



Report to: Cabinet Meeting - 19 September 2023

Portfolio Holder: Councillor Matthew Spoons - Sustainable Economic Development

Director Lead: Matt Lamb, Director - Planning & Growth

Lead Officer: Neil Cuttall, Business Manager - Economic Growth & Visitor Economy, Ext. 5853

<b>Report Summary</b>	
<b>Type of Report</b>	Open report, Key Decision
<b>Report Title</b>	Newark Towns Fund Projects Update and Project Adjustment Request
<b>Purpose of Report</b>	To update on the delivery of the identified priority projects in the Town Investment Plan through the Newark Town Deal (NTD). To update on a Project Adjustment Request seeking to change the redline boundary of the NTD.
<b>Recommendations</b>	That Cabinet: <ul style="list-style-type: none"> <li>a) note and welcome the progress made in the delivery, assurance and monitoring of the Town Deal (NTD) and proposals within the Town Investment Plan (TIP); and</li> <li>b) approve the Project Adjustment Request (PAR) relating to the Towns Fund area, as detailed at paragraph 3 to the report.</li> </ul>
<b>Alternative Options Considered</b>	There is an option to not undertake the PAR relating to the Town Fund Area. This has been discounted as it would not deliver the necessary requirements for the priority projects to be delivered within the programme period.
<b>Reason for Recommendations</b>	To ensure the ongoing governance and management of the Towns Fund programme. To ensure that the Towns Fund area boundary is representative of updated information and encompasses all relevant areas.

## 1.0 Background

1.1 The Newark Town Investment Plan (TIP) was developed in Spring 2020, following a Towns Fund opportunity made available to 101 identified Councils to submit a package of proposals on a town-scale basis for capital programs and projects that would offer genuine transformational change for communities. This was a competitive process, with

Councils invited to submit bids in 4 submission rounds. The Towns Fund guidance was clear in setting a role for the Council as accountable body, alongside and on behalf of a locally convened forum represented by a range of partners, notably the private sector. This led to the formulation of the [Newark Town Board](#) in January 2020 and consultation with different audiences and stakeholders, much of which was as the Covid-19 pandemic and associated lockdowns took hold.

- 1.2 The preliminary stages of developing the TIP included a series of workshops aimed at different groups of stakeholders to gather their ideas and priorities. The national lockdowns provided an opportunity to innovate, with schools running on-line forums to seek the ideas of children and their families; the CVS undertaking telephone interviews with clients; and the Council and its appointed consultancy team hosting multiple on-line groups, briefings and workshops.
- 1.3 The final Newark TIP captured a clear ambition to target legacy projects (those which create an ability to provide opportunity and ongoing benefits) across 4 Pillars of Intervention detailed below. The four areas of intervention as set out in the Town Investment Plan came to light as a result of the extensive consultation with stakeholders undertaken at the development stage of the TIP

Figure 1 - Four Pillars of Intervention



- 1.4 The unanimously Council-backed Newark Town Investment Plan was submitted to Government (Department Levelling Up, Housing & Communities) as part of national cohort 1 applications for Towns Fund Grant in July 2020. It contained an ask for Government to support ten priority projects.
- 1.5 The ten Priority projects were identified as:
  1. **Newark Construction College** – offers training, retraining and work experience placements to facilitate Newark residents getting jobs in high-demand, stable sectors such as plumbing, bricklaying and gas engineering.

2. **YMCA Community & Activity Village** – offers leisure facilities, education and training and access to crucial services such as integrated health care to Newark residents and young people.
3. **Air & Space Institute** – a state of the art educational facility offering further and higher educational pathways in highly paid, future-proofed sectors: aviation engineering, cyber security and pilot studies.
4. **Newark Southern Link Road** – a long-standing aspiration to unlock growth and ease congestion, connecting the A1 and A46.
5. **Relocation of Newark Police Station** (subsequently withdrawn) – proposals to co-locate public services at Castle House and redevelop the existing site for a new residential offer on the edge of the town, close to Newark Northgate rail station.
6. **20 minute Cycle Town** – a scheme with Brompton Bikes to provide a high quality offer and brand within the town, in conjunction with transport providers, employers, and developers.
7. **Newark Cultural Heart** – enhanced activities and events and associated infrastructure to establish Newark’s reputation as a vibrant town, increasing footfall and pride of place.
8. **32 Stodman Street Redevelopment** – repurposing a significant and vacant retail space to create high quality town centre residential homes, ground floor commercial opportunities, and new public realm improvements.
9. **Smart Innovation Supply Chain & Logistics Enterprise Zone SISCLOG** (now known as Newark Gateway) – establish at a key Gateway into Newark a high-tech businesses zone bringing more and better paid jobs into the town.
10. **Castle Gatehouse** – making it easier to access the Castle, alongside a raft of educational and interpretation offers.

1.6 In March 2021 the Government announced that Newark was successful in securing the maximum £25m grant of Town Deal funding. The Council entered into a Newark Town Deal (NTD) with Government in May 2021, committing to develop all 10 priority projects. Projects were required to be developed in accordance with a standard methodology (the 5 Case Green Book Business Case Model) and were subject to assurance by the Newark Town Board, the Council’s s151 Officer, and ultimately the Government before the grant could be spent on individual projects. As part of this deal, the Government confirmed that the grant allocation could not be used on any other project than those within the deal.

1.7 Members will recall that in addition to the NTD the Council additionally submitted proposals to the Levelling Up Fund for the Newark Parliamentary Constituency Area for the Newark Southern Link Road (SLR). A maximum £20m grant was secured, meaning that the SLR would not need to draw on any Towns Funding.

## **2.0 Project Updates**

2.1 Full Business cases have then been developed for most projects, with three of these still in development. The below table shows the timeline of the Business case development and approval.

Figure 1- Progress to Date

Project	OBC Assured	Summary Doc Approved by Government	FBC Assured
Construction College	See reports to Newark Town Board, S151 officer and Grant agreement, February 2021		
YMCA Community and Activity Village	n/a	August 2021	September 2021
Air and Space Institute	January 2022	January 2022	September 2022
20 Minute Cycle Town	December 2021	January 2022	n/a
Stodman Street Redevelopment	n/a	May 2022	February 2022
Newark Cultural Heart	April 2022	May 2022	Expected December 2023
SISCLOG (Gateway Project)	December 2022	February 2023	Expected November 2023
Castle Gatehouse	May 2022	July 2022	Expected early 2024

2.2 All completed Outline and Full Business Cases have been signed off by Newark Town Board, and the Council's retained independent assurers, Quod consulting, who advise the S151 officer on the value for money and deliverability of the projects. The first business case for each project is submitted to Department Levelling Up, Housing and Communities, in the form of a Summary Document for approval by government before the project funding allocation was drawn down. Therefore, each project has been robustly assured and accepted both at a council and a government level and the funding has been drawn down.

Figure 2: Project Updates Finance – the £25m Town Deal Funding was divided as follows

Project	Towns Fund Grant	Match Funding	Project Adjustments (£)	Comments
Construction College	£0.389m	£0.133m from Lincoln College		Opened in September 2021. Next steps looking at plans for expansion given levels of demand and employer popularity.
YMCA Community and Activity Village	Phase 2: CAV - £2m	Phase 1: Sports Pitches – S106 £463k, NCC £1m, Phase 2 CAV: S106 £766k, Elm Avenue Capital Receipt £501k, D2N2 LEP £810k, Notts YMCA £10.4m		Opened in July 2022, monitoring and evaluation ongoing
Air and Space Institute	£10.6m	£5m Lincoln College Group	Name change from IASTI to ASI, June 2022	Construction on track due to complete January 2024

<b>20 Minute Cycle Town</b>	£0.2m	50k match from private businesses.		Four Brompton Bike Docks installed. Phase 2 including training and partnership working underway
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<b>Stodman Street Redevelopment</b>	<b>£2.2m Town Deal £284k Accelerated Town Deal funding (separate to the £25m from the Town Deal)</b>	<b>£284k One Public Estates Grant £7.9m NSDC £400k Shared Prosperity Fund</b>	<b>Additional £200k reprofiled from the cancelled Police Station Relocation Project, April 2022 Additional from NSDC £3.6m - SLT report March 2023</b>	<b>Construction &amp; demolition due to start in September 2023</b>
<b>Newark Cultural Heart</b>	£2.1m	600k match per annum for at least 3 years from Newark Town Council	Change of project sponsor from Newark Town Council to NSDC – February 2023	Programme Development officer in post. Out to advert for Events Officer.
<b>SISCLOG</b>	£4.4m	Match TBC	Additional £400k reprofiled from the cancelled Police Station Relocation Project, April 2022	Interdependencies with relocation of lorry park and the National Highways A46 improvement works are being worked out. Capital financing options being explored with Capita consultants.
<b>Castle Gatehouse</b>	£3m	£1.385m NLHF £1m NSDC	Additional £400k reprofiled from the cancelled Police Station Relocation Project, April 2022	Progressing to the second stage of the National Lottery Heritage Fund application. Full Business Case planned for early 2024.

### **3.0 Town Fund Boundary Change Request**

3.1 The Towns Fund boundary was originally amended to have regard to the developments south of the Newark Urban Area, notably Middlebeck (and the SLR) and Fernwood. The northern boundary was not amended, with this being formed by the A46 and A1. Whilst it has always been known that a relocated Newark Lorry Park would be further north, close to Newark Showground, this would be subject to further work on the SiSCLog/Newark Gateway proposals. It is now clear that funding for any relocated

Newark Lorry Park and SiSCLog/Newark Gateway redevelopment will need to be viewed together. The preferred solution remains within the Newark Showground area. To allow conclusion of a Full Business Case for the SiSCLog/Newark Gateway redevelopment it is necessary to amend the Newark Towns Fund boundary to include the Newark Showground Policy Area. See Annex A and Annex B at the end of this report for the proposed redline boundaries. Agreement will also be required from this Council, the Newark Town Board, and the Government. It is recommended that Cabinet be the first in sequence to support this boundary change, allowing the submission of a Project Adjustment Form to the Government and progression towards a Full Business Case for submission to Government.

#### **Additional Autonomy over Project Adjustment Requests Given to Accountable Bodies:**

- 3.2 The Department for Levelling Up, Housing & Communities published additional guidance on Project Adjustment Requests on 5 July 2023 which stated that for any changes to project outputs of 30% variance or below, the accountable body was given the freedom and flexibilities to make this decision without referring it to DLUHC. For requests to vary the projects by more than this 30% figure, the Project Adjustment Requests would be referred to the Department in the first instance as normal, and they would commit to a reply within 20 working days. This does not extend to Towns Fund boundary changes, hence the request made within this report.

#### **4.0 Proposal/Options Considered**

- 4.1 This report is seeking the approval of a Project Adjustment Request form that requests the change of the Towns Fund boundary in order to allow the production of the FBC for the SISCLLOG/Gateway project. The proposed boundary change will incorporate the Newark Showground Policy Area, as defined in the 2013 NSDC Allocations and Development Management Policies Development Plan Document (ADMDDPD) and its emerging replacement (which proposes to keep the same area
- 4.2 Officers have considered what other options are available to the Gateway/SISCLLOG Project, which includes a 'do nothing' approach and maintain the redline boundary of the Town. This option has been discounted as it constrains the ability to develop the FBC and defray grant within the March 2026 timeframes, placing at risk a proportion of town fund grant will may otherwise need to be returned to Government or be withheld from drawing down.

#### **5.0 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 Implications (FIN23-24/4380)**

- 5.1 There are no direct financial implications arising from the recommendations in this report.
- 5.2 As mentioned in paragraph 2.3, robust processes are in place to provide assurance on the individual schemes from Outline Business Case. All the Towns Fund projects within the Capital Programme continue to be monitored and are reported quarterly within the budget monitoring report to Cabinet.
- 5.3 To date, £16.950m has been received of the £25m allocation.

### **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.

Project Adjustment Request Additional Guidance, 5 July 2023.

Newark Town Board [website](#) for:

- Town Investment Plan, July 2020
- Local Assurance Framework
- Minutes of Newark Town Board meeting, 17 March 2023

Committee/Cabinet Reports:

- Economic Development Committee – 19 January 2022 – Newark Town Fund Update
- Policy & Finance Committee 27 January 2022 – Newark Town Fund Update and Approvals
- Policy & Finance – 17 March 2022
  - o Towns Fund Update
  - o Castle Gatehouse Update
  - o Cultural Heart Update
  - o Newark Gateway Update
  - o 32 Stodman Street Redevelopment
- Economic Development 23 March 2022
  - o A46 Newark Northern Bypass Preferred Route Announcement
  - o Towns Fund Projects Update
- Cabinet – 7 June 2022 – Newark Town Fund Update and Lorry Park Relocation Options
- Cabinet – 4 October 2022
  - o Newark Town Fund Update and Lorry Park Relocation Options
  - o Newark Southern Link Road Project

**Appendix A Gateway Site**



**Appendix B Showground Policy Area**



Original Town Fund Redline Boundary



