

EXECUTIVE BOARD – 18 July 2017

Subject:	East Midlands Gateways Connectivity Study
Corporate Director(s)/Director(s):	David Bishop, Corporate Director of Development Chris Deas, Major Projects Director
Portfolio Holder(s):	Councillor Jon Collins Portfolio Holder for Strategic Infrastructure and Communication
Report author and contact details:	Steve Tough, Team Leader, NET 0115 8764096 steve.tough@nottinghamcity.gov.uk
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Total value of the decision:	£1.2 million
Wards affected:	All
Date of consultation with Portfolio Holder(s):	3 July 2017
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input checked="" type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input checked="" type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The HS2 Growth Strategy and Midlands Connect have identified plans to significantly increase connectivity in the Nottingham to Derby corridor, to prepare for the proposed HS2 East Midlands Hub Station at Toton and deliver a fixed public transport link to East Midlands Airport. This is critical to support Nottingham and Derby Growth plans, for maximising the full transformational potential of HS2, and for realising the full potential of East Midlands Airport and surrounding developments.</p> <p>The next stage, termed the East Midlands Gateways Connectivity Study, is to combine and update existing local transport computer models to allow economic appraisals of priority schemes and packages of measures to be progressed. The output of the Study will be to develop the case and quantify the outputs and benefits from the proposals identified in the HS2 Growth Strategy.</p> <p>The transport model will also then become available to support the further development of scheme business cases and to assess other major local authority or Highways England transport schemes and for assessing the impact of major development proposals in the area.</p> <p>The Study will be developed under the guidance of the HS2 Strategic Board and Midlands Connect for completion in mid 2019. The total budget is £1.2m, with contributions to come from</p>	

Midlands Connect, the HS2 Strategic Board (Growth Fund allocation), HS2 Ltd, Highways England, Nottingham and Derby City Council's, and Nottinghamshire and Derbyshire County Council's.

It is important that the Study is locally owned, and the City Council will be acting as the lead authority for the delivery of the study (including the model development) on behalf of the project partners.

Exempt information: None.

Recommendation(s):

- 1 To approve the City Council acting as the lead authority for the preparation of the East Midlands Gateways Connectivity Study under the guidance of the HS2 Strategic Board and Midlands Connect.
- 2 To approve expenditure of up to £1.2m on the development of a combined and updated transport model primarily covering the Nottingham conurbation and Derby built up areas and quantification of outputs and benefits of East Midlands Gateways Connectivity Plan for strategic transport options in the A52 corridor, including infrastructure in readiness for the proposed HS2 Station at Toton as set out in the HS2 Growth Strategy, and for a fixed public transport link to East Midlands Airport.
- 3 To accept contributions of £0.5m from Midlands Connect, and £0.1m from each of the HS2 Strategic Board, Highways England, HS2 Ltd, Nottinghamshire and Derbyshire County Councils, and Derby City Council.
- 4 To approve the City Council's contribution of £0.1m to be funded from the Transport Strategy reserve.
- 5 To approve the transport modelling and assessment work be procured by the City Council on behalf of the project partners through a compliant procurement process.
- 6 To approve variations to budget allocations and the decision on the award of contract be delegated to the Corporate Director of Development and Growth.

1 REASONS FOR RECOMMENDATIONS

- 1.1 To put in place the necessary management arrangements and resources to enable transport modelling and the East Midlands Gateways Connectivity Study to be progressed on behalf of the HS2 Strategic Board, Midlands Connect, and project partners. The Study will develop the case and quantify the outputs and benefits from the proposals identified in the HS2 Growth Strategy, including public transport and highway improvements in the A52 Nottingham-Derby corridor, transport infrastructure in readiness for proposed HS2 East Midlands Hub Station at Toton, and a fixed public transport link to East Midlands Airport are assessed to maximise economic opportunities in the area and inform future national transport infrastructure investment plans.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Congestion and poor public transport accessibility are significant constraints within the existing transport network in Nottingham, Derby and the surrounding areas, including East Midlands Airport, constraining economic growth. With significant delays at peak times experienced on much of the strategic and local road network and overcrowding and gaps in services on the heavy rail network, there is a need to develop and progress the delivery of a package of integrated transport improvements to provide significantly increased transport accessibility, serving a wide range of destinations in the area, to support the economy and to maximise the potential of new national transport infrastructure investment.
- 2.2 A key focus of the transport improvements will be around the proposed HS2 East Midlands Hub Station at Toton, which has huge economic potential for the region. The East Midlands HS2 Growth Strategy is currently being prepared under the guidance of the HS2 Strategic Board, and the emerging strategy (due to be published in late July) highlights that the East Midlands Hub Station could stimulate the greatest economic uplift of any of the proposed HS2 Stations, providing that high levels of connectivity are made to key growth opportunities and main centres in the region. The emerging Strategy identifies the potential for 74,000 additional jobs and £4bn GVA uplift in the local area, with much of this benefit concentrated within the Nottingham - Derby corridor.
- 2.3 Within Midlands Connect, the Nottingham and Derby urban areas are identified as one of four economic hubs. Strengthening the economic performance of each of the four hubs by bringing economic activity closer together, and widening access to labour markets, supply chains and customers is central to the strategy of driving economic growth of existing business and supporting the development of key growth sites. Midlands Connect's Strategic Transport Strategy for the Midlands has also identified the A52 between Nottingham and Derby as a priority corridor, with a proposal to prepare a study to progress the development of the best mix of transport accessibility measures.
- 2.4 The Derby and Nottingham Metropolitan Strategy has been published setting out how the two cities will work together to take advantage of great opportunities such as HS2 and address common challenges. A key strand is improving connectivity to the cities through shared development of our transport corridors, application of new transport technologies and better integration with rail and airport interchanges.

East Midlands Gateways Connectivity Study and transport model

- 2.5 The HS2 Growth Strategy sets down a plan for maximising the accessibility of the East Midlands Station Hub through a mixture of new and improved transport links to key centres and strategic investment locations across the region. It identifies a number of mode improvement options and highlights in particular;
- Regional train service enhancements in parallel with HS2, with options for dedicated shuttle and classic compatible services;
 - Mass Transit options linking into NET Phase Two at Toton Lane and serving HS2, a park and ride site at M1 Junction 25, Long Eaton, Derby and East Midlands Airport;
 - Tram-train services along existing heavy rail corridors;
 - Local bus, taxi, cycling and pedestrian access from surrounding communities; and

- Highway improvements particularly along the A52 between Nottingham and Derby, and accessing the M1.

- 2.6 The outputs from the Study (termed the East Midlands Gateways Study) will be to develop the transport and economic case, and quantify the outputs and benefits, from the proposals identified in the HS2 Growth Strategy. The work will recognise that public transport solutions, including heavy rail, mass transit and conventional bus services, present the opportunity to reduce traffic congestion and provide the opportunity for lesser highway solutions than may otherwise be needed while still providing improvements in journey time, air quality and the passenger environment.
- 2.7 To be able to undertake detailed appraisals of various options, and to subsequently develop outline and full business cases, it will be necessary to have an up to date transport model in place for the study area. The existing Nottingham transport model is in need of updating to comply with latest DfT transport appraisal requirements. As part of the study, it is proposed to update the model and combine it with a similar model for Derby (and potentially a part of the Leicestershire transport model) to create an up to date single transport model covering the whole sub-region area.
- 2.8 It is expected that the work will be completed in mid 2019, with the updated model developed during the first six months of the commission. This will mean that the outcomes will be available to inform the Hybrid Bill process, with the Bill for HS2 Phase 2B, between Birmingham and Leeds due to be deposited in Parliament in late 2019. Based on the first phase of HS2, the process from the deposit of the Bill, through consultations, select committee hearings and consideration by the House of Lords, could take approximately three years.
- 2.9 It is essential that the connectivity requirements for the Nottingham – Derby corridor, including fixed public transport link to East Midlands Airport, are fully understood at an early stage so that properly informed decisions about infrastructure requirements and/or policy interventions are made in a timely manner so that they can feed into the HS2 processes to ensure the best outcome for the region and influence appropriate national investment programmes.

Procurement of the study

- 2.10 The budget (including the model update) is £1.2m, with £0.5m to come from Midlands Connect, and contributions of £0.1m to come from the HS2 Strategic Board, HS2 Ltd, Highways England, Nottingham and Derby City Council's, and Nottinghamshire and Derbyshire County Council's. This approach will ensure appropriate 'buy in' from the relevant partner Agencies and Authorities in the outcomes of the work.
- 2.11 It is important that the study is locally owned, and the City Council Major Projects Directorate will lead the delivery of the work on behalf of the project partners under the guidance of the HS2 Strategic Board and Midlands Connect. Partner input will also take place through Officer representation at a project steering group. It is proposed that the work is let using a compliant procurement process.

- 2.12 The City Council's contribution will be funded from the Transport Strategy reserve.
- 2.13 Staff costs associated with administering the project will be charged to the project.

Further use of the model and Business Case development

- 2.14 It is expected that the work will progress initial economic appraisals on selected transport schemes which will then be taken forward for more detailed scrutiny through outline and full business case development. This work will utilise the transport model to undertake more detailed forecasting and appraisals at a later date through a separate commission.
- 2.15 The transport model will also be available for use by the City Council and/or project partners to assess other major local authority or Highways England transport schemes and for assessing the impact of major development proposals across the D2N2 area.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Doing nothing risks that economic benefits will not be maximised, particularly as benefits from the HS2 Station Hub are dependent on achieving high levels of connectivity to key population and employment centres.
- 3.2 The option of partner organisations (such as Network Rail and Highways England) independently assessing improvements that fall into their sphere of responsibility was considered but the proposed combined approach is favoured due to economic efficiency and benefits of a coordinated approach ensuring the best outcome for the region as a whole.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The Council is funding this study / feasibility work (£1.2m) from external contributions of £1.1m and £0.1m from Council Reserves (Revenue Grants Unapplied).
- 4.2 Should the external contributions not materialise further funding will need to be identified or the study will have to be scaled down to match the funding secured. Therefore, it will be necessary to monitor expenditure to ensure that the study does not overspend, due to the Council not having resources available to fund any potential pressures arising from this study.
- 4.3 Depending upon the recommendations made in the report produced, infrastructure business cases may be required which will require a fully funded proposal to be produced and further approval obtained.

Tom Straw, Senior Accountant – Capital Programmes 22nd June 2017.

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The Procurement Team will assist with the tendering exercise to ensure that a fully compliant value for money arrangement is entered into with the successful bidder.

Paul Ritchie, Lead Procurement Officer, 20th June 2017.

- 5.2 The City Council is proposing to act on behalf of the other Midlands Connect parties. It should enter into proportionate documentation with those other parties to ensure it is able to recover from them their financial contributions – it would be prudent to do this before the City Council enters into contracts with the consultants for the preparation of the study. The City Council needs to ensure the contracts for the preparation of the study include provisions dealing with intellectual property which enable the report to be shared with and used by the Midlands Connect partners. Although The City Council is acting on behalf of the other parties it must ensure it complies with the City Council's contract procedure rules and undertakes the procurement process in compliance with the public Contracts Regulations 2015.

Andrew James, Team Leader (Contracts and Commercial) 23 June 2017

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 None

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 The study will identify measures to improve accessibility for people, helping to promote access to work places for those without access to a private car.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 None

9 EQUALITY IMPACT ASSESSMENT (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

An EIA is not required because the study itself will consider equality issues, addressing social issues with inequalities and low car ownership remaining in parts of the study area. The study will in particular focus on improved travel to work options to existing and proposed employment sites, and improved public transport to main centres for work, leisure, shopping and access to key facilities.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 East Midlands HS2 Growth Strategy. Emerging Strategy: Fast track to Growth. September 2016.

http://www.emcouncils.gov.uk/write/East_Midlands_HS2_for_Website_single_pages.pdf

11.2 Midlands Connect Strategy: Powering the Midlands Engine. March 2017.

<https://www.midlandsconnect.uk/media/1090/mc-strategy-coffee-table-summary-march-2017.pdf>

11.3 Derby Nottingham Metro Strategy. April 2017.

<http://www.derby.gov.uk/media/derbycitycouncil/contentassets/images/councilandedemocracy/METRO%20Strategy%2021-04-17.pdf>