



Report to: Cabinet Meeting - 1 April 2025

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Report Summary	
<b>Type of Report</b>	Open Report / Key Decision
<b>Report Title</b>	Levelling Up 3 - Programme Update
<b>Purpose of Report</b>	To provide an update on the Levelling Up 3 (LUF 3) programme, and to present key recommendations to Cabinet regarding the delivery of the Ollerton and Clipstone regeneration projects.
<b>Recommendations</b>	<p>That Cabinet:</p> <p>a) notes the updates associated with the LUF 3 Programme, including the recent execution of the Government Memorandum of Understanding (MoU), and the initial payment of LUF 3 grant to the Council, as detailed in 1.2 of this report.</p> <p><u>Ollerton Town Centre Regeneration Scheme</u></p> <p>b) approves the reallocation of £450,000 of the Capital budget of £500,000 approved by Cabinet on 10 December 2024, to revenue, as detailed in 2.5 of this report, funded by the LUF 3 grant;</p> <p>c) approves the addition of £68,000 within the capital programme, financed by grant, as detailed in 1.5 and 1.6 of this report; and</p> <p>d) approves the addition of a £322,000 revenue budget, financed by grant, as detailed in 1.5 and 1.6 of this report.</p> <p><u>Clipstone Regeneration Scheme</u></p> <p>e) approves the reallocation of the Capital budget of £200,000 approved by Cabinet on 10 December 2024 to revenue, as detailed in 2.6 of this report, funded by the LUF 3 grant; and</p>

	f) notes the additional £40,000 revenue budget, funded by Government granted LUF 3 capacity funding, as detailed in 1.13 of this report.
<b>Alternative Options Considered</b>	Consideration has been given as to whether both Ollerton and Clipstone should be placed into a secondary paused status, until the outstanding risks and matters noted in this report are resolved. This approach is not recommended at this stage, as by pausing both projects again, it is unlikely that either scheme will be able to defray the LUF 3 funds by March 2028, preventing transformational change to be delivered to the Ollerton and Clipstone communities. Furthermore, the budgets requested within this report are required to finalise the outstanding matters detailed in this report, and therefore progression is not possible without additional funding.
<b>Reason for Recommendations</b>	The recommendations within this report aim to prevent further delays of both Ollerton and Clipstone projects, supporting the scheme to meet an anticipated March 2028 LUF 3 spend deadline. Without the provision of additional funding to progress key workstreams, the ability to meet a March 2028 spend deadline is further compromised and would present a subsequent risk regarding potential loss of funding.

## 1.0 **Background**

- 1.1 Following the LUF 3 update report presented to Cabinet in December 2024, Officers continued to discuss the developments associated with the ‘Shaping Sherwood’s Revival Scheme’ with the Ministry for Housing, Communities and Local Government (MHCLG). This includes the provision of key monitoring and reporting metrics, as well as financial forecasting for both Ollerton and Clipstone regeneration projects, to support the release of programme funding. The Council also continues to seek the necessary extension of the LUF 3 funding period to March 2028, following a pause of the national programme in 2024, and the prolonged confirmation of the £20m grant for the local scheme.
- 1.2 In January 2025, the Council and MHCLG successfully formalised the £20m LUF 3 commitment to Sherwood through a Memorandum of Understanding (MoU). The executed MoU provides the Council with further assurance relating to the future funding, in addition to the release of an initial draw down of the LUF 3 grant of £1,264,211. The first payment of grant will finance eligible agreed budgets to date against both schemes, replacing contributions previously forward funded by the Council, totalling £1,189,788. Proposed uses of the remaining £74,423 will be presented through a future report.
- 1.3 Whilst it is positive to report the recent advances relating to the funding and the initial draw down of grant, it is important to note that the essential deadline extension to March 2028, remains unconfirmed by Government at this stage. The MoU currently stipulates a requirement to spend by March 2026, and the two-year financial extension to March 2028, is now subject to the Government’s 2025 Spring Budget Review. As detailed previously to Cabinet, the progression of both Ollerton and Clipstone projects is restricted, without confirmation of the flexibility to the LUF 3 funding period. Conversely, the development of Phase 1 of the Clipstone project (commercial units),

continues to progress as planned due to the existing approved budget for this element of the scheme.

- 1.4 It is important to note that the key risks associated with both projects remain as presented to Cabinet previously. Aside from the unconfirmed LUF 3 grant extension to March 2028, most prevalent risks comprise land access, tenure and acquisition, Business Case approval, planning permission, outstanding match funding and any subsequent potential design changes as a result. The Council continues to prioritise matters surrounding land acquisition and tenure, as well as match funding needs for both Ollerton and Clipstone schemes. As agreed by Cabinet in June 2024, planning applications will not be submitted for either project, until a resolution to outstanding match requirements is confirmed, as well as the legal completion of land acquisitions/security of tenure.

#### Ollerton Town Centre Regeneration Scheme

- 1.5 For the Ollerton Town Centre Regeneration Scheme to meet the requested March 2028 spend deadline, it is recommended that a total budget of £390,000 is established in 2025/2026. This would be financed by incoming UK Shared Prosperity Fund (UKSPF) grant, acting as a source of match funding towards the scheme. This follows an in-principle recommendation presented to Cabinet in February 2025, committing a proportion of UKSPF grant towards the Shaping Sherwood's Revival Scheme.
- 1.6 The proposed £390,000 as described above, would finance both capital and revenue activities, in accordance with the table below:

<b>Activity</b>	<b>Budget Required</b>	<b>Funding Source</b>
Remainder of the RIBA 3 activities	£322,000	UKSPF Revenue Grant
Legal fees relating to scheme land acquisitions and submission of full planning application	£68,000	UKSPF Capital Grant
	<b>£390,000</b>	

- 1.7 The above workstreams assume a single-phase delivery through the existing design and build contractor, procured via the Scape Framework. Further works are currently ongoing through the RIBA 3 stage to finalise costings, and agree options for delivery, including a potential phased build approach, value engineering and any other possible routes to maximise value for money.
- 1.8 Discussions continue with likely future tenants, including cinema operators and local services looking to expand. Disappointingly, Nottinghamshire County Council have advised that they no longer wish to be part of the project. This is based on the space available being unable to meet service delivery requirements, despite involvement with the designs of the space. Capital cost is also cited, with the only offer made being a contribution which is inappropriate and unacceptable. This is all despite Nottinghamshire County Council and a new library having been part of the Levelling Up Fund proposals since 2022. The lack of library, whilst disappointing for the residents of

Ollerton, does not diminish the desire to deliver the project, with discussions with alternative tenants and partners having taken place.

1.9 A future report will be presented to Cabinet at a later date, detailing finalised forecasted costings, scope and outcomes associated with the project. This will provide the opportunity for the Council to establish the remaining budget within the capital programme (as required to deliver the project), and commence RIBA 4, subject to completion of the following matters:

- Approval of the Green Book Business Case (including full cost implications and confirmation of match funding).
- Land acquisitions.
- Confirmed extension of the LUF 3 grant, to March 2028 minimum and MHCLG approval of any changes in scope.
- Planning application submission (as noted in 1.4, planning will not be submitted until completion of legal land matters, and confirmation of outstanding match funding).

#### Clipstone Regeneration Scheme

1.10 The Clipstone regeneration scheme, located on Mansfield Road, continues to operate in 3 core phases, aiming to provide employment opportunities through the development of commercial units at the Clipstone Holdings Site (Phase 1), an enhanced sports and leisure facility (Phase 2) and an improved educational and visitor offering at Vicar Water Country Park (VWCP) (Phase 3).

1.11 Phase 1 was granted planning permission at the Planning Committee meeting of 13<sup>th</sup> March 2025 and it is expected that works will commence on site in the summer. The Council continues to work in partnership with Clipstone Miners Welfare Community Trust (CMWCT) to support delivery of the proposed new sports and leisure offering (Phase 2). This scheme is being delivered through a land swap transaction with Welbeck Estates, the Colliery landowners. Welbeck are providing CMWCT with 10.2ha of Colliery land to the South East of the Headstocks in exchange for the current CMWCT land at the Lido site in Clipstone. This would allow the Miners Trust to expand their sports provision offer at the former Colliery site and provide Welbeck land for housing development at the Lido site. This deal is subject to both proposed developers receiving planning permission, expected Spring 2025. Negotiations with the football foundation, CMWCT and Welbeck remain ongoing. A further report will be presented at Cabinet in due course once these have concluded.

1.12 Phase 3 of the Clipstone Scheme provides an enhanced visitor centre, café and Rangers' facilities, with improved connectivity to the proposed new sports facilities adjacent to Vicar Water Country Park (VWCP). The scheme now proposes enhancements to the current VWCP visitor café facility, in conjunction with the tenants and ranger service who are keen to maximise outdoor education provision. Negotiations also continue with Welbeck estates regarding the Council buying out the current lease for VWCP.

1.13 To conclude these negotiations and design works it is recommended that Cabinet approve an additional budget of £40,000, to be funded by LUF 3 capacity funding, recently granted by Government to support the development of either Sherwood project.

## 2.0 Implications

2.1 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.

### Legal Implications (LEG2425/7802)

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

2.3 Cabinet is the appropriate body to consider the content of this report.

### Financial Implications (FIN24/25/4582)

2.4 The report to Cabinet in December 2024 outlines the current commitments for both Ollerton and Clipstone, which also incorporate the amounts recommended within this report from the UK Shared Prosperity Fund. However, this figure remains contingent upon receiving written confirmation from the East Midlands Combined Authority (EMCCA).

<b>Revenue</b>	<b>Ollerton</b>	<b>Clipstone Phase 1</b>	<b>Clipstone Phase 2/3</b>
SLT January 2023 NSDC Reserves	23,255		
Cabinet Dec 2024 NSDC Reserves*	150,000		
Third Party Contribution	5,000		
UKSPF	189,650		31,377
S106	31,654		
Capacity Funding			255,000
Cabinet June 2024 NSDC Reserves*	35,000		121,000
Forward Funding approved December Cabinet*	450,000		200,000
Cabinet April 2025 UKSPF	322,000		
<b>Total Revenue</b>	<b>1,206,559</b>		<b>607,377</b>
<b>Capital</b>	<b>Ollerton</b>	<b>Clipstone Phase 1</b>	<b>Clipstone Phase 2/3</b>
Cabinet June 2024*		32,788	
S106 Clipstone Miners Welfare			220,121
Ollerton Bank Acquisition*	151,000		
Forward Funding approved December Cabinet*	50,000		
Cabinet April 2025 UKSPF	68,000		

<b>Total Capital</b>	<b>269,000</b>	<b>32,788</b>	<b>220,121</b>
<b>Overall Total Investment (Revenue and Capital)</b>	<b>1,475,559</b>	<b>32,788</b>	<b>827,498</b>

- 2.5 The items marked with an \* above amount to £1,189,788. These expenses will be covered by the Levelling Up Fund (LUF) Grant from MHCLG, in accordance with the MoU. The initial payment of £1,264,211 due to be received on 21 March 2025 will contribute towards financing these costs as outlined in paragraph 1.2 and will account for the forecasted spending incurred up to June 2025.
- 2.6 The £500,000 allocated to Ollerton under Capital will be reallocated, with £450,000 assigned to Revenue and £50,000 remaining as Capital. This ensures that all RIBA 3 works are funded through Revenue, addressing the uncertainties highlighted in paragraph 1.3. Following this, the budget for the Planning application and RIBA 4 – Technical Design and subsequent stages can be included in the Capital Programme.
- 2.7 There are still uncertainties surrounding the Clipstone scheme, so only the budgets for phase 1 of Clipstone Holdings have been incorporated into the Capital Programme so far. However, sufficient revenue from prior capacity funding and the new allocation from the Levelling Up Fund (LUF) is available to advance phases 2 and 3 of Clipstone up to the Spring budget announcement. In line with paragraph 2.5 above, the £200,000 allocated to Capital, will be reallocated to revenue and funded by the LUF grant when required.
- 2.8 As per paragraph 1.9, a report will be presented at a future Cabinet meeting to provide Members with a comprehensive overview of the schemes and to seek approval for their progression.

### **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.

#### 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

Cabinet Report, Sherwood Levelling Up, Long Term Plan for Towns Fund and UKSPF / REPF Fund Update, November 2024

Cabinet Report, Levelling Up 3 Programme Update, December 2024

Cabinet Report UKSPF, February 2025