

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET**

**7<sup>th</sup> December 2016**

**HEADING** Northern Gateway Development Zone and HS2 update

**Submitted by:** Executive Director – Regeneration and Development

**Portfolio:** Policy, Performance and Partnerships

**Ward(s) affected:** All

**Purpose of the Report**

To update Members on the work of the Northern Gateway (Development Zone) Partnership and the latest Government announcement regarding HS2.

**Recommendations**

- a) That the latest position regarding High Speed 2 be noted.
- b) That the progress with the work of the Northern Gateway (Development Zone) Partnership be noted, including the appointment of an independent Chair.
- c) That the progress with regard to the preparation of the NGDZ Growth Strategy be noted and that officers report back to members for a decision prior to the Partnership's formal approval of the document.
- d) That officers report to the NGDZ's Growth Strategy to the Council's Economic Development and Enterprise Committee for its comments prior to it being reported to Cabinet.
- e) That officers continue to report back to the Cabinet at appropriate times in the future where there are significant policy and/or resource implications for this Council.
- f) That further to recommendation (e) the Leader of the Council continues to have a mandate to represent the Council's interests in the work of the NGDZ Partnership including the making of any necessary operational decisions as a member of the Partnership Board.

**Reasons**

In order to keep members informed of the NGDZ Partnership's work given its potential significance to the economic, social and environmental well-being of the borough.

**1. Background**

- 1.1 Members will recall receiving a report at their meeting in December 2015 explaining the emergence of the Northern Gateway Partnership in response to the Government's plans for high speed rail affecting our area. The main objective of the informal partnership was to optimise the economic growth potential for the communities of North Staffordshire and South Cheshire.
- 1.2 The partnership comprises the two Local Enterprise Partnerships of Stoke-on-Trent and Staffordshire and Cheshire and Warrington as well as the seven Local Authorities listed below:
  - Newcastle under Lyme Borough Council
  - Stafford Borough Council
  - Staffordshire Moorlands District Council
  - Staffordshire County Council
  - Cheshire East Council and;
  - Cheshire West and Chester Council

1.3 A further report was considered by members at the Cabinet meeting in March of this year highlighting the steps that were being taken with regard to the commissioning of a “Growth Strategy” as well as providing members with technical information about the Government’s “Safeguarding Directions” regarding HS2.

1.4 In both reports it was agreed that officers would report back to Members at appropriate stages.

## 2. **Issues**

2.1 Since last reported in Spring of this year a considerable amount of progress has been made by the partnership and this is set out below along with an update in respect of HS2.

### HS2 Phase 2b – Government Command Paper (Cn9157)

2.2 On 15th November 2016 the Government published the HS2 Phase 2b – Government Command Paper which confirmed the following key points:

- a) The route from the West Midlands to Crewe known as Phase 2a will be accelerated so that it opens in 2027, 6 years earlier than planned.
- b) Since the Government consulted on the scheme in 2013/14 the following key changes to the ‘Western Leg’ of the route (to the north of Crewe) have been made. These are:
  - to move the previously proposed rolling stock depot (RSD) at Golborne to a site north of Crewe
  - to change the alignment on the approach to Manchester Piccadilly Station so that it runs to the east of West Gorton
  - move the route in the Middlewich / Northwich area
- c) To accept Sir David Higgins’ recommendation that the Government should construct a “Crewe Hub” bringing together a better HS2 service with the existing rail network, and the Government accepts the recommendation that the Hub should be located at the site of the existing station rather than Basford Hall, 2 km to the south.
- d) To ensure that Stoke-on-Trent gets to fully benefit from HS2 there will be one HS2 train per hour between Manchester and the Handsacre Junction near Birmingham which will stop at Stoke-on-Trent and Stafford and the Government has asked HS2 Limited to undertake the additional detailed work needed to reach a firm decision on this option.
- e) The Northern Gateway Partnership which has already received £625,000 Government funding towards working up its HS2 Growth Strategy will receive a further £625,000 from the Government

### NGDZ Partnership governance

2.3 Whilst the general arrangements for the operation of this informal partnership remain the same there have been a few notable actions as follows:

- an independent Chair has been appointed (following a review of options). Jackie Sadek has been awarded the position and this took effect from October of this year (to coincide with MIPIM UK; the nationally important annual property trade fair);

- Cheshire East Council continued to provide the Accountable Body function on behalf of the partnership;
- an interim Programme Director was appointed to oversee the programme and co-ordinate the main work packages, particularly the commissioning of the Growth Strategy;
- The Partnership is currently reviewing its “brand” because the “Northern Gateway Development Zone Partnership” is considered somewhat cumbersome and perhaps conveys the wrong messages. At the time of writing, this matter was due to be concluded in early December 2016 so that any new brand can be established in good time for the MIPIM (Cannes) property fair in March 2017.
- the partners are in the process of formalising the Partnership through a (non-contractual) Agreement.

#### Draft NGDZ Growth Strategy

- 2.4 Preparation of the Growth Strategy is well underway and on target for completion by the end of March 2017. As Members will appreciate this is a large and complex piece of work and therefore it has been broken down into a number of discrete packages (to be delivered by commissioned expert consultants) as follows:
- Phase 1 – Visioning and Economic/Housing growth potential analysis
  - Phase 2 – Masterplans relating to the HS2 – connected rail stations at Crewe, Stoke-on-Trent and Stafford.
  - Phase 3 – broken into four packages:
    - Spatial opportunity plans
    - Land use, connectivity and development viability study
    - Financial model, funding delivery and economic assessment
    - Skills, supply chain and local labour strategy
- 2.5 At the time of writing the phase 1 work had been completed and was due to be presented to an NGDZ Board meeting on the 1<sup>st</sup> December 2016. At this stage the document represents work in progress and contains sensitive and confidential information.
- 2.6 It is noted that the Council’s Economic Development and Enterprise Scrutiny Committee have included a review of the emerging Growth Strategy in its work programme; any comments and/or recommendations from that Committee will help to inform the Council’s formal response in this matter.
3. **Options considered**
- 3.1 Do nothing (choose to not participate in the NGDZ Partnership) – the Council is not required to be a member of the Partnership – i.e. there is no statutory requirement or obligation.
- 3.2 Continue to engage in the NGDZ Partnership – this would enable the Council to influence and shape the work of the partnership, including the emerging Growth Strategy, in the best interests of the borough’s communities (from a social, economic and environmental perspective).

4. **Proposals and reason for preferred solution**

4.1 The second option is preferred for the reasons cited above.

5. **Outcomes linked to Corporate priorities**

5.1 The programme should contribute positively to the corporate priority “Borough of Opportunity”.

6. **Financial and Resource Implications**

6.1 There are no further direct financial implications upon the Council at this stage of the NGDZ’s work.

6.2 In terms of indirect cost it is noteworthy that the Council has continued to commit in-kind support from a small number of staff from the Regeneration and Development Directorate as well as the Chief Executive and the Leader of the Council to support the work undertaken to date. It is envisaged that this will continue to the end of the current phase of the work (completion of the Growth Strategy). Future reports will need to set out any resource requirements arising from implementation of the Growth Strategy.

7. **Major Risks**

7.1 There are none directly arising from this report. However, Members will appreciate that the major risk in the broader context is the failure to ensure that the borough optimises the economic growth opportunities arising from HS2 investment; hence the Council’s involvement in the NGDZ partnership.

8. **Key Decision Information**

8.1 This is not a key decision.

9. **Earlier Cabinet/Committee Resolutions**

9.1 Reports in this matter were reported to your meetings in March 2016 and December 2015.