

Nottingham City Council

The City of Nottingham and Nottinghamshire Economic Prosperity Committee

Minutes of the meeting held remotely and live streamed to YouTube on 30 March 2021
from 1.02 pm - 2.20 pm

Membership

Present

Councillor David Mellen (Chair)

Executive Mayor Andy Abrahams

Councillor John Clarke

Councillor Mrs Kay Cutts MBE

Councillor Richard Robinson

Councillor Simon Robinson

Councillor Simon Greaves (Substitute for Councillor Jo White)

Absent

Councillor David J Lloyd

Councillor Jason Zadrozny

Councillor Jo White

Colleagues, partners and others in attendance:

Carol Cooper-Smith - Chief Executive, Ashfield District Council

Neil Taylor - Chief Executive, Bassetlaw District 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

Adrian Smith - Corporate Director for Place and Deputy Chief Executive, Nottinghamshire County Council

Catherine Ziane-Pryor - Governance Officer, Nottingham City Council

Call-in

None of the items include decisions, therefore they are not subject to call-in.

7 Apologies for absence

Councillor Jo White (Councillor Simon Greaves in attendance)

Councillor Jason Zadrozny

8 Declarations of Interest

None.

9 Minutes

The minutes of the meeting held on 29 September 2020 were confirmed as a true record and will be signed by the Chair.

10 HS2 Update

Adrian Smith, Corporate Director for Place and Deputy Chief Executive, Nottinghamshire County Council, delivered a presentation on the HS2 Development Corporation proposition, and an update on the Integrated Rail Plan (IRP), a copy of which is circulated with the initial publication of the minutes, and highlighted the following points:

- a) discussions around Toton as the regional station for HS2 have been ongoing for more than 10 years, during which time there have been site suitability reviews in 2013, 2015, and most recently in 2020, with views sought from partners and stakeholders. All reviews have confirmed that Toton is the optimum location for the station in the East Midlands;
- b) all work to date can be attributed to the East Midlands HS2 Growth Strategy of 2017, with a focus on growth, development, jobs, productivity, and housing;
- c) a locally led Development Corporation was identified as a suitable delivery vehicle which has been developing the business case over the past couple of years. This has been submitted to Central Government in March 2021;
- d) the benefits of a station at Toton are not only to the south of the county, but also to the north of the county, including Chesterfield and Staveley;
- e) it is possible that with 3 Development Corporation sites, each in excess of 200 hectares, the scheme will be a world first, sited between three sizeable cities, close to national transport infrastructure such as the M1, East Midlands airport, and now the Freeport;
- f) it is anticipated that more than 10,000 new homes will be provided across the Development Corporation footprints by 2045, that 84,000 jobs will be generated across the region, and it can bring nearly £5 billion of GVA (Gross Value Added) to the region by 2045;
- g) there is a strong emphasis on the environment and sustainability, not just through the work of the National Centre for Decarbonisation proposed around the former Ratcliffe Power Station site, but also a number of demonstrators for net zero carbon emissions within the new development opportunities in housing and manufacturing;
- h) computer generated aerial images of the proposed Toton complex were presented and illustrate the connectivity with the 3 neighbouring cities of Nottingham, Derby and Leicester, including a very ambitious local planning framework document and supplementary planning document, with views illustrating the space which may be available for the potential innovation campus;
- i) the wider economic benefit will be optimised by ensuring access to jobs. Toton has the potential to connect more than 20 towns, cities and villages within phase 1 at a cost of just under £500m;

Integrated Rail Plan (IRP)

- j) in February 2020 the Prime Minister confirmed that the eastern leg would be built in full, however, the National Infrastructure Commission undertook a Rail Needs Assessment of the East Midlands and the North and an alternative option was identified with HS2 terminating at a station around East Midlands Parkway with connections to cities via the mainline network;
- k) close working continues with neighbouring northern authorities to justify the continuation of the line into the north, using the business case as a compelling document to support the line being built in full;
- l) it has been a cross government decision which will ultimately sit with the Prime Minister;
- m) the publication of the IRP has been delayed several times but it is now predicted to be released before the summer and officers continue, with support from neighbouring local authorities, to promote the campaign of engagement and make representations to the Government Ministers and departments with influence.

Member's comments included:

- n) the benefit of this scheme sits across the whole region, including Long Eaton, where it would solve a lot of traffic issues. It is important to everyone in the East Midlands, and further north at Leeds, York, the North East (which has consistently seen under investment), and up to Edinburgh, that the line is continued as it will reach approximately 15m people;
- o) the region may have previously been overlooked for investments,, but the current united approach of 'we're all in this together' has impressed Central Government and seems to be making the difference so it is important that this continues;
- p) by stopping the line at Parkway, the benefit to the East Midlands is minimal and congestion at Junction 24 of the M1 will become even worse;
- q) the case has been made multiple times that the Toton site will economically benefit the whole of the County. With the Western leg progressing at speed, the decision needs to be made soon.

Resolved to note the updates.

11 Building back after COVID-19 - Local Resilience Forum Recovery Coordination Group update

Chris Henning, Corporate Director for Development and Growth, Nottingham City Council, summarised the co-ordinated response across the City and County to COVID-19 through the Local Resilience Forum, and Strategic Co-ordination Group, and highlighted the following points:

- a) when it appeared that the country was emerging from a state of crisis, several sub groups were established, including the Recovery Coordination Group (RCG) to determine a long-term approach to economic recovery following the pandemic;

- b) the multi-partner RCG, jointly Chaired by Chris Henning and Colin Pettigrew, Corporate Director for Children and Families at the County Council, initially undertook an impact study with reference to emergency resilience plans, looking how best to safely open up the high streets, neighbourhoods and transport networks, and welcome back the student population;
- c) during December 2020, when it became apparent that the country was entering a second wave of COVID-19 infections and a second lockdown, the RCG work plan paused to enable officers and partners to respond to the immediate need;
- d) now that the 'road map' has been announced by Central Government, the RCG will continue its work.

Members of the Committee commented as follows:

- e) with the recent introduction of 'recovery steps' (to replace the unpopular tier system), cross city and county co-ordination would be sensible and could take place through the RCG or a similar co-ordination body, including clarifying how the 'steps' are expected to be implemented and the level of local response. A watching brief on this issue would be welcomed;
- f) considering the interplay between the road map, as it unfolds, the arrangements in place and how it impacts locally, it would be sensible to co-ordinate the response locally;
- g) the EPC has a role to play in supporting economic recovery, but the Local Outbreak Management Boards (LOMB) (one in the city and one in the county) have a key role in infection control and understanding how to manage local outbreaks to avoid returning to Central Government intervention through tiers. It's vital that Outbreak Plans are regularly reviewed and updated;
- h) Central Government's 'Contained Framework' is fairly high level but provides the guidance on options for managing the future, including how infection control meets the impact on local economy. Each LOMB needs to ensure that the Contained Framework is woven into their Local Outbreak Plans, many of which were published last March but which may require updating and revising over the next few months as circumstances develop.

Resolved to note the start-up of the RCG, its existing focus and to identify any areas of work which should also be considered.

12 Regional Economic Issues

Chris Henning, Corporate Director for Development and Growth, Nottingham City Council, introduced the report providing an overview of current regional economic issues, including newly available funding, which was announced by the Chancellor in the recent budget, and Anthony May, Chief Executive, Nottinghamshire County Council provided an update on Freeports and the potential changes regarding the Local Enterprise Partnerships, and highlighted the following points:

Levelling Up Fund (LUF)

- a) £4bn has been made available in England to invest in high value local infrastructure during the next four years, focusing on transport schemes, urban regeneration, and cultural and heritage assets, and replaces previous funds available through the Local Enterprise Partnership;
- b) whilst competitive bidding is required, preference will be given to 'Category 1' areas, where need has been identified by Central Government, including Bassetlaw, Mansfield, Newark and Sherwood, and Nottingham City, although all Local Authorities can apply;
- c) any schemes submitted must be ready for immediate development, can include multiple projects, and can have a value of up to £20 million per MP constituency (potentially £50m for large transport schemes);
- d) further clarity is to be sought regarding whether more than one bid can be submitted per category area, such as Nottingham which is served by 3 MPs;
- e) the deadline for submitting applications within round 1 is 18 June 2021, with the expectation that works would start in the same financial year;
- f) the arrangement whereby Local Authorities will lead on the bid submission demonstrates a shift away from the Local Enterprise Partnership framework;

Community Renewal Fund

- g) £220 million has been allocated for pilot schemes in the UK, in preparation for the post-EU Shared Prosperity Fund, which will be launched in 2022, acting as a bridge from European Union funding and totalling £1.5bn;
- h) the four priorities of the fund are skills, business support, communities and place, and supporting people into employment;
- i) the lead authorities (Nottinghamshire County Council and Nottingham City Council) for each 'place' (district, borough or unitary council) is able to bid for funding of up to £3 million with an application deadline of 18 June 2021;
- j) 4 priority 'places' have been identified by Central Government as Bassetlaw, Mansfield, Newark and Sherwood, and Nottingham City, which will receive preference in the competitive bidding process and potentially access to an additional £20,000 for funding capacity.

Freeports

- k) Freeports are arrangements for simplified customs documents and the avoidance of import tariffs provided the goods receive added value before being exported;

- l) the East Midlands Freeport bid is ambitious and covers 3 sites in and around the Airport including the Seagrove Logistics Hub and Maritime Rail Head, one at Uniper, and a new site, Intermodal, in and around Derby and Derbyshire;
- m) this bid has successfully progressed to the next phase of providing an outline business case which is to be submitted by partners (including private sector, land owners and local authorities), to convince Central Government that the governance and programme management is in order. If approved, then a more detailed business case will be required;
- n) timescales are unclear due to the complexity of bids, but Central Government is keen for progress which will attract inward investment, innovation, research and skills development, all with a focus on low carbon and carbon reduction;
- o) the governance and programme management plan will need to follow a Central Government provided template with a governing body with majority of private partners, an independent chair, also likely to be from the private sector, using the government resource (which is anticipated to be up to £1 million) to create the outline business case and full business case. It is likely that Local Authorities to be required to provide officer time;
- p) Central Government have a small team in place to manage the process, with David Wright, the civil servant who previously worked locally on the Development Corporation, allocated to the East Midlands;
- q) it is important to ensure that the Development Corporation and Freeport are considered as one enterprise co-ordinated for the East Midlands;

Local Enterprise Partnership (LEP)

- r) LEPs are currently under review by Central Government, with the results due to be issued during summer. It is likely that there will be an evolution of the LEPs which will focus more on business support and not act as the body which holds remaining European funds or the replacement Shared Prosperity Fund;
- s) it's not clear yet what sort of contribution local authorities will be able to make to the review but, as there is likely to be a very tight turnaround, it would be helpful to gather some initial views from members about how they see the opportunities and challenges.

Comments from members of the committee included:

- t) it is anticipated that LUF and CRF bids will focus on transport, smart technology and connectivity, but bids will be stronger if the County and City can demonstrate that they are working together to achieve the best schemes and maximise benefit for citizens;
- u) it was requested that information on bids being submitted are shared at an early stage with member authorities to ensure a co-ordinated approach;
- v) clarity will be sought regarding the criteria around MP support for bids and whether only one bid per MP or MP constituency will be accepted;

- w) it is hoped that an extension of the Robin Hood Line would be considered as it will open the north of the county and promotes economic prosperity for the whole county;
- x) within the County Council, Adrian Smith, Corporate Director for Place and Deputy Chief Executive, and Matt Neil Department of Place, are already co-ordinating work around Community Renewal Fund and Levelling Up bids for those authorities in the highest priority categories but stronger co-ordination with the City Council would be beneficial for cross boundary schemes;
- y) with regard to the Levelling Up Fund, district authorities are requesting further more detailed information regarding the bidding rounds to ensure applications are best placed for success and can align with local priorities. As there is no direct route for local authorities to request clarity, it is requested that the lead authorities pursue this issue;
- z) learning from previous initiative administration needs to be applied, as there are opportunities for cross boarder big ticket schemes to genuinely 'level up' north Nottinghamshire which will benefit all of Nottinghamshire, so it's vital that the City and County work together and mutual support is continued;
- aa) there is only a short time frame within which to submit bids and Lead Authorities are seeking clarity on several issues. Without the cross-border co-ordination of previously joint benefit funding routes, such as the LEP, co-ordinating bids for cross border benefit must be considered. This forum could be valuable in directing that.
- bb) it appears that with regard to the changing nature of funding management, authorities seemed to have swapped working with representatives from business, on funding arrangements, to working with MPs. Whilst both may have their merits, this is not necessarily a good thing;
- cc) with regard to the Freeport, the City is happy to contribute to letters of support, but great care must be taken to ensure business displacement does not take place with movement of jobs. The Freeport site needs to be attractive to new business but not encourage existing local business to move to the site;
- dd) it is vital that quality jobs and organisations are attracted to the area and bring value to the area, and not just achieve tax relief. Some of the other Freeport's have already got organisations and businesses ready to move into the area. This is an element where the East Midlands seems to be lagging, but a proactive marketing campaign would be beneficial;
- ee) the reference to manufacturing and green jobs is key.

Anthony May responded to the concerns as follows:

- ff) with regard to the Freeport and concerns of potential business displacement, guidance is clear that partners need to work closely together, including with the local cities, to properly manage and mitigate against displacement risks, which will be present for any enterprise zone, but particularly one of this size and scale. If there is significant

displacement rather than new business establishing, then this doesn't benefit the Treasury and Central Government may possibly become involved;

- gg) Freeport bids are at different levels of maturity across the country, with some being more and some less complex than the East Midland's bid, but the East Midland's is in a good position to progress. There is capacity to drive a really good business case, and also ensure the marketing campaign attracts appropriate enterprise to the Freeport. Time is short, there are very tight time constraints of probably 8 to 9 months to progress to the required level, however, there is much evidence from the Development Corporation, which can be brought forward and utilised in the bid for the Freeport, but there is still a lot to be done.

Resolved to note the updates.

13 Forward planning for future meetings

Chris Henning, Corporate Director for Development and Growth, Nottingham City Council, presented the report inviting members' suggestions for items for the future work plan, and requesting that the responsibility for developing future agenda is delegated to Chief Executive Officers, as there is an increasing need for co-ordination across the County and City as the country emerges from lockdown and new funding routes become available, such as Levelling Up Fund and the Community Renewal Fund.

Members of the committee suggested:

- a) the EPC should meet more regularly and act as the forum for co-ordinating funding bids for borough, district, county and city councils;
- b) with the current opportunities available through new funding pots and the need to work closely together, the committee may need to work outside of the usual timelines so could meet more regularly, particularly with the bid submission deadline only a few months away, in June.

Councillor David Mellen, Chair the committee, responded that he was happy to consider alternative schedules for the meeting, but that it needed to be recognised that it will be very difficult, and maybe even impossible, to co-ordinate bids between MPs and the local authorities within the required timescale.

Other options considered in making the recommendation.

To not develop a future work plan. This option was rejected as it would limit the effectiveness of the EPC and reduce its ability to address issues of strategic importance.

Resolved

- 1) for members to make suggestions for items on the future work plan within the Terms of Reference of the EPC to Chris Henning or Anthony May;**
- 2) to agree to delegate responsibility to the Chief Executive Officers to refresh the future work plan ahead of the next EPC meeting.**