

POLICY & FINANCE COMMITTEE

17 MARCH 2022

NEWARK GATEWAY UPDATE

1.0 Purpose of Report

- 1.1 To provide an update on the Newark Gateway site, including the International Air & Space Training Institute (IASTI©) and SiScLog Towns Fund projects.

2.0 Background and Updates

- 2.1 Members are aware of the Towns Deal with government and the 9 priority projects which continue to progress. Two of the proposals relate to the land known as the Newark Gateway site which comprises a land parcel encompassing the former Livestock Market and existing Lorry Park and associated facilities.
- 2.2 Since the announcement of the Newark Towns Deal officers have secured the demolition and secure holding of the former Livestock Market site, on time and within budget, in anticipation of the IASTI proposals (Phase I). Concurrently, feasibility work has continued with respect to the potential to redevelop the wider site, including the SiScLog proposals and (potential) relocation and expansion of Newark Lorry Park (Phase II).

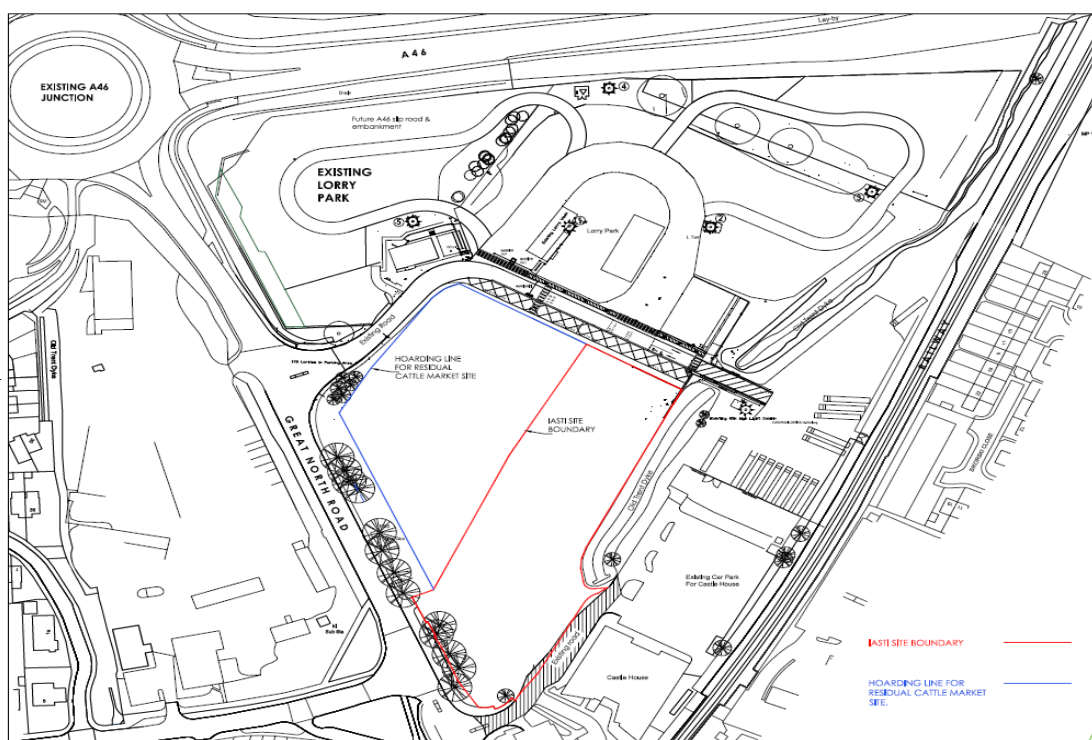
International Air and Space Training Institute (IASTI-Newark)

- 2.3 Following the Towns Fund announcement work on the development of the IASTI has continued at pace. This has included the development of the Outline Business Case (approved January 2022), progression of the building design, the development of course content, and the opening of interim facilities (and flight simulator) to the first cohort of students.
- 2.4 The OBC approved in January 2022 was submitted to the Department of Levelling Up, Housing and Communities (DLUHC) in order to draw down the first payment of £500k against the project. A Full Business Case (FBC) is currently being developed by Hatch consulting and is expected to be completed by the end of March 2022, subject to assurance by Quod the independent assurers and the Council's, as the Accountable Body, s151 officer.
- 2.5 The IASTI-Newark Project is identified as the build and operation of an International Air and Space Training Institute (IASTI) training facility in Newark, blending education with practical experience in partnership with the civil and military aviation industry. This seedcorn funding of £500k is needed to complete the design and planning stages of this project, identified as RIBA stages 3 and 4, so that construction can start in financial year 2022/2023.
- 2.6 At the Policy & Finance Committee in January 2022 delegated authority was given to the s151 officer to enter into a grant funding agreement with Lincoln College Group for the disbursement of the Towns Fund grant. The grant will be released according to the payment schedule as set out in the grant fund agreement, the first payment of 50% being made on signing the grant fund agreement, with the second payment of 50% on 31 March 2022. This will be subject to satisfactory presentation of invoices or orders according to the monitoring and evaluation requirements agreed between the Council and developer, Urban&Civic. The

seedcorn funded can be facilitated by the 5% (£1,250,000) advanced payment of the whole Towns Fund grant received in September 2021 which was released in order to allow the Council, as the accountable body, sufficient flexibility to enable projects to progress through the design and business case development.

2.7 The planning application by the Lincoln College Group (LCG) for the IASTI Newark was approved by the Council, as Local Planning Authority, at the Planning Committee meeting of 15 February 2022. Securing planning permission will now allow the LCG to secure contractors to build this purpose built state-of-the-art facility in time for welcoming students in September 2023, subject to also securing a land deal with the Council.

2.8 Terms have now been agreed between the Council and the LCG for a long-lease of part of the former Livestock Market. The demise of the IASTI is approximately detailed below. Details of the land-lease terms are detailed at **Exempt Appendix A**. The terms include a 50 year lease, a rent free period, stepped rent up to level which captures best consideration, and rent reviews. Members will recall that the IASTI can proceed subject to this land deal and development of the FBC. It is not reliant upon or materially affected by the A46 Newark Northern Bypass considerations.



A46 Preferred Route Announcement

2.9 It remains the aspiration to retain and enhance a Lorry Park for Newark. The current facility performs an important function and would only be relocated if better facilities can be provided elsewhere in the Town, with the current preferred site at Newark Showground.

2.10 Part of the ongoing feasibility work is to understand the likely impacts of the A46 Newark Northern Bypass upon the current lorry park and the degree to which this could and should facilitate relocation. The long-anticipated preferred route announcement has now been published by National Highways. The implications of this announcement are currently being assessed, including with input from the Council's retained professional consultants. It is clear that some of the Council's preferences have been accommodated, including the

grade separation of the Cattle Market roundabout and making provision to ensure that the future grade separation of the Newark Flat Crossing is not prejudiced at any future date. The route does however require careful consideration in terms of the likely impact upon the current Lorry Park and around Winthorpe and the Newark Showground. An update to inform the Council's response to the preferred route announcement will be presented to the 23 March Economic Development Committee.

SiScLog

- 2.11 Members will recall the principles of SiScLog, which seeks to capitalise on the opportunity to create and reinforce an industrial cluster of regional and national significance in the Newark Gateway area by supporting innovation and growth in the transport, engineering and logistics sector. Newark can benefit from a favourable position in relation to key transport nodes and assets such as East Midlands Airport and the ports. This is in addition to aviation and supply-chain opportunities which are expected to arrive alongside the IASTI.
- 2.12 Towns Fund investment seeks to fund site enabling and preparatory works to the site, unlocking commercial units and workspace suitable for new and growing businesses alongside training provision and potentially a new hotel. These uses will complement the IASTI proposals and the Town Investment Plan objectives of driving footfall into the town centre and creating new employment. Alongside industry there remains an aspiration to maximise training and skills, including enhancing further education opportunities.
- 2.13 The recent route announcement for the A46 Newark Northern Bypass will have clear land-take consequences for the existing lorry park footprint, and for the level of developable land for any replacement SiScLog redevelopment proposals. Work on understanding impacts is ongoing and will be reported via the new Governance arrangements in due course. This is also the case for the Newark Showground, which will be affected by the Winthorpe section of the A46 proposals. The route at this location is broadly as expected, allowing further discussions with the Showground to recommence.
- 2.14 The expected timetable for progressing the SiScLog is detailed below:
1. Completion of Outline Business Case – June 2022
 2. Negotiation with Highways England on the effect of the preferred route to the A46 and its impact on the site – December 2022
 3. The relocation of the Lorry Park – May 2023
 4. Completion of the Full Business Case – September 2023
 5. Construction of the infrastructure, utilities and site adaption – July 2023
 6. New commercial unit land parcels bought forward – September 2024

Livestock Market

- 2.15 Members will be aware of the various updates both to this Committee and the Economic Development Committee. There remains a third party who are interested in re-establishing a livestock market for Newark. To date, a deliverable site in viability and planning terms has not been identified. The Council remains willing to offer advice and support to the consortia wanting to deliver the aspiration.

4.0 **Financial Implications - FIN21-22/2751**

IASTI

The IASTI project is currently at the OBC stage, the total OBC approved for IASTI is £10.6m. The £0.5m request for approval relates to Seedcorn funding to progress the IASTI project.

NSDC have already received 5% of the Total Town Fund bid of £25.0m equating to £1.250m, received in September 21.

Based on £10.6m apportioned to IASTI within the envelope of £25m, this would equate to forward funding of £0.530m (£10.6m x 5%). Therefore funding is in place to settle these payments totalling £0.500m prior to the 31st March 22 as requested.

The current project funding profile is outlined below:

Projects	2021-22	2022-23	2023-24	TOTAL
IASTI	500,000	7,100,000	3,000,000	10,600,000

SiScLog

The SiScLog project is currently working towards OBC status, as such the project is not included within the current capital programme, it will only make it into the programme once it has achieved FBC status. The current profiling of the project funding included within the OBC proposal are as set out below:

Projects	2021-22	2022-23	2023-24	TOTAL
SiScLog	0	800,000	2,000,000	4,200,000

5.0 **RECOMMENDATIONS** that:

- (a) **the progress and next steps for the Newark Gateway be noted; and**
- (b) **the addition of £500,000 to the Capital Programme to release to the Lincoln College Group as seedcorn funding to progress the IASTI project through RIBA stages 3 and 4, to be funded from Towns Fund allocation, be approved on the signing of an appropriate grant funding agreement.**

Reason for Recommendations

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

Background Papers

Newark Town Investment Plan (2020)

IASTI Green Book Outline Business Case (2022)

For further information please contact Matt Lamb on Ext. 5842

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