

POLICY & FINANCE COMMITTEE

24 SEPTEMBER 2020

NEWARK TOWNS FUND – ACCELERATED CAPITAL INVESTMENT

1.0 Purpose of Report

- 1.1 To seek agreement to set up a budget to hold £750,000 of grant funding, alongside an agreement to underwrite £64,500 in anticipation of the grant approval.

2.0 Background Information

- 2.1 Members will recall that in September 2019, it was announced that Newark had been chosen as one of 100 towns in the UK to apply for a share of up to £25 million worth of investment as part of the Governments 'Town Deal' process. The process for accessing Towns Funding has involved the submission of a Newark Town Investment Plan (TIP), which followed a period of public consultation, a number of stakeholder workshops, and full endorsement of both the Newark Towns Board and this Council.
- 2.2 At the time of writing the final TIP is yet to be agreed by government, as is the level at which the 'up to £25m grant' the Council may be able to secure. Notwithstanding this, on 1 July 2020, the Ministry of Housing, Communities and Local Government (MHCLG) wrote to the Council offering an opportunity to bring forward Capital Investment Projects identified in Town Investment Plans to support jobs and economic recovery by way of a (in the case of NSDC) a £750,000 Capital Grant.
- 2.3 The Newark Tip identifies 3 no projects which are capable of being used for this £750,000 capital grant as being 1) Newark Construction College Expansion, 2) 32 Stodman Street, and 3) Newark Cycle Town investment. An update on each of these projects, including a wider update on all TIP project will be presented to the November meeting.

3.0 Proposals

- 3.1 It is proposed to create a budget of up to £750,000 to cover works associated with the 3 projects identified within the Newark TIP, which detailed below:
- a) The delivery and site readiness of the former Marks and Spencer site on Stodman Street in Newark town centre. The funding will be used to carry out necessary surveys, all relevant to site enabling, design and preparation works towards the submission of a full planning application including the commencement of a two-phase approach to demolition. The project is identified within the TIP to be a catalyst project creating new town centre residential accommodation, through the repurposing of a retail unit, and creating a new retail offer for the Town.
 - b) The site readiness and delivery of a Construction College led by Lincoln College Group. This will include demolition of existing buildings on site, which will complete the first phase of the programme of delivering a new plumbing, gas testing, and bricklaying facility for the town.

- c) The delivery of a new cycle infrastructure within the town, to enable better connectivity for employment and leisure purposes. This programme will be led by Newark & Sherwood District Council and will seek to provide the required infrastructure in strategic locations around the town to encourage cycling as a more sustainable mode of transport and an opportunity approach to new docks and hubs within Newark.

- 3.2 At the time of writing this report, written approval of the three proposed schemes has not yet been received from the MCHLG. Whilst for most projects this does not impact the ability to deliver (provided they are considered at the November cycle), that is not the case with respect to 32 Stodman Street. A number of surveys must be commissioned for this project within the next 4 weeks in order to allow spend for March 2021. These are detailed below:

Survey	Expected costs
Asbestos/R&D Survey	10,000
Statement of Significance & Archaeological surveys	7,000
Structural appraisal and demolition method statement	35,000
Ecological Appraisal	5,000
Site Investigations – Intrusive and Desktop	7,500
Total	64,500

- 3.3 The Council's s151 Officer will be required to ensure value for money is achieved in spending the grant from MHCLG.
- 3.4 It is recommended, in the absence of written approval of the schemes from MHCLG that Committee agree to underwrite £64,500 of the £750,000 total from the Council's own funds. This will allow the above works to be commissioned in the event that approval not be forthcoming.
- 3.5 There is a risk that if the Council's Town Fund bid is not approved by MHCLG and, therefore, the Accelerated Capital Fund of £750,000 is not approved, then the council will have to fund the costs from its own capital programme. The likelihood of this happening is small, given the initial feedback from government. In any case, the works set out in this report are considered necessary in bringing the site back into use. If this scenario did arise then an urgent report would be brought to Committee.

4.0 Equalities Implications

- 4.1 Equalities impact assessments will be required by the delivery owner for each of the TIP projects identified.

5.0 Financial Implications (FIN20-21/950)

- 5.1 It was hoped that MCHLG grant acceptance would have been received prior to works being commissioned. This is now unlikely to be the case.
- 5.2 The £64,500 immediately required spend, can be financed from the Capital provision should the proposed schemes not be approved.

- 5.3 The £750,000 (inclusive of the £64,500) budget will be set up in the Capital Programme once the MHCLG give the Council approval to proceed with the three schemes proposed. This will then be fully funded by the Capital Grant and due to the spend deadline of 31 March, be made available in 2020/21.
- 5.4 There is a risk that if the Council's Town Fund bid is not approved by MHCLG and, therefore, the Accelerated Capital Fund of £750,000 is not approved, then the council will have to fund the costs from its own capital programme. The likelihood of this happening is small, given the initial feedback from government. In any case, the works set out in this report are considered necessary in bringing the site back into use. If this scenario did arise then an urgent report would be brought to Committee.

6.0 Community Plan – Alignment to Objectives

- 6.1 An updated Community Plan is being considered at this Committee meeting. The Town Fund Investment Plan is an important part of the Council's objectives to:
- Deliver inclusive and sustainable economic growth
 - Enhance and protect the district's natural environment
 - Create more and better quality homes through our role as landlord, developer, and local planning authority

However, the TIP can also be considered to touch upon all objectives.

7.0 RECOMMENDATIONS that:

- (a) spend of up to £64,500 is set up in the Capital Programme for work to be undertaken in advance of grant approval as detailed at 3.2 with a view to financing from the Capital Provision if required; and
- (b) upon receipt of written approval from the MHCLG that the proposed schemes are acceptable, a budget for Newark Towns Fund of £750,000 (inclusive of £64,500) be added to the Council's Capital Programme fully financed by the Accelerated Capital grant.

Reason for Recommendations

To make Members aware of the Accelerated Capital Grant and seek approval to underwrite expenditure necessary meet the spend deadline.

Background Papers

Nil.

For further information please contact Matt Lamb on Ext 5842.

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