

## **ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

Tuesday, 10th September, 2013

**Present:-** Councillor David Stringer – in the Chair

Councillors Miss Baker, Cairns, Clarke, Holland, Jones, Loades and Matthews

Cllr Terry Turner (Portfolio Holder)

The following Members attended in their capacity as a Member of the HS2 Working Group:

Cllr Becket and Cllr Studd

Neal Clifton (Executive Director for Regeneration and Development)

Simon Smith (Regeneration Manager)

Martin Stevens (Democratic Services Officer)

Louise Stevenson (Scrutiny Officer)

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Olszewski and Cllr Wilkes.

Cllr Tracey Peers, whilst not a Member of the Committee, sent her apologies for the item on HS2 as she was a Member of the HS2 Working Group.

### **2. DECLARATIONS OF INTEREST**

There were no declarations of Interest.

### **3. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED:** That the minutes of the meeting held on 26 June 2013 be confirmed as a correct record.

### **4. HS2 WORKING GROUP STATUS**

The Chair of the Scrutiny Committee, who was also the Chair of the HS2 Working Group, gave a status update on the work of the group. Their task had been to examine the available evidence and to determine if HS2 would be beneficial to the Borough. The Group had been unable to establish any substantial benefits outweighing the negative consequences. There had been significant bad press for HS2 in the national media recently. This included a statement by Alistair Darling stating that he no longer supported the project and the Institute of Directors had also announced their opposition. The accident in France could also not be forgotten and the spiralling costs of running a high speed services in Europe.

The proposed route had been acknowledged by one of the action groups as the best route. This route had been challenged by Stoke-on-Trent City Council who were looking at alternative routes. But even if the route was changed, it was acknowledged that one of the suggestions would be devastating for Kidsgrove. The HS2 Working Group was of the view that a significant change in the route was unlikely.

The Chairman stated that the bodies representing local trade and commerce had stated that they broadly supported the HS2 proposals and urged local councils to be innovative and grasp the initiative. Most of their support hinged on the provision of a new stopping point to serve the conurbation of North Staffordshire. There was currently no provision for such a station but there were moves to propose sites close to the M6 motorway. The first of these would be near to Stafford Services and the second close to Junction 16. If there was to be an Interim station, the estimated cost was £600 million which was not currently in the HS2 finance model and would therefore have to be financed by other means. The fact that trains would need ten minutes to slow down and ten minutes to regain their optimum speed in addition to the time for passengers to depart and board would mean a possibly unacceptable increase in journey time.

The Chair identified that nationally, all of the three main political parties were officially supporting HS2. He was hopeful that the Council could join with Staffordshire County Council and other local Council's in opposition to HS2. If however the scheme was pushed through nationally it was important to ensure that the compensation arrangements were fair. There were however problems with the current arrangements that had been outlined by HS2. Areas which currently resided outside the area that qualified for automatic compensation could only claim compensation during a period of twelve months after the commencement of the HS2 service, in twenty years time. There was anecdotal evidence that residents were already experiencing a sharp fall in the value of their property. The demographics of the people affected in the Borough were of an aging population. If they wished to move before the completion of the project they would be adversely affected as they would not be entitled to compensation at that point. There was uncertainty with regard to the compensation arrangements associated with agricultural land. There was at least one farm that would be economically unviable due to the proportion of its area that would be lost to HS2. The Working Group was unsure of how the loss of agricultural land and the employment associated with it would be compensated.

The Chairman stated that he had been informed that the environmental impact in Whitmore had been slightly improved because there was going to be a tunnel rather than a cutting. Notwithstanding the use of cuttings and tunnels there would be a massive impact on the visual environment, particularly where the lines would be laid on embankments. There was also the noise pollution likely to be caused as trains exit from the tunnels. The working group were concerned that during the building phase, unless there were proper plans and monitoring processes in place, rural roads would suffer from severe traffic congestion. If HS2 did go ahead, it was critical to remain in contact with National Rail. Officers at Stoke-on-Trent City Council believed HS2 would have a catastrophic effect on the classic network. There would be less London Midland services per day from 13 a day to 8 and stopping at more locations resulting in a slower journey time to London. There would be less West Coast classic services through Stoke-on-Trent, from 30 a day to 3 a day (peak only) after phase 1, then only 16 a day (half from Glasgow and half from Edinburgh via Manchester Piccadilly) after phase 2.

The working group had identified one potential benefit of HS2 to the Borough, this was the increased availability for freight and the provision of quality commuter services due to the released capacity on the existing West Coast Main Line. The ability to despatch freight by rail could have a twofold benefit to the area. Firstly the reduction of HGV movements on the local motorway and trunk roads would have a positive impact on all other users of the road system through less CO2 emissions and easier movement owing to less congestion. Secondly the former railway goods sidings within the Borough could be brought back into operation to the aid of the thriving warehousing and distribution businesses.

The Chairman concluded his opening statement by stating that it was important for the Borough Council to join with other Councils in North Staffordshire in opposition to HS2. If however the scheme did go ahead it was critical for there to be appropriate compensation arrangements and support services in place. The Council should also work with the relevant parties to ensure that the environmental impact was kept to a minimum and with Network Rail to ensure that the provision of train services to London using the West Coast Main Line were as frequent as possible. When the final report of the HS2 Working Group was completed, he thought it was prudent to include a statement that the recommendations of the working group were based on the information they had available at the time and that if it was proved there were going to be significant economic benefits to the Borough then they would look at the issue again.

A Member of the HS2 Working Group stated that political support for HS2 was, according to a YouGov poll diminishing within the three main political parties. He could see no clear benefit to North Staffordshire. All Members of the Working Group were supportive of the Chairman's statement. The following points were raised by the Members of the working Group, that all three MPs in the area opposed HS2, that there would be significant destruction to local areas for little benefit and the substantial decrease in conventional train services through Stoke-on-Trent would have a detrimental effect.

A Member of the Committee stated that if there was to be a spur off the line through Stoke-on-Trent then there could be substantial benefits. The construction of a spur would allow "classic compatibility" stock to use the existing line and then join the high-speed network. The capacity for the greater use of lines being used for freight due to HS2 also needed to be considered carefully. He did however believe there were better ways of spending the money which could also increase capacity on the railways lines and have greater economic benefits. These included local improvements to stations and a direct rail link from North Staffordshire to Manchester Airport. HS2 would not reduce carbon emissions, even when taking into account the reduction in road traffic. He believed any scheme to increase capacity should be part of an integrated Transport Plan.

## **5. NEWCASTLE ECONOMIC DEVELOPMENT STRATEGY - YEAR TWO ACTION PLAN**

The Regeneration Manager stated that in May of last year the Council had agreed a five year strategy. A year two action plan had been drawn up which had received a number of comments by Cabinet and at the previous meeting of the Scrutiny Committee. The comments essentially centred on the suggestion for actions to be SMART targets. The appendix to the report reflected the modified and improved action plan. He pointed out some of the highlights within the action plan.

A Member asked for an update on the Ryecroft development scheme and the formulation of a simple guide to accompany the action plan and strategy. In response the Executive Director for Regeneration and Development stated that an outline business case was currently being formulated with the financial information being critically important to this to assess affordability. He hoped to have the outline business case ready for reporting within the next two cabinet cycles, including a range of options for future provision of office space for the Council. The guide was something which could be formulated in the future and could take the form of an A4 pamphlet focussing on the priority areas.

A Member thanked Officers for the progress on the new community facility at the former Silverdale Colliery Site he was hopeful that the facility would open in October.

**RESOLVED:**

A) That the revisions made to the Borough's Economic Development Strategy Year Two Action Plan be endorsed.

B) That the Committee supports the formulation of a simple guide to accompany the Economic Development Action Plan.

**6. JCB AND BLUE PLANET**

The Executive Director for Regeneration and Development stated that the report had tried to capture the layers of complexity involved in handling the inward investment enquiry. On the Cabinet agenda, there was a sister report which sought Members endorsement of the decision to dispose of land adjacent to Blue Planet, which had been an Officer decision under the Council's scheme of delegation. He summarised the key points in the report with a particular focus on the benefits that inter-agency working had achieved. The report was important because it highlighted the lessons for future working, as well as a number of areas of good practice which had assisted in achieving a successful inward investment decision.

A Member stated that the Regional Development Agency no longer existed and so this meant it was even more important to work with other partners. In response the Executive Director for Regeneration and Development stated that as part of City Deal, the Council was working with the Government and Local Enterprise Partnership and strategic Local Authority Partners in order to find more creative ways of bringing difficult sites to market. It was also important to make best use of the existing funding available. One particular aspect under review in discussions with the Government was the use of Tax Incremental Financing to fund investment in infrastructure in return for the business rate income obtained by the new development. A Member asked if there was adequate capacity within the Council to be able to exploit all the funding opportunities available. In response the Executive Director for Regeneration and Development stated that the Council was seeking different ways to leverage funds and referred to past occasions when the Council had taken a leadership role in preparing land for Development. Capacity was being built in the LEP to help find new ways of funding development models.

**RESOLVED:** That the contents of the report be noted and the Committee takes on board the good lessons learnt for the future.

**7. LOCAL ENTERPRISE PARTNERSHIP PLANNING CHARTER**

The Executive Director for Regeneration and Development presented an interim report on the Local Enterprise Partnership Planning Charter. Officers once they had met with the LEP consultants would be bringing forward proposals on the steps that were likely to be required to achieve Planning Charter Mark Status. The Planning Committee would be asked for its views and the comments of the Overview and Scrutiny Committee would also be sought.

**RESOLVED:** That the interim report be noted.

**8. WORK PLAN**

The Chair stated that it was hoped the Committee could consider Broadband as an item in December.

The Chair stated that Members should give consideration to inviting local organisations to the Scrutiny Committee. A Member suggested that the education sector and in particular Newcastle-under-Lyme College and Stoke-on-Trent Sixth Form College. The Committee could scrutinise the work being undertaken to improve skills. The LEP Education Trust was also suggested as a potential organisation to call to the Committee.

The Chair stated that a new item had been added to the work plan, "Portfolio Holder Question Time." The Scrutiny Officer stated that this was an opportunity for the Committee to question the Portfolio Holders on their priorities and work objectives for the next six months and to address any issues or concerns that they may be facing within their portfolio. It was also an opportunity for the Portfolio Holder to request Scrutiny support in any of the areas they were currently working on and to give a statement to the Committee. The item therefore helped to fulfil Scrutiny's role in holding the Executive to account but was also working with the Executive in a critical friend framework and in the development of future policy. The Chair stated that it would be helpful for the Portfolio Holder to receive questions from Members in advance.

The Executive Director for Regeneration and Development stated that the Asset Management Strategy could be considered by the Committee in December which could incorporate the latest position on the former St. Giles and St, George's School site, the latter site having been the subject of a question from a Member. .

A Member stated that the Task and Finish Group which had reported on car parking in the Borough could receive an evaluation report after the six month trial period of parking initiatives which was agreed by Cabinet in July.

A Member suggested that there should be an interim meeting in November, due to the large gap in between meetings.

**RESOLVED:** That an interim meeting be held in November which will have the Portfolio Holder Question Time and the Town Centre Partnership on the agenda.

**9. URGENT BUSINESS**

There was no urgent business within the meaning of section 100B (4) of the Local Government Act 1972.

**COUNCILLOR DAVID STRINGER**  
**Chair**