

- ii) seek full project funding

2. Decision(s) Recommended

2.1 Cabinet is recommended to:

- (a) Agree that the Birmingham International Station Integrated Transport Hub Reference Design and Outline Business Case is taken forward to the next stage of scheme development;
- (b) Approve the submission of the BHI Integrated Transport Hub Outline Business Case to WMCA to seek funding to develop the Full Business Case;
- (c) Approve the submission of the BHI Integrated Transport Hub Outline Business Case to Government and GBSLEP to seek funding for the delivery of the full scheme.

3. Background

3.1 Mott MacDonald & Grimshaw Architects have undertaken an 18 month feasibility study into the development of an integrated transport hub at Birmingham International Station including production of the Outline Business Case. This is in line with the UK Central Project Management Framework, Gateway 2.

3.2 The objectives of the study are to:

- i) Identify an optimal solution to enable the delivery of a Multi-Modal (High Speed Rail / Bus / Metro / Rail / Air / Private Vehicle / Taxi / Active Modes) Transport Interchange Hub at Birmingham International Station connecting to the proposed HS2 Interchange Station, the NEC and Birmingham Airport;
- ii) Promote the seamless, sustainable, resilient transport connections between and to the HS2 Interchange Station, Birmingham International Station and Birmingham Airport; and
- iii) Support economic growth in the UK Central Hub by accelerating the delivery of development in the area, helping to attract new businesses and employment opportunities, which will in turn support the economy of Solihull and the wider West Midlands.

3.3 Managed by Urban Growth Company (UGC) on behalf of Solihull Council, the study has been developed in partnership with key stakeholders TfWM, Network Rail, HS2, Birmingham Airport, NEC Group, Birmingham City Council and Virgin Trains.

3.4 The study has been 50% funded from a €875k grant awarded by the European Union Connecting Europe Facility (CEF), with balance of funding provided by WMCA, Birmingham Airport and NEC Group.

3.5 The Reference Design was completed in March 2017 and was endorsed by the Project Board (the UK Central Hub Infrastructure Coordination Board - ICB) on 5th May 2017 and presented to a Joint Cabinet Member briefing on 16th May 2017.

3.6 A compelling Outline Business Case has been produced, aligned to the UK Central Hub Growth & Infrastructure Plan (HG&IP) and Hub Development Framework (HDF). The Outline Business Case was endorsed by the ICB on 3rd November 2017.

3.7 The UK Central Programme Board endorsed the BHI Integrated Transport Hub Reference Design and Outline Business Case on 2nd November 2017.

3.8 Key Headlines

- (a) The existing station is capacity constrained and provides poor quality of environment to the customer.
- (b) Passenger numbers are forecast to triple by 2036; based on current figures BHI would become one of the top twelve busiest stations outside London.
- (c) This will be a major barrier to sustainable economic growth for UK Central Hub and the wider West Midlands
- (d) The remodelling of the station offers the opportunity for a striking architectural design creating an iconic gateway to the region
- (e) The proposals provide full integration of public transport and active travel modes with intuitive way finding
- (f) The estimated cost of the project is £286.1m including risk
- (g) The aim is to open by December 2025, a year in advance of HS2
- (h) The project has strong national, regional and local strategic alignment delivering significant operational, social, economic and environmental benefits.
- (i) The Benefit Cost Ratio (BCR) for the project is calculated to be
 - 3.01 'High VfM' – committed development only (DfT WebTAG compliant)
 - 4.19 'Very High VfM' – UKC Hub Growth & Infrastructure Plan Scenario
 - 4.59 'Very High VfM' – Additional Development Scenario (Hub Development Framework)
- (j) The Wider Economic Benefits from delivering the project are estimated to be 2,500 FTE jobs and £145m GVA

Funding & Finance

3.9 The estimated cost profile for the project is set out below.

Year	Expenditure	Main Activity
2018	£2,317,051	Design Development / Procurement
2019	£2,317,051	Planning / Design Development
2020	£4,634,102	Full Business Case / Detailed Design
2021	£25,304,942	Detailed Design / Enabling Works
2022	£45,053,858	Hub Construction
2023	£45,053,858	Hub Construction
2024	£68,890,589	Station Remodelling
2025	£80,708,935	Station Remodelling / HS2 APM
Dec 2025	BHI Integrated Transport Hub Open	
2026	£11,566,892	Re-alignment of Air Rail Link
2027	£251,454	Final Completion
Total	£286,098,732*	

* @ Q4 2016 Prices; £298.2m including Optimism Bias

- 3.10 Subject to business case approval funding has been secured from:
- i) HS2 Connectivity Package - £50m
 - ii) WMCA Investment Programme - £29.3m (towards HS2 APM single stop)
- 3.11 The scheme has been identified as a 'Category A' GBS LEP priority following appraisal of Solihull's Expression of Interest submitted for Local Growth Funding. The next step will be to submit the Outline Business Case to GBS LEP for approval.
- 3.12 The scale of work required to Birmingham International Station to address the projected capacity issues - new and improved vertical circulation, enhanced platform environment and extended concourse, makes a strong case for a significant rail investment. It is proposed to make the case for Government / DfT investment first with the balance sought from WMCA / local funding sources supported by value capture mechanisms.

Delivery

- 3.13 Birmingham International Station Integrated Transport Hub forms part of the Council's Growth & Development Investment Plan. Development of the project is being managed by the UGC on behalf of Solihull Council, reporting to the UK Central Programme Board.
- 3.14 A risk based assessment of procurement and delivery options will inform recommendations for governance arrangements for the implementation phase of the project.
- 3.15 The next steps for the project are to:
- (a) Submit the Outline Business Case to Government, WMCA and GBSLEP
 - (b) Finalise the Funding Strategy in partnership with DfT, Network Rail, WMCA/TfWM & Midlands Connect
 - (c) Develop the Procurement & Delivery Strategy, including confirmation of governance arrangements and owner / operator.
- 3.16 It will also be necessary to:
- (a) Continue to manage project interfaces
 - (b) Agree the HS2 APM Change Request with HS2
 - (c) Draft the necessary development agreements with Network Rail, Birmingham Airport and BCC
 - (d) Undertake the next stage of project design and development through to submission of Full Business Case and UK Central Project Management Framework Gateway 3.

4. Evaluation of Alternative Option(s)

- 4.1 A comprehensive option identification, sifting, selection and detailed appraisal process has been undertaken in partnership with the key stakeholders to identify the preferred solution for BHI Integrated Transport Hub. From an initial long list of 300 options, 25 were sifted for evaluation against strategic / benefits / deliverability criteria. Three options were then selected for detailed appraisal to identify the preferred option to take forward into outline design.
- 4.2 Details of the option selection process are recorded in the Outline Business Case.

5. Reasons for Recommending Preferred Option

- 5.1 The Outline Business Case sets out the evidence in favour of developing the Birmingham International Hub.
- 5.2 The proposal strongly aligns strategic policies at a local, regional and national level, as well as delivering enhancements on an internationally via the EU Trans-European Transport Network (TEN-T) and the airport.
- 5.3 The project addresses multiple issues, such as poor connectivity, lack of capacity and improving access to employment from areas of high unemployment.
- 5.4 It enables UK Central Hub to realise its full potential as a readily accessible development zone that connects to both the expanding airport and the forthcoming HS2 line. By enabling the UK Central Hub's growth, the scheme is forecast to unlock up to £144.8m of GVA per annum once all benefits are fully realised.
- 5.5 Journey time savings brought about by improved public transport connectivity and enhanced interchange facilities that will ensure the scheme delivers high value for money.
- 5.6 The scheme costs are considered to be appropriate for this scale of project and have been adjusted for risk and project uncertainty.
- 5.7 The Outline Business Case for the Birmingham International Integrated Transport Hub project sets out a clear rationale for investment, providing evidence that the project will -
- Address the key issues raised at Birmingham International Station and encourage economic growth in the UKC Hub.
 - Provide value for money in terms of the benefits that the project will bring to the UKC Hub area.
 - Provide an effective solution that will maximise the benefits of HS2 for the West Midlands.
 - Be delivered effectively and efficiently.

6. Scrutiny

- 6.1 Birmingham International Station Integrated Transport Hub proposals have not been before Scrutiny. However, regular updates have been made to the Scrutiny Boards on the whole UK Central Programme and governance.

7. Implications

7.1 Delivery of the Council's Priorities

The Birmingham International Station Integrated Transport Hub is a key component within a UK Central Hub Growth & Infrastructure Plan supporting delivery of the UK Central Vision. The project is fundamental to the Council's Managed Growth Priority and successful delivery of the Key Programme 'Delivering the Growth and Sustainability Development Strategy for the Borough'.

7.2 Policy/Strategy Implications

The proposal strongly aligns with strategic policies at a local, regional, national and international level –

International / National Policy

- EU - Trans-European Transport Network
- Transport: An Engine for Growth,
- The Future of Transport - A Network for 2030

Regional Policy

- WMCA: Movement for Growth & Strategic Economic Plan
- Midlands Connect
- GBSLEP: Strategic Economic Plan & HS2 Growth Strategy
- Network Rail: West Midlands and Chilterns Route Study

Local Policy

- SMBC Local Plan & M42 Gateway Masterplan
- Solihull Connected: Transport Strategy
- UKC Hub – Growth & Infrastructure Plan
- BHX: Airport Master Plan & Surface Access Strategy

7.3 Meeting the duty to involve

A comprehensive stakeholder management plan has been established and key stakeholders have been engaged directly in development the scheme.

7.4 Financial Implications

The total cost of the project inclusive of risk is estimated at £286,098,732 based on 2016 prices (£298.2m including Optimism Bias). Outline Business Case approval is to be sought from the WMCA to release funds for the next stage of scheme development through to submission of the Final Business Case (2018-2020 circa £9.27m). Project costs will be closely monitored and controlled through UGC / UK Central Project Management Framework processes and reported through UK Central Programme Board / WMCA Governance for approval.

7.5 Legal implications

There are no direct legal implications in respect of the decisions sought. However, there will be a range of legal implications in terms of land ownership and funding mechanisms that will need to be resolved through development of the scheme.

7.6 Risk Implications

In line with Network Rail GRIP processes, a comprehensive approach to risk management has been employed through all stages of the study. A Quantified Cost Risk Assessment (QCRA) has been undertaken and an appropriate level of risk allowance has been included within the cost estimate.

The UK Central Programme Board will monitor spend of the project and will determine any corrective action that is required to manage or mitigate any shortfall or overspend.

7.7 Statutory Equality Duty

In developing Birmingham International Station Integrated Transport Hub the Council will ensure that 'due regard' under our Statutory Equality Duty is taken account of.

7.8 Carbon Management / Environment

An environmental appraisal has been undertaken on the proposed Birmingham International Integrated Transport Hub project.

The project will benefit the area in relation to improvements in the quality of the local landscape, with opportunities for landscape design features through masterplanning of the new public realm. An extension to the green infrastructure network is recommended as well as the creation of attractive streets and public spaces with:

- tree planting;
- pedestrian circulation;
- direct fast walking routes;
- high quality architecture;
- an increased sense of place – an iconic gateway for UK Central

A separate assessment of greenhouse gas emissions has taken place, specifically considering carbon emissions. The assessment has concluded that due to the expected modal shift from car to rail, a reduction in carbon emissions equating to 84,390 tonnes over a 60-year appraisal period is expected.

The scheme has been designed to best practice low carbon / sustainable design principals. Initial indications suggest the scheme could achieve a potential BREEAM rating of 'EXCELLENT'.

7.9 Partner Organisations

The scheme has been developed in partnership with TfWM (co-sponsor), Network Rail, Birmingham Airport, NEC Group and Birmingham City Council. HS2 and Virgin Trains as key stakeholders have been heavily engaged throughout.

7.10 Safeguarding/Corporate Parenting Implications

None specifically in respect of this report.

7.11 Customer Impact

The scheme has been designed and phased so as to minimise disruption to customers and the ongoing operations of Network Rail, Birmingham Airport and the NEC. Effective planning, coordination and communication will be critical to ensuring disruption is kept to a minimum during the construction phase of the project.

7.12 Other implications

No other implications identified.

8. List of Appendices Referred to

8.1 None

9. Background Papers Used to Compile this Report

- 9.1 Birmingham International Station Integrated (TEN-T) Transport Hub Study - Stage 3 Architectural Report, 23rd June 2017
- 9.2 Birmingham International Station Integrated (TEN-T) Transport Hub Study - Reference Design Report, 10th July 2017

- 9.3 Birmingham International Station Integrated (TEN-T) Transport Hub Study - Stage 3 MEP Report, 31st March 2017
- 9.4 Birmingham International Station Integrated (TEN-T) Transport Hub Study - Stage 3 Feasibility Outcome Environmental Report, 31st March 2017
- 9.5 Birmingham International Station Integrated (TEN-T) Transport Hub Study – Outline Business Case, September 2017

10. List of Other Relevant Documents

- 10.1 UK Central Hub Growth & Infrastructure Plan Issue 2, 16th October 2017