



Cabinet

Tuesday, 14 December 2021

Ratcliffe on Soar Update

Report of the Chief Executive

**Cabinet Portfolio Holder for Strategic and Borough-wide Leadership,
Cllr S J Robinson**

1. Purpose of report

- 1.1. In light of the Integrated Rail Plan announcements on 19 November, in relation to High Speed 2 (HS2) and progress with the Freeport Business Case and Local Development Order (as reported to November Cabinet) it is timely that a report comes back to Cabinet to update members.
- 1.2. As previously presented to Cabinet and Council, the Ratcliffe on Soar Power Station site is one of the three sites in the East Midlands Development Corporation (EMDC) and the East Midlands Freeport (EMF). It is also on the shortlist in the STEP (Spherical Tokamak for Energy Production) site nomination process with the UK Atomic Energy Authority, and a Local Development Order (LDO) is being progressed for the site. This report provides an update to Members on all of these areas of work.

2. Recommendation

It is RECOMMENDED that Cabinet:

- a) notes the progress on the programmes in place to support the redevelopment of Ratcliffe on Soar; and
- b) endorses the Council's continued involvement in all programmes.

3. Reasons for Recommendation

The EMF, EMDC and STEP have the potential to attract investment and spur local and regional economic growth as well as enhancing international trade. This means new jobs and associated infrastructure to benefit our local residents and communities. It should also mean accelerated delivery of a soon to be largely redundant site in the Borough.

4. Supporting Information

Integrated Rail Plan

- 4.1. On Thursday 18 November, Government presented the Integrated Rail Plan (IRP), this included announcements on changes to HS2. These changes will have a significant impact on the Borough and particularly the redevelopment of the Ratcliffe on Soar site due to its adjacency to the East Midlands Parkway station.
- 4.2. The previous plans for HS2 phase 2b Eastern Leg was for it to run from the West Midlands to an East Midlands Hub at Toton. Trains would then continue north, serving Chesterfield and Sheffield via a spur to the Midlands Main Line, or continue on a new high-speed line to a new station at Leeds, with a spur to the East Coast Main Line to serve York, Darlington, Durham and Newcastle. However, in light of cost increases, concerns about intermediate markets, development of plans for other schemes, and analysis indicating a longer delivery time, the Government had to consider whether similar or better benefits could be obtained in a similar way.
- 4.3. The new plans from Government are to build HS2 from the West Midlands to East Midlands Parkway based largely on the existing safe guarded route. From there HS2 will continue to Nottingham, Derby, Chesterfield and Sheffield on the upgraded and electrified Midland Mainline. Therefore, unlike previous plans HS2 will serve Nottingham and Derby city centres directly. This would allow journeys from Derby and Nottingham to London in under 60 minutes and from Nottingham to Birmingham in 26 minutes.
- 4.4. This means that the previous planned HS2 station at Toton is no longer going ahead but Government have committed to further investment in local transport in that area. This could include a station for local/regional services but is subject to private sector match funding on a 50:50 basis.
- 4.5. By around 2030, passengers could see electrification of the remaining sections of Midlands Main Line to Leicester, Nottingham, Derby, Chesterfield and Sheffield. This would bring forward decarbonisation of existing diesel service and lay the groundwork for future high speed rail services. By the early 2040's passengers could see the new high-speed line connecting the West Midlands to the East Midlands.

East Midlands Development Corporation

- 4.6. In addition to the above announcements in the IRP, Government also committed to accelerating plans for the EMDC. There was; however, no further detail than this in the IRP, this is currently awaited. It is expected that there will be more on this in the forthcoming Planning Bill.
- 4.7. The focus for EMDC has been on the submission to the Comprehensive Spending Review, recruitment to the non-executive director posts on the Board and the refresh of the Alchemy Board.

- 4.8. The refresh of the Alchemy Board includes developing it into an East Midlands partnership for collaboration on pan-regional matters. This could mean partners could use the Alchemy Board as the conduit for the East Midlands to speak with one voice on pan-regional matters and to coordinate engagement with the Midlands Engine and Midlands Connect. In an initial paper five key themes/areas of focus for the Board have been identified which are:
- Connectivity and HS2
 - Natural capital – net gains
 - Energy
 - Health and NHS
 - Skills
- 4.9. Further detail on this is being worked up and will be brought back to the Board for further consideration. The work streams would link into and not duplicate existing work going on in those areas.

East Midlands Freeport

- 4.10. The outline business case for the Freeport was submitted in September. The final business case is now nearing completion and is due for submission at the end of January 2022, the deadline for this has been pushed back (previously early December) by Government. The Board have continued to meet regularly; the Leader and Chief Executive attend these meetings. In addition to this officers from the Council are involved in various workstreams including infrastructure and retained business rates.
- 4.11. Bevan Brittan have drafted a constitution for the Board which will be considered by all members of the Board. In addition, governance arrangements for the Freeport are being developed, this includes the positions required within the executive delivery team once the Freeport is established. This includes development of required job descriptions for paid roles and the appointment of a permanent Chair and Board as these are in place on an interim basis.
- 4.12. The County Councils and Borough Councils are working with AECOM to look at transport modelling for the sites. This is a lengthy and complex process which will need to continue after the Freeport designation is secured. For the FBC this will include requirements with the Freeport and without to highlight the anticipated additional requirements. Locally retained business rates from the site will be available for 25 years which can be used to invest in infrastructure.
- 4.13. The projections on business rates are now complete and the proposals on no detriment have been developed and discussed initially by S151 Officers from the local authorities. There is a general agreement on this, but further work is required to clarify baselines for the sites.
- 4.14. The Board are keen to see greater alignment between the plans for EMF and EMDC especially since the announcements in the IRP that Government wants to accelerate EMDC.

STEP

- 4.15. Ratcliffe on Soar has made it to the final five sites nominated for the STEP programme. As previously reported to Cabinet in March 2021, Ratcliffe on Soar was nominated by Nottinghamshire County Council (NCC). This was in response to Governments call for sites to design and build a prototype fusion power plant.
- 4.16. The UK Atomic Energy Authority (UKAEA) who are leading the nomination process are now going through the next round of assessments of the site. Following on from the information supplied in the initial bid document, more detailed socio-economic and environmental evidence is required from the nominating body. This will include a wide range of information such site specific detail, wider environmental and cultural information, and socio- economic data.
- 4.17. The UKAEA also wants to build good relationships with the host community and is proposing to hold a range of consultation events with stakeholders and local communities. This is likely to be in February/March 2022 . This will be led by UKAEA with the support of the County Council and Borough Council. It is anticipated that this will include an in person event to be held in Rushcliffe. The timeline for the programme is as follows:
- End of 2022 – announcement made by Secretary of State on site selected
 - 2024 – concept designs for the plant produced
 - 2030's – construction starts on site
 - 2040 – works completed
- 4.18. NCC are taking a report to their Policy Committee to update members on the next stage of assessments and gain endorsement for the site's continued involvement in the process. In addition, agreement is being sought for NCC to set aside a funding requirement of up to £100,000 from the major programmes delivery work budget to further the necessary work to support the selection process.
- 4.19. The UK Government recently published a Fusion Strategy, which sets out how the UK aims to use its leadership in fusion research and development to commercialise fusion energy technology. Alongside this, the Government has also published a Green Paper setting out its proposals for the regulation of future fusion energy facilities. The consultation on these proposals will run until the deadline of 11.45 pm on 24 December 2021. NCC as the nominating body for the STEP programme siting process are preparing a response to the consultation.

5. Alternative options considered and reasons for rejection

For each of the programmes, alternative options for redevelopment of the site are being continuously explored as a part of the business case development. This includes scenarios for a do-nothing option and also for options with differing levels of financial and resource intervention.

6. Risks and Uncertainties

- 6.1. There is a risk that one or all of the programmes will not be progressed due to a lack of Government or partners support or funding. There is however a strong partnership in place across all programmes and work is ongoing to ensure strong and clear links between them. With the recent announcements in the IRP there is a clear priority being placed on development in the East Midlands and therefore it is felt the risk of lack of Government support is low.
- 6.2. Each programme has a detailed risk register associated with it that covers risk for all aspects of the programmes and delivery.

7. Implications

7.1. Financial Implications

There are no financial implications associated with this report. A further technical update on the forecasted implications relating to business rates, proposals around borrowing for the Freeport and the Development Corporation and the governance arrangements will be brought in the New Year.

7.2. Legal Implications

The EMF constitution and governance arrangements are currently being developed and will be shared once available. The governance arrangements for the EMDC interim vehicle have previously received endorsement from Cabinet and Council. There are, therefore, no specific legal implications associated with this report.

7.3. Equalities Implications

Inclusive growth is a key theme for all the programmes ensuring that, as far as possible, they bring benefits for all. As well as creating jobs the focus is on the quality as well as the accessibility of those jobs.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

There are no crime and disorder implications associated with this report.

8. Link to Corporate Priorities

Quality of Life	The EMDC and EMF has the potential to benefit local residents' quality of life through the provision of new jobs, open space, and green infrastructure.
Efficient Services	
Sustainable Growth	The development of Ratcliffe on Soar Power Station through the Development Corporation and Freeport could attract a significant number of new businesses and approximately 20,000 jobs.

	The Development Corporation could deliver significant improvements to connectivity enabling more people to access opportunities at the three sites and in the wider region.
The Environment	<p>Beyond the economic benefits, the developments will enhance and improve the environment, take account of the need to reduce emissions and achieve net gains in natural capital.</p> <p>An integral part of the proposition is the connectivity between the sites and more broadly across the region. The focus of this is green infrastructure and public transport, minimising the impact on the environment.</p> <p>In terms of the STEP programme Fusion energy is an integral part of meeting the global net zero challenge.</p> <p>Fusion offers a secure and abundant source of supply for many thousands of years. Once commercialised, fusion will have a key role to play in the energy market of the future.</p>

9. Recommendation

It is RECOMMENDED that Cabinet:

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- b) endorses the Council's continued involvement in all programmes.

For more information contact:	Catherine Evans Service Manager Economic Growth and Property 0115 914 8552 cevens@rushcliffe.gov.uk
Background papers available for Inspection:	Report to Cabinet 11 February 2020 Report to Council 5 March 2020 Report to Cabinet 10 November 2020 Report to Council 3 December 2020 Report to Cabinet on 9 March 2021 (STEP) Report to Cabinet on 11 May 2021 (Freeport) Report to Cabinet 14 September 2021 (exempt)
List of appendices:	