Maid Marian Rail Extension Masterplan

Covid-19 Update

Supplementary Report

Ashfield District Council

September 2020

LICHFIELDS

LICHFIELDS

Lichfields is the pre-eminent planning and development consultancy in the UK

We've been helping create great places for over 50 years.

lichfields.uk

60963/02/CGJ/ADav
18780232v2

Contents

1.0 Introduction

1.1 This report has been commissioned by Ashfield District Council [ADC] to review and supplement the Maid Marian line extension Economics Impact Analysis [EIA] study and Town Centre Masterplan reports produced by Lichfields and Ryder Architecture in June 2020, in light of the current economic uncertainty relating to the Covid-19 pandemic and the latest position on High Speed 2 [HS2].

1.2 The Masterplan report outlines development and regeneration possibilities for both Sutton Parkway and Kirkby in Ashfield stations, as well as other sites in the surrounding areas, whilst the EIA considers the potential overall economic impact of the new Maid Marian passenger route through Ashfield along with the development options included in the Masterplan.

1.3 As set out in the EIA and Masterplan reports, several of the sites identified may not come forward in the absence of HS2, or at least the scale of development that could be viably developed may be diminished. If the HS2 project does not proceed as currently planned through to the East Midlands Hub at Toton, or more likely (at the time of writing) that it is subject to further delays, it is possible that the viability of many of the identified sites may be impacted.

1.4 Furthermore, in light of the current economic and market uncertainty caused by the pandemic it is apparent that many of the more marginal sites for development could be less likely to proceed or may be subject to change in design, with those development options including significant elements of retail and leisure in particular need of review.

1.5 This report therefore includes a review as to whether the Maid Marian extension could be delayed and provides a high level 'sense check' on the likely progress of HS2 using publicly available information to see the impact this is likely to have on the market uplift for the key sites considered as part of the EIA, along with the wider effects of the post Covid-19 economic climate.

Structure of Report

1.6 The report is structured as follows:

- Section 2.0 reviews the latest information available on the progress of HS2 and considers the potential impacts on the Maid Marian extension;
- Section 3.0 provides an overview of the emerging economic impacts of Covid-19 in Ashfield;
- Section 4.0 revisits the masterplan sites and development options and develops a new development scenario;
- Section 5.0 examines the economic impacts generated by the construction phase of developments within the updated masterplan scenario;
- Section 6.0 revisits the potential wider impacts commentary in light of the new economic position; and,
- Section 7.0 provides a summary of the report's findings.

2.0 HS2 and Maid Marian Line Status Review

2.1 This section reviews the latest updates on the progress of HS2 and phase 2b in particular, along with an assessment of how any further potential changes or delays to the project will impact the case for reopening of the Maid Marian line.

The Current Status of HS2

Phase 1 London to West Midlands

- Construction works commenced in April 2020
- Currently poised to open in phases over 2029-2033

Phase 2a West Midlands to Crewe

- Hearings on the Phase 2a hybrid bill have continued following a delay due to Covid-19
- Royal Assent is expected before the end of 2020
- Initially expected to be operational in 2027, but now delayed

Phase 2b West Midlands to Manchester/Leeds

- A hybrid bill expected for release in 2021 is currently being prepared, with assent expected in early 2023
- Assessments are underway on how HS2 will connect with existing northern transport infrastructure
- A further consultation on route and design refinements is expected in the Autumn of 2020

2.2 Following a pause in construction at a majority of HS2 sites in March, the government gave formal approval for the HS2 phase 1 line from London to Birmingham construction works to recommence in April 2020. The line was initially set to be operational in 2026 but is now set for opening between 2029 and 2033.

2.3 The HS2 Phase 2a line connecting Birmingham to Crewe was initially expected to receive assent in 2019 but was delayed initially because of the 2019 General Election and the Oakervee Review, before being delayed further by the Covid-19 outbreak. Hearings on the Phase 2a Bill resumed on the 20th July 2020, with royal assent for the Phase 2a bill is expected before the end of 2020.

2.4 HS2 phase 2b forms the prongs of the project's overall Y-shape, running north from Crewe to Manchester Piccadilly, as well the eastern line running north from through the proposed East Midlands hub at Toton before extending to Leeds. The Phase 2b Hybrid Bill is currently expected to achieve Royal Assent in early 2023, with works to begin in early 2024. Phase 2 is currently anticipated to be operational between 2035 and 2040.

2.5 Whilst HS2 phase 1 is now on-site, a number of significant issues remain around ground conditions, skills shortages and delivery delays, as well as the government review of Phase 2b, that have the potential to significantly alter the future of the project. Indeed, HS2 Chairman Allan Cook stated in September 2019 that challenges with ground conditions were, *"significantly more challenging than predicted"* and that as a result the, *"stations, railway systems and integration plans are less well developed than would be expected at this stage"*. A report from the National Audit Office [NAO] in January 2020 stated that the project was already over budget and behind schedule and that, *"significant challenges to completing the programme and delivering value for taxpayers and shareholders remain"*.

2.6 The Oakervee Review released in February 2020 recommended that on balance, the project should go ahead, albeit with a number of caveats. The report concluded that going ahead with the project in full is the only way to ensure value for money and that the government should recommit to the full Y-shaped network. It further stated that every effort must be made to integrate HS2 into existing transport infrastructure and future strategies, and that a degree of flexibility is allowed for in the design of the later phases. However, this raises the risk of further delays and revisions of Phase 2b, the final scope and phasing of which will be determined following publication of the government's integrated rail plan, which is expected to be published before the end of 2020.

East Midlands Hub Proposals

2.7 In May of 2020 Midlands Connect – a group of 22 local authorities, business groups, Chambers of Commerce and regional airports, released their proposals for the East Midlands Hub at Toton[1]. The proposals give the first tangible look at how the hub itself will forge connections with communities across Nottinghamshire, aiming to ensure that the potential benefits of HS2 to areas not directly on the line itself are realised.

2.8 The plans stretch over three phases, the first of which covers improvements to be constructed and operational in the next ten years (no precise first operation estimates are given) and includes the reopening of the Maid Marian Line. This is in contrast to the financial case provided in Aecom's *Mansfield to East Midlands Hub Strategic Outline Business Case* (July 2018) as previously analysed in the EIA, which assumed that the line would be operational in 2033, with construction starting in 2023. The Midlands Connect Report therefore assumes that the Maid Marian line could be operational within a shortened timescale compared to the Aecom report if funding is secured. Phase 1 of the plans also include improvements to tram, bus and road connectivity as well as the proposed Trowell Curve rail line which would allow for increased services between the Toton Hub to Leicester, Nottingham and Derby.

2.9 The report estimates the cost of phase 1 to be £455 million, £85 million of which relates to the Maid Marian line. This is significantly higher than the estimated cost of between £12 and £19 million at 2017 prices as outlined in the Aecom report which formed the basis of the economic benefits analysis in the EIA. Midlands Connect assume two trains an hour from Mansfield to Toton similar to option A1 from the Aecom report, albeit with a reduced estimated journey time of 28 minutes compared to the 40 minutes assumed by Aecom. Midlands Connect's costings are based on 2018 prices and include a 66% 'optimism bias' to account for additional costs and construction risk over the lifetime of the project, and states that these costs will be refined as the project moves into the next stage of development.

2.10 Midlands Connect have requested £4.5m from government in order to progress phase 1 to more detailed designs and costings, and an outline business case for phase 1 is expected to be completed before 2021. This will give a more detailed breakdown of the estimated cost of opening up the Maid Marian line. Whilst Midlands Connect estimate the project to be more costly, increased levels of capital investment would see the economic benefits resulting from the construction work required increase significantly above those previously modelled in the EIA

[1] Midlands Connect (May 2020) – Access to Toton, the HS2 East Midlands Hub

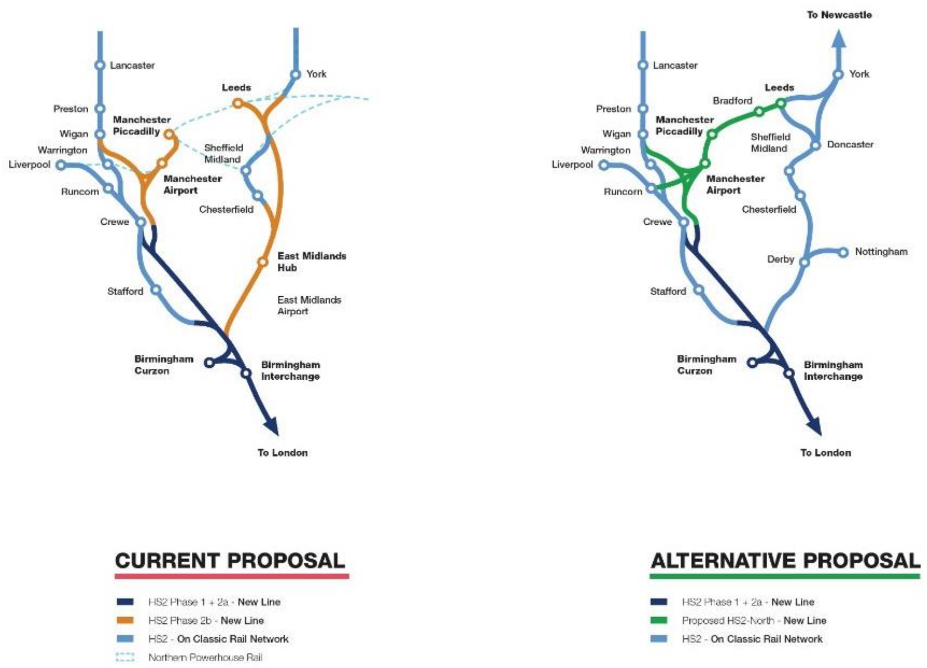
Alternative Route Proposals

2.11 Alternative plans submitted by architects Weston Williamson & Partners in response to the National Infrastructure Commission's [NIC] March 2020 call for evidence on rail needs in the Midlands and the North, would see the Manchester Hs2 and Northern Powerhouse Rail [NPR] stations combined, allowing trains to continue northwards through Manchester before branching eastwards to Leeds. Under this plan, HS2 trains travelling through the East Midlands would do so on existing track. This would mean deferment of the Phase 2b new HS2 line between Birmingham and Leeds as well as the East Midlands hub at Toton, potentially saving several billion pounds.

2.12 If the government's preferred option shifts to having an underground station at Manchester Piccadilly, this would mean that the closest connections to the Hs2 line would be via Leeds to the North or Birmingham to the South, with connecting HS2 trains running through the East Midlands on existing lines. The lack of a dedicated HS2 line through the East Midlands would inevitably impact upon passenger journey times for those wishing to travel North or South, as well as a reduction in freight capacity due to the lack of the HS2 hub at Toton.

2.13 For now however, the Y-shaped route including the East Midlands leg remains the government's preferred option, and therefore remains the starting point for this assessment.

Figure 2.1 HS2 Phase 2 Alternative Route



Source: Weston Williamson & Partners (2020)

Implications for the Maid Marian Line

2.14 Overall, a number of uncertainties remain around the future of the Hs2 project. Whilst the Covid-19 lockdown period looks to have had only a limited impact on construction scheduling, there is a risk of further delays and the need for further cost-saving measures in the future. Phase 2b, being the final phase of the project was initially anticipated to be operational in 2033, but it is now expected that this target will not be met. Whilst less likely, there is also the possibility that the government's preferred option for phase 2b could change. The next key milestone for the project will be the release of the Integrated Rail Plan towards the end of 2020, which will confirm the phasing and scope of phase 2b.

2.15 In terms of the Maid Marian line, the Midlands Connect report estimates a significantly increased construction cost compared to previous analysis, albeit with the potential of a shortened delivery timescale. However, it is positive that the line is included within the proposed connectivity package envisaged for the Hs2 hub and will be subject to more detailed assessment.

3.0 Economic Impacts of Covid-19

3.1 The Covid-19 pandemic and the associated lockdown period represent a major shock to both the global and UK economy, with large parts of the economy being forced to shut down or face significant falls is demand simultaneously. The nature of the resultant economic crisis is unprecedented in numerous ways, with the effects of the virus still playing out in real-time. Indeed, at the time of writing, parts of the country are experiencing a second lockdown period in order to contain local outbreaks. Meanwhile, the government is pursuing policies to boost sectors that have been particularly affected such as retail, food and leisure.

3.2 The response to the pandemic may also lead to long-term societal and economic changes, having catalysed widespread efforts for remote-working wherever possible. This factor alone is likely to lead to widespread changes in the requirements of businesses across many sectors, as well as leading to new patterns of behaviour amongst employees, in turn affecting both the premises requirements of firms and the preferences of workers.

3.3 The pandemic requires that the case for new infrastructure investment and the priorities for the ongoing efforts to revitalise town centres must be appraised in the context of this 'new normal'. This section provides a brief overview of the impacts of Covid-19 at a macroeconomic level, before looking more specifically at the impacts and risks faced by Ashfield District and the implications for both the Maid Marian project and the future of the town centre.

Covid-19 Macroeconomic Outlook

3.4 The latest official economic performance figures from the ONS show that following a fall of 6.9% in March 2020, UK GDP fell by 20% in April 2020, the largest fall since monthly records began in 1997, reflecting record widespread falls in services, production and construction output due to the period of national lockdown measures.

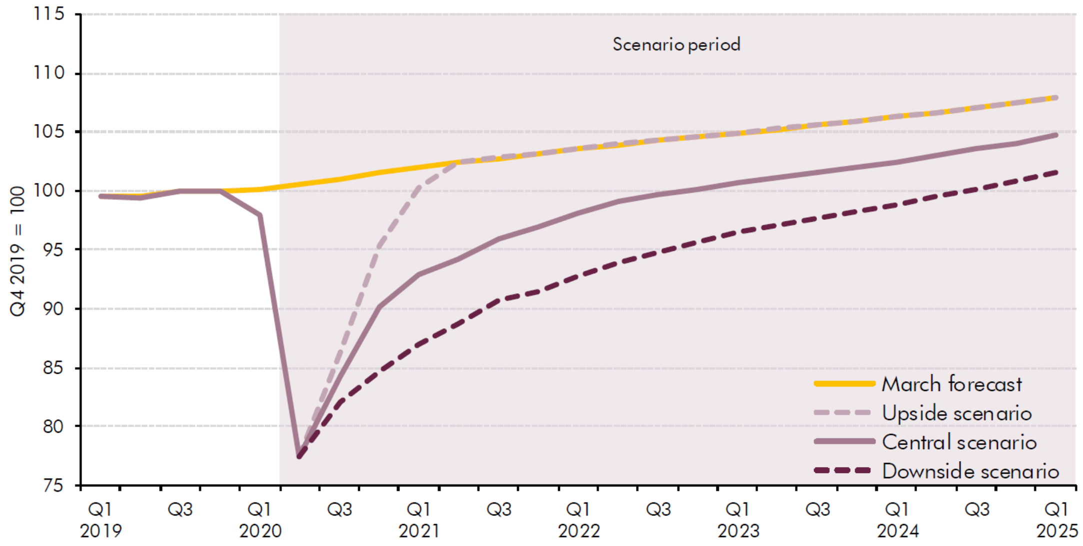
3.5 Following the start of the gradual easing of lockdown measures, GDP rebounded by a modest 1.8% in May, indicating a much more gradual recovery than anticipated, before rebounding by a further 8.7% in June. As shown in Figure 3.1, this equates to a reduction in GDP of 20.4% in Q2 meaning the UK entered a technical recession. In comparison, GDP reduced by no more than 2.1% in any quarter throughout the 2008 recession.

Figure 3.1 UK GDP growth, Quarter 1 (Jan to Mar) 2005 until Q2 2020

Source: ONS

3.6 A number of economic scenarios are emerging which give an indication of both the scale of the economic downturn as well as the nature of the path to recovery. The 'v-shape' recovery scenario from the Office for Budget Responsibility shown in Figure 3.2 suggests that output fell by 21% in Q2 of 2020, with the lowest point being in April and the recovery emerging in May. Whilst the forecast shows the recovery continuing throughout the rest of 2020, it suggests that this will happen more gradually than previously expected, with GDP still being down by 12.4% overall across 2020 – the largest fall in annual GDP recorded in 300 years. The central scenario predicts growth of 8.7% in 2021 and 4 .5% in 2022, with output reaching its pre-covid peak at the end of 2022.

Figure 3.2 Real GDP scenarios versus OBR March Forecast

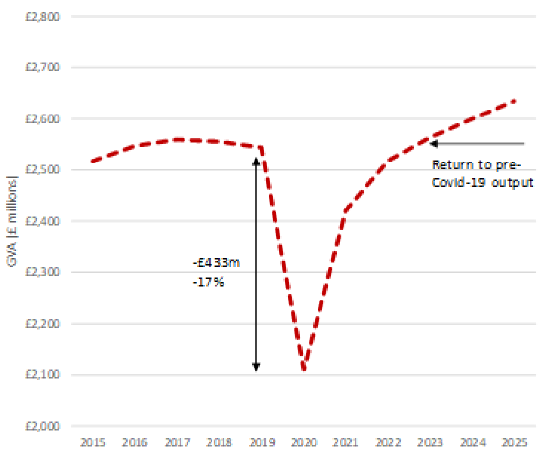


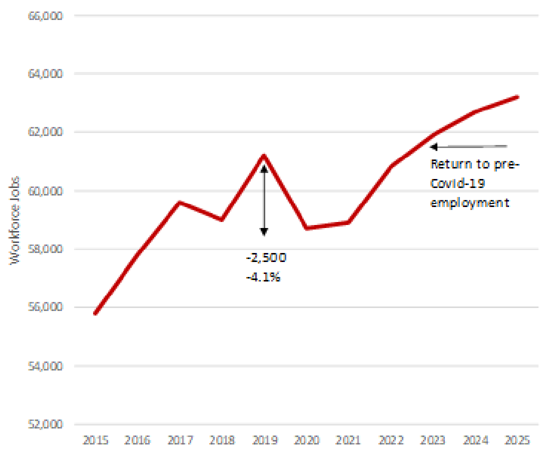
Source: ONS, OBR

Local Impacts

3.7 The latest Experian forecasts (June 2020) show a temporary but significant shock to the local economy in Ashfield, with an anticipated £433 million or 17% of the District's output forecast to be lost during 2020 and pre-covid levels to not again be reached until the end of 2022. In terms of employment, the significant gains experienced between 2018 and 2019 in the District are forecast to be more than wiped out during 2020 at a loss of 2,500 jobs or 4.1%. Employment is forecast to rebound more gradually than output, with only marginal gains in 2021 before rising to pre-covid levels towards the end of 2022.

Figure 3.3 Projected Output and Employment in Ashfield to 2025





Source: Lichfields analysis, drawing on Experian UK Local Market Forecasts, June 2020

3.8 Whilst the effects of the pandemic have rippled throughout all sectors of the economy, a number of sectors have been particularly affected in the short term, whilst others may be set for challenges over a longer time period thanks to the widespread changes in behaviour that may form the lasting economic legacy of the virus. The representation of these sectors within Ashfield and the District's future growth expectations will determine the resilience of the area to the crisis and will help shape the plans for supporting the local recovery.

3.9 In particular, at a national level the OBR suggests that sectors such as accommodation and food, entertainment, construction and education are seen as 'high risk', whilst sectors such as utilities, health, public services and agriculture are less likely to be affected and are 'low risk'. Sectors such as manufacturing, wholesale and retail, transport and storage, information and communication, finance, real estate and professional services are somewhere in the middle and are seen as 'medium risk'. Based on these assumptions, 21.4% of total employment in Ashfield fall into high-risk sectors, 48.5% in medium risk sectors and 30.2% in low risk sectors.

3.10 The location quotient [LQ] analysis shown in Table 3.1. compares the proportion of workforce jobs in a sector to the national average, with an LQ above 1 indicating that there is overrepresentation in that sector within Ashfield compared to what might be expected. Ashfield has relatively few jobs in some sectors that have suffered in the short-term, such as accommodation, food and recreation (LQ = 0.55). However, of the five sectors that support higher than expected levels of employment within the District, all are expected to suffer a significant loss of employment with the exception of public services.Figure 3.1

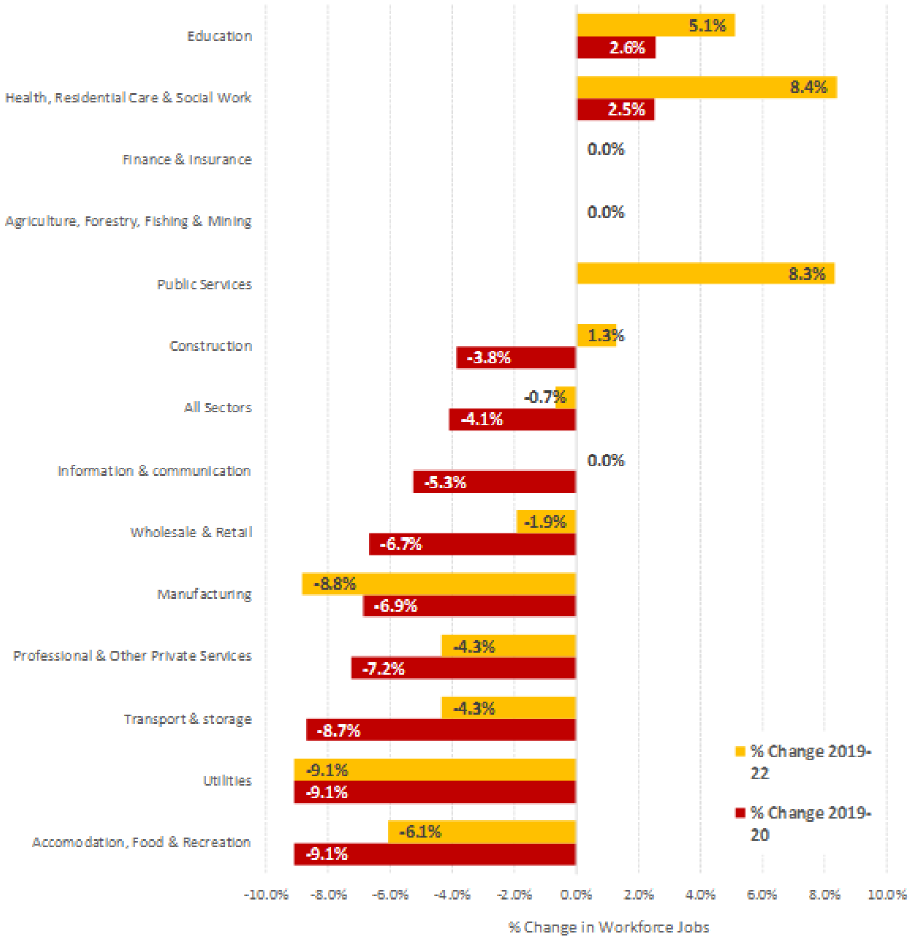
Table 3.1 Ashfield Location Quotient Analysis

	Number of Jobs (2019)	Location Quotient	% Decline 2019-20
Accommodation, Food & Recreation	3,300	0.55	-9.1%
Agriculture, Forestry, Fishing & Mining	0	0.00	n/a
Construction	7,800	1.97	-3.8%
Finance & Insurance	200	0.10	0.0%
Information & communication	1,900	0.71	-5.3%
Manufacturing	10,200	2.20	-6.9%
Professional & Other Private Services	6,900	0.50	-7.2%
Public Services	17,000	1.12	2.4%
Transport & storage	2,300	0.73	-8.7%
Utilities	1,100	1.67	-9.1%
Wholesale & Retail	10,500	1.22	-6.7%
Industry Total	61,200	1.00	-4.1%

Source: Lichfields analysis, drawing on Experian UK Local Market Forecasts, June 2020

3.11 In some ways Ashfield looks to be in contrast to the national short-term forecasts, with a sharper than expected fall in employment within hospitalities, utilities, transport, professional services and manufacturing sectors, and a better than expected growth in education and health. Whilst it is expected that much of Ashfield's economy will enter the recovery phase during the remainder of 2020, forecasts indicate that it could take several years for employment within key sectors such as manufacturing, transport and hospitality to return to pre Covid-19 levels (if at all).

Figure 3.4 Forecast % Change in Workforce Jobs in Ashfield



Source: Lichfields analysis, drawing on Experian UK Local Market Forecasts June 2020

3.12 In July 2020, 30.9% of Ashfield's workforce or 17,700 people were furloughed, the same proportion as seen nationally but slightly higher than across Nottingham 28.9% or the East Midlands 29.7%. These jobs will be at particular risk as the government's Job Retention Scheme [JRS] is gradually phased out over the coming months and will be highly reliant on the ability of the local economy and businesses to recover.

3.13 In June 2020, benefit claimants as a proportion of the working-age population stood at 6.3% in Ashfield, equal to the national level but higher that the shares seen across Nottinghamshire (5.2%) and the East Midlands (5.6%). However, as the claimant count figure in Ashfield was slightly higher than the comparator areas before the lockdown began, the overall increase in the claimant count in the district between February and June 2020 is 89.4%, compared to 98.2% in Nottinghamshire, 105.9% across the East Midlands and 110.2% nationally. In this respect, Ashfield looks to have performed relatively well.

Implications for the Maid Marian Line

3.14 There are a number of key issues that pose a risk to Ashfield's economic recovery. In particular, over 30% of Ashfield's employees are currently furloughed, and whilst the increases in the number of benefit claimants has been relatively modest to date in Ashfield, unemployment is expected to worsen as the JRS scheme is phased out towards the end of the year. Furthermore, reduced retail, leisure and workplace visits will see reduced footfall in town centres continue, and the District's ongoing reliance on manufacturing poses a key structural vulnerability.

3.15 In many other respects however, Ashfield has fared relatively well and is well positioned to recover. Just over 20% of employees in the District work in sectors considered to be high risk, a relatively low figure representing a low overall reliance on sectors such as retail and hospitality, and the high proportion of public sector workers should provide some short-term insulation. Furthermore, key employment developments in the pipeline such as the proposed new Amazon logistics depot at Summit Park can provide healthy stimulus for the recovery and underline the importance of providing high quality development opportunities over the coming years to support growth.

3.16 In terms of the case for reopening the Maid Marian line, a key factor will be any lasting effects on rail patronage and commuting behaviour. The latest data from the Office of Rail and Road [ORR] covers the period immediately before and after the lockdown was announced in March 2020 and show a national fall in rail patronage of 394 million passengers or 11.4% on the previous quarter, the largest fall since records began. This translated into a fall in patronage of 5% in 2019/20 for East Midlands Rail compared to 2018/19. Whilst this drop can be attributed to the Covid-19 lockdown and may be largely temporary, there is a possibility of lasting ramifications of the changes in working patterns such as increased levels of working from home and the associated changes in the requirements of firms. Furthermore, as explored in more detail in section 6.0 of this report, there may also be changes to the future relationships between home, work and our town centres that will change behaviour.

4.0 Ashfield Development Options Review

Reference Case

4.1 Using the Council's latest housing and employment monitoring reports as well as a review of current applications relating to potential sites in the vicinity of the four stations, a number of developments likely to come forward over the 14-year appraisal period even without the re-opening of the Maid Marian line were identified. In total, these sites were assessed to have the potential to deliver up to 3,142 dwellings and around 420,000 sqm of commercial and community floorspace over a 19-year appraisal period to 2037.

4.2 This provides the baseline (or 'reference case') position that is assumed to take place with the construction and operation of the Maid Marian Rail Extension under the direction of current and potential future Ashfield District Council planning policy.

Best-Case Scenario

4.3 In discussion with ADC officers, a total of 9 additional potential development sites unlikely to come forward without the land value uplift associated with the Maid Marian extension were identified. Development options for these sites are included in the Masterplan report produced by Ryder Architecture, and include a total of 493 dwellings; 700 sqm of A1/A3 retail floorspace; 3,600 sqm of B1a floorspace; 6,300 sqm of B1 employment floorspace; a 4,200 sqm health centre and 3,100 of community facilities. An overview of the development all the options in this scenario is included in Table 4.1.

Table 4.1 Best-Case Scenario Development Options

Location	Proposed Use	Approximate Dwellings	Employment Use	Phasing	Likely to be Additional to Reference Case?
SUTTON PARKWAY STATION MASTERPLAN					
Site A: Sutton Parkway Station Site	Improved access to the station and increased car parking plus small-scale commercial offer. Potential for residential in longer term.	40 dwellings at 4-5 stories	450 sqm (small scale commercial)	Short term for station improvements/commercial; Long term for residential	Yes
Site D: Penny Emma Way (SHLAA Site K26)	B-Class Employment	0	3,600 sqm B-Class offices	Medium Term	Yes
Site E: Penny Emma Way / A38	Residential	Approximately 175 (based on 5 storey apartments and housing)	0 sqm	Medium Term	Yes
KIRKBY-IN-ASHFIELD STATION MASTERPLAN					
Site A: Kirkby-in-Ashfield Station	Improved access to the station and increased car parking. Potential for small commercial use in new station building. New community facilities.	0	50 sqm café, plus 100 sqm community facility	Short term	Yes
Site B: Miller's Way / football pitch (SHLAA Site K116)	Residential	59	0 sqm	Short term	No – site currently in for planning, decision pending. Not included in the HLMR, so added to the RC.

Location	Proposed Use	Approximate Dwellings	Employment Use	Phasing	Likely to be Additional to Reference Case?
Site C: Southwell Lane	Residential	60	0 sqm	Short term	No – site currently in for RM, decision pending. Not included in the HLMR as Outline Permission was thought to have lapsed. Site added to the RC
Site D: Lowmoor Road (Patco site)	Mixed use (residential and employment). Potential for longer term residential to south off Portland Street.	90	1,050 sqm B1a office; 3,150 small business workspace	Short - medium term	Yes. No application at present.
Site E: Lowmoor Road / Ellis Street (Civic Hub)	Mixed use (healthcare, local services, residential, commercial)	60	2,100 sqm (1 floor of B1a workspace above healthcare); 3,000 sqm (2 storey community uses); 4,200sqm (2 floors of healthcare use)	Medium-long term	Yes – current extant planning permission is for Seating, Lighting and other Associated Works.
Site G: Lane End (opposite Kirkby Station)	Residential (plus some potential for small ground floor café / retail use)	128	200 sqm cafe	Medium-long term	Yes

Source: Lichfields

4.4 The table shows two sites (Site B, Miller's Way and Site C, Southwell Lane) that were added to the reference case because they are the subject of current applications.

4.5 Where the site is sufficiently advanced (i.e. a planning application is being considered for the proposed use), and where it has not already been included in either ADC's Housing Land or Employment Land Monitoring Reports, then the site is included within the Reference Case position, as it is likely to come forward with or without the reopening of the Maid Marian Line. This is the case for Kirkby-in-Ashfield sites B and C in Table 4.1.

4.6 A secondary review of these sites using ADC's website in July 2020 indicates that (with the exception of Sites B and C) there have been no updates in terms of planning applications on these sites since the production of the EIA. Therefore, the reference and best-case scenarios remain unchanged for the purposes of this review.

Covid-19 Scenario

4.7 In light of the current economic crisis and the issues raised in section 2.0, it is possible that some of the more marginal sites for development are less likely to proceed than was originally envisaged. Even where sites are still expected to proceed, the delivery assumptions may need to be reviewed, particularly concerning those comprising a significant element of retail and leisure.

4.8 On this basis, this section develops a 'Covid-19 scenario', which either pushes back some of the more marginal sites in the trajectory, or discounts them entirely. This scenario would be in addition to the Reference Case already modelled. The changes to each of the development options across the seven net additional sites in the updated scenario are as follows:

Sutton Parkway

Site A: Sutton Parkway Station Site

4.9 The masterplan development option for this site included the possibility of approximately 40 apartments over 4/5 storeys in the long term, linked to the development at site D. This element has been removed. The 450 sqm of retail space has been reduced to 100 sqm to allow for a small station café/shop only.

Site D: Penny Emma Way (SHLAA Site K26)

4.10 The option for this site includes 3,600 sqm of B1 office space. Given the heightened need to retain and attract employment, coupled with the likely pattern of more people choosing to work near to where they live, this option has been retained in full.

Site E: Penny Emma Way / A38

4.11 The option for this site included approximately 175 dwelling across a 5 storey apartment building and houses. Given the current economic climate and potential weaker market demand, the assumed development density of the site has been reduced. Therefore, the Covid-19 scenario removes the apartments and reduces the overall number of dwellings to 70 houses. This development has also been moved into the medium to long term.

Kirkby-in-Ashfield

Site A: Kirkby-in-Ashfield Station

4.12 The improvements to the station, including the 50 sqm café and 100 sqm community facility have been retained in full.

Site D: Lowmoor Road (Patco site)

4.13 The masterplan development option for this site included a total of 90 dwellings, with 30 of those being a longer-term option. Whilst remaining an option beyond the time period covered by this assessment, these 30 dwellings have been removed in the Covid-19 scenario. The employment elements of this site have been retained in full. Development on this site is also expected to be in the medium rather than short-term.

Site E: Lowmoor Road / Ellis Street (Civic Hub)

4.14 As this site would form the new civic hub of Ashfield centre, all the small business/community floorspace has been retained. However, given the economic circumstances the residential element of the site has been reduced from 60 dwellings over 4 stories to 45 dwellings over 3 storeys. Furthermore, development at this site is now expected to be in the long rather than medium-term.

Site G: Lane End (opposite Kirkby Station)

4.15 The masterplan development option for this site included approximately 80 dwellings over a 5 storey apartment block, and a further 4 storey block containing 48 dwellings for a total of 128. Given the current economic climate and potential weaker market demand, the assumed development density of the site has been reduced to 3 storeys containing 48 and 36 dwellings for a total of 84. The 200 sqm café floorspace has been removed based on the vicinity of the site to the station, which will include a café. Finally, development on this site is now expected to be in the long rather than medium-term.

4.16 A summary of the development options in the Covid-19 Scenario is set out in Table 4.2.

Table 4.2 Covid-19 Scenario Development Options

Location	Proposed Use	Approximate Dwellings	Employment Use	Phasing	Modifications
SUTTON PARKWAY STATION MASTERPLAN					
Site A: Sutton Parkway Station Site	Improved access to the station and increased car parking plus small-scale commercial offer.	0	100 sqm (small scale commercial)	Short term	Residential element removed; commercial space reduced to 100 sqm (small café)
Site D: Penny Emma Way (SHLAA Site K26)	B-Class Employment	0	3,600 sqm B-Class offices	Medium term	Retained in Full
Site E: Penny Emma Way / A38	Residential	70	0 sqm	Medium-long term	Apartments removed; reduced to 70 houses; moved to medium-long term
KIRKBY-IN-ASHFIELD STATION MASTERPLAN					
Site A: Kirkby-in-Ashfield Station	Improved access to the station and increased car parking. Potential for small commercial use in new station building. New community facilities.	0	50 sqm café, plus 100 sqm community facility	Short term	Retained in full
Site D: Lowmoor Road (Patco site)	Mixed use (residential and employment). Potential for longer term residential to south off Portland Street.	60	1,050 sqm B1a office; 3,150 small business workspace	Medium term	Reduced to 60 dwellings, with possibility for further 30 at a later stage; other elements retained in full; moved to medium term
Site E: Lowmoor Road / Ellis Street (Civic Hub)	Mixed use (healthcare, local services, residential, commercial)	45	2,100 sqm (1 floor of B1a workspace above healthcare); 3,000 sqm (2 storey community uses); 4,200sqm (2 floors of healthcare use)	Long term	Reduced from 4 storeys to 3 – 45 dwellings; other elements retained in full; moved to long-term
Site G: Lane End (opposite Kirkby Station)	Residential (plus some potential for small ground floor café / retail use)	84	0 sqm	Long-term	Reduced from 5 to 3 storeys; café removed; moved to long-term

Source: Lichfields

5.0 Economic Benefits: Covid-19 Scenario

5.1 As set out in the EIA, the rate of development broadly envisaged by ADC's Housing and Employment Land Monitoring Reports (plus the 2 housing sites at Miller's Way and Southwell Lane) could deliver approximately 3,142 dwellings and around 420,000 sqm of commercial and community floorspace over a 19-year appraisal period to 2037. Under the Covid-19 scenario, the additional development options include up to 259 dwellings, 9,900 B1/B8 employment floorspace, 7,300 sqm of D1/D2 community and health floorspace; and, 150 sqm A3 retail floorspace.

5.2 The economic impacts associated with the scale of development activity under each scenario are summarised in Table 5.1. This presents the net additional economic benefits that the rail extension along the Maid Marian line could deliver over the 19-year appraisal period, over and above the Reference Case (i.e. 'Without Maid Marian Extension') under both the previous best-case and Covid-19 scenarios. The figures in Table 5.1 below do not include the direct and indirect construction jobs or GVA generated by the extension of the Maid Marian Line itself, which is set out in the EIA.

Table 5.1 Total Economic Impacts in Ashfield District over and above the Reference Case Scenario

	Reference Case	Best Case Scenario Net Additional Sites	Covid-19 Scenario Net Additional Sites
QUANTUM OF DEVELOPMENT			
Number of dwellings	3,142	493	259
B1/B2/B8 floorspace (sqm)	422,520	9,900	9,900
Retail/Leisure floorspace (sqm)	0	700	150
Community floorspace (sqm)	0	7,300	7,300
CONSTRUCTION IMPACTS			
Capital Investment	£1.3 bn	£117m	£77m
Direct Construction FTE Jobs	1,179	269	150
Indirect & Induced FTE Jobs Supported	1,781	406	226
Total Direct & Indirect GVA	£200m	£46m	£25m
OPERATIONAL IMPACTS			
Total Direct FTE Jobs	11,419	722	693
Direct GVA	£814m	£52m	£51m
Indirect & Induced FTE Jobs Supported (Local)	2,855	180	173
Indirect & Induced FTE Jobs Supported (Region)	5,139	325	312
Total Direct and Indirect FTE Jobs	16,558	1,047	1,005
RESIDENT EXPENDITURE IMPACTS			
Total First Occupation Expenditure	£17.3m	£2.7m	£1.4m
Local FTE Jobs supported by First Occupation Expenditure	134	21	11
Net Resident Expenditure	£49m	£8m	£4m
Indirect FTE Jobs Supported	682	107	67

	Reference Case	Best Case Scenario Net Additional Sites	Covid-19 Scenario Net Additional Sites
FISCAL IMPACTS			
Council Tax Receipts (annual payment)	£4.8m	£745,000	£361,000
Business Rates Payable (gross annual)	£13.7m	£379,000	£407,000
New Homes Bonus (4-year payment)	£16.6m	£2.6m	£1.4m

Source: Lichfields analysis ('total direct and indirect' includes indirect impacts supported at the regional level where applicable)
Note figures may not sum due to rounding.

Construction Impacts

Direct Employment during Construction

5.3 Based on HCA Labour Coefficients that estimate the number of FTE years of construction employment per £1m investment, it is projected that the construction of the proposed development sites in the Covid-19 scenario will require around 150 FTE construction workers annually, in addition to the 1,179 FTE construction jobs under the Reference Case. This is in comparison to the 493 net additional direct FTE jobs that would be supported under the best-case scenario.

5.4 Although national and regional construction firms often use their own labour on schemes, it is typical that a share of the contractors employed would be drawn locally. However, it is difficult to estimate the likely source of labour to fill these jobs before contracts have been let. Based on past experience, it is reasonable to expect a proportion of the remaining construction jobs to be taken-up by local workers, particularly if measures were put in place to increase local skill levels and promote local recruitment (e.g. local trainee / apprenticeship schemes).

Indirect and Induced Employment during Construction

5.5 Construction also involves acquisitions from a number of suppliers, who in turn purchase from their own suppliers through the supply chain. The relationship between the initial direct spending and total economic effects is known as the 'multiplier effect', which demonstrates that an initial investment can have much greater indirect effects as this spending is diffused through the economy. The construction sector is recognised to be a part of the UK economy where there is a particularly large domestic benefit in the supply chain.

5.6 In this context, it is anticipated that businesses in the local and wider impact area would benefit from trade connections established over the construction phase of the masterplan schemes. As a result, additional indirect jobs would be supported in the economy through local suppliers of construction materials and equipment.

5.7 In addition, local businesses would be expected to benefit to some extent from a temporary increase in expenditure from the direct and indirect employment effects of the construction phases. Although only a proportion of these benefits would be felt in the area surrounding the two stations, it would be expected that the local economy would gain a sizeable temporary boost from the wage spending of workers in shops, bars and restaurants, and other services and facilities. Such effects are typically referred to as 'induced effects.'

5.8 Data from the National Housing Federation indicates that the construction industry has an indirect and induced employment multiplier of 2.51[2]. Applying this multiplier to the 150 direct

[2] Source: CEBR report for National Housing Federation 2013

construction FTE jobs indicates an additional **226 FTE jobs** would be supported by the proposed Covid-19 scenario developments in sectors across the UK economy. The equivalent best-case figure is 269 FTEs. This is in addition to the direct construction FTE jobs discussed earlier and the 1,781 indirect FTE jobs supported by construction in the reference case.

Economic Output during Construction

5.9 The construction phase of the masterplan developments could also make a contribution to local economic output, as measured by Gross Value Added [GVA]. GVA is a measure of the difference between what is produced as output (goods and services) and the inputs (raw materials, semi-finished products etc.) used in the production of those outputs. It represents the additional value that is added through economic activity.

5.10 Based on 2019 Experian data, the construction sector generates an average GVA per FTE worker of £70,473 per annum in the East Midlands[3]. Applying this to the direct employment impact of the masterplan schemes (as derived above), it is estimated the direct construction activity could generate **£77 million** of direct and indirect GVA, compared to £117 million in the best case scenario. This would be in addition to the £1.3bn in GVA supported by the reference case development sites. It should be noted that not all of this would be retained locally.

Operational Impacts

Direct Employment During Operation

5.11 In order to estimate the likely employment supported by the B-Class, retail, leisure and community spaces in the Masterplan, the Employment Densities Guide (2015), produced by the HCA, can be used by applying an average job ratio to their floorspace. On this basis, and as set out in Table 5.1, it is estimated that around **693** FTE jobs could be directly supported by the covid-19 scenario development sites, in addition to the 11,419 jobs estimated from the B-Class employment land in Ashfield District's reference case. This is in comparison to the 722 FTE jobs generated under the best case scenario.

Indirect and Induced Employment

5.12 The proposed masterplan developments will also support indirect and induced jobs through the expenditure of the firms occupying the commercial floorspace in the supply chain, and the expenditure of employee wages on goods and services in local businesses (e.g. shops and restaurants). Where detailed expenditure data is not available, these employment effects are typically estimated using employment multipliers derived from research on similar operations elsewhere, with adjustments made to reflect: the specific characteristics of the development; and the local economic and labour market conditions.

5.13 Based on the characteristics of the proposed development sites, their local context and labour market, a combined employment multiplier of 1.25 is considered appropriate to estimate both indirect and induced employment for the local area, and a higher multiplier of 1.45 for the East Midlands[4].

5.14 Applying the local area multiplier to the estimated net additional direct FTE jobs results in a further 173 'spin off' FTE jobs within the local area and 312 FTE jobs within the wider region in the covid-19 scenario, in addition to the potential 2,855 / 5,139 local/regional indirect/induced

[3] Experian, Gross Value Added (2019)

[4] This broadly aligns with the composite multiplier effect by type of area 'ready reckoners' as set out in Table 4.12 of the HCA's Additionality Guide Fourth Edition (2014).

jobs likely to be generated by the Reference Case. The equivalent figures for local and regional jobs in the best case scenario are 180 and 325 respectively.

5.15 On the basis of the above, the operational phase of the proposed development sites is estimated to support – directly and indirectly – approximately **866 FTE jobs**[5] in total within Ashfield, and 1,005 FTE jobs within the wider region.

Economic Output

5.16 The operational phase of the masterplan developments will also contribute to local economic output measured by GVA. Based on 2019 Experian data (which provides data on the GVA per worker in different sectors) and the proposed uses of the employment floorspace, it is estimated that the proposed masterplan developments could generate a further **£51m GVA** per annum once complete and operational in addition to the £814m in the Reference Case.[6] The comparable best case scenario figure is £52m. As with the construction GVA, not all the additional economic output will be retained locally.

Resident Expenditure Impacts

'First Occupation' Expenditure

5.17 Research suggests that the average homeowner spends approximately £5,500 to make their house 'feel like home'[7]. This money is generally spent on furnishing and decorating a property. This expenditure on goods and services will generate a range of economic benefits for the local economy, by supporting indirect and induced jobs within local businesses.

5.18 By applying this average level of one-off spending on household products and services, it is estimated that the new residents of the masterplan dwellings could generate **£1.4 million** of first occupation expenditure. This injection of resident spending within the local economy will help to support local businesses and could **support 11 additional FTE jobs** in the local area, thereby increasing employment prospects. This would be in addition to the Reference Case potentially generating £17.3 million first occupation expenditure, which could sustain 134 local FTE jobs. In comparison, the best case scenario could generate £2.7 million in first-occupation expenditure, supporting 27 FTE jobs.

On-going Resident Expenditure

5.19 Analysis of Output Area Classifications data indicates that housing areas within the areas surrounding the two station sites in Ashfield site are predominantly households in the 'suburbanites', 'urbanites' and 'hard-pressed living' socio-economic classification group[8]. It is anticipated that the new households accommodated within the proposed market housing on the masterplan development sites would broadly be within the 'suburbanites' type of household group, albeit tenants of the affordable housing element may fall within a different socio-economic classification.

5.20 The ONS Family Spending Survey 2018 (2019 edition) provides data on household spending by socio-economic classification[9]. This indicates UK average spending levels of £656 per week for households in the 'suburbanites' group. Spending by East Midlands households is 3% lower

---

[5] This is a sum of the net additional FTE jobs resulting from the employment uses within the proposed development, in addition to the 'spin off' indirect jobs within the local impact area.

[6] Experian, Gross Value Added (2019)

[7] Research carried out by OnePoll surveying around 2,000 UK adults in August 2014: http://www.barratthomes.co.uk/the-buying-process/home-buying-advice/10-Year-Warranty-Terms -andConditions/

[8] ONS (2011) Area Classification for Output Areas

[9] ONS (2019) Family Spending Financial Year Ending 2018

than the UK average, resulting in an average household expenditure figure of £635 per week. Similarly, average expenditure levels amongst the 'Hard-pressed living' group (i.e. comprising those occupying the scheme's affordable housing) amounts to £480 per week across the UK and £464 per week in the North West.

5.21 Based on these assumptions, it is estimated that residents of the masterplan development sites could generate total gross expenditure of **£8 million per annum, in addition to an estimated £101 million under the Reference Case**. The comparable best-case scenario figure is £16m)

Net Additional Expenditure

5.22 It is recognised that not all residents of the proposed development will be 'new' to the local area, as some will move from elsewhere in Ashfield District. National research provides standards on the average distance moved between a head of the household's present and previous residential address, which can be used to estimate the share of residents of the scheme that may be new to the locality[10].

5.23 In addition, only a proportion of the gross expenditure by new residents of the proposed housing will be retained within the local area and the wider District. However, it is likely that some leakage will occur from the local area to other retail destinations in the District. As a result, it is assumed that in the order of 70% of total (i.e. both convenience and comparison retail) resident expenditure could be retained within the local catchment area.

5.24 Taking these factors into account, it is estimated that total net additional spending of just over **£1 million per annum** will be created by new residents of the masterplan developments and be retained within the local economy (in addition to £49m under the Reference Case). This additional spending will support the vitality and viability of local firms and could encourage other businesses to move to the local market as well as supporting the functioning of town centres. It is also estimated that this additional expenditure could support a further **26 FTE jobs in retail, leisure, hospitality, catering and other service sectors, plus a further 682 FTE jobs under the Reference Case**. The comparable figure for the best case scenario is £8m, supporting 107 FTE jobs.

Fiscal Benefits

New Homes Bonus

5.25 In 2010, the Coalition Government introduced an incentive-based scheme to support the delivery of new housing. The New Homes Bonus [NHB] matched for a six-year period the increase in Council Tax income from new homes, or homes brought back into use. However, in December 2016, a number of changes to the scheme were announced. Since 2017, a national baseline for housing growth of 0.4% has applied. Below this, the NHB will not be paid to local authorities. Furthermore, the number of years for which payments are made was reduced from six to five years in 2017-18 and reduced further to four years from 2018-19.

5.26 Since 2018-19, the Government has stated that it will consider withholding NHB payments from local authorities that are not planning effectively and delivering housing growth.

5.27 The proposed masterplan developments in the vicinity of the 2 rail stations in Ashfield District could deliver 493 new dwellings across a variety of sizes and therefore Council tax bands (of which 49 would be affordable, at a rate of 10%). Using the standard methods of calculation as

[10] DTLR, Survey of English Housing, Tenure by Distance Moved (2013/14)

contained within the MHCLG New Homes Bonus calculator[11], it is estimated that the new masterplan could generate c.£343,000 per year, or **c.£1.4m** during a set 4-year period (i.e. albeit profiled to reflect the build period for the development schemes) should the Council meet the baseline growth threshold. This would be in addition to the £16.6m that could potentially be generated over 4 years by the Reference Case. The comparable 4-tear figure in the best case scenario is £2.6m.

Council Tax Payments

5.28 In addition, the masterplan developments would generate an increase in Council Tax receipts. This would provide an additional boost to the revenue base of Ashfield District Council, over and above the impact of the NHB payments. Drawing upon the assumptions and analysis presented in relation to NHB (and having regard to levels of Council Tax levied by the local authority in the 2019/20 financial year[12]), it is estimated that the developments could generate around **£407,000 pa** in additional Council Tax payments in perpetuity, notwithstanding the very significant £13.7m equivalent annual payments in the Reference Case. Council tax payments in the best case scenario would be £745,000 annually.

Business Rates Revenues

5.29 Business rates are charged on non-domestic properties including office, industrial, retail and some community uses. To accurately estimate the average charge for each floorspace type in the proposed development, a review of existing charges near to the proposed development site was completed using the Valuation Office Agency (VOA) website[13].

5.30 Applying the average charge rates selected from the VOA search and a business rates multiplier of 0.504 results in the proposed masterplan developments generating an estimated £361,000 of business rates per annum, in addition to the £13.7m annual payments generated under the Reference Case. In comparison, the best case scenario could generate £379,000 in business rates annually.

5.31 The total economic benefits of the best and covid-19 scenarios inclusive of the reference case are shown in Table 5.2.

[11] MHCLG, New Homes Bonus Calculator
[12] Council Tax payments applicable in Ashfield District have been used
[13] https://www.tax.service.gov.uk/business-rates-find/search

Table 5.2 Total Economic Benefits in Ashfield District inclusive of the Reference Case

	Reference Case	Best-Case Scenario	Covid-19 Scenario
QUANTUM OF DEVELOPMENT			
Number of dwellings	3,142	3,635	3,401
B1/B2/B8 floorspace (sqm)	422,520	432,420	432,420
Retail/Leisure floorspace (sqm)	0	700	150
Community floorspace (sqm)	0	7,300	7,300
CONSTRUCTION IMPACTS			
Capital Investment	£1.3 bn	£1.4bn	£1.4bn
Direct Construction FTE Jobs	1,179	1,448	1,307
Indirect & Induced FTE Jobs Supported	1,781	2,187	1,974
Total Direct & Indirect GVA	£200m	£246m	£222m
OPERATIONAL IMPACTS			
Total Direct FTE Jobs	11,419	12,141	12,112
Direct GVA	£814m	£866m	£865m
Indirect & Induced FTE Jobs Supported (Local)	2,855	3,035	3,028
Indirect & Induced FTE Jobs Supported (Region)	5,139	5,464	5,451
Total Direct and Indirect FTE Jobs	16,558	17,605	17,563
EXPENDITURE IMPACTS			
Total First Occupation Expenditure	£17.3m	£20.0m	£18.7m
Local FTE Jobs supported by First Occupation Expenditure	134	155	145
Net Resident Expenditure	£49m	£57m	£53m
Indirect FTE Jobs Supported	682	789	738
FISCAL IMPACTS			
Council Tax Receipts (annual payment)	£4.8m	£5.5m	£5.3m
Business Rates Payable (gross annual)	£13.7m	£14.1m	£14.1m
New Homes Bonus (4-year payment)	£16.6m	£19.2m	£18m

Source: Lichfields analysis ('total direct and indirect' includes indirect impacts supported at the regional level where applicable)
Note figures may not sum due to rounding.

6.0 Wider Impacts

User Benefits

6.1 It remains the case that both people and businesses benefit from investment which reduces travel times in a number of ways. This includes supporting healthier work-life balances, freeing up leisure time when not traveling for the purposes of work, and being able to access a larger catchment of customers and suppliers more quickly thus improving efficiency and business resilience. In the light of the societal changes brought about from the pandemic, the value placed on these factors may increase.

6.2 It is likely that the lockdown period and the widespread move to home working for those that can will cause some reassessment not only of the need to commute regularly into a place of work, but of the importance placed on maintaining both a healthy balance and a clear divide between working and leisure hours. In this sense, the value placed on shorter journey times is likely to increase. For businesses, the need to rebuild work pipelines, market to new customers and build resilience in supply chains will be significantly heightened throughout the economic recovery. Improved rail connections and shorter journey times to Ashfield as a result of the Maid Marian line will increase the local opportunities to do so.

6.3 The Midlands Connect report reduces the estimated journey time from Mansfield Woodhouse to Toton from the 40 minutes stated in the Aecom report down to 28 minutes, thus increasing the potential user benefits. Furthermore, the suite of connectivity improvements and infrastructure projects proposed throughout the report, if realised, will allow for faster connections and improved transport reliability throughout the East Midlands. The Aecom report suggested that the improvements could lead to an increase of journeys on the route in the range of 1.1m – 1.4m annually and significantly reduce car journeys in Ashfield. Whilst no updated modelling has been carried out in this regard, it is anticipated that these type of benefits would be retained.

Improving Access to Employment and Supporting Industry

6.4 The enhanced transport connections and improved journey times afforded by the Maid Marian Line will bring a number of benefits to Ashfield residents and businesses including access to a wider range of opportunities for workers and in turn a wider labour pool for businesses; improved passenger and freight access to the Midlands Main Line, the South and Europe via Hs2; easier access to a wider range of local services and facilities, further supporting the town centre; and, reductions in car usage and improved use of sustainable methods of travel.

6.5 The EIA notes that there has been significant investment in employment sites including large distribution centres and business parks across Ashfield and the nearby areas in recent years from the likes Capita, Bombardier, Pendragon, Midland Aerospace and Co-Operative Food. This is set to continue with the likes of the new development at Summit Park. In the midst of the economic downturn it is vital that the benefits of these developments to Ashfield residents are maximised and that access to employment opportunities across Nottinghamshire is improved where possible.

Revitalising Town Centres

6.6 It is certainly the case that town centres nationally were seeing gradual restructuring before the pandemic, characterised by an over-supply of retail units in many centres and increasing vacancies. Typical high-street uses such as retail, leisure and hospitality have been some of the hardest hit by the period of lockdown, and the pandemic looks to accelerate these underlying structural changes. Town centres are likely to move towards a more diverse mix of uses as demands change, and Ashfield will need to draw upon its unique strengths in order to succeed.

6.7 In the wake of the lockdown, a number of key trends are emerging that look to continue the restructuring of town centres seen in recent years. These include:

- Increasing demand to work and shop both more remotely and more locally, as well as enjoying community and leisure activities more locally too, reducing the overall demand for retail;
- Increasing numbers of new homes being delivered above diverse ground floor uses on the edges of consolidated town centres, giving increased local access to work, retail and leisure;
- Greater representation of schools, health and other community and learning uses on the high street;
- Increased fusion of uses in shared spaces across longer days – for example coffee shops transforming into bars in the evening, or bicycle shops becoming vibrant community hubs;
- Continued innovation in high street entertainment and competitive socialising such as escape rooms and adult game experiences; and,
- Continued investment in public realm and community assets such as local markets, improving access for pedestrians and cyclists whilst providing new places to meet and socialise.

6.8 The economic downturn inevitably increases the need for this revitalisation in order to underpin an effective recovery. Furthermore, the government's 'build back better' agenda promise to deliver new jobs, skills and key infrastructure across the county. This has already been supported by changes to the use class order, allowing for easier change of use between typical high-street attractions to kick-start diversification. We have also recently seen the Government's proposed changes to the planning system, which promise to reduce red-tape to speed up the planning process, boost housing delivery and support community involvement in guiding local development principles.

6.9 The Government's commitment to 'build, build, build' has also seen the Prime Minister announce a further investment of £5bn of capital investment projects, supporting jobs and the economic recovery. Of particularly relevance to Ashfield, this will include £96m to accelerate investment in town centres and high streets through the Towns Fund this year. This will provide all 101 towns selected for town deals (which includes Kirkby and Sutton) with £500k-£1m to spend on projects such as improvements to parks, high streets, and transport.

6.10 As previously set out in the EIA, the new connections and improved journey times afforded by the Maid Marian line should act as a catalyst, supporting further development and revitalisation of the town centre. When paired with this construction agenda and unprecedented levels of government spending, this offers Ashfield a unique opportunity to continue to build strong bids for grant funding, which along with the opportunities emerging from the Towns Fund and Future High Streets Fund proposals can provide resources in support of revitalisation of the area to complement investment in the area's transport infrastructure.

7.0 Conclusions

7.1 This report seeks to provide an updated assessment of the economic case for the reopening of the Maid Marian line and the additional development that could be unlocked in Ashfield in light of the Covid-19 pandemic and wider economic downturn.

7.2 With regards to HS2, the pandemic itself has had little impact in terms of the project's current status, with any uncertainties around the future of the project largely being the same as before. Any major impacts to the project as a result of the economic downturn are yet to materialise and the government's recent policies and messaging firmly indicate the intention to press on with major infrastructure projects as well as boost town centre diversification and house building.

7.3 In many ways Ashfield has braced the economic downturn relatively well and is well positioned to recover. The District has a low proportion of its workforce in high risk sectors and whilst a gradual recovery is anticipated, both employment and output levels are anticipated to return to pre Covid-19 levels towards the end of 2022. The District still has some reliance on the manufacturing sector which may recover more slowly than other sectors, and it is likely that the worst of the rise in unemployment and benefit claims is yet to come, however these issues are not unique to the area and with careful monitoring and intervention from the Council should prove manageable.

7.4 A number of the development options previously outlined in the town centre masterplan report and assessed in the EIA may now be less viable than was assumed to be the case before the pandemic or may be subject to delay. Following a reassessment of these sites to develop an updated Covid-19 scenario, Lichfields now expects that these sites could support 234 fewer dwellings and 550sqm less retail space than in the previous best-case scenario. However, 9,900 sqm of employment floorspace and 7,300 sqm of new community and health floorspace in the areas surrounding the two stations remains a realistic outlook given the need to diversify and reinvigorate the town centre. This means that a majority of the economic benefits associated with the proposed developments remain achievable.

7.5 The updated cost of the project as included in the Midlands Connect report will be subject to further detail towards the end of the year. The report also suggests a shorter journey time to Toton which would improve user benefits if realised and the potentially increased cost would provide more employment benefits during construction. Balanced with slightly lower of potential benefits arising from the Covid-19 scenario development options, the increased cost of the scheme may reduce the benefit:cost ratio for the project when measured in narrow quantitative terms.

7.6 However, the qualitative case for the reopening of the line and the revitalisation of the town centre has arguably been increased by the need for intervention to support economic recovery; the opportunity afforded to accelerate the ongoing restructuring of town centre uses in general; and, the government's commitment to 'build back better'. This combination of factors suggests there remains a clear case for the Maid Marian line to help support the future recovery and economic potential of Ashfield.

Birmingham
0121 713 1530
birmingham@lichfields.uk

Bristol
0117 403 1980
bristol@lichfields.uk

Cardiff
029 2043 5880
cardiff@lichfields.uk

Edinburgh
0131 285 0670
edinburgh@lichfields.uk

Leeds
0113 397 1397
leeds@lichfields.uk

London
020 7837 4477
london@lichfields.uk

Manchester
0161 837 6130
manchester@lichfields.uk

Newcastle
0191 261 5685
newcastle@lichfields.uk

Thames Valley
0118 334 1920
thamesvalley@lichfields.uk