

REPORT OF THE LEADER OF THE COUNCIL

HS2 EAST MIDLANDS GROWTH STRATEGY – DELIVERY PHASE

Purpose of the Report

1. To seek Policy Committee approval to create a team to support delivery of the HS2 East Midland Station and growth zone at Toton, Nottinghamshire.

Information

2. Our Council Plan, Your Nottinghamshire Your Future sets out an ambitious vision for the future of the County. The development of the East Midland Station at Toton has the potential to generate significant benefits for current and future residents and businesses, not just in Nottinghamshire, but across the East Midlands.
3. The HS2 East Midlands Growth Strategy sets out how HS2 can be a catalyst for growth – creating 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.
4. East Midlands Growth Zone at Toton - the vision:
 - An ambitious Innovation Campus, attracting universities and leading global research and innovation companies, contributing £590m Gross Value Added and 11,500 new jobs. 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 – 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.
5. The development of the Hub Station and neighbouring sites could result in the creation of:
 - 170,000 sq m office / research & development floorspace;
 - 11,000 sq m retail and other commercial floorspace;
 - 11,500 gross jobs and 9,100 net additional jobs;
 - £590 million in net additional Gross Value Added once the development is complete;

- 5,300 gross new homes;
 - a grade separated junction into the site from the A52; and
 - other benefits including a relocated school, new sewage works, sub-station and a redeveloped Park & Ride scheme.
6. Many of these benefits can be delivered well ahead of the opening of the HS2 East Midlands Station in 2033. However, this will only be possible with Government funding to create the conditions for growth and proactive involvement of the County Council, the local partners including the planning authority and Midlands Connect.

What are the early priorities?

7. A number of early issues need to be resolved, including the issue of the proposed Lime Rise development, and the existing rail-related operations. To address these issues and ensure HS2 is a catalyst for growth in the East Midlands, five 'big moves' are required:
- Land Assembly – addressing current planning and rail-based constraints including the 'DB Cargo' and 'Network Rail Sidings' operations, and early development that facilitates the scale and type of 'Innovation Campus' development proposed, and recovering some or all of the value that public infrastructure generates;
 - Connectivity – ensuring regional and pan-regional connectivity, including conventional heavy rail; accounting for public transport business cases; ensuring strategic road network access; ensuring the ability to cross HS2 and avoid splitting communities; and providing the capacity to serve the railway and major growth;
 - Integrated Station Masterplan - ensuring that the Hybrid Bill reflects our ambitions for the station concourse and interchange, maximising opportunities to shape the environment;
 - Mitigation – to support those residents and businesses impacted by the line, to seek to retain jobs in the East Midlands and engage communities to shape the development; and
 - The establishment of a Toton Delivery Board, creating a dedicated and credible delivery structure and delivery team to co-ordinate the implementation of these actions.

What support is required?

8. Overall, the Toton scheme is assessed to represent high value for money and we are seeking:
- for Central Government to direct HS2 Limited to alter its emerging Hybrid Bill design for the Toton site in order to realise the substantial growth potential;
 - for Central Government to engage in dialogue about the range of options for investment to realise the benefits outlined in the strategic outline business case;
 - for Central Government to support and fund early land acquisitions. Initially this will require an estimated £250,000 funding to support the extension of the HS2 commission to consider relocation of Network Rail Sidings and the 'HOOB' maintenance depot;
 - for Central Government working with local partners to make available funding for programme management and a delivery team and working budget;
 - for Central Government working with local partners to make growth funding provision for infrastructure totalling some £260 million to deliver the Growth Zone.

Moving to implementation

9. The vision is compelling and the Growth Strategy is robust. We have a clear set of plans with costed business cases underpinning the key elements of the strategy.
10. The Department for Transport are responsible for mandating HS2 to principally build a railway, a station and a car park. It is through our local partnership with Government and HS2 that we negotiate and influence the station design to maximise the economic, social and environmental benefits we described in our local Growth Strategy vision. We must clearly emphasise that Toton is situated within Nottinghamshire and will directly benefit the 3 surrounding counties and the cities. If we are to influence how Toton is developed to the satisfaction of local residents, and harness the benefits of HS2, then the County Council will need to play a leading role at Toton and in the HS2 delivery partnership.
11. In order to move forward, we are now laying the foundations of delivery, focusing on building a delivery vehicle – determining legal structures, powers and resources, the roles of land owners and investors and Government agencies, and recruiting a delivery team – to allocate dedicated capacity to the delivery phase.

Building a delivery vehicle

12. Whilst the high speed services at the station will not open until 2030, there are a number of important decisions that will be made by Government in the next 6 to 18 months that will ultimately determine the extent to which our vision is delivered. For example, the Government will finalise the station design and environmental impact assessment in the summer of this year before presenting a Bill to Parliament next year.
13. The delivery phase is not confined to spatial and physical development or construction, it is equally about influencing key decision makers at an early stage and putting in place the critical elements that allow delivery to take place through the detail of the Hybrid Bill and working with Homes England to assemble land.
14. The scope for the new vehicle will evolve to cover:
 - Toton Innovation campus
 - Chetwynd Barracks and Stanton
 - Garden villages
 - HS2 Station and related infrastructure
 - Strategic Infrastructure including link to Airport, light rail, wider connectivity across the region
15. The HS2 Strategic Board commissioned specialist consultants GVA to provide initial advice on a suitable delivery vehicle to support and enable delivery of the Growth Strategy. This was shared with the Strategic Board in the summer of 2017. Although it will become necessary and appropriate to create a formal and separate legal entity with dedicated powers, likely to be a Locally Led Development Corporation, in the short-term the project needs to mobilise and gain local support. Based on the GVA advice, it has been proposed that the Delivery Boards for Toton and Chesterfield/Staveley are repurposed, along with strong delivery teams, so that they can evolve into Delivery Vehicles with their own separate legal entities; these proposals are still being developed for a future Strategic Board decision.

16. At this stage it will be important to keep all options open and to seek dialogue and financial support from Government to design a delivery vehicle and legal structure. As we create a formal delivery vehicle, we know it will need a mechanism to pool sovereignty and appropriate powers in order to realise the maximum benefits in the business case; this will evolve as we build on the trust and confidence generated in the local partnership during the strategy development phase.

The Delivery Teams

17. Whilst the development of a formal delivery vehicle will take up to 2 years, the Government and HS2 continue to finalise key elements of the development, so if we are to play an active and influential role in this, we will need dedicated capacity. A great deal of progress has been made by the current 'virtual team' of officers and consultants, including those seconded to the HS2 East Midlands programme. As we move forward, we now need to appoint a team at the County Council with the necessary capability and capacity to help drive the delivery of the development and infrastructure at Toton.

18. The Nottinghamshire delivery team would work alongside key officers in the D2N2 Local Enterprise Partnership, East Midlands Councils and in partner local authorities. The team will need to engage in all aspects of the programme at Toton, and liaise with flood risk, area design, development management and project management as well as highways and planning, for example.

19. As the new delivery vehicle is formed and further investment from Government secured, it is likely that officers may be seconded or incorporated into the delivery vehicle as it emerges.

The Toton Delivery Team

20. A structure chart for the Toton delivery team is attached in appendix 1. It is proposed that four new posts are created which are:

Title	Proposed Grade	Cost (Inc on cost)
Programme Director	Band G	£ 88,487
Transport Officer	Band D	£ 55,864
Economic Development/Regeneration Officer	Band D	£ 55,864
Programme Officer	Band B	£ 45,775
Total		£245,990

21. The Team will drive County Council engagement in the development of a number of business cases from strategic outline to full business case stage, including any further studies or commissions. These will be targeted at unlocking investment in the key strands of the Growth Strategy, these include for example:

- Highways – through the Department for Transport and the Road Investment Strategy, working with Highways England to bring forward road infrastructure, especially Junction 25 on the M1.
- Housing – through the Department for Communities & Local Government and the Homes & Communities Agency, linked to Housing Infrastructure and other land and development (including involvement in Lime Rise and Stanton sites)
- HS2 – through the Hybrid Bill, design phase and Environmental Impact phase

- Network Rail and DB Cargo relocation

Other Options Considered

22. To continue without a NCC team and rely on a virtual team drawing support from D2N2 LEP and East Midlands Councils to lead the work for Toton.

Reason/s for Recommendation/s

23. 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.

Statutory and Policy Implications

24. 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

25. A contingency allocation will be sought from the Finance and Major Contracts Management Committee to fund the costs of £245,990 in 2018/19 (Paragraph 20). These costs and the funding thereof will be reviewed on an annual basis.

Implications for Service Users

26. One of 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

27. A further aim of the delivery team is to ensure that the implications for Sustainability and the Environment are considered throughout this programme.

RECOMMENDATIONS

28. It is recommended that

- the case for early investment priorities for the East Midlands Zone at Toton are endorsed
- recruitment proceeds for a delivery team as outlined in paragraph 20
- dialogue is initiated with Government to further scope the evolutionary steps to establishing the delivery vehicles/bodies

COUNCILLOR MRS KAY CUTTS, MBE
Leader of the Council

For any enquiries about this report please contact: Adrian Smith, Corporate Director Place, 0115 977 3680

Constitutional Comments [SLB 31/01/2018]

29. Policy Committee is the appropriate body to consider the content of this report.

Financial Comments [NDR 31/01/2018]

30. The financial implications associated with creating the posts are set out in the report and will be kept under review on an annual basis.

HR Comments [JP 1/2/2018]

31. The posts within the delivery team will be subject to Job Evaluation. The Authority's relevant procedures will be followed in recruitment to the structure.

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.

- None

Electoral Division(s) and Member(s) Affected

- All

Appendix 1

PLACE DEPARTMENT
HS2 DELIVERY GROUP

