



Report to: Cabinet Meeting - 1 November 2022

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

Director Leads: Matt Lamb, Director - Planning & Growth
Suzanne Shead, Director - Housing, Health & Wellbeing

Lead Officers: Mark Eyre, Business Manager – Corporate Property
Steven Adams, Senior Regeneration Officer – Economic Growth

Report Summary	
Type of Report	Open report with exempt appendix, Key Decision
Report Title	Sherwood Levelling Up Fund Update – Ollerton Town Centre and Mansfield Road, Clipstone
Purpose of Report	To update Members on the Sherwood Levelling Up Fund (LUF) submission, to seek approval to proceed with plans to redevelop the Clipstone Holdings site and to seek financial commitments towards the further development of the Ollerton and Clipstone LUF proposals.
Recommendations	<p>That Cabinet:</p> <ul style="list-style-type: none"> (a) note and support the updates with respect of the Sherwood Levelling Up Fund proposals submitted to Government as part of the Sherwood Constituency LUF Round 2; (b) authorise the Director - Planning & Growth, in consultation with the Sherwood Steering Board and Portfolio Holders for Strategy, Performance & Finance and Economic Development & Visitors, to continue to develop plans for the Clipstone and Ollerton projects, subject to additional budget of £60k to be forward-funded pending the approval of the NSDC UK Shared Prosperity Fund Investment Plan, subject to endorsement by the Newark & Sherwood Place Board; and (c) authorise the Business Manager - Corporate Property to progress redevelopment plans for the Clipstone Holdings site to provide for a low carbon, low-running cost modern industrial scheme, including securing necessary planning

	permission and contractor(s) within the Maximum Budget envelope contained within the Exempt Appendix, which shall be added to the Council’s Capital Programme.
Alternative Options Considered	<p>It remains an option to pause the progression of the Sherwood Levelling Up propriety projects in Clipstone and Ollerton. This has been discounted on the basis that irrespective of the outcome or timings of the LUF announcements there remains merit in continuing to engage with the partners involved to develop the schemes further such that they are funding ready.</p> <p>The Council could also decide not to redevelop the Clipstone Holdings site at the current time, albeit as detailed separately in the Main Report and Exempt Appendix the redevelopment of this site is needed in order to provide modern, low carbon, low running-cost facilities to meet a significant unmet demand, allowing businesses of various scales to establish, relocate, expand, stabilise, and flourish.</p>
Reason for Recommendations	The Sherwood Levelling Up proposals continue to represent an opportunity to act as catalysts for transformational change in tackling ongoing challenges of creating new employment opportunities, health inequality, lower pay, raising aspiration, and transport connectivity, in line with the Council’s Community Plan and Sherwood LUF submission.

1.0 Background

Previous Funding

- 1.1 Members will be aware of the various grant opportunities the Council has successfully secured in recent years, including the Newark Towns Fund, Brownfield Land Release Fund, NSDC Community Renewal Fund, and Levelling Up Fund Round 1 for the Newark Constituency area. This has collectively secured over £47m of additional grant investment, unlocking multiple times that amount to provide new facilities and opportunities for residents, businesses, and communities.

Sherwood Levelling Up Fund

- 1.2 Members are also aware of the development, following the publication of the [Levelling Up White Paper](#) and Levelling Up Fund Round 2, of the proposals developed for the Sherwood Constituency area. The Sherwood LUF prospectus, developed in association with the Sherwood Steering Board and a range of partners, was submitted to the Government on 25th July 2022. The proposals seek £20m of grant funding across projects in Ollerton Town Centre and Mansfield Road, Clipstone. As detailed at table 1 below a successful £20m grant would be matched by c£28.7m of private sector funding.

Table1

	Ollerton Town Centre	Mansfield Road, Clipstone
Total Development Costs	£22,735,454	£26,059,147
Levelling Up Funds	£6,446,526	£13,548,833
Match Funding	£16,288,928	£12,510,314

2.0 Updates

Ollerton Town Centre

- 2.1 A partnership between NSDC, Ollerton & Boughton Town Council (OBTC), and a private landowner to develop a 3 parcel site (in the ownership of the private landowner and OBTC) in Ollerton Town centre. The project will sit at the heart of the existing town centre, connecting the main high street to the Sherwood Energy Village and Tesco to the south of the site. In addition to hosting OBTC and this Council's locality services the scheme will provide for new retail, office, and residential uses for the town centre. The development will be implemented by the Johal Bros. Co, the private sector development partner.
- 2.2 Following submission of the bid negotiations have taken place with the library service (Inspire & Nottinghamshire County Council) and the NHS both of whom have expressed an interest in being involved with the scheme. Such negotiations will continue, with any design being cognisant of necessary user requirements to accommodate such services. That does not mean that progress will be stalled or slowed should funding be successful. Rather the ability to accommodate such partners, which would be of significant benefit to the community, will be catered for should they elect to proceed The proposals have also been supported by Tesco, who are willing in principle to provide land-holdings for the public transport hub elements.
- 2.3 At the time of writing the development partners are looking to progress an enhanced Memorandum of Understanding (MoU) and are agreeing various packages of works to allow the scheme to progress (eg. architects' package and site investigation tenders).
- 2.4 Discussions continue with Nottinghamshire County Council with respect to the proposed Robin Hood line extension to extend the Shirebrook service and introduce a new rail station at Ollerton within the Sherwood Energy Village to the south of the town centre. NCC remain clear that this project remains a priority through the Reopening Railways Fund. Work continues in this regard on an Outline Business Case for submission to the Department for Transport later this year.

Mansfield Road, Clipstone

- 2.5 The proposals comprise the redevelopment of the residual balance a prominent, long-standing vacant former colliery site (the former Clipstone Colliery) to deliver employment, commercial spaces, training, recreational facilities, connectivity, and well-being support. An exemplar green employment park at Clipstone Holdings will be complemented by modern mixed-use sports facilities, education (a land management economy focus) and well-being provision in partnership with the Clipstone Miners Welfare Trust and YMCA. Following the bid discussions have continued with partners to progress an Memorandum of Understanding (MoU) and additional market research and design.
- 2.6 Clipstone Holdings forms part of the Council's historical commercial estate given the long-lease on the land from Welbeck estates. At June Cabinet it was resolved that the Business Manager - Corporate Property would negotiate the purchase of the freehold of the site for a Maximum Value. As detailed at Exempt Appendix A the site has been secured for the Maximum Value, with the transaction now at an advanced stage with legal conveyancing.

- 2.7 It is proposed to redevelop the site to create a highly energy efficient, low carbon, renewable-energy-generating industrial park of 1000 – 4000 sq ft units (including the ability to join units as part of a tenant requirement). The units would be of such a standard as to allow low tenant energy costs, in addition to a wider wrapper of business support via the Council's Economic Growth team. The proposal will address a severe market shortage of similar sized and quality stock and help to address the market failure of the market being unable to bring developments of this size forward in a meaningful way.
- 2.8 The capital cost of delivering a scheme is detailed at Exempt Appendix A, as are the associated revenue returns. It is considered, irrespective of the success of the Sherwood LUF bid, that the redevelopment of this site is viable. Further, it is essential in order to address the aforementioned market failure and to provide for a modern-day, fit-for-purpose offer to meet a clear latent demand. The proposals will also set a high standard benchmark for the Council and others to follow.
- 2.9 It is noted that whilst the current site is largely vacant, 2 tenants remain. It is proposed that the redevelopment of the site will be phased such that existing tenants could be accommodated in new units for a reasonable market rent. Members are asked to support the Maximum Budget detailed at Exempt Appendix A to progress the scheme, amending the Council's Capital programme accordingly.

Expected funding announcement

- 2.10 The LUF guidance has advised that bids will be assessed on strategic fit, value for money, and deliverability including a requirement for spend to commence in 2022/23 (this can be capitalised spend including planning and fees) and conclude in 2024/25 or exceptionally in 2025/26. It is envisaged the outcome of LUF Round 2 bids will be known in October/November 2022.
- 2.11 It is recommended that such work continues to develop the Ollerton and Clipstone proposals. In the absence of an announcement on LUF funding and the receipt of any additional capacity funding it is recommended that the Council makes use of the NSDC UK Shared Prosperity Fund Investment Plan (the Investment Plan), which identified the development of LUF and Towns Fund priority projects as one of the areas to which funding will be directed. At the time of writing the Investment Plan remains pending approval from the Government, albeit it has been made clear that funding will be released at the earliest opportunity. Until such time as the Investment Plan is approved it is recommended that the Council forward funds, at (minor) risk, additional development capacity funding of £200,000 across the Clipstone and Ollerton projects.

3.0 Implications

In writing this report and in putting forward recommendations, Officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial – (FIN22-23/7710)

- 3.1 The implications arising from the development of Clipstone Holdings are contained in Exempt Appendix A elsewhere on this agenda.
- 3.2 In relation to recommendation b) of this report, the 'Next Steps in delivery of Shared Prosperity Fund' (SPF) decision has been approved by the Portfolio Holder for Economic Growth <https://democracy.newark-sherwooddc.gov.uk/ieDecisionDetails.aspx?ID=667> The total amount of SPF grant allocation for 2022-23 is £399,360. This is expected to be received in November 2022. Of the £399,360, £30,000 relates to Ollerton Town Centre Regeneration and £30,000 relates to Clipstone Regeneration Project.
- 3.3 Spend on the feasibility and pre-planning works for Ollerton Town Centre and Clipstone is required by 31st March 2023 in order to be funded from the SPF grant. The Council would like to spend on these two projects in advance of the Newark & Sherwood Place Board approving the Council's SPF Investment Plan. To enable this, it is proposed that spend on these two projects be initially funded from the Change Management reserve, and that the Change Management reserve would then be reimbursed for the spend of up to £60,000 that it funded. This reimbursement would be from the SPF grant, after the Newark & Sherwood Place Board approve the Council's SPF Investment Plan.
- 3.4 It is intended that funding for the Ollerton and Clipstone project development will be provided by a successful LUF announcement, matched by partner contributions. With respect to the Ollerton Town Centre project, a decision on the letting of any floor space by the District Council will be considered by the Portfolio Holder for Strategy, Performance and Finance together with the Portfolio for Economic Development and Visitors in accordance with their delegated authority limits as per the Constitution. Where the value exceeds their delegated limits, this will be brought back to Cabinet for consideration.
- 3.5 Should the LUF bid be successful it will be necessary for the Project Sponsors for Clipstone (YMCA, the Clipstone Miners Welfare Trust, NSDC) and Ollerton (Johal Bros. Co & Ollerton & Boughton Town Council) to fund and progress Five Case Green Book Business Cases. It is likely NSDC will be required to assure such Business Cases, as has been the case for the Newark Towns Fund. It is envisaged that such costs can be covered by any grant award, subject to confirmation. Any change in this position will be reported back to Members in due course.

Equalities & Diversity Implications

- 3.6 All of the proposed developments will have adherence to the latest equalities legislation in terms of design and build. Given the age and condition of the current buildings in place at Ollerton and Clipstone Holdings there are also likely to be enhancements in terms of accessibility features.

Legal

- 3.7 Legal Services has been instructed by Corporate Property in respect of business tenancies at the Clipstone Holdings site, and in respect of the freehold acquisition of the site from Welbeck Estates. The development of the Ollerton site is also expected to be

set out in an appropriate form of development agreement between all parties, to ensure that the development is delivered to the specification and budgets within the funding requirement.

Background Papers and Published Documents

Levelling Up White Paper, 2022

Levelling Up Fund Prospectus and Guidance, 2022

UK Shared Prosperity Fund Prospectus, 2022

Sherwood Levelling Up Bid, July 2022

Cabinet Report, Levelling Up Submission and UK Shared Prosperity Fund, June 2022