

Birmingham Eastside Extension

APP/P1.1

Transport and Works Act 1992

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

APP/P1.1 Peter Adams Scheme Overview Main Proof of Evidence



WEST MIDLANDS
COMBINED AUTHORITY

PROOF OF EVIDENCE

Peter Adams

Scheme Overview

TRANSPORT AND WORKS ACT 1992

*MIDLAND METRO (BIRMINGHAM EASTSIDE EXTENSION) ORDER
INQUIRY*

November 2017

1 Introduction

Qualifications and Experience

- 1.2 My name is Peter David Adams. I am Head of Metro Development for West Midlands Combined Authority (WMCA).
- 1.3 I am a Chartered Engineer, being a Member of the Institution of Civil Engineers and of the Chartered Institution of Highways and Transportation. I obtained a BSc (Hons) in Civil Engineering (1st Class) from the University of Birmingham and since graduating in 1980 have worked for Leicestershire County Council, Ove Arup and Partners and the Highways Agency before joining Centro in 2002.
- 1.4 I have managed the development and implementation of Midland Metro extensions since 2004. I was responsible for the delivery of business cases securing funding from the Department for Transport in 2012 for the recently completed Birmingham City Centre Extension (BCCE) and Fleet Replacement Programme, and for the subsequent tender process and award of contracts for infrastructure and new trams. I have been responsible for the bidding and Transport and Works Act Order (TWAO) submission processes for the Centenary Square, Edgbaston and Wolverhampton City Centre extensions.
- 1.5 I have also been responsible for the bidding processes securing funding for the Birmingham Eastside Extension project (BEE).
- 1.6 I lead WMCA's Metro Development Team which is engaged in the development of a number of Midland Metro extension projects in Birmingham and the Black Country, including the BEE, and have overseen the processes leading up to this Public Inquiry.
- 1.7 I am also a member of the Management Team of the Midland Metro Alliance, and in the role of Development Director share the strategic leadership of the Alliance.

Scope of Evidence

- 1.8 My evidence covers the strategic context of the project, the existing Midland Metro tram network, Eastside's existing transport facilities, the evolution and development of the project, a description of the proposals, the benefits of the project, how it will be funded and delivered, the strategic support for the project, the strategic, financial, commercial and management case elements of the business case and WMCA's response to objectors to the Order.

1.9 I deal in my evidence with the following matters in the Statement of Matters issued by the Secretary of State for Transport, being the matters about which the Secretary of State particularly wishes to be informed for the purposes of his consideration of these applications [INQ/3]:-

- 1 - Aims and Need for the Scheme,
- 2 - Alternatives,
- 7(a) – Compelling Case for Compulsory Acquisition, and
- 9 – Funding

1.10 I also deal with the Commercial, Management and Financial Cases of the project Business Case.

Witness Declaration

1.11 The evidence I shall give is true, given in good faith and represents my professional opinion regarding the merits of the Order proposal and I have carried out my assessment in accordance with the Code of Professional Conduct of the Institution of Civil Engineers.

2 Strategic Context

2.1 The BEE is entirely in line with National, Regional and Local Policies. My colleague Mr Paul Ellingham sets out in his Proof of Evidence [APP/P6.1] a fully detailed review of how the scheme fits with policy. However, the BEE is compliant with the policies of the following:-

- The National Planning Policy Framework [BEE/E1]
- National Planning Practice Guidance [BEE/E2.1-2.3]
- The West Midlands Local Transport Plan 2011-2026 (LTP3) [BEE/E10]
- Towards a World Class Integrated Transport Network (2013) [BEE/E11]
- BEE E14 Movement For Growth The West Midlands Strategic Transport Plan (2016) [BEE/E11]
- The Birmingham Development Plan [BEE/E3]

2.2 Policy TP41 of the Birmingham Development Plan in particular supports the BEE as it relates to Midland Metro and bus rapid transit. It states that the development and extension of Metro/bus rapid transit to facilitate improvement / enhancement in the public transport offer on key corridors and to facilitate access to development and employment will be supported. In particular it supports “an extension of the Midland Metro network to Eastside via the HS2 Curzon Street Station”, the BEE.

2.3 In September 2017, the WMCA approved the 2026 Delivery Plan for Transport [BEE/E26]. This includes delivery of the BEE by 2022/3.

3 The Existing Tram System and Eastside's Public Transport Provision

- 3.1 WMCA promotes and develops public transport across the West Midlands. Its aim is to transform public transport so that the people of the West Midlands have a world class public transport system.
- 3.2 WMCA invests in a number of activities designed to improve and enhance the regional transport structure, providing safe and secure travel, working towards a fully integrated public transport system and planning for the future.
- 3.3 WMCA is responsible for promoting and developing Midland Metro, which it owns but does not operate. The system is operated by National Express Midland Metro (NXMM) under a Concession Contract which runs until October 2018. As I explain in paragraph 7.51 of this Proof of Evidence, the operation and maintenance of the network will be brought in house after the NXMM contract ends.
- 3.4 The Midland Metro Line 1 ("Line 1") tramway opened in 1999 and operates mainly on former rail formation between Wolverhampton City Centre and Snow Hill Station in Birmingham City Centre. It also serves the town centres of West Bromwich, Wednesbury and Bilston. On opening it was 20.4 kilometres long, had 23 stops and offered 538 spaces for Park & Ride distributed between four locations along the route.
- 3.5 Prior to the beginning of the recent phase of network expansion annual patronage levels on Line 1 were over 5 million. This demonstrated the attractiveness of the initial Metro system and the significant role Midland Metro plays as part of the wider public transport network. However a comparison with other UK tram systems identified Midland Metro's initial lack of city centre on street penetration, particularly into the centre of Birmingham, and its limited fleet and vehicle size as two factors which constrained the original system.
- 3.6 WMCA (and its predecessor Centro) has been seeking for a number of years to overcome these constraints, reviewed options to do so, developed them, considered alternatives, and sought and obtained the necessary statutory powers for two extensions, one from Wednesbury to Brierley Hill and the other into Birmingham City Centre, the Birmingham City Centre Extension (BCCE), both of which obtained TWAO powers in 2005. On 29 October 2009 Centro submitted an Outline Business Case to the Department for Transport for the "BCCE and Fleet Refurbishment Programme". This Business Case promoted a scheme for the first phase of the extension in Birmingham using the 2005 TWAO powers, to extend the existing Midland Metro Line

- 1 from Snow Hill through Birmingham City Centre to the redeveloped New Street Station. In addition the scheme included a new fleet of trams to operate enhanced service frequencies on the existing system from those currently in operation and an associated extension to the depot at Wednesbury.
- 3.7 Conditional Approval of the Business Case was granted on 4 February 2011 and on 17 February 2012 the Department gave full funding approval allowing contracts to be placed and work to commence.
- 3.8 The BCCE and Fleet Refurbishment Programme was completed in 2016. New trams went into service on Midland Metro Line 1 on 5 September 2014, the extension to Wednesbury depot was completed in November 2014 and works to construct the tramway in Bull Street, Corporation Street and Stephenson Street were opened in stages, to Bull Street in December 2015 and to Stephenson Street in May 2016.
- 3.9 These enhancements provided a 40% increase in capacity on Line 1 through the new fleet of trams and brought Metro onto the streets of Birmingham city centre to the main access to the newly refurbished New Street Station. This has resulted in a significant rise in patronage, with the latest year on year ridership increasing to over 7.5 million passengers in the first year of full operation of the extension. A Metro User Profile survey is undertaken regularly by WMCA to review travel trends and provide data for service planning. The Executive Summary of the analysis of the May 2017 Metro User Profile Survey is included as my Appendix 1. This showed that an increased proportion of respondents had a car available for the Metro journey they were making; 25% (1.875 million per annum) stated that a car was always available to them and a further 24% (1.800 million per annum) that one was available sometimes. It is therefore estimated that currently over 2 million car journeys are taken off the West Midlands road network each year by Midland Metro operation.
- 3.10 Funding was subsequently allocated from the Birmingham City Centre Enterprise Zone Investment Plan and the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) to deliver the next stage of the works authorised by the 2005 BCCE Order, from Stephenson Street to Centenary Square. Advanced utility diversions are now completed on this project and the main works commenced in June 2016.
- 3.11 In the Growth Deal announcement on 7 July 2014 [BEE/E30] the Government allocated provisional funding to GBSLEP to extend Metro from Centenary Square along Broad Street to Hagley Road, Edgbaston, just to the west of Five Ways,

terminating outside the office block at No 54 Hagley Road (“the Edgbaston Extension”), the third phase of the works authorised by the 2005 BCCE Order. This will enable the use of the full extent of the powers granted in the works authorised by the 2005 BCCE Order. The Department subsequently announced full funding approval for this project on 1 September 2017 and it is planned to be in public service by 2021. The extension from Stephenson Street via Centenary Square to Edgbaston is forecast to increase annual network patronage to 12.7 million in 2021.

- 3.12 In addition to the funding for the Edgbaston Extension, the Growth Deal included funding for a further extension from Stephenson Street to Eastside serving the proposed HS2 Curzon Street Station and onwards through Digbeth. This “Eastside Extension”, which is the subject of this Inquiry is planned to be opened to service in 2022/3.
- 3.13 Funding is also in place for a further extension within Wolverhampton City Centre for which TWAO powers were obtained in 2016, taking the tram to a fully multi-modal interchange between bus, coach, rail and tram. Advanced works are in progress on this extension and main works are planned to commence in June 2018 with opening to service planned for mid-2020.
- 3.14 Occupancy at the four park and ride sites on Line 1 is over 99% on weekdays. Responding to these high levels of car park occupancy WMCA has obtained planning permission for a new 196 space park and ride site at the Bradley Lane stop which is planned to be open in spring 2019.
- 3.15 In November 2015 the Government announced the West Midlands Combined Authority Devolution Deal [BEE/D21] which confirmed its support for the work of the West Midlands Combined Authority to develop a delivery plan, encompassing the Metro extensions from Curzon to Interchange and from Brierley Hill, in order to realise the full benefits of HS2.
- 3.16 The extension to Brierley Hill also has Transport and Works Act Order powers granted in 2005. It is 11 km long with 7km along the former South Staffordshire Railway with the remainder running on street in Dudley Town Centre, Merry Hill and Brierley Hill. The scheme will provide up to 17 stops and will integrate with the new Dudley Bus Station and proposed Canal Street station. This extension is planned to open to public service in 2023.

- 3.17 Planned to open by 2026 and having 26 new tram stops the 16.5km East Birmingham to Solihull Extension (EBSE) will link growing residential areas and key community destinations such as St Andrews, Bordesley Green, Heartlands Hospital and Meadway with existing and new growth areas including Curzon HS2, Birmingham City Centre office and retail districts, Paradise Circus/Arena Central developments and Brindleyplace/Five Ways/Edgbaston to the west, and the NEC/Airport UK Central and HS2 Interchange Station to the east. This extension of the Midland Metro is planned to continue from the BEE terminus in Digbeth through east Birmingham and into Solihull and will play a key role in delivering the full potential for growth and jobs of HS2, providing transformational benefits to areas with a persistent and high incidence of multiple deprivation by giving people access to jobs and services, linked to the GBSLEP training and skills agenda.
- 3.18 The EBSE project is much more than a transport project. By aligning initiatives promoted by a wide local partnership in Education, Health, Employment, Housing and Education it seeks to transform the East Birmingham and North Solihull areas, breaking the people of this area out of the past and present embedded high levels of incidence of multiple deprivation. The Metro scheme is the key backbone for this transformation, not only providing local jobs in design and construction through the Midland Metro Alliance, but by linking people to major current centres for employment and the future jobs and growth hubs in the Birmingham City Centre Enterprise Zone and UK Central, and by providing a stimulus to development along the corridor.

Eastside's Transport Provision

- 3.19 This area of East Birmingham has poor public transport provision, with poor penetration of the area by existing bus services. As may be seen from the map included as my Exhibit 1, the very large geographical area bounded by Jennens Road, Cardigan Street and Duddeston Mill Road in the north, Moor Street Queensway in the west, High Street Deritend, Coventry Road and Green Lane in the south and Ash Road, Bordesley Green Road and Victoria Street in the east, an area of approximately 250 Hectares is served only on its periphery, save for the 97 bus route serving Bordesley Green which runs through the area along Great Barr Street and Garrison Lane.
- 3.20 This large area is also only peripherally served by rail, with rail stations at Moor Street, Duddeston and Adderley Park providing access to national and local rail services, although local services at Duddeston and Adderley Park are infrequent.

- 3.21 This lack of penetration of the Eastside area by bus and rail leaves residents and workers little option but to use private car and taxi, or cycle or walk to and from the area.
- 3.22 The Digbeth Coach Station is well-located to connect with local bus services using High Street Deritend, however these provide only east-west links and their connections with New Street station are poor for those with heavy luggage, and signage for the walking route is poor.

Existing Conditions

- 3.23 There is a perceptible air of neglect and dereliction in the area with a large number of opportunity sites not being used to their full potential, a number of sites being used for ad-hoc surface parking, storage uses and builders merchants, with some limited areas of growth and regeneration, such as around the Custard Factory and Millennium Point, close to the area's boundaries. This is reflected in the Land Use Chapter of the Environmental Statement [BEE/A13-1] which notes in relation to Work 2 at paragraph 7.3.5 that "Surrounding land uses contained within this Work currently include commercial and retail uses along New Canal Street and Meriden Street. Some of the buildings along New Canal Street are currently vacant and derelict with area being predominantly used for car parking. Additional uses include assembly and leisure with Digbeth Hall as well as storage and distribution uses. A large vacant building (previously City and South College), currently sits at the junction of Meriden Street and Deritend High Street." This can also be perceived from the Land Use Plans in the Technical Appendix J [BEE/A16-3]. Improved connectivity would help to overcome this deficiency.
- 3.24 The arrival of HS2 will enhance the growth potential of the City Centre with Birmingham Curzon station at the heart of the City Centre Core's expansion into the Eastside Area of Transformation and the Digbeth creative quarter as envisaged in Birmingham City Council's HS2 Curzon Masterplan for Growth [BEE/E19].
- 3.25 The eastern fringe of the City Centre Core will be revitalised by the arrival of Birmingham Curzon at Moor Street with opportunities for repositioning the retail offer and expanding the City's office district. In Eastside, the ongoing regeneration of the area is planned to expand with well-designed mixed use developments to include office, technology, learning, leisure and residential uses around the new Eastside City Park and canals.

- 3.26 Digbeth is home to some thriving creative and cultural enterprises and therefore provides opportunities for a high quality, exciting and easily accessible environment that is integrated with the new station.
- 3.27 The introduction of a high speed rail link to Birmingham, with a central HS2 station at Curzon Street and the proposed development of Eastside and Digbeth will stimulate new travel demand for the area, a trend that is set to increase in the future.
- 3.28 To realise the full potential for future economic growth within these areas, high quality public transport services providing connections between Eastside, the proposed Curzon Street Station, Birmingham City Centre, and the surrounding area are required. As buses terminate in the vicinity of Moor Street Queensway and the “Birmingham City Centre Interchange”, the current public transport network does not achieve this. Additionally, the current network does not provide a cross-city link to and from Digbeth or to the significant population centres north of Birmingham and in the Black Country.
- 3.29 Access to this area for commuters, tourists, leisure travellers and business travellers is therefore currently restricted, as may be seen from the significant journey times to and from the area that I show in Table 6.1 at paragraph 6.4. This poor connectivity creates an obstacle to the success of the cultural, commercial and social facilities on offer.
- 3.30 The existing poor connectivity between Eastside and the rest of the city centre, including the key strategic rail interchanges is a barrier to growth, as without improved transport, these areas will remain isolated and remote from the main core area, and the opportunity for growth that will be generated by the coming of HS2 into the Eastside area of Birmingham City Centre will not be maximised. The BEE will address these deficiencies, creating a legible, easily accessible, high quality transport link across Birmingham city centre and to the Black Country. This is illustrated on my Exhibit 2.
- 3.31 To meet the challenges of supporting and facilitating economic and population growth, while minimising transports negative impacts on the environment WMCA's Strategic Transport Plan [BEE/E14] sets out a vision and strategy for the development of the West Midlands transport system and identifies a need to improve national and regional transport links to boost the West Midlands' economy, links across the Metropolitan Area to provide better access to jobs, leisure and services and links within local communities to reduce the reliance for short distance trips.

- 3.32 The Strategic Transport Plan [BEE/E14] identifies the need to invest in infrastructure to achieve its objectives and in particular, the need for a high quality metropolitan public transport network. Midland Metro is recognised as a key aspect of an integrated rapid transit network. BEE will be an integral part of the Midland Metro network. BEE will improve public transport connectivity to an area of the city not currently well served by public transport, enhance interchange opportunities with bus and provide better links to Birmingham Coach Station.
- 3.33 Buses accessing the city centre from the south and south east side of the city will be provided with access to Metro enabling easier access to destinations (new and existing) along the Metro network including Wolverhampton, West Bromwich etc., as well as to the western edge of the city centre via the Edgbaston Extension.
- 3.34 As well as extending the geographic scope of Midland Metro, the BEE will also provide a platform for further expansion of the network to East Birmingham as envisaged in the West Midlands Devolution Agreement [BEE/D21], the EBSE.

4 Evolution of the Scheme

- 4.1 The Report Summarising Consultation Undertaken [BEE/A10] sets out the extensive public consultation undertaken on the BEE. The Environmental Statement Technical Appendix C Route Options Report [BEE/A13/2] sets out the detail of the option development and consultation process and is summarised below. My colleague Mr Eddie Mellor gives further detail on the option development process in his Proof of Evidence [APP/P4.1].
- 4.2 Route options for the section from Bull Street to New Canal Street were consulted upon in February 2014 and options for the length between New Canal Street to Adderley Street were consulted upon in October 2014. For both exercises, Centro published a brochure, provided a questionnaire to give people the opportunity to offer feedback, held staffed public exhibitions, met with particular stakeholders as identified and published details on Centro's website. The outcome of the consultations was a key factor in the choice of route options.
- 4.3 It is worthy of note that several of the scheme objectors were consulted within these exercises, including Hotel LaTour, Martineau Galleries, the Gooch Estate and National Express Bus.
- 4.4 During the subsequent stages of scheme development WMCA continued to consult with stakeholders and these discussions resulted in significant amendments to the scheme in response to the views of stakeholders, as set out in section 3 of the Report Summarising Consultation Undertaken [BEE/A10], including the relocation of the Albert Street stop, amendments to the proposed road and tramway alignment adjacent to Hotel LaTour and the provision of a tram stop in Meriden Street.
- 4.5 In addition, Centro undertook a specific consultation for the proposed TWAO application from April to June 2016, as detailed in section 4 of the Report Summarising Consultation Undertaken [BEE/A10].
- 4.6 The route has been the subject of significant consultation and refinement in response to the views received, especially in relation to many of the objectors to the Order.
- 4.7 The alignment under the HS2 station was reviewed jointly by HS2 Ltd, Birmingham City Council and Centro in autumn 2015, and an agreed alignment reported to the HS2 Growth Board on 5 February 2016 [BEE/C5]. This fixed the tramway alignment as crossing under the proposed HS2 station at right angles to the station and therefore to the west of the existing alignment of New Canal Street.

Alternatives

- 4.8 The WMCA Statement of Case [BEE/F2], in Section 6.14 onwards, sets out the alternatives to BEE considered in terms of alternative modes and alternative route options. A robust and thorough consideration has been given to alternatives in the scheme development, as set out in the City Centre Extension and Fleet Development paper [BEE/C4].

5 The Scheme Proposals

The Objectives of the Scheme

- 5.1 The BEE has been developed to address the deficiencies in the Eastside public transport offer which I have described in section 3 of this Proof of Evidence and to meet the need for the scheme set out in section 6. The objectives of the BEE are set out in the Concise Statement of Aims [BEE/A3] which accompanied the application. These objectives are described below.

Provide Access to International Gateways and HS2.

- 5.2 The BEE will connect HS2 Curzon Street station with the wider Birmingham City Centre area and the Black Country by linking to the expanding Midland Metro network as well as maximising interchange opportunities with the existing railway stations at New Street and Snow Hill. It will also provide for future Midland Metro connections to East Birmingham, linking to Birmingham Airport, Birmingham International and the HS2 Birmingham Interchange.

- 5.3 In addition it will provide wider access to international Gateways and HS2 by creating linkages to the local bus network, both through the bus interchange adjacent to HS2 and the Albert Street tram stop.

Provide Economic Benefits and Improve Business Efficiency and Interactions.

- 5.4 The BEE will provide economic benefits by helping to improve business efficiency in the Eastside, Digbeth and the City Centre Enterprise Zone and by helping to unlock Birmingham's growth potential by increasing jobs and deepening labour pools through providing better transport accessibility.
- 5.5 One of the key determinants of the level of economic activity that a particular area can sustain is the size of the effective labour force who can reach that area. Three separate reasons can be identified as to why a larger effective labour market will allow an area to sustain a higher level of economic activity:
- A volume effect: Very simply, if there are more people who can potentially work in a given area, and there are currently labour supply shortages, then the more job vacancies can be filled.
 - A price effect: With more people within the labour market of a particular area that labour market will become more competitive, reducing costs beyond what they otherwise would be and boosting productivity.

- Efficient labour market matching: A larger labour market means that employers are more likely to find a person with an appropriate set of skills to fill a particular vacancy.

5.6 The BEE aims to improve the size of the effective labour market of the Eastside, Digbeth and the City Centre Enterprise Zone and thereby increase the economic output of the area through the enhanced connectivity to the wider West Midlands region, enhancing all these three factors.

Link Key Developments and Facilitate Growth.

- 5.7 The BEE will link the city centre core and the wider region, facilitating the growth proposed in BCC's BDP [BEE/E3], Big City Plan [BEE/E22/1 and BEE/E22/2] and Curzon Street HS2 Masterplan for Growth [BEE/E19]. It will encourage interaction between West Midlands businesses and stimulate growth, providing new and improved public transport links for Eastside and Digbeth, enabling businesses to access important national and international markets, supporting growth within the City Centre Enterprise Zone and reinforcing the economic momentum of the area. It will reduce journey times between Eastside and central Birmingham and the Black Country and will provide opportunities for modal shift to Midland Metro from private cars helping to reduce congestion and bringing opportunities for improving walking and cycling.
- 5.8 The BEE, together with the Centenary Square and Edgbaston extensions, will create a cross-city tram route providing legible, frequent and high quality links between employers and other facilities, and HS2.

Enhance Access to Labour and Skills.

- 5.9 The BEE will provide high quality public transport links with key population, education and employment centres in the city which includes Eastside, Digbeth and Deritend, and the wider region, including along the Line 1 corridor, in order to open up access to the jobs created in the City Centre Enterprise Zone as identified in the NPPF [BEE/E1] and BDP [BEE/E3].

The Scheme

- 5.10 The BEE is a 1.7km extension of the existing Metro network from the BCCE at the junction of Corporation Street and Bull Street to a terminus on High Street Deritend in the vicinity of the junction with Heath Mill Lane. The entire alignment is on street, with approximately 51% sharing road space with other vehicular traffic and approximately 49% segregated running.

- 5.11 From the junction with BCCE on Bull Street, the BEE will run on street along this highway in a southeast direction sharing space with other vehicular traffic; southbound along Bull Street it is proposed as tram and cycles only, and northbound tram, bus and cycles only. The route then crosses Dale End with a tram stop on the realigned Albert Street to serve the HS2 station, Moor Street Station and the Dale End area of the city centre. From here it continues over Moor Street Queensway running alongside Eastside Park and a proposed pedestrianised area as part of the HS2 scheme, then for a short distance alongside Park Street with a tram stop at the north end of New Canal Street under the HS2 station. This tram stop will provide interchange with the secondary (eastern) HS2 Curzon Street Station access and will also serve Millennium Point, the Education Quarter and other existing destinations.
- 5.12 The BEE route then runs on street along New Canal Street with a tram stop on the northern side of the junction with Bordesley Street to provide a connection to the Typhoo Wharf development and other proposed developments as well as existing businesses. From here, the tram continues on-street along Meriden Street sharing space with other traffic to turn east at the junction with Digbeth to run in a segregated formation in the middle of the highway. At the junction of Rea Street and Floodgate Street there would be a terminus tram stop to serve Birmingham Coach Station, the Custard Factory and other existing destinations.
- 5.13 From the terminus tram stop there will be a 0.2km length of track to the junction of Heath Mill Lane to provide a turn back facility. The proposed Order limits extend to the junction of Clyde Street in order to provide some highway alterations to facilitate the BEE.
- 5.14 Within the Order site boundary, works required to be undertaken could be temporary and / or permanent in nature, depending on the location. Within the proposed Order [BEE/A8/2] are three categories of land:
- Temporary land: this is land that is temporarily required for providing construction access and carrying out minor highway works;
 - Permanent land: this is land that is permanently required for the construction, maintenance and operation of the tramway; and
 - Permanent rights over land: this is land over which permanent rights need to be acquired for the construction, maintenance and operation of the tramway.

5.15 The following works and associated operations are intended to be undertaken within the Order limits.

Permanent Works

- Installation of 28 permanent Overhead Line Equipment (“OLE”) poles including associated foundations (final number subject to detailed design);
- Installation of 14 permanent OLE building cable fixings (final number subject to detailed design);
- Installation of OLE;
- Earthworks, track laying and other associated infrastructure such as track drainage and alterations to existing highway drainage;
- Highway alterations including realignment and reinstatement/repaving of highway footpaths and dedicated cycle facilities;
- Modifications to highway signalling;
- Installation of tram signalling, communication and electrical equipment;
- Construction of new tram stops at Albert Street, New Canal Street, Meriden Street and High Street Deritend.
- Hard and soft landscaping works;
- Accommodation works (e.g. works required to boundary walls, gates or frontages to accommodate the tram alignment);
- Installation of parallel feeders (cables and ducting that will run parallel to both tracks); and
- Cabinets to contain communication equipment and system, envisaged to be located within highway land

Temporary Works

- Construction compounds – for storage of materials, plant and machinery, site accommodation including the provision of welfare

5.16 The BEE will be constructed without overhead line equipment between Moor Street Queensway and Digbeth High Street Tram Stop. The project is therefore dependent on the successful completion of the retrofit of batteries to the existing Urbos 3 tram fleet. WMCA has placed orders for the retrofit of battery equipment to the vehicles to enable

“catenary free operation” along these sections of the route, within contract options in the 2012 Tram Supply Contract with CAF.

- 5.17 A programme for the retrofit operation has been developed, with the majority of the battery retrofits taking place at Wednesbury depot. The first of the trams to be retrofitted was sent back to Spain in January 2017 and underwent routine tests prior to being sent back to Wednesbury in September 2017. The retrofit works for the remaining 20 trams will commence in December 2017 with the final retrofit being completed in January 2019.
- 5.18 A “third-generation” tram fleet will be required to be procured to serve the Eastside, Wednesbury to Brierley Hill and East Birmingham Solihull extensions. This procurement is planned as part of the schedule for the project/programme, with tram supply options within an overall contract being timed to supply tested and commissioned trams in time to undertake testing and commissioning of this extension. WMCA will use the “second-generation” tram procurement documentation, incorporating lessons learned from that procurement, to develop the contract, tender documents and specification for the new contract.
- 5.19 Further details of the engineering aspects of the BEE scheme are given in the Proof of Evidence of my colleague Mr Stephen Luke [APP/P3.1].

6 The Need for the Scheme and its Benefits**Need for the Scheme**

- 6.1 The arrival of HS2 to Birmingham will provide a catalyst for regeneration and growth unparalleled in recent times. A completely new terminus station will place the city at a gateway to both the UK and European high-speed rail network. Birmingham is ready to capitalise on the opportunities that HS2 will bring with the Big City Plan's vision of a growing City Centre and a wide range of investment and development opportunities [BEE/E22/1&2]. The Birmingham City Council document the Curzon Street HS2 Masterplan for Growth [BEE/E19] details this vision further. As noted in section 3 of my Proof of Evidence, current inefficient use of land affords a very significant opportunity for growth and regeneration to take place in Eastside. The high-quality, accessible and well-connected public transport that will be provided by means of the BEE will facilitate desirable and sustainable growth and regeneration.
- 6.2 However, in Section 3 of my Proof of Evidence I note that the lack of connectivity between Midland Metro Line 1 and Eastside will not secure the jobs and growth that can be delivered associated with the coming of HS2 and the regeneration envisaged in the Eastside in the Curzon HS2 Masterplan for Growth [BEE/E19]. There are no conveniently located rail stations, few bus routes penetrate the area, and these all terminate in the east of Birmingham City Centre, with no penetration through the city core to the areas of major growth and regeneration to the west of the city centre, or to the Black Country. The poor current public transport provision will not support the extent of growth and regeneration envisaged in the Masterplan, or provide the connectivity required to serve HS2 and its estimated 25,000 passengers per day when it opens in 2026.
- 6.3 Whilst for some public transport users this deficiency can be overcome by walking between the current Metro stops on Corporation Street or in Bull Street and the area, or using bus or taxi to complete their journeys, the "interchange penalty" incurred deters some users and adds to journey times for all passengers making that journey. In addition it provides a difficult barrier to travel for those with mobility difficulties, or encumbered with luggage. The BEE meets this need by providing an excellent, high quality interchange between transport modes by joining them up in a legible manner which is especially beneficial for visitors unfamiliar to the city. These benefits extend to the areas surrounding the tram stops, and form part of the overall economic benefits arising from the project. My colleague Mr Neil Chadwick notes in paragraph 2.38 of his Proof of Evidence [APP/P2.1] that one third of the 8 million additional Metro

passengers in 2031 arise from more people using Metro to travel around the city centre.

6.4 To illustrate how the BEE enhances connectivity in this way my Table 6.1 below shows comparative journey times for various modes with and without the BEE in operation. The three examples chosen illustrate a range of uses and travel needs that may be found in Birmingham city centre. These are:-

- An office worker residing in the proposed residential development at Connaught Square, Digbeth, working at offices in “The Big Peg” complex at the heart of Birmingham’s world-renowned Jewellery Quarter, travelling to work from Digbeth High Street tram stop via Midland Metro Line 1 to Jewellery Quarter tram stop.
- A University lecturer residing in Westside at Broadway Residences, travelling to work at Birmingham City University’s Parkside Campus, walking to Five Ways tram stop and travelling to New Canal Street tram stop.
- An international visitor arriving via HS2 whose destination is the Deutsche Bank Headquarters building near Broad Street need only board the cross-city tram at one of the two conveniently located and well-signed tram stops close to the Curzon Street station and alight at the Brindley Place tram stop.

Table 6.1 Journey Time Comparisons By Mode

| Journey From | Journey to | Walk Distance | Walk | Bus | Train | Tram | Tram with BEE | Car/Taxi |
|------------------------------|------------------------------|---------------|---------|---------|---------|---------|---------------|----------|
| Connaught Square B12 0LN | The Big Peg B18 6JS | 1.7 miles | 36 mins | 29 mins | 20 mins | 22 mins | 14 mins | 16 mins |
| Broadway Residences B15 1BJ | BCU Parkside Building B4 7BD | 2.0 miles | 39 mins | 33 mins | N/A | N/A | 15 mins | 14 mins |
| Curzon Street Station B5 5LG | Deutsche Bank UK HQ B1 2HP | 1.3 miles | 28 mins | 18 mins | N/A | N/A | 14 mins | 18 mins |

Note: Journey times are fastest possible derived from using GoogleMaps Journey Planner in PM weekday peak hour

6.5 The extent of the need for the scheme is demonstrated by the forecast increase in annual patronage on Midland Metro through its provision of an enhanced, high quality connection to Eastside, and as a result of the increased connectivity that is currently lacking, annual patronage on Midland Metro is forecast to increase from 16.4 million to 24.4 million (a 49% increase) in 2031. My colleague Mr Neil Chadwick notes in paragraph 2.59 of his Proof of Evidence [APP/P2.1] that the BEE, by enabling a seamless journey that overcomes the deficiencies in the current transport offer, illustrated via the examples of current journey times set out in my Table 6.1 above, will provide **moderate beneficial** accessibility benefits within the economic assessment.

Transport Benefits

- 6.6 The key benefits of the BEE are set out in the Proof of Evidence of my colleague Mr Neil Chadwick [APP/P2.1] in terms of social, environmental and economic considerations, as appraised in applying the five case business case method.
- 6.7 In terms of the overview of the scheme the main benefits are as follows:
- Positive transport user and non-user benefits,
 - Increased public transport net revenues,
 - Transfer from private car use, reducing greenhouse gas emissions,
 - Improved accessibility,
 - Improved reliability of journeys,
 - Improved security,
 - Distributional benefits, and
 - Economic benefits, as set out in the Environmental Statement Appendix U – Economic Impact Assessment [BEE/A13/2].
- 6.8 My colleague Mr Neil Chadwick sets out the Treasury and Department for Transport’s approach to project appraisal within his Proof of Evidence [APP/P2.1]. The Business Case for the BEE [BEE/D23/1-5] is consistent with the Treasury’s approach and as set out in the January 2013 DfT publication “The Transport Business Cases” [BEE/D4]; the DfT’s approach requires the development of a ‘Five Case’ business case. These cases are: Strategic Case, Economic Case, Financial Case, Commercial Case and Management Case. The purpose of the business case is to demonstrate that:
- There is a robust rationale for the proposed scheme
 - The proposed scheme will deliver value for money
 - The proposed scheme is affordable in terms of sources of funding (for construction and operation)
 - Robust procurement arrangements for the necessary elements of the proposed scheme exist
 - Robust governance arrangements exist and effective project management is in place
- 6.9 The business case for this scheme [BEE/D23/1-5] has followed this Five Case model.

- 6.10 The Strategic Case [BEE/D23/3] covers the local policy context, including the plans and policies of WMCA, BCC and the GBSLEP. These main policies are listed in Section 2 of my Proof of Evidence and my colleague Mr Paul Ellingham sets out in his Proof of Evidence [APP/P6.1] an analysis of how the BEE accords with National, Regional and Local policy.
- 6.11 The Economic Case [BEE/D23/5] sets out the Value for Money of the project in accordance with Government Guidance [BEE/D4] and shows that the scheme represents high value for money with a benefit to cost ratio of the scheme calculated as 4.8:1. The net present value over the appraisal period is £77 million. The evidence of my colleague Mr Neil Chadwick covers the Economic Case in further detail [APP/P2.1].
- 6.12 The Financial Case for the project [BEE/D23/2] confirms the expected outturn costs and the funding sources from which they will be met.
- 6.13 The Commercial Case [BEE/D23/1] demonstrates WMCA's recent experience in procurement of Midland Metro extensions with the BCCE and Fleet Replacement Programme, and the Midland Metro Alliance. The BEE will be delivered through the Midland Metro Alliance using experienced teams that have been established to deliver the current works on Bilston Road, CSQ and WCCE. The Financial, Management and Commercial cases [BEE/D23/1-5] are covered in more detail in Section 7 of my Proof of Evidence.
- 6.14 The Business Case [BEE/D23/1-5] is a strong one, showing that the benefits of the scheme greatly outweigh its monetary costs and other disbenefits, and is noted as being in the "Very High" category when assessed against the Department for Transport's Value for Money Framework [BEE/D18/A], and as a consequence public sector funding of the project is warranted.

Regeneration

- 6.15 HS2 will accelerate the growth potential of the City Centre with Birmingham Curzon station at the heart of the City Centre Core's expansion into the Eastside Area of Transformation and the Digbeth creative quarter. However the full extent of this economic potential, including 36,000 (net) new jobs, 4,000 homes and 600,000 square metres of new employment space, delivering £1.4 billion of economic uplift (as planned through the Curzon Masterplan for Growth [BEE/E19 – Foreword on page 5]) cannot be delivered without a step change in public transport connectivity. The BEE will

deliver this step change and is therefore identified as one of the five “Big Moves” in the plan [BEE/E19 – The Opportunity on page 15].

- 6.16 An integrated Metro stop at New Canal Street, together with the closely located stop in Albert Street, will provide HS2 travellers with fast and efficient connections to the wider City Centre and the Black Country, with the additional stops in Meriden Street and Digbeth High Street transforming connections and boosting the regeneration potential of Digbeth.
- 6.17 With the BEE and the other “Big Moves” the eastern fringe of the City Centre Core will be revitalised by the arrival of Birmingham Curzon at Moor Street with opportunities for repositioning the retail offer and expanding the City’s office district. In Eastside, the ongoing regeneration of the area, through redevelopment of the numerous under-utilised areas noted in section 3 of this Proof of Evidence, will expand with well-designed mixed use developments to include office, technology, learning, leisure and residential uses around the new Eastside City Park and canals. The impact of the BEE in stimulating this regeneration will follow the pattern of numerous examples in the UK and world-wide, for example the advent of the Manchester Metrolink stimulating the development, growth and jobs at Media City, Salford.

Conclusion

- 6.18 The BEE will deliver significant transport benefits, with the scheme falling into the “Very High” category when assessed against the Department for Transport’s Value for Money Framework [BEE/D18/A]. It has positive social impacts, with these being “Moderate Beneficial” as set out by my colleague Mr Neil Chadwick in his Proof of Evidence [APP/P2.1]. Assessed on its own merits the scheme will deliver significant Economic Benefits, of up to £130 million GVA as set out in the Environmental Statement Appendix U – Economic Impact Assessment [BEE/A13/2], however it plays a key part in delivering the £1.4 billion economic benefits to be delivered within the overall Curzon Masterplan for Growth.
- 6.19 There is therefore a compelling case in the public interest for the making of the Order.

7 Delivery**Funding**

- 7.1 The Funding Statement [BEE/A5] sets out the funding details for the BEE. It is estimated to cost £120.8 million in 2016 prices, which includes a contingency for risks and blight (a breakdown of cost can be found in the Estimate of Cost [BEE/A4]). 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 BEE is completed by September 2022 with opening to public services in 2023.
- 7.2 The funding of the BEE is proposed from GBSLEP Local Growth Funding and Central Government Grant.

GBSLEP Funding

- 7.3 On 7 July 2014, the GBSLEP Growth Deal announcement [BEE/E30] from the Government placed great importance on maximising the benefits of HS2 noting that HS2 is a game-changing opportunity for the Greater Birmingham and Solihull area. 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 schemes 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.”*

Government Funding

7.4 The Government has committed to:

- “£5.5m for development and preparatory works for BEE (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).”

7.5 As part of the West Midlands Combined Authority devolution package on 17 November 2015 [BEE/D21], a commitment to the full funding for the BEE was announced by the Chancellor of the Exchequer.

7.6 On 27 June 2016 the Department for Communities and Local Government confirmed, further to the West Midlands Combined Authority devolution agreement [BEE/D21], 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 [BEE/D22].

Blight Expenditure

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

Business Case – Management Case

7.8 The Management Case [BEE D23-4] covers governance, project planning, engagement, risk management, monitoring and evaluation and sustainability.

7.9 The WMCA governance arrangements set out for the Metro Programme have been established since WMCA came into being in June 2016. These outline how WMCA operates, how decisions are made and the procedures to be followed in order to ensure that WMCA operates efficiently, effectively and in a transparent and accountable manner. They are in line with the requirements of the Department for Transport (DfT) for the delivery of major capital projects to which it contributes funding. It also aligns with guidance from the Cabinet Office [BEE/D3&4].

- 7.10 The former Centro's Programme Team Structure for Metro has been in place in full since 2012 and has been continually reviewed to ensure it is fit for purpose in relation to the Expansion Programme. It has recently transitioned into the Midland Metro Alliance programme team structure.
- 7.11 The Midland Metro Alliance has a strong project team with a co-located team of owner, designer and contractor non-owner participant staff bringing together world-wide expertise in a truly collaborative environment, with the skills and experience to deliver all aspects of the development and delivery of this project. The Midland Metro Alliance has a robust, programme managed, delivery focused organisation in place, supported with the correct resources, skills and leadership.
- 7.12 The strategies and plans for managing the Metro programme are set out in the Alliance Management Plan. The plan is prepared and maintained by the Midland Metro Alliance and sets out:
- Details of the programme
 - Budget
 - Schedule
 - Team to deliver the programme
 - Governance arrangements to be adopted
 - Processes to be followed
- 7.13 This document is owned by the Alliance Director and is managed by its custodian, the Project Controls Manager. It will be periodically updated to reflect any changes in the Programme or the processes and other information that will impact delivery. The Plans have been developed in keeping with OGC Guidance and general project management best practice within the construction industry. They address the key points raised in the DfT Guidance.
- 7.14 Throughout the development stage of the project WMCA will maintain a fully detailed working schedule for the programme implementation as an integral component of their development planning processes. The alliance partners have also developed a detailed project schedule. Midland Metro Alliance utilises Primavera P6 integrated with

WMCA's financial management package Business World to link the delivery schedule activities to expenditure and forecast costs. The schedule includes:

- Key dependencies
- Critical path
- Outputs and milestones
- Historic and forecast costs

7.15 WMCA has significant, recent and relevant experience of the delivery of major projects and programmes. It has recently completed the 1.3km BCCE which was initially opened to the Bull Street tram stop on 19th November 2015, and fully opening on 30th May 2016. This £127 million project extends from Snow Hill, running through Bull Street, Corporation Street, Stephenson Street, and terminating at Birmingham New Street.

7.16 WMCA is also currently working on the continuation of this expansion programme which is working towards retrofitting the current 21 trams with batteries, so that they can operate in catenary free areas. This £10 million programme involves transporting the current trams back to their manufacturer, CAF whom are located in Spain, for the refurbishment and testing works. WMCA will also procure additional rolling stock to prepare for the expansion of the current tram route, including this extension, reduce overcrowding and improve passenger experience.

7.17 A proactive risk management procedure is in operation which ensures that risks are continuously identified through use of structured workshops, risk owners are assigned and mitigation measures developed and implemented. To monitor the effectiveness of the control measures, monthly reviews are conducted to check the status of each risk and modify the mitigation actions.

7.18 A dedicated Engagement team is in place within the Midland Metro Alliance to help facilitate the construction of the BEE project by identifying key stakeholder groups and/or individuals, identifying the key messages applicable to each and proactively engaging with them using timely, consistent and relevant methods of communication in order to establish and maintain goodwill and mutual understanding throughout the whole project life-cycle

7.19 The monitoring and evaluation of the impacts of the investment are critical in assessing the actual impact of the project and as such crucial to understanding the case for future investment both locally and nationally.

- 7.20 A Monitoring Plan has been developed (based on DfT Guidance).
- 7.21 The Midland Metro Alliance has a Sustainability Management Plan which provides the overarching approach to be adopted throughout the programme wide activities as well as the general approach to the projects. Sustainability covers a wide range of aspects, some of which are managed separately within the Midland Metro Alliance; in particular engagement as described previously. To reflect this, topic specific strategies and plans provide more detail on controls and measures in place (e.g. Engagement Management Plan).
- 7.22 The project team will produce a Project Sustainability Plan that details how the project will contribute to the sustainability objectives for the Midland Metro Alliance as set out in the Sustainability Management Plan and how the project will manage impacts which are identified through the Environmental Impact Assessment. The Sustainability Management Plan will include the project approach to environmental legal compliance.

Business Case – Commercial Case

- 7.23 The Commercial Case [BEE D23-1] covers the procurement strategy, including the background to the procurement of the MMA, utility diversions and operator involvement in design and construction.

Infrastructure

- 7.24 WMCA has recent experience in procurement of Midland Metro extensions with the BCCE and Fleet Replacement Programme, which included procurement of a 1.3km extension to Midland Metro, a depot extension, and a replacement tram fleet.
- 7.25 The procurement of the BCCE was undertaken via a market standard NEC design and build contract with a structured longer retention/ defects liability period to ensure the supplier delivers high quality performance. The competition saw good levels of interest from the market and Centro was able to take four contractors to the invitation to negotiate stage, thus ensuring that good value for money was obtained in the procurement.
- 7.26 The construction of the BEE infrastructure will be delivered within the context of a number of Midland Metro extension projects being brought forward in a growing expansion programme. Following the Government's decision in 2013 to devolve major project funding for transport to Local Transport Bodies and the subsequent Growth Deal and West Midlands Devolution Deal allocations, work has been on-going to

develop future routes for the Midland Metro system and funding is either in place or expected to be in place to deliver the following extensions:-

- Wednesbury to Brierley Hill Extension,
- Edgbaston Extension (Grand Central to Edgbaston),
- Wolverhampton City Centre Extension (Pipers Row to Railway Station),
- This Birmingham Eastside Extension, and
- East Birmingham – Solihull Extension.

7.27 In respect of previous projects, contractors have been procured through OJEU compliant processes on a project by project basis. The more positive expected funding position led WMCA to reconsider its strategy relating to the preparation and tender of such projects.

7.28 This review considered a number of different contracting strategies:-

- Client design - construct only
- Design & Build
- Management Contracting
- Design Build Fund and Operate
- Prime Contracting
- Alliancing

7.29 Learning from the successful experience of clients such as Highways England, Network Rail and water companies such as Anglian Water when commissioning projects, Alliancing was found to be the most appropriate model, supporting the delivery of Value for Money through a collaborative approach. Project Alliancing was first used by BP for the North Sea Andrew Field in the 1990's, the project was delivered 6 months ahead of schedule for an actual cost £290m against an initial target of £450m.

7.30 WMCA has since undertaken a rigorous selection process and let an alliance contract with a single contractor and design consortium for a period of up to 10 years for the Midland Metro extensions work.

7.31 In this “Midland Metro Alliance” the designer, contractor and WMCA are working as an integrated team to develop and deliver the programme under a contractual framework where their commercial interests align with actual project outcomes.

What is Alliancing?

7.32 Alliancing is a form of relationship contracting often used for complex projects or programmes which require speed of delivery and cost certainty. Alliances include the owner, designer and contractor as alliance members who collectively seek outstanding outcomes through an integrated team, characterized by aligned goals, innovative thinking and collaborative behaviours.

7.33 This is reinforced through a commercial framework set up to create win-win outcomes by aligning the commercial interests of constructors and designers with the owner’s project objectives, with risk collectively assumed by all participants and rewards determined by collective performance and results.

Essential Features of the Midland Metro Alliance

7.34 In the Alliance, WMCA, the Designer and the Contractor are working as a single integrated team to develop and deliver the programme of works collaboratively under a single Programme Alliance Agreement (PAA) with the interests of all the parties aligned. The Alliance:-

- promotes collaborative behaviours commensurate with a best for project approach;
- assumes collective ownership for performance in programme and project delivery;
- takes collective responsibility of all programme and project risks & opportunities; and
- has agreed a commercial model that provides for a Pain share and Gain share mechanism.

7.35 The programme is governed by the Alliance Leadership team comprising senior representation from all the Alliance members, and where all members have an equal say. Day to day management of the programme is by a seamless integrated management team where all members are assigned to the team on a best-for-project basis whilst the parties agree to resolve issues within the alliance with no recourse to litigation.

7.36 The remit of the Alliance is to design and deliver all Metro extensions over the next 5 year period (subject to WMCA approval of each scheme budget at key stages), with a guarantee to extend for a further 5 years subject to satisfactory performance.

Programme Alliance Agreement

7.37 Unlike traditional forms of construction contract which seek to defend positions, the PAA is very different insofar as it is principle based, placing obligations on the parties to act in good faith and committing to Best for Project decision making on the basis that this will deliver the best outcome for all parties.

7.38 Other key features of the PAA include shared risk, no claim, no blame and creating a collaborative, self-governing environment in which a high performing, innovative team will thrive. The consequences of failure are dealt with through the commercial model. Owner's rights are reserved to exceptional circumstances i.e. changes in law, breaches in statutory duty and wilful neglect.

Commercial Model

7.39 The commercial model works in tandem with the PAA, linking the commercial interests of all the parties to best-for-project outcomes, encouraging all the participants to work as an integrated team to identify and mitigate / eliminate risk and innovate to achieve outstanding results. The commercial model addresses development of target costs for each project on an open book basis, compensation of the Non Owner Participants, manages change, sharing of pain /gain, key results areas, and programme wide insurances:-

- Target costs are developed jointly on an open book basis and include reasonable estimates of the actual costs to deliver the works including owners direct costs, design costs, construction costs, contingencies and non-owner participants' fee (overhead and profit);
- As the members collectively assume all risks, scope variations under the Alliance are limited to material change where the client has for instance requested an extra facility that could not have been contemplated at the outset;
- Sharing of pain gain ensures all parties are equitably incentivized to perform beyond the expectation of the target cost;
- Key Results Areas are developed to incentivize participant performance in areas critical to the project; and

- Project insurance is an essential element of the Alliancing form of contracting. Under Pure Alliancing, as no liability arises between the parties, normal insurances cannot be triggered and therefore cannot be called upon to protect the partners against internal claims. This is overcome by WMCA taking out an all-encompassing project insurance policy.

Key Benefits

7.40 Outstanding project outcomes achieved by past Pure Alliances include – on-time or early completion even on the most challenging projects; optimum out-turn costs; more effective stakeholder management; and potential for improved returns for non-owner participants.

7.41 Under traditional forms of contract, responsibilities and risk are allocated to different parties with commercial and/or legal consequences for the individual parties where they fail to manage their risks or properly discharge their contractual/legal obligations. Under the alliance the participants:-

- Assume collective responsibility for delivering the project
- Take collective ownership of all risks (and opportunities) associated with the delivery of the project
- Share in the "pain" or "gain" depending on how actual project outcomes compare with the pre-agreed targets that they have jointly committed to achieve.

7.42 This provides for:-

- Active management of the project in all respects, as opposed to 'reactive' management when problems arise
- Reduced costs and project durations and improved quality of deliverables through early contractor involvement
- Continuous and maximised input from the participants
- Collaborative relationship with mutual trust and shared ownership of risks/problems through the life of a project
- Value for money developed over a series of projects with continuous improvement over time
- Single cohesive team without any of 'us and them' attitudes
- Clear understanding of the purpose/mission of the alliance

Utilities Diversions

- 7.43 Some existing utilities services will need to be altered, diverted or protected to facilitate the construction of the Metro in the public highway and to ensure that the utility companies can access their plant for maintenance, renewals or alterations without the need to substantially disrupt the operational tramway.
- 7.44 There are three strategies that can be employed to undertake the necessary diversions:
- As part of the relevant construction package;
 - By an 'Enabling Works' contractor; or
 - By the utility companies' own contractors.
- 7.45 Experience on other schemes has shown clearly that best value will be obtained through the diversion of utilities by the utility companies' own contractors. To ensure best value, optimum programme and appropriate stakeholder communications, the Midland Metro Alliance will actively co-ordinate and manage the utility companies programmes, in conjunction with Birmingham City Council pursuant to their statutory role as Traffic Manager and NRSWA co-ordinator and has procured an over-arching traffic management contract to support delivery in a co-ordinated manner. This approach has proved very successful on the recent BCCE, with the £6.5 million utilities works being delivered on time and within budget.
- 7.46 The strategy is to undertake the majority of the requisite diversion works before the commencement of the Metro infrastructure works. This has both a time and cost benefit to the project and significantly de-risks the scope since the act of undertaking the diversions gives greater certainty of ground conditions and provides contractors with a 'clear site'.

Operator Involvement in Design

- 7.47 Midland Metro Line 1 was procured as a concession on a turnkey Design, Build, Maintain and Operate basis. The contract reflected a Private Finance Initiative format though the majority of the finance was provided by Centro. Maintenance and operational costs are borne by the concessionaire who also retains all fares and advertising revenues.
- 7.48 The 23 year concession was awarded to Altram LRT Ltd. in August 1995 and the system opened to the public in May 1999. In 2005 West Midlands Travel Ltd. acquired

100% control of Altram. West Midlands Travel Ltd is part of the National Express group, and operates the system under the National Express Midland Metro (NXMM) identity.

- 7.49 The Altram concession did not envisage the operation of further extensions, and therefore WMCA entered into a separate Deed with Altram and National Express to cover the design, testing, commissioning and initial operation of the expanded network with the BCCE.
- 7.50 This provided continuity of operation through the early construction period of BCCE and ensured that the highly-experienced NXMM team was retained with a clear focus on delivering the BCCE project before the end of the current concession in October 2018.
- 7.51 On 17 March 2017 the WMCA Board approved that the operation of Midland Metro will be brought back in house following the expiry of the current concession. Under TUPE legislation, the NXMM team will be therefore be retained and will be closely involved in the designs for the BEE project.
- 7.52 NXMM is running Line 1 at high levels of reliability, measured on a kilometres run basis, and has an intimate knowledge of the infrastructure, the existing and new trams and the travel characteristics of the public in the Metro corridor. Their expertise has been and will continue to be utilised in the development of the project, for example, in determining the appropriate track layout to provide robust operational capability in the event of incidents on the highway and the efficient operation of the services via the turn backs to be provided along the line.

Business Case – Financial Case

- 7.53 The Financial Case [BEE D23-2] covers the project costs and funding. As these are covered by the Funding Statement [BEE/A5] and the Estimate of Cost [BEE/A4] I do not cover them further here.

8 Support for the Scheme

Birmingham City Council

8.1 Birmingham City Council (BCC), acting in its role as Highway Authority and Local Planning Authority has expressed strong support for the scheme throughout its development. It confirmed its formal support in a letter dated 15 November 2016 [SUPP/04].

8.2 BCC continues to actively work with WMCA and the Midland Metro Alliance on the detailed design of the BEE.

Other

8.3 Formal support for the BEE has also been received from the GBSLEP, via its prioritisation of the project for Local Growth Deal funding as noted in section 7 of my proof of evidence and also from the Irish Centre (SUPP/01), the Friends of Eastside Park (SUPP/02), the Woodman Pub (SUPP/03), Birmingham Airport [SUPP/05] and South and City College [BEE/F4].

9 The Secretary of State’s Statement of Matters

9.1 The Statement of Matters issued by the Secretary of State for Transport (INQ/3) sets out for the purposes of rule 7(6) of the Transport and Works (Inquiries Procedure) Rules 2004 the matters about which the Secretary of State for Transport particularly wishes to be informed for the purposes of his consideration of these applications.

9.2 With respect to the matters raised, these have been covered in WMCA’s evidence and Order application documents as set out in Table 9.1 below.

Table 9.1 Issues Raised in Statement of Matters INQ/3

| <u>Matter</u> | <u>Covering</u> | <u>Covered within</u> |
|----------------------|--------------------------|---|
| 1 | Aims and Need for Scheme | The aims of the scheme are covered within section 2 of the Concise Statement of Aims [BEE/A3]. The need for the scheme is covered within section 3 of my Proof of Evidence, which explains the deficiency in the current public transport facilities in Digbeth, leading through a lack of accessibility to a perceptible air of decline in much of the area. Section 6 of my Proof of Evidence sets out the requirement for early connectivity both to HS2 and the wider West Midlands to stimulate regeneration, confirming the need for the scheme. Need is also covered in the Proof of Evidence of Mr Neil Chadwick [APP/P2.1] in relation to value for money. |
| 2 | Alternative Options | The review and assessment of alternative modes and routes is covered within section 5 of my Proof of Evidence and in the Midland Metro – City Centre Extension & Fleet Replacement Option Development report [BEE/C4] and the Route Options Report, Technical Appendix C to the Environmental Statement [BEE/A13/3] which I adopt as evidence. Mr Eddie Mellor covers the |

| | | |
|---|----------------|---|
| | | development of route options in his Proof of Evidence [APP/P4.1]. |
| 3 | Policy | This is dealt with in section 2 of my Proof of Evidence and Mr Paul Ellingham in his Proof of Evidence [APP/P6.1] and by Mr Eddie Mellor in his Proof of Evidence [APP/P4.1], in respect of transport policies. |
| 4 | Scheme Impacts | <p>The environmental impacts of the Order are fully set out in the Environmental Statement [BEE/A13/1-3].</p> <p><u>Matter 4a</u></p> <p>Mr Rupert Thornely-Taylor deals with the impacts of noise and vibration in his Proof of Evidence [APP/P5.1].</p> <p>Stephen Luke deals with the impacts of dust in his Proof of Evidence [APP/P3.1].</p> <p>Mr Eddie Mellor deals with the effects of construction and operation on the local road networks and bus services in his Proof of Evidence [APP/P4.1].</p> <p><u>Matter 4b</u></p> <p>Mr Eddie Mellor deals with the impacts on means of access to businesses and car parking in his Proof of Evidence [APP/P4.1],</p> <p><u>Matter 4c</u></p> <p>Mr Stephen Luke deals with impacts on flood risk and groundwater in his Proof of Evidence [APP/P3.1].</p> |

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|----------|--|---|
| | <p>Scheme Impacts (continued)</p> | <p><u>Matter 4d</u></p> <p>Mr Paul Ellingham covers the impacts on air quality in his Proof of Evidence [APP/P6.1] and Mr Neil Chadwick reviews these impacts in the context of the business case for the scheme in his Proof of Evidence [APP/P2.1].</p> <p><u>Matter 4e</u></p> <p>Mr Paul Ellingham covers the impacts on landscape, ecological, visual amenity and archaeological interests in his Proof of Evidence [APP/P6.1].</p> <p>Mr Neil Chadwick reviews these impacts in the context of the business case for the scheme in his Proof of Evidence [APP/P2.1].</p> |
| <p>5</p> | <p>Adequacy of ES and compliance with TWA procedures</p> | <p>The methodology followed in assessing the various environmental impacts of the Order are fully set out in the Environmental Statement [BEE/A13/1-3].</p> <p>Mr Paul Ellingham deals with the adequacy of the Environmental Statement in his Proof of Evidence [APP/P6.1]; where this concerns specialist areas this is also covered in the relevant Proofs of Evidence.</p> <p>The statutory procedural requirements of the Transport and Works (Applications and Objections Procedure) Rules 2006 have been complied with as set out in Section 1 of the WMCA's Statement of Case [BEE/F2].</p> |
| <p>6</p> | <p>Mitigation measures</p> | <p>The environmental impacts before and after mitigation of the Order are fully set out in the Environmental Statement [BEE/A13/1-3], and in the Update to the Environmental Statement [BEE//A13/5] published on 5 October 2017.</p> |

| | | |
|----------|--|---|
| | <p>Mitigation measures (continued)</p> | <p>Mr Rupert Thornely-Taylor deals with measures to mitigate harm from noise during operation in his Proof of Evidence [APP/P5.1].</p> <p>Mr Stephen Luke deals with the mitigation of harm in relation to construction through the proposed Code of Construction Practice, and measures to avoid, reduce or remedy any major or significant adverse environmental impacts of the scheme in his Proof of Evidence [APP/P3.1].</p> <p>Mr Neil Chadwick reviews these impacts in the context of the business case for the scheme in his Proof of Evidence [APP/P2.1].</p> <p>Protective provisions proposed for inclusion in the draft TWA Order [BEE/A8/2] or other measures to safeguard the operations of statutory undertakers are covered in paragraphs 10.6 and 10.7 in my Proof of Evidence, with the management of utility diversions covered in paragraphs 7.43 to 7.46.</p> <p>Mr Paul Ellingham provides a summary table of measures to mitigate harm in his Proof of Evidence [APP/P6.1].</p> |
| <p>7</p> | <p>Compulsory Acquisition</p> | <p>The justification for compulsory acquisition in the public interest is covered in section 6 of my Proof of Evidence and in the Proof of Evidence of Mr Neil Chadwick [APP/P2.1], together with the balance in the remainder of WMCA's evidence.</p> <p>Mr Bruce Fowler in his Proof of Evidence [APP/P7.1], provides a schedule of the land plots included within the Order and the reason for their proposed acquisition.</p> |
| <p>8</p> | <p>Planning Conditions</p> | <p>Mr Paul Ellingham deals with this in his Proof of Evidence [APP/P6.1].</p> |

| | | |
|---|---------|---|
| 9 | Funding | This is covered in section 7 of my Proof of Evidence and by Mr Neil Chadwick in his Proof of Evidence [APP/P2.1]. |
|---|---------|---|

9.3 The Statement of Matters [INQ/3] asks in the introduction to Matter 4 that consideration be given to likely impacts of constructing and operating the scheme on land owners, tenants and local businesses, the public, utility providers and statutory undertakers, including any adverse impact on their ability to carry on their business or undertaking. These issues are covered as set out in Table 9.1 above in the specific detail stated, and in general throughout the WMCA Proofs of Evidence.

10 Response to Objectors

- 10.1 I have read the objections and Statements of Case submitted by the objectors to the Order and set out in this section of my Proof of Evidence my understanding of their points of concern, providing an overview and summary of how WMCA is addressing issues raised in relation to each issue.
- 10.2 I have sought to respond to the major points raised only, and where I am silent on any minor issues that does not mean that I agree with the points raised in the objection.
- 10.3 Where objections have been withdrawn prior to the finalisation of my Proof of Evidence I cover below matters which are raised by the Secretary of State in the Statement of Matters (INQ/3), unless they are dealt with specifically by other witnesses.
- 10.4 At the Inquiry WMCA will submit a revised Draft Order incorporating modifications which reflect the agreements reached with objectors. The revised Draft Order will also include modifications which reflect an agreement reached with BCC over the acquisition of land forming part of Public Open Space. As noted in the WMCA's Statement of Case (BEE/F2, paragraph 13.7), this agreement with BCC is necessary to avoid triggering section 12 of the Transport and Works Act 1992 which provides that an order authorising the compulsory purchase of any land forming part of a common, open space or fuel or field garden allotment will be subject to special parliamentary procedure unless certain conditions are satisfied. By providing for the necessary rights and interests over the relevant land to be granted to WMCA, the agreement with BCC enables the Draft Order to be modified to remove the open space land from the scope of the compulsory acquisition powers. This avoids section 12 of the 1992 Act from being engaged. WMCA will request that the Inspector recommends to the Secretary of State that the Order be made with those proposed modifications.

Objection of Leigh Bishop (Proprietor of the Hammer and Anvil Public House (Number OBJ/01))

- 10.5 The Objector was concerned over the potential impact of the compulsory purchase powers sought over his interests, and upon discussion with WMCA to clarify the proposals has withdrawn his objection [OBJ/01/WD].

Objection of National Grid Gas (NGG) (Number OBJ/02)

- 10.6 The Objector's concerns [OBJ/02] regard securing appropriate protection in relation to any impacts of the scheme on a low or medium (below bar 2) gas pipes and associated equipment identified in vicinity.
- 10.7 The WMCA and NGG have agreed revisions to the wording of the utility protective provisions in Schedule 9 to the draft Order. The revisions are included in the revised version of the draft order [BEE/A8/2]. The objection has been withdrawn [OBJ/02/WD].

Objection of MD Phoenix Cars (Number OBJ/03)

- 10.8 The Objector's concerns [OBJ/03, OBJ/03/1/SOC] relate to impact on the business of the project, as the owners needs constant access from the street to move vehicles in and out of workshop and have cars and supplies delivered regularly to the premises. The Objector has also raised concerns about relocation of the business.
- 10.9 The objector's current use of the highway constitutes an obstruction of the highway. Alternative arrangements for legitimate loading have been suggested to the Objector. The operation of the BEE will not prevent access to the property, alternative arrangements will be proposed during the construction period, during which WMCA will aim to minimise impacts. These arrangements will enable the business to continue operating.
- 10.10 The operation of the BEE will not require the relocation of the business as it will not prevent access to the property and alternative arrangements will be agreed with the objector during construction. Any improper use of the highway, which should not in any case be taking place, could not be continued with the BEE in operation, however that is not a matter for the Inquiry.

Objection of National Express Bus (NX Bus) (Number OBJ/04)

- 10.11 The Objector's concerns [OBJ/04, OBJ/04/1/SOC] related to bus operations in Birmingham city centre. Following a letter of assurance received from WMCA the objection has been withdrawn [OBJ/04/WD].

Objection of McDonalds Real Estate, McDonalds Restaurants Ltd and Dean Chapman (Number OBJ/5)

- 10.12 The Objectors' concerns [OBJ/05] are surrounding Plots 11, 12 and 20 which are dealt with in the following paragraphs of this proof of evidence. They are the tenant of Objector/06 Martineau Galleries and the landlord of Instant Cash Loans Ltd (OBJ/08).

Inadequate justification for acquiring and demolishing the property

- 10.13 The acquisition and demolition of the property is required for the scheme and is justified in the public interest. The WMCA has demonstrated that all other route options are more detrimental to existing businesses or do not meet the need or provide benefits to the same degree. Due to the nature of the King's Parade building's construction the demolition of the whole block is required. My colleague Mr Stephen Luke gives further details on this in his Proof of Evidence [APP/P3.1].

Scheme is predicated on construction of HS2 and as Royal Assent has not been given to the HS2 Bill the BEE application is premature.

- 10.14 The HS2 Bill received Royal Assent on 23 February 2017.

Scheme Cost

- 10.15 Costs and funding were considered by the WMCA when approval was sought to apply for the Order at the Board meeting on 30 September 2016 [BEE/F1]. This took into account the potential need to fund increases over the current estimated costs via provision for "Optimism Bias" and the report identified options for this to be funded should it occur.

Insufficient Time to Relocate Business

- 10.16 The WMCA considers there is sufficient time between funding being confirmed by Government and the requirements for demolition to begin to meet the construction delivery programme to enable relocation to take place.
- 10.17 WMCA is in the process of negotiating an agreement with the objector to give the maximum time and information on relocation given the level of commitment that it can enter into ahead of the Order being determined and Government funding being confirmed. A notice period of 15 months has been agreed. This is described in detail in my colleague Mr Bruce Fowler's Proof of Evidence [APP/P7.1].

Objection of Martineau Galleries No 1 Ltd, Martineau Galleries No 2 Ltd (Number OBJ/6)

- 10.18 The Objector's concerns [OBJ/06, OBJ/06/1.1/SOC, OBJ/06/1.2/SOC and OBJ/06/1.3/SOC] are surrounding Plots 4, 5, 6, 11, 12, 13, 14, 15, 16, 18, 20, 25, 26, 27 and 28 which are dealt with in the following paragraphs of this proof of evidence. They are the landlord of Objector/05 McDonalds.

Extent of permanent acquisition

- 10.19 The extent of the land included within the Order is the minimum necessary to allow for the safe demolition of the Kings Parade buildings, the realignment of Albert Street and also highway works to maintain access to existing businesses with the construction and operation of the BEE. My colleague Mr Stephen Luke gives further details on the engineering aspects in his Proof of Evidence [APP/P3.1] and Mr Bruce Fowler [APP/P7.1] covers the property issues including the extents of permanent and temporary acquisition, presenting a plan showing the extent of the land permanently required.

- 10.20 WMCA is in the process of negotiating an agreement with the objector and BCC covering the acquisition and lease of the land included within the Order.

Overhead catenary fixing

- 10.21 The WMCA does not foresee that attachment of building fixings to the existing NCP car park building will be necessary. However WMCA will endeavour to seek, through the planning process associated with any redevelopment, the ability to attach building fixings to any new buildings to minimise visual impact and street clutter that overhead line poles may bring.

Objection of Quintain City Park Gate Ltd (Number OBJ/7)

- 10.22 The Objector's concerns [OBJ/07] are surrounding Plots 30 to 45 inclusive which are dealt with in the following paragraphs of this proof of evidence.

Insufficient Information

- 10.23 WMCA has provided the objector with sufficient information to understand the rationale for the land requirements. This is set out in the Proof of Evidence of my colleagues Mr Stephen Luke [APP/P3.1], who provides an engineering justification for the design of the bus interchange outside Hotel LaTour, Mr Eddie Mellor

[APP/P4.1] who covers the need for the bus interchange and Mr Bruce Fowler [APP/P7.1] who provides a plot by plot summary of the justification for acquisition.

- 10.24 The land included within the Order is required for the BEE route, and for replacement (BEE and HS2) bus stops to provide for high quality, convenient interchange with HS2 for Metro, Sprint and bus services, which is essential to deliver the seamless, integrated journeys for passengers that will help to sustain and deliver enhanced economic growth and regeneration for Birmingham and the West Midlands. The WMCA has considered reasonable alternatives for the provision of the bus interchange and there are no reasonable alternatives within the very constrained area of the City Centre Statutory Quality Partnership. WMCA also considers that the alignment of the BEE in this location cannot be located anywhere else than between the proposed HS2 station and Hotel LaTour.

Insufficient Consultation

- 10.25 WMCA contacted the objector as part of the TWAO consultation process and no response was received from the objector or concerns raised.

Scheme is predicated on construction of HS2 and as Royal Assent has not been given to the HS2 Bill the BEE application is premature.

- 10.26 The HS2 Bill received Royal Assent on 23 February 2017. All of the land in the Order is to be acquired either permanently or temporarily by HS2 Ltd.

No supporting evidence regarding alternative sites or consideration of other methods

- 10.27 The Environmental Statement, the Options Report and the Business Case [BEE/A13/2 and BEE/D23/1-5] demonstrate the work that has been undertaken in the development of the alignment and consideration of other modes and alignments, as set out in brief in section 5 of my Proof of Evidence. They conclude that no alternative mode or route would provide the benefits delivered by the BEE.

The property is proposed to be acquired or used under the HS2 Bill proposals.

- 10.28 The HS2 Bill received Royal Assent on 23 February 2017. The WMCA is liaising with HS2 to co-ordinate the design and implementation of their respective schemes. Both are able to be constructed within the land available as demonstrated by my colleague Mr Stephen Luke in his Proof of Evidence [APP/P3.1].

Objection of Instant Cash Loans Ltd (The Money Shop) (Number OBJ/8)

- 10.29 The Objector's concerns are surrounding Plot 1, in respect of ground and first floors and mezzanine, 91 Corporation Street which are dealt with in the following paragraphs of this proof of evidence. They are the tenant of Objector/05 McDonalds.

Inadequate justification for acquiring and demolishing the property

- 10.30 The acquisition and demolition of the property is required for the scheme and is justified in the public interest. The WMCA has demonstrated that all other route options are more detrimental to existing businesses or do not meet the need or provide benefits to the same degree. Due to the nature of the building's construction the demolition of the whole block is required. My colleague Mr Stephen Luke gives further details on this in his Proof of Evidence [APP/P3.1].

Scheme is predicated on construction of HS2 and as Royal Assent has not been given to the HS2 Bill the BEE application is premature.

- 10.31 The HS2 Bill received Royal Assent on 23 February 2017.

Scheme Cost

- 10.32 Costs and funding were considered by the WMCA when approval was sought to apply for the Order at the Board meeting on 30 September 2016 [BEE/F1]. This took into account the potential need to fund increases over the current estimated costs via provision for "Optimism Bias" and the report identified options for this to be funded should it occur.

Insufficient Time to Relocate Business

- 10.33 The WMCA considers there is sufficient time between funding being confirmed by Government and the requirements for demolition to begin to meet the construction delivery programme to enable relocation to take place.
- 10.34 WMCA is in the process of negotiating an agreement with the objector to give the maximum time and information on relocation given the level of commitment that it can enter into ahead of the Order being determined and Government funding being confirmed. This is described in detail in my colleague Mr Bruce Fowler's Proof of Evidence [APP/P7.1].

Objection of Network Rail (Number OBJ/9)

- 10.35 The Objector's concerns [OBJ/09] are surrounding Plots 68 and 69 which are dealt with in the following paragraphs of this proof of evidence.

Precise implications for safe efficient operation of the railway

- 10.36 The proposed substation sits beneath the railway arch and neither this, nor the BEE as a whole, will adversely impact the safety or operation of the railway.

- 10.37 The draft order contains protective provisions for the benefit of Network Rail and require Network Rail approval of any works which could affect the operation of the railway. My colleague Mr Stephen Luke gives further details on this in his Proof of Evidence [APP/P3.1].

No sufficient explanation or justification for extent of compulsory acquisition.

- 10.38 As described by my colleague Mr Stephen Luke in his Proof of Evidence [APP/P3.1], the land taken as part of the scheme enables the construction of a substation and means of access. The Network Rail protective provisions included in the draft Order provide that compulsory acquisition powers could only be exercised over railway property with the prior consent of Network Rail.

Failure to demonstrate order would not prejudice the safe operation of the railway

- 10.39 As described by my colleague Mr Stephen Luke in his Proof of Evidence [APP/P3.1], the proposed location of the substation sits beneath the railway arch and does not impact the safety or operation of the railway. The placing of the substation beneath the railway minuses the impact on adjacent land, there is a compelling need for the scheme as set out in the Statement of Case [BEE/F2] and the acquisition of the land included in the Order is in the public interest.

- 10.40 The draft order contains protective provisions for the benefit of Network Rail which require Network Rail approval of any works which could affect the operation of the railway.

Objection of Done Brothers (Cash Betting) Limited trading as Betfred (Number OBJ/10)

- 10.41 The Objector's concerns [OBJ/10] are surrounding Plots 10 and 21. Following the completion of a legal agreement between WMCA and the Objector the objection has been withdrawn [OBJ/10/WD].

Objection of the Gooch Family (Number OBJ/11)

- 10.42 The Objector's own significant areas of land in the vicinity of the BEE and following negotiations with WMCA the objection has been withdrawn [OBJ/11/WD].

Objection of Hotel LaTour (Number OBJ/12)

- 10.43 The Objector's concerns [OBJ/12, OBJ/12/1/SOC] are surrounding Plots 30, 39 and 40 which are dealt with in the following paragraphs of this proof of evidence. The property has recently been sold and WMCA is in discussions with the new owners over the matters of concern.

Concerns of disturbance during and after implementation of the scheme

- 10.44 The WMCA has taken the objector's concerns raised in the considerable pre-submission consultation into account in the design of the scheme. As set out in the Proof of Evidence of my colleague Mr Stephen Luke [APP/P3.1] the scheme includes maintaining the existing access to the front of the property (which would have been removed by HS2), moving the BEE alignment closer to the hotel with the bus stops relocated as far away as possible, with landscaping and screening of the bus stops from the hotel. My colleague Mr Rupert Thornely-Taylor demonstrates in his Proof of Evidence [APP/P5.1] that there will not be significant noise impact at the hotel as a result of the BEE. Construction impacts will be mitigated as set out in the ES [BEE/A13/1-3]

Insufficient information to gain understanding of why the land is included in Order

- 10.45 WMCA has provided the objector with sufficient information to understand the rationale for the land requirements.
- 10.46 The land included within the Order is required for the BEE route, and for replacement (BEE and HS2) bus stops to provide for high quality, convenient interchange with HS2 for Metro, Sprint and bus services. The WMCA has considered reasonable alternatives and considered that the alignment of the BEE in this location cannot be located anywhere else than between the proposed HS2 station and Hotel LaTour.

Impact on access and car parking

- 10.47 During construction and operation of the BEE, access will be maintained to the property at all times. The WMCA has worked to ensure the existing access arrangements to the front of the hotel are maintained as part of the design of the

BEE. In the event that access will be disrupted during construction, the objector would be notified in advance and the WMCA would work with the objector to minimise effects and alternative arrangements made if practicable.

- 10.48 In operation it is envisaged that a tram will pass the hotel in each direction every six minutes; this will not be detrimental to access to the hotel from the car parking at Bullring/Selfridges.
- 10.49 We understand from BCC that the land that the hotel enjoys as a car park does not have planning permission for this use, and as noted in the evidence of Mr Mellor [APP/P4.1], the transport assessment accompanying the application for planning permission for the hotel showed that no car parking was required.

Lack of consideration and engagement.

- 10.50 The WMCA undertook a number of meetings with the objector ahead of the application being submitted in an attempt to come to understand and address their concerns ahead of the application being submitted [BEE/A10]. The scheme includes maintaining the existing access to the front of the property, switching the BEE alignment closer to the hotel with the bus stops as far away from the hotel as possible and landscaping and screening of the bus stops from the hotel.

11 Summary and Conclusions

Strategic Context

- 11.1 The BEE is entirely in line with National, Regional and Local Policies, being specifically supported by the Birmingham Development Plan policy TP41.

The Existing Tram System and Eastside's Public Transport Provision

- 11.2 The Midland Metro tram network is a successful, popular and expanding system currently linking Wolverhampton and Birmingham city centres. Funding is in place to continue the momentum of expansion created by the extension in 2016 to Grand Central, which saw an increase in patronage from 5 to 7.5 million passengers per annum. A ten year delivery programme is planned to deliver further extensions to Edgbaston, Wolverhampton Railway Station, Eastside, Brierley Hill and Birmingham Airport.
- 11.3 Public transport penetration into Digbeth is poor, and this has proved a brake on development in this area despite its huge potential for regeneration.
- 11.4 The advent of HS2 with a major terminus station at Curzon Street is a significant opportunity for stimulating growth and regeneration, but without the good public transport connections facilitated by the BEE this will not achieve the full potential of the area.

Evolution of the Scheme

- 11.5 The scheme has been the subject of lengthy development and full consideration has been given the views of the public and frontagers through extensive public consultation. The scheme has been significantly amended to take into account the views expressed by objectors and consultees.

The Scheme Proposals

- 11.6 The BEE has been developed to address the deficiencies in the Eastside public transport offer. The BEE is a 1.7km extension of the existing Metro network from the BCCE at the junction of Corporation Street and Bull Street to a terminus on High Street Deritend in the vicinity of the junction with Heath Mill Lane.
- 11.7 It will connect HS2 Curzon Street station with the wider Birmingham City Centre area and the Black Country by linking to the expanding Midland Metro network as well as maximising interchange opportunities with the existing railway stations at

New Street and Snow Hill. It will also provide for future Midland Metro connections to East Birmingham, linking to Birmingham Airport, Birmingham International and the HS2 Birmingham Interchange.

Need for the Scheme and its Benefits

- 11.8 The BEE will stimulate regeneration in Digbeth and provide a vital link to and from the HS2 terminus at Curzon Street. The scheme delivers significant transport benefits and when appraised in accordance with the Department for Transport's assessment methodology delivers a Net Present Value of £77 million with a benefit to cost ratio of 4.8:1, as set out in the Economic Case [BEE/D23/5]. The BEE will help to deliver the benefits envisaged in the Curzon Masterplan for Growth [BEE/E19 - Foreword on page 5]; the full extent of this economic potential, including 36,000 (net) new jobs, 4,000 homes and 600,000 square metres of new employment space, delivering £1.4 billion of economic uplift (as planned through) cannot be delivered without a step change in public transport connectivity.
- 11.9 The BEE will reduce journey times between Eastside and central Birmingham and the Black Country

Delivery

- 11.10 Through its Growth Deal 2014 [BEE/E30] and by letter [BEE/D22] the Government has committed to fully fund the £137.2 million costs of the scheme.
- 11.11 WMCA has procured the Midland Metro Alliance and therefore a strong project team with a co-located team of owner, designer and contractor non-owner participant staff, bringing together world-wide expertise in a truly collaborative environment, with the skills and experience necessary, stands ready to deliver all aspects of the project. The Midland Metro Alliance has a robust, programme managed, delivery focused organisation in place, supported with the correct resources, skills and leadership.
- 11.12 A "third-generation" tram fleet will be required to be procured to serve the Eastside, Wednesbury to Brierley Hill and East Birmingham Solihull extensions. This procurement is planned as part of the schedule for the project/programme, with tram supply options within an overall contract being timed to supply tested and commissioned trams in time to undertake testing and commissioning of this extension. WMCA will use the "second-generation" tram procurement

documentation, incorporating lessons learned from that procurement, to develop the contract, tender documents and specification for the new contract.

Support for the Scheme

- 11.13 Support has been received from BCC [SUPP/04], GBSLEP, Irish Centre (SUPP/01), the Friends of Eastside Park [SUPP/02], the Woodman Pub [SUPP/03], Birmingham Airport [SUPP/05] and South and City College [BEE/F4].

Statement of Matters

- 11.14 The issues raised in the Secretary of State's Statement of Matters [INQ/3] have been covered within WMCA's witnesses Proofs of Evidence.

Response to Objectors

- 11.15 At the time of writing this Proof of Evidence there are 7 objectors to the order remaining. A summary of WMCA's response to their objections is set out in the paragraphs below.

Objection of MD Phoenix Cars (Number OBJ/03)

- 11.16 The BEE project will not prevent the legitimate undertaking of the objector's business operations.

Objection of McDonalds Real Estate, McDonalds Restaurants Ltd and Dean Chapman (Number OBJ/5)

- 11.17 There is a clear justification for the temporary acquisition of and demolition of the property in the public interest to enable the BEE to go ahead and deliver the significant benefits it will provide. WMCA and the objectors have agreed a notice period of 15 months for the acquisition and a legal agreement is close to being finalised with the objectors.

Objection of Martineau Galleries No 1 Ltd, Martineau Galleries No 2 Ltd (Number OBJ/6)

- 11.18 There is a clear justification for the temporary acquisition of and demolition of the property in the public interest to enable the BEE to go ahead and deliver the significant benefits it will provide, and that land which is not permanently required will be returned to the relevant landowner. Mr Fowler presents a plan showing the land permanently required in his Proof of Evidence [APP/P7.1]. WMCA does not seek to affix overhead line equipment to the current NCP car park building but does seek the ability to reduce street clutter at the time of future redevelopment. WMCA

is in the process of negotiating an agreement with the objector and BCC covering the acquisition and lease of the land included within the Order.

Objection of Quintain City Park Gate Ltd (Number OBJ/7)

- 11.19 There is a clear justification for the acquisition of the land owned by the objector in the public interest to enable the BEE to go ahead and deliver the significant benefits it will provide. All of the land relating to this objection in the Order is to be acquired either permanently or temporarily by HS2 Ltd. The land included within the Order is required for the BEE route, and for replacement (BEE and HS2) bus stops to provide for high quality, convenient interchange with HS2 for Metro, Sprint and bus services, which is essential to deliver the seamless, integrated journeys for passengers that will help to sustain and deliver enhanced economic growth and regeneration for Birmingham and the West Midlands.

Objection of Instant Cash Loans Ltd (The Money Shop) (Number OBJ/8)

- 11.20 There is a clear justification for the acquisition of and demolition of the property in the public interest to enable the BEE to go ahead and deliver the significant benefits it will provide. WMCA is in the process of negotiating an agreement with the objector to give the maximum time and information on relocation given the level of commitment that it can enter into ahead of the Order being determined and Government funding being confirmed.

Objection of Network Rail (Number OBJ/9)

- 11.21 The construction and operation of the BEE will not affect the safe operation of the railway, and protective provisions for Network Rail are included in the draft Order. A legal agreement is close to being finalised with the objector.

Objection of Hotel LaTour (Number OBJ/12)

- 11.22 The property has recently been sold and WMCA is in discussions with the new owners over the matters of concern. WMCA has changed its proposals adjacent to the Hotel prior to the submission of the Order application to minimise impact, relocating the essential bus interchange as far away as possible and including landscaping and screening. Necessary car parking for the Hotel will not be affected by the BEE, although, as noted in the evidence of Mr Mellor [APP/P4.1], the hotel's transport assessment accompanying the application for planning permission showed that no car parking was required.

Conclusion

- 11.23 The need for the land and rights proposed to be acquired has been fully justified.
- 11.24 Funding is available and the project is ready to proceed and I urge the Inspector to recommend the powers applied for.

12 **List of Appendices**

| Paragraph Ref | Appendix | Description |
|----------------------|-----------------|---|
| 3.9 | 1 | Executive Summary of the analysis of the May 2017 Metro User Profile Survey |
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