

## **REPORT OF THE LEADER OF THE COUNCIL**

### **MIDLANDS ENGINE DEVELOPMENT CORPORATION - FUNDING AND DELIVERY TEAM**

#### **Purpose of the Report**

1. To seek Policy Committee approval to access the Development Corporation funding for 2019-2021 and establish posts to resource the delivery team.

#### **Information**

2. The reports presented to Policy Committee on 14 February 2018, 20 June 2018 and 13 February 2019 outlined the importance of High Speed 2 (HS2) related growth to Nottinghamshire, and specifically how the development of an East Midlands hub at Toton was integral to this. They highlighted that many of the growth benefits can be delivered well ahead of the opening of the HS2 East Midlands Station in 2033. These reports followed the publication of the East Midlands HS2 Growth Strategy in September 2017.
3. Since last year, the programme of work has been driven forward by the delivery team comprising of a HS2 Programme Director (secured through working collaboratively with development and regeneration specialists, London and Continental Railways (LCR)), an Economic Development Officer, a Graduate Trainee and a Project Manager, as well as support from external consultants who have been commissioned to complete specific pieces of work.
4. The delivery team works across two key projects: HS2 at Toton; and the Development Corporation. This core team co-ordinates a number of workstreams within the projects involving colleagues from across the Council in a flexible team approach, composed of a wider group of experienced advisors across a range of specialist areas. This is complemented by commissioned support from expert consultancy organisations to progress key pieces of work requiring specific expertise.
5. The Development Corporation project is being driven by the Midlands Engine, and Nottinghamshire County Council are the lead organisation in coordinating this project. The delivery team receive support from key partners involved in the Development Corporation work, including colleagues from the Midlands Engine, Uniper and East Midlands Airport.

## Funding Update

6. The report presented to Finance and Major Contracts Committee on 29 April 2019 outlined the process for accessing funding awarded by the Department of Transport to develop the HS2 Toton project. It confirmed the formal mechanism by which Nottinghamshire County Council will access key monies held by the D2N2 LEP (the Local Enterprise Partnership for Derby, Derbyshire, Nottingham and Nottinghamshire) on behalf of the region, to fund project work that the County Council is responsible for progressing.
7. In addition to the Department of Transport funding, in October 2018, the Chancellor announced £2 million for the region to fund the Development Corporation work.
8. A Memorandum of Understanding (MOU) for the first £1 million of Development Corporation funding for 2019/20 has been agreed between the Ministry of Housing, Communities and Local Government (MHCLG), Derbyshire County Council as the Accountable Body for the D2N2 LEP and Nottinghamshire County Council on behalf of the Midlands Engine. A further MOU will be required for 2020/21.
9. As part of the MOU, MHCLG will release the funding to the region by granting the money to the D2N2 LEP. Nottinghamshire County Council will procure services and incur expenditure on behalf of the region and will recover costs incurred from the D2N2 LEP.

## Delivery Team Update

10. The Development Corporation programme is developing at pace. Given this pace and the recent securing of key funding, it is an opportune time to review the delivery team and the roles required to drive the work forward.
11. In order to progress the Development Corporation work at scale and pace, it is suggested that 3 key posts are established on a fixed term basis until 31 March 2021:
12. **1 full time equivalent (FTE) Midlands Engine Development Corporation Programme Director.** This post will direct and manage the Midlands Engine Development Corporation Programme and workstreams, resulting in the submission of a business case to Government and, subject to approval, the mobilisation of the new body. The post will be fixed term until March 2021, with Nottinghamshire County Council being the employing/contracting body on behalf of the Midlands Engine. The post has been evaluated as Hay Band J, however a flexible resourcing approach to securing the best field of candidates has been adopted and the opportunity made available either as fixed term or as a secondment.
13. The Programme Director will be supported by the Programme and Project Management support roles identified below. This is in recognition of the scale of commissioning required across both the original £1.8m specifically for Toton and the £2m Development Corporation funding. This combined programme team will enable a co-ordinated and aligned approach across the related work areas.

14. The Programme Director will be supported by:
  - a. **1 fte Programme Manager (Hay Band F - subject to evaluation).**  
This post will be responsible for ensuring the successful delivery and the efficient functioning of the Programme, achievement of objectives and realisation of programme benefits.
  - b. **1 fte Business Support Assistant (NJE Grade 2 - subject to evaluation).**  
This post will be responsible for project and administrative support, including coordinating events and meetings with the extensive list of partners, external organisations and the extended project team involved in the work.
15. It is intended that at least a further 2 FTE Programme and Project Management support roles will be secured from partner organisations.
16. At this interim stage prior to formal recruitment, the Programme Manager and Business Support Assistant posts will be allocated with immediate effect, using existing roles from the Programme and Projects Team, so as not to delay delivery of key actions at this stage of the Programme.
17. The Midlands Engine Development Corporation Programme Director will report directly to the Corporate Director of Place.
18. The posts required as part of the delivery team will be subject to review as the programme progresses to ensure adequate resource to achieve the identified objectives of the Programme. Any future resourcing requirements will be brought to Policy Committee for consideration.

### **Other Options Considered**

19. The 'do-nothing' option was discounted given the alignment of the Programme with Nottinghamshire County Council's priorities. Whilst the formation of a development corporation 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**

20. To ensure that there is sufficient capacity to help drive the delivery of growth at Toton and its associated economic benefits for the region achieved through the potential of a locally led Development Corporation.

### **Statutory and Policy Implications**

21. 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**

22. The costs of the posts listed in paragraph 11-14 are estimated to cost up to £210,000 in 2019/20 (nine months) and £270,000 in 2020/21 including on-costs. The employment costs of these posts and all associated oncosts and expenses are expected to be funded by a contribution from the £2 million Development Corporation funding awarded by MHCLG. However, in the first year of work, it is anticipated that much of the funding will need to be front loaded on commissioning to understand the what, when, why and how in order to develop the business case. This may result in the £1m allocation for 2019/20 being exceeded and in this eventuality the Council will need to fund any additional expenditure. It is proposed that any additional expenditure, up to £250k per annum, is funded from the Council's share of the NNDR Pool Reserve (National Non-Domestic Rates).

## **RECOMMENDATIONS**

It is recommended that Policy Committee approves:

1. The process for accessing the £2 million Development Corporation funding from the D2N2 LEP, in relation to elements of the work for which Nottinghamshire County Council have been authorised to lead.
2. Establishment of 1 FTE Midlands Engine Development Corporation Programme Director, 1 FTE Programme Manager, 1 FTE Business Support Assistant on a fixed term basis until 31 March 2021.

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

**For any enquiries about this report please contact:**  
Adrian Smith, Corporate Director Place

### **Constitutional Comments (GDR 10/06/2019)**

23. Pursuant to Nottinghamshire County Councils constitution the Policy Committee has the delegated authority to consider the recommendations contained within this report subject to appropriate consultations being undertaken in accordance with the Employment Procedure Rules.

### **Financial Comments (RWK 10/06/2019)**

24. 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.

## **HR Comments (GME 10/06/19)**

25. A flexible resourcing model will be applied to the recruitment of the Midlands Engine Development Corporation Programme Director to ensure we maximise the candidate pool for this key appointment. Any additional recruitment to the project will be in line with the appropriate agreed employment procedure. New roles which do not already exist within the Council will be subject to formal job evaluation.

## **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.

- Policy Committee reports dated 14 February 2018, 20 June 2018 and 13 February 2019
- Finance and Major Contracts Committee report dated 29 April 2019

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

- All