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**Enter Corporate Service**  
Westfields, Middlewich Road  
Sandbach, Cheshire  
CW11 1HZ

Tel 01270 686459  
email: [mark.nedderman@cheshireeast.gov.uk](mailto:mark.nedderman@cheshireeast.gov.uk)

DATE: 11 July 2016

OUR REF:

YOUR REF:

Dear Councillor

**JOBS, REGENERATION AND ASSETS OVERVIEW AND SCRUTINY COMMITTEE -  
MONDAY, 18TH JULY, 2016**

I am now able to enclose, for consideration at next Monday, 18th July, 2016 meeting of the Jobs, Regeneration and Assets Overview and Scrutiny Committee, the following report that was unavailable when the agenda was printed.

**Agenda No    Item**

**High Growth City Task and Finish Group - Response from Cabinet  
(Pages 1 - 10)**

To consider the Cabinet response to the High Growth City Project Task and Finish Group Report which was submitted to Cabinet on 11 February 2015

Yours sincerely

Democratic Services Officer

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## CHESHIRE EAST COUNCIL

### Task and Finish Group

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**Date of Meeting:** 18<sup>th</sup> July 2016  
**Report of:** Interim Executive Director - Place  
**Subject/Title:** High Growth City Project Update Report

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#### 1. Report Summary

- 1.1 In December 2014 the High Growth City Task and Finish Group sought approval on its final report from the Jobs, Regeneration and Assets Overview and Scrutiny Committee. This updated version of the High Growth City Project Task and Finish Group's Final Report was approved by the Committee and submitted to Cabinet in February 2015.
- 1.2 This report provides an update on the progress of the project in response to the recommendations laid out in the Final Report.

#### 2. Background

- 2.1 The Council has led a persuasive campaign over the last five years to see Crewe chosen as the location for the NW HS2 Hub Station which involved engagement with all parties of the Council. The announcement in the HS2 Command Paper released by Government in November 2015 stating its intention to bring HS2 to Crewe by 2027, six years earlier than planned, means that the residents of Cheshire East and its neighbouring local authorities are well placed to reap the benefits from this national infrastructure investment.
- 2.2 With a new HS2 Hub Station at Crewe included into the Government's plans, the area will become one of the best connected places in the UK and provide the vital link between the Northern Powerhouse and Midlands Engine and be a major component in the Government's plans to rebalance the UK economy.
- 2.3 Evidence from the recent work of the Independent Transport Commission suggests that the economic transformation could mirror the experiences of a number of other similar high speed rail investments across Europe with the latest report seeing Crewe twinned with Liege as a European comparator. The Northern Gateway Development Zone (NGDZ) Growth Strategy will seek to capture the economic growth and regeneration benefits of HS2 to Crewe, South Cheshire and the wider Northern Gateway sub-region.
- 2.4 The Council has updated its proposition for an HS2 Hub Station at Crewe, including a high level assessment of its economic impact. This has concluded that Cheshire East and its NGDZ Partners can deliver over 120,000 new jobs, over 100,000 new homes and additional GVA of £10bn by 2040. This growth

would spread across the Northern Gateway which currently includes parts of Cheshire, Stoke-on-Trent and the north of Staffordshire and has the potential to turn some areas of deprivation into more prosperous communities. The Northern Gateway Development Zone Growth Strategy will provide an evidence based proposal on how this sub-regional growth ambition can be realised and identify the investments that are needed to support this.

- 2.5 The fundamental component of achieving this transformation is the delivery of the HS2 Hub Station in Crewe capable of serving a minimum of seven high speed trains per hour in both directions, with connections to London, Birmingham and Manchester. Following the Sir David Higgins report, Rebalancing Britain, the Council has been working with Department for Transport (DfT), Network Rail (NR) and London Continental Railways (LCR) to help determine the best location of the HS2 Hub Station at Crewe. An announcement on the preferred solution is expected in Autumn 2016 and any proposal to take the Hub Station scheme forward will be subject to public consultation.
- 2.6 In April 2016 the Council, in partnership with HS2 Growth Partnerships and HCA has jointly commissioned Arup's to prepare a comprehensive masterplan for Central Crewe demonstrating the scale, pace and form of transformational economic growth and regeneration that can be delivered in Crewe on the back of HS2
- 2.7 Delivering growth of this scale and pace will undoubtedly put pressures on the Councils budgets, resources and services and the Council has and will continue to implement measures to mitigate these risks.
- 2.8 Following the outcome of the recent referendum on the UK's membership of the EU, the Council has had confirmation from the DfT that HS2 remains a Government priority and progress continues on bringing forward HS2 in line with the announcements in Government Command Papers. Members will also be aware that the National Audit Office published its report on the progress of HS2 on 28<sup>th</sup> June. Whilst this reports highlights concerns about the DfT's programme for delivery of HS2 and cost pressures, it recognises that HS2 Ltd has made good progress since the last NAO report in 2013, and that, critically for Cheshire East, the DfT and HS2 have developed a structured plan to deliver regeneration benefits from HS2 at an early stage in the process.
- 2.9 The DfT has responded to the report and recognise that with a project of this scale, controlling costs and delivering to time remain a priority. In response to the report, the Minister of State, Robert Goodwill, stated 'HS2 is on track and the National Audit Office agrees. We have strong cross party support and are on schedule to gain the powers needed to start building HS2, which the NAO acknowledges is a significant achievement. We are on course to start construction next year and complete the scheme on time and budget. HS2 Ltd is letting major engineering contracts creating jobs for British businesses, construction of the National College for High Speed Rail sites are underway and the route to Crewe will open six years earlier than planned.'

### **3. Responses to the Task and Finish Group's recommendations**

*A. The Council must ensure that it is prepared to deal with the scale of growth potential associated with HS2 and High Growth City by putting the necessary resources and structures in place to enhance the delivery of services, particularly in our planning, infrastructure and regeneration teams*

3.1 Since the date of the Task and Finish Group's Final Report the Council has responded to the recommendation and appointed a Director of Infrastructure and Highways and a Head of Crewe High Growth City in 2015. Additionally the new Director of Growth and Regeneration, appointed in 2015, has substantial experience of HS2 having acted on the Hybrid Bill in respect of Phase 1 and on the development of HS2 Growth Strategies in the West Midlands, including overseeing the preparation of Masterplan for Birmingham HS2 Curzon Street. All three of these officers sit within the Place (formerly the Economic Growth and Prosperity) Directorate and are responsible for the development and delivery of the Crewe High Growth City programme under the lead of the Executive Director of Place. These Officers will identify areas and stages in the programme where additional Council resources are needed from other teams, such as planning and regeneration and, through ongoing engagement with lead officers from across the organisation, will ensure the necessary resources are available when needed.

3.2 Lead officers from the Strategic infrastructure, planning, regeneration, legal and communications team meet on a weekly basis to discuss progress on the HGC programme to ensure communication between Council functions and identify any interdependencies early

3.3 Structures are in place to ensure effective Governance across the Crewe Hub Project being led by Government and the Northern Gateway Growth Strategy work led locally.

*B. The Council must consider how the changes that need to be made to its resources and structures are going to impact on its overall budgets and where funding for projects is going to come from.*

3.4 An overall budget of £500,000 has been allocated to the HS2 / High Growth City programme which at present is deemed sufficient to fund the direct resources and revenue costs associated with the programme. It is expected that the cost of resources from elsewhere in the Council will be covered by existing budgets.

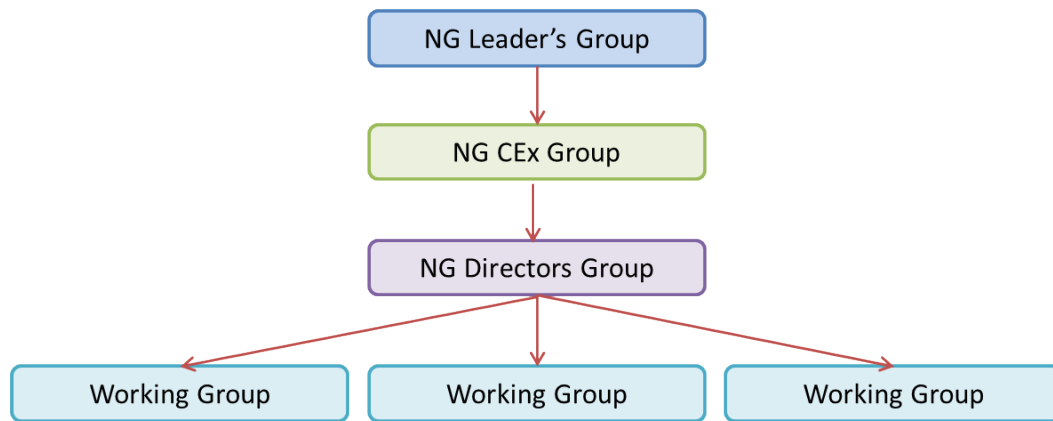
3.5 The cost of the masterplan for Crewe is to be shared with HS2 Growth Partnerships and the HCA. The Council will fund 50% with the remaining 50% being funded by the other partners

*C. The Council must work with Government, Neighbouring Authorities and Local Enterprise Partnerships to create a strong governing board needed to realise the maximum benefit of the opportunity to create higher quality places and life opportunities for our residents. The Council must be clear about the role it will play alongside its partners when choosing the preferred delivery mechanisms.*

- 3.6 The Council has been working closely with key stakeholders within Government and its Neighbouring Authorities and Local Enterprise Partnerships on the emerging HS2 and High Growth City Agendas.
- 3.7 The Director of Strategic Infrastructure and Highways sits on the Crewe HS2 Hub Board chaired by Network Rail and including representatives from DfT and HS2. This role is critical to ensure that the Council is kept up to date with the latest developments around the hub station and can respond to any issues that may impact the High Growth City Programme
- 3.8 The Council is currently working with Geldard's legal consultants on the possible delivery model options, structures and governance for the delivery of the Crewe hub station and a masterplan for central Crewe and will support the Council in taking the preferred delivery model option forward to establishment. The Delivery Model Board will be represented by the key stakeholders of the High Growth City programme and include representatives from:
- CEC
  - DfT
  - HS2 Ltd
  - Network Rail
  - DCLG
  - HCA
  - LCR
  - Local politicians
  - C&W LEP
  - Northern Gateway Partners
  - Local business community
  - Key landowners
- 3.8 The work being undertaken by Geldard's will explore the role of the Council in the various models being tested and will identify the optimal governance structure needed to support the delivery of the masterplan.
- 3.9 The Council is working closely with its local authority and LEP partners and DCLG as the partnership develops its joint HS2 Growth Strategy for the Northern Gateway Area. The Northern Gateway Partnership is a collaboration of 7 local authorities and 2 Local Enterprise Partnerships (LEPs) who are working together to develop a joint Growth Strategy to maximise the economic benefits of HS2 across the Northern Gateway Development Zone (NGDZ)

through controlled plan-led development. The Northern Gateway Partnership currently comprises:

- Cheshire East Council (CEC)
  - Cheshire West and Chester Council (CWaC)
  - Newcastle-under-Lyme Borough Council (NULBC)
  - Stafford Borough Council (SBC)
  - Staffordshire County Council (SCC)
  - Staffordshire Moorlands District Council (SMDC)
  - Stoke-on-Trent City Council (SOTCC)
  - Cheshire and Warrington LEP (CWLEP)
  - Stoke-on-Trent and Staffordshire LEP (SSLEP)
- 3.10 The Northern Gateway Development Zone (NGDZ) spans parts of mid and south Cheshire and the north of Staffordshire, including Stoke-on-Trent. The NGDZ Partnership was officially launched at MIPIM UK in October 2015, where a Concordat between the two LEPs was signed and the Partnership formally launched by Baroness Susan Williams. In November 2015 Government published its HS2 Command paper which confirmed Crewe as the location for the North West HS2 hub station to be delivered by 2027 and also showed strong support to the NGDZ. The paper also included £625,000 of Government funding to the Northern Gateway Partnership in 2016/17 and 2017/18 to develop a joint HS2 Growth Strategy. This commitment from Government has since been increased to £1.25m, to be paid in two tranches.
- 3.11 The NGDZ Partnership has established a robust Governance structure, illustrated below, and led by a Board of Leaders and LEP Chairs from across the Partnership area. Work is well underway to develop a Growth Strategy for the area, and will build upon work already undertaken by the Partners, alongside the local masterplanning work underway in Crewe and other locations across the NGDZ area. The work of the Partnership is supported by an NGDZ Programme Director, funded by Government and the Partners. At present the Head of Regeneration from CEC is seconded into the post to work on behalf of the NGDZ Partners to drive forwards the delivery of the Growth Strategy.



### Northern Gateway Partnership Governance Structure

3.12 Officers have recently been engaged with local MP's and Town Councillors and presented to the South Cheshire Business Council at its inaugural meeting, in June 2015, regarding HS2, the Crewe Masterplan and the NGDZ and will continue to engage with them going forward.

*D The Council should learn the lessons of other local authorities which have been impacted by national infrastructure projects such as HS1, and where they failed or succeeded in making the most of the opportunities.*

3.13 The Council are working closely with DfT, HS2 and Network Rail to develop a solution for the Crewe Hub that can facilitate the delivery of the scale and pace of growth of the High Growth City programme and seek to learn from the negative impacts experienced elsewhere in places such as Ebbsfleet. The Council has recently appointed Arup to develop a comprehensive masterplan for central Crewe to demonstrate how it could be developed over the next 25 years on the back of HS2 and hub station in the Town. Arup has extensive experience on masterplanning for high speed stations having advised on UK Central, Euston and Leeds and they will bring their experiences and lessons learned from elsewhere to bear for the Crewe Masterplan, one being the inclusion of a Quality of Place agenda.

*E Even though the Government has not yet formally decided on Crewe as the location for NW Hub Station for HS2, the Council must develop an evidence based Growth Strategy to inform future planning requirements and growth deals to ensure the area secures the right levels of investment to deliver the strategy outcomes*

3.14 The HS2 Command paper in November 2015 confirmed that Crewe was Government's chosen location for the NW HS2 but a decision on the preferred location of the Crewe Hub Station is not expected until the Autumn Statement 2016. However the Council is confident it can still make significant progress on the HS2 Masterplan and wider Northern Gateway Growth Strategy in advance of this formal decision being announced.

3.15 For the Crewe Hub Masterplan the Council has requested Arup to deliver the Masterplan as a 2 phased submission.



- 3.16 Phase 1 (to be completed in July 2016) will include a strategic Masterplan for the Masterplan areas. For this first submission the consultants will assume a single station location at a Central location
  - 3.17 Phase 2 (to be completed by November 2016) will include the full strategic masterplan for the other Masterplan areas and an updated spatial Masterplan for the central Masterplan area that will include and refinements required for the outcome of the preferred station location decision.
  - 3.18 The Crewe Hub Masterplan will be fully costed and backed by a series of development appraisals. These development appraisals will demonstrate the growth potential across the area and will also include a delivery and implementation plan detailing how, when and through what delivery vehicle the Masterplan can be delivered and how the projects can be funded and the value captured.
  - 3.19 The Crewe Hub Masterplan, along with a series of other commissions across the Northern Gateway, will provide the deliverability and feasibility evidence of growth potential that will underpin the Northern Gateway Growth Strategy
- F The Council must consider how the anticipated growth in Crewe and the surrounding area is going to affect the demographics of the Borough and the impact this will have on demand for services like education, health, leisure and waste to ensure plans are in place to prepare for new demand.*
- 3.20 The High Growth City programme will see significant jobs and housing growth within Crewe itself and also the surrounding towns and parishes. Undoubtedly this level of growth will require additional investment for services like education, health and leisure across the Borough.
  - 3.21 Both the Crewe Hub Masterplan and wider Northern Gateway Growth Strategy place a significant emphasis on Place Making and Quality of Life. Therefore the provision of additional facilities, services and place making initiatives such as public realm and open spaces will be a key part of any consultants brief and any proposals made must ensure they meet or better the current standards of provision. Therefore for Crewe, any additional schools, healthcare and community facilities that would be required to support these growth expectations will be developed and appraised as part of the masterplanning process.
  - 3.22 The Council are currently drawing up a list of wider stakeholders and consultees for the Crewe masterplan and this will include representatives from local education, health and leisure providers to ensure the plans will meet the current and future needs of these socioeconomic elements
- G The Council should anticipate a review of the Local Plan in the future once a Growth Strategy has been delivered to ensure we have a credible planning approach.*
- 3.23 The Council are aware of the future Local Plan Review that the Crewe Masterplan and wider Growth Strategy may trigger and the Director of

Infrastructure and Highways and Head of Crewe High Growth City have regular engagement and consultation with the Council's planning, assets, infrastructure and regeneration teams to ensure the proposals are credible, robust and do not undermine current and emerging Local Plans.

- 3.24 Once we have firm proposals for the Growth Strategy that have been agreed with the above teams the Local Plan team will advise on the appropriate timing of any Local Plan review.

*H The Council must develop a local communication strategy with the public and key stakeholders to ensure residents and local businesses understand and support the benefits that HS2 will bring.*

- 3.25 As noted in the response to Recommendation C above the Council is committed to ensuring that it consults with the public and key stakeholders on the Masterplan for Crewe. The Council proposes to engage with key local stakeholders including local businesses, community organisations and local politicians on the masterplan as it is developed so they can express their opinions and offer their support to the programme.

- 3.26 A full communication and consultation strategy is being prepared to direct PR and communications for the Council in respect of HS2 and the Masterplan. The Council are currently reviewing the resourcing needed to support this strategy, including the potential requirement for any additional specialist PR and Media consultants to support the High Growth City officers and the Council's Communications team, to develop and implement the communications strategy to ensure the Council are both well positioned with decision makers in Government on HS2 and the Crewe Hub Station and with our local residents and businesses impacted by HS2.

- 3.27 The masterplan consultants brief requires them to provide a highly visual masterplan supported by high quality 3D visuals and CGI's which will support the successful communication of the "vision" for Crewe and the High Growth City programme with local communities and stakeholders and it is envisaged that the Council will host a number of local workshops / events to showcase the masterplan to the local communities and provide them with the opportunity to ask any questions. This public consultation strategy will be developed by the Council and its masterplanning consultants as part of the masterplan. The plan is also aimed at ensuring local residents views are addressed and includes a programme of short term activities and interventions.

*I The Council should develop a Business and Skills Engagement Plan with local companies, universities, colleges, schools and Government agencies to address how the area can prepare for and deliver the economic transformation of the area.*

- 3.28 The Skills and Growth Company, the Council's ASDV responsible for skills and business functions across the Borough will be responsible for developing a Business and Skills Engagement Plan to ensure that we have the local skills, training and employment offer to cope with the growth expected from the High Growth City programme. Work is already underway to identify areas of future

growth so that the Council can respond early to ensure we are prepared for the growth as it arises.

- 3.29 The Council has also set up a Rail Skills Board represented from the major further education establishments, rail based employers and Network Rail to seek to put in place an education and training offer focused on rail based engineering and other rail industries that can see Crewe become a National centre of excellence for rail based skills. This Board is chaired by the Skills and Growth company and is well represented by the local suppliers and employers and is developing real momentum. It carries local supply chain opportunities that the HS2 and Hub Station investment will bring forward.

### **Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Andrew Ross  
Designation: Director of Infrastructure and Highways  
Tel No: 01270 686335  
Email: [andrew.ross@cheshireeast.gov.uk](mailto:andrew.ross@cheshireeast.gov.uk)

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