



Derby City Council

**Neighbourhoods and Public Protection
Cabinet Member Meeting
31 January 2018**

ITEM 5

Report of the Strategic Director of Communities and Place

HS2 East Midlands Gateway Plan – Local Authority Funding Request

SUMMARY

- 1.1 Derby City Council is part of a group of public sector partners, facilitated through the East Midlands Councils, which have collaborated to develop a growth strategy around the East Midlands HS2 Hub at Toton. This strategy is set out in the East Midlands HS2 Growth Strategy: World Class - Locally Driven, launched in September 2017. Councillor Banwait sits on the HS2 Growth Strategy Strategic Board and is one of the main signatories to the Growth Strategy.
- 1.2 Key to the Growth Strategy is the HS2 East Midlands Gateway Plan, which will provide the transport and economic evidence base to tackle existing strategic transport problems and provide a defined connectivity strategy. The options will focus on improving connectivity between Derby, Nottingham, East Midlands Airport and the HS2 Hub at Toton. In particular, the Gateway Plan will consider the potential to extend the Nottingham tram network, bus rapid transit, rail shuttle connections from Derby and Nottingham, highway capacity improvements and strategic cycle infrastructure
- 1.3 This piece of work has been commissioned and will cost around £1.2 million. Midlands Connect is providing £0.5 million of funding and contributions of £100,000 are being requested from the Growth Strategy Partners including the HS2 Strategic Board, HS2 Ltd, Highways England, Nottingham and Derby City Councils, and Nottinghamshire and Derbyshire County Councils.
- 1.4 Around £250,000 will be spent on developing a strategic transport model using the Derby Area Transport Model (DATM) and Greater Nottingham Area Transport Model (GNATM). The remaining funding will be spent on developing the evidence base to a level sufficient, for Government and project partners, to be able to move to the preparation of outline and full business cases for identified schemes.
- 1.5 The HS2 East Midlands Gateway Project is being managed by Nottingham City Council on behalf of the partners. Governance for the project will be maintained through the HS2 Strategic Board and Officer Working Group.

RECOMMENDATION

- 2.1 To provide a £100,000 contribution from the H&T 18/19 Capital Programme, subject to Cabinet Member approval, to the HS2 East Midlands Gateway Plan. The full Capital Programme will be considered by Cabinet in March.

REASONS FOR RECOMMENDATION

- 3.1 In order for Derby to explore and develop a business case to improve connectivity to Toton, it needs to be part of the East Midlands HS2 Growth Strategy. This means engagement from an Officer and Political level, and supporting the strategy through a financial contribution.
- 3.2 Derby City Council will have access to an updated and revalidated strategic transport, compliant the Department for Transport's WebTag modelling specifications. This will support other projects such as the planning application for the Southern Derby Growth Zone and new A50 Junction.
- 3.3 There are value for money benefits as set out under the Financial and Value for Money section of this report.

SUPPORTING INFORMATION

- 4.1 Derby City Council is part of a group of public sector partners, facilitated through the East Midlands Councils, that have collaborated to develop a growth strategy around the East Midlands HS2 Hub. The strategy, which is provided in **Appendix 2**, sets out a number of proposals including an economic strategy, skills and supply chain strategy, wider transport connectivity strategy and a delivery strategy.
- 4.2 The East Midlands HS2 Growth Strategy was published and submitted to Government at the end of September 2017. It set out a masterplan for the Hub, to underpin the economic strategy, and a number of key pieces of infrastructure that will be required to deliver the Hub when HS2 opens in 2033. These have been identified to inform the scope of the Phase 2b Hybrid Bill and Phase 1 of the East Midlands Gateways Connectivity Plan. These schemes include highway access improvements, improvements to rail infrastructure, and passive planned infrastructure such as an overbridge to the station concourse for a mass transit extension.
- 4.3 The East Midlands Gateways Connectivity Plan identifies a number of wider transport connectivity options, such as city centre to Toton rail shuttle services from Nottingham and Derby; a mass transit link between Toton and East Midlands Airport; and a mass transit link between Derby and Toton. However, there are still a number of unknowns about these schemes and further work is required to define them and understand the transport economic costs and benefits.
- 4.4 The HS2 East Midlands Gateway Project will provide the transport and economic evidence base, with quantified outputs and benefits, to tackle existing strategic transport problems and support the connectivity options. This piece of work is currently being commissioned and will cost around £1.2 million.

Midlands Connect is providing £0.5 million of funding and contributions of £0.1m are being requested from the Growth Strategy Partners including the HS2 Strategic Board, HS2 Ltd, Highways England, Nottingham and Derby City Councils, and Nottinghamshire and Derbyshire County Councils.

- 4.5 Around £250,000 will be spent on developing a strategic transport model using the Derby Area Transport Model (DATM) and Greater Nottingham Area Transport Model (GNATM). The remaining funding will be spent on developing the evidence base to a level sufficient, for Government and project partners, to be able to move to the preparation of outline and full business cases for identified schemes.
- 4.6 The HS2 East Midlands Gateway Project is being managed by Nottingham City Council on behalf of the partners. Governance for the project will be maintained through the HS2 Strategic Board and Officer Working Group.

OTHER OPTIONS CONSIDERED

- 5.1 Derby City Council could choose not to participate in the HS2 East Midlands Gateway Project. However, the City Council would need to update and develop its own strategic transport model and business case to support the development of any connectivity schemes to the HS2 Hub that it wanted to promote.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	David Gartside, Acting Director Strategic Partnerships, Planning and Transportation
For more information contact: Background papers: List of appendices:	Andrew Gibbard 01332 641756 andrew.gibbard@derby.gov.uk Derbyshire Cycling Plan Appendix 1 – Implications Appendix 2 – East Midlands HS2 Growth Strategy: World Class – Locally Driven

IMPLICATIONS

Financial and Value for Money

- 1.1 The total cost of the East Midlands HS2 Gateway Project is £1.2 million. One of the outputs from the project will be a validated strategic transport model that Derby will have access to, and a strategic business case and package of connectivity schemes that will expectantly provide benefits for Derby.
- 1.2 The cost of updating and revalidating DATM, to comply with Government Transport Analysis Guidance WebTAG, would alone be around £150,000. This is without considering the costs associated with developing an outline business case for supporting Derby's connectivity needs to the HS2 Hub at Toton
- 1.3 Derby City Council requires a WebTAG compliant model to underpin transport economic business cases for transport infrastructure funding. As such, the new model will be used to underpin the case for the new A50(T) Junction as part of the Infinity Park development and emerging Garden Village. In addition, DATM will also be used to test the impacts of strategic development sites and make the case for transport mitigation.
- 1.4 It should be noted that the total investment in the East Midlands HS2 Growth Strategy is around £1 million from DfT and £2.5 million from Midlands Connect. This investment is driving the scope and design of the hub station, wider connectivity, and economic case to underpin the case for the East Midlands HS2 Hub.
- 1.5 As such, the HS2 East Midlands Gateway Project offers good value for money by sharing the costs and our strategic transport modelling resources with partners.

Legal

- 2.1 The HS2 East Midlands Gateway Project requires the use of DATM, which means that the output model and any intellectual property rights will be shared with a number of other public sector partners.

Personnel

- 3.1 A lead officer will be nominated as primary contact to manage inputs into the model development and connectivity options between Derby and Toton.

IT

- 4.1 None directly arising from the report.

Equalities Impact

- 5.1 The outline business case will consider the accessibility and social benefits and disbenefits of different schemes.

Health and Safety

6.1 None directly arising from the report.

Environmental Sustainability

7.1 None directly arising from the report.

Property and Asset Management

8.1 None directly arising from the report

Risk Management and Safeguarding

9.1 None directly arising from the report

Corporate objectives and priorities for change

10.1 The proposal supports the Council's priority for supporting jobs and regenerating the city. The HS2 Hub will drive growth in the area, particularly around the A52 corridor. In addition, the proposal supports delivering our services differently by sharing costs and resources with partners to achieve composite outcomes.