



Report to: Cabinet Meeting - 4 November 2024

Portfolio Holder: Councillor Paul Peacock - Strategy Performance & Finance
Councillor Claire Penny - Sustainable Economic Development

Director Lead: Matt Lamb - Director - Planning & Growth
Sanjiv Kohli - Deputy Chief Executive & Director - Resources

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

Report Summary	
Type of Report	Open Report, Key Decision
Report Title	Sherwood Levelling Up, Long Term Plan for Towns Fund and UKSPF / UKRPF Fund Update
Purpose of Report	To provide an update to Cabinet on the status of various grant funding streams including Newark Towns Fund, Levelling Up Fund 1, UK Shared Prosperity Fund, Long Term Plans for Towns and Levelling Up Fund 3.
Recommendations	<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none"> a) notes the contents of the report, including the updates associated with each funding programme, as well as future anticipated updates detailed within this report; <p style="text-align: center;"><u>Levelling Up Fund 3 Grant from Government</u></p> <ul style="list-style-type: none"> b) delegates authority to the Director - Planning & Growth and Deputy Chief Executive and Director - Resources, to accept a potential future LUF 3 grant offer via an MoU, following a legal assessment of the terms and conditions of grant funding, in accordance with paragraph 1.20 of this report; <p>Ollerton Project:</p> <ul style="list-style-type: none"> c) approves an initial release of £500,000 of any LUF 3 grant when received in accordance with b) above, subject to a legal review of the terms and conditions of the grant funding and in accordance with paragraph 1.22 of this report; d) subject to b) above, delegates authority to the Business Manager - Economic Growth & Visitor Economy of additional spend from the approved Capital Budget beyond the £500,000 detailed in c) above, subject only to securing legal control of the required land, subject to planning, securing a match funding resolution to any funding gap, in accordance with paragraph 1.22 of this report;

	<p>Clipstone Project:</p> <p>e) delegates authority to the Business Manager - Economic Growth & Visitor Economy to approve spend of the in principle capital budget for Clipstone Phases 1-3, subject only to: 1) receipt of the full LUF 3 grant from Government as detailed in b) above; 2) no demonstrable funding gap to deliver the scheme in accordance with the Council's approved Capital budget; and 3) all required land-take to deliver that phase of the scheme being secured or within control of the District Council in accordance with paragraph 1.23 of this report;</p> <p><u>Long Term Plan for Towns Fund</u></p> <p>f) delegates authority to the Director - Planning & Growth and Deputy Chief Executive and Director - Resources, in consultation with the Newark Town Board, to accept a future Long Term Plan for Towns Fund grant offer of up to £20 million, subject to a review of the terms and conditions, new guidance and the submission of the Investment Plan;</p> <p>g) delegates authority to Deputy Chief Executive and Director - Resources, in consultation with the Newark Town Board, to approve grant awards in accordance with the Newark Town Board's Assurance Framework and Long-Term Plan for Towns Investment Plan as detailed at paragraph 1.13 and Annex 1 of this report.</p>
<p>Alternative Options Considered</p>	<p>If LUF3 and LTPFT grant funding is forthcoming it remains open to this Council to refuse to accept it or engage. This would represent a missed opportunity to delivery genuine and impactful transformative change in the communities of Ollerton, Clipstone and Newark.</p>
<p>Reason for Recommendations</p>	<p>To ensure Members are aware of the recent updates and developments associated with key funding programmes and to enable funding streams to progress, despite delays with funding announcements to date, within Government timescales as required.</p>

1.0 **Background**

- 1.1 Since 2020, Newark & Sherwood District Council have successfully secured over £90m of grant funding across various Government funding streams and initiatives to support local growth and regeneration. All funding awarded or provisionally allocated to the District Council over this period follows a competitive bidding exercise, or the development of a fund Investment Plan demonstrating local need and intent, against a pre-determined district allocation.
- 1.2 Locally, the four key funding programmes currently at various stages of their delivery and development include Newark Towns Fund, UK Shared Prosperity Fund and Rural England Prosperity Fund (UKSPF/REPF), Long Term Plans for Towns (LTPFT) and Levelling-Up Fund 3 (LUF 3). High level details of each fund are demonstrated below, in Table 1.

Table 1. Summary of Local Economic Growth and Regeneration Funding Programmes

Funding Programme	Funding Period	Total Allocation	Status
Newark Towns Fund	2021-2026	£25.75 million	Live
Levelling Up Fund 1 – Southern Link Road	2021- 2025	£20 million	Under construction
UKSPF/REPF	2022-2025	£3.3m UKSPF £891k REPF	Live
LTPFT - Newark	2025-2035	Up to £20 million	Awaiting final confirmation of funding
LUF 3 – Ollerton/Clipstone	2024 -2026	£20 million	Awaiting final confirmation of funding

1.3 Following the recent General Election in July 2024 and subsequent change in Government, the Department for Levelling Up, Housing & Communities (DLUHC) was renamed the Ministry of Housing, Communities and Local Government (MHCLG). MHCLG administrate and lead on all government funding streams described within this report, with the exception of REPF, which is a Department for Environment Food and Rural Affairs (DEFRA) initiative. This funding steam is however, also administered and monitored by MHCLG for the purposes of alignment and integration within UKSPF.

1.4 Newark Towns Fund and Levelling Up Fund 1

1.5 In July 2020, the Newark Towns Fund Board submitted the Newark ‘Town Investment Plan’ which outlined 9 priority projects (from a long list of thirty projects spanning the next 30 years) under 4 pillars of intervention, 1) Business & Skills, 2) Connectivity (Digital and Physical), 3) Town Centre Regeneration and 4) Town Centre residential growth. The government announced that this plan was accepted in May 2021 and a number of projects within the programme have since completed or are due to complete by March 2026. Key projects delivered by March 2026 include Newark Construction College Centre of Excellence, Newark Air and Space Institute (ASI), YMCA Community & Activity Village, 32 Stodman Street Redevelopment, Newark Cultural Heart (including transformation of Newark Market Place), Castle Gate House, 20 mile cycle town (in partnership with Brompton Bikes) and the addition of Southern Link Road which whilst a TIP project was funded by a successful Levelling Up Fund round 1 application for £20m grant. The relocation of the Police Station and Newark Gateway (SiSCLog) were removed from the Towns Fund programme since the initial Town Investment Plan. This programme is on track for completion in Spring 2026.

1.6 UKSPF/REPF

1.7 UKSPF was announced in July 2022 as part of the previous Governments wider ‘Levelling-Up’ agenda, seeking to replace former EU structural funds and compromising a 70/30 split revenue to capital. Shortly after the introduction of UKSPF, REPF was announced as a capital top up to UKSPF, specifically targeting growth in rural areas. The council received confirmation of £3.29m UKSPF funding and £891k of REPF

in Autumn 2022, available for three financial years until March 2025. All funding awarded is allocated to a variety of projects across three themes of communities and place, people and skills and supporting local businesses and due to complete by March 2025. This includes a combination of in-house delivery, grants to partner organisations and commissioning and procurement.

- 1.8 To date, there is no known continuation or replacement of UKSPF/REPF beyond March 2025. MHCLG have advised that any future funding that may be available through an extension of the existing programme or introduction of a similar alternative, is subject to the Government budget on October 30th, 2024, therefore Officers expect an update in the coming weeks.
- 1.9 It is also important to note the 2022 Devolution Deal agreed that any future UKSPF would be granted to the East Midlands Combined County Authority (EMCCA) in the first instance, with the opportunity of Local Authority allocation thereafter. EMCCA are currently consulting partners and Local Authorities across the region to discuss and develop further plans, priorities, and approaches to delivering this fund from April 2025 (should the Government confirm future replacement funding beyond the existing period). It is expected that an update will be provided from EMCCA regarding local plans for UKSPF, in the weeks following the October 30th budget.
- 1.10 Long Term Plan for Towns Fund (LTPFT)
- 1.11 In September 2023, Newark and Sherwood District Council were informed of an in-principle decision to award a £20 'endowment style' funding for Newark titled the Long-Term Plan for Towns Fund (LTPFT). It is required that a Town Board is set up for Newark, made from primarily community groups and local businesses to provide a 10-year vision for the town, alongside a 3 year investment programme and intervention, which must be submitted to Government by 1 August 2024.
- 1.12 The Board has been meeting monthly between March and July 2024 to bring together over 40 businesses, community organisations and government agencies to understand what research data identifies are the priorities for Newark, combined with the local knowledge of the group, to develop a vision for Newark and a list of priority projects to be delivered in the 3-year investment programme. This will be collectively known as the Long Term Plan for Towns Investment Plan – renamed locally the 'We Are Newark Investment Plan'.
- 1.13 On 19 July 2024, Central Government informed the Council and the Town Board that they are no longer expecting the submission of the Town Investment Plan by 31 July 2024. That has not stopped the Towns Board detailing its initial priorities for the first 3 years of any fund based on a previously published funding profile. On 23 July 2024, the Cabinet approved the delegation to the Portfolio holders for Strategy, Performance and Finance, and Sustainable Economic Development to endorse the final Town Investment Plan. These are detailed at Appendix 1. The Town Board is awaiting further detail and guidance from the Central Government before finalising any submission. Any funding will be subject to the requirement for matters such as an additional assurance framework and final approval from both the Towns Board and Council's s151 Officer acting on behalf of the Council as the accountable body.

- 1.14 Should the Council not receive confirmation of the funding on 30 October 2024 budget, Officers will continue to work with the Newark Town Board and project leads to further develop some of the projects so that they are as funding-ready as possible. It should be noted that the loss of this funding will mean some of these projects will not proceed in the short to medium term.
- 1.15 Should the Council receive confirmation of the funding on 30 October 2024 budget without any substantive amendments to guidance for the funds the 'We Are Newark Investment Plan' will be submitted to Government as soon as possible. Any substantive changes will be discussed with the Towns Board, with any revisions to the Investment Plan being reported back to Cabinet.
- 1.16 LUF 3
- 1.17 Newark and Sherwood District Council submitted a bid to the previous Government's LUF 2 funding programme in July 2022, to deliver the 'Shaping Sherwood's Rival' regeneration scheme. The bid sought £20m with projects costed in early 2022, with the funding period ending March 2026. The two projects within the local programme were Ollerton Town Centre regeneration and the development of Mansfield Road, Clipstone.
- 1.18 In November 2023, the council received notification from Government of a successful 'in-principle award' of £20m towards the original LUF 2 submission, via the LUF 3 programme (the latest funding tranche, recently announced at the time). Final confirmation of the award is subject to project validation and departmental sign off, considering changes to the original bid, subsidy control and other key conditions and requirements of the grant. Whilst the validation process for Newark and Sherwood was completed by Officers and confirmed in writing by the Civil Service in May 2024, prior to the calling of an election, final sign off and receipt of a Memorandum of Understanding (MoU) is still outstanding given the calling of the election before any formal paperwork was given to the Council to execute. Following the general election, the council were advised of an ongoing review by the new Government. It remains a significant risk that final approval may not be granted, coupled with a risk, that even through approval the timelines and costs of delivery would need to be re-evaluated. An update on the future of LUF 3 funding is anticipated to be announced on or before the Government budget on 30th October 2024.
- 1.19 Both the Ollerton and Clipstone projects have continued to advance over the last 12 months through the use of capacity funding and dedicated budgets to support progression. This includes developments through the RIBA stages, value engineering, advances with potential future tenants, and the completion of public consultation exercises. It should however be noted that it was agreed previously by Cabinet in July 2024 to pause further investment towards both LUF projects (beyond budget and work strands already started), until receipt of an MoU from Government and confirmation of the £20m LUF 3 funds. This means remobilising and moving into the next stages of RIBA will take additional time and will have delayed further the original intended timeline for delivery.

- 1.20 Should Newark and Sherwood District Council receive confirmation of LUF 3 funds, it is expected that both projects will continue to progress. Nonetheless, with consideration of the delays experienced, a 12- month extension to the original spend deadline set by Government would be required (extending from March 2026 to March 2027), in order for both projects to be able to meet the spend conditions of any future grant. It is therefore recommended that joint delegated authority is granted to the Director of Planning & Growth and the Deputy Chief Executive and Director of Resources, to review the conditions of any future MoU (to the value of £20m) and confirm acceptance on behalf of the District Council, following an assessment of deliverability against the grant requirements, and a legal review of the terms and conditions,
- 1.21 In addition to the absence of the LUF 3 grant, it is important to consider other key risks associated with both Ollerton and Clipstone schemes in their current form, such as outstanding land acquisition, planning permission and gaps in match funding to progress both projects in full. It is expected that further updates will be provided to Cabinet on all risks, mitigations and critically how fundings gaps may be closed, in December 2024. It should also be noted by Cabinet, that an agreed resolution to current outstanding match funding requirements, and the legal finalisation of land acquisition associated with the Ollerton scheme are both essential, prior to planning application submission.
- 1.22 In order for the Ollerton scheme to meet an anticipated March 2027 spend deadline, whilst progressing with RIBA stage 3 works and finalising the land acquisition, it is recommended that a sum of £500,000 is established from the in principle approved Ollerton capital project budget of £20,909,757. The contribution of £500,000 would be financed by LUF 3, and available upon receipt of an MoU from Government. This recommendation is also subject to a legal review of the terms and conditions of the potential Government grant, considering the risk to further investment at this stage of project development, to ensure any LUF 3 expenditure remains eligible. In order to manage and help mitigate risk further, it is proposed that any additional spend, financed by LUF 3 or match, associated with the Ollerton scheme (beyond the value of £500,000) is paused, until legal completion of the land acquisition and a resolution to outstanding match funding. An update will be reported back to Cabinet in December 2024 to confirm the status of all grant and match funding and next steps.
- 1.23 There remains potential land acquisition risks with respect to the Clipstone scheme particularly around Phases 2 and 3. However, Clipstone Holdings and the new Visitor Centre scheme (Phase 1&3) can progress within landholdings currently in the control and/or ownership of the District Council. In any event, the new visitor centre scheme can also only progress to a planning application if funding is secured to deliver the scheme in accordance with the Council's Capital Programme.
- 1.24 Any additional updates in relation the above funding streams that may be made available shortly before the date of this Cabinet meeting, will be provided verbally to Members.

2.0 Implications

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

2.1 Legal Implications

The execution of a memorandum of understanding by Government for any funding streams noted within this report would provide assurance to the Council regarding funding commitment, although it does not create a legal obligation.

2.2 Financial Implications (FIN24-25/6148)

Towns Fund

2.3 Priority projects identified for the Towns Fund are listed in the below. There is a mixture of revenue and capital monies.

2.4 The SIScLOG project has been removed from the list and the grant funding reallocated to 32 Stodman Street, Castle Gatehouse and Cultural Heart projects.

2.5 Spend to date against the grant as at the end of September 2024 is £20,863,373 (£870,330 + £19,993,043), with £4,886,627 left to spend before March 2026.

The table below does not include all the funding sources, only Newark Towns Fund.

Project	Accelerated Funding Allocation	Revenue Allocation	Capital Allocation	Revenue Spend to September 2024	Capital Spend to September 2024	Total available to spend/Committed by March 2026
IASI	77,000		10,600,000		10,677,000	-
Castle Gatehouse			3,310,000		747,043	2,562,957
Stodman Street	284,000		3,980,000		3,980,000	284,000
Cultural Heart		693,737	3,610,000	462,290	2,000,000	1,841,447
SIScLog		106,263		106,263	-	-
YMCA Community Activity Village			2,000,000		2,000,000	-
20 Min Cycle Town			200,000		200,000	-
Construction College	389,000				389,000	-
Project Management		500,000		301,777		198,223
	750,000	1,300,000	23,700,000	870,330	19,993,043	4,886,627

Levelling Up Fund 1

- 2.6 The Council was awarded £20m LUF 1 to support the delivery of the Southern Link Road, with the addition of £6m LEP, £3m NCC and £5m of NSDC funds is a total contribution of £34m to the £83.3m project. NSDC are currently awaiting receipt of the £3m contribution from NCC. This is currently profiled over 2024/25 and 2025/26 to be passed over to Urban & Civic.

UK Shared Prosperity Fund and Rural England Prosperity Fund

- 2.7 The UKSPF and RESPF has supported a number of projects across the district within 3 themes of communities and place, people and skills and supporting local businesses. This includes a combination of in-house delivery, grant funding to local organisations and commissioning and procurement.

Spend	2022/23	2023/24	2024/25 (forecast)	Total
UKSPF Capital	£20,000	£170,000	£781,263	£971,263
REPF Capital		£236,730	£654,977	£891,707
UKSPF Revenue	£303,412	£691,890	£1,324,161	£2,319,463
TOTALS	£323,412	£1,098,620	£2,760,401	£4,182,433

Levelling Up Fund 3

Ollerton

- 2.8 It is recommended that following Legal review of the grant terms and conditions a budget be made available of £500,000 in the Capital Programme if the MOU is received and the grant terms and conditions can be met. This expenditure would be financed by the grant, meaning there would not be any additional financial implications at this stage.
- 2.9 Further spend would only be incurred beyond the £500,000 once the match funding is resolved and reported back to a future Cabinet meeting, detailing the timescales and firmed up costings and future revenue implications from the full business case to ensure the viability of the scheme.

Clipstone

- 2.10 There are no additional financial implications at this stage. Further detail on the scheme will be brought back to December Cabinet at which point the financial implications can be considered.

Long Term Plan for Towns (LTPfT)

- 2.11 Once the Council have confirmation of the LTPfT Grant funding, detailed financial implications for all projects approved by the Towns Board which are Council led, will be presented for consideration at Cabinet, ensuring a robust approach to the viability and sustainability of each project.

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.

UK Shared Prosperity Fund

UK Shared Prosperity Fund Prospectus, 2022

Levelling Up Fund Round 3

Levelling Up White Paper, 2022

Levelling Up Fund Prospectus and Guidance, 2022

Sherwood Levelling Up Bid, July 2022

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

Cabinet Report, Sherwood Levelling Up Fund Update, November 2022

Cabinet Report, Ollerton Hall, July 2023

Cabinet Report, Ollerton Town Centre Regeneration and Bank purchase, December 2023

Cabinet Report, Sherwood Levelling Up 3 Update – Ollerton & Clipstone, March 2024

Cabinet Report, Sherwood Levelling Up 3 Update 2 – Ollerton & Clipstone, June 2024

Cabinet Report, Levelling Up Fund (LUF) 3 Update, July 2024

Towns Fund and Long Term Plan for Towns

- Town Investment Plan, July 2020

- Newark Town Board meeting reports

- [27 March 2024](#)

- [30 May 2024](#)

- [27 June 2024](#)

Cabinet/ Committee reports:

- Economic Development Committee

o 19 January 2022

[Newark Towns Fund Update](#)

- Policy & Finance Committee

o 27 January 2022

[Newark Towns Fund Update and Approvals](#)

o 17 March 2022

[Newark Towns Fund Update](#)

o 23 March 2022

[Towns Fund Projects Update](#)

- Cabinet

o 14 May 2024

[133. Newark Towns Fund Update](#)

o 23 July 2024

[11. 32 Stodman Street Development](#)

Long Term Plan for Towns [Guidance](#)

Annex 1 – Long Term Plan for Towns 3 Year Investment Plan Priority Projects

Recommended Projects	Lead Organisation	Capital	Revenue
<p>Transforming Newark Market Place To carry out improvements to improve public realm, including consideration of market stall refresh, greening, water play and public art. It will also include infrastructure upgrades including electricity network, lighting and wayfinding. It will transform the Market Place to allow for more adaptable uses and welcoming alfresco eating and dining.</p>	<p>Newark and Sherwood District Council Newark Town Council Nottinghamshire County Council</p>	<p>£0.3m</p>	
<p>New CCTV Control Room NSDC has made the decision to leave the existing partnership which currently provides CCTV to Newark due to a number of concerns regarding speed of information shared and aging technology. The Council is proposing a new CCTV control room to provide live monitoring of Newark and to increase CCTV coverage to tackle crime and ASB.</p>	<p>Newark and Sherwood District Council</p>	<p>£0.35m</p>	
<p>Riverside Regeneration/ Dry Dock/ Parnham Island Canal and River Trust currently owns and operates the country's largest inland Dry Dock and surrounding facilities at Parnhams Island. The proposal will deliver a feasibility study for the dry dock to provide a viewing gallery and learning space to attract visitors and provide skills and learning opportunities for local young people and adults. It will also attract more visitors to the Riverside Area and improve moorings, lightings, bridges and signage to attract visiting boats and encourage longer stays in the town</p>	<p>Canal and River Trust</p>	<p>£0.45m</p>	<p>£0.055m</p>
<p>Targeted Upper Floor Residential Conversion Grant The upper floor of the Town Centre, especially in the Market Place is underused and presents a great opportunity for conversion to residential. As the town centre is primarily in private and fragmented ownership, the only way to incentivise these conversions is to provide a grant. The increase of residential properties within the town centre will also provide an increased footfall within the town centre, especially in the evening.</p>	<p>Newark and Sherwood District Council</p>	<p>£0.8m</p>	
<p>Newark Information Point/ 14 Market Place The Town Council proposes an information point using an existing premise under Council ownership. It will pull together a range of stakeholders (including Councils, YMCA, Newark College and others) to form a central information point and community support hub to link visitors and residents with cultural events, museums, galleries, music, sports, recreation, tourism and hospitality offer within the town.</p>	<p>Newark and Sherwood District Council</p>	<p>£0.09m</p>	

<p>Town Centre Events To coordinate, and to deliver events within the Newark Town Centre.</p>	<p>Newark and Sherwood District Council Inspire Newark Town Centre Partnership</p>		<p>£0.4m</p>
<p>Feasibility Development Grants The creation of new funding to assist with the development of large-scale capital projects supported by the Newark Town Board.</p>	<p>Newark Town Board</p>		<p>£0.2m</p>
<p>Community Grants The creation of a Newark based Community Grant Programme to build capacity within community organisations in Newark and to deliver various smaller projects</p>	<p>Newark Town Board</p>		<p>£0.316m</p>
<p>Project Management Costs</p>	<p>Newark and Sherwood District Council</p>		<p>£0.150m</p>
<p>TOTAL</p>		<p>£1.99m</p>	<p>£1.121m</p>