



Report to: Cabinet Meeting - 10 December 2024

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

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

Lead Officers: Neil Cuttall - Business Manager, Economic Growth & Visitor Economy, Ext. 5853  
Kevin Shutt – Development Manager, Corporate Property, Ext. 5670

Report Summary	
<b>Type of report</b>	Open Report, Key Decision
<b>Report Title</b>	14 Market Place, Newark
<b>Purpose of Report</b>	To inform Cabinet of project progress and provide recommendations for final use.
<b>Recommendations</b>	<p>That Cabinet:</p> <ul style="list-style-type: none"> <li>a) note and support the proposed approach to create a usable community space at ground floor and single residential apartment at upper floors for long-lease sale to the market;</li> <li>b) approve amending the existing committed Capital budget from £353,000 to £373,000 in order to cover the costs of delivering a) above;</li> <li>c) delegate to the Deputy Chief Executive and Director – Resources authority to enter into a lease with the Lincoln College Group (LCG) for use of the ground floor and basement as a Community Information Hub for a minimum period of 3 years and to proceed with the long-leasehold sale of the apartment at upper floors, including the imposition of any necessary service changes for both uses approved;</li> <li>d) delegate to the Deputy Chief Executive and Director – Resources authority to include within the terms of c) above a rent-free and service charge free period of 12 months, with rent for subsequent years being jointly sought by the LCG, CVS, and this Council from any revised Newark Long</li> </ul>

	Term Plan for Towns (LTPfT) which shall be capped at a maximum of £9,000 per annum until 31 <sup>st</sup> March 2029; and e) subject to c) and d) above being agreed to conclude necessary fit-out costs for the Community Information Hub, providing the envelope remains within the revised capital budget of £373,000.
<b>Alternative Options Considered</b>	There is an option to ‘do nothing’ and mothball the building. This option has been discounted as it is a prime retail unit within Newark Town Centre and regenerating the site for future uses is a focus for the economic growth of the town.
<b>Reasons for recommendations</b>	The use of the building for community space and residential will enable worthwhile use of a key asset within the Council’s property portfolio in line with town centre strategy.

## **1.0 Background**

1.1 As Members will be, aware Newark & Sherwood District Council own 14 Market Place and have sought to develop the unit and bring it back into use as part of the regeneration of the Town Centre. Cabinet resolved at its meeting on 26 March 2024 to:

- a) approve the refurbishment of the entire property to a shell and core finish noting the estimated capital cost for full refurbishment in the exempt Appendix; and
- b) that a further report be brought to the Cabinet with options for future use, including an update on associated capital costs and financing.

1.2 Since the March 2024 report a potential tenant for the ground floor (and potentially basement) of the building has been identified in the form of Newark College who Members will be aware are part of the Lincon College Group (LCG). Newark College proposes working with key partners including the Nottinghamshire CVS to create a Community Information Hub from the site, given its highly visible location on the Market Place. Such proposals have emerged via the Newark Towns Board and are included in the current draft Long-Term Plan for Towns Fund (LTPfT) Investment Plan alongside a capital contribution of £90,000 towards converting the building. As detailed elsewhere on this agenda the Chancellors recent budget has confirmed that the LTPfT Fund will remain available, albeit it will be subject to new guidance with access to funding being pushed back until the financial year 2026/27. This is beyond the timetable for completing the works to the property which required a different delivery model for the scheme which has financial implications for the partners involved, including the Council.

### **Why refurbish the building?**

1.3 14 Market Place sits within a prominent position in Newark town centre and is in disrepair and unoccupied. The building is of significant visual interest and contributes

to the character of the Market Place. It is proposed to bring the property back into use and help deliver an objective of the Community Plan by creating active and sustainable uses within the building. Whilst a commercial ground floor use is commercially attractive, the benefits of utilising the space for community, information, and engagement activity is recognised by Newark College, the CVS, this Council, and the wider Newark Towns Board. Likewise, an active residential use at the upper floor fits within an overall willingness to embrace upper floor and town centre living, even for a single unit which is the maximum possible on the footprint available.

## **2.0 Proposal/Details of Options Considered**

- 2.1 Since March 2024, Officers have progressed the project by drawing up a specification and tendering for a build contract with the market. This specification is based on the creation of a single residential unit at upper floors and commercial shell (suitable for use of the Community Information Hub) at ground floor with basement storage. This has identified a need for an uplift in the Council's previously committed capital budget to £373,000. The procurement is currently paused pending Cabinet resolution.

### The Community Information Hub proposal:

- 2.2 As detailed above, these proposals have emerged via the Newark Towns Board deliberations in creating a 3 Year LTPfT Investment Plan (2025/6, 2026/7, and 2027/8) that was originally due to be submitted to the last Government in summer 2024. All priority projects for the Towns Board are detailed at Appendix A on Item: Town Fund Projects Update on this agenda. The Newark Information Point (now called the Community Information Hub) was to benefit from a £90,000 Capital Investment. Following the General Election, the new Government have encouragingly confirmed that the 'up to £20m' for the LTPfT fund will be honoured subject to the programme being repurposed to a 'Regeneration' focus. The Government have also confirmed that funds will not be made available, save for capacity funding, until the financial year 2026/7. This is too late for this project if the Council wants to bring this building back up to standard and into productive use.
- 2.3 Newark College remain committed to taking a tenancy and developing and activating the building for community use. The College can be trusted custodians for the unit, for utilising the space by providing a diverse range of community group programmes ranging from educational services to developing life skills and repair workshops. The District Council could also use and animate the space via its Community Relations, Heritage, Arts and Culture and Economic Growth teams.
- 2.4 The lack of ability to now secure LTPfT capital investment leaves a financial challenge for the Council to an already unviable project. There remains an ability to mothball the building, something which would not make sense at a time when the high street remains demonstrably important to the Council, town centre traders and residents. It is therefore proposed that the Council continues with the scheme, securing some cost recovery through the long-leasehold sale of the upper floor apartment but absorbing the costs of fit-out in order to allow Newark College to take on the ground floor with

its partners for the Community Information Hub. The financial implication of this approach is detailed below.

- 2.5 Whilst financially challenging it is considered that the introduction of an upper floor residential use alongside a community use will bring needed animation, vibrancy, and activity to this important and prominent building.

### **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 and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment below where appropriate.

#### **Financial Implications (FIN24-25/1404)**

- 3.1 The Capital cost of the refurbishment, which was approved by Cabinet on 24 March 2024, is £353,000. This is currently assumed to be financed £213,000 from Capital Receipts and £140,000 borrowing, with this being repaid upon receipt of the sale of the residential unit/s once the scheme is complete. The additional £20,000 requested will also be financed by borrowing. The additional cost of this to the revenue budget being £400 in Minimum Revenue Provision (MRP) and £980 in interest, a total of £1,380.
- 3.2 The scheme overall does not pay back within a 50-year period, with only £6,000 the annual income, a borrowing cost of £1,380 which will need to be added to the revenue budget from 2026/27 to 2028/29. There will be some running costs for the building, but these will be recovered in service charges.

#### **Legal Implications**

- 3.3 The Council's Legal Team will need to work with Corporate Property to finalise terms for lease agreements for the ground floor and basement, and for a long leasehold disposal. The long leasehold disposal will need to be conducted in accordance with the Council's Acquisitions and Disposals Policy and comply with relevant statutory requirements for long leaseholds. The Legal Team has reviewed the legal title to the property and the restrictive covenants were included in the Cabinet report on 24 March 2024.

#### **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.

Cabinet Report [26 March 2024](#)