

Birmingham Eastside Extension

Transport and Works Act 1992

The Transport and Works
(Applications and Objections Procedure)
(England and Wales) Rules 2006

Funding Statement



WEST MIDLANDS
COMBINED AUTHORITY

Transport and Works Act 1992

Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006 – Rule 10(3)(a)

The Midland Metro (Birmingham Eastside Extension) Order

FUNDING STATEMENT

1. The Birmingham City Centre Eastside Extension (BEE) scheme is estimated to cost £120.8 million in 2016 prices, which includes a contingency for risks, including blight (a breakdown of cost can be found in the “Estimate of Cost”). The outturn cost, which adds forecast inflation to this figure, is estimated to be £137.2 million, and represents the amount that will need to be funded. This assumes construction of the Birmingham City Centre Eastside Extension is completed by September 2022.
2. The BEE is proposed to be funded from the following sources:-
 - Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Local Growth Funding
 - Central Government Grant
3. The funding of the BEE is shown in Table 1 below.

Table 1

	Prep/Adv	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Estimated Capital Cost (QCE)	2.0	2.2	3.5	21.2	41.0	31.9	27.9	7.5	137.2
Funded By:									0.0
GBSLTB £5.5m	2.0	2.2	1.3						5.5
DfT £35m			2.2	21.2	11.6				35.0
DfT Funding					29.4	31.9	27.9	7.5	96.7
Total	2.0	2.2	3.5	21.2	41.0	31.9	27.9	7.5	137.2

GBSLEP Growth Deal Funding and Central Government Grants

4. In the GBSLEP Growth Deal announcement on 7 July 2014 the Government placed great importance on maximising the benefits of HS2.
5. The Growth Deal noted that HS2 is a game-changing opportunity for the Greater Birmingham and Solihull area, with two stations in Phase One: Birmingham Curzon in Birmingham city centre, and the Interchange in Solihull, adjacent to the NEC and Airport within the Hub of UK Central.

6. To ensure that the GBSLEP can maximise the local economic benefits before and after the arrival of HS2, the Deal:
 - “Set out a new way of working between GBSLEP and Government, with strong commitments on both sides, to ensure that the area is able to exploit the potential of HS2 and maximise the benefits in terms of investment, jobs and skills; and
 - Provided a package of investment in a range of HS2-related projects that will significantly enhance connectivity to the Birmingham Curzon station and support extended provision of construction skills, noting that the overall package - including four schemes prioritised by the GBSLTB to be funded from the pre-allocation of the Local Growth Fund - would enable Greater Birmingham and Solihull to start getting ready now for the arrival of HS2, and support improved access to jobs and economic growth in the period up to its arrival in 2026.”
7. In terms of specific commitments by Government to the BEE, Government committed to:
 - “£5.5m for development and preparatory works (funded from GBSLEP), and
 - Provisional allocation of £35m from 2016/17 to help deliver the first phase extension from Stephenson Street to Curzon Street Eastside (Funded by the Department for Transport as part of its nationally managed large local major schemes portfolio).”
8. Full funding for the scheme was announced by the Chancellor of the Exchequer as part of the West Midlands Combined Authority devolution package on 17 November 2015.
9. On 27 June 2016 the Department for Communities and Local Government confirmed, further to the West Midlands Combined Authority devolution agreement, a maximum capped additional funding contribution of up to £96.7 million towards the total scheme cost will be made available through the Department of Transport.

Blight Expenditure

10. Blight expenditure is not anticipated to arise as a consequence of this application, however any such costs will be met from contingency provisions made in the Estimate of Cost.