



Nottingham City Council

The City of Nottingham and Nottinghamshire Economic Prosperity Committee

Date: Tuesday, 30 March 2021

Time: 1.00 pm

Place: To be held remotely via Zoom - <https://www.youtube.com/user/NottCityCouncil>

Councillors are requested to attend the above meeting to transact the following business

Director for Legal and Governance

Governance Officer: Catherine Ziane-Pryor **Direct Dial:** 0115 8764298

Each Authority should seek advice from their own respective Legal, Finance, Procurement and Risk Departments on how decisions may impact their particular Authority.

- 1 Apologies for absence**
- 2 Declarations of Interest**
- 3 Minutes** 3 - 10
Of the meeting held on 23 September 2020 (for confirmation)
- 4 Building back after COVID-19 - Local Resilience Forum Recovery Coordination Group update**
Update by Chris Henning (Nottingham City Council Corporate Director, Development & Growth)
- 5 HS2 update**
Update by Adrian Smith, Nottinghamshire County Council, Corporate Director and Deputy Chief Executive
- 6 Regional Economic Issues** 11 - 18
Report of Nottingham City Council's Corporate Director, Development & Growth with an update by Anthony May, Chief Executive of Nottinghamshire County Council

- a) Levelling Up Fund
- b) Community Renewal Fund
- c) Freeport / East Midlands Development Corporation
- d) D2N2 Local Enterprise Partnership

7 Forward planning for future meetings

19 - 20

Report of Nottingham City Council's Corporate Director, Development & Growth

If you need any advice on declaring an interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting

Citizens are advised that this meeting may be recorded by members of the public. Any recording or reporting on this meeting should take place in accordance with the Council's policy on recording and reporting on public meetings, which is available at www.nottinghamcity.gov.uk. Individuals intending to record the meeting are asked to notify the Governance Officer shown above in advance.

Nottingham City Council

The City of Nottingham and Nottinghamshire Economic Prosperity Committee

Minutes of the meeting held remotely and streamed to Rushcliffe Borough Council YouTube on 29 September 2020 from 10.32 am - 11.59 am

Membership

Present

Councillor David Mellen (Chair)
Executive Mayor Andy Abrahams
Councillor Mrs Kay Cutts MBE
Councillor David J Lloyd
Councillor Richard Robinson
Councillor Simon Robinson
Councillor Jo White
Councillor Jason Zadrozny

Absent

Councillor John Clarke

Also in attendance: Councillor Milan Radulovic MBE (Broxtowe Borough Council)

Colleagues, partners and others in attendance:

Carol Cooper-Smith	- Chief Executive, Ashfield District Council
Neil Taylor	- Chief Executive, Bassetlaw District Council
Ruth Hyde OBE	- Chief Executive, Broxtowe Borough Council
Mike Hill	- Chief Executive, Gedling Borough Council
Haley Barsby	- Chief Executive, Mansfield District Council
John Robinson	- Chief Executive, Newark and Sherwood District Council
Anthony May	- Chief Executive, Nottinghamshire County Council
Katherine Marriott	- Chief Executive, Rushcliffe Borough Council
Chris Henning	- Corporate Director for Development and Growth, Nottingham City Council
Peter Davies-Bright	- Economic Programmes Manager, Nottingham City Council
Emma Richardson	- Personal Assistant to Katherine Marriott, Rushcliffe Borough Council
Catherine Ziane-Pryor	- Governance Officer, Nottingham City Council

Call-in

None of the following items include any decisions which are subject to call-in.

1 Welcome and apologies for absence

Councillor John Clarke - other Council business

2 Appointment of Vice-Chair

Resolved for Broxtowe Borough Council to hold the Vice-Chair role for the municipal year 2020/21 with Councillor Milan Radulovic appointed for this meeting.

3 Declarations of Interest

None.

4 Minutes

Subject to the following amendments, the minutes of the meeting held on 6 March 2020, were confirmed as a true record and will be signed by the Chair:

- a) Executive Mayor Andy Abrahams is to be referred to as such, and not Councillor;
- b) Councillor Simon Greaves is removed from the membership and Councillor Jo White is referred to as Vice-Chair as the member representing Bassetlaw District Council.

5 Nottingham and Nottinghamshire Economic Recovery Plans

Anthony May, Chief Executive of Nottinghamshire County Council, delivered a presentation which is circulated with the initial publication of the minutes and included the following points:

- a) The County Council has already published its Economic Recovery Action Plan with 11 actions, but a few months ago a new committee was commissioned 'Resilience, Recovery and Renewal Committee' at which all matters related to COVID-19 are discussed. An Economic Recovery Plan has been approved, based on 2017 Council Plan aims, with the addition of a response to COVID-19, and with consideration and inclusion of the national economic headwind;
- b) COVID-19 has slowed our town and shopping centre activity and whilst Central Government has responded with support schemes, this funding is soon to be reduced, and local action will also be necessary;
- c) The Economic Recovery Plan is proposed to be effective between now and March 2021. The three key focuses have been established as:
 - i. Supporting people with job support schemes, job creation programmes, and advancing workforce skill development. This includes employability programs and a focus, via the joint City and County company 'Futures', for young people under the age of 25;
 - ii. Develop and support inward business investment, including building resilience into town centres, focusing on Small, Medium Enterprises (SMEs), and working with universities, whilst also managing carbon reduction opportunities;
 - iii. Promote Nottinghamshire as a place, both as a visitor destination and as an attractive place to live and work with good infrastructure, logistics and digital accessibility. The market strategy is being reviewed but existing brands and heritage sites will be further promoted. (Nottinghamshire citizens now have 98.22% access to 5G broadband with gigabyte coverage up to 14%);

- d) Data provided by the Midlands Engine Economic Observatory is proving invaluable in understanding, tracking and monitoring up-to-date information on the impact and influence on the local economy. This is helping to direct and support the local recovery plan and provide statistical evidence which may be utilised in grant funding applications;
- e) With the decommissioning of the power stations, work continues with partners to provide viable future options and is progressing well with the aims of the recovery plan influencing other residential developments;
- f) Travel solutions are being considered within the County including the '20 minute neighbourhood', particularly for new and evolving residential developments, whereby the main local facilities are within 20 minute's sustainable travel from citizens' homes;

Questions from the Committee were responded to as follows by Anthony May and Councillor Kay Cutts:

- g) Nationally, business grant fraud is becoming apparent, where grants have been submitted in the name of businesses without their knowledge. The County Council's Trading Standards Team have been doing a lot of work during the COVID-19 pandemic, focusing on related fraud and scams, but for more specific details, a response can be provided to members following the meeting;
- h) The '20 minute town /city' concept is gaining support across the world and the County Council is working with District Councils to promote it for new developments such as at Lindhurst, and the hubs on the sites of the soon to be decommissioned power stations. Wherever the Council can influence development with this concept, it will, including with Universities and the spaces between the development corporation sites;

Top Wighay is a development site for a new village with facilities in the centre of the village, surrounded by 805 dwellings. To discourage traffic through the village, traffic calming measures are included from the planning stage rather than retro-fitted. The school will be sited on the edge of the village, in walking distance of village properties and ensuring that parents bringing children from further away do not need to drive into village. Also, in line with Central Governments' aim to reduce the use of gas boilers by 2025, none will be installed, which will further minimise carbon emissions.

The aim with Toton development includes enhancing blue and green infrastructure and encouraging access to the countryside, whilst supporting the ability to work from home with accessible digital connections. With an emphasis on reducing the carbon footprint, the concept is to establish the framework for a community which encourages connection, reduces carbon emissions and provides a safe, healthy and attractive environment with good sustainable transport links, including to HS2, M1 and East Midland's airport.

- i) With regard to the end of the furlough scheme in October, and the forthcoming Brexit, consideration within the recovery plan has included focus on SMEs so the launch of the Gigabyte Programme and gigabyte vouchers has been brought forward to support recovery. Both are funded by the County Council and to date 86 SMEs have been helped to get the broadband speeds they need to run their businesses;

Many of the County and City businesses are small and rely on the Councils to provide infrastructure. Discussions are taking place with regard to junction improvements along the A614, improving physical connectivity and upgrade improvements to the A1. Further details are included in the recovery action plan;

- j) The Economic Recovery Plan does, as much as is possible to take into account the potential for a second spike of the corona virus, despite the hard work within the County and City to protect communities. The Local Resilience Forum has worked very well on infection control and with Local Outbreak Management Boards, as is evident by the recent heavy fine issued to a house party and the closure of a public house, both of which refused to comply with the social distancing requirements. Joint working with good communications has proved vital to the successful work to date. It is possible that as students return, there may be an impact on infection rates as seen in other areas of the country, but Universities are working hard to carefully manage this. It is vital that advice and support to students is maintained to keep students and communities safe and keep infection rates low, particularly during the first few weeks of their return to university;
- k) With regard to HS2, even in the light of the financial impact and broader implications of COVID-19, it is still presumed that HS2 will proceed, as all enabling legislation and preparatory work has been completed. Central Government may change its mind at any point, so alternative options to progress existing planning around the key sites has been considered. The Hub station at Toton would still be a marketable site without HS2, but of course is far more attractive with HS2, which is dependent on the East Coast rail line and will provide a valuable link with the Leeds, Chesterfield and Sheffield areas. It is possible that the scheme may be slightly delayed but a public virtual exhibition will shortly be launched promoting the route the line will take, and having had such a long lead in time, a substantial delay is unlikely as the line will provide significant economic benefit.

Chris Henning, Corporate Director of Development and Growth, Nottingham City Council, delivered a presentation summarising the City Council's draft Economic Renewal Plan which is to be considered by the City Council's Executive Board in October. The presentation is to be circulated with the initial publication of the minutes. The following points were highlighted:

- l) The draft plan was developed jointly with Nottingham Growth Board which consists of major institutions including businesses and Universities, and One Nottingham;
- m) Earlier in the year, there was a positive outlook for the City with steady growth, major redevelopments progressing, including the Broadmarsh gateway to the City, investment opportunities of £2 billion available and historically low unemployment. However, the COVID-19 pandemic has had a significant impact and the financial outlook now is very different. Longer term analysis predicts that unemployment is projected to rise to as much as 17% by the end of 2020 with the greatest impact on low paid and unskilled workers and younger citizens, particularly within the retail and hospitality sectors;
- n) The changes in the way in which business and communities operate now provides new opportunities with a greater reliance on digital technology and resurgence of neighbourhood and sustainable living, all of which need to be built on when planning for the future;

- o) Following the financial crash in 2012, Central Government offered 'City Deal' funding to support regeneration. The City is now preparing to respond in the language of deals within the vision of a better creative, green, digital future for Nottingham;
- p) We need to build on the existing partnership bases and organisations. To date the vision is to continue to regenerate an improved City which offers opportunities for everyone, with investment support to accelerate viable private investment as part of an economic growth eco-system;
- q) The physical re-imagining of the City is also important. The former intu Broadmarsh development is now owned by the City Council and it will be re-imagined for alternative viable use, but still as a significant gateway into the City. Progress on the Broadmarsh Centre is being watched closely by many Councils across the country with similar challenge of now vacant retail space.
- r) 6 themes have been prioritised, each with a strategy and plan for investment which are outlined in the presentation:
 - i. City of creativity and culture;
 - ii. Reimagining the City;
 - iii. Carbon neutral City;
 - iv. Digital enterprise;
 - v. Entrepreneurship and innovation;
 - vi. Skills and employment;

Comments by members and responses to questions from the committee included:

- s) Discussions are ongoing with intu administrators and partners, with regard to the future of the Victoria Shopping Centre. As a profitable operating site, it appears likely that it will be sold to a consortium and will continue to operate;
- t) Public perception is vital for both City and County recovery plans and it is necessary to engage with local people and groups and ensure that they are willing to buy-into the vision which gives them hope and aspirations for an economic recovery. These plans don't appear to be providing a strong enough message to citizens. People need to see that there is hope and opportunities are emerging along with investment potential. There needs to be a clear message that these and future plans will be more resilient to change. We've had 2 economic crashes in the past 12 years with a huge negative impact on citizens. We need to assure citizens that we have a resilient workable plan from which we can build a better future and the impact of any future crashes can be negated;
- u) Resilience was demonstrated in the plan which followed the 2012 crash. It did take 5-6 years of action to build back many sectors of the economy, to lower unemployment, and regenerate and promote the creative sector, hospitality and digital industries. This was achieved via regeneration investment from the City Deal with the City Council and support from partners. It would have been incredibly difficult to have predicted what has happened with regard to COVID-19, but importantly, the past and future investment in infrastructure has been, and will be vital to support economies and encourage business to reinvest;

- v) It is noted that half of the City's workforce live in the County so success in the City is also vital to those in and around the conurbation;
- w) It is acknowledged that there are difficulties in the City that have been beyond the impact of COVID-19, but there are positive opportunities imminent such as the re-opening of Nottingham Castle, the completion and opening of Nottingham College and the launch of consultation on the future of the former Broadmarsh shopping Centre. We know it is really important to give people hope for the future, especially after lockdown. County and City need to ensure we can rebuild and attract investment. There is still much for this committee to do;
- x) The 2012 post economic recovery was responsive and reactive, instead of part of the resilience plan. Citizens need to be convinced that these recovery and resilience plans won't be based on an unsustainable mountains of debt that will impact on generations to come. We need a vibrant and robust economy which can react to circumstances. It took 5-6 years to recover from the 2012 crash, but for citizens now, tomorrow is important and they are not necessarily as optimistic as some members of the Committee;
- y) There is no underestimation of the scale of challenge ahead. There needs to be benefit for all but it won't be instantaneous and it is possible that the current situation may become worse depending on the ongoing severity of COVID-19. No-one has all the answers and progress won't be easy, but it's up to us to plan for a better future and recognise the challenges.
- z) The reason recovery from the 2012 crash took 5-6 years was due to austerity. We have to invest to accelerate recovery. Yes there will be debt, but financial and skill investment is necessary.

Resolved to note the development of:

- (a) the Nottinghamshire COVID-19 crisis Economic Recovery Action Plan,**
- (b) the Nottingham Economic Renewal Plan.**

6 Verbal updates by Katherine Marriott and Anthony May

a N2 Environmental Project

Katherine Marriott, Chief Executive of Rushcliffe Borough Council, provided a brief verbal update on the N2 Environmental Projects, highlighting the following points:

- a) A workshop is held every six weeks, which is attended by all local authorities throughout the County and including the City and some voluntary sector and non-profit organisations. Work has continued but is being reshaped due to COVID-19;
- b) Areas of focus:

- i. Solar PV panels on leisure centres. Feasibility studies have been completed but there is now some uncertainty of the future shape of leisure facilities which are struggling with the impact of COVID-19;
- ii. Low carbon retro fitting of social housing continues with further funding identified;
- iii. A low carbon check list for Planners has been developed with support to help Planners and Developers, including training events for sustainable new build properties. Also a County wide low carbon Supplementary Planning Framework draft document has been developed. However, further refinement is needed now that Central Government is due to respond to future homes standards consultations;
- iv. A bid has been submitted for LGA 'Design In The Public Sector' grant funding to develop a communications platform to ensure consistent messages are issued across the county;
- v. 3 sites potential sites have initially been identification for low energy and low carbon vehicle depot sites within the wider EM region;
- vi. Reviews are being undertaken for the decarbonisation of fleet vehicles and the options for electrification of LA Depots, including changing fuel sources;
- vii. Work continues to connect with larger business to lead on carbon neutral mentoring with smaller business and encouraging 'shop local, shop safe' to support the local economy and lower fuel usage;
- viii. Re-evaluation is taking place on the approach to home working which will lower organisational carbon footprints and travel costs. This will also provide opportunities to use Council buildings more creatively in future.

b Brexit

Anthony May, Chief Executive of Nottinghamshire County Council, updated the Committee with regard to Brexit, as follows:

- a) The country is in a transition period until the end on 31 Dec 2020. Central Government is currently trying to negotiate departure terms so there is a limit to how much we can prepare with so much still unknown, but it is anticipated that a meeting on EU Summit on 15 October 2020 will be a decisive point. In the transition period so far, work has been less intense as activity has been focused on COVID-19 related matters, but the pace is quickening and effectively there are two potential directions; to leave with new terms or no terms. Locally business is preparing for these;
- b) Up to and beyond 15 October 2020, Local Authorities can expect an acceleration of Government requests for local business data.

c East Midlands Development Corporation

Anthony May, Chief Executive of Nottinghamshire County Council, updated the Committee with regard to the Development Corporation, as follows:

- a) Central Government asked the East Midlands Engine to investigate the potential for a single integrated vision and delivery vehicle to identify key sites along the HS2 line, mainly around the airport, the Ratcliffe on Soar power station and Toton hub area;
- b) The Corporation has been working with Government for 18 months and is well advanced in producing a business case, which has proved that working with an integrated approach is more beneficial than marketing sites individually;
- c) The final business case is to be submitted to Government in the spring. The 5 most effected Councils will come together and collaborate on an interim integrated vehicle and move forward while Government determines the shape and form of the final Development Corporation;
- d) There has been a lot of momentum and support across all partners, with the next key meeting in October. Progress has been positive and Central Government is encouraging and endorses the implementation of the interim stage.

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY
COMMITTEE – 30 MARCH 2021**

Subject:	Regional Economic Issues		
Presenting authority / representative:	Nottingham City Council Chris Henning, Corporate Director, Development & Growth		
Report author and contact details:	Peter Davies-Bright, Economic Programmes Manager peter.davies-bright@nottinghamcity.gov.uk		
Key Decision <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Value of decision: £0			<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Authorities affected: All	Date of consultation with relevant authorities:		
Summary of issues (including benefits to citizens/constituent authorities):			
<p>In his recent Budget statement (3 March 2021), the Chancellor of the Exchequer announced a series of measures that steer the direction of local economic development in the UK. These include: the Levelling Up Fund; the UK Community Renewal Fund; and Freeports.</p> <p>This reports sets an overview of these announcements in order to facilitate a common understanding of the opportunities opened up through the Budget, including the potential for collaboration across authorities.</p>			
Exempt information: None			
Recommendation(s):			
To note and discuss the contents of this report.			

1 Reasons for recommendations

- 1.1 To enable EPC members to reach a shared consensus on how to move forward in response to the Budget announcements.

2 Background (including outcomes of consultation)

- 2.1 In his Budget statement of 3 March 2021, the Chancellor of the Exchequer made a series of announcements that reset the local economic growth funding agenda in the UK. Principally, these are as follows:

Levelling Up Fund

- 2.2 The Levelling Up Fund aims to invest £4.8bn (£4bn in England, £800m in the devolved nations) in high value local infrastructure over the next four years, focused on three priorities: transport schemes; urban regeneration; and cultural and heritage assets.
- 2.3 The Fund will involve a process of competitive bidding open to all local authorities. It is calling for shovel-ready proposals of up to £20m (£50m by exception for large transport schemes only). Proposals may consist of a single project or a package of multiple projects, but package bids must represent a coherent and aligned set of interventions.

- 2.4 Submission deadline for Round 1 is 18 June 2021, and successful bids will be expected to start spend in 2021/22. (Subsequent rounds will be announced later.)
- 2.5 Local authorities can submit one bid for every MP whose constituency lies wholly within their boundary. Every local authority can submit at least one bid. Where an MP's constituency crosses multiple local authorities, local areas will be expected to devise local solutions.
- 2.6 Funding is based on an index of need, with a focus on Category 1 places. There are 123 Category 1 places nationally, in Nottinghamshire these are Bassetlaw, Mansfield, Newark and Sherwood, and Nottingham City. Areas in Categories 2 and 3 will need to demonstrate much stronger benefits and impacts, but Category 1 status does not guarantee funding due to the competitive nature of the bidding process.
- 2.7 Bids will be scored on strategic fit, value for money, deliverability and place characteristics. They will be expected to have a 'visible impact'.

Community Renewal Fund

- 2.8 The UK Community Renewal Fund (UKCRF) has been allocated £220m in 2021/22 for pilot programmes. It calls for local areas to pilot innovative approaches in preparation for the post-EU Shared Prosperity Fund (£1.5bn), which will be launched in 2022. The fund will focus on four priorities: skills; business support; communities and place; supporting people into employment.
- 2.9 Each place is able to bid for up to £3m from UKCRF. For the purpose of UKCRF, 'places' are defined at the district, borough or unitary scale.
- 2.10 To ensure funding reaches the most in need, 100 priority places have been identified and a lead authority identified for each place. In Nottinghamshire, the priority places are Bassetlaw, Mansfield, Newark and Sherwood, and Nottingham City. Priority places have each been awarded £20k capacity funding, but the competitive nature of the bidding process means that funding is not guaranteed for these places.
- 2.11 Lead authorities will coordinate, appraise and submit bids to Government by 18 June 2021. The assigned lead authorities in Nottinghamshire are Nottingham City and Nottinghamshire County. District authorities will need to work with Nottinghamshire County in order to bring forward bids for their areas.

Freeports

- 2.12 The East Midlands Freeport was one of eight successful bids announced in the Budget, and the only inland freeport in England. Freeport governance arrangements now need to be confirmed with Government (see Appendix A) and a detailed business case will need to be submitted.

Local Enterprise Partnership

- 2.13 The Levelling Up Fund and UKCRF will be administered through local authorities rather than Local Enterprise Partnerships (LEPs), representing a significant shift in Government policy towards local economic growth funding from the past ten years.
- 2.14 The Government is reviewing role of LEPs and the review should be published this summer.

3 Other options considered in making recommendations

3.1 Do nothing. This was rejected as failure to discuss and coordinate would likely lead to less Government funding be attracted to the area.

4 Financial implications (including value for money/VAT)

4.1 None

5 Legal and Procurement colleague comments (including risk management issues, and legal, crime and disorder act and procurement implications)

5.1 None

6 Social value considerations

6.1 None

7 Equality impact assessment (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

An EIA is not required because the report does not contain any changes to policy.

8 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

8.1 None

9 Published documents referred to in this report

9.1 Levelling Up Fund prospectus (click [here](#))

9.2 UK Community Renewal Fund prospectus (click [here](#))

9.3 Alchemy Project briefing note – published in D2N2 Board documents (March 2021), attached at Appendix A (below)

APPENDIX A

The Alchemy Project – Development Corporation Briefing Note – March 2021

Introduction

1. This briefing note will take the form of an end of year report. It is the culmination of a series of regular progress updates provided to the D2N2 LEP Board in relation to the East Midlands Development Corporation (EMDC) Programme. The report provides a review of the deliverables over the financial years 2019/20 & 2020/21 and an explanation of the transitional arrangements for the formation of EM DevCo Ltd.
2. In February 2019 the Government signed off £2 million in funding, to be split equally across 2019/20 & 2020/21. The funding was for the purpose of undertaking work, including the development of a business case, for the establishment of a body to deliver regional ambitions for inclusive growth, with a particular focus on Toton and Chetwynd (around HS2 proposed Hub Station); East Midlands Airport Area; and Ratcliffe-on-Soar power station. Strong local stakeholder engagement was essential throughout the process. This was formalised through the establishment of an Oversight Board, now known as the Alchemy Board, chaired by the Chair of the Midlands Engine which includes key stakeholders; and a representative Executive Group.

Background & Progress to date

2019/20:

Introduction

3. During 2019/20 an Oversight Board and Executive Group was formed to oversee the work of the EMDC programme. Early analysis identified that all five cases of the Government compliant business case needed primary research and analysis. There was also an early recognition that there was no off-the-shelf model that meets the region's requirements and a new model of governance needed to be defined. It was not therefore a case of simply making the case for, and setting up, a familiar delivery structure, but defining an entirely new one.

Statements of Intent

4. A number of 'statements of intent' were agreed during 2019/20 to define a number of broad guiding principles for the EMDC programme. These included general high level principles; governance; planning; and freeport. The latter in recognition of a complementary opportunity for an Inland Freeport focussed on East Midlands Airport Area and Ratcliffe Power Station.

Working Groups

5. A number of working groups were formed to undertake more in depth work on specific components of the development corporation including Connectivity; Carbon Zero; Natural

Capital – Net Gains; Freeport; and Communications. Close working also emerged with the NHS confederation to explore the potential for health considerations to be woven into the strategy.

Alchemy Project Summary Business Case

6. The year culminated in the endorsement of the 'Alchemy Project Summary Business Case' and its submission to Government in March 2020. This made the case for a new type of development corporation – a LLUDC and as a consequence the need for an Interim Vehicle. It included recognition in the Oversight Board for the need to focus on the three initial sites before considering a wider roll out. Concurrently, the Ministry of Housing Communities and Local Government (MHCLG) undertook a consultation on development corporation reform at the turn of the Calendar year 2019/20 and the Midlands Engine submitted a technical response as part of on-going discussions with Government. Officials highlighted the need to be prepared and ready to engage in relevant legislative opportunities and the pending planning reforms were known at that point.

2020/21:

Introduction

7. In 2020/21 the programme has focussed on concluding the detailed business case and establishing an interim delivery vehicle, EM DevCo Ltd. The interim vehicle will be a company limited by guarantee that will drive forward the proposition whilst the Parliamentary processes to establish the proposed new model of Locally Led Urban Development Corporation (LLUDC) take place. The working groups established during 2019/20 to support the programme continued to advance a number of key themes.

Planning & Development Corporation Reform

8. During 2020/21 the Government undertook consultation on a Planning White Paper - 'Planning for the Future' <https://www.gov.uk/government/consultations/planning-for-the-future>. This included specific mention of Toton and the work on the East Midlands Development Corporation programme. The Midlands Engine responded positively to this consultation to highlight the range of possible powers envisaged for the new model LLUDC as part of the reform agenda.

Interim Vehicle

9. During 2020/21, the proposals for an interim vehicle focussed on the three initial sites continued to develop. The formation of the vehicle was agreed at the Alchemy Board in July 2020, with recognition and support for the five directly affected local authorities with statutory responsibilities covering the three sites to form the vehicle. The five authorities included Broxtowe Borough Council; Leicestershire County Council; North West Leicestershire District Council; Nottinghamshire County Council and Rushcliffe Borough Council. Those authorities formally agreed to set up EM DevCo Ltd in December and to allocate £1.5m per annum between them for the set up and operation of the business.

10. The interim vehicle will mirror the governance model for the LLUDC. This includes the establishment of an 'Oversight Authority' of Members and a private sector led independent board of Directors. Work on the formal incorporation and establishment of EM DevCo Ltd is underway with a view to the company operating as soon as practicable in the financial year 2021/22.

Alchemy Board

11. The original 'Oversight Board' established to oversee the programme (Para 2 above), will form the foundation of the Alchemy Board.
12. During 2020/21, an Alchemy Prospectus was agreed as the basis for taking forward a strategic conversation at a regional scale. This highlighted five key themes to be developed further including Connectivity; Natural Capital – Net Gains; Zero; Health; and Skills. The governance for this is being reviewed as part of the transitional arrangements with East Midlands Councils and Midlands Engine supporting this workstream.

Freeport

13. The complementary opportunity for Freeports has continued to develop during 2020/21 including an Inland Freeport focussed on East Midlands Airport Area and Ratcliffe Power Station. Latterly, and in the build up to the formal submission of an Expression of Interest on the 5th February, these plans also include East Midlands Intermodal Park in South Derbyshire. The Government's support for the proposal was announced as part of the 2021 Budget announcements on the 3rd March.

Business Case for LLUDC

14. The detailed business case for the LLUDC model supports the establishment of the interim vehicle; complements the proposed Freeport status for part of the area; and is not dependent on HS2 with sensitivity analysis having been undertaken. The business case was endorsed by the Alchemy Board on 29th January 2021 and agreement given for the Chair to submit the final version to the Secretary of State follows discussions with MHCLG officials and final clarifications with key stakeholders.
15. The business case submission include four key requests to Government; funding for the Interim vehicle (the five owning LA's are committed to providing £4.5 million); to progress legislation to establish the LLUDC; approval for 100% local retention of Business Rates in the EMDC area; and In-principle commitment to project funding for EMDC programmes.
16. This business case sets out, to Government, how a new LLUDC model for the East Midlands will meet the criteria for public-sector intervention. It includes a value for money assessment, commercial viability; financial affordability; and a route to delivery. It is intended that the business case will be formally submitted to Government on the 19th March 2021.

Conclusion & Transitional Arrangements

17. As we head into the financial year 2021/22, it is clear that the original objectives of the programme have been met. A clear and compelling proposition has been delivered for both a new model of LLUDC in the East Midlands and an Interim Vehicle in the meantime.
18. There are a number of key considerations for the programme moving forward. The five Local Authorities are progressing the establishment of EM DevCo Ltd as the interim vehicle. The company is due to be legally incorporated and registered with Companies House in March 2021.
19. A business plan for 2021/22 is under development, which will set out the activities and budget of EM DevCo Ltd for the year ahead and will be considered for approval by the EM DevCo Ltd Oversight Authority in April. The deliverables within the Business Plan will initially be based on the confirmed year one Local Authority funding of £1.5m, but EM DevCo Ltd will be capable of managing a larger budget, should anticipated Government funding be confirmed.
20. In line with the actions agreed at the January Alchemy Board meeting, a separate review is underway to establish a fit for purpose governance and support structure for the Alchemy Board moving forward. This review is being undertaken through East Midlands Councils working with the Midlands Engine.
21. It will be important to review the lessons learnt for the two levels that have emerged. These include the site specific considerations and the associated development and infrastructure investment opportunities and secondly at a regional, 'Alchemy', scale level of proposition. Both have been designed to influence each other and flexibility has been an important consideration throughout.

Future Project Governance Meetings

Alchemy Board Meetings

Thursday 29th April 2021, 13:30-15:30
Monday 12th July 2021, 14.30-16.30
Friday 8th October 2021, 11:00-13:00
Friday 21st January 2022, 11:00-13:00

Further Information

If you require any further information, please contact Ken Harrison, Programme Director.
Ken.Harrison@nottsc.gov.uk

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**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC PROSPERITY
COMMITTEE – 30 MARCH 2021**

Subject:	Forward Planning for Future Meetings Work Plan		
Presenting authority / representative:	Nottingham City Council Chris Henning, Corporate Director, Development & Growth		
Report author and contact details:	Peter Davies-Bright, Economic Programmes Manager peter.davies-bright@nottinghamcity.gov.uk		
Key Decision <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Value of decision: £0		<input type="checkbox"/> Revenue	<input type="checkbox"/> Capital
Authorities affected: All	Date of consultation with relevant authorities: N/A		
Summary of issues (including benefits to citizens/constituent authorities):			
<p>The EPC has met irregularly since the beginning of the Covid-19 pandemic. As we begin to emerge from the Covid-19 pandemic – and with the Government’s new focus on delivering its post-Brexit ‘levelling up’ agenda – the future workplan should to be refreshed to ensure that it aligns to significantly changed circumstances.</p>			
Exempt information:			
None			
Recommendation(s):			
<p>Members are invited to make suggestions for items on the future work plan within the Terms of reference of the EPC, and to agree to delegate responsibility to the Chief Executive Officers to refresh the future work plan ahead of the next EPC meeting.</p>			

1 **Reasons for recommendations**

- 1.1 To support the planning and prioritisation of issues of strategic importance at future EPC meetings.

2 **Background (including outcomes of consultation)**

- 2.1 Over the past year the role of local authorities has been fundamental in supporting the country through the Covid-19 pandemic. This has necessitated a short term shift in focus, and the role of local authorities in supporting their local businesses and economies through the administration of an increasingly complex set of business grants has been essential to supporting local economic resilience.
- 2.2 At the same time, the Government has begun to set out its agenda for levelling up the places and regions of the UK following the UK’s departure from the European Union. The role of local authorities in local economic development has been strengthened following the announcement of the Levelling Up Fund and Community Renewal Fund, and relationships with Local Enterprise Partnerships (LEPs) may need to be reset following the Government’s review of the role of LEPs.
- 2.3 The Government’s white paper on Devolution and Local Government Reorganisation was postponed from October 2020, and although no date has been set for publication, it is likely to re-emerge at some point.

- 2.4 Further, as the UK continues to successfully roll out the Covid vaccine we are now emerging from a period where local authorities have necessarily been reactive to a position where we can accelerate planning for a post-Covid economy.
- 2.5 The N2 Chief Executives should steer the development of the future work programme, supported by the N2 Economic Development Officers group as appropriate.

3 Other options considered in making recommendations

- 3.1 To not develop a future work plan. This would limit the effectiveness of the EPC and reduce its ability to address issues of strategic importance.

4 Financial implications (including value for money/VAT)

- 4.1 None

5 Legal and procurement colleague comments (including risk management issues, and legal, crime and disorder act and procurement implications)

- 5.1 None

6 Social value considerations

- 6.1 None

7 Equality impact assessment (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council) ✓
- (b) No
- (c) Yes – Equality Impact Assessment attached

An EIA is not required because the report does not contain any changes to policy.

8 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 8.1 None

9 Published documents referred to in this report

- 9.1 None