Outline Business Case (OBC) for the IASTI has now been approved by the independent assurers Quod consulting, and is pending S151 Officer approval (expected prior to the Committee meeting). Quod concluded that the project would offer value for money and has demonstrated its deliverability. This business case seeks approval for £10.6 million from the Newark Town Deal to support the delivery of an International Air and Space Training Institute facility in Newark. The IASTI-Newark will blend education with practical experience in partnership with the civil and military aviation industry. The project responds to skills shortages in the aviation and space sectors, who have struggled to attract, educate and retain qualified individuals needed to meet projected growth in these sectors. The project is led by Lincoln College Group (LCG) and is supported by industry. The OBC has identified an appropriate Benefit Cost Ratio (BCR). The IASTI programme will achieve the following outcomes:

- Air & Space Engineering: Training of a maximum of 15 new Level 3 Engineers in 2021/2022, 25 in 2022/2023 and 28 in 2023/2024.
- Pre-Training of up to 20 new Level 3 Pilots in September 2021 with continuation onto the new practice-based degree from September 2023.
- Training of a maximum of 20 new Aviation Ground staff in 2022/2023 and 28 in 2023/2024.

2.4 Business Cases for all of the other Towns Fund projects continue to be developed, in accordance with the following timetable:

Project	Project Sponsor	Expected sign-off
Newark Construction College	Lincoln College Group	Complete
Community & Activity Village	YMCA	Assured & Grant issued Practical Completion Spring 2022
32 Stodman Street	NSDC	FBC Pending Approval
IASTI®	Lincoln College Group	Assured (subject to ED resolution)
20 Minute Town	NSDC	Assured (subject to ED resolution)
SiScLog (Newark Gateway site)	University of Lincoln/NSDC	March 2022
Castle Gatehouse	NSDC	March 2022
Cultural Heart of Newark	NSDC	March 2022
Newark Southern Link Road	Urban&Civic	Secured via the Newark Constituency Levelling Up Fund

Newark Southern Link Road

2.5 Members will be aware of the successful Newark Constituency Levelling Up Fund bid of £20m, which will supplement loan funding from Homes England and grant funding from NSDC (£5m) and the LEP (£6m), as detailed in the updates to the Economic Development and the previous Policy & Finance Committee meeting. Officers continue to liaise with Government to agree and execute terms of the LUD grant draw-down, which is expected prior to the end of March 2022. It remains the intention that any Grant Agreement with Urban&Civic with the entered into by the Council's Director – Planning & Growth in consultation with the Deputy Chief Executive & Director of Resources and the Assistant Director Legal Services.

Project Adjustment

2.6 Further to the previous Policy & Finance report detailing the approach taken to request the redistribution of Towns Fund resource originally allocated to the Relocation of the Police Station project, which is no longer going ahead, the necessary project adjustment forms and revised Annex A1 Financial profile, approved NSDC's S151 officer and the co-chairs of Newark Town Board in an urgency report, was submitted to the Department for Levelling Up, Housing and Communities on 21 December 2021. DHLUC have advised that we can expect their response in early February. An update to the proposed redistribution across the Castle Gatehouse, 32 Stodman Street, and SiScLog proposals will be provided to the March Committee.

Towns Fund Assurance

- 2.7 The current Towns Fund Assurance Framework (November 2021) has underpinned Quod Consulting's and the Council's s151 Officers assessment of Business Case development to date. Since its adoption, the government has published a number of qualifications and amendments to how Towns Funding can be drawn down, including an ability to draw down funding following an Outline Business Case (OBC) approval. Following this change, a previous version of the Towns Fund Assurance Framework (June 2021) was updated and approved by the Newark Town Board on 26 November 2021.

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 (FIN21-22/7266)

- 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 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 welcome and note the update provided;

(b) Members approve, subject to the recommendation(s) of the Council's sS151 Officer in consultation with Quod Consulting, the OBC for the Cycle Town Project;

- (c) Members approve, subject to the recommendation(s) of the Council's S151 Officer in consultation with Quod consulting, the OBC for the International Air and Space Training Institute (IASTI);**
- (d) subject to (b) above delegated authority be given to the Director – Planning & Growth, in consultation with the Assistant Director – Legal & Democratic Services, to enter into a Contract with Brompton Bike Hire as the supplier of the folding bikes and docks in order to deliver the Cycle Town project in accordance with the approved Outline Business Case;**
- (e) subject to (c) above delegated authority be given to the Director – Planning & Growth, in consultation with the Assistant Director – Legal & Democratic Services, to enter into a Contract with the Lincoln College Group (Newark College) as the Project Sponsor for the International Air & Space Training Institute, in accordance with the approved Outline Business Case; and**
- (f) delegated authority be given to the Council's s151 Officer to approve final Full Business Cases (FBC) for the Cycle Town project and IASTI, subject to recommendations from Quod Consulting (or another independent third party Assurance provider) and endorsement by the Newark Towns Board.**

Reason for Recommendations

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

Background Papers

Newark Town Investment Plan (July 2020)

Newark Towns Fund Assurance Framework (November 2021)

For further information please contact Matt Lamb on Ext. 5842

Matt Lamb

Director – Planning & Growth