

EM DevCo – High Level Issues and Risks LOG

	STRATEGIC RISK	DESCRIPTION	IMPACT	MITIGATION
1	HS2 Delivery	The Development Corporation Programme and need for a locally led delivery vehicle emanates from the region's HS2 Growth Strategy which identified the need for scalable investment planning and the need for added capacity to deliver at that scale. HS2, continues to be subject to delivery uncertainties which may impact on the development corporation.	HS2 is an important part of the development corporation and supporting economic growth narrative, especially in relation Toton and Chetwynd. Uncertainty over delivery will affect levels of certainty around the economic and job outcomes and the delivery of supporting infrastructure plans as highlighted through 'Access to Toton' and join working with Midlands Connect.	The region remains fully committed to securing HS2 and the wider benefits it can bring. At the same time, we have three well located sites each the size of an Olympic park near the M1 and public transport assets. The case for better co-ordination, integrated planning and investment at scale involving public and private sectors remaining strong. There is a unique and complementary growth story for each site and at Toton and Chetwynd the opportunity for early development in the east of the site. In short, whilst this would be an excellent addition to the HS2 proposals at Toton, it is not dependent on any future HS2 decisions and stands up in its own right as part of growth proposals for the three locations. The EM DevCo can facilitate a co-ordinated approach in what is a complex development environment with attention to enabling infrastructure to deliver quality and connecting surrounding communities.
2	COVID Economic Impact	COVID-19 is having a devastating impact on the country's economy. It has accelerated several trends that were already emerging in the development and technology sectors.	Higher unemployment rates. Financial and investment uncertainties. The acceleration of trends that are likely to have a profound impact on our built and natural environments that may present uncertainties in the short term.	The strategic and economic case for the development corporation are framed by Covid and post-Covid economic growth and productivity. The interventions will enable the early delivery of jobs and homes, which will contribute to recovery from Covid-19, as well as putting in place important early stage components of the clean growth strategy that will ensure the EMDC can deliver both green and inclusive growth. This will contribute to the delivery of the Government's commitment to a legally binding target to achieve net zero greenhouse gas emissions by 2050. Market and economic uncertainty – as the early win projects involve the public sector delivery of infrastructure in the initial period, this risk is mitigated and for example development plots will be ready as Covid-19 recovery accelerates. The strategy recognises the regeneration and growth of the nature proposed over a 20+ year period will run over

				several economic cycles and as such will require an approach to delivery that has flexibility to adapt to changing market conditions.
3	Government Funding	Delivering the scale of ambition requires Government funding to enable and provide the impetus for external investment to deliver the growth ambition.	The full proposition assumes significant Government investment in both the vehicle and ultimately in supporting infrastructure. With reduced or no Government funding the ability to deliver the Dev Corp will be adversely affected.	The Programme Team have run several scenarios to consider a range of funding options. These will highlight that even with a limited budget significant progress can be made towards achieving the objectives of the programme. These include advancing detailed plans, business cases and investment partnerships to deliver development and infrastructure investment at Toton & Chetwynd; Ratcliffe-on-Soar; and East Midlands Airport Area. The programme of work, to be set out in an annual business plan will be amongst the first order of business for EM DevCo. Funding will be subject to annual review.
4	ZERO	Clarity on the proposition for 'Zero' and what it means for the development of the sites.	Need to be able to position strongly to secure genuine transformative impact and a step change from traditional development towards a development of international significance that can attract global names and levels of investment. Anchored in the region and with a global reach.	The concept is being developed with the region's leading Universities; Industry; Midlands Engine and ERA and a clear proposition is anticipated prior to the incorporation of EM DevCo. Working to the region's strengths and centres at Ratcliffe with demonstrator opportunities across the three sites.

5	Business Case approval	The business case and process for establishing a statutory vehicle is subject to Government approval and associated Parliamentary processes.	Without Government approval a Statutory Development Corporation cannot be created and the regional benefits, including an integrated approach to planning and funding with the necessary powers to deliver higher levels of investment and levelling up for the region could not be achieved.	<p>The proposals have been endorsed by stakeholders from across the region through the Alchemy Board.</p> <p>Every opportunity taken to influence government policy including consultations on development corporations, planning white paper. The latter including specific reference to the East Midlands development corporation programme.</p> <p>Ongoing close collaboration with Government Officials.</p> <p>Clear benefits and a strong business case for intervention developed with the support of the Interim Vehicle linked to national priorities including levelling up and post-Covid recovery. The Interim Vehicle provides the opportunity to hit the ground running as part of post-Covid recovery, whilst maintaining momentum and providing support to the establishing of a statutory development corporation.</p>
6	Freeport Alignment	That other business case submissions might miss align with development corporation programme i.e. the freeport proposition.	Business cases developed by others may look to capture similar benefits, duplicate and/or present evidence in such a way as to undermine the development corporation business case and as such the opportunity may not be realised.	Statements of Intent (or shared principles) have been established where appropriate to ensure alignment between initiatives e.g. between the development corporation and freeport propositions. Governance arrangements will ensure that proposals are complementary whilst ensuring close working between initiatives and partners.
7	Locally-Led Development Corporation	The potential for the development corporation to not be locally led.	There are two models of democratically accountable governance for development corporations. Those being direct central control from the Secretary of State or alternatively a locally-led model with an oversight	There is an on-going engagement with Government on the shape of a new locally led variant linked to consultation on development corporations earlier in the year. As an interim vehicle, EM DevCo will be set up to mirror the governance arrangements of a Locally led Urban Development Corporation. This will include an Oversight Authority of local authority members to which the independent Board will be accountable. The transition to a statutory vehicle will ultimately require the agreement of each partner local authority.

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