

PUBLIC SESSION

MINUTES OF ORAL EVIDENCE

taken before

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(At 14.00)

1. CHAIR: Order, order. Good afternoon, and we're on to your next witness, Mr Elvin.

2. MR ELVIN QC: My next witness is Bridget Rosewell. Can I ask you to introduce yourself first and your experience?

3. MS ROSEWELL: I'm Bridget Rosewell; I'm an economist with Volterra Partners. I've been responsible for the analysis of regeneration and transport projects for the last 20-25 years, including HS1, Crossrail, work around HS2, as well as large development projects.

4. MR ELVIN QC: Like Mr Garratt, you've produced a detailed written statement and also a two-page summary, which sets out your key points. Again, can I just pick up with you some of the main points orally, not reading anything out, and we'll go to a few documents as we proceed? Can I start just by getting your analysis? We've heard from Mr Byrne, the local MP, on the specific difficulties of the constituencies as he perceives them. From the economist's point of view, what is the character of the area, in terms of its economic profile?

5. MS ROSEWELL: It is hard to give any more detail than Mr Byrne himself gave, and indeed the study area which we've used for this site is very similar to the three

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very high levels, 50% of the people who are unemployed – 16,000 people are unemployed in this area; half of them have been unemployed for over a year. It all adds up to quite a severe picture of deprivation.

7. MR ELVIN QC: In terms of the number of jobs being lost, the Committee has already got the figures on how the 1,300 breaks down. Can I just ask you, from an economic point of view, to deal with the contention of the benefits of delivery of 3,900, nearly 4,000, jobs if the

ahead as a depot with the residual land, compared to if it goes ahead without that.

11. MR ELVIN QC: Can I ask you this? I'll ask you a separate question about the value of the 16 hectares residual, which HS2 say will be handed back at some stage.

17. MS ROSEWELL: Yes.

18. CHAIR: Therefore, businesses that go in there would be in quite a prominent position.

HS2 contention that we see it would permit full cycle of redevelopment at Washwood Heath, except the route alignment. 'During construction phase, at least part is still required for construction.' However, let's go on to the next, because I want to deal with other points later. We've got the speculative jobs point, which you've commented on, and then the points I want to focus on with you. 'Development at Interchange would jeopardise UK Central,' though it's then said that it 'could jeopardise' in the next bullet point, so I'm not quite clear precisely what's being said. Certainly there's at least a risk of jeopardising and it says 'creation of circa 20,000 jobs'. I want to examine that a little bit more. Firstly as a generality, do you accept that it puts at risk 20,000 jobs at UK Central?

24. MS ROSEWELL: No, I don't. I don't

about 12 and 13?

28. MR MOULD QC (DfT): 20 and 21.

29. MR ELVIN QC: 20 and 21. Thank you, Mr Mould. Could we have 21 first? It must be one of these fast-loading pdfs. We see there are three scenarios. The third scenario covers the totality of what is called the hub. The first scenario, though, didn't include the interchange site; we can see that in white to the east. Can we go then to the previous page, please, 20? We can see under 'employment' that, even excluding the third set of graphs, the dark blue, scenario one even excluding the interchange, at that stage they were talking about 15,000 jobs.

30. MS ROSEWELL: Yes.

31. MR ELVIN QC: a5oanfe016(nte0p3gn0.04g)-2(sth30306(15)84 013485127[(1)-2(o)5(a)
31.

there's another arising 40 hectares of possible development, which has not been counted here and which would be presumably therefore available for that high-density development. It's not stated where it's going to be.

42. MR ELVIN QC: Let's see what the owners and promoters of the site say the amount of development is. If we go to exhibit 15, which is P189, you have there a position statement from the promoters of the UK Central site opposing our alternative, unsurprisingly. Thank you. We can see in the fourth paragraph, 'it is estimated that, with in excess of 140 hectares of potential development', so we can see that the two local authorities and the owners regard the site as being not 102 hectares, but in excess of 140.

43. MS ROSEWELL: Indeed, yes, which does suggest there's a lot of extra land that can be used.

44. MR ELVIN QC: Yes, thank you. In terms of what the UK Central site represents in terms of when development can actually occur, how close is it to delivery and creating jobs?

45. MS ROSEWELL: At the moment, it is a vision, so we don't have a market study; we don't have a detailed plan. Indeed, it's hard to see how, before the station comes forward, it would be easy to get much additional development on to a site of this nature. It's much further away, really hard to say how much further, but I would think that you might get some development happening before the railway actually opens, but you won't get very much.

46. MR ELVIN QC: If we can just get some handle on the confidence issue, if we go back to the green brochure, please, which was P214, go to page 11 of that. Te,

47. MS ROSEWELL: Indeed, and a considerable amount of investor support will obviously be needed to get any of this off the ground, just to do the planning, let alone actually do any construction.

48. MR ELVIN QC: I'll come then to the \$64,000 question if I might, then. Does it necessarily follow that, by putting a depot at Birmingham Interchange, it will actually blight, as is being suggested, the UK Central proposals?

49. MS ROSEWELL: I don't believe so. I believe that UK Central would need to incorporate that investment into their vision and that it would be possible for them to do that. Given how they're still working on the development of that vision that doesn't sound as if it's impossible to do within their existing timeframes.

50. MR ELVIN QC: Two final topics in that case. Back please to P213, page 5. Sorry, I've got the wrong page. Let's go to page 36, please. We've got a traffic-light chart produced at the end, comparison employment, and again we'll be looking at the comparison report and providing a note in due course. There, Washwood Heath comes up all green; the Interchange comes up virtually all red; ditto, Chelmsley Wood. What do you say about the accuracy of the traffic-lighting there?

51. MS ROSEWELL: It's certainly not the kind of traffic light that I would have put together, and I think that, in particular, the thing that says 'maximises employment potential in the shortest time' just can't be true.

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55. MS ROSEWELL: Well, skill matching is interesting, because I've seen different reports on what the skills are that are going to be needed. Some of them say we're working on higher-skilled jobs and some of them on lower-skilled jobs. We know that residents generally are seeking lower-skilled work and, indeed, for people who've been unemployed for a long time we know that to think jump people can jump into a high-skilled job is usually too ambitious. You need to get them there in stages. The skill profile sought is the one that residents will accept so, even if you want them to move up the skill profile – and obviously that is a desirable ambition – you need to have that range. It's not clear to me at the moment what we're saying about the skill profile of the RSMD but, in any case, it's a long way away. The skill profile, which is
' in proposed by

61. MR MOULD QC (DfT): Thank you very much. I've got one or two questions for you, Ms Rosewell. I wonder if you could turn to P215(1), please. This shows the construction phase for Washwood Heath, and you'll have heard me say in opening that the construction works at this site will last for 7.5 years. We're assuming construction's starting, I think, at the beginning of 2017, so we're talking about going into the early 2020s. Now, your evidence is predicated on a comprehensive redevelopment for employment of the Washwood Heath site as a whole, isn't it?

62. MS ROSEWELL: It is, yes.

63. MR MOULD QC (DfT): With or without a depot, in reality, there is no realistic prospect of comprehensive redevelopment on the premise that you've put forward until the early 2020s, is there?

64. MS ROSEWELL: No, I don't think that's true, because quite a bit of the site – it's never a plan that the whole thing is going to come forward in one go. What matters very much for development is the certainty of the timescale, so we've argued that this can be built out over an eight-to-ten period. I'm not an expert in the amount of space needed for the construction site but, if there isn't going to be a depot, then the construction part of this can no doubt be limited, so that they can work together to maximise the built-out development and how that is working over that eight to ten years. I don't really see that that's going to stop the whole process.

65. MR MOULD QC (DfT): Is your evidence to the Committee that you're confident that a comprehensive planning permission, assuming that construction works have been completed and have cleared the site, can be planned, permission granted and implementation can begin, in terms of infrastructure and so forth, any time –

66. MS ROSEWELL: That's not what I said.

67. MR MOULD QC (DfT): No, I'm asking the question – significantly before works finish on this site in, say, 2022/2023? Is that really a realistic proposition?

68. MS ROSEWELL: That's not what I suggested. What I suggested is that a

masterplan can be produced for the whole site. Elements of that can go through to detailed planning and, indeed, elements can be constructed in conjunction with a construction programme. I'm not saying that you would necessarily have the detailed planning permission for all elements of the site at the very beginning. You wouldn't need to do that.

69. MR MOULD QC (DfT): One of the advantages you claim is jobs coming on stream much earlier.

70. MS ROSEWELL: Indeed.

71. MR MOULD QC (DfT): The point I've put to you is that it creates a significant uncertainty as to when any substantial number of jobs is likely to come forward on this site with or without a depot. That's a fair point, isn't it?

72. MS ROSEWELL: Sorry, can you repeat that, because I'm not sure? Say that again.

73. MR MOULD QC (DfT): Yes. The point I put to you about the need to use this site substantially for construction works, until at least the early 2020s for the HS2 project, means that the delivery of any significant quantity of jobs on this site, in advance of the end of those construction works, is at significant risk.

74. MS ROSEWELL: I don't agree with that. There is the potential to bring forward a substantial proposition of these jobs with some construction works going on, if the depot is not being developed.

75. MR MOULD QC (DfT): Can we turn to another point, please, if we can put up, please, P176(8)? These are the assurances on Washwood Heath that have been agreed between the promoter and Birmingham City Council. I want you to focus on two points, please, well three points. First of all, (a) and (b) are about maximising the amount of land that is available for general employment development once HS2 has completed its construction.

85. MR MOULD QC (DfT): Thank you. Before the permanent facilities in the depot world at Washwood Heath come on stream, as we've seen, there are likely to be substantial construction opportunities, aren't there, over an extended period and you know that the promoter is committed to seeking to foster local employment opportunities. The Secretary of State has made a general commitment in relation to that, hasn't he?

86. MS ROSEWELL: He has.

87. MR MOULD QC (DfT): Again, it would be wrong to give the impression to the Committee that, in a world where the depot is being located on this site, there will not be substantial job opportunities for local people at all skill levels, as a result of the presence of the project.

88. MS ROSEWELL: There will. On the other hand, this is a construction depot; it's not just a construction site. I've seen nothing that suggests to me that many of the people working on this site won't be working for other contactors and coming in and out, depending on what is necessary.

89. MR MOULD QC (DfT): It's for that reason that I can't begin to put any sort of figures to you, but the proposition I've put is that there is at least a realistic prospect of local opportunities being made available for construction work.

90. MS ROSEWELL: There are some prospects of jobs on the construction site, absolutely, but we have nothing on the scale piece.

91. MR MOULD QC (DfT): Can we turn please to P216? I want to just ask you about the displacement of existing employment. I can anticipate the point. I've made the point already, and this is just a useful aide memoire, that both UK Mail and CEMEX have to vacate this site in order to construct the railway.

92. MS ROSEWELL: They do.

93. MR MOULD QC (DfT): They go in the depot or no depot world.

94.

102. MS ROSEWELL: Indeed, yes.

103. MR MOULD QC (DfT): You haven't spoken to that in your oral evidence. Are you continuing to rely on that?

104. MS ROSEWELL: I'm happy to speak to it.

105. MR MOULD QC (DfT): I want to know whether you want the Committee to

We're proposing that there are alternative sites for the depot, so the jobs associated with the depot can still happen, can still be available to the residents of West Midlands. That's not something that you should set against the jobs that could be made available on the Washwood Heath.

118. MR MOULD QC (DfT): I'm making two points. The first point is we shouldn't lose sight of the fact that the 640 jobs and the construction jobs are jobs.

119. MS ROSEWELL: Indeed, but what I'm also saying is that those are not alternatives for the use of the Washwood Heath for redevelopment as a main employment site, where indeed there would also be construction jobs associated with that too.

120. MR MOULD QC (DfT): My second point is, whether you have a depot at Washwood Heath or you have it at Birmingham Interchange or you have it at Chelmsley Wood; given that Birmingham Interchange is identified, as we know, as a future employment-generating area, and Mr Elvin has pointed out that there is even the prospect, at least in reserve, of Chelmsley Wood coming forward as an employment-generating area, there's a common theme to any of those relocations. Taken together, they involve the provision of substantial employment opportunities involving a mixture of railway-related jobs, both temporary and permanent, and general employment-related jobs, and general industrial and warehousing-

recently published prospectus and the statutory plan. On these grounds, the council objects most strongly to this suggested use for the site. Working with a number of stakeholders, we've established a clear vision that seeks to maximise the economic potential and intensity for development involving land at the NEC and the airport.'

123. They've dealt with opportunities in their responses to the environmental statement. References are made to the local plan, the need to maximise economic opportunity and then the final paragraph: 'Through UK Central, the council is working closely with key stakeholders, and the Greater Birmingham and Solihull LEP has identified hub at UKC as a game change for the region. The area is already home to the NEC, the airport, JLR and Birmingham Business Park, in excess of 30,000 jobs. This is a location where major economic development continued during the downturn.' It goes on to mention two references. 'It serves to demonstrate the true real potential of the area,' and makes some points that have already been brought to the Committee's attention by Mr Elvin.

124. The point is this, Ms Rosewell: you made a point about timing. What comes through Solihull's position, and indeed comes through the Packington and other stakeholders' positions Mr Elvin referred to in the position statement, is that they see the UK Central as an opportunity that needs to be grasped, so that they optimise the redevelopment regeneration opportunities at Birmingham Interchange that will come on stream when HS2 becomes operational in 2026. Yes?

125. MS ROSEWELL: Indeed, yes.

126. MR MOULD QC (DfT): We can expect, can't we, whether or not they achieve it,

128. MR MOULD QC (DfT): On the basis of what I've put to you, I suggest to you that, in that respect, their objective and your objective in relation to the Washwood Heath site are essentially similar in timing terms, because you're talking about a 10-year programme at releasing comprehensive employment at Washwood Heath. They're talking about a 10-year programme of releasing land to coincide with HS2 at Birmingham Interchange. There is no material distinction.

129. MS ROSEWELL: Where does it say it's 10 years starting now?

130. MR MOULD QC (DfT): You've just agreed with me that is what they're going to seek from –

131. MS ROSEWELL: I agreed with you absolutely that they will do their best to get development going and to make it available on the most effective timeline. I thought that was the question you were asking me and, if I misheard it, I really apologise for that, but I don't see anything here which suggests that they're expecting to be built out in 10 years' time from that.

132. MR MOULD QC (DfT): I said come on stream.

133. MS ROSEWELL: What does that mean?

134. MR MOULD QC (DfT): Isn't it reasonable to assume that that would be what they would be working to?

135. MS ROSEWELL: I'm sure that they will work to the fastest possible pace. Of course they would. That's not at all the same thing as saying that they're expecting to have 20,000 jobs in existence in 2026 or even 2024. I completely agree, because it would be irrational otherwise. I'm an economist so I have to be rational. I completely agree that they will do their best to set it out as soon as possible to get stuff in as soon as possible, but that's not to say that it's actually going to be terribly easy for them when, at the moment, they do not have a detailed plan or the ability to go for even an outlined planning permission on any part of the site, so the timeframe I don't see can be at all the same. I notice in this letter that they've still got things I don't understand about the 50%

of the site. 'Two thirds of the site would be utilised for HS2-

145. SIR PETER BOTTOMLEY: Or it's preservation.

146. MR MOULD QC (DfT): Quite, and permeability. That was an aside. I don't need to trouble you further with that.

147. CHAIR: I was going to say, essentially, you're getting some jobs for the railway. You're getting some regeneration with the railway and, as an economist, what you're u5(Tw 29s 1

the rest of the line. Indeed, you have a concrete batching plant, I notice, which presumably looking at the size of the station in Curzon Street, it would be nuts to have two of those – to have one in Curzon Street and one in Washwood Heath. Is the plan to use this site partly as a centre for construction for other points along the line?

155. MR MOULD QC (DfT): Yes, it is. If you go back to 215(1) –

156. CHAIR: Really, even if the depot wasn't there, you then have to find an alternative site for a construction site.

157. MR MOULD QC (DfT): I haven't heard it suggested that we need to find an alternative site for construction, but certainly this site has a very major role in the construction phase of the railway. Amongst other things, you will see that the Bromford Tunnel western portal is immediately to the eastern end of the site, and the materials processing centre and roadhead

employment planned and you would leave the part that was required for the various construction elements until the last phase of redevelopment.

163. SIR PETER BOTTOMLEY: Am I wrong in thinking that most of the present employment is on land that would be used for construction?

164. MR ELVIN QC: You're right, but the land that would be used for construction –

165. SIR PETER BOTTOMLEY: I just wanted, if I may, to know –

166. MR ELVIN QC: Of course, I'm sorry.

167. MS QURESHI: Can I just ask for clarification? From going through the papers and from what you were saying, I just want to clarify. As I understand, Birmingham City Council is more supportive of the HS2 promott

182. MR ELVIN QC: Are there any comparable concerns with regard to unemployment in the area of UK Central?

189. MS ROSEWELL: Can I come back on your question about how many people are resident and how many...? I don't know of any data source that enables you to answer that question; the census doesn't really do that, but I'll go away, do a trawl and see if I can think of any other source. I can't think of anything on that.

190. SIR PETER BOTTOMLEY: The reason I ask is, when I first owned my home in London, we were in a conservation and redevelopment area. It took 20 years for the council to redevelop. Everyone who could move did, except I moved in, and all the homes were taken by those who couldn't find anywhere better. In effect, a low area was created by redevelopment.

191. MS ROSEWELL: I doubt this is like that. I think it's a much more traditional area. As Byrne explained this morning, at the centre of it was this big manufacturing facility that had been there for generations and around that there was attracted a traditional industrial population that worked there. There will have been some of that. I don't think we'll be able to pin it down but, if you kind of look around the place, it's kind of got traditional families in it.

192. CHAIR: Are we on to your next?

193. MR ELVIN QC: Yes, I'll call Mr Rouse next. Sir, we will see if we can find anything.

194. SIR PETER BOTTOMLEY: Don't do extra work.

195. MR ELVIN QC: Mr Rouse, can I ask you to introduce yourself and explain to the Committee what your background and experience are, please?

196. MR ROUSE: Certainly. My name's Paul Rouse; I'm a chartered planning and development surveyor. I've been in private practice planning consultancy for 18 years. I'm a director and the head of the planning department of Savills in Birmingham. I've advised in relation to this site since 2003, when Axa purchased a sale and leaseback arrangement and then, subsequently, I've given some advice to LDV when they were in occupation, and then more recently again, from early 2011, I've been advising Axa

again in relation to planning matters.

197. MR ELVIN QC: Mr Rouse, for Mr Mould's benefit you've produced in writing a longer document than the summary paper and you're sticking by what you say in those documents, even though you're not going to read them out.

198. MR ROUSE: Absolutely.

199. MR ELVIN QC: I'm sorry, Mr Mould. Can I do what I've done with others, Mr Rouse, and just pick up some key points with you, please? Can I deal firstly with the question of what happens in terms of the loss of employment land and greenbelt displacement? Can you summarise the position for the Committee as to what the consequences are in Birmingham of losing this as an employment site?

200. MR ROUSE: Yes, certainly. Birmingham has a chronic shortage of land, both for housing and for employment. The levels of housing shortage are enormous. We're talking something between 30 to perhaps 80,000 houses. To try to deal with some of that, they're going to the greenbelt for 6,000 houses. In terms of the employment land position, the identified need is for, in the most likely scenario, 407 hectares of employment land across different categories of quality, and the identified supply at the best estimate is – let me get this correct – 208 hectares, so there's a big shortfall there of about 199 hectares.

201. Birmingham is producing a development plan, as every local authority is charged with doing. The National Planning Policy Framework, the Government's 2012 document, provides the context in which that must be brought forward. It is necessary for the local authority to provide for its objectively assessed needs, and that relates to both housing provision and to employment land provision. Birmingham has been going through a process of thinking, 'Okay, where can we accommodate all this employment land that we need.' It has gone through that process and it has said, 'We haven't got enough land to do it.' They employed a consultant to carry out a study on their behalf, which reported in October 2013. That's where those figures I just quoted come from.

202. The net result of that is that, in their plan, they're proposing not to provide the 407

hectares of objectively assessed need and they're proposing instead to simply provide for a five-year rolling reservoir. There's a significant question about that strategy and their plans recently submitted to the Secretary of State. There'll be a lot of debate about the adequacy of that approach in that context.

203. Notwithstanding, it demonstrates that they are seeking to provide 96 hectares only in their plan and, in order to provide that 96 hectares, they are proposing to allocate 80 hectares in the greenfield at Sutton Coldfield, at Peddimore. They have exhausted their analysis of the urban area and they have conc

207. MR ROUSE: Yes, indeed. They interchange the terms in Birmingham, which is slightly unhelpful. They started off in existing plans calling it 'best urban' and in later documents it's become 'best quality'. What it means is it is a site of a certain size and it's a market attraction point, so it's a bit hard to define, but it means in general terms it's a site at a size and quality and configuration, which would be suitable for an international or national occupier, that type of choice of location. If you look at someone who's otherwise thinking of going abroad, it's a site of that quality that would attract that type of occupier, as opposed to a more regional requirement or, below that, a more localised requirement.

208. Washwood Heath is in the best category. It actually also would qualify as a regional employment site. Now, that's a category that no longer exists since the abolition of the regional governance structure, but the former West Midlands authorities have all collaborated. They've commissioned a report and that report is still yet to be received, and that is looking into the need for those authorities to collectively think about what they need to do as a regional site size. The Washwood Heath site, at over 50 hectares, is capable of fulfilling the needs of a regional investment site, as well. Under the old days, when we had regional spatial strategies, we had categories of major employment sites, major investment sites, regional logistic sites, etc., which were 50 hectares plus, so we're very much at the top end of the spectrum of quality with this site.

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either in Birmingham's greenbelt or in another authority's greenbelt.

211. MR ELVIN QC: I've just had put up on screen, and we looked at this with Mr Byrne this morning, but there we see a letter authored by Sir Albert Ball but signed by Mr Byrne and authorised, signed by others, you can see pressure on the greenbelt and the smallness of the Birmingham employment land supply.

212. MR ROUSE: Yes, absolutely. That situation of course hasn't changed since that letter was written. Although you may have heard earlier that Birmingham hasn't perhaps pur

Kuehne + Nagel requirement, which was in the market during 2011 and 2012. Axa was proposing to meet that requirement with PXP, so it didn't need some elaborate process controlled by city council to achieve that. That was a response from two landowners in order to meet an occupier's requirement, which came together and that was to provide for the amount of floor space that was required and to meet their general operational requirements.

217. SIR PETER BOTTOMLEY: Was that logistics and distribution?

218. MR ROUSE: Yes, it was. That can be done but, at the same time, there has been a move to produce a masterplan with exactly the same sort of timing. At the beginning of 2011, I was involved in discussions with the city council to bring forward a masterplan and indeed the other landowners were as well. We had joint meetings and draft masterplans were drawn up, which were ultimately not taken forward because of the progress of HS2. Indeed, the Kuehne + Nagel requirement didn't go forward because of HS2 as well.

219. MR ELVIN QC: In terms of the issue of part of the site being required for construction, can we just remind ourselves? Mr Garratt wasn't asked questions about this, but he did actually give a view on the use of the site for construction. Can we have put up A84, please? It will be 84(21), I think. Sorry, it's 22. No, I'm sorry; it's 23. I do apologise. 432, Mr Garratt there set out his views that, in fact, you could re-structure the construction requirements for the site, so that any part of the site would be taken while the rest of the site can be developed. Do you have any view as to how that could be integrated within overall seeking a masterplan and individual planning applications within it?

220. MR ROUSE: I'm sure you could accommodate. I think it's not clear. I know we've been looking at a plan and it's the one that's been with the brown area showing the 16 hectares and you come back to residual land. That area of brown land, so far as I understand, is land on which HS2 proposes to effectively shift and grade aggregates, etc., which are either dug out of a tunnel or, in the main, so far as I understand, planed off the St. Modwen site, because the St. Modwen site is substantially raised above the level of the rest of the site. It's a depot requirement that the site is flat and level, so one

of the key things that HS2 has got to do when using this site is to move an awful lot of material from the western end of the site, where most of that depot is, in order to construct it

There are various aspects of market assessment. Overall,

adequately in relati

likely to be heavily from the residential areas to the south, so precisely the criticism that HS2 is seeking to level, which doesn't apply to us and, at the moment, would apply to their residual land situation.

235. MR ELVIN QC: Perhaps it's a glimpse of the obvious but, if the depot is constructed, what does that do to the opportunities for access from the A47 for the residual land?

236. MR ROUSE: It would be an enormous bridge. HS2 clearly has said it doesn't

substantial foundations five or six metres below the ground, solid concrete, etc. All of that has been dug through, so the entire site has been dug through to a depth of about six metres, and what has happened in that process is that any hotspots of contamination that were identified during that process have been dug out and dealt with appropriately during that process. I don't say it's entirely clean at the moment. I think there are probably still some residual works on there and there are still some materials, etc., that are being graded ready for taking away on the site at the moment, but it's largely remediated and it's a flat-level, ready to be developed.

240. SIR PETER BOTTOMLEY: So most of the £14.5 million of demolition and decontamination at Washwood Heath is on the other owners' land?

241. MR ELVIN QC: That's precisely it. You're ahead of me, but that's helpful. In terms of that other land where the remediation has to be done, does that prevent the advance of development of the Washwood Heath site?

242. MR ROUSE: No, not at all.

243. MR ELVIN QC: How would it proceed if the majority of the site were to be redeveloped? What sort of phasing would there be?

244. MR ROUSE: You could have multiple phases, as we have already explained. You could have phases where – it depends on the occupier requirements that come forward. I think the site is sufficiently flexible and that's the beauty of a larger site: that it can accommodate a range of requirements. So quite possible, as I say, with the access arrangements that you've got, each of the plots could come forward independently, but they could be planned comprehensively so that they achieve the best outcomes, but there's no need to wait for one element to do another. You can start immediately. If this site were released from safeguarding and released from threat from HS2, then the access site could be got underway with immediately. The planning process, the site is not allocated in the saved policies of the current Unitary Development Plan. It's what's termed 'white land', but it would be – clearly from its previous use as employment and in terms of the context of the area – B-class employment uses, so light industrial, general industrial, storage and distribution uses would all be acceptable, in planning

you have produced a summary table, which I said I would come to earlier today. It's in A85 and it's original page 58 or 222, but it's probably somewhere in the order of page 60.

248. MR MOULD QC (DfT): A85(66).

249. MR ELVIN QC: Jolly good, thank you. Thank you. The first thing to note is the highway solution, the final row before the total cost. The issue of neutrality and cost saving on Birmingham Interchange has already dealt with by Mr Garratt. But what I'd just like to explore with you is this: there are two options for Birmingham Interchange. We've got the surface-level solution, which is the first of the Birmingham Interchange. But the multi-story car park issue that was put to Mr Garratt by Mr Mould, that has also been costed as well.

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do this as well, if they want. You can apply the numbers and you can see, by looking down the table, the only number that changes is the £34.5 mn for the direct cost of car parking, in the second line, and then it has a compound effect with the indirect costs, which are probably that line 8, which you'll see just below the first highlighted subtotals. And those are professional costs and a range of other factors which get compounded on the construction cost the first time around. The additional – I think Mr Mould mentioned a figure of around £60 million or £70 million – and I think that computes through here. It's something very similar to what we come out with. So the additional cost is that and what you do get, if you carry that through, the other costs of the BI option are the same. You can see we add, at the bottom there, £73 mn to the cost just because we are providing a multi-story car park for 6,000 cars, but that option, which does free up more land at Birmingham Interchange for other things – might be UK Central, might be something else – is still in the order of £82 mn cheaper, we believe, than the Bill scheme. It has a benefit over it and is still cheaper.

253. MR ELVIN QC: The other element of this I want to just pick up with you, because Mr Mould referred to it, is the land acquisition costs for Washwood Heath, something in the order of £

259. MR ELVIN QC: Do you know where it comes from?

260. MR ROUSE: I haven't a clue.

261. MR ELVIN QC: No. We'll look at it when we have a chance to digest the

271. MR MOULD QC (DfT): If you give us a page number, we'll sort it out.

272. MR ROUSE: It doesn't have any, I'm afraid. It's sort of the fourth double-page, but it's like that.

273. MR ELVIN QC: I think that's not the original report. I think that's the green one.

274. MR ROUSE: No, this is the original.

275. MR ELVIN QC: Oh, yes. I think that's just in your appendices, in that case.

276. MR ROUSE: Yes, it is.

277. MR ELVIN QC: In which case, I'm sorry, it is A73(6). Right, I think that might actually be the page. Yes.

278. MR ROUSE: Yes. So what is UK Central and the main masterplan report that Mr Elvin referred to earlier was tied to the M42 gateway masterplan. That's exactly what this is. The M42 is shown in blue, broadly north-south on here, and the key features of UK Central masterplan are the coloured items that you see coloured and labelled on there. So North Solihull regeneration area, a massive area, primary residential land; Birmingham Airport; Land Rover; the National Exhibition Centre; Birmingham business park; Solihull town centre; and Blythe Valley business park,

290. MR ELVIN QC: And what conclusion has been reached?

291. MR ROUSE: That any effects are able to be mitigated satisfactorily.

292. MR ELVIN QC: Thank you. Mr Rouse, I think those are my questions.

293. CHAIR: Thank you very much. Mr Mould?

294. MR MOULD QC (DfT): Thank you. Mr Rouse, while we have that on the screen, 203, if I could just ask you to turn your attention to the Chelmsley Wood site. I mentioned to the Committee, when I was introducing your petition this morning, that the route of the railway had been moved eastwards to the current proposed position, which broadly runs along the uppermost part of the triangle at the moment, prior to the Bill being formulated, in order to provide some further distance from the residence of the settlement of Chelmsley Wood, which is broadly lost below the bottom of the aerial photograph here. You heard me say that, didn't you?

295. MR ROUSE: Yes, I did.

296. MR MOULD QC (DfT): Yes. And that was a change that was made during the course of the middle of 2013, as a result of a good deal of public encouragement to the Secretary of State, on behalf of the local community of Chelmsley Wood, who were concerned that the then alignment, which was rather closer, so a more westerly alignment, that would give rise to significant noise and visual disturbance to them. Now, that has left an area of land, which is in the bottommost part of the triangle you can see on the screen there, left an area of land which is free from any substantial temporary or permanent development for the purposes of the railway and which is left available then for some open-space use: enhancement of playing fields and that kind of thing. Your proposal for Chelmsley Wood would involve filling in that area and devoting it to a rolling stock and maintenance depot, wouldn't it?

297. MR ROUSE: Yes, it would.

298. MR MOULD QC (DfT): That would have the effect of negating the

environmental benefit that resulted from the refinement to the scheme that I just outlined to you a year ago, wouldn't it, because instead of having a gap which is free from any railway activities, we would have that gap filled in with all the night-time activities that go with the operation of a busy rolling stock and maintenance depot. That would be the position, wouldn't it?

299. MR ROUSE: Not exactly.

300. MR MOULD QC (DfT): Not exactly.

301. MR ROUSE: Sure there would be some di

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Secretary of State, right? But what the Secretary of State is telling the Committee is that, at the end of the construction process, I expect to have something of the order of 16 hectares of land that is surplus to my requirements that I can then offer back to the market for employment development. And he's given an assurance to Birmingham City Council that he's going to do his best to ensure that we minimise the permanent land taken and, as a corollary, we're going to maximise the amount of that residual land. Now, he'll receive a capital receipt from that land, won't he? When he sells it back to the market, the market will pay him open market price for it.

331. MR ROUSE: One assumes.

332. MR MOULD QC (DfT): As I understand it, Mr Asher's 93 million doesn't net off that capital receipt, does it?

333. MR ROUSE: That's correct, yes. But I think it's important to point out – and you referred to it as prime industrial land when the bell went, and of course, it isn't prime industrial land, I've already outlined the reasons why and therefore, it wouldn't be – and of course that cost, as that paragraph you've referred us to, states, 'Includes land at

349. MR ROUSE: You may expect that and that's perfectly fine, not necessarily though. Because, we have drawn up the masterplans that do respect the ownership boundaries and if I refer back to the Kuehne + Nagel situation that we were jointly pursuing with PxP in the past. That masterplan to deliver over a million square feet in buildings which Kuehne + Nagel then draw down on a periodic basis, together with a servicing vehicle for their vehicle fleet was indeed drawn up respecting the boundaries, because the PxP interest is actually remarkably complex in how it's set up and is otherwise quite difficult to deal with. What you'd be looking to do is bring forward buildings configured in such a way that you might share the access road and key infrastructure over the site, but that the buildings and their immediate footprint and cartilage, if you like, so where they would have their service yards and car parking etc, could be sub-divided out of the overall site and sold as separate investment interests because that's the way these things work. A developer would come along and build it, and then you want a product, once it's let, it has got an income stream, a fund. A different fund might then choose to purchase it, that is how it works. So you want that on the basis you can achieve that, and if you start building across boundaries, then that becomes more difficult to achieve; you're talking about some sort of valuation equalisation process in land. Can be done, has been done many times, but it's more complex and it was perfectly possible to deliver the Kuehne + Nagel scheme, for instance, in a way that respected the boundaries between Axa and PxP. And as we've already said, the St Modwen land in the yellow there is elevated, slightly different levels, it's got a straight edge, you can still connect it through quite adequately, vehicular and pedestrian and whatever else, but it doesn't mean to say that you have to have buildings straddle the line.

350. MR MOULD QC (DfT): Right. Just two other questions: each of the alternative depot locations that the Committee has before it involve land release of land from the greenbelt, don't they?

351. MR ROUSE: Yes.

352. MR MOULD QC (DfT): Thank you. And the final question is this: you took us to some of the promotional material in relation to UK Central. Can we agree on this that the reported position of those who are sponsoring that initiative, both on the public

Reading example, is a very good one, as a recent station, a recent rolling stock...

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367. CHAIR: Can I ask before you go, Mr Rouse, we have a proposal here for HS2 to have a control centre, a maintenance yard, some hundreds of skilled jobs, which are likely to increase, particularly if phase 2 were introduced. When you were reading out about planning, you were talking about light industrial, warehousing and you prayed in aid a number of times about Kuehne + Nagel who are logistics, road haulage, warehouse, you've probably got some people in the office. Per metre/hectare, is that going to generate lots of jobs, and weighed against the sort of jobs that, with HS2?

368. MR ROUSE: I don't know exactly what the jobs of HS2 are, and this is probably a better question for Miss Rosewell than me. In terms of the numbers that you've heard from Miss Rosewell in her evidence, then they're very much calculated on the Government's multipliers for those types of uses, so there's a proportion of, I think it was 30% general industrial uses assumed in that mix, and 70% warehousing distribution, so the figures of 3900 odd, which Miss Rosewell presented, are absolutely reflecting those types of uses that we're talking about.

369. There's always a perception distribution property doesn't generate jobs does it, it's not a real job; manufacturing is; an office is, etc but distribution isn't. But the distribution market is different these days and I can't say for sure exactly what those jobs would be but, for instance, some of the things that we are involved, that we are looking at with that proposal, things like mobile phone packaging, so a lot of the packaging and processing of products these days happens at the point of distribution rather than at the point of manufacture, so actually you have a whole mezzanine floor of people doing semi-light production type facility in a distribution facility. The same goes for something like an espresso machine that you may have at home, where actually, they come from the manufacture with the machine in one position, all the coffee comes from somewhere else, they are packaged at the point of distribution. There are lots of jobs like that that people just don't perceive that are necessary, real but appropriate to the low skilled population that we have in the Washwood Heath area.

370. CHAIR: To go back to Mr Mould's point, the compulsory purchase basically captures the whole site, effectively, and then, at the end of the process, there's a residual amount of land, that may be 16 hectares, hopefully it will be more if they can get the design on a smaller footprint, so presumably, because that would be one, maybe not the

best part of the site, but one lot. Clearly that will have some value, won't it?

371. MR ROUSE: It will, absolutely. Yes, can they get that land – you could remove the balancing ponds, for instance, We haven't covered it so far in evidence but, for instance, the balancing ponds do work in relation to the proposal that the petitioner has put forward. So it's been said by the promoter, for instance, that balancing ponds don't work. It's not necessarily to provide all three balancing ponds here, it's necessary to understand that the two balancing ponds on the end are to drain the track to the east and the to the west, of the RSMD site, the big balancing pond in the middle drains the RSMD site, so that balancing pond moves with the RSMD, wherever that goes, and a drainage solution is appropriate to the site that receives that facility. The ponds drain the track and the proposals that we've put forward are adequate, in terms of capacity and hydrology etc to do that, so we've already demonstrated that you could free up that piece of land, for instance, in that way. Yes, it has a value. I don't know if there's much ability to reduce the depot any further but perhaps that's a challenge for them.

372. CHAIR: Thank you very much. Any more questions? Sir Peter?

373. SIR PETER BOTTOMLEY: Can I just pick up the point on the balancing ponds? The amount of rain on the site remains the same, whatever use it goes to, unless it's agricultural, may I ask?

374. MR ROUSE: The rain stays the same.

375. SIR PETER BOTTOMLEY: The absorption presumably, remains virtually nil if it's all concreted over by one use or another?

376. MR ROUSE: I'm not a hydrology expert, but it's clearly been intensively developed in the past, so it has a large impermeable area in the past. The standards of what you develop to now are different from what they were. In the past, you had to have a degree of tolerance in run-off rates.

377. SIR PETER BOTTOMLEY: The one in a hundred which now comes round once every 10 years? The key point is that we've accepted that there may be some extra need

386. MR ROUSE: Of course. I believe at the moment not all of this site does drain, it does drain to the sewers and things like that, so I'd have to say, I'm not the expert.

387. SIR PETER BOTTOMLEY: My last point is remembering going around old Istanbul with their massive underground reservoirs; are balancing ponds in urban areas left open to the skies or can they be covered up and can you build on top of them?

388. MR ROUSE: They used to be covered, didn't they? I don't know. I think they all propose to be left open these days. It's not my proposal, so I don't know.

389. MR BELLINGHAM: Thank you very much Chairman. Mr Rouse, can we go back very quickly to the Savills figures, the ones that included the cost of acquiring the land plus also the final cost? If we could just get those figures up, could we, on the screen, it would be very helpful. What I would just like to look at again –

390. MR ELVIN QC: It's A85(66).

391. MR BELLINGHAM: Thank you. The fact that there was a nil acquisition cost for the 200 change sites, plus the third one, the Chelmsley Wood, that presumably was on account of the fact that they are already in the ownership of HS2?

392. MR ROUSE: They're not in the ownership yet but they're in – they are wholly contained within the build limits of land to be acquired. I say that – that situation applies in relation to the interchange option, two interchange options. The Chelmsley Wood site is outside of build limits of land to be acquired and there is therefore an additional area of land which I think is in the order of 10 hectares, 10.4 hectares.

393. MR BELLINGHAM: But it would be more than 4.4 million, wouldn't it?

394. MR ROUSE: No, because at the moment that land is agricultural land and greenbelt and of course, you can't forget the value of the scheme in the context of the compensation payments, so it's current value.

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411. MR ROUSE: What a loaded question.

412. CHAIR: It's an unfair question, you don't have to answer it.

413. MR ROUSE: We can see from HS2's own train programming that we were talking about, timetabling that we were seeing earlier, the expectation is that the bulk flows will not be from London to Birmingham, but the bulk flows are from Birmingham to London. So are we going to radically see suddenly something different happening? No, probably not. I think the impact of this is, if you like, and you've got the model over there, where it comes into Birmingham city centre is through an area – I mean it has blighted that, believe me, because I represent three or four key landowners that have large tracks of land there, that have planning permissions, which have been blighted by the safeguarding in exactly the same way. The issue there is that you have an opportunity to do a large-scale regeneration project in an inner urban area that you wouldn't perhaps have otherwise brought together at the same time, so I don't think you suddenly necessarily get lots of people living in London saying, 'I fancy really working in Birmingham' and you reverse a commuter flow, I don't think that happens. I do think you get an opportunity of whole scale regeneration of an area which is an interesting economic and development opportunity and which can be used as a spur to do some, it's an impetus.

414. CHAIR: It's still good to work for Savills.

415. MR ROUSE: Absolutely.

416. CHAIR: Absolutely, thank you very much. Right, are we on to you – sorry final comments?

417. MR ELVIN QC: A little bit of re-examination, I'm not going to ask you if you're going to stay with Savills. Can I just come back to the question of land ownership and the point Mr Mould mentioned? Of the main landowners in the Washwood Heath, and you mentioned PxP, and Axa, UK Mail we know is already selling up and St Modwen's position is what in terms of its willingness to bring the site forward?

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424. MR ROUSE: Yes there are, all around the bottom of the site.

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