



**REGENERATION AND HOUSING SCRUTINY
REVIEW BOARD
22 JANUARY 2019**

Report sponsor: Strategic Director of
Communities and Place
Report author: Metro Strategy Programme
Manager

ITEM 5

Derby-Nottingham Metropolitan Strategy

Purpose

- 1.1 To update the Board on the Derby-Nottingham Metropolitan Strategy since last report on 3 July 2018

Recommendation(s)

- 2.1 To note progress

Reason(s)

- 3.1 The Scrutiny Board has requested an update on progress

Supporting information

4.1 Background

The Derby Nottingham Metro Strategy launched in 2017, was created as the D2N2 LEP urban strategy, with a single voice to drive the jobs and prosperity to fuel the Midlands as an engine for UK economic growth, focused on Enterprise, Talent, Connectivity, Living and Efficiencies. The Metro Delivery Board comprising of Cabinet members and senior officers from both Derby and Nottingham City Council was established to oversee work where it was appropriate for the two city councils to collaborate. The leader of Gedling Borough Council joined the Delivery Board membership in March 2018.

- 4.2 At the first Metro summit in January 2018 held at Derby University business leaders challenged the strategy to go further and deeper. As a result the Metro Growth Board was established in April 2018 made up of senior representatives from Rolls Royce, Toyota, Walgreen Boots, East Midlands Airport, Trent Barton, Geldards, the Vice Chancellors of Derby, Nottingham, and Nottingham Trent, Marketing Derby and Marketing Nottingham and the two City Council leaders. Representatives from the Derby College and the Chamber of Commerce joined the Board in October 2018.

The purpose of the Growth Board is to provide leadership and accountability for the Economic Growth priorities for the Metro area. To maximise the opportunities for growth in the Metro; support and oversee effective collaborative effort; determine the strategy of Metro and oversee its implementation.

4.3 **Strategic Priorities**

The Metro Growth Board and Delivery Boards agreed to identify a set of high level priorities that would make a step change in the local economy that would contribute to fully achieving the ambitions of D2N2 Local Enterprise Partnership, the Midlands Engine and ultimately the prosperity of the UK. These are:

A global and super connected gateway at East Midlands Airport supporting the implementation of ambitious improvements to transport connectivity between Nottingham, Derby and the Airport. That includes improved road links through a dual carriageway and tram train links into the airport site.

Alongside the Airports own ambitions to grow the airport both in terms of destinations and increase freight capacity. This priority is to ensure that the airport has better connectivity to the Derby and Nottingham City regions both through a dual carriageway to the airport and rail links but ensuring residents can benefit from the increase job opportunities both at the airport and the wider Castle Donnington area including the Roxhill development.

A world-class venue for attracting international events and conferences situated in the heart of Nottingham the East Midlands Convention Centre would be the centrepiece of a mixed development that will also provide a hotel, residential apartments and retail units.

One of the key priorities of Government within the Industrial Strategy is to grow the UKs valuable business events sector by promoting its world class destinations and venues, and driving more targeted international business events into the UK. With no International Convention Centre in the East Midlands the region doesn't benefit from the £20b a year UK market. A site has been identified in Nottingham City Centre adjacent to the National Ice Arena that would leverage £105m of private sector investment subject to £30m being secured to clear the site and relocate bus depot.

Transformational Inter-City Metro connectivity to dramatically improve access across and within the two city regions that will empower local businesses to create more, better-paying jobs and driving productivity gains across the Metro area.

The Transforming Cities Fund is part of the National Industrial Strategy and aims to increase productivity and growth in investment in public and sustainable transport. It is focused on intra-city connectivity making it quicker and easier for people to get around and access jobs.

Half of the £1.7bn funding was given directly to the Mayoral Combined Authorities (MCA). For the rest there was a call for other cities to submit an expression of interest. This did not require specific projects or figures to be submitted but to give an overview of strategic aims and transport barriers. Derby and Nottingham submitted a joint bid. In October the Department of Transport (DfT) confirmed that the Derby-Nottingham Metro Area was one of ten successful city regions in October. The funding is 100% capital and there is no requirement for match however the DfT will consider business cases in the round, the greater the overall local contribution towards the costs and the more the contribution is from the private sector and other external organisations, the more positively the business case will be considered in the assessment process.

The funding has two bidding rounds;

- Tranche 1 Early Delivery Small Schemes, requiring bid submission on 4 January 2019
- Tranche 2 Main Programme with a deadline towards the end of 2019

Tranche 1

The DfT released the guidance for Tranche 1 bids at the end of November. Any successful bid funding for Tranche 1 will be subject to terms and conditions set out in the offer letter. Due to restrictions of time in bid development and spend, we have been advised to focus building on current assets in support of our vision and to improve active travel, including cycling, and smarter technology in public transport. The Tranche 1 award is likely to be up to a value of £10m between both cities. The DfT is aiming to release the funding in late February 2019.

Tranche 2

For Tranche 2 we will have to develop detailed 'co-produced' business case bids in conjunction with regional and national DfT representatives. At present, we do not have the full guidance on this stage 2 process but anticipate that any funding will need to be spent within the life of the fund which was extended at the Autumn budget to 2022/23.

Our programme will have 3 main themes:

- Mass Transit
- Smart Bus Corridors
- Active Travel

The proposed schemes should support existing transport policies, Air Quality, and HIF schemes, our existing work with business (e.g. energy grants, etc)

The UK's most innovative regional economy developing a world class Science and Innovation Zone at Infinity Park Derby, creating an exemplar Catapult centre that bridges industry and academia and building on the existing Science Park and Enterprise Zone designations

The East Midlands is globally recognised as a place for advanced manufacturing particularly in the transport sector with Derby recognised for these strengths in these sectors. Derby's global companies attract significant inward investment into the region but they face immense challenges responding to the rapidly changing technologies, global energy challenges and the digital revolution. It is no longer enough to support innovation in large companies instead there is a significant need to develop smarter, more agile and sustainable supply chain in order to support the convergent of the transport sector.

The zone will deliver the University of Derby Science Park including the i-Hub; a Nuclear Advanced Manufacturing Research Centre (NAMRC) as part of UK expansion; and an advanced manufacturing Skills Academy that will lead to a step change in supply chain competitiveness and an increase in the resilience of the local economy.

This programme will be delivered in partnership between, D2N2, Universities, the NAMRC and the City council with local businesses and developers. £76m is being sought which will be matched by significant private sector investment with a total gross investment of £300m.

4.6 **Metro Prospectus**

The Metro Growth Board commissioned the production of a prospectus (annex 1) setting out these four propositions which could be used to promote, publicise and lobby decision makers.

Public/stakeholder engagement

5.1 **Engagement with Local Authorities**

The Regeneration and Housing overview and scrutiny board on 3 July recommended that the City Council should work with the district councils and challenge the perception of threat and emphasise the benefits of the Metro. There has been on-going dialogue with neighbouring authorities. The purpose of this engagement was to help other councils understand the relevance of the Metro in working together to enhance the wider urban area where there is mutual benefit.

5.2

This also provided the opportunity to set out how the Metro sits within D2N2 as was one of the three strategic contexts of strategic economic plan alongside "Market Towns" and "Rural" and to clarify that the initiative was equal partners working on a shared urban agenda where there was mutual benefit. All neighbouring District Councils and the County Councils are invited to attend the Delivery Board.

5.4 **Engagement with MPs and Businesses**

On 14 November 2018 the East Midlands Chamber of Commerce launched their manifesto in the Houses of Parliament to East Midland businesses and MPs. The Metro Growth Board was invited to publicize their prospectus setting out their four propositions at the event. David Williams, the Chair of the Metro Growth Board, launched the prospectus asking MPs and business to get behind the four propositions. A local event is being arranged this year as an opportunity to share the prospectus and the four propositions and set the Metro in the context of the D2N2 Strategic Economic Plan.

Other options

6.1 Not applicable

Financial and value for money issues

7.1 None

Legal implications

8.1 None

Other significant implications

9.1 None.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal		
Finance		
Service Director(s)	Greg Jennings, Director of City Development and Growth Verna Bayliss, Acting Director of Planning and Transportation	11 Jan 2019
Report sponsor	Christine Durrant, Strategic Director for Communities and Place	11 Jan 2019
Other(s)		

Background papers:	None
List of appendices:	Appendix 1: Metro Prospectus