

# **The HS2 station at Toton – An Assessment of the Economic Development Opportunities**

## **1. Introduction and context**

This document provides consultants with a brief to investigate the potential economic development opportunities that the second high speed rail line (HS2) station at Toton provides – from both land immediately around the station and from linking sites/areas to the HS2 station - within the context of a transformed Midlands Engine economy.

As a once in a lifetime investment opportunity, it is critical that we have a broad understanding of the potential nature and scale of the opportunities that can arise from HS2. This means not only the direct benefits which arise from any development at Toton, but the economic growth prospects which result from the station at Toton linking to sites and communities across the sub-region.

## **2. Study Scope: Objectives, focus and timing**

The overall objective of this study is to provide a broad, evidence-based understanding of the potential for economic development resulting from HS2 investment in Toton and its connections to surrounding sites and communities. It will contribute to the East Midlands HS2 Growth Strategy and to an understanding of the change that HS2 can bring about. It will identify interventions that are necessary to enable such future economic development activity to emerge, and prioritise the actions that are required next accordingly.

The focus of the study is to explore and then clarify where the greatest economic growth opportunities may arise when the station is open and then identify what interventions (e.g. infrastructure, market development, site mix ..... ) are most important to bringing those opportunities to reality. Given the long term nature of HS2 investment and the even longer term nature of benefits realisation, it is important that the study looks forward well into the future. While much of what we can forecast effectively will develop in the next 15-20 years, the time horizon needs to stretch further (say to 2050) to take account of this. There are a range of perspectives on the opportunities that exist and the study needs to provide a comprehensive response. (See Appendices 1 and 2 for thinking on the opportunities available). Consequently the study will need to provide early estimates of the profile of benefits. The study should take account of all relevant wider strategic developments including, but not limited to:

- Midlands Engine ambitions
- The Midlands HS2 Growth Strategy (Accelerating the UK's engine for growth), recently published by Greater Birmingham and Solihull Local Enterprise Partnership,
- The Midlands Connect Strategy,
- Relevant local plans and planning guidance,

- Rail strategies and local transport plans,
- D2N2, LLEP and local authority strategic economic plans

### 3. Proposed approach and deliverables

The approach to the study will be determined by the potentially transformational nature of the HS2 investment, long time horizons and the need for multiple stakeholders to engage with and understand the findings of the study. This will lead to an approach which a) combines both quantitative forecasts and analysis with more speculative scenario thinking, b) recognises that there is likely to be a need for in-depth study of specific opportunities drawing on deep expertise, c) engages stakeholders in development of the analysis and conclusions resulting from this. The approach will have three key phases:

1. Identify the range of future economic development activity scenarios at Toton and linked sites, given the change drivers and local progress already evident
2. Identification of which of these scenarios are the most powerful and catalytic economic development activity which HS2 Toton could enable based on an analysis of costs, benefits and risks. This is likely to require in depth analysis drawing on deep expertise
3. Identifying the key prioritised interventions to facilitate optimal economic development outcome across the station's area of influence

For clarity, phase 2 is effectively a prioritisation in terms of economic growth potential while phase 3 then adjusts the prioritisation to reflect the challenge related to the delivery of any interventions necessary to deliver the economic growth.

Through this process the study must engage (through specific meetings, events and workshops) with stakeholders – particularly those represented on GSOG and the HS2 Board – with interim reports to GSOG.

The principal deliverable from the study should be a report setting out the opportunities and an assessment of the costs, risks, and benefits associated with their realisation, together with a set of recommendations on taking these forward. This report will be a report *to* the HS2 Growth Board, but will have taken into account the views and priorities of those on the Board. There may be subsidiary analytical studies underpinning the main report. The study will need to include the following components:

- An assessment of the major, transformative global forces that are shaping the world (See Appendix 2) and their projected impact on key sites and sectors in the East Midlands in the 2030's
- An assessment of the local strategic economic drivers in the regions (e.g. Midlands Engine, LEP Economic Strategy, Metro Strategy, Core City Growth Plan) that will shape the local economy in 2030, and identify which of these has the greatest potential to be further escalated by HS2.

- An identification of potential economic outcomes in this context.
- An analysis of the costs, benefits and risks to each of the opportunities identified<sup>1</sup>.
- The interventions required to enable the opportunities and the economic growth in the East Midlands to be realised, and the cost of these interventions so that they can be compared and prioritised.

#### **4. Consultancy requirements and budget**

We wish to appoint a consultant to take responsibility for this study and its principal deliverables, although it is acknowledged that significant inputs will be required from stakeholders and other experts. A client point of contact will manage the commission on behalf of the Growth Strategy Steering Group and require regular progress meetings.

A maximum of £50,000 is earmarked for consultants to produce the study. £10,000 has been set aside for potential deeper dives into specific opportunities if necessary.

#### **5. Timeline**

In order to meet the demands of the broader HS2 Growth Strategy, but to allow sufficient time for the work to be carried out effectively, the study should be carried out over the period May to August culminating in presentations to the Growth Strategy Officers' Group (GSOG) and the East Midlands HS2 Strategic Board (planned for 13th September), with the draft report prepared by 10th August to enable appropriate submissions to be made to Government in early Autumn 2016. Further refinement work and update reports will need completion by the end of the year.

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<sup>1</sup> . It may be necessary to do some 'off-line' work to fully analyse each of these opportunities. This might be by one of the local authorities or other partners, or through another commission.

## Appendix 1 – Background

In recent years train travel has increased significantly and the network has enlarged with further investment underway locally at Ilkeston as well as planned investment nationally in the form of HS2. These improvements are considered crucial to economic growth particularly as HS2 will free up capacity on the existing rail network. Toton has been identified as the preferred location for the HS2 station serving the East Midlands and makes use of existing railway land approximately mid-way between Nottingham and Derby. An infrastructure maintenance depot is also proposed at Staveley. Toton station has the potential for excellent connectivity across the region allowing a significant proportion of passengers from across the region to access the station. Options for connectivity include:

- Toton is well located to access the M1, making it easily accessible by road although there is congestion in the area at peak times.
- The station could incorporate conventional platforms able to connect with Derby, Nottingham, Chesterfield and Loughborough/Leicester, thereby linking with the regional rail network.
- Bus services could have easy access and the area could potentially act as an interchange in its own right.
- Cycle connections could include a new national cycle route to other HS2 stations.
- An extension to the Nottingham Tram network may be possible so that trams can serve the station and connect to Nottingham Station as well as to the majority of the main employers in Nottingham. The feasibility of additional extensions is being investigated including routes to Derby and East Midlands Airport.
- The station could be connected to the Robin Hood Line just south of Kirkby-in-Ashfield via existing track (including track at Pye Hill currently used for freight) and with the option of an additional station serving Pinxton and an extension which could open up significant new opportunities around Ollerton and Edwinstowe.

New sustainable development around transport hubs linked to the HS2 network can help unlock office and industrial space that will significantly enhance the area's attractiveness to businesses, especially if this is approached through a (business) cluster approach. The Toton transport interchange is one key economic asset (as is East Midlands Airport), but we also need to remember that the availability of a skilled workforce, the quality of the other infrastructure (especially the telecommunication network), provision of the right type of real estate – for example, high quality grade A offices for potential key occupiers – are also crucial factors in business location decisions.

An initial estimate of the economic benefits was compiled by Volterra (2013) for several proposals in the area, including schemes along the tram route in Broxtowe and Nottingham (notably the Nottingham Enterprise Zone, the Universities and the NG2 business park), a major redevelopment planned at the

former Stanton Iron Works in Ilkeston and a proposed Strategic Rail Freight Interchange near East Midlands airport (which has just received planning permission). It was estimated that in combination the schemes could deliver over 4,000 new homes and support over 10,000 new jobs.

## **Toton**

It is currently proposed that the station hub would consist of four platforms for high speed trains and four platforms for conventional services. There would also be two fast lines through the middle of the station for non-stopping services. The platforms would be at ground level, with the station entrance and forecourt located above and to the east; the journey time to London would be 51 minutes.

HS2 Ltd's analysis to date suggests that the East Midlands Hub station could support between 1,500 and 1,600 jobs and between 150 and 800 houses. More recently Erewash Borough Council have adopted a plan for the Toton area which proposes that Long Eaton Town Centre, Stapleford District Centre, and Sandiacre Local Centre be developed to raise them to the status of HS2 national network gateways. Also in Erewash, the Council proposes that a Rail Park be located around the rail spur at Stanton Ironworks, providing relocation and co-location options for local and new rail industry businesses. Broxtowe, Gedling and Nottingham Councils adopted their Aligned Core Strategies in September 2014, and in separate policies in the Aligned Core Strategies specified the following minimum development requirements for the Toton Strategic Location for Growth:

- 500 homes
- 18,000 square metres of employment development
- 16 Hectares of Green Infrastructure
- Not prejudicing either the road or the tram access to the station

Broxtowe Borough Council, in their emerging Toton Strategic Location for Growth Masterplan, are proposing a business park in the vicinity of the proposed station site at Toton Fields which would comprise 43 Hectares of land available for employment provision, together with a further 28 Hectares as a contingency. The Broxtowe B.C. Cabinet endorsed this approach at a meeting in December 2015 and a planning application has been approved for the 500 homes and mixed use development, subject to a S106 agreement, which is in line with this approach. Further work is on-going to develop a strategy that confirms the main principles of the local plans whilst still allowing for future significant economic development at the station site.

## **Infrastructure Maintenance Depot at Staveley**

This depot would be located slightly to the north-west of Staveley. It would be constructed on a brown field site, a former ironworks, as it is envisaged that the depot will help to transform previously neglected areas of land by encouraging the growth of associated businesses, as well as attracting new employment to the area. Initial estimates of the economic benefits of this development have already

been produced - Volterra estimated that the total impact of locating the depot at Staveley could be in the region of 540-580 jobs locally, or up to 700 including indirect impacts.

## Appendix 2

### HS2 Toton – Future Economic Visions

The arrival of HS2 will of itself shape the regional economy. But there are other major forces operating and opportunities that exist which we need to appreciate fully in order to ensure we maximize the economic benefit that HS2 brings.

#### **1. The economy of the 2030s will be shaped by huge forces we are already conscious of...**

##### ***...globally...***

A new world order is emerging with economic power shifting to Asia-Pacific. The economies of the world will remain highly interdependent with trade and investment flows increasing. Cities and citizens will become even more interconnected.

Breakthroughs in nano-technology and bio-technology are increasing productivity, opening up new investment opportunities and creating whole new industries. The combination of the internet, mobile devices, data analytics, and cloud computing are reshaping our economy and society.

##### ***...nationally...***

The UK's population as a whole will be larger, older and more diverse. This has important and wide-ranging implications for the labour market, health and other public/private services, infrastructure, housing and the way we spend our leisure time. The population of cities will grow.

There will be a step-change in the manufacturing sector in the UK with technology and connectivity driving productivity and new products. Connected manufacturing has the potential to reduce costs through 'smart factories' and more efficient supply chains.

Notwithstanding recent cooling, the importance of China to the UK economy as a trading partner has increased consistently since 2004, with both imports (up from £11.4 - £37.6 Bn) and exports (up from £4.0 - £16.7 Bn) increasing to 2014. The value of Indian FDI into the UK (inward FDI) has experienced a notable increase between 2004 and 2013, from £164 million to £1.9 billion.

Local government will have been transformed – more innovative, more independent of central government. 'Megaprojects' – requiring new forms of cooperation between governments and the private sector – are likely to be required to build and replace city infrastructure, support new trade flows, and address education, health, security, employment and business demands.

##### ***...and locally***

The population of for example Nottingham is forecast to grow by 8-10% between 2015 and 2030, raising demand for housing, employment, education and services. Digital technologies will have profound implications for how the East Midlands rural economy functions, and how citizens live, work and behave.

Urban areas in the East Midlands are likely to become more integrated economically, socially and politically. Investment in, and the sound management of, 'smart infrastructure' will be a major factor in the success or otherwise of our communities as places to work, live and socialize.

**2. The drivers over which we have more control, for example:**

- the success or otherwise of a Midlands Engine Initiative
- a North Midlands Devolution Deal, Combined Authority and LEP
- infrastructure investment programmes
- skills development and talent retention
- the scale and impact of private developments (E.M.A, Roxhill, Power Station, etc etc)

**and importantly**

- **the Toton HS2 Growth Strategy and Masterplan**

Who can be sure which drivers will have the most impact, but clearly local political leaders have "very significant leverage over the development of their local place".

**3. A number of Future Scenarios could emerge , for example....**

***The crucible of a post-industrial revolution***

The clustering of advanced manufacturing and life science sectors around the cities of Nottingham and Derby, coupled with the global reach of our leading research universities has put the East Midlands in the front rank of new industries based on nano- and bio-technologies. New 'factories' based close to Toton employ tens of thousands.

***The landing pad for globally mobile businesses***

The Toton free-trade zone has become the destination of choice for globally mobile businesses. The region has capitalized on the increased trade and investment flows with partners in Asia. An accumulation of inward investment success has seen hundreds of (largely) Chinese and Indian firms invest in the region, creating over 10,000 jobs and exporting across the EU. Their arrival brings the demand for new forms of education and skills development and a massive expansion of the transport and service infrastructure.

***The logistics hub for the UK***

The investment in HS2 infrastructure, increases in trade and foreign investment, EMA capacity increases and stalled investment in Heathrow, Roxhill Development and Regeneration of the Power Station site lead to Toton emerging as the new logistics hub for the UK. The increase in air, road and rail traffic and the logistics and distribution jobs associated require infrastructure and services to grow and adapt.

***The destination of choice for a new generation of visitors***

The high speed rail tourists of Europe, together with visitors from London, and Birmingham gravitate in large numbers via HS2 to the centre of the UK at the world's newest, most



technologically innovative set of attractions and use Toton as a jumping off point for holidays in the UK. The East Midlands visitor economy has doubled in size from £1.1bn to £2.2bn p.a. – outpacing neighbouring regions.

### ***A new urban area***

The growing population of the UK's cities resulted in a once in a generation decision to create a new urban area near Toton. Far from being a dormitory town, far-sighted urban planners have built a sustainable community, effectively connected with East Midlands cities – providing work, education, services and housing for a new population of 25,000 and growing.

**...which require us to investigate the possibilities further before committing to a specific future**

## **4. Next Steps**

This paper has identified a number of trends and drivers and some of the possibilities which might result. In bringing forward the Growth Strategy for Toton in the next year or so, it will be crucial that we are as informed as possible about the reality of the possibilities.

Investigating these possibilities further should lead us to consider commissioning a wide body of research to inform a sustainable, deliverable vision, including but not limited to...

- A comparative view of mega-developments in other advanced economies to broaden our vision
- Scenario analysis which combines econometric forecasting with a PESTLE approach – this would draw in an understanding of the major trends in technology which could bring about revolutionary as well as evolutionary change
- For each of the development possibilities which emerges, a more detailed future market analysis – understanding the drivers for commercial development and the conditions that government and public bodies can create to encourage and shape that development

**Development and Growth Directorate  
Nottingham City Council**

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