



Report to: Cabinet Meeting – 7 June 2022

Portfolio Holders: Councillor David Lloyd, Strategy, Performance & Finance
Councillor Rhona Holloway, Economic Development & Visitors

Director Lead: Matt Lamb, Planning & Growth

Lead Officers: Neil Cuttall – Business Manager, Economic Growth & Tourism
Frances Davies – Town Investment Plan Program Manager

| Report Summary | |
|--------------------------|---|
| Type of report | Part Exempt Key Decision |
| Report Title | Newark Town Fund Update & Lorry Park Options for Relocation |
| Purpose of Report | To provide an update on the Newark Town Fund Programme including recommendations to continue to progress the relocation of Newark Lorry Park and the redevelopment of the Newark Gateway site. |
| Recommendations | <p>That the progress on the Newark Town Fund Programme and associated projects being delivered be noted.</p> <p>That the Business Manager, Corporate Property, be authorised to enter into a lease with the Lincoln College Group for the Air & Space Institute.</p> <p>That the Director, Planning & Growth and Business Manager, Corporate Property be authorised to continue to negotiate draft Heads of Terms with Newark Showground and the owners of Overfield Park with a view to presenting costed options for the relocation and redevelopment of Newark Lorry Park and the Newark Gateway site to a future Cabinet meeting.</p> |

1.0 Background

1.1 Members will recall that work to develop the Newark Town Investment Plan took place in the first half of 2020. This involved working with a range of partners, the newly formed Newark Towns Board, and undertaking consultation just as the Covid-19 pandemic and associated lockdowns took hold. The lockdowns were an opportunity to innovate, with Schools running on-line forums to seek the ideas of children and families; the CVS undertaking telephone interviews with clients; and the Council and its

Consultancy Team hosting multiple on-line groups, briefings and workshops. In July 2020 the Council-backed Newark Town Investment Plan was submitted to Government as part of cohort 1 applications for Towns Fund Grant.

- 1.2 The March 2021 budget confirmed the welcome news that Newark had been successful in its bid for £25m of grant funding for 10 priority projects (now 9 following the removal of the Police Station relocation, with funds having been approved by Government for re-allocation across other Towns Fund projects). The Council was invited to enter into Heads of Terms with Government, which were executed on 20 April 2021.
- 1.3 Since that time the Council and its partners have worked tirelessly to ensure delivery, developing robust Assurance Frameworks and progressing Business Cases for each project. Upon completion of the first Business Case for a project (Outline or Full) the Council, on behalf of the Newark Towns Board, submits to Government a ‘Summary Document’ and ‘Monitoring & Evaluation’ form which has been assured by the Council’s S151 Officer (with support from the independent Quod consulting). Upon submission of these documents funding is released from Government to the Council in accordance with the prescribed funding profile for the project and grant release dates identified by Government. No funding has been withheld to date, with all projects progressing as envisaged. Regular reporting on each project, and importantly outputs delivered will continue to be presented to the Portfolio Holder, Economic Development & Visitors.

| Project | Project Sponsor | OBC/FBC Approved | Progress |
|-----------------------------------|-----------------------|--|--|
| 32 Stodman Street £2.2m | NSDC | FBC Approved | Works to commence Autumn 2022, Completion Autumn 2024 |
| Newark Cycle Project £0.2m | NSDC | FBC Approved | Dock 1 of 4 installed. Others to follow throughout 2022 |
| Castle Gatehouse £3.0m | NSDC | OBC Approved | 1 st stage HLF funding bid approved. HLF 2 nd stage bid submitted September 2023. Towns Fund FBC to be completed October 2023 allowing a start on site in January 2024 |
| Construction College £0.389m | Lincoln College Group | Development | Complete |
| Cultural Heart of Newark £2.1m | Newark Town Council | OBC Approved | Enhanced Event Programme starts in Summer 2022 |
| Air & Space Institute £10.6m | Lincoln College Group | OBC Approved | Start on site July 2022 Completion expected September 2023 |
| Newark Southern Link Road £20m | Urban & Civic | Heads of Terms for Levelling Up Funds signed with Government on 04.02.22 | Highways design approval expected July 2022 Tender Exercise Summer 2022 Start on site expected January 2023 SLR Completion expected Spring 2024 |

| | | | |
|--|------|---|---|
| SiScLog (Newark Gateway) £4.4m | NSDC | OBC Pending | A46 Newark Northern Bypass preferred route announcement impacts upon the scheme under consideration |
| YMCA Community & Activity Village £2m | YMCA | FBC Approved. Completion expected Summer 2022 | Completion expected summer 2022 |

- 1.4 The only outstanding Business Case is for the Smart Innovation, Supply Chain and Logistics (SiScLog) Enterprise Area, also known as Newark Gateway Phase II (see paragraph 2.5 below). Phase I, which comprises the majority of land formally in use as the Livestock Market, is to provide for the Air & Space Institute (ASI). Heads of Terms have now been agreed and delegated authority is sought to enter into the lease with the Lincoln College Group as detailed in exempt **Appendix A**. This will allow, subject also to the assurance of an FBC (delegated to the s151 Officer in consultation with the Newark Towns Board and Portfolio holder for Economic Development & Visitors), a start on site this summer, with the aim of a new facility welcoming post 16 and post 18 student cohorts from September 2023.

The Existing Lorry Park

- 1.5 Throughout and beyond lockdown the current Lorry Park continues to thrive in terms of usage and revenue returns, as captured by ongoing budget reporting. Notwithstanding this, there remain challenges and areas for improvement of the current facility, as identified by recent and ongoing user comment and surveys, notably the waterlogging of the site in winter and dust in summer and the request for more on site amenities such as a shop, choice of eateries, laundrette and other conveniences for drivers not wanting to walk into town.

2.0 Lorry Park Relocation and Newark Gateway Redevelopment Options

Impacts of the A46 Newark Northern Bypass

- 2.1 Members will be aware of the recent preferred route announcement for the A46 Newark Northern Bypass by National Highways and the Department for Transport. The proposed route has implications for both the existing Newark Lorry Park and Newark Showground, the latter remains a preferred location for a relocated and expanded Lorry Park offer.
- 2.2 The preferred route, as identified in the Council's response to its publication (reproduced at **Appendix B**), will involve significant land-take from the existing Lorry Park for the larger and grade separate A46, the associated roundabout, and necessary embankment and drainage features. Moreover, advice from the Council's retained highway consultants is that the existing lorry park access would likely need relocating further south given unacceptable proximity to an expanded roundabout and associated off-slip. Officers are assessing the likely impact of the A46 proposals, which on a worst case scenario are likely to lead to a significant loss of lorry parking spaces and associated revenue

- 2.3 Members will be aware, as detailed in the letter reproduced at **Appendix B**, that the A46 Newark Northern Bypass remains a strategic priority for this Council and many other Highway, Local Planning, and LEP Authorities along the route from Immingham to Tewkesbury. Whilst appropriate compensation would be sought by the Council as landowner for any impacts, it remains the case that in a best-case scenario the market and Council will be left with a compromised and smaller offer. It is therefore considered that work should continue in exploring A) the relocation of the Lorry Park and B) the redevelopment of the current lorry park site.

Relocation of the Lorry Park (Preferred Site)

- 2.4 Positive dialogue and negotiation continues between the Council and Newark Showground. It is envisaged that Heads of Terms will be agreed in the coming weeks with respect to the overall size and layout of any lorry park, including an ability to expand further. There remain two additional impacts to evaluate before officers can present final feasibility options to evaluate a relocation. First, the A46 Newark Northern Bypass preferred route announcement also affects junctions at Winthorpe and the Friendly Farmer, both of which affect the overall road network and likely access points. To date, officers have continued to negotiate to secure an access into a new Lorry Park from the Winthorpe roundabout junction to the north of Newark Showground. Subject to detailed design negotiations with National Highways, this option will be costed and presented. Recently the Council has been made aware of a second viable option to access any Lorry Park on the Showground site via land in third party ownership to the south of Newark Showground. Subject to discussions, feasibility for a southern option will be concluded for presentation to Members at the July Cabinet.

Redevelopment of a Vacated Lorry Park (SiScLog)

- 2.5 The relocation of Newark Lorry Park remains the preferred option, subject to conclusion of matters detailed above. The Towns Fund supported SiScLog proposes in its place an opportunity for new industrial, commercial development with a focus on supply chain, logistics, and manufacturing provision. The site also seeks to test the possibility of a higher education provision and hotel facility.
- 2.6 Officers have undertaken soft market testing exercise for potential uses with developers and investors which has identified that the end uses could be achieved subject to public grant funding to support a viability gap give the level of site proprietary work required to create development platforms that would be attractive to the market. The development options for the site are to be captured in an Outline Business Case later in June, which will be presented to both the Newark Towns Board and this Council's s151 Officer as part of the Towns Fund Assurance Process. The OBS will also be presented to the Portfolio Holder for Strategy, Performance & Finance.

3.0 Proposal/Options Considered and Reasons for Recommendations

- 3.1 Securing the Heads of Terms with the Lincoln College Group for the Air & Space Institute (ASI) will allow the implementation of Phase I of the Newark Gateway site. It will offer the 2021 and 2022 intake of students an ability to join new cohorts in 2023 at a new state-of-the-art facility. In accordance with the assured business case, across the first 15 year period, it will deliver:

- 312 Level 2 qualifications in engineering and computing.
- 1,689 Level 3 qualifications and T-Levels across a range of aviation and space related programmes including pilot, engineer, ground operations, cyber, robotics and logistics.
- 204 Level 3 Apprenticeship Standards in aviation engineering.
- 888 Higher Level Technical Qualifications (Level 4-6) across pilot, airfield operations, aviation, aerospace and software engineering
- Create 38 new jobs

3.2 It is clear that the A46 Newark Northern Bypass will lead to a reduced Lorry Park offer for the Town. It therefore remains a priority for relocation options to be concluded for presentation to the July Cabinet.

3.3 The ASI, Lorry Park (existing and expanded as part of relocation), and SiSCLog are central to delivery of the Newark Town Investment Plan and raising aspiration and opportunity for young people, residents, and businesses within the Town. The projects, given their ambition and depth, accordingly contribute to all Community Plan objectives.

4.0 Implications

Financial Implications (FIN22-23/7411)

4.1 The schemes as described in the table at 1.3 are allocated within the currently approved capital programme, where the full business case has been approved.

4.2 The lease arrangements with the Lincoln College Group, in relation to the Air and Space Institute have not been reflected within the Council's current Medium Term Financial Plan (MTFP). The additional income based on the exempt **Appendix A** would therefore contribute towards the Council's target to bridge the funding gap within the MTFP. Based on the lease arrangements, this additional income would be profiled into the 2024/25 financial year and future years thereafter.

4.3 Implications on the existing lorry park, options for relocation and considerations in developing out the full gateway phase II site, will be brought to a later Cabinet meeting.

4.4 Equality & Diversity – The creation of a new Lorry Park and development proposals at Newark Gateway will require a full Equalities and Impact Assessment (EIA), which will be completed as part of the development planning process.

Background Papers and Published Documents

Newark Town Investment Plan 2020

YMCA Community and Activity Village Full Business Case 2021

32 Stodman Street Full Business Case 2022

Newark Cultural Heart Outline Business Case 2022

Newark Castle Gatehouse Outline Business Case 2022

Newark Cycle Project Outline Business Case 2022

Air & Space Institute Outline Business Case 2022

Memorandum of Understanding (Dept. For Transport & NSDC) - Newark Southern Link Road
2022
Economic Development Committee Report, January 2022
Policy & Finance Committee Report, 17 March 2022