

STOKE ON TRENT AND STAFFORDSHIRE LEP CONCORDAT AND POTENTIAL DESIGNATION OF NORTHERN GATEWAY DEVELOPMENT ZONE (NGDZ) AND ASSOCIATED PARTNERSHIP

Submitted by: Executive Director Regeneration and Development

Portfolio: Policy, People and Partnerships

Purpose of report

To apprise members of a rapidly-developing dialogue amongst the Local Enterprise Partnerships and Local Authorities representing areas in North Staffordshire and Cheshire about the potential opportunity of establishing a high-growth development zone, predicated on HS2 investment in the area, supported by some form of economic partnership.

Recommendations

- (a) To note the information provided and the actions taken to date.
- (b) To note the signing of a Concordat by the Local Enterprise Partnerships of Stoke-on-Trent and Staffordshire and Cheshire and Warrington.
- (c) To authorise the Leader and relevant Portfolio Holders and officers to engage with the emerging Northern Gateway Development Zone initiative and the potential partnership that may arise.
- (d) That officers report back on progress with the initiative at appropriate intervals.

Reasons for recommendation

To provide elected members with relevant information in respect of this matter and to ensure that senior members and officers have an appropriate mandate for their actions.

1. Background

- 1.1 Members will be aware of the emergence of the “Northern Powerhouse” and, more recently, the “Midlands Engine”. With these matters in mind the two Local Enterprise Partnerships (Stoke on Trent and Staffordshire and; Cheshire and Warrington) have recently signed a joint Concordat that seeks to demonstrate a preparedness to work collaboratively to achieve mutual economic benefit across the intervening geography of North Staffordshire and Cheshire (see Appendix A).
- 1.2 In addition Members are aware that a decision on the route of HS2 (north of Birmingham) is due soon (anticipated to be announced in November as part of the Comprehensive Spending Review). Members will recall that this Council adopted a ‘qualified’ position in respect of HS2; expressing concerns about potential environmental harm whilst being prepared to consider potential economic benefits should they be demonstrable.
- 1.3 Both Stoke-on-Trent City Council and Cheshire East Council have made significant representations to HS2 Ltd about the potential economic, social and environmental benefits of the route going through their areas along with the inclusion of a hub station.

1.4 There is growing confidence and expectation that Government's decision in this matter will confirm HS2 investment somewhere in the broad area of North Staffordshire and South Cheshire. If this position is announced then there is an emerging consensus amongst a range of Local Authority partners that there is great potential for the area to derive significant economic benefit (reflecting the spirit and intent of the LEP concordat). Whilst the City Council and Cheshire East Council are competing with one another for the HS2 line/station investment there is a mature appreciation that once the decision is made, the LEPs and Local Authorities in the area should work together to optimise the economic benefits for all parties.

1.5 As a consequence of the above senior Member and officer meetings have taken place over the past couple of months comprising representatives of the following Councils:

- Cheshire East Council (CEC)
- Cheshire West and Chester Council (CWCC)
- Stoke on Trent City Council (SoTCC)
- Staffordshire County Council (SCC)
- Staffordshire Moorlands District Council (SMDC)
- Stafford Borough Council (SBC)
- Newcastle under Lyme Borough Council (NuLBC)

1.6 The other noteworthy point is that as a result of the case-making for HS2 investment being made by both CEC and SoTCC they have been forging relationships with central government (and HS2 Ltd) over a number of months. In particular senior civil servants across various government departments have been engaged in the dialogue with CEC and SoTCC. This culminated in a "Summit" held at Keele University on 23 September 2015 – chaired by Jackie Sadek, policy advisor to Greg Clark MP, the Minister for Cities – involving Leaders and Chief Executives of the seven Councils listed above along with the Chairs of the two LEPs, an array of senior civil servants and representatives of HS2 Ltd. The pretext for the event was to demonstrate the potential to achieve economic benefit over a wide "zone of economic influence" (the NGDZ) on the back of HS2 investment. Whilst only high-level principles were discussed the stated ambition was to build 100,000 new homes and create 120,000 new jobs across this zone by the year 2040 (although it should be noted that these targets include existing commitments set out in Local Plans and planning permissions).

1.7 More recently the partners were encouraged by senior civil servants to promote the emerging NGDZ opportunities at a national property event (MIPIM) in London running from 20th to 23rd October 2015; this was attended by the two LEPs. In addition, at the time of writing this report, there were indications of a follow-up meeting with senior Civil Servants (and possibly a senior government Minister) in mid-November to enable preliminary discussions about the potential "gives" (from the area) and the "asks" (of government) that might form the basis of a "Growth Deal" with Government for the geographical area encompassed by the local authorities listed above.

2. Issues

2.1 At this stage the discussions have been undertaken at a high level of principle framed by the jointly-signed LEP concordat and the pre-condition of HS2 investment in our broad geographical area. Nevertheless it remains important to ensure that any messaging around this matter is sensitively handled and that the necessary policy framework is in place for any growth, particularly if it is additional to existing commitments.

- 2.2 To this end the consistent position adopted by both senior Members and officers of this Council in these recent discussions is that the existing needs for growth within Newcastle Borough are defined, in the main, within the current Core Spatial Strategy (adopted by the local planning authority in 2009). Key locations for both housing and employment are indicated in this document and are reflected in subsequent policy documents such as the Council's economic Development Strategy and the LEP's Strategic Economic Plan.
- 2.3 With regard to future growth needs and ambitions Members will be aware that this Council is currently working towards the preparation of a joint Local Plan for the borough (with Stoke on Trent City Council) which will enable growth to be planned up to 2031 based upon recently-updated economic and housing forecasts. But it is important to note that the latter evidence base has been prepared in a non-HS2 scenario.
- 2.4 Partners have been made aware that any change in the Borough Council's stance on growth would have to be triggered by an HS2 investment decision that could be shown to create economic growth opportunities within the borough to the benefit of its communities (including infrastructure improvements). Nevertheless your officers consider it appropriate for the Council to engage with the emerging NGDZ partnership in order that any opportunities and/or other practical implications for the borough can be properly assessed and influenced by the actions and decisions of this Council.
- 2.5 It is evident that at this stage a key foundation block of the NGDZ initiative is the early preparation of a Growth Strategy. The starting point for this would be the existing known commitments across the subject area. Any additional growth forecast on the back of HS2 investment would need to be the subject of a rigorously refreshed evidence base. The Growth Strategy would require formal sign-off by all of the partners in due course.
- 2.6 In turn such a Strategy would inform future Local Plans across all of the six Local Planning Authority areas. Of course any firm commitment on HS2 would prompt an early review of the emerging joint Local Plan. In all likelihood the time horizon for the latter may be brought forward and it would be subjected to an early review (probably within a year of two of its adoption; probably beginning around the year 2020 and planning for a 2026 to 2041 timeframe).
- 2.7 For the avoidance of doubt your officers strongly advise of the importance of pressing ahead with the current process of preparing a joint Local Plan (in accordance with the agreed timetable) in order to establish a firm baseline planning policy position to guide short to medium term growth requirements. The point being that the Council must not be distracted from delivering the emerging Local Plan.
- 2.8 With regard to the emerging ambitions of the NGDZ partners the high-level aims are as referred to at paragraph 1.7. In addition to the short-term promotion of about a dozen strategic investment sites across the whole area (all commitments that are Planning policy-compliant, including Keele Science and Innovation Park Phase 3) the other key messages are as follows:-
- The investment in HS2 to the north of the UK would be the catalyst for this new growth-focussed partnership.

- The NGDZ is expected to deliver plan-led sustainable growth to optimise the benefits of HS2 investment.
- The zone is situated between the emerging “Northern Powerhouse” and “Midlands Engine” offering excellent connectivity within the UK into major transport links.
- The NGSZ would facilitate a programme of infrastructure-led development with a focus on brownfield-first regeneration and improved connectivity within the zone, framed by a new Growth Strategy.
- It would capture and channel investment into key development sites.
- It would enable delivery of a package of regional, local and sites-based infrastructure to achieve maximum economic return from HS2.

2.9 In terms of governance and practical working arrangements, at this stage the partnership is informal in nature. A steering group, comprising senior officers of the seven Local Authorities and the two LEPs has been established and has begun to identify the key work streams and to prepare proposals for governance of the partnership. The group is also being used to co-ordinate the preparation of material to inform meetings of senior members and officers, as well as other audiences such as with civil servants and the MIPIM event.

3. Options

3.1 Option 1 – to not engage with the emerging NGDZ partnership. This option might be considered a ‘safe’ option given the Council’s formal position on HS2 and in view of its current position regarding economic and housing growth (as set out in current Planning policy).

3.2 Option 2 – to engage with the emerging NGDZ partnership. This option might be considered to exposing the Council to the risk of promoting high levels of growth in the borough without either the necessary justification or evidence for doing so. On the other hand, provided that the Council’s representatives operate within existing policy parameters then it might be considered preferable to be a partner at this stage to help in the shaping of any Growth Strategy and programme / project delivery formulation.

4. Preferred option

4.1 Option 2 is recommended for the reasons cited above.

5. Outcomes linked to Council Plan / corporate priorities

5.1 This initiative has the potential to contribute significantly to the priority in relation to a Borough of Opportunity.

6. Legal and statutory implications

6.1 The Council has powers under the Local Government Act 2000 (as amended) to promote the economic, social and environmental well-being of its area; this assimilates previous provisions in Part III of the Local Government and Housing Act 1989 that enabled the promotion of economic development (now repealed).

7. Financial and resources implications

7.1 At this stage the resource implications are unclear. Unquestionably the initiative will require support from a range of both senior officers and key professional/technical staff (and some senior Members); this will be achieved, at least in the immediate short term, by prioritising this within existing work programmes. The Council may be expected to contribute towards the preparation of technical reports or to employ consultancy support in the short term; at this stage it is intended to use existing budgets in consultation with relevant Portfolio Holders.

8. Major risks

8.1 As indicated above there are reputational and organisational risks of either being involved in this initiative or not. By agreeing to option 2 with the safeguards referred to then it is considered that any risks are adequately mitigated. It is considered that the major risk would lie in not engaging in this potentially strategically significant initiative could be harmful to the long term economic and social wellbeing of the borough.

9. Appendices

9.1 Appendix A – concordat between the LEPs of Stoke on Trent & Staffordshire and Cheshire & Warrington.

10. Background papers

10.1 The adopted Core Spatial Strategy for North Staffordshire (2009)

10.2 The Council's Economic Development Strategy 2012-2017

10.3 The LEP's Strategic Economic Plan (2014)