

15th July 2019**Agenda Item: 6****REPORT OF SERVICE DIRECTOR, FINANCE, PROCUREMENT &
IMPROVEMENT****HS2 COMMISSIONS FOR MIDLAND ENGINE****Purpose of the Report**

1. To update members on the HS2 project from a commissioning perspective and the various contracts that have been procured.

Information**Background**

2. Early progress has been made in response to the Chancellor's announcement of a locally led development body for the Midlands Engine to deliver the growth potential at Toton and the surrounding area. The vision and ambition that has emerged in the region for the development at Toton, catalysed by HS2, has the potential to have significant economic benefits. When added to the plans for East Midlands Airport and the redevelopment of the Ratcliffe on Soar power station site, the potential economic benefits could be transformational.
3. The first phase of this work has been to obtain funding of £2 million from HM Treasury to look at feasibility. The funding is ringfenced for this project. Procurement have worked closely with the project team to ensure that all the criteria set for the funding are included in any commissions and that reporting can be made back to Central Government on how the funding is being used.
4. As Chairman of the Midlands Engine, Sir John Peace chairs an Oversight Board to provide interim governance for the project, made up of regional partners. This group provides the point of accountability for the project including oversight of the commissions which are being led by Nottinghamshire County Council and of the £2m investment. The Oversight Board will be in place until shadow governance arrangements are established for the new body.
5. The focus of the Development Corporation will be on maximising and accelerating development opportunities and strategic transport connectivity across the East Midlands, and particularly around the HS2 station at Toton, East Midlands Airport, SEGRO Logistics Park, Chetwynd Barracks and Ratcliffe-on-Soar power station, which is due to be decommissioned by 2025. It will aim to encourage and bring forward the creation of tens of thousands of new jobs and thousands of new homes on these sites in the coming decades.

Contracts commissioned so far

- 6a. Strategic and Economic Case - set out the economic benefits of bringing the development of Toton, East Midlands Airport and redevelopment of the power station together and the added value of a development corporation. Awarded to Arup and Partners Limited.
- 6b. Route Map and Legal Structure - provide the legal and technical advice to the Midlands Engine to allow the submission of a robust business case for the preferred Development Corporation model to the Secretary of State. Awarded to Bramble Hub who are working in partnership with Grant Thornton.

Contract to be commissioned

- 7. Visioning and Narrative - help shape an overarching vision of the development corporation and, in parallel, will create a compelling narrative for the East Midlands region as a destination in which to work, live and invest. Create a brand identity for the development corporation. This is currently out to tender.
- 8. All 3 companies from these 3 commissions will be expected to work together to engage with all the stakeholders and assist in the business case and setting up of the development corporation.

Other Options Considered

- 9. No other options were considered as there is insufficient in-house expertise to be able to deliver this.

Statutory and Policy Implications

- 10. 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.

RECOMMENDATION/S

That members consider whether they require any further actions as a direct result of the contents of the report.

Nigel Stevenson

Service Director – Finance, Procurement & Improvement

For any enquiries about this report please contact Kaj Ghattaora, Group Manager – Procurement

Constitutional Comments (CEH 18.06.19)

11. The report is for information purposes only. Committee should consider if there are any issues arising from the information in the report that they wish to raise.

Financial Comments (KP 19.06.19.)

12. Full details of the cost of the additional posts and the £2m funding were reported to Policy Committee on 19 June 2019. The financial comments on that report were as follows:

“The report proposes the establishment of 3 posts to support the establishment of a Development Corporation at an estimated cost of up to £210,000 in 2019/20 and £270,000 in 2020/21. It is envisaged that this cost will be met from funding of £1M in each of 2019/20 and 2020/21 to be provided by MHCLG via D2N2. However it is anticipated that in 2019/20, the front loading of other commissioned work to develop the business case may result in the £1M allocation being exceeded. In this eventuality the County Council will be required to fund any additional expenditure. It is proposed that any such additional expenditure, up to £250,000 per annum, is funded from the NNDR Pool Reserve.”

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