

**REPORT OF THE LEADER OF THE COUNCIL****HIGH SPEED 2 (HS2) GROWTH – DELIVERY PHASE****Purpose of the Report**

1. To seek Policy Committee approval for continued funding into 2020-21 to resource the work of the HS2 delivery team, following the recent announcement of the Government's commitment to delivery of HS2 in full.

**Information**

2. The Government commissioned an Independent Review into HS2 in August 2019, chaired by Doug Oakervee. The Leader of the Council, in her capacity as Chairman of the East Midlands HS2 Strategic Board and Toton Delivery Board, invited Mr Oakervee to the region on the 25th September 2019 to hear the case for HS2's arrival at Toton. It was made clear that the region expects Government to deliver on its investment and that the East Midlands must receive its fair share. The Council, along with partners in the region from Midlands Engine, Midlands Connect, Universities, Local Enterprise Partnerships (LEPs), Local Councils and businesses, of which 125 are already in the HS2 supply chain, have continued to lobby hard to ensure investment in rail capacity in the East Midlands.
3. The Prime Minister announced on 11 February 2020 a commitment to delivering HS2 in full, on the same day the Oakervee review was published. The key announcements are summarised below:
  - An integrated rail plan is to be developed for Phase 2b (this includes the West Midlands to Leeds route and the East Midlands hub station) alongside a railway investment programme for the Midlands and the North of England
  - A new body to deliver Northern Powerhouse Rail and HS2 beyond Crewe
  - A minister for HS2, whose sole responsibility is the high-speed rail project, will be appointed.
  - The rebuilding of London Euston station will now be overseen as a separate project
  - There will be a "full-time oversight group" to monitor HS2 Ltd.
4. The confirmation that HS2 will be delivered in full is very welcome news for Nottinghamshire and the wider region. We will, alongside our partners, look to work with the review team to see what improvements can be made to the line through the East Midlands to maximise efficiencies and integrate with other rail investment projects. This provides further certainty for the ongoing investment in planning and delivery at Toton. It also strengthens the County Council and local partners' case for further funding in order to ensure the integrated rail plan being developed meets the needs of local people.

5. The reports presented to Policy Committee on 14 February 2018 and 13 February 2019 outlined the importance of HS2 related growth to Nottinghamshire, and specifically how the development of an East Midlands hub at Toton was integral to this. More recently, a report to the 13 November 2019 Policy Committee sought approval for the acquisition of land in the vicinity of Toton Lane to deliver the HS2 Growth Strategy ambitions at Toton. These reports followed the publication of the East Midlands HS2 Growth Strategy in September 2017.
6. The East Midlands HS2 Growth Strategy sets out how HS2 can be a catalyst for growth – creating the potential for 74,000 additional local jobs and £4 billion in Gross Value Added (GVA) in the region. Key to this will be the successful delivery of the East Midlands Growth Zone, centred on the HS2 station at Toton.
7. East Midlands Growth Zone at Toton – the vision:
  - An ambitious Innovation Campus, attracting universities and leading global research and innovation companies, creating a potential 6,500 knowledge driven jobs within the Toton and Chetwynd Barracks site. Home to high value, precision engineering/manufacturing excellence, boosting productivity – university and research driven – a destination in its own right;
  - The most “Connected Place” in the country – High speed rail and network rail with 22 trains per hour, linked to a high growth passenger and freight airport, light rail and mass rapid transport connectivity, upgraded highway capacity, fixed/mobile digital connectivity, and 5G ubiquitous networks with autonomous vehicle network.
  - A network of Garden Villages across the region including Toton and Chetwynd at its heart – new modern “live and work” settlements providing higher density and higher quality 21st Century innovative living, at a human scale, offering world class environment and places to live with new housing developments.
  - Driving growth of productivity and prosperity across the East Midlands, in cities, urban areas, towns and villages to achieve a complementary development, adding value as a key component of the Midlands Engine
8. Many of these benefits can be delivered well ahead of the opening of the HS2 East Midlands Station (expected between 2035 and 2040). However, this is only possible with government funding to create the conditions for growth and continued proactive involvement of the County Council, the local partners including the planning authority, and Midlands Engine.
9. The programme is overseen by a Programme Director (also responsible for the linked Midlands Engine Development Corporation programme) and an Economic Development Officer who has now been in place for approximately a year. This team has been enhanced through additional development management, masterplanning, transport planning and other specialist consultant support procured. This has been funded through the first £900,000 tranche of £1.8m Department for Transport (DfT) grant funding, awarded to support development and infrastructure around the Toton HS2 station. The Delivery team are co-ordinating a number of workstreams involving colleagues from across the Council in a ‘virtual team’ approach.
10. With this in mind, an initial £246,000 was agreed at 14 February 2018 Policy Committee for the establishment of a HS2 Delivery team, and a further £250,000 in February 2019 to drive forward delivery and help secure additional investment. In order to maintain momentum on this critical programme, Policy Committee are asked to commit to staff and resource the HS2 Delivery team for a further year (2020/21), in advance of anticipated additional funding through the second tranche of £900,000 DfT funding and the development corporation programme.

There is also the potential for further funding through the East Midlands Housing Infrastructure Fund (HIF) bid, which is currently under consideration(detailed in paragraph 11 below).

11. The Delivery team approach outlined above enabled the following progress to be made towards HS2 Growth Strategy objectives:

- Governance structures in place ensuring appropriate accountability and direction for progression of work programme towards establishing the growth strategy vision.
- Initial tranche of £900,000 of DfT funding secured through D2N2 LEP. Funding utilised to procure expert advice and knowledge to progress work as directed by Toton Delivery Board. This includes masterplanning and local connectivity commissions, which have developed a conceptual framework and strategic transport strategy, playing to the strengths of the natural assets found at Toton and Chetwynd and better linking local communities.
- Close working with partners at HS2 Ltd to ensure the region's voice is heard by inputting during the design phase. This involved formal 'asks' submitted in relation to the station design. These proposed changes will enable the design to make an important move away from that of a "parkway station" which would deliver little economic benefit for our communities. Instead, they highlight the opportunity for the station to maximise growth opportunities and offer transformational connectivity for the region.
- Continued work with HS2 Ltd, following the Oakervee Review, to develop an Integrated Rail Plan for the North and the Midlands: High Speed North. This will include Northern Powerhouse Rail, Midlands Engine Rail and other major Network Rail schemes alongside Phase 2b and will ensure these are scoped and delivered so they can be operated as an integrated network.
- Housing Infrastructure Fund bid submitted – Working alongside Derbyshire, Derby City and Chesterfield Borough Councils and partners, Nottinghamshire County Council led the region's £72m bid, utilising match funding support from the Ministry of Housing, Communities and Local Government (MHCLG). The bid seeks approximately £29m investment in infrastructure for Toton and Chetwynd. A decision is expected in early 2020.
- Proposals developed for tranche two of DfT funding (£900,000), endorsed by Toton Delivery Board and submitted to the Secretary of State for Transport. These are currently under consideration.
- Further progression in the complementary work towards establishing a Development Corporation through Midlands Engine, which includes Toton & Chetwynd as one of the proposed sites. This work has reinforced the potential for significant housing and economic growth in the area.
- Delivering a land strategy which supports the HS2 Growth Strategy ambitions and vision for Toton (as detailed in the 13 November 2019 Policy Committee paper)

### **Midlands Engine Development Corporation**

12. Complementing the direct work of the HS2 delivery team, Nottinghamshire County Council is hosting a team on behalf of Midlands Engine working on the potential creation of a Development Corporation in the East Midlands. Toton and Chetwynd are one of the three sites which form the proposal for the Development Corporation. It is envisaged this would bring enhanced growth and development, accelerating the delivery of the growth strategy objectives. An update on the development corporation programme was presented to Policy Committee on 12 February 2020. The business case for the development corporation is due to be submitted to MHCLG in the coming months, with an interim structure established within the next financial year.

13. The decision whether to establish a development corporation of any kind rests with the Secretary of State and is subject to a clear criterion, and a parliamentary process. Equally, if a new type of development corporation was to be implemented, it is likely that this would require a parliamentary process. This being the case, there has been consideration of how to maintain momentum in the interim, assuming Government and local partners want to proceed. This momentum could be achieved by the introduction of a non-statutory interim vehicle, established with the agreement of affected partners. The details of this vehicle will be considered by the programme governance and be worked up for the draft business case. The involvement of all the directly affected local authorities, as part of the oversight function, would be a cornerstone of any such interim approach.

### **Future Work Planned**

14. The Toton Delivery Board approved the submission of proposals for the second tranche of DfT funding and the identified funding allocations in September 2019. Detailed specifications are in development for these proposals ready for procurement, subject to confirmation of the grant from DfT. Following the positive news that HS2 will go ahead, we are expecting a decision on funding imminently and anticipating that government will continue to support our work at Toton. A significant focus for 2020 will also be the second stage of masterplanning. This will lead to the creation of a strategic masterplan and supplementary planning document for the Toton and Chetwynd area, capable of formal adoption by Broxtowe Borough Council.

15. The Council's continued commitment to support the Delivery team will sustain momentum and ensure the opportunities HS2 brings are optimised for the benefit of Nottinghamshire and the wider region. This will involve maintaining the services of the Delivery team and a day-to-day working budget to ensure continuity and appropriate levels of match funding to complement Government funding commitments.

16. The work programme will need to be cash-flowed but will benefit from cost recovery opportunities utilising the funding identified in paragraph 9. The team will be working closely with partners including the D2N2 LEP under the guidance of the Toton Delivery Board to manage that process.

17. In light of the above and based on the previous financial years, a further £250,000 of funding is requested for 2020/21. Currently funding for the HS2 programme team is subject to annual review. However, as detailed in paragraphs 10 and 14, we now have greater clarity regarding potential alternative funding sources, and do not anticipate requiring further funds beyond 2020-21.

### **Other Options Considered**

18. The 'do-nothing' option was discounted given the alignment with Nottinghamshire County Council's priorities. Whilst formation of a development body will be subject to further consideration and development in due course, there remains a need to maintain momentum. There is currently no clear alternative to the Delivery team hosted by Nottinghamshire County Council.

### **Reason/s for Recommendation/s**

19. To ensure NCC has sufficient capacity to help drive the delivery of growth at Toton in a way that meets residents & business needs and aspirations. The HS2 programme is vital to the economic prosperity of the County and work needs to progress at pace.

## **Statutory and Policy Implications**

20. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

21. As determined at the 14 February 2018 Policy Committee, the costs and funding of the HS2 delivery team are to be reviewed annually. An allocation will be sought from the Finance and Major Contracts Committee to fund the costs of up to £250,000 in 2020/21 (Paragraphs 10 and 17 above).

### **Human Resources Implications**

22. The funding requested will cover the costs of an Economic Development Officer, as well as providing a working budget for the programme. It is proposed that the Programme Director and Economic Development Officer continue current contractual arrangements. The Economic Development Officer is a Nottinghamshire County Council employee currently allocated to the HS2 Programme team. The Programme Director is employed by Nottinghamshire County Council on behalf of the Midlands Engine partnership. The Programme Director post is subject to separate funding arrangements.

### **Implications for Service Users**

23. One of the aims of the delivery team is to ensure that implications for service users are given appropriate consideration throughout this programme of work.

### **Implications for Sustainability and the Environment**

24. A further aim of the delivery team is to ensure that the implications for sustainability and the environment are considered throughout this programme.

## **RECOMMENDATION/S**

It is recommended that:

- 1) The current investment in the HS2 Delivery Team be continued at the same level in 2020/21;
- 2) Dialogue with Government and key delivery partners is maintained to further scope the evolutionary steps to establishing a delivery body.

**COUNCILLOR MRS KAY CUTTS, MBE**  
**Leader of the Council**

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**Constitutional Comments [CEH 18/02/2020]**

25. The recommendations fall within the remit of Policy Committee under its terms of reference.

### **Financial Comments [RWK 05/03/2020]**

26. The report is seeking approval to continue the work of the HS2 Delivery Team in 2020/21 at a cost of up to £250,000 to be funded from the County Council's share of the National Non-Domestic Rates Pool Reserve.

**HR Comments [GME 10/03/2020]** The HR implications are set out at para 22 and reflect the increasingly complex cross cutting work the Council and its employees support. The contractual positions of the individual Delivery Team members will be different depending on the relevant terms of their employer but will be part of a continuing integrated team hosted by the Council. The funding requested relates specifically to Council employees.

### **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.

- [Oakervee Review of HS2 - published 11 February 2020](#)
- [Policy Committee Report – 12 February 2020](#)
- [Policy Committee Report - 13 February 2019](#)
- [Policy Committee Report - 14 February 2018](#)
- [East Midlands HS2 Growth Strategy - September 2017](#)

### **Electoral Division(s) and Member(s) Affected**

- All