

## Project Lifecycle – Strategic Outline Case (Initial Proposal) Template

**Project Name: UK Central Infrastructure Programme – Phase 1**

### Revision History (to be completed by the Applicant)

Please keep a record of the document’s Revision History using the table below:

	Version Number	File Name	Date submitted	Summary of changes made compared to previous version (please refer to previously received feedback and how issues have been addressed)
<b>Current Version</b>				
26.07.2017	3	WMCA SOC 1v3	26.07.17	Updated Section 3 Finance
<b>Previous Versions</b>				
23.06.2017	1	WMCA SOC 1	26.06.17	N/A
10.07.2017	2	WMCA SOC 1v2	17.07.17	Updated Strategic Case; Economic Case linked to evidence; updated Financial Case

### Review History (to be completed by the Reviewer/Approver)

Name of Reviewer	Role	Date Business Case Reviewed	Summary of decision – whether approved or not – if not approved please explain the reason for non-approval and the additional evidence that would be needed for approval

## Applicant Details

Applicant Details			
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<b>Ward (base location of lead organisation):</b>	St Alphege		
<b>Other organisations involved in project bid:</b>	Consultancy/technical/professional and delivery support will be procured UK Central Solihull Urban Growth Company		

## Purpose of the Initial Proposal Template

The key purpose of the Initial Proposal Stage is to:

- Establish the strategic context for the spending
- Evidence the case for change; and,
- Establish the preferred way forward.

To proceed to the Outline Business Case Stage, the project will need to demonstrate that it:

- fits with the strategic objectives of the Combined Authority as stated in the Super SEP;
- will achieve balanced outcomes (measured by the balance metrics);
- achieves value for money;
- has a financial case; and
- is deliverable.

# Part 1 - Strategic Case

## Overview and Rationale

### 1. Please summarise the project being proposed and for what aspect funding is being sought

#### Introduction

The UKC Infrastructure Package is a long-term programme of infrastructure and associated investment forming one of the essential pillars of the HS2 Growth Strategy. The Council is now in the advanced stages of planning a range of projects of which a number are aligned with /or dependent on related workstreams being developed by TfWM, HS2 and Highways England – please see Appendix 5.2. These projects need to be accelerated in order to be delivered within the next four years. This Strategic Outline Case is for Phase 1 of the Infrastructure Package – a series of inter-related studies and schemes delivering critical connections in key movement and growth corridors, together with high priority enabling investments in opportunity zones. The WMCA has a key role in both supporter and funder. The funding, set out in this SOC, which the council is seeking to draw down from the UK Central Infrastructure Package will provide certainty for the council to proceed at pace. The council is also actively pursuing all other forms of funding and some of these are identified in Part 3. Ultimately the council will look to match funds in order to optimise all funding sources.

Phase 1 will enable and needs to happen to support:

- the development and subsequent delivery of infrastructure and investment schemes which will align with HS2, Highways England, TfWM and Midlands Metro Alliance scheme development and delivery;
- enhanced network resilience during a period of significant infrastructure and associated works in the West Midlands;
- align with and support delivery of the TfWM draft 10 year Transport Delivery Plan; and
- greater modal shift.

Failing to invest in these projects now will result in a significant opportunity cost in terms of jobs, GVA and homes (among others) and sub-optimal outcomes in the early years of these broader infrastructure networks coming on line. This opportunity cost and lost time will then be compounded over the lifetime of the HS2 Growth Strategy and Strategic Economic Plan, undermining the WMCA's ability to realise its shared ambitions for growth.

#### The UK Central Infrastructure Package

The UK Central (M42 Economic Gateway) Strategic Masterplan, published in June 2013, identified the potential for the creation of an additional 120,000 jobs and £16bn GDP in the West Midlands to 2040. The Masterplan made the case for targeted investment in infrastructure and connectivity, complemented by employment, skills and business in order to maximise the economic impact of the strategic assets in Solihull combined with national investment in HS2, delivering an ambitious, managed, growth agenda. This identified the strategic case for UK Central for the first time

This ambitious growth agenda is at the heart of the Devolution Deal, and, as illustrated in Figure 1 below, is fundamental to the delivery of the WMCA Strategic Economic Plan growth ambitions and long-term vision for the West Midlands.

*Figure 1: Role of UKC Infrastructure Package in Delivering WMCA SEP*



Together with the HS2 Interchange Station, HS2 Curzon Street station and HS2 Connectivity Packages – underpinned by Employment and Skills and Business and Investment interventions – the delivery of the UKC Infrastructure Package will unlock the full growth potential of HS2 for the WMCA and UKC plc. The role of the UK Central Infrastructure Package in delivering the HS2 Growth Strategy is illustrated in Figure 2 below.

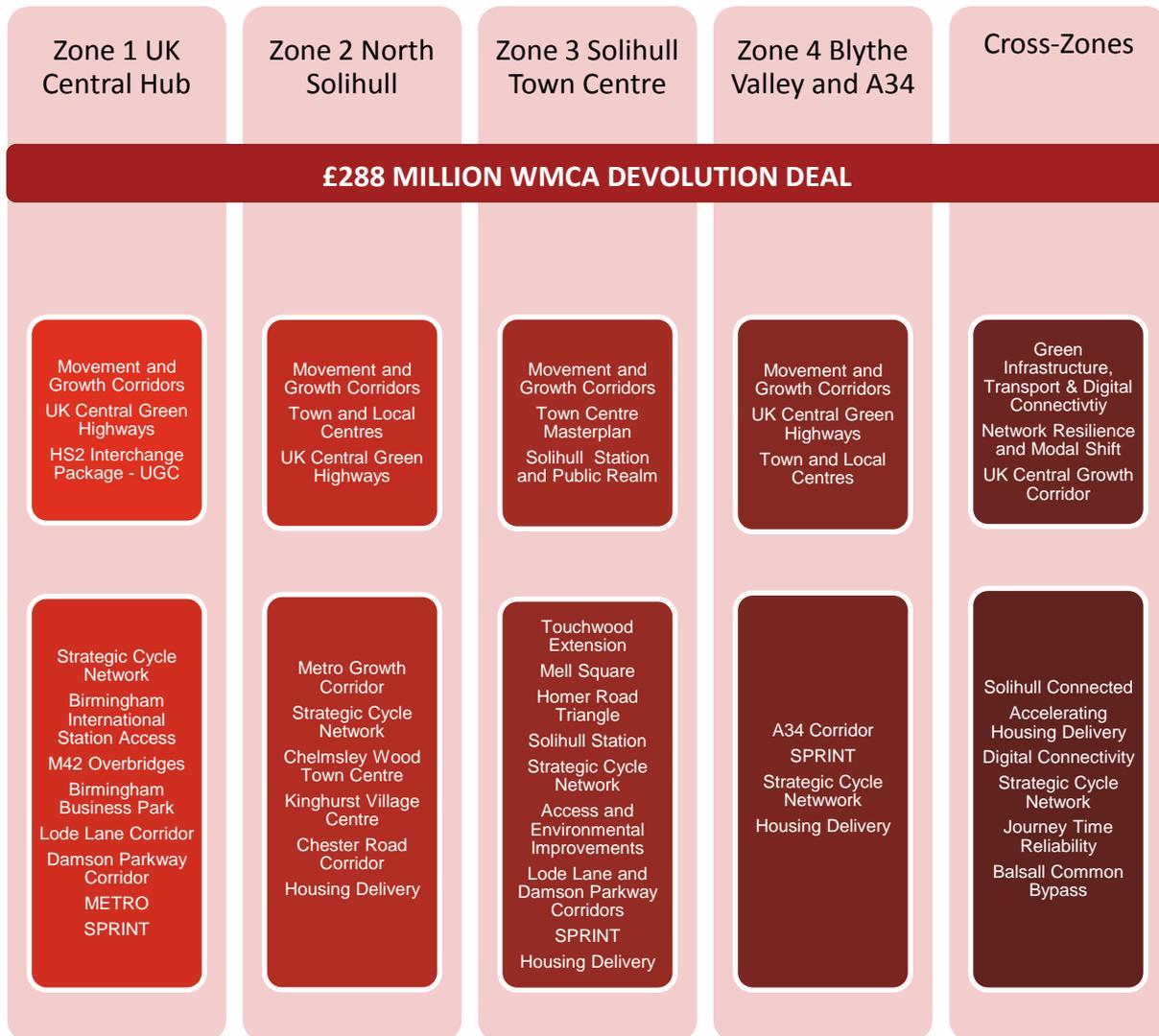
*Figure 2: Role of UK Central Infrastructure Package in the HS2 Growth Strategy*

# HS2 Growth Strategy



The **UK Central Infrastructure Package**, summarised in Figure 3 below, consists of five elements – targeted and phased investment in each of UK Central Solihull’s four economic growth zones (the UKC Central Hub, North Solihull, Solihull Town Centre and Blythe Valley Park including the A34 Corridor) together with cross-cutting schemes and initiatives including green infrastructure and digital connectivity.

*Figure3: UK Central Infrastructure Package*



Closely integrated with the HS2 Interchange Package (being led by Solihull’s Urban Growth Company – a wholly owned company of the Council), the HS2 Connectivity Package and Highways England and HS2 programmes, the UK Central Infrastructure Package will enable economic and housing growth potential to be realised in each of UK Central’s economic growth zones and ensure that people and businesses in Solihull and across the Combined Authority can access the opportunities being created in UK Central Solihull, as well as benefit from the greatly enhanced connectivity across the Combined Authority itself and Midlands as a whole. It will contribute to the further development and subsequent delivery of the “UK Central Growth Corridor” linking Birmingham, Solihull and Coventry, which, as highlighted in the WMCA Strategic Economic Plan, when combined with HS2 will play an even greater role in delivering economic success for the Midlands and UK economy as a whole.

The UK Central Strategic Masterplan clearly demonstrated the need for both the UK Central Infrastructure Package and the HS2 Interchange Package, as well as for the detailed development and implementation work which needed to be taken forward over time in order to deliver growth.

*“The case for investment is clear. National investment in High Speed Rail pre-empted with bold, locally led delivery of sub-regional transport connectivity, investment in served sites, local energy, access to high speed broadband and digital data.....The latent economic potential in UKC will only be realised through a comprehensive infrastructure and investment programme .....in the landscape, enhancing and maintaining the green environment and creating public spaces....[and] transport and infrastructure must drive the vision. Each of the solutions will need further modelling to demonstrate*

*where and when the investments should be brought forwards and further studies will need to be undertaken on each of the transport solutions and the town centre action plan..” (Arup, 2013)*

Following the publication of the Masterplan in 2013, this detailed work programme has been implemented by Solihull Council, working with key national, West Midlands and local partners to plan, develop and deliver this infrastructure, connectivity and growth, and align its delivery with delivery of the Midlands HS2 Growth Strategy (2015), Midlands Connect and Movement for Growth. Core elements of this programme to date are:-

- The inclusion of major works and an upgrade to J6 M42 within Highways England Roads Investment Strategy – a priority scheme identified and promoted in the Strategic Masterplan.
- Deeply embedding UK Central within the Midlands HS2 Growth Strategy, WMCA SEP, Movement for Growth and GBSLEP SEP.
- In recognition of both the scale and complexity associated with the HS2 Interchange site, a dedicated HS2 Interchange Package was agreed as part of the Devolution Deal. Development and delivery of this package is being taken forward by the UK Central Urban Growth Company (UGC) established by the Council in 2016, with the UGC also being responsible for ensuring the effective integration of the Interchange site into the wider UK Central Hub, and for producing the framework within which the integrated growth and development of the UK Central Hub will take place. The first major element of this - the Hub Growth & Infrastructure Plan – was published in March 2017 and has been formally endorsed by Solihull Council, GBSLEP and the WMCA Board.
- The production of Solihull Connected Transport Strategy (2016 WSP Parsons Brinckerhoff) and Delivery Plan (2016, Solihull MBC), identifying priority schemes and interventions. It identifies a series of “infrastructure sets” of inter-linked infrastructure and “smarter choices” interventions that support economic growth zones, improve connectivity and prove attractive for investment. Evaluated together with partner projects / programmes, an important consideration was the ability to “unlock” and prepare the ground for growth with transforming major highway, high quality public transport and cycle schemes.
- Solihull Town Centre Masterplan (AECOM, 2016), which outlines the potential for up to 1,400 new homes, over 70,000 sq. m of new office space and 11,000 sq. m of commercial and leisure space in the Town Centre.
- Delivery of early priority schemes and interventions including the multi-award-winning A45 Bridge scheme (with DfT, Airport and TfWM funding) and Solihull Gateway (Solihull Town Centre public transport interchange and environmental improvements designed to accommodate future growth) and the Lode Lane Route Enhancement Scheme, bringing a Platinum Bus Service to this critical route and being recognised as an exemplar project (both with GBSLEP support – Growing Places Fund and Local Growth Fund respectively).
- A Revised Draft Local Plan was published for consultation in late 2016 / early 2017, with revised policies and preferred site allocations that seek to provide the planning framework within which the 2013 Masterplan proposals can be realised..

The UK Central Infrastructure Package has been developed to deliver the UK Central Solihull vision of managed growth, and to contribute to the achievement of the seven UK Central Solihull objectives (Arup 2017) confirmed as part of a review of the 2013 Masterplan undertaken by Arup:-

1. Delivering a major engine for economic growth and productivity
2. Maximising connectivity – local, regional and global
3. Investing in strategic infrastructure – transport, energy and digital networks

4. Integrating landscapes – combining growth aspirations with enhanced natural assets
5. Creating distinct places and a strong sense of identity
6. Building sustainable communities with appropriate forms of housing and community facilities
7. Generating functional synergies between uses, skills and communities

It will deliver a long-term programme of investment including the following core elements:-

- Integrating Bus Rapid Transit and Light Rapid Transit investment into Solihull’s priority movement and growth corridors, creating vital links between UKC’s economic opportunity zones (with linkages between the Hub and Solihull Town Centre a high priority).
- Effective integration with partner programmes and investments, such as Birmingham Cycle Revolution and current A46 Link Road scheme being led by Coventry City and Warwickshire County Councils.
- Providing vital network resilience during the delivery of HS2 and the HS2 Connectivity Package through early, targeted schemes (including the Strategic Cycle Network, Lode Lane and Damson Parkway Corridor Improvements) which will also provide long-term smarter choices and support lasting modal shift.
- Connecting the HS2 Interchange site into the wider Hub, economic opportunity zones and labour markets, including major schemes such as M42 overbridges and UKC Green Highways (Strategic Cycle Networks).
- Unlocking and bringing forward housing and investment sites where early public sector intervention is essential to achieve our ambitions for managed growth and de-risk sites.
- Planning for and delivering high quality places and place making, recognising that this is essential in order to attract and retain business investment and skilled people.
- Underpinning investment with a whole place approach – improving access and delivering smarter choices integrated with environmental enhancements and green and blue infrastructure investment to create healthy places for work, leisure and living.

The package will be delivered in phases – ensuring effective alignment with HS2 and the HS2 Connectivity package, Movement for Growth and Solihull’s Local Plan (the review of which is currently underway).

### **Phase 1 – Investing in Critical Connections**

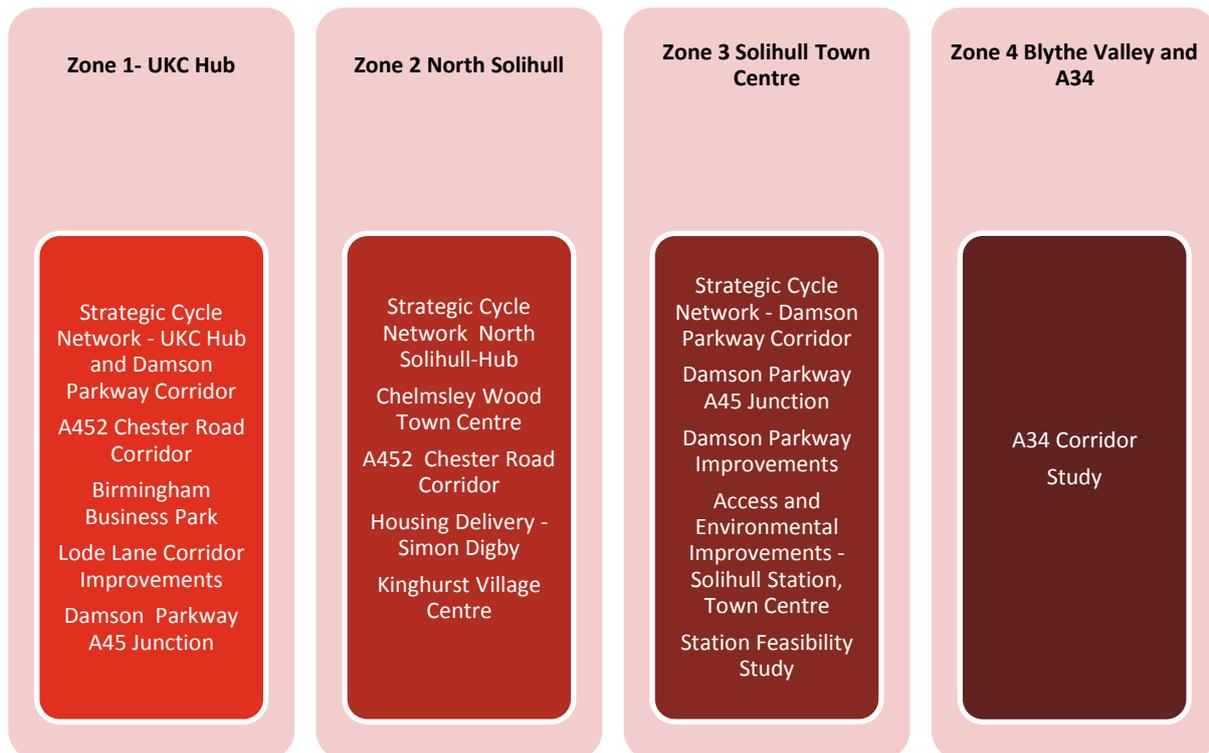
Initial funding is being sought for detailed development of and work on Phase 1 of the package, consisting of early priority schemes delivering critical connections in key movement and growth corridors, together with “quick win” and high priority enabling investments in opportunity zones in line with the UK Central Objectives.

Phase 1 has been developed in order to ensure that the priorities highlighted in the WMCA SEP – HS2 investment being planned and delivered as part of a fully integrated network providing connectivity and resilience and enabling growth – are delivered in an effective and coordinated way from the start. Whilst the HS2 Interchange Package will enable the effective delivery of the HS2 “triangle” site, and the Wider Connectivity Package will deliver improved connections across the West Midlands, Phase 1 of the UK Central Package is essential both to provide the links between these two packages to create the integrated network that will enable and deliver growth and, critically at this early stage in HS2 delivery, to provide additional network capacity and resilience across UK Central Solihull in order to accommodate the impact of HS2 Interchange works, mitigate

disruption to commuters and businesses from HS2, Highways England and TfWM, and enable continuing investment and growth in all UK Central economic growth zones.

Summarised in Figure 4 below, the Phase 1 suite of projects has been developed specifically to deliver resilience and improvements to the West Midlands Key Route Network (A34, A41, A45 and A452 Corridors) and enable and deliver growth in all four UK Central economic growth zones.

*Figure 4: Summary of Phase 1 UK Central Infrastructure Package*



Additional details for each of the projects are provided in Appendix 3.

The projects have been prioritised through the Council’s UK Central Programme Management Framework process and are those schemes which must be developed and delivered either ahead of or in tandem with HS2, Highways England works and the development and subsequent delivery of the East Birmingham North Solihull Metro extension and the A45 and Hall Green – HS2 Interchange SPRINT schemes, whilst also contributing to addressing pinch points and congestion “hotspots” identified in Solihull Connected.

The fit with the priorities and ambitions of the WMCA SEP is set out in detail at Sections 5 and 6 below. Their fit with the broader economic, social, environmental and infrastructure aims of UK Central, and their critical role in allowing and enabling the effective development and delivery of the UK Central Hub, Metro and SPRINT, is illustrated in Figure 5 below.

*Figure 5: Phase 1 Projects Strategic Fit*

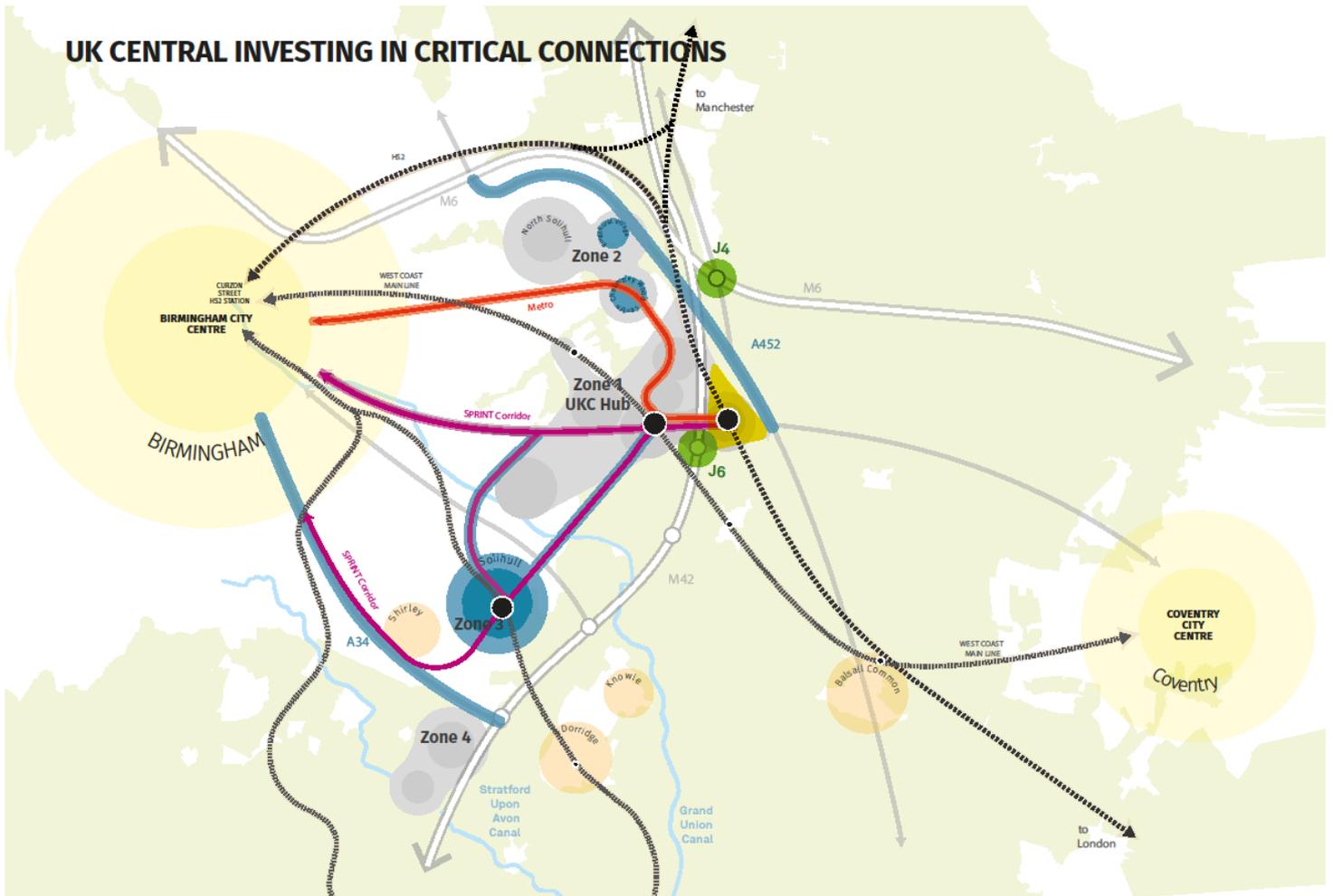
		Maximising Connectivity – Local, Regional and Global	Delivering a Major Engine for Economic Growth and Improved Competitiveness	Investing in Strategic Infrastructure – Transport, Energy and Market Leading Digital Networks and Innovation	Sustainable Communities with Appropriate Forms of Housing and Community Facilities	Integrating Landscapes – Combining Growth with High Quality Green and Blue Infrastructure	Creating High Quality, Distinctive Places and a Strong Sense of Identity	Generating Functional Synergies between Uses, Skills and Communities	UK Central Hub Readiness	Metro and SPRINT Readiness
North Solihull	UKC Green Highways North Solihull and East Birmingham									
	A452 Chester Rd Corridor – Metro Growth									
	Masterplanning for Growth - Chelmsley Wood Town Centre and Kingshurst Accelerating Housing Delivery - Simon Digby									
UK Central Hub	UKC Green Highways – N Solihull, E B/ham and Damson Parkway Corridor									
	A452 Chester Rd Corridor – Metro Growth									
	Lode Lane Corridor SPRINT									
	Damson Parkway Corridor A45 Junction, UKC Green Highways									
	Critical connections Birmingham Business Park – Southern Access									
Solihull Town Centre	Access and Environmental Improvements – Town Centre and Solihull Station									
	Lode Lane Corridor SPRINT, A41, B4102 junction improvements									
	Damson Parkway Corridor A45, Warwick Road, A41; UKC Green Highways									
	Solihull Station – Long-term options feasibility study									
Blythe Valley Park & A34	A34 Stratford Road Corridor Enhancements Study – SPRINT									

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Figure 6 below illustrates the role of the Phase 1 projects in delivering these critical connections in key movements and growth corridors, providing network resilience and enabling growth. Figure 6 is also attached in larger format at Appendix 4.3; together a summary of the UK Central Strategic Infrastructure network and refreshed growth strategy taken from Arup’s recent review of the UK Central Masterplan

Figure 6 illustrates how the UK Central Infrastructure Package Phase 1 (highlighted in blue) delivers priority schemes and investments among the key route network aligned with Metro, SPRINT, the HS2 Interchange and Highways England works on J6 M42 and Junction 4 M6. Providing resilience and capacity on the key route network – in particular via Damon Parkway and Lode Lane Corridors (linking the A41 and A45) is essential to accommodate the impact of the major motorway junctions works and HS2 construction, whilst also enabling ongoing investment and growth in Solihull Town Centre and at Jaguar Land Rover, Birmingham Airport, the NEC and Birmingham Business Park. This demonstrates the critical role of Phase 1 of the UK Central Infrastructure Package in delivering both the UK Central managed growth strategy and ambitions, and with the integrated transport and connectivity network required to deliver the Midlands HS2 Growth Strategy.

Figure 6: UK Central Infrastructure Investment – Phase 1 UKC Infrastructure Package



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KEY:

- ● TFWM (Metro + SPRINT Corridors)
- WMCA Interchange Package (with UGC)
- Highways England
- WMCA Infrastructure Package (with SMBC)

This critical role of Phase 1 of the UK Central Infrastructure Package in the wider connectivity and growth agenda, and the need for these essential projects to come forward now, is clearly highlighted in Figure 7 below. This sets out the links and inter-relationships between the Phase 1 projects, HS2, Metro and SPRINT, as well as the planned delivery timetable, critical path and key decision points. In order for the UK Central Infrastructure package and HS2 Growth Strategy to be delivered effectively in the long-term, these interventions and investments must be delivered as a priority.

Failing to invest in these projects now will result in a significant opportunity cost in terms of jobs, GVA and homes (among others) and sub-optimal outcomes in the early years of these broader infrastructure networks coming on line. This opportunity cost and lost time will then be compounded over the lifetime of the HS2 Growth Strategy and Strategic Economic Plan, undermining the WMCA’s ability to realise its shared ambitions for growth

Figure 7 is attached in larger format at Appendix 5.2, with the delivery timeline at Appendix 5.1).

Figure 7: UK Central Infrastructure Package Phase 1 – Links and Dependencies



Arup 2017

The indicative total cost of these Phase 1 projects is £110.7m, of which an indicative £62.6m is being sought from the £288m agreed in the Devolution Deal (detailed delivery costs will be confirmed via Outline and Full Business Cases to be produced).

**2. What is the rationale for intervention? And why are public funds necessary? What opportunity or barrier will this investment unlock? Please refer to Chapter 3 of HMT Green Book for more detail on the ‘rationale for intervention’.**

The UK Central Strategic Masterplan (Arup, 2013) identified the nationally significant economic growth potential of UK Central - an additional 120,000 jobs and £16bn GDP in the West Midlands – and the need for a coordinated long-term public sector led approach to pump-prime the delivery of infrastructure needed to unlock this growth potential and realise the benefits for the region, also securing significant fiscal returns for the public purse.

**“The Masterplan has revealed an opportunity for growth on a scale of national importance...The case for investment is clear.”**(Arup, 2013). This very clear result from the detailed analysis undertaken was reinforced throughout the Strategic Masterplan

Equally clear was the need for a proactive response by the public sector to pump prime infrastructure delivery and develop innovative ways to capture value and realise the benefits of growth: “..bold new measures need to be taken .....the moves to improve infrastructure need to be ambitious, improvements to the transport network cannot simply be put forward on where the growth is happening, rather the **improvements and advancements need to be brought forwards and delivered to achieve growth.**” (Arup, 2013)

It was also noted in the Strategic Masterplan that whilst “ ..the workplace based employment estimates presented ... suggests that areas outside Solihull can be expected to benefit considerably ..., it is important to note that further benefits are also likely to accrue to the ... wider West Midlands region as a result of commuting links. Indeed, using known commuting flows (based on the 2001 Census), it is estimated that the wider impact of growth in the M42 Economic Gateway across the GBSLEP area will be significantly greater than the workplace based results.”

This economic and employment potential of UK Central – across all four economic growth zones (the UKC Central Hub, North Solihull, Solihull Town Centre and Blythe Valley Park and the A34 Corridor) – together with the need for early investment and public sector intervention – has been reinforced through work undertaken subsequently:

- The UKC Hub Growth & Infrastructure Plan (“HGIP” - (2017 Arup, Amion, Cushman & Wakefield, Mott Macdonald, Grimshaws. PBA) – which includes elements of the UKC Infrastructure Package as well as the UKC HS2 Interchange Package - highlights the potential of the Hub itself to create 35,000 – 77.500 FTE jobs; 3000-4000 new homes, 775,000 m2 floorspace and generate £2.1 - £4.1bn GVA p.a.
- Initial findings (May 2017) from a PBA baseline study relating to an emerging East Birmingham North Solihull Metro Growth Corridor identify additional growth potential in North Solihull, with transport investment increasing the viability of developments as well as improving access to employment. It highlights Chelmsley Wood Town Centre in particular as one of the potential new opportunity areas in this corridor, with suggested interventions including site assembly and a one public estate approach, redevelopment, and enhanced links to the natural environment, green and blue infrastructure. With a new owner of Chelmsley Wood Town Centre and Smiths Wood and Chelmsley Wood Cross Village Centres now being successfully completed, the scale of the opportunity in North Solihull is considered to be much greater than when the strategic Masterplan was completed in 2013.
- The Solihull Town Centre Masterplan (Aecom, 2016) identifies the potential for 76,000 m2 office development, and up to 11,700 m2 commercial and leisure space, as well as 1400 additional homes (an increase on the 400 identified in the strategic Masterplan). This could deliver c 8,400 jobs in the Town Centre.
- Blythe Valley Park is in new ownership (IM Properties) and IM brought forward a major mixed use application (approved in December 2016) to create up to 750 new homes, 98,550 m2 commercial space, a 200 bed hotel and a housing with care facility with up to

250 units. During construction the developments are forecast to create 168 net FTE construction jobs p.a.; 84 indirect jobs and £12m GVA; when operational they are forecast to create 3924 FTE jobs on site, attract £10.3m New Homes Bonus over 6 years and generate £170.2m GVA p.a. Detailed schemes to implement the permission are now being brought forward on a phased basis.

The scale of the opportunity in UK Central, the crucial need for early investment in infrastructure, and the geographical extent of the labour markets for these new jobs across the Combined Authority, including communities of need in areas such as East Birmingham and North Solihull, together mean that private sector contributions which could be secured through traditional local mechanisms such as s106 and CIL would be entirely inadequate to deliver the interventions required.

### **The case for public sector investment**

The UKC Strategic Masterplan was explicit not only about the clear need for early public sector intervention, but about the scale of the intervention– with a nominal infrastructure spend of over £900m suggested as a sensible initial cost envelope for a small number of major schemes highlighted– not including the more detailed work undertaken and published in Solihull Connected (Transport Strategy).

Whilst there continues to be localised market failure in North Solihull, the overarching driver is the need to deliver investment at scale and at pace – aligned with HS2 and the HS2 Connectivity and UKC HS2 Interchange Packages – and to deliver this ahead of development and business investment. Public sector led intervention is essential for the delivery of growth, with appropriate mechanisms to be used going forwards to capture value and the benefits of growth, recognising that many local employers for example will have benefitted from this investment over time.

The clear and recognised need for early and substantial public sector investment is confirmed by the WMCA Devolution Deal itself:-

- **“The £4.4bn HS2 Growth Strategy to ensure maximum economic benefit from the HS2 investment.....will include the Curzon Masterplan, our priority for expansion of the metro network east and west, from Brierley Hill to the HS2 Interchange station, the UK Central infrastructure package, including new transport links to Coventry and ..... HS2 Connectivity schemes will ensure that nowhere in the WM is more than 40 mins from an HS2 station ...”**
- **“the government will provide the Mayor of the West Midlands with the power to raise supplementary business rates to fund infrastructure, as well as other funding to support local growth. The government also approves the business case for a significant extension of the Enterprise Zone at Curzon Street in order that the funding raised through these mechanisms will support the delivery of the HS2 Growth Strategy, which includes proposals for the Curzon Masterplan, the UK Central Interchange triangle plans, the UK Central infrastructure package, connectivity to Coventry and enhanced accessibility from the Black Country to Birmingham city centre, alongside further government support”**

3. **What are the benefits of this project? Over what timeframe are they expected to accrue? How will the benefits be measured? Please outline the quantitative (monetised and non-monetised) benefits and the qualitative benefits. Note that apportionment of benefits should link directly to apportionment of WMCA funding (relative to other funding sources).**

**Note that costs will be analysed in further detail below.**

The UKC Strategic Masterplan (Arup, 2013) identified the growth potential of UK Central Solihull to 2040 - an additional 120,000 jobs and £16bn GDP in the West Midlands. Early development

and delivery (priority infrastructure, business investment and employment support) by the Council and GBSLEP and WMCA partners has reinforced this potential and ability to deliver growth, with Solihull seeing a 14.3% increase in private sector employment and a 14.9% increase in GVA between 2013 and 2015 (latest available data). The UK Central Infrastructure Package and the UKC HS2 Interchange Package together will deliver the benefits of UK Central, with the UK Central Infrastructure Package enabling connections between the HS2 Interchange and wider UK Central Hub and surrounding labour markets and unlock the wider growth potential this connectivity will bring, along with unlocking growth in the other UK Central economic growth zones and enhancing connectivity.

The impact and benefits of individual schemes and packages of interventions in particular corridors and economic growth zones will be assessed in more detail at Outline and Full Business Case stages, with the potential to assess and quantify on a corridor / opportunity area basis in order to capture properly the cumulative and coordinated impact of a programme of schemes designed to operate together. It is further anticipated that the WMCA DEIM model will be an important tool for supporting this work. The Value Capture Model being developed by the UK Central Urban Growth Company will also be a valuable tool for assessing and capturing benefits and will be applied where appropriate.

A number of the projects in Phase 1 of the UKC Infrastructure Package (this SOC), are feasibility studies and, as such, will help to shape future interventions and clarify the quantum of benefits which could be realised from these. As such it is not anticipated that there will be benefits which can be directly attributed at this stage to:-

- A452 Chester Road Corridor Study
- Chelmsley Wood Town Centre Masterplan
- Kingshurst Village Centre Masterplan
- Birmingham Business Park Southern Access
- Solihull Station Long Term Options Study
- A34 Corridor Study

The UKC Infrastructure Package as a whole will deliver a substantial range of monetised and non-monetised benefits.

Monetised benefits of the delivery of the Package will be:-

- GVA growth – through both job creation and productivity gains from improved connectivity and journey time reliability
- Employment Growth – within UKC Solihull and across wider WMCA area – both permanent employment from business investment and growth and construction jobs during development
- Additional National Non Domestic Rates based on the additional floorspace to be developed
- New Homes Bonus from housing delivery
- Additional Council Tax from housing delivery
- Benefits / exchequer savings as workless residents secure employment as a result of investment and growth, benefitting from local and WMCA employment and skills support initiatives

Non-monetised benefits of the delivery of the Package will be:-

- Improvements in the quality of development and perceptions of the area, in particular in relation to North Solihull
- Improved access to employment within UK Central Solihull from across the WMCA area

- Close alignment of investment and delivery of schemes – generating greater supplier interest in the WMCA area and helping to retain and grow existing skills and capacity, minimising repeated disruption to the network and maximising the opportunity to package schemes and maximise VFM from the scale this offers
- Greater take up of sustainable and low carbon transport modes, improving health and well-being as well as air quality
- Improved access to green and blue infrastructure – with natural capital recognised as having a clear economic as well as health benefit
- Improved health and well-being from greater active travel choices; improvements in air quality; access to green and blue infrastructure; and a Masterplan led approach to creating healthy places, in addition to the benefits of greater access to and take up of employment.

Realisation of the full benefits will run to 2040 and beyond and will be measured on regular intervals on the basis of:

- New floorspace created – m2 from planning permissions and confirmation of build on site
- Business Rates and Council Tax - from Solihull MBC Income & Awards team
- New Homes Bonus – from Solihull MBC
- Job numbers – ONS BRES data to capture changes and growth within Solihull
- Air Quality – Solihull CO2 monitoring (contributing to the overall WMCA SEP ambitions)
- Increase in use public and low carbon transport options – 2021 Census

A detailed review will be undertaken in due course, as part of a WMCA approach to the emerging National Evaluation Framework for devolution deals. It is anticipated that a review, to provide an updated baseline ahead of HS2 becoming operational will be beneficial..

Outputs will be apportioned to WMCA pro rata the proportion of WMCA funding compared to any other funding sources, such as European (ERDF and Transnational Programmes) and Local Growth Fund secured by the Council. Other funding sources are and will continue to be pursued actively in order to minimise the requirement for WMCA funding at this early stage of delivery

The UK Central Infrastructure Package will be aligned with relevant Employment and Skills and Business and Investment activity and interventions to maximise opportunities for local people and the overall benefits to the area. Measures to raise awareness and enable people to gain the skills needed and access the employment opportunities being created will be fundamental to realising benefits at both a Solihull and WMCA level.

**4. Is this a predominantly ‘People’, ‘Place’, or ‘Business’ based project? i.e. does it target a particular cohort, geographical location, or business sector?**

Whilst the UK Central Infrastructure Package, and this SOC, consists of a series of place-based interventions within Solihull, the overall impact will cover all three elements, delivering People and Business benefits as well as enabling effective long-term place-making aligned with HS2.

It will improve connectivity and contribute to network resilience and enhancements, enabling more effective movement of goods and people, and access to customers, suppliers and vital national and international gateways such as Birmingham Airport and the HS2 Interchange.

It will also see new homes and commercial floorspace being brought forward as well as delivering improvements and enhancements in key town and local centres. It is increasingly evident that this effective “place making” is essential in order to secure and retain business

investment. Cushman & Wakefield – Occupier Strategy Drivers Global Survey 2016 identifies a shift to urban, connected sites “Where a corporation locates within a metropolitan area region has direct impact on all of the top ... challenges: access to talent, ability to innovate, strong customer relationships, operational excellence, and sustainability. The importance of cost in making location decisions has diminished since last year, as occupiers increasingly locate where they can attract talent, gain flexibility and enhance operational efficiency. .... Survey responses show a growing preference for occupiers to locate in urban areas that offer strong transportation infrastructure and the opportunity to engage talent. ....there remains a fine balance between proximity to production sites and working environment. “

Through this connectivity, place making and enabling new facilities and accommodation for businesses to be brought forward, delivery of the package will play an important role in helping to attract and secure new investment to the WMCA area (with UK Central Solihull having a strong track records of attracting investment and business growth in WMCA Transformational Sectors, in particular Advanced Manufacturing & Engineering; Transport & Logistics; Business , Professional & Financial Services ; Creative & Digital; and Environmental Technologies), as well as improving access to and for the wider WMCA labour market.

It will therefore provide and enable new opportunities for employment for people from across the WMCA area, with the initial East Birmingham North Solihull Study (PBA, 2017) for example highlighting areas of high unemployment and economic inactivity which will see significantly improved access to major employment areas as a result of the HS2 Connectivity Package and associated investment.

This “cross-cutting” nature of UK Central underpinned the conclusions and recommendations of the UKC Strategic Masterplan and has been reinforced subsequently. “The vision is to create a network so well connected that a company or employee location anywhere within the network gives immediate, affordable access to all the other complementary skills, education, leisure, housing and investment activities elsewhere in the network. Within UKC, no one sector or place need dominate. Instead it is the synergies between activities and the development of people and skills that promote growth, development and attract further investment.” (Arup, 2013).

## Strategic Economic Plan

### 5. Which of the WMCA SEP priority programme areas does this project support? Please highlight from the list below and provide additional supporting evidence.

- HS2 Growth: A programme to maximise the benefits of the largest infrastructure project in Europe for a decade to drive economic growth across the Midlands.
- New Manufacturing Excellence: action to build on the fact that the West Midlands is home to one of the biggest concentrations of high value manufacturing businesses in Europe, and ensure that our global companies are supplied by clusters of local businesses;
- Digital and Creative: a programme to ensure that the level of business start-ups, growth and survival matches the best in the country with a particular focus on the digital and creative sectors;
- Environmental Technologies: Action to secure environmental improvements and contribute to low carbon sustainability and by doing so enable the growth of the environmental technologies sector.
- Housing: action to accelerate the delivery of current housing plan and enable an increase in the level of house building to support the level of growth envisaged in this SEP;

- Skills for the Supply Chain and Employment for All: a programme of activity to ensure that the skills of businesses are met and that everybody has the opportunity to benefit from economic growth;
- Medical and life sciences: action to enable the growth of the health and care sectors in ways that improves the health and wellbeing of the area, reduces demands on public services and enables economic growth;
- Exploiting the economic geography: making the most of the scale and diversity of the West Midlands geography to enable economic growth and community wellbeing.

**HS2 Growth.** The UK Central Infrastructure Package is a core element of the Midlands HS2 Growth Strategy, reflected as such in the WMCA Strategic Economic Plan and Devolution Deal. Without the UK Central Package the HS2 Growth Strategy cannot be delivered as intended and significant benefits for the West Midlands will be lost. It is of critical importance in ensuring that HS2 investment is planned and delivered as part of a fully integrated network providing resilience, connectivity improvements, access to opportunities and the right conditions for business investment and growth.

**New Manufacturing Economy.** Solihull plays a major role in the New Manufacturing Economy – as the location of choice of key employers such as Jaguar Land Rover, and with its essential strategic infrastructure in supply and distribution. JLR employs c10,700 people at Lode Lane, its largest plant (accessed via Lode Lane and Damson Parkway leading to the A41 and A45 and on to the M42) and has invested c.£2bn in the plant since 2011, with plans for a new c.1m sq. ft Logistics Operation Centre having recently been approved by the Council. There are also a number of Tier 1 suppliers in Solihull or nearby – ZF TRW in the A34 Corridor and UK Central Hub; DHL in the A34 Corridor; IAC in the UK Central Hub and Coleshill (accessed from the A452 Chester Road Corridor or M42) and DAU Dräxlmaier at Birch Coppice (also accessed via the M42 or A452 Corridor). Other key employers include Changan Automotive, recently increasing its investment in its world class powertrain research and development facility on Birmingham Business Park; and Rolls Royce Controls and Data Services, with a major advanced manufacturing and research facility on Birmingham Business Park. Phase 1 includes projects relating to the key infrastructure used by these strategic companies, which will deliver improvements and resilience vital to each of their businesses, maintaining and improving the movement of goods and people. The UK Central Infrastructure Package as a whole, by planning for and enabling growth, supports the wider ambition of growing the New Manufacturing Economy within the WMCA with significant future opportunities from further reshoring in the automotive supply chain and the potential and critical mass from Automotive, Aerospace and Rail collectively across the second and third tiers of the supply chain.

**Digital & Creative** – this is a key sector in Solihull, with the Borough home to a significant number of marketing agencies, including the largest creative agency outside of London, McCann Erickson. Important in its own right, it is also of fundamental importance as an enabling technology for advanced manufacturing, intelligent mobility, next generation transport and smart cities and communities. Solihull plays an important regional role in the sector, complementing Birmingham, Coventry & Warwickshire by offering both accessible and connected rural locations and high quality, urban places. Colliers' February 2017 Birmingham Office Snapshot confirmed this complementary and mutually reinforcing role of city centres, such as Birmingham and Coventry, and areas such as Solihull. Nearly 58% of take up in Birmingham City Centre for example came from Business Services, Financial Services and Legal Services, whereas in the M42 Corridor, Engineering & Architecture, Media & Technology, as well as Business Services, were major sources of investment. There is clear market demand from this sector which Solihull and the WMCA can help to meet by providing well connected, high quality places – places which the UKC Infrastructure Package will help to deliver. Bilfinger GVA (Autumn 2016 Office – “Who Needs Them”) analysed longer-term trends in the regional office market

identifying a significant growth in demand in particular sub-sectors including Engineering, Computing & Software, Telecommunications, Media, Marketing and PR – all of which are strengths of the WMCA. “The report also noted “..an increasing focus on sustainable out-of-town locations, where public transport provision and the availability of services and facilities for staff are provided.”

**Environmental Technologies** Phase 1 of the UK Central Infrastructure Package will include the direct delivery of environmental improvements and low carbon and sustainability measures through active travel interventions, whilst Masterplans and other studies will include robust consideration of appropriate technologies, design and materials and the potential to stimulate innovation and low carbon measures through relevant procurement. One of Solihull’s existing sector strengths, with strategic businesses including Uniper, Xoserve and UK Power Reserve, creating the conditions for growth will enable more investment to be attracted, with increasing overlaps between Environmental Technologies, Construction (Tarmac for e.g which has its HQ in Solihull) and Professional Services (major global consultancies such as Arup).

**Housing** Solihull’s Local Plan Review (Draft Local Plan November 2016) places delivery of housing, consistent with the principle of managed growth, at the heart of its Vision “The Borough will play a part in meeting, in a sustainable manner, the needs of its housing market area so that its residents have access to a range and choice of quality accommodation.” This first phase of the UK Central Infrastructure Package will unlock a priority housing site (Simon Digby), whilst the Masterplanning and Corridor Studies to be supported will enable appropriate opportunities for additional development to be identified and necessary connectivity and resilience – an essential prerequisite of sustainable communities – to be put in place. Along with this the Council has an ‘Accelerated Housing Delivery’ workstream examining ways in which it can deliver new homes maximising the use of its assets.

**Skills for the Supply Chain and Employment for All** The 2013 Strategic Masterplan identified the potential of UK Central Solihull to create an additional 120,000 jobs in the West Midlands by 2040. UK Central plans are closely aligned and integrated with the HS2 Employment & Skills plan and through WMCA and local partnerships and interventions, (including the Solihull Employment & Skills Board and new Life Ready programme), people from primary school age onwards will become aware of the range of opportunities coming forward and have support to secure the employment opportunities available, including maximising employment and training opportunities (and wider social value) from public procurement. This “People” programme of activity is fundamental to benefits realisation and will be delivered in line with the HS2 Skills Model of “Ignite, Accelerate, Retune.”

**Exploiting the Economic Geography** The WMCA Strategic Economic Plan highlights UK Central as major priority in its own right, and also places it at the heart of a wider regional opportunity – the economic growth corridor from Birmingham City Centre to Coventry, with complementary and mutually re-inforcing assets and opportunities, whose full potential will be realised through the connectivity provided by the integrated transport network delivered through HS2, Midlands Connect, Movement for Growth, the Curzon, Interchange and UK Central Infrastructure Packages and UK Central Plus. This is fundamental to delivering the WMCA “Economy Plus” goals and maximising the wider regional (and national) impacts and benefits of UK Central originally articulated in the 2013 Masterplan.

**Medical & Life Sciences** Delivery will contribute to improved health and well-being, from greater active travel choices; improvements in air quality; access to green and blue infrastructure; and a Masterplan led approach to creating healthy places, in addition to the benefits of greater access to and take up of employment. This will in turn reduce demand on services and enable growth. Delivery will enable greater potential business investment and growth. Market research undertaken by JLL in 2015 to support the development of the HS2

Growth Strategy took views regionally, nationally and internationally from a potential investor perspective. This highlighted the importance of transport links, quality of local facilities, infrastructure, proximity to clients and the image of the area, reporting that potential investors in the transformational sectors of Advanced Manufacturing and Life Sciences, preferred “out of town” locations associated with UK Central.

**6. Which of the WMCA’s growth objectives will the project address (please choose from the list below and provide additional supporting evidence)?**

Economic Impact
<ul style="list-style-type: none"> <li> <b>Economic Growth - To improve GVA for the region in line with the UK Average</b>            The UK Central Strategic Masterplan identified growth potential of £16bn GDP for the West Midlands through delivering ambitious, managed growth. Delivering Phase 1 of the UK Central Infrastructure Package will play a significant role in enabling this economic growth potential to be realised, and is a critical step towards achieving the total benefits outlined in the Strategic Masterplan. Further Outline Business Cases will provide new estimates of the net benefits of these schemes (or programme as a whole), including WebTAG compliant benefits analysis of the transport projects and DCLG/Green Book compliant business cases for financial and economic cases. A number of the projects are feasibility studies and, will help to shape future interventions and clarify the quantum of benefits which could be realised from these. As such it is not anticipated that there will be benefits which can be directly attributed to them at this stage.             The GVA impact from growth and job creation in Solihull is expected to be of particular economic significance to the WMCA given the area’s economic strengths: Solihull is the only area in the West Midlands with productivity levels above the national average: at £35.80 per hour (ONS )this is the fourth highest outside London and the South East after Cheshire East, Aberdeen and Milton Keynes. Based on an average Solihull GVA per worker of £56,477 (2015 nominal smoothed GVA per filled job at NUTS 2 and 3, ONS, compared with a WMCA Metropolitan Area equivalent of £45,285), every 1000 jobs created in Solihull generate £56.5m GVA.         </li> </ul>
<ul style="list-style-type: none"> <li> <b>Business Competitiveness - To improve the productivity (GVA) of our businesses focusing on our growth sectors</b>            As set out in Section 5 above, Solihull is one the WMCA’s favoured locations for businesses in the Advanced Manufacturing, Digital and Creative; Environmental Technologies and Life Sciences sectors. It also has clear strengths in Business &amp; Professional Services (with strategic businesses including Paragon Group, Pertemps, Secure Trust Bank and Caterpillar Finance); Construction (with key investors including Tarmac and Interserve) and Logistics and Transport Technologies (with Birmingham Airport of particular importance. Delivering Phase 1 of the the UK Central Infrastructure Package will provide network resilience and improved connections to and from key employment sites in the Borough, enabling the effective movement of people and goods and thereby supporting productivity gains in these and other sectors.         </li> </ul>
<ul style="list-style-type: none"> <li> <b>Increased employment rate in target growth sectors</b>            As set out in the 2013 Strategic Masterplan, UK Central has the potential to generate c.120,000 additional jobs for the West Midlands by 2040, identifying a number of growth sectors which align with the WMCA target growth sectors – Advanced Manufacturing, Business Services, Digital &amp; Creative, Green Buildings, Life Science and Medical Technologies; and Low Carbon and Green Industries. The potential was reinforced by the work undertaken by JLL in support of the HS2 Growth Strategy (Market Research Report 2015) which highlighted the importance of transport links, quality of local facilities, infrastructure, proximity to clients and the image of the area, with Advanced         </li> </ul>

<p>Manufacturing and Life Sciences businesses expressing a particular interest in UK Central.</p>
<ul style="list-style-type: none"> <li>Infrastructure - improve the quantity of high quality, readily available development sites; turning brownfield sites to high quality locations that meet our housing and business needs</li> </ul> <p>The Package will help to unlock and enable the development or further development of a number of sites through providing improved, integrated, infrastructure and connectivity, as well as enabling a Masterplan led approach to identifying and bringing forward future opportunities.</p>
<ul style="list-style-type: none"> <li>Accessibility - To improve the connectivity of people and business to jobs and markets</li> </ul> <p>As set out in section 1 above, the UK Central Infrastructure Package is designed to provide resilience and improved connectivity, and unlock growth opportunities, in response to the potential risks, challenges and opportunity costs of failing to invest highlighted in Section 9 below.</p>
<p><b>Social Impact</b></p>
<ul style="list-style-type: none"> <li>Improved life chances for all including troubled individuals</li> </ul> <p>Enabling access to opportunity – both directly through the improved connectivity the package will unlock and provide, and through associated, underpinning, employment and skills initiatives, is of fundamental importance to improving life chances and outcomes for individuals and families. This is one of the core objectives and basic principles of UK Central and of the Council itself.</p>
<ul style="list-style-type: none"> <li>Health &amp; Wellbeing - We will have reduced our health inequalities and improved the health and wellbeing of our population including mental health</li> </ul> <p>Improved health and well-being from greater active travel choices; improvements in air quality; access to green and blue infrastructure; and a Masterplan led approach to creating healthy places, in addition to the benefits of greater access to and take up of employment.</p>
<ul style="list-style-type: none"> <li>Criminal justice – Reduce offending and prevent re-offending</li> </ul> <p>Employment is proven to play a vital role in reducing offending and preventing re-offending. Economic Growth aligned with employment and skills interventions will enable more people to access opportunities and improve their life chances and outcomes.</p>
<ul style="list-style-type: none"> <li>Employment &amp; Skills - To improve skills levels of all ages so that people have the skills and qualifications to access jobs – Ignite (children and young people) / Retune (employability) / Accelerate (Skills for the future labour market).</li> </ul> <p>UK Central plans are closely aligned and integrated with the HS2 Employment &amp; Skills plan and through WMCA and local partnerships and interventions, including the Solihull Employment &amp; Skills Board and new Life Ready programme, people from primary school age onwards will become aware of the range of opportunities coming forward and given support to secure the employment opportunities available, including maximising employment and training opportunities (and wider social value) from public procurement. This “People” programme of activity is fundamental to benefits realisation and will be delivered in line with the HS2 Skills Model of “Ignite, Accelerate, Retune.”</p>
<p><b>Fiscal Impact</b></p>
<ul style="list-style-type: none"> <li>Income &amp; Expenditure – We will be a net contributor to the UK exchequer, no longer a public services cost centre</li> </ul> <p>Solihull already plays a significant fiscal role, being a net contributor to the GBSLEP Business Rates Pool for example. The UK Central Infrastructure package will contribute to increases in Business</p>

Rates, Council Tax, New Homes Bonus, as well as greater employment – enabling reductions in benefits dependency with resultant exchequer savings, as well as increased corporation and income tax from business and jobs growth.

#### Environmental Impact

- Sustainability - To improve competitiveness through energy and resource efficiency and stimulate new technology and business

Phase 1 of the UK Central Infrastructure Package will include the direct delivery of environmental improvements and low carbon and sustainability measures through active travel interventions, whilst Masterplans and other studies will include robust consideration of appropriate technologies, design and materials and the potential to stimulate innovation and low carbon measures through relevant procurement.

#### 7. What are the expected tangible Outputs/Outcomes to be realised (net additional)?

As discussed and agreed with the WMCA PMO, as this SOC relates to a programme of schemes and initiatives, including Masterplans, which be the subject of more detailed development work and individual Outline and Full Business cases, details of the outputs and outcomes of these schemes and interventions will be provided at OBC and FBC stages.

Expected tangible Outputs/Outcomes	Metric	2015 / 16	2016 / 17	2017 / 18	2018 / 19	2019 /20	2020 /21
Business assisted	no.						
Business created	no.						
Employment – Jobs created By sector	no.						
Skills – Learners assisted by qualification level	no.						
Place – New Dwellings	units						
Place – Land remediated	Hectares						
Place – New floor space by land use type	Sq mtr						
Offenders assisted	Number						
Troubled individuals assisted	Number						
Other – please specify							

As set out in Section 3 above, the UKC Infrastructure Package as a whole will deliver a substantial range of monetised and non-monetised benefits, with the following to be measured at regular intervals:-

- New floorspace created – m2 from planning permissions and confirmation of build on site
- Business Rates and Council Tax - from Solihull MBC Council Income & Awards team
- New Homes Bonus – from Solihull MBC
- Job numbers – ONS BRES data to capture changes and growth within Solihull
- Air Quality – Solihull CO2 monitoring (contributing to the overall WMCA SEP ambitions)
- Increase in use public and low carbon transport options – 2021 Census

At this stage of development of the Phase 1 projects, detailed breakdowns in respect of the benefits of individual schemes or packages of schemes is not yet defined. The impact and benefits of individual schemes and packages of interventions in particular corridors and opportunity zones will be assessed in more detail at Outline and Full Business Case stages, with the potential to assess and quantify on a corridor / opportunity area basis in order to capture properly the cumulative and coordinated impact of a programme of schemes designed to operate together. It is further anticipated that the WMCA DEIM model will be an important tool for supporting this work.

## Public Service Reform key programme areas

### 8. Please state if and how your project impacts any of the following WMCA Public Service Reform (PSR) key programme areas

- Troubled Individuals
- Mental Health
- Offending and Devolution of Youth Justice
- Employment and Skills

Employment Growth; improved access to employment and critically, being in employment underpins improving life chances for individuals and families. Employment is also crucial for reducing re-offending and improving health and well being.

The environment, access to green and blue spaces and infrastructure and active travel are all proven contributors to improved mental as well as physical health and well being.

Whilst Solihull is already an important fiscal contributor within the WMCA, the fiscal impact and benefits of delivering UK Central and unlocking growth will contribute to closing the West Midlands public sector funding gap

## Part 2 - Economic case

### Relevant Programme of Investment and Other Options

#### 9. What other options that have been considered in selecting the project proposal? How has this project been developed to achieve the best set of outcomes that it can? What evidence has been used?

Two options have been considered at this stage – delivery of Phase 1 of the UK Central Infrastructure Package as set out in this SOC (to be treated as Do Maximum for these purposes)

and Do Nothing. The Council has previously undertaken detailed and comprehensive options analysis relating to growth and transport within the borough which can be found by viewing the UKC masterplan document at [www.investinukcentral.com](http://www.investinukcentral.com) along with the more detailed transport options which are set out in the Council's Transport Strategy – Solihull Connected available at [www.solihull.gov.uk](http://www.solihull.gov.uk).

**Do Nothing.** The evidence and recommendations of the UKC Strategic Masterplan were very clear that Do Nothing (i.e. do not invest in local connectivity and growth to maximise the opportunities and enhance the catalytic effect to be provided by HS2) was not a realistic option and would not deliver the growth required for the West Midlands or the UK as a whole, given the importance of rebalancing the national economy.

Under such a scenario, there would be a very substantial opportunity cost to the region, with the potential to create new jobs, homes and increase business investment and economic growth not being realised. “The scale of growth and pace of change can only be realised if the improvements are ambitious; infrastructure will lead the growth in the West Midlands. The region cannot wait for growth to take place and thereafter implement infrastructure improvements; the creation of jobs and much needed bolster to the local and national economy will be stymied by a bottom up approach. This may mean challenging the normal procedures for assessing transport schemes to allow the economic growth potential and value generation effects to be taken into account.” (Arup, 2013).

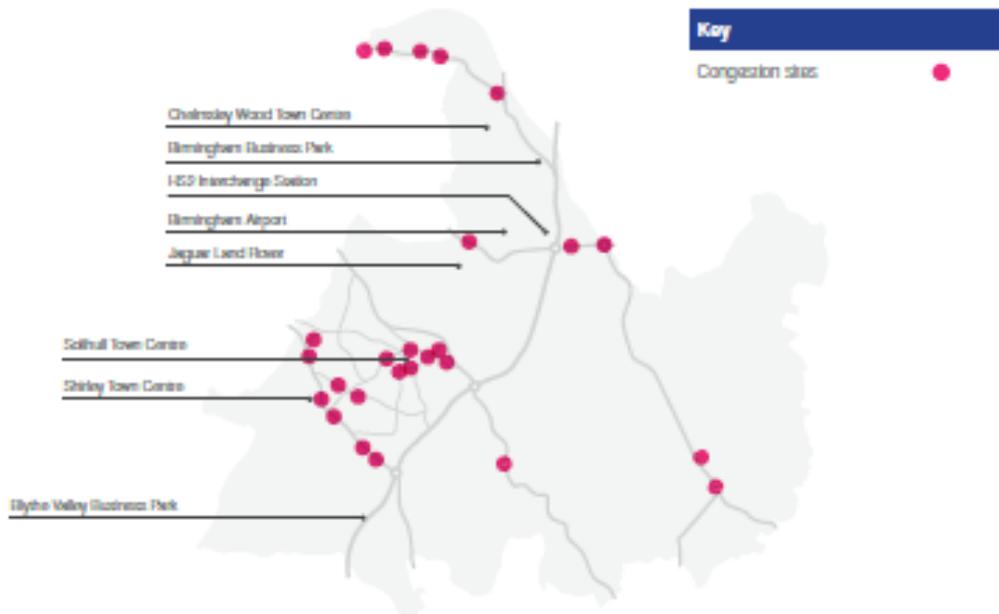
The Strategic Masterplan also highlighted the differential impact, and huge opportunity cost, of not making this recommended investment, with a “Business As Usual” scenario forecast to generate c.£8bn less GDP and 87,500 fewer jobs for the West Midlands than the ambitious, managed, growth scenario proposed which is at the heart of UK Central, HS2 Growth Strategy and WMCA SEP ambitions..

The inclusion of the UK Central Infrastructure package within the WMCA Devolution Deal reflects the critical importance to the West Midlands of this package being delivered if the SEP's ambitions for growth are to be realised.

The challenges of not intervening are highlighted in the Solihull Connected Transport Strategy (WSP Parsons Brinckerhoff, 2016) produced after extensive local consultation. “There is a risk that without a properly planned transport system growth could cause ever-increasing congestion on our roads; stifling our economy, worsening our quality of life and hampering our transition to a sustainable low-carbon economy”. It notes that growth will bring challenges to the transport system – estimating that whilst Solihull residents currently generate around 572,000 daily trips by all modes, this could rise to 675,000 within 20 years with the forecast increase in households. In addition, the 2011 Census records that c.50,000 people come into the Borough each day to work – representing approximately 50% of Solihull jobs – with a 14.6% increase in jobs since 2011 (2011-2015 Employee Jobs, ONS BRES). In addition, c.60% of Solihull commuters travel out of the Borough each day for work, and a number of congestion “hotspots” around key employment sites and growth areas have already been identified. Illustrated in Figure 8 below, these “hotspots” are clustered in the key movement and growth corridors in which HS2, Metro and Sprint will be delivered (A452, A45, A41, and A34) and reinforce the urgent need for the Phase 1 UK Central Infrastructure Package to deliver improvements and provide resilience ahead of schemes such as J6 M42 which will otherwise place significant capacity constraints on a network already experiencing pressure, with the resultant negative and ongoing impact on growth.

*Figure 8: Solihull Connected – Congestion Hotspots*

### Identified Congestion 'Hotspots' Across the Borough



If current patterns continue in 20 years time there could be as many as 120,000 people travelling in and out of the Borough each day for work, making 240,000 trips, of which 164,000 will be by car. With planned growth, and the significant risk of increased pressure on the network and congestion as a result of HS2 construction in the Borough, it is essential that early investment takes place to enable this essential growth, provide additional resilience and capacity on the network and offer more low carbon and active travel choices.

This approach was strongly endorsed by both residents and stakeholders through consultation on Solihull Connected, with 71% of respondents agreeing or strongly agreeing that “people and businesses need to change how they travel” and very clear support for the proposition that planned growth will create congestion and capacity problems if no action is taken. The vision for an emphasis on public and active transport was clearly supported “but residents and stakeholders alike want high-quality, reliable and safe alternatives before they will begin to use their cars a little less” (WSP Parsons Brinckerhoff 2016).

With Solihull’s continued economic success critical to the achievement of the growth ambitions of the WMCA SEP, early HS2 enabling works already starting, and major works scheduled, failing to deliver early investment would constrain growth, limit access to employment, undermine the long-term delivery of UK Central and fail to realise the full potential benefits of the HS2 Growth Strategy.

### **Do Something (Maximum) – Deliver Phase 1 of the UK Central Infrastructure Package – the approach endorsed by the Council**

The 2013 UKC Strategic Masterplan was clear about the need for intervention, and for this to be early and at a significant scale, confirming that Do Nothing or Do Less options would not be viable. “the moves to improve infrastructure need to be ambitious, improvements to the transport network cannot simply be put forward on where the growth is happening, rather the improvements and advancements need to be brought forwards and delivered to achieve growth....Without major works, the growth programme in UKC will not be realised.” (Arup, 2013)

The Investment & Implementation Plan (2013, led by PWC), produced for Solihull MBC in support of the UK Central Strategic Masterplan, reinforced this need for ambitious, early

investment by the public sector and highlighted potential returns from delivering growth in addition to the employment and GDP impacts highlighted in the Masterplan itself:-

- Up to an additional £1.4bn p.a. tax take for the Exchequer in 2040 through pursuing ambitious growth rather than business as usual
- Potential benefits savings of £86.2m p.a. if 10% of new jobs are taken up by workless residents( who would be supported through WMCA and local employment and skills programmes), based on an estimated fiscal benefit of £7,800 p.a. per capita (for Job Seekers Allowance)
- £831m in business rates growth over a 25 year period
- Significant increases in Airport Passenger Duty and Casino Gaming Duty

The quantum of growth and benefits which can be realised for Solihull and WMCA depend upon maintaining Solihull's current economic success, continuing to attract and retain business investment and jobs, as well as planning for and enabling further growth in all four UK Central economic growth zones.

There is clear current commercial market demand also informing the approach, bringing forward well connected, well designed, high quality places. Knight Frank's UK Regional Office Market Review for 2017 for example identifies the key market drivers being a resilient economy, continuing interest from overseas investors and an expectation of both UK institutional and international investor interest in the UK regional markets, such as the Greater Birmingham area, looking for higher yields. Another consistent and increasingly important factor relating to occupier requirement was the stronger focus on quality and connectivity, Knight Frank highlighting that "we will continue to see demand gravitating towards amenity rich buildings and locations"

JLL "The promises and perils of location decisions" – Corporate Location Planning in a Rapidly Changing Business Climate (2017) highlights common drivers of location decisions, including city dynamism (linked to the devolution agenda); talent and skills; accessibility and clusters (access to wider talent pool, specialist support services, agglomeration effects). "The pre-eminence of talent is increasing in focus, with the quality of talent being a critical part of business success.. Driven by re-urbanisation, a new geography of talent ..... is emerging... As industry trends change, it is prudent for all companies to futureproof location decisions by aligning to the new geography of talent in cities and urban areas"

As set out above, with Solihull's continued economic success critical to the achievement of the growth ambitions of the WMCA SEP, failure to deliver any of these critical projects would undermine the long-term delivery of UK Central and fail to realise the full potential benefits of the HS2 Growth Strategy.

**10. If this project sits within a wider Programme of Investments, please provide details of the Programme and outline its objectives.**

This is Phase 1 of the UK Central Infrastructure Package, a programme of investments linked with the HS2 Interchange Package to deliver the ambitious UK Central managed growth agenda. UK Central itself is essential to delivering the HS2 Growth Strategy and securing the fullest range of benefits for WMCA. As set out in Section 1 above this Phase 1 submission is part of the overall programme of investment and growth to be delivered under the Midlands HS2 Growth Strategy and is particularly closely aligned with the HS2 Interchange Package, as the two Packages together will deliver the ambitious UK Central managed growth agenda. This growth will be delivered through:-

- A coordinated approach to masterplanning and subsequent development in the UK Central Hub, including the Arden Cross site (HS2 Interchange)
- Ongoing regeneration and investment in North Solihull, including Chelmsley Wood Town Centre and Kinghsurst Village Centre, within the context of the emerging EBNS Metro Growth Corridor
- Bringing forward the Solihull Town Centre Masterplan
- The development of Blythe Valley Park and investment and development opportunities in the A34 Corridor
- The Solihull Connected Transport Strategy and Delivery Plan

## Part 3 - Financial Case

### Costs and Funding

#### 11. Expected costs, funding sources and net cash position £m (please use the tables provided in the Appendix 2)

The Council is now in the advanced stages of planning a range of projects of which a number are aligned with /or dependent on related workstreams being developed by TfWM, HS2 and Highways England – please see Appendix 5.2. These projects need to be accelerated in order to be delivered within the next four years. This Strategic Outline Case is for Phase 1 of the Infrastructure Package – a series of inter-related studies and schemes delivering critical connections in key movement and growth corridors, together with high priority enabling investments in opportunity zones. The WMCA has a key role in both supporter and funder. The funding, set out in this SOC, which the council is seeking to draw down from the UK Central Infrastructure Package will provide certainty for the council to proceed at pace. The council is also actively pursuing all other forms of funding and some of these are identified in the table below. Ultimately the council will look to match funds in order to optimise all funding sources.

Phase 1 will enable and needs to happen to support:

- the development and subsequent delivery of infrastructure and investment schemes which will align with HS2, Highways England, TfWM and Midlands Metro Alliance scheme development and delivery;
- enhanced network resilience during a period of significant infrastructure and associated works in the West Midlands;
- align with and support delivery of the TfWM draft 10 year Transport Delivery Plan; and
- greater modal shift.

Set out below are the indicative forecast costs for Phase 1 of the UKC Infrastructure Package. Each project will be subject to development of a funding plan which will set out in more detail the project cost, capital and revenue, sources of funding/investment, where applicable return on capital and/or benefits to be realised which will contribute to homes, jobs, GVA etc. The use of the Value Capture Tool will be considered and if appropriate applied. The first funding plan is required at Gateway 2 stage and will be set out in the OBC.

The table shows a separate line for operational costs, including those which were claimed in 2016/17; inclusion of what the funding is to be spent on, an indicative timescale for when the OBC will come forward and the dependencies which this funding is aligned to. We would also refer you to Appendix 5.2 which sets out the major dependencies and that if funding is not approved the impact this will have on other programmes. The Council is currently developing a methodology to identify and quantify Project Management costs which will be applied to all projects. To assist with the financial reporting of the programme, a Project Reporting Model has been developed. Following

the Project Management Framework, this comprehensive tool captures all financial information relating to the schemes and produces monthly analysis reports.

In 2016/17 Solihull Council spent a total £1.830m to support project definition and initial feasibility of projects that form part of this SOC. The table below identifies the costs at a zonal level and also the funding for the project.

<b>EXPENDITURE:</b>	<b>£000's</b>
Operational costs	<b>533</b>
Total Zone 2 - North Solihull	<b>25</b>
Total Zone 3 - Solihull Town Centre	<b>133</b>
Cross Borough	<b>56</b>
HS2 related	<b>4</b>
CEF Birmingham International Station Integrated Transport Hub Study	<b>1,080</b>
<b>TOTAL EXPENDITURE</b>	<b>1,830</b>

<b>FUNDED BY:</b>	<b>£000's</b>
European Grant Funding (CEF)	<b>540</b>
SMBC Match Funding (CEF)	<b>100</b>
WMCA contribution	<b>1,003</b>
Grant funding DECC (HNDU)	<b>1</b>
SMBC contributions	<b>186</b>
<b>TOTAL FUNDING</b>	<b>1,830</b>

In summary the SOC Phase 1 totals £4,333,432 which will deliver:

- A series of studies to inform the key interventions required in key corridors;
- Progress scheme development to OBC stage;
- To enable construction to commence (Solihull Train Station to Town Centre Accessibility Improvements). The scheme includes the widening of pavements, provision for cycling, new way marking, realigned pedestrian crossings and improved public realm ; and
- Acquisition of land (Simon Digby), giving the council full control of the site, to enable a housing scheme to progress.

The Council has looked to best use and allocate internal resources across the schemes identified in the SOC along with identifying best use of the UKC Infrastructure package; resulting in a requirement

for £3,386,543 in 2017/18 which will support delivery as set out above. The table below provides a detailed summary of each project, the indicative total project cost, source of funding, forecast spend for 2017/18 and the proportion to be allocated from the UKC Infrastructure Package.

Summary for SOC	Total Project									
	Indicative Total Project cost	Funded by							Total Identified Funding	Funding source to be established
		SMBC LTP	SMBC UKC	Private & S106/288	Gov Grant	EU	WMCA total	GBSLEP subject to application		
(£)	(confirmed) (£)	(confirmed) (£)	(confirmed) (£)	(£)	(£)	(£)	(£)	(£)	(£)	
Operational costs	3,531,703	0	784,797	0	0	0	2,746,906	0	3,531,703	0
Operational costs 2016 17 claimed	533,000	0	182,000	0	0	0	351,000	0	533,000	0
<b>Total Operational Costs</b>	<b>4,064,703</b>	<b>0</b>	<b>966,797</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,097,906</b>	<b>0</b>	<b>4,064,703</b>	<b>0</b>
Birmingham Business Park Southern Access	50,000	0	0	0	0	0	50,000	0	50,000	0
A45 Damson Parkway Junction Improvements	30,000,000	0	0	0	0	0	30,000,000	0	30,000,000	0
UKC Green Highway (hub cycle improvements) - North Solihull	3,575,000	770,000	0	0	0	0	2,805,000	0	3,575,000	0
A452 Chester Road Corridor Enhancement	200,000	0	0	0	0	0	200,000	0	200,000	0
2016 17 Zone 1 costs claimed	1,080,000	0	0	100,000	0	540,000	440,000	0	1,080,000	0
<b>Total Zone 1</b>	<b>34,905,000</b>	<b>770,000</b>	<b>0</b>	<b>100,000</b>	<b>0</b>	<b>540,000</b>	<b>33,495,000</b>	<b>0</b>	<b>34,905,000</b>	<b>0</b>
Simon Digby housing - North Solihull	25,000,000	0	0	0	0	0	2,590,000	0	2,590,000	22,410,000
Kingshurst Village Centre	21,001,051	0	0	17,351,900	0	0	3,649,151	0	21,001,051	0
Chelmsley Wood Town Centre	200,000	0	0	0	0	0	200,000	0	200,000	0
2016 17 Zone 2 costs claimed	25,000	0	0	0	0	0	25,000	0	25,000	0
<b>Total Zone 2</b>	<b>46,226,051</b>	<b>0</b>	<b>0</b>	<b>17,351,900</b>	<b>0</b>	<b>0</b>	<b>6,464,151</b>	<b>0</b>	<b>23,816,051</b>	<b>22,410,000</b>
A45 to Solihull Town Centre Green Highway cycle route	4,345,000	655,000	0	120,000	0	0	3,570,000	0	4,345,000	0
Solihull Train Station to Town Centre Accessibility Improvements	2,370,000	310,000	0	0	0	0	2,060,000	0	2,370,000	0
Solihull Station New location feasibility study	50,000	0	0	0	0	0	50,000	0	50,000	0
A45 Damson Parkway Corridor improvements	4,070,000	670,000	0	0	0	0	1,550,000	1,850,000	4,070,000	0
Lode Lane Corridor Improvements	13,000,000	1,235,000	0	0	0	0	11,765,000	0	13,000,000	0
Solihull Town Centre - Public Realm Design	3,150,000	0	2,000,000	0	0	0	1,150,000	0	3,150,000	0
2016 17 Zone 3 costs claimed	133,000	0	600	0	1,200	0	131,200	0	133,000	0
2017 18 Zone 3 costs relating to 2016 17 activity	32,000	0	0	0	0	0	32,000	0	32,000	0
<b>Total Zone 3</b>	<b>27,150,000</b>	<b>2,870,000</b>	<b>2,000,600</b>	<b>120,000</b>	<b>1,200</b>	<b>0</b>	<b>20,308,200</b>	<b>1,850,000</b>	<b>27,150,000</b>	<b>0</b>
A34 Stratford Road Enhancements Study	200,000	0	0	0	0	0	200,000	0	200,000	0
<b>Total Zone 4</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>200,000</b>	<b>0</b>
2016 17 Cross Borough costs claimed/HS2 Related	59,000	0	4,000	0	0	0	55,000	0	59,000	0
2017 18 Cross Borough costs relating to 2016 17 activity	8,000	0	0	0	0	0	8,000	0	8,000	0
<b>Total Cross Borough</b>	<b>67,000</b>	<b>0</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,000</b>	<b>0</b>	<b>67,000</b>	<b>0</b>
<b>Grand Total</b>	<b>112,612,754</b>	<b>3,640,000</b>	<b>2,971,397</b>	<b>17,571,900</b>	<b>1,200</b>	<b>540,000</b>	<b>63,628,257</b>	<b>1,850,000</b>	<b>90,202,754</b>	<b>22,410,000</b>

Project	Forecast 2017/18 (£)	2017/18 WMCA Requirement (£)	Output / Comment	OBC forecast date	Critical dependency - scheme needs to progress prior
Operational costs	713,432	546,543	As previously discussed the Council is developing a	N/A	
Operational costs 2016 17 claimed	0	0			
<b>Total Operational Costs</b>	<b>713,432</b>	<b>546,543</b>			
Birmingham Business Park Southern Access	50,000	50,000	Technical Report to secure space for additional transport measures, identify any additional cost and requirement for Metro route and cycle highway	Date is subject to concluding negotiations with the land owners and the extent of webtag process will require a more detailed SOC, therefore the WMCA OBC stage	HS2 construction / Metro route. Subject to negotiations on live planning application and
A45 Damson Parkway Junction Improvements	50,000	50,000	To commence scheme development which will be in accordance with WebTag process		HS2 / SPRINT / W42 JB. Critical growth link as set out in the Hub Growth and Infrastructure Plan
UKC Green Highway (hub cycle improvements) - North Solihull	250,000	0	To produce detailed scheme design	Q3 2017/18	Lode Lane and Damson Parkway Corridor Improvements
A452 Chester Road Corridor Enhancement	100,000	100,000	Technical study that will provide for the detailed interventions necessary to improve the	Q4 2017/18	Metro route / Kingshurst Regeneration / Chelsmsley Wood
2016 17 Zone 1 costs claimed	0	0			
<b>Total Zone 1</b>	<b>450,000</b>	<b>200,000</b>			
Simon Digby housing - North Solihull	750,000	750,000	Acquisition of part of the site owned by Solihull College (remainder of site in SMBC ownership); design and planning costs in preparation for construction. £22.4m relates to construction cost. Delivery mechanism part of review by Arcadis which will identify a high level cash flow requirement.	Q3 2017/18	A452 Chester Road corridor study
Kingshurst Village Centre	55,000	55,000	Detailed design and planning application	Q4 2017/18	Metro route / A452 Chester Road corridor study
Chelmsley Wood Town Centre	100,000	100,000	Masterplan for the town centre	Q2 2018/19	Metro route / Chelmsley Wood TC
2016 17 Zone 2 costs claimed	0	0			
<b>Total Zone 2</b>	<b>905,000</b>	<b>905,000</b>			
A45 to Solihull Town Centre Green Highway cycle route	220,000	0	To produce detailed scheme design	Q3 2018/19	SPRINT
Solihull Train Station to Town Centre Accessibility Improvements			Detailed design complete. Funding to enable construction to commence, balance to be funded from SMBC LTP.	Q3 2017/18	SPRINT
Solihull Station New location feasibility study	1,195,000	885,000	Feasibility Report	Output from Report will	SPRINT
A45 Damson Parkway Corridor improvements	50,000	50,000	Technical study that will provide for the detailed interventions necessary to improve the capacity/resilience of Damson Parkway	Q3 2017/18	SPRINT
Lode Lane Corridor Improvements	160,000	160,000	Technical study that will provide for the detailed interventions necessary to improve the capacity/resilience of Lode Lane	Q3 2017/18	SPRINT
Solihull Town Centre - Public Realm Design	400,000	400,000	Detailed design and planning in preparation for construction	Q3 2017/18	
2016 17 Zone 3 costs claimed	100,000	100,000			
2017 18 Zone 3 costs relating to 2016 17 activity	0	0			
	32,000	32,000			
<b>Total Zone 3</b>	<b>2,157,000</b>	<b>1,627,000</b>			
A34 Stratford Road Enhancements Study	100,000	100,000	Technical study that will provide for the detailed interventions necessary to improve the capacity/resilience of the A34	Q3 2017/18	SPRINT / SMBC Draft Local Plan
<b>Total Zone 4</b>	<b>100,000</b>	<b>100,000</b>			
2016 17 Cross Borough costs claimed/HS2 Related	0	0			
2017 18 Cross Borough costs relating to 2016 17 activity	8,000	8,000			
<b>Total Cross Borough</b>	<b>8,000</b>	<b>8,000</b>			
<b>Grand Total</b>	<b>4,333,432</b>	<b>3,386,543</b>			

## Part 4 - Management Case

### Risks and Issues

#### 12. What are the main (top 3) issues (i.e. known existing challenges) with the potential to impact negatively on the Project?

(List)

Challenge	Comment	Mitigation
Procurement of professional and technical services to support feasibility, option appraisal and business case development	With the current scale of investment in infrastructure contractors are choosing which contracts/works to bid for. The Council is already experiencing limited/no interest in small contracts and is likely to become a greater challenge.	The Council has existing frameworks in place that will deliver some technical support including engaging with Balfour Beatty, through SCAPE, to provide programme and deliverability advice. The Council is developing a Procurement Plan to support delivery of the UKC Growth and Development Investment Plan.
Resources to deliver the scale of activity.	This programme of work will continue and the Council will need to ensure it has the human capacity to resource the associated activities.	Through the Council's Project Management Framework each project must set out the resource requirements to support delivery. This information is being used to prepare a Resource Plan which will manage and monitor the resources required.
Dependencies with TfWM, HS2, Highways England, UGC	The successful delivery of a number of the projects will depend on close collaboration with external partners who are also delivering key pieces of infrastructure.	The Council continues to work collaboratively with partners.

#### 13. What are the main (top 3) risks (i.e. potential issues and challenges that might occur)? How will those risks be managed and mitigated?

(List)

Risk	Comment	Mitigation
Failure to procure professional and technical services to support feasibility, option appraisal and business case development	With the current scale of investment in infrastructure contractors are choosing which contracts/works to bid for. The Council is already experiencing limited/no interest in small contracts and is likely to become a greater challenge.	The Council has existing frameworks in place that will deliver some technical support including engaging with Balfour Beatty, through SCAPE, to provide programme and deliverability advice. The Council is developing a

		Procurement Plan to support delivery of the UKC Growth and Development Investment Plan.
Resources to deliver the scale of activity.	This programme of work will continue and the Council will need to ensure it has the human capacity to resource the associated activities.	Through the Council's Project Management Framework each project must set out the resource requirements to support delivery. This information is being used to prepare a Resource Plan which will manage and monitor the resources required.
Poor collaboration with TfWM, HS2, Highways England, UGC	The successful delivery of a number of the projects will depend on close collaboration with external partners who are also delivering key pieces of infrastructure. Poor collaboration is likely to lead to poor decisions and potential delays.	The Council continues to work collaboratively with partners.

**14. Are there any other significant constraints to delivering the Project not mentioned above?**

(List)

<b>Significant constraints</b>	<b>Comment</b>	<b>Mitigation</b>
Land acquisitions / third party interests	Successful delivery of some of the projects will require the Council to acquire (or temporarily acquire) land / third party interests from either private or public sector partners.	The Council's first approach will be to negotiate a successful outcome, however, in cases where this is not possible then it may choose to compulsory purchase.
Readiness of Statutory Services	Working with Statutory Service providers and co-ordinating the delivering of infrastructure is likely to be a constraint if the provider has not scheduled the work that they will need to perform.	Early liaison and sharing of information.
Sequencing of works	One of the key issues is dependencies with the delivery of other construction related activity. The sequencing of works is going to be critical to avoid projects severely impacting on the resilience of the borough/region.	The Council continues to work collaboratively with partners, sharing information and work schedules, and is an active member of the West Midlands Infrastructure Resilience and Response Partnership

**15. Please indicate how your project complies with State aid Regulations without contravening the State Aid Legislation (refer to gov.uk section on state aid).**

The Council's Project Management Framework requires all projects to consider and identify any State Aid implications. The Council's Solicitor is a member of the Project Board, which reviews all projects, and who provides advice and assurance that projects will comply with State Aid Regulations.

All studies and other works to be undertaken will be procured through compliant processes or through the use of existing compliant Frameworks. Infrastructure works to be delivered will be providing shared public benefits in publically accessible locations.

## Project Development Plan

**16. Please outline the plan for the next phases of project development (include budget, funding required, timescales, key challenges) and key milestones.**

The Council has put in place a new Project Management Framework which all projects will be subject to. There are five gateway stages through which each project must pass: Gateway's 1 – 3 are aligned with the WMCA Assurance Framework SOC, OBC and FBC stages

The table below is a high-level GANNT chart with key Gateway Report stages identified for current projects, including those which form part of this SOC, identifying the expected Gateway points. The funding required is set out in Section 11, being £62.6m.

The 2017/18 current budget forecast, and that which is required to progress to OBC is £3.346m.

This SOC has been endorsed by the Project Board on 7<sup>th</sup> June 2017 and then by the Programme Board on 21 June 2017. The SOC will be considered by Cabinet on 13<sup>th</sup> July 2017.



## Declaration

*To be completed by the Business Case Applicant:*

I hereby confirm that the information provided in this form is complete and, to the best of my knowledge, accurate.

I acknowledge that the West Midlands Combined Authority may seek to verify the information set forth herein, and agree to provide further information where it is available.

I acknowledge that any funding agreement reached with the WMCA is provisional until approved by the West Midlands Combined Authority Board and confirmed in writing.

Signed ...  .....

Date ...14 July 2017.....

Name .....Anne Brereton.....

Position ...Director of Managed Growth & Communities.

Organisation/Company ...Solihull MBC.....

## Certificate of Approval

*To be completed by WMCA staff:*

I have read and understood the information provided by the applicant in this **Initial Proposal/Outline Business Case/Full Business Case** and confirm that the application has been evaluated in accordance with the West Midlands Combined Authority Assurance Framework and Project Lifecycle.

<p><b>Appraisal Panel</b></p> <p>Decision: <b>Approve / Reject</b></p> <p>Signed.....</p> <p>Date .....</p> <p>Name.....</p> <p>Position.....</p>	<p><b>Investment Advisory Group</b></p> <p>Decision: <b>Approve / Reject</b></p> <p>Signed.....</p> <p>Date .....</p> <p>Name.....</p> <p>Position.....</p>
<p><b>Management Board</b></p> <p>Decision: <b>Approve / Reject</b></p> <p>Signed.....</p> <p>Date .....</p> <p>Name.....</p> <p>Position.....</p>	<p><b>Board</b></p> <p>Decision: <b>Approve / Reject</b></p> <p>Signed.....</p> <p>Date .....</p> <p>Name.....</p> <p>Position.....</p>

## Appendix 1– Optional Feedback (from the Applicant)

**Feedback:** The WMCA is committed to allocating its funding in the most effective ways possible in order to achieve maximum positive impact on the West Midlands and to ensure Value for Money. These business case documents and the Project Lifecycle process are designed to achieve this, and we are committed to reviewing and modifying this process over time. Please provide any suggestions for improving these templates and the Project Lifecycle process more broadly.

## Appendix 2 – Excel templates for cost and funding information

[Insert templates]

Please see detailed costs and funding information table at Section 11 above

Ref	Phase 1 Scheme	Overview	Relationships and Dependencies See also Figure [x] and Appendix 5	Delivery
H002	Strategic Cycle Network - UKC Green Highways	Providing network resilience and new low carbon travel options aligned with the Birmingham Cycle Revolution plans and investment, new strategic cycle ways and critical links will be provided to link North Solihull and East Birmingham communities to job opportunities in the UKC Hub area and improve the accessibility offer with 15.5km of new infrastructure. The scheme will build on the North Solihull Strategic Cycle Network and link to the Birmingham Cycle Revolution network and A45 Sprint Corridor (see Damson Parkway Corridor below).	Lode Land Corridor and Damson Parkway Corridor	Design and delivery 2017/18 – 2019/20  Indicative total project cost £3.57m
N006	A452 Chester Road Corridor Study	The A452 forms a key link from North Solihull to the UKC Hub area, whilst also accommodating access to Chelmsley Wood and Chelmund’s Cross, and Birmingham Business Park serving as a diversion route for the M6 and a haul route for HS2 construction. There are localised congestion issues, forecast to be exacerbated by growth at the UKC Hub, particularly in the context of East Birmingham and North Solihull Metro (which is expected to remove capacity from the highway network in the local area). An Enhancements Study will be undertaken to review and analyse the current and future purpose of the A452 Corridor as a whole, identifying the differences in requirement / function at specific locations and culminating in the development of a route strategy and range of key priority schemes for investment. The scheme will align with Midlands Metro Alliance work.	East Birmingham North Solihull Metro; Chelmsley Wood Town Centre Masterplan; Kingshurst Masterplan; Simon Digby	Study work 2017/18 – 2018/19 –will produce priority schemes for development and subsequent delivery  £200k
N003	Masterplanning for Growth - Chelmsley Wood Town Centre	Chelmsley Wood Town Centre is the main centre for North Solihull and is an important centre of commercial activity and services and for its public transport accessibility, offering a number of development opportunities, including the potential routing of the Metro through the centre, requiring a Masterplan led approach in order to maximise the potential benefits. The Phase 1 scheme deliverable will be a Masterplan for the centre covering baselining, Strategy & Vision, Feasibility and Deliverability – setting out how the range of development opportunities (including, the development of vacant sites such as the former library site and the development of under-utilised plots such as the Police Station and DWP office) can best be realised to maximise the benefits. Alignment with Metro proposals and undertaking the work in the context of the emerging East Birmingham North Solihull Metro Growth Corridor will be critical in maximising impact and benefits.  As there are significant public sector land ownerships and an engaged and an engaged and keen private sector owner and operating of the core Shopping Centre, the Masterplan will be deliverable.	East Birmingham North Solihull Metro; A452 Corridor; Kingshurst Masterplan	Study work 2017/18 – 2018/19  Next steps to follow from Masterplan  £200k
N001	Masterplanning for Growth - Kingshurst Village Centre	The centre was built in the 1950s and comprises a post-war housing estate with community facilities and a retail centre. Although it is busy with a healthy mix of uses, it has become run down and a number of units within the parade are being held vacant in order to facilitate future redevelopment opportunities. The need for redevelopment of the village centre has been acknowledged for a considerable amount of time, following the previous redevelopment of Smith’s Wood and Chelmund’s Cross Village centres as part of the North Solihull Regeneration programme, and there is clear evidence of market failure confirmed in the recent PBA East Birmingham North Solihull study. Kingshurst is the final Village Centre requiring redevelopment, which will also enable the area to benefit as part of the East Birmingham North Solihull Growth Corridor. The Phase 1 scheme deliverable will be a Masterplan that will form the basis for future development. This will include: defining the broad layout and quantum of development for the village centre (housing numbers, retail space, health space, community space, open space); establishing viability of preferred Masterplan and identifying any gap in funding; and determining a programme for delivery including (where necessary) acquisition, decant and procurement strategies. As the centre is in public sector ownership, the Masterplan will be deliverable.	East Birmingham North Solihull Metro; Chelmsley Wood Town Centre	Study work 2017/18 – 2018/19  Next steps to follow from Masterplan  £21m total development value
N004	Accelerating Housing Delivery - Simon Digby	Simon Digby is a key proposed housing site in North Solihull and is allocated in the Solihull Local Plan (2013). At 4.5 hectares, it is envisaged that the site can accommodate between 180 and 200 new dwellings. There are issues with the viability of the site due to the costs of bringing it forward. The project will allow provision of access road, flood mitigation works and noise attenuation to unlock housing development attenuation to unlock housing site, enabling the development of up to 200 mixed-tenure homes	A452 Chester Road Corridor	Development 2017/18 – 2019/2020; specific construction costs and timings tbc. Indicative cost of total delivery and build out £25m
H001	Critical Connections - Birmingham Business Park	Birmingham Business Park (BBP) is one of UK Central’s premium employment sites and a focus for strategic businesses within the UK Central Hub. Home to over 100 businesses, BBP has a concentration of high value added, knowledge based industries which	East Birmingham North Solihull Metro	Project Delivery 2017/18

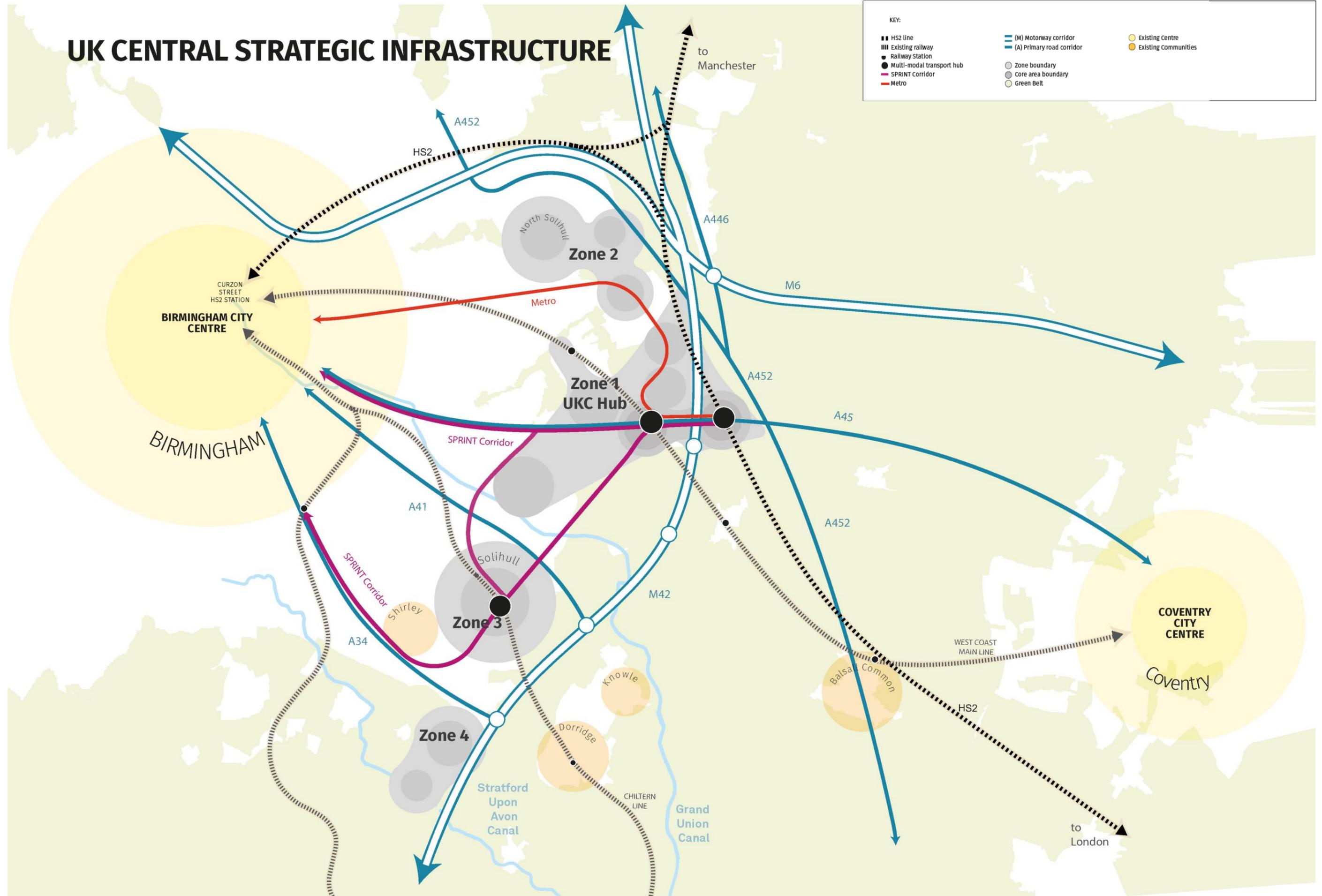
	Southern Access	<p>need to draw on a wide labour catchment area to access the range of talent and skills required – some 6,500 people will be working there. Major investors include Changan Automotive’s new worldwide powertrain and R&amp;D HQ, Fujitsu, Rolls Royce Controls &amp; Data Services, SMMT Industry Forum and the HQ of IMI plc.</p> <p>BBP has a single point of access on to the A452 gyratory over the M42, which suffers from significant congestion during peak periods. Due to the location and nature of BBP the majority of trips are made by private motor vehicle. Some bus services run, but busses experience the same traffic issues. Future planned expansion at BBP will exacerbate this issue as will HS2 – both temporarily during construction works and upon completion due to the removal of the A452 gyratory and replacement with a smaller roundabout. As BBP is privately owned, State Aid rules preclude SMBC delivering the road directly. Given the importance of the Park as a strategic employment site within the UKC Hub however, the Council will commission /undertake preliminary design work in order to inform future negotiations with the Business Park to ensure the implementation of an effective solution (also allowing future development of Metro subject to confirmation of route and necessary Transport &amp; Works Act Order).</p>		£50k
H003 C008 C005	<p>Damson Parkway Corridor:</p> <ul style="list-style-type: none"> <li>• A45 Junction</li> <li>• Improvements</li> <li>• Strategic Cycle Network</li> </ul>	<p>A priority route for a step-change in transport infrastructure provision to enable growth between the two biggest UKC centres – Hub and Town Centre. The corridor experiences significant peak hour delay and congestion at key locations and has barriers to walking, cycling and public transport reliability. Delivering improvements ahead of Highways England works on Junction 6 M42 is essential if network capacity and resilience is to be maintained during this vital construction period.</p> <p>The A45 / Damson Parkway Junction currently suffers from significant congestion throughout the day, due to high peak-period demand on the A45 and JLR shift patterns. Without improvement, growth within the UKC Hub and Solihull Town Centre will be constrained, and the benefits brought about by improvements to M42 J6 not fully realised.</p> <p>The Damson Parkway corridor will also accommodate the future HS2 Interchange Station to Solihull Town Centre Sprint service. The A41/Yew Tree Ln/Hampton Ln and Warwick Rd/New Rd junctions were also identified in Solihull Connected (Transport Strategy and Delivery Plan) as priorities to improve highway capacity, journey time reliability and multi-modal improvements, as was the planned strategic cycle link between Solihull Town Centre and the UKC Central Hub (see UKC Green Highways above) providing a vital low carbon low cost transport option to access jobs and transport hubs, contributing to network resilience as well as air quality improvement, health and well-being</p> <p>It is a critical corridor for Jaguar Land Rover, which employs c10,700 people at Lode Lane, its largest plant, providing staff and freight access to the plant and neighbouring dispatch centre, leading to the A41 and A45 and on to the M42. plans for a new c.1m sq. ft Jaguar Land Rover Logistics Operation Centre abutting Damson Parkway and the A45 have recently been approved by the Council</p>	<p>A45 SPRINT; Hall Green – Interchange SPRINT; M42 Junction 6; UKC Green Highways</p>	<p>Junction scheme development in accordance with DfT WebTAG process 2017/18 – 2019/20. Delivery of scheme 2019/20 – 2020/21. Indicative costs £30m</p> <p>Improvements programme design and delivery 2017/18 – 2020/21. Indicative total project costs £4.07m</p> <p>Strategic cycle link design and delivery – 2017/18 – to 2019/20. Indicative total project costs £4.345m</p>
C010	Lode Lane Corridor Improvements	<p>The Lode Lane Corridor is a priority route for a step-change in transport infrastructure provision to enable growth between the two biggest UKC economic opportunity zones – Hub and Town Centre and A45 Birmingham Corridor. The corridor experiences significant peak hour delay and congestion at key locations and has barriers to walking, cycling and public transport reliability (less Lode Lane Bus Lane Enhancements). The A41/LL, Warwick Rd/LL and Gyratory junctions were identified to improve highway capacity, journey time reliability and multi-modal improvements. Improvements are essential if the full growth potential of the area is to be realised, with addressing congestion and enabling greater network essential to support major employers such as JLR – with the Lode Lane plant its largest globally, and one with capacity for significant increases in production. Lode Land provides access to the plant to the A41 and A45 and on to the M42. plans for a new c.1m sq. ft Jaguar Land Rover Logistics Operation Centre abutting Damson Parkway and the A45 have recently been approved by the Council</p>	<p>A45 Sprint; Jaguar Land Rover; UKC Green Highways</p> <p>Investment in this critical Corridor has already taken place, with the Lode Lane Route Enhancement Scheme, which including the introduction of a Platinum Bus Service as well as walking and cycling enhancements already providing significant benefits and demonstrating the positive impact of intervention.</p>	<p>2017/18 – 2021/22</p> <p>Development leading to SOBC and subsequent delivery to 2021/22</p> <p>Indicative total project costs £13m</p>
C006	Access and Environmental Improvements: Solihull Station	<p>Closely aligned with the scheme for Solihull Town Centre, the purpose of the project is to deliver a package of connectivity improvements between Solihull Train Station and Solihull Town Centre, in response to the Town Centre’s growing role as a transport hub and interchange and as a strategic centre. The scheme will act as a catalyst for the future and further growth of Solihull Town Centre by delivering a high quality, attractive and accessible pedestrian and cycle link between the train station and the heart of the town centre, and respond to the forecast increase in rail passenger numbers to and from Solihull. The scheme includes the widening of pavements, provision for cycling, new way marking, realigned pedestrian crossings and improved public realm, in line with the council’s public realm strategy</p>	<p>Hall Green – Interchange SPRINT</p> <p>Town Centre Masterplan (AECOM 2016): – The scheme supports the Masterplan’s aspirations to provide attractive gateways into the town centre and enhance the public realm...“Solihull Train Station is currently disconnected from the town centre by the ring road and requires people to</p>	<p>2017/18 – 2018/19</p> <p>Delivery. Total indicative costs £2.3m</p>

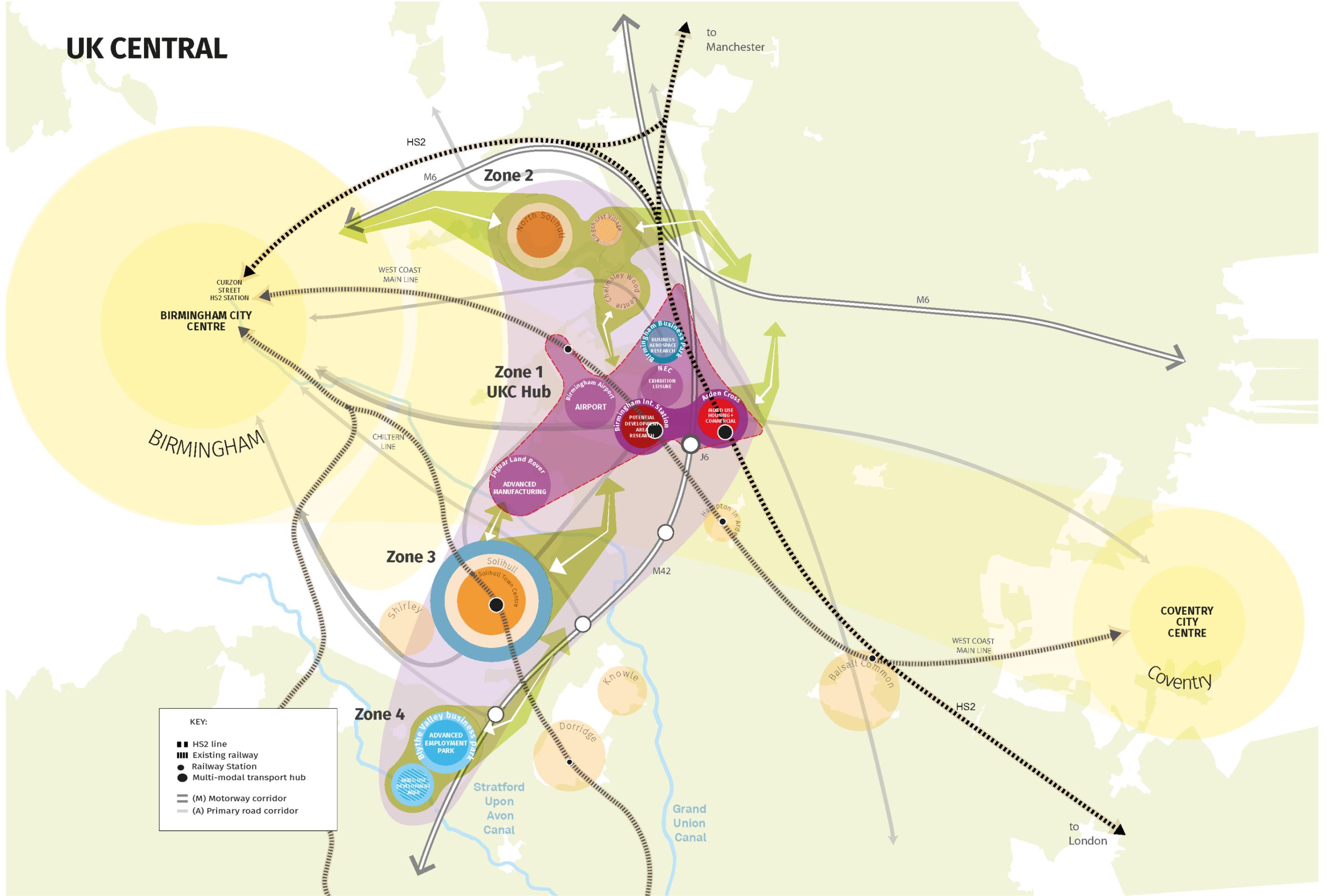
			cross a number of busy roads and major junctions; further compounded by a lack of signage, poor legibility and lack of clear sightlines to the town centre. At present, Solihull suffers from relatively low usage of the train station compared to other modes, despite its frequent services to Birmingham and London	
C002	Access and Environmental Improvements: Solihull Town Centre	Closely aligned with the scheme for Solihull Station, the project is to deliver large scale redesign and upgrading of the public realm across the areas of Mell Square and High Street, in Solihull town centre, complementary to and integrated with its growing role as a transport hub and interchange and as a strategic centre. The purpose of the project is to ensure that the Town Centre continues to succeed by retaining existing and attracting new visitors, encouraging inward investment, and diversifying its offer. The aim of the project is to improve the public realm to enhance the experience of the centre for all users, in order to increase dwell time and spend, encourage return visits, to help attract inward investment and improve the prosperity of indigenous businesses.	Hall Green – Interchange SPRINT Complements Solihull Station access and environmental improvements and aligns with Damson Parkway and Lode Lane Corridors  Solihull Town Centre Masterplan. Good urban design and high quality public realm will add value to the town centre by strengthening the economic viability of development opportunities and by delivering social and environmental benefits	2017/18 – 2019/20  Development and delivery  Total indicative project costs £3.15m
C007	Solihull Station – Long Term Options Study	The concept of the relocation of Solihull Station was considered at a high level during the development of the town centre Masterplan in 2016. The future development of, and delivery of proposals within, two key areas of change identified in the Masterplan (the Western Gateway and the Southern Gateway) are directly affected by the decision on the future location of the train station. The relocation could also provide an effective solution to long term passenger growth forecasts that suggest a significant increase in the number of people using the station in the future and a subsequent requirement for large scale redevelopment either in its current site or as part of relocation. A feasibility study, following Network Rail GRIP stages, will explore and explicitly identify the tangible benefits that could be realised by relocation, together with the key constraints, risks and barriers that exist and whether these are surmountable. This project is closely linked to short and medium term schemes currently being developed in relation to Solihull’s existing train station – including the improvements to the redundant platform being delivered by SMBC, minor internal improvements being delivered by Chiltern, and a scheme to improve the connectivity between the current station and the town centre currently being developed by SMBC. None of these projects are considered to be negatively impacted by this scheme due to the longer term timescale.  The study will enhance the 2013 Strategic Masterplan which did not explore a potential relocation of the station and the potential positive impact of such a move on access, connectivity and development.	Hall Green – Interchange SPRINT  Solihull Town Centre Masterplan (AECOM 2016) “...future proofing of the station is extremely important given the projected increase in the number of passengers using the station in the coming years. At present approximately 1.6 million passengers use Solihull Station each year, or around 2,500 per day. This figure reflects annual growth of 16.5% in the three years since 2011/2012. Applying longer term growth forecasts from Network Rail a 49% passenger volume growth to 2023 and 114% growth to 2043 is predicted. For Solihull this would mean an increase to 3,800 passengers per day in 2023 and 5,500 in 2043. The case for a radical change in the station offer is therefore obvious.”  Alignment with Local Plan Review	Study 2017/18. Next steps will depend upon the outcome of the work  £50k
B001	A34 Corridor Study	The A34 provides a key strategic, arterial link from M42 to Birmingham City Centre; as such it carries a significant volume of traffic on a daily basis. However, there is significant variation in the character of the areas through which the road runs, and the road provides for a range functions in different locations (for example, also providing access to and throughout Shirley Centre). Implementing a strategic approach to intervention in order to enable planned growth in Solihull and in Birmingham City Centre and accommodate the Birmingham Interchange Hall Green Sprint route. An Enhancements Study will review and analyse the current and future purpose of the A34 Corridor, identifying the differences in requirement / function at specific locations and culminating in the development of a route strategy and range of key priority schemes for investment, which will be brought forward through subsequent phases of the package	Hall Green – Interchange SPRINT  A34 Corridor NPIF scheme 2017/18 traffic signal upgrades and A34 / Marshall Lake Road S106 Improvements  Draft Solihull Local Plan document proposes significant housing allocations to the south of the A34 -2550 dwellings in four sites - which will generate additional movement on the corridor. A strategic, phased approach to intervention is required to ensure that the Council’s growth plans can be accommodated in a managed and sustainable manner.	2017/18 – 2018/19  Study will produce priority schemes for development and subsequent deliver  £200k

# UK CENTRAL STRATEGIC INFRASTRUCTURE

KEY:

- HS2 line
- Existing railway
- Railway Station
- Multi-modal transport hub
- SPRINT corridor
- Metro
- (M) Motorway corridor
- (A) Primary road corridor
- Existing Centre
- Existing Communities
- Zone boundary
- Core area boundary
- Green Belt

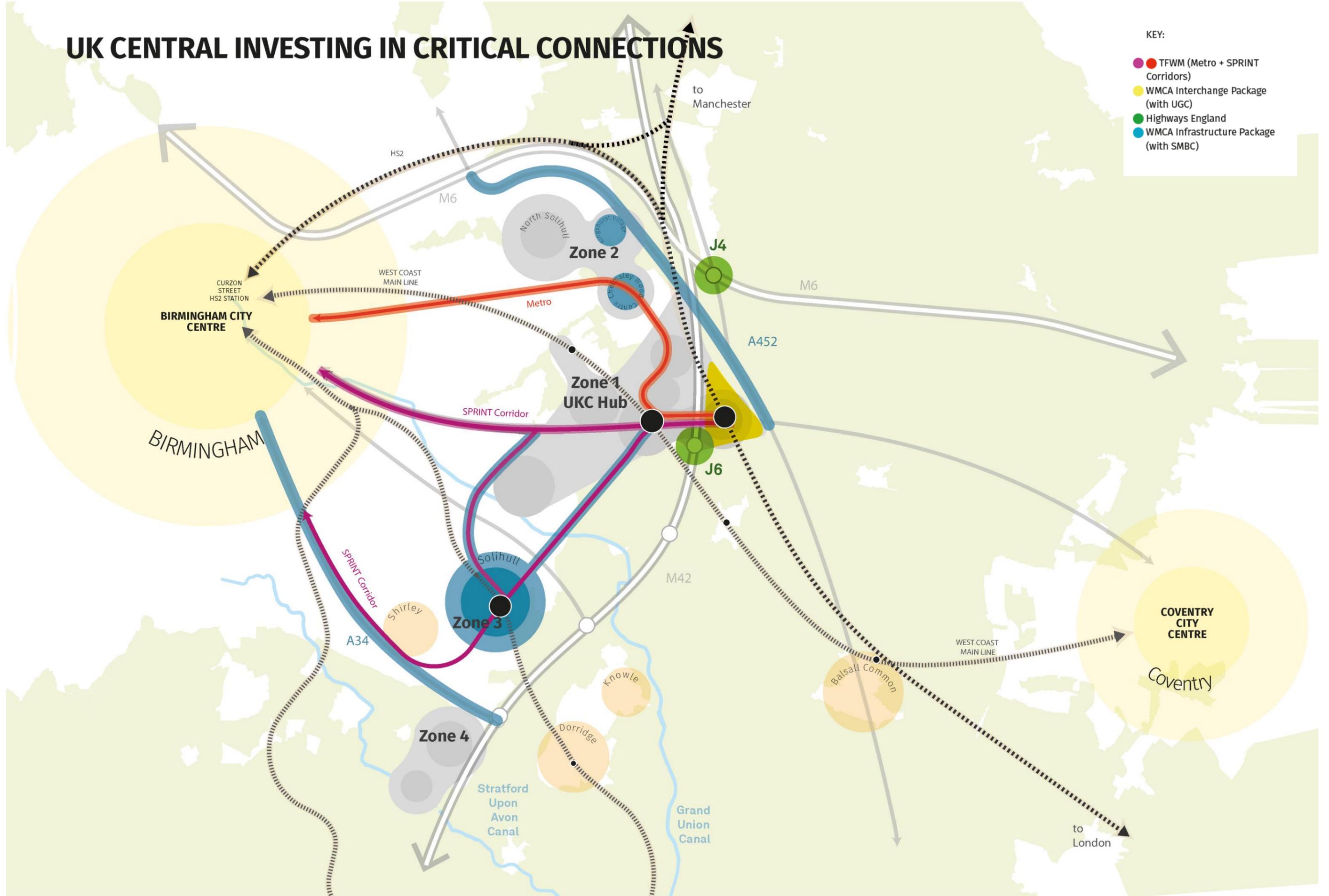




# UK CENTRAL INVESTING IN CRITICAL CONNECTIONS

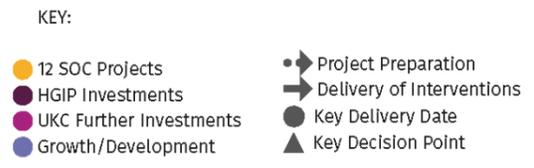
KEY:

- TFWM (Metro + SPRINT Corridors)
- WMCA Interchange Package (with UGC)
- Highways England
- WMCA Infrastructure Package (with SMBC)

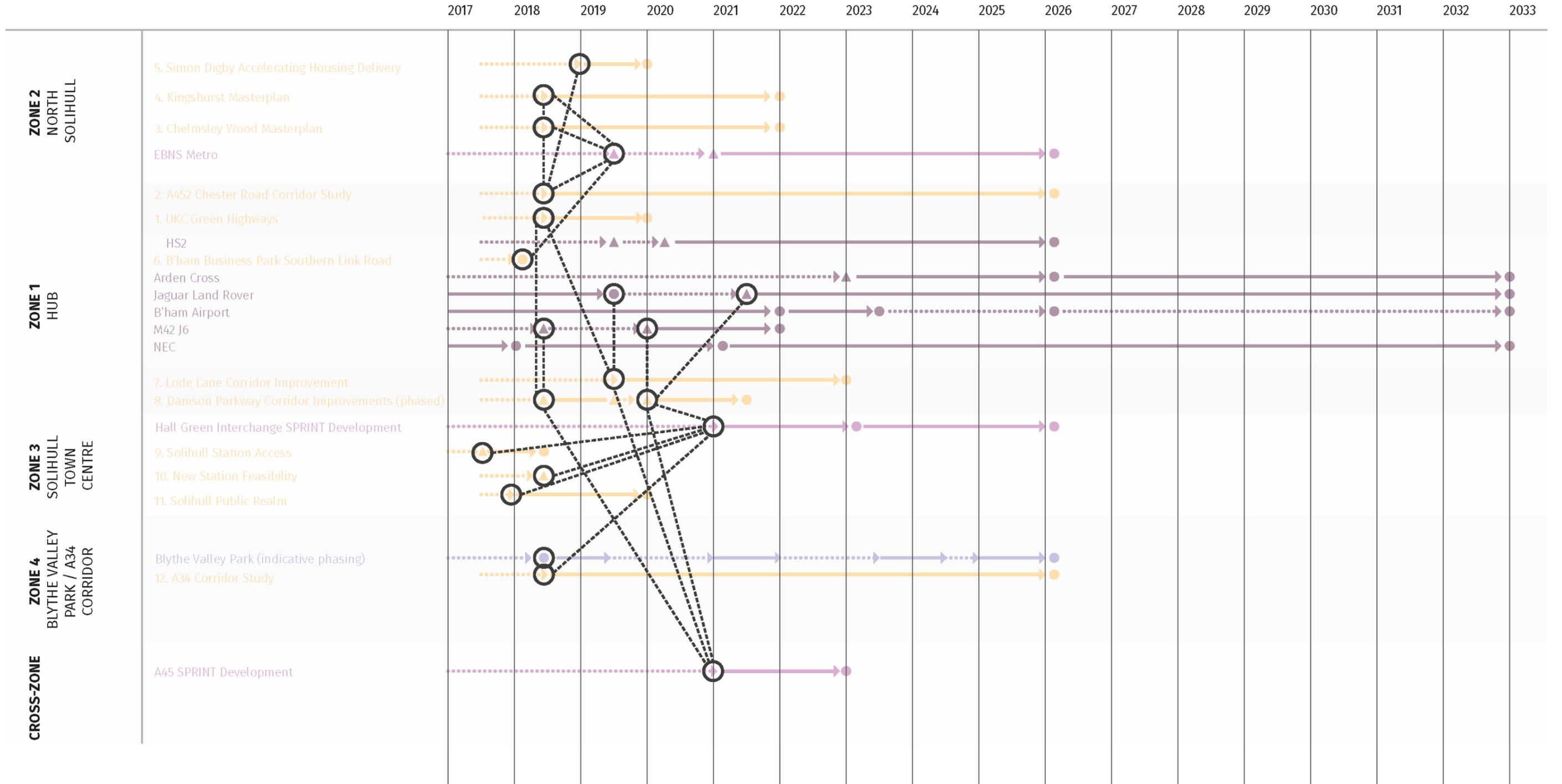


## Appendix 5.1 – UK Central Phase 1 Infrastructure Package Delivery

2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033



## Appendix 5.2 – UK Central Phase 1 Infrastructure Package – Links and Dependencies



KEY:

 ○ Trigger Point  
 --- Dependencies

 ● 12 SOC Projects  
 ● HGIP Investments  
 ● UKC Further Investments  
 ● Growth/Development

 ● Project Preparation  
 ● Delivery of Interventions  
 ● Key Delivery Date  
 ▲ Key Decision Point





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