



Report to: Cabinet Meeting: 21 February 2023

Portfolio Holder: Councillor David Lloyd, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli, Deputy Chief Executive, Director - Resources and s151 Officer
Matt Lamb, Director of Planning and Growth

Lead Officer: Mark Eyre, Business Manager - Corporate Property Ext. 5670
Kevin Shutt HRA Development Manager, Ext. 5440

Report Summary	
Type of Report	Open Report, Key Decision
Report Title	32 Stodman Street, Newark Update
Purpose of Report	To brief Members on the project, including procurement and revisions to the Council’s Capital budget to allow a start on site at the earliest opportunity.
Recommendations	That Cabinet: <ul style="list-style-type: none"> a. note and welcome the updates provided; and b) approve an amendment to the Council’s Capital Programme to the Maximum Capital budget detailed in Exempt Report in order to secure a contractor and delivery of the 32 Stodman Street project.
Alternative Options Considered	Cabinet could decide not to proceed with the development, which would result in the lack of a much-needed town centre intervention which has the full support of this Council, the Newark Towns Board, the Newark Town Investment Plan and Central Government who have approved the Newark Towns Fund. Moreover, Newark Towns Fund grant would be at risk if the project does not proceed.
Reason for Recommendations	The project, one of 9 priority Towns Fund and Town Investment Plan project will contribute to all of the Council’s Community Plan objectives, including creating more and better-quality homes through our role as landlord and developer.

1.0 Background

1.1 In March 2022 Members will recall resolving, having secured planning permission and a pre-construction sale (to Arkwood Developments Ltd.), to add this scheme to the Council’s Capital program such that a tender exercise could take place in order to secure

a preferred contractor. Since that time Officers have progressed with a range of procurement options, having received several tenders from interested parties. Detailed design work has advanced with the procurement of client's agent, M&E engineer, Structural and Civil Engineer and a Principal Designer. All of these consultants will be retained by NSDC should Members agree to proceed with the scheme due to the specialist nature of the project requiring continuity of specific site and project knowledge. The Council has also continued its preparatory works, including the removal of large amounts of asbestos and clearance of internal partition walls to ready the site for the proposed re-development.

2.0 Procurement

2.1 Procurement processes have taken place since late 2022, concluding in January 2023. A range of tender returns and prices have been received. Given market conditions, including inflationary pressures, it is clear that a change to the Council's capital program is required in order to deliver the scheme. A recommended revised Maximum Capital budget is detailed at Exempt Report. The Council's Business Manager, Corporate Property is confident the scheme can be delivered within this Maximum Budget. An indicative timetable for delivery, subject to agreement of the appointed contractor, is detailed below:

- Agreement to Lease and Lease executed for residential units – March 2023
- Mobilisation of Contractor – May–August 2023
- Demolition Phase and Enabling works – July– November 2023
- Construction Phase – December 2023–June 2025
- Completion – June 2025
- Sale by long lease of Residential Units – June 2025

3.0 Proposal/Details of Options Considered

3.1 It is recommended that the Council's Capital Program is increased to the Maximum Capital Budget as detailed in the Exempt Report, allowing officers to conclude procurement in order to appoint a contractor and deliver the scheme.

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.

Equalities Implications

3.1 The proposed development has full planning consent including consideration of all required access and equality requirements.

Financial Implications (FIN22-23/767)

3.2 The current budget within the capital program is detailed in the Exempt Report.

3.3 Officers are satisfied that the increase in the Maxim Capital Budget does not materially affect the overall Benefit Cost Ratio or Value for Money case in utilising Towns Fund grant.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Redevelopment of 32 Stodman Street, Newark. Policy & Finance Committee, March 2022

Stodman Street Delivery Vehicle, Policy & Finance Committee, April 2021

Newark Towns Fund, Economic Development Committee, 18 November 2020

Newark Town Investment Plan 2020

Newark Towns Fund Update, Economic Development Committee, 16 June 2021

Newark Towns Fund Update, Policy & Finance Committee, 24 June 2021

32 Stodman Street OBC

32 Stodman Street FBC

Newark Towns Fund Update, Policy & Finance Committee, 23 September 2021

Newark Towns Fund Update, Policy & Finance Committee, 25 November 2021

Towns Fund Update, Economic Development Committee Report, 23 January 2022

Towns Fund Update, Policy & Finance Committee Report, 17 March 2022

Newark Town Investment Plan and Town Deal, Policy & Performance Improvement Committee, 28 November