

ECONOMIC DEVELOPMENT COMMITTEE

18 NOVEMBER 2020

NEWARK TOWNS FUND

1.0 Purpose of Report

- 1.1 To update Members on discussions with the government following the submission of the Newark Town Investment Plan on 31 July 2020 and associated work.

2.0 Background

The Towns Fund submission

- 2.1 In accordance with national Towns Fund guidance, published in November 2019 and June 2020, the proposed Newark Town Investment Plan (TIP) was formally submitted to government on 31 July 2020, the deadline for cohort 1. In addition to the unanimous support of the Newark Town Board, the proposed strategy and projects within the TIP were endorsed at briefing meetings with Newark & Sherwood District Council (NSDC) and all Town and Parish Councils within the TIP boundary.
- 2.2 It is understood that Newark was one of 13 Towns nationally to submit its proposals as part of cohort 1 and was the only Town in the East Midlands to do so. There remain 3 further opportunities for eligible Towns to submit proposals in October 2020, December 2020 (a new cohort announced by government), and January 2021.

3.0 Updates and Proposals

Funding Announcements and a Decision on Newark

- 3.1 7 places within cohort 1 have been [announced](#), with negotiations now progressing to develop Heads of Terms and Business Case(s) with government. This includes Blackpool (£39.5m), Barrow-in-Furness, Darlington, Peterborough (£22.9m), Norwich, Torquay (£21.9m) and Warrington.
- 3.2 Following the Newark TIP submission a number of qualifications have been provided to the government, who have been assessing the proposals. At the time of writing, we are yet to hear if the TIP asks will be supported. A decision is expected this month. Upon any announcement the Council will then be invited to negotiate and agree Heads of Terms with the government, alongside a timetable to develop Business Cases within the next 12 months for all supported projects.
- 3.3 It remains hopeful that we would secure significant investment from the Towns Fund. The submission is strong, ambitious, transformative and importantly deliverable. This is reflected in feedback from the government's own commissioned professional team via TIP 'check and challenge' sessions prior to formal submission. Upon agreement of Heads of Terms for Newark it is proposed that a revised and final TIP be presented to the January 2021 Committee. It is hoped that the revised TIP, as with the version currently with government, will have simultaneous unanimous Newark Towns Board support.

TIP Projects

3.4 International Air & Space Training Institute (IASTI)

Members will be aware that one of the key projects within the TIP was the IASTI, which formed part of proposals to provide, in conjunction with the Lincoln College Group, Aviation 360, a University Partner, and Military and Civil aviation industries, a new post 16 education facility for students to access ground, engineering, and pilot programmes. All partners have continued to progress with the project in anticipation of funding being secured. It is envisaged that the IASTI can be operational for virtual intakes as soon as September 2021, with the full facility to follow as soon as reasonably practicable, preferably on the Cattle Market/Lorry Park site as detailed below.

3.5 Smart Innovation, Supply Chain & Logistics Enterprise Zone (SiSLog)

Members will recall that this is a project jointly developed between the Council, the University of Lincoln and the Universities for Nottingham. It is considered that there is a significant logistics and supply chain opportunity given the strategic significance of Newark to the road, rail, and air networks. The Council and Universities have now commissioned further work to understand how this potential can be identified, encouraged, supported, and funded to deliver a new Enterprise Zone in Newark. Further details will be provided to future meetings of this Committee.

3.6 Members will be aware that the proposals for the IASTI, SiSLog, and other commercial development, most notably a hotel (an identified aspiration of the Designation Management Plan for Newark) and student accommodation were envisaged as part of the Newark TIP for the existing cattle market and lorry park site. I can offer the following update on each:

3.7 Livestock Market site

Members will recall from the minutes of the September meeting that a tender exercise has been undertaken for an operator(s) to occupy the current cattle market site on a short term basis, with a view to a new facility being established elsewhere, with the Newark Showground being identified as a preferred location. As recorded in the minute there were no successful bids following the conclusion of a due diligence process. It was therefore reported that the current site will now be used to enable the alternative uses identified and promoted by the TIP aspirations.

3.8 Since the September meeting, Officers have been approached by a third party who is exploring the relocation of the cattlemarket to the preferred Showground site. This third party has confirmed that it has no interest in setting up on the existing site. Officers have expressed a willingness to work with this third party to facilitate this relocation to the Showground as soon as practicable. This means that the exiting site is no longer required. In the interests of reducing holding costs and preparing the site for its ability to contribute to the TIP (funding dependant) it will be recommended to the Policy & Finance Committee that funds are made available for Officers to tender for the demolition and secure holding of the existing cattle market site.

3.9 The Lorry Park

Members will be aware that the lorry park remains important for the area, in terms of servicing demand linked to the strategic road network and in terms of its fee performance for the Council. The third party interested in relocating the cattle market and Newark Showground themselves, have expressed a desire to see the relocation of the lorry park to the showground if possible and desirable from the District Council's perspective. This is also consistent with the Newark TIP proposals should the IASTI, hotel and other development be secured.

3.10 As Members will be aware it will be necessary, if the Council is to consider the relocation of the lorry park, for feasibility work to be undertaken in order to understand the acceptability (in planning, highways, drainage, and utility terms) and costs of its relocation. It will be equally necessary to liaise with the industry. In order to allow the Council to make a future decision on this issue it will be recommended to the Policy & Finance Committee that a budget be secured for Officers to undertake this feasibility work. Such work will be progressed alongside negotiations with the Lincoln College Group as part of securing, subject to Member approval, the IASTI and associated development.

3.11 32 Stodman Street (former M&S store)

Members will be aware that this project was identified in the Newark TIP as one of three which could be progressed utilising the up to £750,000 'accelerated funding' awarded to the Council last month. Following a tender process the Council has now appointed an architectural and commercial team to progress with plan for the repurposing of the building to provide for commercial and/or retail space at ground floor and residential apartments above. Further updates will be provided to this Committee in due course, alongside financial reporting to the Policy & Finance Committee as required.

3.12 YMCA Community and Activity Village

Members will be aware of this project, not only via the Newark TIP but also from the previous updates and decisions taken to support the scheme and its overall aspirations to support children and young people and address the social mobility challenges of the town. The YMCA are due to conclude their tender for phase II of the project shortly, with a view (subject to towns funding) of commencing as soon as possible on the new facility.

3.13 Newark College Construction Expansion

This is the second of three projects which the Newark TIP identifies as being supported with 'accelerated' funding. The project will introduce stone masonry and expand gas, joinery and bricklaying alongside growing links with new methods of construction. The project is expected to welcome an additional 688 New Students (16-18, Degree, Adult) over the first 5 years. A planning application for the works has been submitted with a decision expected immediately prior to the Committee itself. The LCG are currently out to tender within the construction market to deliver the project.

3.14 The Newark TIP comprises many other projects, which will be subject to updates at future meetings.

4.0 Equalities Implications

4.1 Each of the projects detailed above will be required, if and when they proceed to have regarding to equalities and access implications.

5.0 Digital Implications

5.1 There are digital implications within many of the TIP plans and projects identified, with the need to ensure appropriate digital infrastructure, skills and future innovative and creative employment opportunities being key to many objectives. Each project will be required to identify this as they progress.

6.0 Financial Implications (FIN20-21/2016)

6.1 The costs of demolishing the Cattle Market site would need Policy & Finance approval in order to be added to the Capital Programme; financed by borrowing and the implications of such will need to be assessed once an estimated cost has been determined.

6.2 The report proposes the following feasibility studies:

- The relocation of the existing Cattle Market/Lorry Park; and
- The redevelopment of the site following demolition

The costs of these studies will need an associated revenue budget. This could be funded from the Capital Projects Feasibility Reserve, depending on the cost.

6.3 Any further Towns Fund related expenditure will need to be approved by Policy & Finance Committee to ensure that appropriate Capital Budgets are in place.

7.0 Community Plan – Alignment to Objectives

7.1 The Newark TIP is a direct intervention of such scope and breath that it will significantly contribute to delivering all of the Council's Community Plan objectives.

8.0 RECOMMENDATIONS that:

- a) Members note the ongoing negotiations with government to secure a capital contribution from the Towns Fund of up to £25m;**
- b) Members note the ongoing progress of the Newark Town Investment Plan projects listed in section 2.0 above;**
- c) Members recommend to the Policy & Finance Committee the allocation of appropriate budget to secure the demolition and secure holding of the exiting Cattle Market site;**
- d) Members recommend to the Policy & Finance Committee the allocation of appropriate budget to undertake feasibility work on the relocation of the Cattle Market to Newark Showground or other identified site(s); and**

- e) **Members recommend to the Policy & Finance Committee the allocation of appropriate budget to undertake feasibility work on developing the exiting Cattle Market and lorry park site to accommodate the Newark Town Investment Plan aspirations**

Reason for Recommendations

To continue the development the Newark Towns Strategy and Investment Plan.

Background Papers

Nil

For further information please contact Matt lamb on Ext. 5842

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