



Board Meeting

Date	7 April 2017
Report title	UK Central Urban Growth Company Hub Growth & Infrastructure Delivery Plan
Cabinet Member Portfolio Lead	Councillor Bob Sleigh – WMCA Chair
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Report to be/has been considered by	HS2 Delivery Board on 22 February 2017 WMCA Programme Board on 24 March 2017

Recommendation(s) for action or decision:

The Combined Authority Board are recommended to:

1. Endorse the UGC UK Central Hub Growth & Infrastructure Delivery Plan.

1.0 Purpose

- 1.1 This purpose of this report is to seek formal endorsement of the WMCA for the proposals detailed in the UK Central Hub 'Growth & Infrastructure Plan' that has been prepared and submitted by the UK Central Urban Growth Company.
- 1.2 The report outlines the work undertaken in creating the Growth and Infrastructure Plan and how this work looks to support the wider growth aspirations of the WMCA.
- 1.3 The report also outlines some of the key changes within the project and the financial and funding implications that will need to be considered by the WMCA as the project is developed further.

2.0 Background

- 2.1 Following the approval of the Midlands HS2 Growth Strategy, which was approved by Business Enterprise Innovation and Skills and Department for Transport in April 2015, and the subsequent detailed work stream implementation plans, Solihull Metropolitan Borough Council created the Urban Growth Company (UGC) to deliver the next stage of the UKC Infrastructure programme – 'The UK Central Hub Growth and Infrastructure Delivery Plan'.
- 2.2 This plan has been drafted in collaboration with key land owners in the hub area, Jaguar Land Rover, NEC, Birmingham Airport and Arden Cross, who are creating their own masterplans & business plans currently, the known outcomes of which are contained in the Growth and Infrastructure Plan.
- 2.3 The high level Growth & Infrastructure Plan does not form part of the formal local planning process but will contribute to the evidence base for the Local Plan which is due for submission later in 2017. This Growth and Infrastructure Plan, therefore, seeks to support the Solihull local plan in making sure sufficient land is available to deliver the growth plans of the WMCA SEP, the HS2 Growth Strategy and the ambitions of the key businesses in the area.

3.0 Impact on the Delivery of the Strategic Transport Plan

- 3.1 The 'Growth and Infrastructure Plan' has been developed in collaboration with TfWM so will compliment and support the Strategic Transport Plan.

4.0 Wider WMCA Implications

- 4.1 Some of the key opportunities are identified within the Growth and Infrastructure Plan such as:
 - 4.1.1 The opportunity to link with the 'East Birmingham and North Solihull programme that is seeking to create growth and regeneration opportunities offered by creating direct links via metro between Birmingham, East Birmingham, North Solihull and the HS2 Interchange.
 - 4.1.2 The Growth and Infrastructure Plan and the developments proposed by the UGC could act as a centre of excellence for digital technologies and strategies envisage in the WMCA SEP.

4.1.3 Creating environmental opportunities linking up and enhancing key green areas across the broader geography.

4.2 The Growth and Infrastructure Plan also considers the development of additional skills opportunities through such an 'Advanced Manufacturing Campus' proposed and this could clearly link to facilities like NSCHR as well as other similar facilities across the WMCA and potentially wider afield.

4.3 There is also a potential for the wider expansions and development of the key supply chain opportunities for JLR and other large manufacturing organisations in the area with the delivery of not just the local growth and infrastructure plans, not only in the hub area but covering the whole WMCA geography.

5.0 Next Steps

5.1 UGC will be preparing a "Hub framework" document which provide technical evidence to support the plan and its submission as evidence to support the SMBC local plan. In addition UGC will be preparing an investment appraisal and Strategic Business case to seek to modify the station design contained in the Hs2 hybrid bill to seek a design and technical solution for the station and surrounding car parks which allows and enables growth, development and investment outlined in the Growth & infrastructure plan to take place.

6.0 Financial implications

6.1 The Growth and Infrastructure Plan is seeking to bring to together the wider aspirational growth plans covering the whole of the UKC Hub (not just the Arden Cross Site) and its key stakeholders, JLR, NEC, Arden Cross and the Airport. The Growth and Infrastructure Plan seeks to identify and capture likely infrastructure investment required to support, facilitate and enhance these growth opportunities. This has resulted in an updated assessment of infrastructure covering the requirements and needs of the private sector, Local Government and Central Government culminating in a new estimate of £1.621billion investment capital requirements. This compare with an earlier estimate of £1,36billion produced by UK Central prior to the formation and arrival of UGC and the development of the Growth and Infrastructure Plan.

The resulting changes are be categorised in a number of different areas, the most significant of which are -

- 1 Greater clarity on the geographical scope of the Hub area which is wider than envisaged previously.
- 2 Earlier estimates did not include provisions for the major utility upgrades that will be required.
- 3 The estimated costs of the Connecting Europe Facility (CEF) EU funded project at Birmingham International Station are now higher than the earlier project estimates compiled in 2015.

6.2 The Growth and Infrastructure Plan is NOT at this stage seeking any further funding from the WMCA. Initially alternative funding sources are being sought through a combination of private developers, investors, utility companies etc.

- 6.3 The Growth and Infrastructure Plan will be underpinned by a Value Capture Framework produced by UGC which seeks to set out a 'tool kit' of options that could be applied by the WMCA and Government to recover infrastructure investment cost from the private sector. The draft Value Capture Framework document is currently under review by WMCA and central government officers. If the approach is applied to UK Central Hub could provide an alternative method of funding the £1,621 billion infrastructure investment with less reliance on WMCA resources.
- 6.4 The Growth and Infrastructure Plan aligns with the WMCA growth plans and forms a strategic part of the WMCA and SMBC local plan and how best to meet those growth targets.
- 6.5 The endorsement of the Growth and Infrastructure Plan does not imply commitment to fund at this stage. Detailed business cases will need approval before further commitments can be made.

7.0 Legal implications

- 7.1 There are no immediate legal implications flowing from the contents of this report. The following should be noted
- That the HS2 Delivery Board formally endorsed this plan on February 22nd 2017.
 - Greater Birmingham and Solihull Local Enterprise Partnership is seeking to endorse this plan at their next formal Board meeting on March 31st 2017
 - UGC has formally submitted this plan to SMBC as part of the 'local plan' process

8.0 Equalities implications

- 8.1 No direct equality implications arising from this report. Individual schemes will need to be impact assessed for any equality implications

9.0 Other implications

- 9.1 As with all programme of this size and with such complexity, there are both inherent and residual risks. The key element in the mitigation of these risks is to ensure that effective steps and actions are taken though many of the risks are actually a key element of the opportunity.
- 9.2 Some of the key risks are as follows:
- 9.2.1 The airport masterplan is looking at the possibility of constructing a new terminal integrated with the proposed HS2 station. This is set out as an option in the plan. This will have potentially significant impacts across a number of elements of the overall programme and is currently being managed proactively by UGC.
- 9.2.2 We must also accept that there is also a risk around the timing and scope of approval through the Solihull Local Plan. Local planning processes are known nationally to be challenging to deliver on a timely basis.
- 9.2.3 Similarly consideration must be given to the risk associated with the utilities diversions and any timetables that would need to be coordinated to ensure that all works ran concurrently and in line with programme plans.

- 9.2.4 There are obvious risks around the wider network resilience which are being managed currently by TfWM though it has been accepted that the UGC need to play a more direct role in this work going forward and as plans start to become more developed.
- 9.2.5 There are also risks that both the environmental mitigation and the social infrastructure do not deliver the wider benefits or offset the environmental impact. This will be managed through the individual plans but a strategic oversight will need to be maintained so as to ensure that these opportunities are maximised.

10.0 Appendices

Please click onto the link below to access the UK Central Growth & Infrastructure Plan

<https://arup.sharefile.com/d-s25aaa02713f451e8>