NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Virtual Meeting of the Newark Towns Fund Board Meeting held on Thursday, 11 February 2021 at 8.00 am.

PRESENT: Board

Councillor D.J. Lloyd, Leader of NSDC – Co-Chairman
Mr. Tom Cartledge – Co-Chairman
John Latham, Director of DVC Projects, University of Lincoln
Tom Marsden, Lincoln College Group
Tony Aspbury, Chairman of Development Committee, Newark Showground
Linny Beaumont, Partnerships & External Relationships Manager for the Canal and River Trust (Newark)
Steff Wright, Chief Executive, Gusto UK
Ben Sumner, Director of Engagement & Partnerships, University of Nottingham
Kerri McGarrigle, Chair of Newark Business Club
Alan Mellor, Town Clerk Newark Town Council *(Mr. Mellor was only able to participate by using the Chat facility in the Teams Meeting.)*
Councillor Ronnie White, Chairman of Balderton Parish Council
Darren Burke, Director, Masdings

Others

Matt Lamb, Director Planning & Growth, NSDC
Robert Churchill, Capital Projects Manager, NSDC
Neil Cuttell, Business Manager Economic Growth, NSDC
Simon Witts, Founder & CEO, Aviation360
Jane Hutchinson, Town Centre Development Manager, NSDC
Frank Horsley, Head of Business & Innovation
David Wright, Cities & Local Growth
Councillor Keith Girling, Deputy Leader, NSDC
Sandhya Ward, Homes England
Sarah Forgione, Communication & Marketing Manager, NSDC
Will Parkinson, Economic Growth & Tourism Apprentice, NSDC
Ben Walton, RG&P
Nicola McCoybrown, Place & Growth Manager, NCC
Tim Brown, DWP

17.0 Apologies for Absence

The following apologies for absence were received from:

Jackie Insley, Sherwood & Newark Citizens' Advice
Nikki Burley, Newark Emmaus Trust
Richard Coppell, Urban & Civic Management Ltd.
Andrew Fox, Business Unit Director, Timico
David Jones, Chief People Officer, Timico
Tina Holmes, HR Director, NSK
Gary Headland, Lincoln College Group (substitute in attendance)
Sanjiv Kohli, Deputy Chief Executive/Director – Resources/S151 Officer, NSDC

18.0 Minutes from the Meeting held on 20 November 2020

AGREED and noted.

19.0 Declarations of Interest

None

20.0 Re-Election of Chair and New Membership

AGREED that Councillor David J Lloyd (DJL) and Mr. Tom Cartledge (TC) be re-elected as the joint Chairmen of the Newark Towns Fund Board.

21.0 Reflection on First 12 Months

TC shared with the Board the sad news of the passing of Andrew Stevenson, a Towns Fund Board Member from the University of Lincoln who was a strong and passionate advocate for the digital and logistics work. TC and the Board expressed condolences to Andrew's family, friends and colleagues. TC then welcomed John Latham (JL) to the Board who would represent the University of Lincoln moving forward.

TC advised Steff Wright (SW) that Collab, the alternative media platform, would be used for future meetings.

TC noted that 12 months had passed since the opportunity to bid for Towns Fund money had arisen and that there was a collective disappointment that no announcement had yet been made. The Board had moved at pace for the first 6 months and following a comprehensive consultation period, the ambitious Towns Fund bid was submitted on 31 July 2020. A number of other authorities had received their funding and Newark continued to wait despite the fact that the bid was strong and no meaningful clarifications had been sought. Newark continued to go through significant upheavals with those receiving the Job Seekers Allowance having doubled from those prior to the pandemic. TC noted that the bid was based on creating ambition, aspiration and opportunity in the town. He stated that he had raised this with Sir John Peace, with a letter also having been sent to the Permanent Undersecretary for MCHLG. We had had multiple suggestions of likely dates for announcements, all of which had passed.

In noting that he ran a business in Newark, challenged by Covid-19, but with a route through the lockdowns, TC stated that it was necessary to demonstrate hope, promise and an investment in people now. It was his wish that the Board continued to meet whilst waiting for the announcement to be made and that every effort be made to get confirmation of the funds being awarded to realise the transformational projects for the town. All indicators demonstrated that Newark was rightly a candidate for funding.

In summary TC noted: the Board's shared frustration; a common desire to keep the delivery of projects on track; the pressure from the Board in pressing for an announcement for the sake of the youth of the town; and for delivery of the projects and initiatives, as collectively they would push the town forward.

In noting that a representative from the Civil Service was participating in the meeting, Matt Lamb (ML) advised that 'encouraging noises' continued to be received in relation to an announcement being made shortly. He added that this would now be in relation to Cohort 1 and 2 towns.

In noting the frustrations of the Board, David Wright (DW) from Cities & Local Growth stated that the announcement of Newark's successful bid had been a victim of the Pandemic crisis which No. 10 were keen to manage. He advised that the pace with which the Board had submitted the bid had been recognised and that he was confident that a deal would be offered but that the delay was in the announcement of that.

In response to DW's comments, Steff Wright (SW) commented that the delay appeared to be more in relation to the local MP protecting his position for including his constituency town in the first Cohort. Frustration was made clear, with a need to allow Newark to be judged on its very strong merits and not against whether the constituency MP should also happen to be the Secretary of State.

Tom Marsden (TM) noted that all parties were attempting to work to a programme. IASTI needed to begin recruitment of students now to meet a September cohort. He added that the sector would be desperate in 3 to 4 years for engineers, ground crew and pilots, the very heart of the IASTI proposals. He further added that central government needed to be made aware that large businesses in the aviation sector were losing confidence in the ability to deliver the project and that if the delay were to continue they would look to relocate their support elsewhere as the model works and is replicable.

Speaking from an industry perspective, Simon Witts (SW) noted that the August press release about the IASTI project had been picked up by other parts of the country and also internationally, and that similar subsequent funding applications had been made under alternative funding streams. He stated that Newark ran the risk of falling behind, when in fact they should deliver first.

TC advised that in January 2021 the Lincoln College Group, Boeing and the MoD had been prepared to formally launch Newark's IASTI project but that he had requested that it be delayed pending announcement of the funding in order to manage expectations. He stated that he supported SW's comments but was desperate to keep the project on track in order to ensure that the potential 500 students enrolling at IASTI would benefit from doing so. He advised that the Board were now at a point where representations were required and that local and national politicians needed to be made aware that the Board would no longer quietly accept the delay. He stated that it was known that the Local Enterprise Partnership (LEP) had excess monies which required allocation yet despite that and the fact that other towns had had their funding awarded, Newark continued not to be included in any announcement.

In response to the above comments, DW advised that individual projects of any overall bid would not be announced as suitable to receive funding, rather it would be the town deal as a whole based on the Town Investment Plan. He stated that other towns were in the same situation, shared the same frustrations and that Newark was not being singled out. It was likely that Newark's bid would be included alongside Cohort 2 announcements. DW again acknowledged the frustration of the Board and the delay to projects which central Government were aware of. He stated he was hopeful of an announcement soon but was not able to give a specific date.

TC queried as to what would happen should the supporters of the IASTI project make the decision to withdraw and look for an alternative location. DW advised that if that were to happen he would like an opportunity to update the Government and elected officials.

SW sought clarity on priorities: was it the ambition of the Newark Towns Fund Board and the projects within their bid or more so the political embarrassment of Robert Jenrick MP in relation to decisions to put Newark on the original list? He added that the MP had a good PR Team who would be able to manage any media interest arising from an announcement and that negative perceptions were unfortunately inevitable notwithstanding the Newark bid stands in its own right as does the need for intervention and funding in the Town. DW stated that the Towns Fund was focused on the projects and the Board's bid, which they were keen to support. It was the Government and the elected politicians that made the decisions based on advice. This would include when announcements will be made.

DJL commented that DW presented the Board with a focus for their frustrations but asked that he feed them back to Government. He stated that the number of Board members in attendance was a reflection of that frustration. The Board were losing credibility being unable with any funding certainty to share their full ambitions with the town. The continued delay had massive economic implications across multiple areas. From other bids submitted it was clear that Newark had submitted their proposals early - with encouragement – and had met all the necessary criteria. It was known that the bid had been shared and referred to as good practice. DJL stated that should the bid be unsuccessful all interested parties would be querying the reason why, using Freedom on Information requests and potentially a judicial review. He requested that DW inform Government that there was a bigger risk than that they were currently managing.

Darren Burke (DB) queried whether any guarantee could be given that the funding would be awarded. If so, monies could be borrowed against that. DW advised that no guarantee would be given.

ML read out a message from Alan Mellor (AM), who was unable to communicate with the Board as follows:

"Suggested that the Board issued a collective statement referring to no confidence in Robert Jenrick and asks for him to resign."

ML also referred to DB's comments noting that a number of Board members had already made and continued to make financial commitments but that there would come a point when that could no longer continue.

In acknowledging AM's message, TC stated that the next step should be that DW reinforced with Government that the funding was needed but that subsequently a letter of no confidence in the local MP could also be submitted.

ML advised that the Board should consider whether the frustration was with the Government and the delay in the announcement or with a specific individual.

DJL stated that he would be unable to vote for a letter of no confidence both as a politician and also as to do so would reignite the issue of Newark being included on the list.

In reflecting on the comments made, SW noted DW's comments about the bid not being about individual projects but noted that each of them were significant. Specifically in relation to the IASTI, he stated that there were opportunities to raise specific evidence as to why the towns fund was so important for Newark. It was a project that dealt directly with the social mobility and inclusivity aspects at the heart of the town's fund. He noted that it would be possible to provide specific evidence as to how the delay had significantly affected the project e.g. the opportunity to bid for a large aircraft manufacturer to bring their apprenticeship programme to Newark. This had not progressed as there was nowhere for the apprentices to come to. SW suggested that it may be possible to highlight to appropriate people within Government the individual projects with a view to them being funding rather than them all being overlooked under the overall bid umbrella.

TC noted that the Board had had private sector interest in match funding and being part of a consortium. Again it was noted that it appeared not that the quality and validity of the bid were an issue, rather the delay to any announcement.

In confirming the University of Nottingham's support for the bid, Ben Sumner (BS) queried as to where the issue of the delay could be raised politically. DJL advised he would be willing to correspond again to Robert Jenrick MP and that talks had also been held with a number of other Ministers and MPs. He added that he would wish DW to share the frustrations of the Board with senior officials who advised Government.

Tony Aspbury (TA) endorsed previous comments that it would not be helpful to send a letter of no confidence with respect to the local MP. He agreed that this was a matter to raise with central government more widely, suggesting that the forceful and urgent nature of the case needed to be conveyed politically at all levels. He would be happy to co-sign a letter to that effect and to attend a meeting if necessary.

In drawing the discussion to a close TC summarised the points raised as follows:

- Major Concern - There was a timeline to the IASTI and there was a real danger that the opportunity for job creation and vocational opportunity for the town could be lost for decades.

- David Wright to share the frustrations of the Board with Government.

- David Lloyd to share the frustrations of the Board with the local MP, whether this be by letter, jointly signed by the Board, or independently. TC confirmed that he would also do this on an individual basis as a business owner.

ML advised that the frustration and anger of the Board would be captured and circulated to a chosen political audience thereby enabling the issue to be raised in multiple areas.

22.0 <u>Newark Town Investment Plan Adoption and Towns Fund Deal</u>

ML provided the Board with an update on funding discussions and the 'deal' Heads of Terms process. The report set out the expected process taken from the experiences of the first 7 Towns announced for Cohort 1, providing an example at Appendix 1 of the HoT offer from Government to the Blackpool Towns Deal. Paragraph 2.4 of the report highlighted that should not all the proposals be supported, it might be necessary for the Board to re-prioritise the TIP projects.

In considering the report the Board were advised that should the bid be successful and the HoTs agreed and signed, there was then up to a 12 month period when the funds could be applied for and drawn down. ML noted that should the HoT be wholly reflective of the TIP, then delegated authority was sought for the co-Chairmen to sign the agreement. He also advised that despite no guidance being published, the Government had been clear that seed corn funding would be released to allow project sponsors to work up their Business Case and whether the Board considered that Newark's lead project sponsors were correct.

ML advised that the Government had indicated that whilst there would be some revenue funding available to help with the working up of Business Cases guidance was silent on the ability to draw down funding in advance of Business Case sign-off for professional services support (eg. architects, project management, various 'ologies') which is often required to feed costs into Business Cases. This would likely be a significant and fatal risk for some projects who would need to instruct support asap. IASTI was a good example.

In noting the report and ML's presentation, TC commented that every effort must be made to assist IASTI by making funds available to allow them to work up their Business Case. He advised that he had received correspondence from the Lincoln College Group expressing their concerns in relation to the announcement of the funding and costs already incurred prior to the capital spend. He also noted that alternative sources of funding needed to be sought should there be no allocation from Government.

AGREED (unanimously) that the Board:

(a) note the contents of the report; and

(b) agree to the Co-Chairs of the Board signing the Heads of Terms (HoT's) with the Government, subject to the HoT's offered confirming full funding for all projects (as detailed at paragraph 2.5 on the report and on page 83 of the Newark Town Investment Plan, July 2020).

23.0 Business Case Development and Assurance

ML outlined to the Board the process for developing Business Cases for any grant supported project set out in the Town Investment Plan with paragraph 2.3 of the report outlining the 5 case process. The proposal set out in the report in relation to Business Case Sign Off and Assurance was for NSDC to procure an independent third party specialist consultant to assess the projects and the relevant Business Case. Paragraph 3.2 set out the proposals for Business Case Development by Project Sponsors, noting that it was likely that procurement of specialist support to develop the Business Cases would be required.

In considering the report, ML advised that NSDC would procure 2 third party specialist consultants. Firstly to procure specialists to write the Business Case for projects which the Council were the Lead Partner/Sponsor and secondly, a procurement on behalf of the Board for an independent consultant to assess all of the Business Cases. ML added that it was proposed to bring to the next meeting a proposed 'Newark Towns Fund Assurance Framework' (the AF) for adoption, subject to agreement by central government. He stated that the AF would seek the ability to capitalised revenue funding and release it (subject to repayment if not delivered) in advance of Final Business Case approvals. This would require negotiation with the Government as part of the HoT's process.

AGREED (unanimously) that the Board:

(a) the lead partner for each project identified in the TIP be instructed to agree, subject to Towns Funding, to take responsibility for the creation of a Full Business Case for each project, utilising any 'see-corn' funding which may be agreed via MCHLG; and

(b) approve the proposed recommendation to formulate a Newark Town Fund Assurance Framework, to be brought back for approval to a future meeting.

24.0 Newark Towns Fund – Project Updates

ML provided the Board with an update on the TIP Projects for the Accelerated Towns Fund (ATF) Projects: Construction College Expansion; 32 Stodman Street; and 20 Minute Town and other TIP Projects: Newark Gateway Site (the former Cattle Market and current Lorry Park); IASTI; Smart Innovation, Supply Chain & Logistics Enterprise Zone; and YMCA Community & Activity Village.

In considering the report ML recommended to the Board that the £77k funding for the 20 Minute Town be diverted to the IASTI to allow the capitalised revenue funding work to continue, noting the discussion in the previous item and that this would be subject to agreement from Government and the Council's Section 151 Officer. TM welcomed the diversion of the funding to support the development of the IASTI project.

AGREED (unanimously) that the Board:

(a) noted the ongoing progress of the Town Fund and Accelerated Towns Fund Projects;

(b) recommend to the NSDC s151 Officer and Government the diversion of Accelerated Funds from the 20 Minute Town proposals to the IAST – with a commitment to defray the £77,000 expenditure by end March 2021 or to an agreed date in the municipal financial year 2021/22.

25.0 Presentation of Proposals for 32 Stodman Street, Newark

Prior to the presentation by Ben Walton (BW) of RG&P, Neil Cuttell (NC) advised that the use of the accelerated funds had allowed the scheme to move forward by procuring professional services. NC provided a commentary on why the premise had been chosen for development, including the lack of meaningful market interest. NC listed the works undertaken to-date and that the scheme would be at a stage to submit a planning application at the end of March 2021. NC advised that, should the application be approved and the scheme would be a catalyst to increase in footfall, activity, and spend in the town.

Following the presentation NC reiterated that public grant was necessary for the viability of the scheme. He outlined to the Board the proposed timeframe for delivery of the scheme, noting that it could be complete and open by summer 2023.

TC thanked NC and BW for the presentation and noted that a number of questions had been raised in relation to: provision of affordable housing; need for car parking (should this be provided or should there be an encouragement to use public transport); consideration of changing the name of the development from St. Mark's Place; valuation (quantified loss of value against reduction in space); and the placement of the smaller retail units (the part near to where the former Pizza Hut was has never been a good retail space and would it be more appropriate alternative use).

In response to the queries raised, NC advised that: any provision of affordable housing would be subject to viability review; provision of car parking increases the value and 'saleability' of the flats; the reduction in developable ground floor space will be off-set (in valuation terms) by the provision of the upper floor; commercial space is being considered for possible community, co-working office and retail use including with possible linkage with the Buttermarket Scheme.

26.0 Newark Town Centre Update

The Board considered the report which provided an update on the various initiatives that were being undertaken in Newark Town Centre. These were noted as: Newark, Southwell, Edwinstowe and Ollerton is Open Campaign; Heritage Action Zone; Business Resilience Programme; High Street Diversification Fund Grant; Kirkstart; and Footfall.

AGREED (unanimously) that the Board note the report.

27.0 Any Other Business

ML advised that he had received correspondence from the Government in relation to any additional accelerated funding that the Board may wish access to that could be spent or committed by the end of March 2021. He noted that work was already underway on the YMCA full Business Case which required assessment and could potentially be commissioned with funding sooner than planned. He also referred to the highway and transportation work in relation to the Newark Gateway which is required to deliver the IASTI, SiSLog, and Newark Showground aspirations.

ML stated that he would liaise with the relevant Board members and put together a proposal requesting a maximum of an additional £120k revenue funds.

In closing the meeting, TC expressed his thanks to the NSDC Team for their continued work against a challenging and uncertain background.

DB queried whether any consideration had been given to the future provision of an electric charging hub car park whereby drivers could be directed off of the A1 and provided with a 2 hour stay to recharge their vehicles. ML advised he would speak to DB offline as this was part of an ongoing conversation with utility providers and the strategic highway network.

TA advised that he was carrying out some work with Gridserve who were the industry leader in electric charging points for vehicles, stating that Newark were on their radar and that he would feed back some of the comments from the meeting.

TA also advised that he was working on 2 other town centre schemes in Newark, in a professional capacity, which would be stimulated by the town's fund.

SW provided the Board with an update in relation to ways of working virtually, stating that there was a global move towards that type of business and the opportunities it provided.

TM expressed his thanks to Jayne Hutchinson for her efforts in relation to the Kickstart scheme. There had been a good take-up in the district and he encouraged others to consider the scheme as it gave opportunities to unemployed people, particularly those of a younger age.

Meeting ended at 9.28 am.