

PUBLIC SESSION

MINUTES OF ORAL EVIDENCE

taken before

HIGH SPEED RAIL COMMITTEE

On the

HIGH SPEED RAIL (LONDON – WEST MIDLANDS) BILL

Wednesday 3 September 2014 (Afternoon)

In Committee Room 5

PRESENT:

Mr Robert Syms (In the Chair)

Mr Henry Bellingham

Sir Peter Bottomley

Ian Mearns

Mr Michael Thornton

IN ATTENDANCE

Mr Timothy Mould QC, Lead Counsel, Department for Transport

Mr David Elvin QC, Landmark Chambers

Witnesses:

Ms Bridget Rosewell, Volterra Partners

Mr Paul Rouse, Director of Planning, Savills

IN PUBLIC SESSION

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(At 14.00)

1. CHAIR: Order, order. Good afternoon, and we're on to your next witness, Mr Elvin.
2. MR ELVIN QC: My next witness is Bridget Rosewell. Can I ask you to introduce yourself first and your experience?
3. MS ROSEWELL: I'm Bridget Rosewell; I'm an economist with Volterra Partners. I've been responsible for the analysis of regeneration and transport projects for the last 20-25 years, including HS1, Crossrail, work around HS2, as well as large development projects.
4. MR ELVIN QC: Like Mr Garratt, you've produced a detailed written statement and also a two-page summary, which sets out your key points. Again, can I just pick up with you some of the main points orally, not reading anything out, and we'll go to a few documents as we proceed? Can I start just by getting your analysis? We've heard from Mr Byrne, the local MP, on the specific difficulties of the constituencies as he perceives them. From the economist's point of view, what is the character of the area, in terms of its economic profile?
5. MS ROSEWELL: It is hard to give any more detail than Mr Byrne himself gave, and indeed the study area which we've used for this site is very similar to the three constituencies that he was talking about. That basically takes us to the five-kilometre area around the site and, within that, 60% of the people who live in that area also work in that area; they don't travel very far. Indeed, we know that the higher your income the farther you're prepared to travel. This is not that kind of area, because it is, as Mr Byrne said, among the most deprived in the country.
6. To follow up with the statistic, if you like, 40% of the wards in these three constituencies are amongst the 4% most deprived in the whole country. That is really quite a staggering statistic, I think, and indeed it has the highest youth unemployment. One of the things we know about early periods of unemployment is they tend to blight people's careers so that, after that period of lengthy unemployment at the beginning of your life, it's difficult to get back on to a significant career track. Indeed, there are also

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

7. MR ELVIN QC: In terms of the number of jobs being lost, the Committee has already got the figures on how the 1,300 breaks down. Can I just ask you, from an economic point of view, to deal with the contention of the benefits of delivery of 3,900, nearly 4,000, jobs if the depot doesn't go ahead and it's developed, as opposed to the jobs that might be delivered on site if HS2 were to go ahead and ultimately this depot were to be constructed?

8. MS ROSEWELL: There are two parts to that story. One part is about, if you like, gross numbers, and the other part is about timing. If we take timing first, the jobs that are being lost on the Washwood Heath site are being lost more or less as we speak, because people believe that HS2 is going to come along and, therefore, they are looking for alternative sites for their existing activities. You've already heard that UK Mail is moving. Those jobs are being lost now.

9. The redevelopment of the site could start happening now. If we knew, if it was not being blighted by HS2, a masterplan could be coming forward and we think that the first jobs could happen on site within two years of, if you like, pressing the 'go' button for making a plan and putting in a planning application. It would take about eight to ten years to build out the whole site, whereas the HS2 proposition, providing there are some construction jobs, but the depot jobs don't come along either to 2024 or 2026 – we've heard both of those – and indeed the residual land availability doesn't happen until after that. There's a big gap, you say a 10-year gap, where we've already got this issue of deprivation and this issue particularly of youth unemployment. Ten years of not being able to find a job is an awfully long time when you're 20.

10. There's the timing question, then there's also the quantum question. We can debate densities and the amount of residual land that's going to be available. I know Mr Rouse has got some points to make about that, so I won't cover those here. There are HS2's numbers themselves, and it was shown in the slide Mr Byrne drew attention to, HS2's numbers themselves show that there will be a net loss if this project goes

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

11. MR ELVIN QC: Can I ask you this? I'll ask you a separate question about the value of the 16 hectares residual, which HS2 say will be handed back at some stage. That presumably would come even further in the future than the provision of the 640 jobs on site.

12. MS ROSEWELL: It certainly would. I've not seen any date on which that might become available, how long it would take to do that hand-back. We've seen assurances it would be as quick as possible, but what that means I have no information.

13. MR ELVIN QC: Mr Rouse is going to deal with the market for the site and issues such as that. It's been suggested that the provision of jobs on the 55 hectares here is speculative. Do you have a view as to that comment?

14. MS ROSEWELL: At present, given the fact that this site at the moment is safeguarded for another purpose, anything that you say about jobs on this site can always be described as 'speculative'. Clearly they are not going to come forward until it's possible to market them. Is there a market? Mr Rouse will deal with some of this but, for example, we know that this was being described as 'best urban land' by Birmingham City Council before the safeguarding took place. We know that there were offers coming forward to occupy part of this land from a very serious international company, Kuehne + Nagel, which would have used it partly for some of their logistics and office functions.

15. Before effectively everything stopped, it was clear that there was interest, and live and active interest, in the site. It was not then speculative; now of course there's this black blighting mark on it, which makes it necessary to say that you can't at the moment say, 'Here are these occupiers,' but I think it's very reasonable to say that, if the blight were removed, occupiers could come forward quite quickly.

16. CHAIR: Can I ask? There's a motorway that runs just north of it. The site presumably is visible from there.

17. MS ROSEWELL: Yes.

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

19. MS ROSEWELL: Absolutely. They would be able to have their sign boards beside the motorway and be obvious to the motorway.

20. MR ELVIN QC: I'll ask Mr Rouse to deal with the Kuehne + Nagel proposals when he's dealing with HS2's suggestion that there's no guarantee that there can be development taking in land other than that in Axa's ownership. I'll deal with that through Mr Rouse. In terms of alternative sites, in terms of your analysis, how do you view the alternative sites?

21. MS ROSEWELL: I've looked at the alternative sites from the perspective of the capacity for their economic development. Obviously I'm not an expert in the operational side of this, so the question of alternative sites is: what is the potential for economic development? What are the potential plans? We know that UK Central has come forward with a vision. We can argue semantics, but I would view a vision as being far more distant than a speculation. All of the material that I've seen for UK Central, and I've been to look at it, is very much about 'what we could do here, if...'. There are many 'if's to all of those statements and, moreover, the plan itself has come up in various guises and fairly vaguely in terms of what could be put where and what the plan is.

22. I don't view it as inappropriate that you could put a depot development alongside other high-intensity or high-tech development and, therefore, I don't see any reason why you can't tweak the vision, which still is at such an early stage, to include a depot alongside that. The amount of land that would be available still for economic development would remain quite substantial out of the 140 hectares that they've got in their plan.

23. MR ELVIN QC: If we can have put up please P213, that's the HS2 summary PowerPoint, or whatever it is. Can we please go to page 24 of that? Here we have the

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

24. MS ROSEWELL: No, I don't. I don't see any reason to either believe that you couldn't have the 20,000 jobs, or some large number of jobs at any rate. 20,000 is a visionary total, rather than a specific number and, secondly, I'm not quite sure what is the source of 20,000 jobs.

25. MR ELVIN QC: Can we pick up then a couple of the other exhibits that HS2 has put in and see if we can give the Committee a little bit more of a handle on where the point is coming from? I've probably got it now; it's exhibit 40, which is P214, please. I'm just waiting for it to come up. Firstly, this is the brochure that UK Central produced earlier this year and we know that it was produced as part of a negotiation with HS2, and Birmingham and Solihull. Can we just look at what it says about the number of jobs? Can we go to page – I think it's 9? We can see there are indicative broad zones there, and we can see in the text under 'four zones', the last paragraph, 'in the region of 20,000 jobs'. That's 20,000 jobs for all of the zones.

26. MS ROSEWELL: Yes, it says the four zones, doesn't it, together?

27. MR ELVIN QC: Yes. Could we then go back to UK Central's 2013 more detailed masterplan report, please, which... I'll give you the... Sorry, I've just been given a ready reckoner of the exhibit numbers. I'm just trying to get the numbers so we can put it up. I do apologise. P199 please, cunningly disguised under the title M42 Economic Gateway Masterplan. This is the fuller masterplan report, of which this is an extract. Can we please have what are pages 62 and 63 of that, which I suspect are round

about 12 and 13?

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

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

30. MS ROSEWELL: Yes.

31. MR ELVIN QC: If we look at the top of the page on the right, the last paragraph 'figures can be reviewed and changed over time. The intention being they can be adapted in accordance with current market conditions, when sites and redevelopment opportunities come forward, reflecting a 30-year term', etc., so we can see the nature of the exercise. It's very – as you say, 'visionary' is the...

32. MS ROSEWELL: Indeed, the last sentence in that paragraph says, 'It's the 30-year visionary nature of this study that can respond to new opportunities.' It could say that putting a maintenance depot here would be such an opportunity.

33. MR ELVIN QC: We see the 20,000 figure comes in the latest brochure for the site as a whole. We see that last year's brochure had 15,000 excluding the interchange, though a higher figure for the wider site. We see the nature of the scheme. Can we then just look at the way it's been calculated in the HS2 report, which is exhibit 37, which is P211, please? I'm on page 4 of that, please, 211(4). Could we zoom in on the justification in table 8, please? It's a bit easier to read. Here we have the net jobs calculation and we see there are two exercises, residual development with RSMD, said to be 2778 jobs, and then (b) total jobs without RSMD, 20,000. That on the face of it would appear to assume that something like 90% of the jobs for the total hub site are lost as a result of development of one part of it.

34. MS ROSEWELL: It would seem to suggest that. What I thought was particularly interesting here and actually quite hard to understand is that, in both cases, we've got the same amount of residual employment land, so it's 30 hectares, with residual development land, with or without the RSMD. In one, if you have the RSMD, then almost all of that employment land is warehousing. It says here 80/20 split between B8 and B2. B8 is a warehouse classification; B2 is light industrial, so it becomes very low-density activity right across the whole of the site.

35. In the other one, it assumes that the same amount of space, 30 hectares, as far as I can see, 30 hectares is now going to produce 20,000 jobs if you don't have the depot. You've got the same amount of space available but, in one case, it's assumed that only warehousing or largely warehousing happens and, in the other, it assumes that a much higher density of occupation happens. It seems to me there's no good reason to assume that that density change would be – certainly no justification for why this density drops away so dramatically if you put the depot on UK Central, around the interchange site.

36. MR ELVIN QC: Are there any examples of high-density office development near modern depots that you're aware of?

37. MS ROSEWELL: The best current example would be Reading, where there's a new station, there's a new depot and there's a lot of new office development going on in Reading as well. I use that line quite a lot. It's about half an hour outside London.

38. MR ELVIN QC: Thank you. Can we just look at the arithmetic as well? If we look at the number of items there, 36 hectares plus 36 hectares with 30 residual. That appears to me to total 102 hectares.

39. MS ROSEWELL: It does, yes.

40. MR ELVIN QC: Yet we're told that the site is in excess of 140 hectares, so what do you say about the adequacy of the arithmetic?

41. MS ROSEWELL: Either the site is much smaller than UK Central thing it is or

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

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

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

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

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

46. MR ELVIN QC: If we can just get some handle on the confidence issue, if we go back to the green brochure, please, which was P214, go to page 11 of that. There we have 'putting the plan into action'. We can see, for example, in the second column, we're still talking about options being evaluated in terms of commerciality with specialist advice and then, to get another feel for the position, investment, there's recognition in seeking to deliver. 'Public and private sector will have to take their fair share of the risks,' etc., so we can see the current state of play from the language that's used there.

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

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

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

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

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

52. MR ELVIN QC: To what extent does it recognise the loss of the 1,300 jobs almost immediately?

53. MS ROSEWELL: It doesn't recognise that at all. In fact, all it says is that there is a creation of jobs on site. It doesn't recognise what the opportunity cost is and doesn't recognise the current effects, which are already damaging the opportunities for the local employees, the local residents. I would put all of those as red.

54. MR ELVIN QC: What about skill matching? We see that in the penultimate row.

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

56. MR ELVIN QC: Final point then: P216, please. This is the layout of the site at the end and the residual 16 hectares or thereabouts in the yellow colour. It's said jobs can still be delivered on this site and here are 16 hectares. Do you have any comment to make about the nature of the 16 hectares that would be left?

57. MS ROSEWELL: The fundamental point about this is it's quite a small area in comparison to the rest of the site, so generating a new vision for anything on that site and getting new investors on to it is going to be really quite difficult. It doesn't have the scale and vision – not vision, what is the word I'm looking for? – presence that the whole site has got.

58. MR ELVIN QC: In terms of its configuration?

59. MS ROSEWELL: A lot of it is very attenuated, small bits on the edges, with some ponds on the side. You haven't really got a big area in which you can generate development.

60. MR ELVIN QC: Thank you. Mr Rouse will say something more about this in due course, as well. Ms Rosewell, thank you very much.

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

62. MS ROSEWELL: It is, yes.

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

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

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

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

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

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

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

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

70. MS ROSEWELL: Indeed.

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

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

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

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

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

76. MS ROSEWELL: Yes.

77. MR MOULD QC (DfT): Okay? Secondly, there is a commitment to seek to ensure that the construction period is as short a time as possible. Yes.

78. MS ROSEWELL: Yes.

79. MR MOULD QC (DfT): Each of those, to the extent that they're realised, is advantageous to the overall delivery of jobs on this site, in the depot world, isn't it?

80. MS ROSEWELL: I imagine that the depot cannot start operating until there are trains on which it can be operated but, yes; these are assurances that have been given. I don't have any details as to what they actually mean.

81. MR MOULD QC (DfT): The third point is the implementation of a skills and training package to bring forward opportunities. Putting it crudely, skilling up at least a proportion of the local workforce that you're focusing on, that is a highly desirable objective, isn't it?

82. MS ROSEWELL: It is, yes.

83. MR MOULD QC (DfT): We have a measure of confidence that, if the depot and the network control centre are located at Washwood Heath, there will be, through the operation of the scheme and this assurance, a really strong prospect of a substantial opportunity for people who are presently unskilled or semi-skilled, to be trained and skilled up for jobs to which they might well aspire to, in that event.

84. MS ROSEWELL: That's absolutely right. Yes, I agree with that and that's absolutely the case. My concern is that the timeframe over which that can happen for the depot is slower than the timeframe over which jobs can be brought forward and that, in total, in due course, there are still fewer of them, so it's a quantum as well as a levels game. I'm not denying – absolutely not – that there would be, I'm sure, huge effort put into training for anybody coming into the depot.

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

86. MS ROSEWELL: He has.

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

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

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

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

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

92. MS ROSEWELL: They do.

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

94. MS ROSEWELL: That's right.

95. MR MOULD QC (DfT): That's an important point to recognise, isn't it, for the purposes of your argument?

96. MS ROSEWELL: I've already made that as part of my argument that the existing jobs in this area are at risk and, therefore, we are already losing jobs so, therefore, the replacement is the highest possible priority.

97. MR MOULD QC (DfT): UK Mail, I understand, has already made known that they are committed to introducing a range of travel-planning arrangements to enable those of their employers who wish to, to be able to travel from the local area to their site at Ryton in Coventry, such as subsidising car travel, bus facilities and so forth. Are you aware of that?

98. MS ROSEWELL: I am, yes.

99. MR MOULD QC (DfT): Thank you. This isn't a case where, as it were, those who work here are being left out to dry. As you would expect, their employer is already actively seeking to soften the blow of displacement, rather than destruction – displacement – of jobs from this site.

100. MS ROSEWELL: Indeed, yes. I think the challenge, however, is that we know that most of the people doing those kinds of roles, and many of them are unsocial-hours roles, will find it very difficult to do that trip. Even if they do it for a little bit, the general experience of those kinds of moves is that, in the end, it turns over quickly. Although the employer may make best endeavours – and I'm not for a moment suggesting that they wouldn't – maintaining that kind of bussing-in, if you like, really becomes quite difficult, quite quickly.

101. MR MOULD QC (DfT): In your written submission to the Committee, you carry out an exercise in which you seek to estimate the value to the economy of creating 3,900 jobs at the site, in the no-depot world, don't you?

102. MS ROSEWELL: Indeed, yes.

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

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

105. MR MOULD QC (DfT): I want to know whether you want the Committee to attach any significant weight to it.

106. MS ROSEWELL: It's in my evidence. I stand by it.

107. MR ELVIN QC: I deliberately didn't go through it at all, on the basis of what you said at the beginning, sir. The written evidence all stands.

108. MS ROSEWELL: Absolutely.

109. MR MOULD QC (DfT): I just want to know whether I need to ask a question. I think I do need to ask a question, thank you. If you just turn to A77(2), please, we see that you have referred that at paragraph 5. 'The loss is even larger of potential job creation if the site is taken into consideration. I estimate that Washwood Heath, if developed by the landowners, would create 3,900 jobs.' We're at 3,700, so there's not much between us, 'many of which would be suitable for local people. I estimate this is worth £3 billion to the economy, 60-year NPV. These jobs could arise over an eight-to-ten-year period, starting 18 months to two years after it becomes possible to apply for planning permission. The site could be built out before the RSMD opens.'

110. To come back to the point, we looked at the construction requirements for this site. That scenario that you've put there, substantial jobs coming on stream within the next couple of years and the site being built out before the RSMD opens, that is simply unrealistic, isn't it? It's contrary to the constructions arrangements that are shown for the project, with or without the ultimate provision of a depot at this site.

111. MS ROSEWELL: I don't believe it is and I think that the detail of how that actually happens I would hand over to Mr Rouse on, because he's the one who's got the detailed plans for that. I don't have those.

112. MR MOULD QC (DfT): The other point is it's not a fair comparison, because you're assuming it's 3,900 or nil, aren't you?

113. MS ROSEWELL: No, I'm not actually, because in our main evidence we had various scenarios, which show that it would depend on, if you like, that gross/net transfer. Our concern, we say that 3,900 jobs of this type are worth £3 billion to the economy. I stand by that. If of course those 3,900 were, at the same time, could instead be created somewhere else, then obviously you could net them off. The challenge is whether you can actually do that and, in our main paper, we looked at where that could actually happen and, indeed, the employment land constraints that might occur on that, and took a range of whether it was zero to everything. This says that the value of 3,900 jobs of this type is £3 billion.

114. MR MOULD QC (DfT): If we turn to P213(10) please, just to make a very simple comparison, the aggregate of the jobs shown on that page in the depot world – that is to say a mixture of construction jobs and of permanent jobs within the HS2 depot and network centre – and jobs created on the residual land that is made available to the market, under our plans, as you've seen, and our assurances to Birmingham, the aggregation of those jobs will have a substantial benefit to the economy as well, won't they?

115. MS ROSEWELL: The net loss is on one of the other slides here. It's around 2,000 jobs – 1,963, I think.

116. MR MOULD QC (DfT): Yes, but what I'm putting to you is that one shouldn't lose sight of the fact that, in the depot world, there is a substantial benefit to the local and national economy from the aggregate range of jobs, skilled and unskilled, and activities that are proposed on the site.

117. MS ROSEWELL: Indeed, but we're not proposing that the depot doesn't exist.

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

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

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

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

121. MS ROSEWELL: That's right. I think what matters is the pace by which jobs are created and indeed destroyed, and the local areas in which those are happening. It's balancing those.

122. MR MOULD QC (DfT): Finally please, can I just ask you to look at a letter from Solihull Metropolitan Borough Council, which we have at P198? It sets out that council's position on the proposal to locate the HS2 depot at Birmingham Interchange: 'the proposal to use roughly 50% of the interchange site', we saw the interchange site when Mr Elvin put up the zonal plan a few minutes ago, 'for the depot, and effectively therefore for two thirds of the site to be used for HS2-related infrastructure, would be completely at odds with this council's strategy and vision for the area as set out in the

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

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

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

125. MS ROSEWELL: Indeed, yes.

126. MR MOULD QC (DfT): We can expect, can't we, whether or not they achieve it, we can expect that those local authorities and those private sector bodies and companies will do their best to time the release of land for major employment and other commercial development, in association with the interchange station, to time that as closely as possible to start coming on stream at the time when HS2 opens in 2026. That would be their objective, right?

127. MS ROSEWELL: That indeed will be their objective, yes.

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

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

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

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

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

133. MS ROSEWELL: What does that mean?

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

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

of the site. ‘Two thirds of the site would be utilised for HS2-related infrastructure,’ which seems to be a misapprehension of what’s actually going to happen.

136. MR MOULD QC (DfT): That’s the interchange site. You’ll remember on the zonal plan that we were shown a few minutes ago, there were four broad areas shown. The interchange site was the area in the immediate vicinity of the station.

137. MS ROSEWELL: That is just then the interchange site. It doesn’t affect at all the development site, which is most of it. I can’t understand from this quite what the problem is.

138. MR MOULD QC (DfT): They’re looking to co-locate mixed-use commercial, employment and other development in the vicinity of Birmingham Interchange Station to enjoy the development opportunities, the commercial opportunities, that go with the introduction of a major interchange station at that site. What they’re saying is, in order to realise that objective, they do not want to have a maintenance depot sitting next door to the station. That’s what they’re saying.

139. MS ROSEWELL: I think I will take them to visit Reading.

140. MR MOULD QC (DfT): Very well. What I won’t ask you about is, in the light of their position, what is likely to be the reaction of them, the Packington Estate and others, if we are asked to promote an AP to relocate the depot to the Birmingham Interchange.

141. SIR PETER BOTTOMLEY: An AP, for those who are watching?

142. MR MOULD QC (DfT): An additional provision, sorry.

143. MS ROSEWELL: Thank you for that. I didn’t know either.

144. MR MOULD QC (DfT): I’m normally known as somebody who doesn’t lapse into this too badly, but I think I’m resting on my laurels too much. Yes, an additional provision.

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

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

147. CHAIR: I was going to say, essentially, you're getting some jobs for the railway. You're getting some regeneration with the railway and, as an economist, what you're saying to us is the value of the site against the value of a site out in Solihull is more valuable for employment, in your view, than a site at Solihull and could be delivered quicker.

148. MS ROSEWELL: It has value as an employment site in Solihull, absolutely, and indeed can be part of the redevelopment or the concept of the hub. For both the timeframe and the needs of this local area, the employment land is more valuable now without the depot than with the depot.

149. CHAIR: In the evidence you've submitted, there's lots of stuff on social and economic deprivation and everything else in that area. You think that that gives an added bit to why this needs consideration.

150. MS ROSEWELL: Absolutely, yes. It's that regeneration need, and therefore the timing and the ability to get going with some new development, to give some aim and object to this location, which is actually going to be quite important.

151. IAN MEARNS: In a nutshell, from an economist's perspective, you would say that there would be more social value in the jobs in Birmingham than in Solihull.

152. MS ROSEWELL: In this timeframe, yes.

153. MR MOULD QC (DfT): Bearing in mind there's a broad agreement that the net difference is around 2,000 jobs.

154. CHAIR: Can I ask a further question, Mr Mould? You've got on this particular site a construction depot, which presumably is not just for the site for presumably is for

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

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

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

157. MR MOULD QC (DfT): I haven't heard it suggested that we need to find an alternative site for construction, but certainly this site has a very major role in the construction phase of the railway. Amongst other things, you will see that the Bromford Tunnel western portal is immediately to the eastern end of the site, and the materials processing centre and roadhead logistics centre – that's very jargony, I'm afraid – that facility forms part of a broader network of construction compounds, which are there to serve the major railway construction works that have taken place within this part of Birmingham.

158. CHAIR: If the Committee went for an additional provision site and it moved the site, a third to a half of the site would still need to be used for several years for construction.

159. SIR PETER BOTTOMLEY: Nearly all of it.

160. MR MOULD QC (DfT): Nearly all of it is our position, yes.

161. SIR PETER BOTTOMLEY: Just to clarify the Chairman's point, am I right in saying the petitioners have not petitioned against the use of the land for construction?

162. MR ELVIN QC: Because we don't think it would take up about half the site. If you look at the disposition on those, the disposition has to accommodate the construction of the tracks and of the depot. Our view is that you could dispose the necessary requirements for construction, so that you can phase development of the

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

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

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

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

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

167. MS QURESHI: Can I just ask for clarification? From going through the papers and from what you were saying, I just want to clarify. As I understand, Birmingham City Council is more supportive of the HS2 promoters on the issue of this land, but not so supportive of your fears and concerns and worries.

168. MS ROSEWELL: Mr Byrne came to give evidence to us this morning and I think that he had a rather different perspective on that. Certainly both his councillors and him were very concerned about it. I feel I'm turning backwards.

169. CHAIR: If you face towards the monitor –

170. MS QURESHI: Don't worry about me.

171. CHAIR: Because the microphone is there.

172. MS ROSEWELL: It seems very rude not to.

173. CHAIR: I'm sorry; it's a terrible position.

174. MS QURESHI: I'm used to it; don't worry.

175. CHAIR: Any more questions from the Committee? Okay, Mr Elvin?

176. MR ELVIN QC: Just a couple. Let's just come back to this point. The point that's being put to you is that the construction site is required for seven to ten years. Yes?

177. MS ROSEWELL: Yes.

178. MR ELVIN QC: Can we just come back to the timescale for UK Central, which UK Central itself has put on for that development? Even if, to take Sir Peter's point, you had to take the majority of what would have been the depot site for construction and you couldn't start redeveloping it for any employment for seven to ten years, how would that compare to the visionary timescale for the UK Central site?

179. MS ROSEWELL: At the moment, I don't think I'm able to put a sensible timeframe on what UK Central is actually able to do. They've agreed that they'll do it as fast as possible but, given the considerable uncertainty still about what it is they're proposing to do and that they don't actually have any investors as yet, I would say that they will be behind whatever can be done at Washwood Heath, for sure, and probably considerably behind.

180. MR ELVIN QC: If a start can be made by masterplanning and initial development at Washwood Heath by reconfiguring where the construction goes if the depot's not there, what would you say about the advantages of Washwood Heath versus Solihull, in those circumstances?

181. MS ROSEWELL: The whole point about Washwood Heath is it can come forward more quickly, deliver some initial jobs more quickly, in an area of very considerable local economic deprivation. That is what is necessary. Mr Byrne made these points very powerfully, this morning, I thought – much more powerfully than I could have made them. The need to give this area, with very high levels of unemployment – 16,000 people unemployed in the area – to give them some immediate redress and potential for something happening that is happening, that will be permanent over the long term.

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

183. MS ROSEWELL: Certainly there are obviously pockets of unemployment in Solihull, and parts of this area, as I said at the beginning, are among the 4% most deprived areas in the country. It's very significant.

184. MR ELVIN QC: Thank you, Ms Rosewell.

185. CHAIR: Sir Peter.

186. SIR PETER BOTTOMLEY: Can I put two questions to you, which don't need to be answered straight away? They may not be answered. They're sort of piece-of-string-type questions. Where there are wards where people have low chances of employment, participation in paperwork, is there any sense or knowledge of how many of those people grew up there and then had these low chances of participation in employment and how many moved in there, because they were having low chances of employment? It's going to be a mixture.

187. My second question is a very different one. Most of our arguments we've been hearing and listening to points are on public interest. There's also the reason Axa and Friends Provident are here that's because of self-interest, perfectly open self-interest. Is there any estimate roughly of how much the economic difference would be to the petitioners if the depot were to be somewhere else? It may be something you want to take advice on, but it would be interesting just to know that, in rough.

188. MR ELVIN QC: I'll take instructions on that. Can I say this, Sir Peter – and I hope you'll forgive me – what I am instructed to say to the Committee, and I've spoken to Axa about this, is that they are certain that, if you were to support the petition and to require an AP, they would be building out immediately on land that they could build out on, subject to re-jigging the construction, because they're satisfied that such would be the requirement for employment on this land they would engage in speculative development that they would be able to market almost immediately.

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

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

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

192. CHAIR: Are we on to your next?

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

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

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

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

again in relation to planning matters.

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

198. MR ROUSE: Absolutely.

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

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

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

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

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

203. Notwithstanding, it demonstrates that they are seeking to provide 96 hectares only in their plan and, in order to provide that 96 hectares, they are proposing to allocate 80 hectares in the greenfield at Sutton Coldfield, at Peddimore. They have exhausted their analysis of the urban area and they have concluded that it is necessary to bring 80 hectares out of the greenbelt in order to meet just a five-year supply of 96 hectares. That's perhaps the basic point.

204. They have committed, in various papers recently that have been submitted in evidence to the development plan inquiry and in response to the inspector's initial questions, in relation to that development plan; they've confirmed that they cannot meet any more land in the urban area, and they've confirmed that any further greenbelt release will be much more sensitive and have a greater impact than the 80 hectares of greenbelt release that they are already proposing. It's quite clear then that the only option Birmingham does have is further greenbelt release, and that will be the greater impact than it already is proposing.

205. There is a duty to cooperate under the planning system, and Birmingham has been through a process of cooperating and discussing its issues with neighbouring planning authorities. I can't remember exactly how many, but perhaps a dozen or something like that. Of those, eight of those authorities are already reviewing their greenbelts to meet their own needs. It's not as if Birmingham is saying, 'Hands up, we can't provide it ourselves. Someone else will provide, Solihull or North Warwickshire or Stratford-upon-Avon.' Those authorities are already reviewing their greenbelts to accommodate their own needs, and we are talking about a fairly substantial amount of land; 200 hectares is a large chunk that needs to be found. The issue here is that, if you take out the 55 hectares, which is best-quality urban land – Bridget mentioned –

206. SIR PETER BOTTOMLEY: Best-quality employment?

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

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

209. The needs, which I've identified there, of the 407 hectares, the need within the best-quality category is for 224 hectares. I'm just going to refer to my evidence, just so I get the right numbers for you. I don't think it's necessary for you to turn to it, so the lead identified in the best urban category is 224 hectares. In the most likely scenario that the consultant has identified, the identified supply is 77 hectares, so the shortfall is some 147 hectares.

210. Now, if the Peddimore site in the greenbelt, which is 80 hectares, is carried through from the plan that might well provide 80 hectares of best-quality land as well, so that residual shortfall would fall to 67 hectares. You can see that the 55 hectares that we've got available at Washwood Heath can play a very significant part in meeting the outstanding shortfall for best-quality land in Birmingham. If you don't have that land there, the result will be that it is, in my opinion, likely to come forward in the greenbelt,

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

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

212. MR ROUSE: Yes, absolutely. That situation of course hasn't changed since that letter was written. Although you may have heard earlier that Birmingham hasn't perhaps pursued some of these issues with the vigour that it might have done, the situation that caused all three political parties to come together and write that letter has not changed in the intervening period.

213. MR ELVIN QC: Thank you. Can we then move from that then to the significance of the employment land supply to the area and the ability of the site to bring forward employment land? Firstly, it's said by HS2 in their summary document that there are no masterplans, no comprehensive plans for redevelopment and the like? Firstly, does the site have to be developed at or is it likely to be developed all in one go, as a comprehensive scheme?

214. MR ROUSE: There's certainly no need for it. We have a situation of three principal – indeed three – ownerships. There are the current petitioners Friends Life and Axa. There's St. Modwen. It's under a company known as KPI III SARL, but St. Modwen's the parent, and then there is PxP, which is a joint venture between the Homes and Communities Agency, formerly Advantage West Midlands, and the Langtree property company. Those three parties control the 55 hectares that we're talking about.

215. Each of those parcels of land is of a size and configuration of itself that means that it could be developed independently. Each has readily available access to the highway at present. In the case of the petitioner's site, it has multiple accesses and it has the ability to have an enhanced access to the A47.

216. In terms of whether you need to wait for all three to come together, no you don't, but there is that opportunity. In the past, we've heard already reference to the

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

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

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

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

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

of the key things that HS2 has got to do when using this site is to move an awful lot of material from the western end of the site, where most of that depot is, in order to construct it. They'll simply shift it to the eastern end of that site, where they'll grade it and then export it, I assume, at some point as they choose.

221. Hence there are issues there about both if you don't have a depot here, you don't need to carry out that work, and therefore that problem doesn't exist. If you're developing this site for employment uses, B-class industrial distribution, etc., you can have a terraced site. You don't need to have it all flattened out in one go. It does bring into question, and Ms Rosewell was talking about this, in terms of the deliverability of that 16 hectares and when is it going to be. If it's sitting under hundreds of thousands of tonnes of rubble or earth, whatever it may be, then when might it be available? We don't know. It's double handling of that material, and the tunnel arising.

222. Tunnels have two ends. We were directed to this end of the portal earlier, but of course it has another one, so there's no reason why the material couldn't go out the other end of it. Crossrail is a good example of how tunnels have been dug in urban areas and material is exported by rail, which would appear to be an opportunity here as well. I'm not an expert on what is proposed in the construction, but there are ways of configuring that you could leave usable sites in the interim.

223. MR ELVIN QC: You produce as part of your evidence, and we don't need to go into this in detail, but one of your colleagues at Savills, who is a market expert, has examined the marketing and the attractiveness to the market of this site, and so that is contained within your material, if reference needs to be made to it.

224. MR ROUSE: Yes, correct.

225. MR ELVIN QC: Perhaps we could just flash it up briefly. It's A107(1). If we can move on to 107(3), we can see the executive summary. This is the first page; we don't need to go through it. We can see there that your colleague has summarised the contents of the report: demand particularly strong coming out of recession; potential supply shortage; understood by the market; imbalance between demands and supplies become acute; take-up has significantly increased over the last 18 months and the like.

There are various aspects of market assessment. Overall, what is his conclusion, Mr Rouse?

226. MR ROUSE: His conclusion is that there's (a) a significant shortage of land, both in the immediate Birmingham market and in the wider sub-regional market that any space that was hanging over, if you like, from the recession in built stock has been taken up; that rental levels are increasing, reflecting increased occupier demand; that yields are moving in, which is the return on investment from the capital value, which indicates that there are investors increasingly interested in investing in the product, willing to fund it, etc.; and that there is significant occupier demand in the market.

227. The results of all that are that we are seeing both two types of development: what's called 'built to suit', where you effectively pre-let the building before it is built, and we're also seeing the return now of speculative development, where a developer will build the development, build the building, in the expectation of being able to let it once it's constructed or indeed during its construction.

228. It's very much a returning market. Manufacturing in Birmingham is very much booming at the moment, led by the automotive sector, and there are strong and very positive messages about all of that. A chief statistic Albert Ball always likes to quote is that Birmingham is the only region in the country or the only part of the country that has a positive export equation with China, so you can get some idea of the manufacturing strength of Birmingham at the moment. The net result of this report is that, if available, the site would be developed, would be taken up and would be developed in timeframes and for the amount of floor spaces that Ms Rosewell well has already spoken about.

229. MR ELVIN QC: Can we go please to the HS2 summary document, P213, please, page 14? This is the HS2 critique of deliverability in the absence of a depot. The first is road access. What do you say about road access?

230. MR ROUSE: Well, I'm not aware of any constraint in relation to road access, in relation to any of the three parcels that we've spoken about. They all have been comprehensively developed in the past. They've been occupied very intensively by buildings and very heavy manufacturing uses, so quite clearly they have all functioned

adequately in relation to the road accesses that you have on site at the moment.

231. MR ELVIN QC: The Committee's already been taken to B209, but I'm not asking for it to be put up again, which shows the former factories on the site. In terms of improving access, it's suggested that there's poor site access and it might have an impact on residential occupiers. Can we just look on the following page, 213(15)? We can see that on some of the boxes. If we look at the bottom box, 'Existing access of Common Lane requires access via residential roads,' and then just to the right of that 'Potential access of Drews Lane, residential road.' What do you say if the site were redeveloped for employment purposes?

232. MR ROUSE: If I talk in relation to the blue land, so the current petitioner's land, you're absolutely right; it has access at the moment from Common Lane. It has a number of access points along Drews Lane, so not just the one that's shown there. It also has access from Wolseley Drive. It also has the potential to have access directly from the A47. There is an existing bridge link over the existing Derby and freight railway line that runs there, and the adopted highway passes across the petitioner's land. It's possible, now that the land has been cleared, to develop a different junction there, which would enable you to have another access point there. The Axa land has excellent accessibility.

233. The PxP land, the dark-green one, the slightly sort of arrow-shaped one on the right, that has access from Wolseley Drive, which is perfectly adequate. The St. Modwen land is accessed across the bridge link that I just described from the A47, so all of the sites – and indeed it probably has access as well from the south, perhaps underneath one of those labels. All the sites have currently good access.

234. The proposal that HS2 has put forward for the residual land and, if you can remember that is in the southern portion, obviously not covered by the depot, as you can see in this diagram. HS2 is not proposing to reinstate a bridge link from the A47. It's unclear whether or not Wolseley Drive will be available as access. It's talked about being upgraded, but I suspect that's the benefit of HS2's proposed RSMD, rather than necessarily the benefit of any residual land. What you're left with is an uncertain situation about what the access to the residual land would be, but it's quite clear that it's

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

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

236. MR ROUSE: It would be an enormous bridge. HS2 clearly has said it doesn't want to do it. We've had that discussion with them. It would be very expensive and impractical in the context of the value of the site we're left with.

237. MR ELVIN QC: Thank you. Can we go back to page 14, please? You've already dealt with the comprehensive redevelopment and the multiple ownership, and you've referred to the masterplanning that was stopped in its tracks by HS2. The question of contaminated land, does that apply specifically to the Axa land or does it refer to something else?

238. MR ROUSE: I believe it refers to perhaps the other ownerships. LDV went into liquidation in 2009, I think it was May. The site was returned from the receiver to Axa in November 2010. Axa immediately got on with getting on with doing something positive with the site, let a contract for the remediation of the site and the clearance of the site, all the redundant buildings. That contract was let in January 2011, and the work programme has broadly been a three-year programme at a cost of around £3 million, which Axa has undertaken in the context of – obviously command paper was March 2010, so clearly HS2 was out there by then. The proposals for the use of this site for the depot were out there by then, but Axa took the view to move the site forward with the hope that it would still be able to develop it, and therefore was existing significantly in that process.

239. The net result of that is that the blue land, the Axa land, has been dug through completely. All the buildings have been cleared. You will have seen that from your site visit. The foundations have been dug out and they were very substantial, so there was heavy metal pressing and all sorts of things that went on, on this site, so they had very

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

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

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

242. MR ROUSE: No, not at all.

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

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

terms, on this site. And so I would expect to be able to gain planning consent readily for redevelopment and then be in a position to get construction underway probably within a period of about nine months.

245. MR ELVIN QC: Thank you. Can we then turn to the question of the area of residual land, the yellow land we've seen on various plans? We don't need to turn it up again, but the area that would be handed back at some stage in the future. In terms of its value for redevelopment, what views do you have with regard to that?

246. MR ROUSE: Well, it's not in the opportunity that we've got now. I've already explained earlier that this is a best-quality site at the moment, driven by its size, its configuration, its accesses, its availability, its attraction in the market, visibility, prominence, etc. All of those things combine to make this a really good-opportunity site at the moment. The piece of land that is proposed to be offered back at some point in the future, the residual 16 hectares, is very awkwardly configured. It does have limbs, you know, out in the PXP part and out in the St Modwen part which are awkward. When you build an industrial distribution property, you don't want lots of corners in it; you don't want curved walls. You want a basic rectangle; that is what is operationally efficient and that is why they all look the way they do, so you need a regular plot of land on which to put it. And so if you've got lots of little awkward bits and corners, that makes the site much less efficient. Depending on where you're accessing from, so if there is an access available from Wolseley Drive, great on the one hand, bad on another because you end up with a very inefficient and expensive opportunity, because you've got to bring a road in on a reasonable length, of which you're only then going to achieve development on one side of it. Of course, when you're planning a site, you're looking to spread the cost of the infrastructure to open up the site across as much development as you can. And so if you've got a site where you're putting a road down one side of it only to be able to build off one side of it, and the rest is not available to you, then that is an inefficient use of land and a more expensive form of development. The opportunity that's there in the residual scenario is not of comparable quality to this. It's certainly not a best-quality site; it's perhaps another quality which is a third tier down in Birmingham's hierarchy.

247. MR ELVIN QC: Thank you. Can we turn then to the question of costs, because

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

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

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

250. MR ROUSE: Yes, correct.

251. MR ELVIN QC: Although it comes in as more expensive, it still comes out as less expensive than Washwood Heath.

252. MR ROUSE: Yes, absolutely. Just looking at this, the Interchange surface option – I think it was explained earlier by Mr Mould in his opening remarks – the general location of the depot proposal at Birmingham Interchange is on top of what HS2 is currently proposing as part of its surface-level car parking for the interchange station, so clearly we have to replace that. We do that by, like-for-like basis, increasing the size of the surface-level car park which is proposed on the other side of the station. The Birmingham Interchange surface option is a direct comparable, if you like, in terms of its treatment of the Birmingham Interchange station as HS2's Bill scheme. What we have done in this table and in our analysis is to then take a view, an expectation that there will be interest in the UK Central proposals and an aspiration to maximise the opportunity available at Birmingham Interchange and to see how we could co-exist and be compatible with that. Of course, there is an opportunity—and this exists regardless of whether the Birmingham Interchange is the location for the RSMD or not—there is the opportunity of course to put the car park into a multi-story structure, which takes very substantially less land but costs very substantially more money. Now, HS2 could

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

253. MR ELVIN QC: The other element of this I want to just pick up with you, because Mr Mould referred to it, is the land acquisition costs for Washwood Heath, something in the order of £93 million. Who did the assessment of the land acquisition cost?

254. MR ROUSE: That was a gentleman by the name of Richard Asher, who is the head of the Compulsory Purchase team at Savills and past President of the Planning and Development division of the RICS.

255. MR ELVIN QC: So it was done by a valuation expert.

256. MR ROUSE: Absolutely.

257. MR ELVIN QC: And the figure of £16 million, which has been put in the HS2 summary document, which we saw with Mr Garratt this morning, has that been raised with Savills in any of the previous meetings?

258. MR ROUSE: No, it hasn't.

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

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

261. MR ELVIN QC: No. We'll look at it when we have a chance to digest the comparison report. Thank you. The costings, the capital cost and the like, as Mr Garratt said, were produced by Sweett. The Sweett report is at one of your appendices, appendix 9. I don't need it to be put on screen, but it's there. Was a version of the Sweett report with the detailed costings made available to HS2?

262. MR ROUSE: Yes, it was, shortly after our 6 August meeting, when we presented our proposals to HS2.

263. MR ELVIN QC: Have you had any feedback from HS2 on the costs report?

264. MR ROUSE: None at all.

265. MR ELVIN QC: Thank you. Can we move finally to the issue of Birmingham Interchange and UK Central? A lot of the ground has been covered and I don't want to be repetitious. In terms of the UK Central proposals, to what extent is it confined to what's described as 'the hub'; that is, that sort of triangular area to the west of the proposed line of HS2?

266. MR ROUSE: Well, it's not. It might be helpful to refer to something here. I know you say, 'I take the view.'

267. MR ELVIN QC: You'll tell me what it is.

268. MR ROUSE: In the original UK Central brochure from June 2013 –

269. MR ELVIN QC: In that case, just give me a moment. It's M42P199, yes.

270. MR ROUSE: Within that document – I don't exactly know what page it would be, but it's the fourth –

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

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

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

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

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

276. MR ROUSE: Yes, it is.

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

278. MR ROUSE: Yes. So what is UK Central and the main masterplan report that Mr Elvin referred to earlier was tied to the M42 gateway masterplan. That's exactly what this is. The M42 is shown in blue, broadly north-south on here, and the key features of UK Central masterplan are the coloured items that you see coloured and labelled on there. So North Solihull regeneration area, a massive area, primary residential land; Birmingham Airport; Land Rover; the National Exhibition Centre; Birmingham business park; Solihull town centre; and Blythe Valley business park, pulled out of the greenbelt at the junction before the M42. You can see also that highlighted on there is the proposed High Speed Rail Station for HS2. Those are the components of UK Central and I think it's been perhaps distorted that people seem to think UK Central is just about a masterplan within a triangle of land around the interchange station. It's not. It's very much this. I met with Anne Brererton, Director of Places at Solihull Council, very recently. She was at pains to point out that the UK Central masterplan is a much, much, much, much wider vision than just Birmingham Interchange. If HS2 doesn't happen, that Birmingham Interchange hub doesn't happen. If HS2 does happen, then fine – they want to talk to you about a different way of delivering it. So that aspect of it is dependent upon HS2. All the other aspects of what

you're seeing on the screen there are things that Solihull Council wants to get on and deliver in any event. The gateway is the combination of all those facets.

279. Now, if you then look at the hub itself – and I suppose whilst that's on screen, the point there is that you can see, just geographically, the key aspects. The masterplan is really about connectivity: connecting opportunity, connecting people. A lot of the transport infrastructure in Solihull, although it is very good to get to, doesn't connect to itself at the moment. So a lot of it is about connectivity. The connectivity between the various hub things that you see onscreen there are all to the west of the interchange station. They are not to the east of it. They are sort of west. The focus of the attention is there. That's where the urban area is. That's where the activity is. The hub itself then is a focus of five ingredients itself, and they are: Land Rover, the airport, the NEC, North Solihull regeneration area, and the high tech / office area around Birmingham Interchange station. So all we're focusing on in relation to a lot of the issues at the moment is just the high-tech office area of the hub; it's not even the whole of the hub. It's just important to understand the context.

280. MR ELVIN QC: The Committee's already seen some of the other documentation, the M42 detailed masterplan report, the fact that the options are still open to change, and Ms Rosewell looked at some of the other sections: the investment risk and the like. In terms of forward planning for a scheme of this size, how advanced is it? At what stage is it?

281. MR ROUSE: It has no status. The documents that we've got and there's obviously these early masterplans from 2013, there's a green pamphlet which is in other evidence, which has been produced very recently. They don't have any status at all, in a planning sense. They are visionary documents. In order to develop this, I mean, it's unclear: the documents themselves do not talk about a delivery strategy, a timeframe for it, a process for it, funding for it. There is no delivery strategy for it at the moment. It is in the greenbelt at the moment. So far as I understand, Solihull Council's position is that if HS2 goes ahead, etc. they don't want HS2 to acquire the land in a little triangle. They'd rather be left to deal with it themselves. But of course they couldn't then develop it themselves, because at the moment it's in the greenbelt. So they'll have to go through another local plan process in order to remove that land from the greenbelt. So

that in itself is not a short thing to happen. So that would be the starting point and then you've got to deliver the investment, you know, work out who's delivering what. There's a lot of infrastructure to go in there. Again, at the meeting I had with Anne Brererton, Director of Places at Solihull, very recently, she referenced a likely bill in the order of £1 billion for infrastructure just to open up that site, with no direction of where that money is coming from at this stage.

282. MR ELVIN QC: Thank you. Fine. I think the only other point I want to raise with you is in relation to Chelmsley Wood. It's suggested that there might be some enhanced – sorry, not in relation to Chelmsley Wood; in relation to the interchange site – some enhanced visual impact on some listed farm and a listed house to the east. Can we just look at the aerial photograph that is produced in Mr Mould's evidence, which is exhibit 29, which is P203, please? That's it. The list of buildings which are referred to, can you identify them broadly just on that aerial photograph please?

283. MR ROUSE: They are midway along the hypotenuse of the triangle.

284. MR ELVIN QC: Right. And what's that area of disturbed land in the centre?

285. MR ROUSE: It's a motocross track.

286. MR ELVIN QC: Right. And can I just ask whether the issue of any enhanced environmental impact upon the listed buildings by Birmingham Interchange, over and above that which will be caused in any event by HS2, has been evaluated in the environmental considerations by Axa?

287. MR ROUSE: I'm sorry, could you say the question again?

288. MR ELVIN QC: Have the enhanced environmental effects, such as they are, caused by developing a depot there, over and above HS2 itself, have they been considered in terms of any environmental appraisal?

289. MR ROUSE: Absolutely, yes.

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

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

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

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

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

295. MR ROUSE: Yes, I did.

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

297. MR ROUSE: Yes, it would.

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

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

299. MR ROUSE: Not exactly.

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

301. MR ROUSE: Sure there would be some difference in impact from what would otherwise be there under the current proposal, but the HS2 mainline goes through here in an elevated viaduct, just south of the large landfill site you can see in the middle of the screen. The roundabout junction there, which isn't a motorway junction but it accesses the business park, etc. is a grade-separated, elevated above-the-motorway junction. The HS2 railway line comes through at that level and so what you've got, as it's passing through Chelmsley Wood – and of course you see that it's got to get over the M6, etc., lanes to the north and all those sorts of things – is that you've got the HS2 line running at an elevated section, so the impacts of noise and visual, etc., are greater from that. The depot would be at a lower level and it could be, as has been explored in the environmental analysis that has been carried out, it could be bunded and adequately screened, etc., so the impacts would actually not be that significant from it.

302. MR MOULD QC (DfT): Under our proposal, the railway which has been moved away from the settlement and an area of undeveloped open space land providing something of a buffer between the operational noise of the railway and the settlement at Chelmsley Wood. That's the position under our proposal, yes?

303. MR ROUSE: I'm sorry, can you –

304. MR MOULD QC (DfT): Under our proposal, the railway is being moved away from the settlement so we have an increased buffer of open land between the settlement of Chelmsley Wood and the railway, yes?

305. MR ROUSE: Yes.

306. MR MOULD QC (DfT): Under your proposal, that buffer is filled in by a maintenance depot which, as we know, is operating during the night-time: cleaning toilets, maintaining railway trains, this kind of thing. I suggest to you that that would have the effect of substantially negating the advantage in terms of reduced noise and disturbance that would result from our scheme to the residents of Chelmsley Wood. That's a fair proposition, isn't it?

307. MR ROUSE: Again, it depends on the detail, I think, because as far as I understand it the area of land that you've referred to, that would be occupied then by our proposal, I think it's just an area of grassland that's being proposed as replacement for something taken elsewhere, which would be open and noise would travel across it, visibility across it. If we put a depot there and we have screened the depot with appropriate bunding to prevent noise leakage from the depot, and that was planted appropriately, etc., which is what has been shown on our plans, then actually you might find the reverse is true. You could have a situation where the depot actually helps negate some of the adverse impacts of the line.

308. MR MOULD QC (DfT): I don't know if anyone is listening or watching from Chelmsley Wood, but I'll leave that question there. Can we turn back please to the question of costs? You referred us to your page A85(66), which is your table of costs. I just wanted to draw attention to two points, so that the Committee has this in mind. Yes, A85(66) please. Thank you. Two points: there is a line about a third of the way down the table, if you look at the key on the left-hand side: bridge works and viaduct widening. Were you at the meeting on 6 August?

309. MR ROUSE: I was.

310. MR MOULD QC (DfT): One of the points that was made, wasn't it, was that we saw the need for substantial additional bridge works, including viaduct widening, in order to accommodate a maintenance depot at Birmingham Interchange. Do you remember that point being made?

311. MR ROUSE: Yes.

312. MR MOULD QC (DfT): You've made no allowance for the cost of those works in your table, have you?

313. MR ROUSE: Yes, we have. They're included in the direct construction costs on the top line. So all of the actual specific costs to each of the depot proposals are within the top line. The bridge works viaduct, which you see referenced in the Washwood Heath option, is to do with the Saltley viaduct, which is off-site for RSMD but is required specifically for the RSMD at Washwood Heath. It's to do with the two reception tracks which Mr Garratt was referring to in his evidence earlier.

314. MR MOULD QC (DfT): You know that the works, we felt, likely to be needed at Birmingham Interchange were off-site works at the motorway junctions, weren't they?

315. MR ROUSE: Well, they're directly related to the provision of the infrastructure for that, so they're included in the table. They are in the top line.

316. MR MOULD QC (DfT): Well, I will leave that for Mr Smart.

317. MR ROUSE: The report is my appendices.

318. MR MOULD QC (DfT): The other question I have is related to the land acquisition cost. I'm delighted to hear that Mr Asher has provided you with an assessment. The figure we see there, of £93.5 million, do you know whether Mr Asher has allowed for the fact that there would be a substantial capital receipt to the public purse resulting from the sale at the end of the process of 16 hectares of prime employment land? Has that been allowed for in that figure?

319. MR ROUSE: I'll have to take issue with the question, if you don't mind. I don't wish to be rude –

320. MR MOULD QC (DfT): Not generally done, but there we are.

321. MR ROUSE: If I could clarify then. I'll answer the question. 'No' is the answer to the question. It hasn't taken account of the sale of 16 hectares of prime industrial land.

322. MR MOULD QC (DfT): Thank you.

323. MR ROUSE: No, it hasn't because there isn't a proposed sale of 16 hectares of prime industrial land. As I've already explained, the residual 16 –

324. CHAIR: Order, order. I will have to suspend for 15 minutes while we go and vote, so run for a coffee or something.

Sitting suspended

On resuming—

325. CHAIR: Order, order. Sorry for the interruption. Mr Mould, you're in mid question.

326. MR MOULD QC (DfT): I was. And just to complete it, I've put out page 85.68, extract from your long report, Mr Rouse, if you just look at paragraph 9.7.1, just so that we can get the context. It tells us about Mr Asher's work and his valuation is based on the cost that the promoter would expect to incur through the compulsory purchase process. They include the compensation payable for the acquisition for the full Washwood Heath Site, the 55 hectares, don't they?

327. MR ROUSE: Yes, they do.

328. MR MOULD QC (DfT): Yes. So, the position is this: the 93 million that you have included in your table, that includes, as a large part of its component cost, the open market value at the date of possession of the whole of that 55 hectares.

329. MR ROUSE: Yes, correct.

330. MR MOULD QC (DfT): That would then pass to the permanent ownership of the

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

331. MR ROUSE: One assumes.

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

333. MR ROUSE: That's correct, yes. But I think it's important to point out – and you referred to it as prime industrial land when the bell went, and of course, it isn't prime industrial land, I've already outlined the reasons why and therefore, it wouldn't be – and of course that cost, as that paragraph you've referred us to, states, 'Includes land at Saltley Business Park as well', which is land acquired specifically because of the reception tracks coming in and taking out more properties there. So it's not a simple case of just saying, it's 16 over 55 hectares equals a number which is what the Secretary of State will get back when he sells it, the land that you get back and the residual land is of a lesser quality, it's of a lesser market attraction, it's of a lesser value.

334. MR MOULD QC (DfT): But it will attract a substantial price?

335. MR ROUSE: It's got some value, of course.

336. MR MOULD QC (DfT): And so if we go back to A85.66, we've got it there, the true cost of the with-depot option at Washwood Heath is £93 million less x, isn't it? And that x is the price that the Secretary of State can be expected to receive for selling the order of 16 hectares of industrial land back into the market in 2024, 2025, whenever it is.

337. MR ROUSE: That's the point, isn't it? It's when is it. And the cost of the acquisition is the cost you're seeing here. Because that is the cost that you're proposing, you are proposing to acquire the land and you have to pay that to acquire it, so it is the cost and that's what we're comparing. Whether or not in the future you are able to receive some revenue or a capital receipt from disposal or working of that land is a different matter. It doesn't represent the cost which is what we're trying to compare.

338. MR MOULD QC (DfT): It's 93.5 less x, isn't it?

339. MR ROUSE: I've just explained the reason, so you might get some capital receipt back, at a point in the future. We don't know what that capital receipt is and we don't know when it is.

340. MR MOULD QC (DfT): No, I know that. Alright, thank you. Now just if we can go please to P216; this is a plan that we've seen before that just shows us the configuration of the 16 hectares, or thereabouts. There's the area of land we're talking about; it's that area – it's the sandy coloured area. You made a point about configuration. It's not your evidence to the Committee, is it, that that wouldn't be a realistically developable employment site?

341. MR ROUSE: No. As I say, you can do something with it. It's clearly here, it's got some value. If the points I was making earlier, it would perhaps be helpful to have the plan on screen, is that, as you can see, the ends of the site are narrow, they are oddly shaped, they don't offer a very good gross to net ratio and, therefore, it's a less efficient site to develop. So the middle chunk of it, yes you could do something with, and clearly it has a value because of that.

342. MR MOULD QC (DfT): Thank you. Whilst we're there – I'm sorry, let's turn back to 205, please, P205. You told the Committee about the – you gave some explanation about some of the practicalities of delivering a comprehensive development and how that might take place and I just wanted to remind us of the land ownership position in terms of the geographical areas. You wouldn't expect, would you, any development scheme for the site on a comprehensive basis to be drawn along the lines of the current land ownership position? It would be a very odd scheme that was drawn

to respect those parcels of land, wouldn't it?

343. MR ROUSE: Well I think you could. I don't see any reason why not because, of course, we're talking about a situation where – and this diagram is helpful, so you've obviously got the HS2 Curzon branch running tracks along the top of it, so you're taking out the UK Mail interest, there might be some residual land, I don't know, well there could be, but there isn't obviously because you can see it on there, well, actually in a no RSMD scheme world there could be some land there, and, of course, it's unclear precisely where one draws the line outside the tracks in terms of what land is available in a no scheme world. You have, I agree, some slightly awkward boundaries there in terms of the continuation of the Axa interest, for instance, in that limb in the blue, largely taken by the track. I don't know what the situation would be, whether any land would come back or not. Ditto, there would be slivers of the Cemex site in the pink.

344. MR MOULD QC (DfT): Mr Rouse, forgive me. We know that everybody is emphasising the importance of this site to employment. Yes?

345. MR ROUSE: Yes.

346. MR MOULD QC (DfT): And the City Council, the MP, dare I say it, HS2, the promoter, are all keen to see this site make the best contribution it can, however that may be realised, to job creation for the city of Birmingham. Right?

347. MR ROUSE: Yes.

348. MR MOULD QC (DfT): Now, the question that I put is in that context. Just look at the physical layout of the ownership parcels there. With that objective in mind, of maximising or optimising the employment development and the jobs that this site is able to give, you'd be surprised, wouldn't you, if the solution, on a comprehensive basis, respected those parcels. You'd expect the site to be taken as a whole, as a development prospect, and the optimum scheme to be drawn on the basis of the site as a whole without sticking rigidly to St Modwen's land and your land and the land to the east, that's my point. That's what you'd expect, isn't it?

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

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

351. MR ROUSE: Yes.

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

sector side and on the private sector side; the reported position in documents before the Committee is that they do not wish to see the rolling stock and maintenance depot for HS2 being located adjacent to the Birmingham interchange station that is proposed as part of the Bill. That's their position, isn't it?

353. MR ROUSE: As far as I understand, broadly speaking, yes.

354. MR MOULD QC (DfT): We can take it, can't we, that the reason for that is almost certainly because they see it to be preferable to offer land adjacent to the station, both to the west and to the east for commercial development and other associated activities, which can build on the presence of the station as an attractor for commercial development rather than seeing it devoted to an operation railway use. That's likely to be the reason for their position, isn't it?

355. MR ROUSE: I think it's a question of perception and I think it's unfortunate that the parties involved haven't taken the opportunity when it was presented to them to actually to understand what those proposals are. For instance, Solihull Council we met with relatively recently. And it postdates their letter actually, which was interestingly the day before we presented our final proposals to HS2, so indeed, Solihull Council could have had no idea, or no detail of our proposals at the stage they wrote this letter. We met with them after that. We offered them the opportunity to explain and I'm afraid that they offered us no opportunity to be heard and have got an entrenched position. So they are not coming at it from a position of understanding. You've already heard from Liam Byrne this morning that Birmingham has played a political card, and they've taken that decision because of bigger issues. They're taking their chances, as it were. It's not true to say that this can't work with it. It's born out of prejudice and perhaps ignorance.

356. MR MOULD QC (DfT): Do you think the presence of a rolling stock and maintenance depot hard up against the interchange station might risk compromising the marketability of land in the vicinity of the interchange station for significant commercial development? Do you think it might be seen as a constraint on encouraging investment to have a rolling stock and maintenance depot hard up against the interchange station?

357. MR ROUSE: Not at all. You've already heard from Miss Rosewell[?] that the

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

358. MR MOULD QC (DfT): A recent station? How long's Reading Station been there Mr Rouse? It's part of Isambard Kingdom Brunel's original design...

359. MR ROUSE: It's been upgraded recently.

360. MR MOULD QC (DfT): There's not a great deal of open undeveloped land in the vicinity of Reading station; I think they are somewhat constrained as to what's available to them, in terms of railway line, aren't they?

361. MR ROUSE: The point that was made earlier was the fact that office development happens quite comfortably alongside the station and depot arrangement that you have there, and others will have other examples of that. If you go back to the original masterplan and we look at, for instance, the full – I don't know whether the relevant pages are in – in your exhibits, do you have page 64?

362. MR MOULD QC (DfT): What's that showing us?

363. MR ROUSE: What I'm looking at is it's the original masterplan report, the full document, it's showing us the original masterplan for the hub area and what it shows in the location of where we have proposed the RSMD is an area of light industrial, which of course, was right alongside the HS2 station. So Solihull Council and UKC's proposals originally were indeed for industrial property alongside the station, so they must be convinced themselves that that type of use is appropriate.

364. MR MOULD QC (DfT): Alongside a station?

365. MR ROUSE: It's alongside the other mixed uses that they are proposing as part of the hub proposal at that stage.

366. MR MOULD QC (DfT): Thank you very much indeed, Mr Rouse, those are all my questions.

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

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

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

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

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

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

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

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

374. MR ROUSE: The rain stays the same.

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

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

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

for temporary water storage from the track, and whether that has to come here or go somewhere else is a matter which I'm sure is being considered, or will be considered. I don't actually understand why the need for temporary holding of water is any different for the rest of the site, whatever its use.

378. MR ROUSE: I understand. We haven't designed a solution for that but I think there is a difference because the standard applies to the RSMD is different to the standard that applies to an industrial distribution development, so there is a difference in the standard and I can't profess to tell exactly what that is, but there is a difference in the requirement in terms of the attenuation rate, the run-off rate that the RSMD has to achieve, because it's critical infrastructure, versus an employment facility where people are active and –

379. SIR PETER BOTTOMLEY: Where it could flood?

380. MR ROUSE: Yes. Well, I don't think it could flood, the standards are different and I would have to go and seek further information from the expert and come back to you if you wanted further on that.

381. SIR PETER BOTTOMLEY: I don't want further, but the basic physics seemed to me that if you want to avoid flooding, you've got to deal with the water, whatever the use of the land.

382. MR ROUSE: Indeed you have, but what I'm saying is that the size of the balancing pond – there are other solutions other than balancing ponds; it's one form of sustainable urban drainage but there are others. The volume of that pond would change for an employment...

383. SIR PETER BOTTOMLEY: For another use?

384. MR ROUSE: Because it would be smaller, yes.

385. SIR PETER BOTTOMLEY: The roads presumably have to drain somewhere, the more roads –

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

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

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

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

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

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

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

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

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

395. MR BELLINGHAM: So it's only just under half a million. Just looking at the total figures, you couldn't just say a little bit more about the total capital construction cost, because what is quite interesting is that the total capital construction cost for the WWH is actually less than the Birmingham interchange, which does puzzle me somewhat. I mean, it's obviously a point very much that backs up your argument, but can you just elaborate on that a little bit more?

396. MR ROUSE: Yes. There are some substantial costs in the Washwood Heath site. So – and again, I'm not the expert on this, and I'd have to refer to the cost report in my appendices, but there are things like the levelling of the site, which is a substantial operation, there's the dealing with the contamination that arises from that. There is a need, because part of the site is in flood zone 2, flood zone 3, you've got a high water table and you've got a tunnel portal right on the end of it, you need to stop the ground water going into the tunnel, so there is a very large flood retention wall, but again, it's different, if you didn't have the depot there, you could engineer that differently. Because of the constraints of where the depot tracks are, it requires a specific form of wall, which is quite expensive. So although, I think Mr Mould was referring to this earlier, there are expected to be additional costs associated with the interchange and the Chelmsley Wood options, because they've got, as you've heard earlier, great separated accesses, flyovers etc, which are more expensive to develop. The cost equations balance out, because you've got to take all these factors into account, and then when you get a differential in that top line that you refers to, as I said earlier, you get then the indirect costs, which come just below your construction costs, and these are a function, literally a multiplier of that top line, so therefore it compounds any differential at that point.

397. MR BELLINGHAM: Well, thank you for explaining that so clearly.

398. MR MOULD QC (DfT): Can I just mention to Mr Bellingham; there seems to be some misunderstanding. The Secretary of State doesn't own the land at interchange that would be the subject of development on these two interchange options, so he will have to pay somebody to acquire it. I don't think the farmer is going to give it to him for free.

399. MR BELLINGHAM: How come the figure is at nought?
400. MR MOULD QC (DfT): Nought, yes.
401. MR ROUSE: Because, as I say, in the build proposal –
402. SIR PETER BOTTOMLEY: It has been bought anyway.
403. MR ROUSE: Exactly. It doesn't require additional land to be acquired in order to do it.
404. SIR PETER BOTTOMLEY: It wouldn't be bought if it weren't needed, but it's been bought anyway?
405. MR ROUSE: Well indeed, and it's needed, partly for, for instance, at the moment, a highway solution because we referred earlier to a big roundabout which gets obliterated by the main line, that needs to be re-provided; HS2's proposals re-provide that in a way across that triangle site, we have to come up with a different solution because we prevent that option happening, so there are bits of land needed in different places for different reasons.
406. MR MOULD QC (DfT): I do not think this is intended to show net additional costs to those that would be incurred at Washwood Heath, that's my point.
407. SIR PETER BOTTOMLEY: I think we've got the picture anyway.
408. CHAIR: Final question; I want to ask you about Washwood Heath. As a reputable company, Savills, the impact of HS2 in Curzon Street, going into Birmingham, is it positive, negative. Do you think it's a good thing?
409. MR ROUSE: That's a very personal question, obviously.
410. CHAIR: Yes.

411. MR ROUSE: What a loaded question.

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

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

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

415. MR ROUSE: Absolutely.

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

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

418. MR ROUSE: As far as I understand, they have a desire to develop their site. Again, they haven't brought it forward thus far, because they had a lease across the whole site. They purchased their site in exactly the same way that Axa purchased it, on sale and lease back arrangements, so the existing occupier in situ, needing a cash injection, purchased the site and leased the land and buildings back to them, and then when their lease terminates, the opportunity is to redevelop, so the lease to them terminated sometime in 2012 to my knowledge.

419. MR ELVIN QC: Thank you. Just sticking with that for a second more, if you wanted to coordinate development but not have a comprehensive, i.e. a single planning permission for the whole site, what's the planning mechanism for doing that?

420. MR ROUSE: It's entirely informal. You could, if you so chose, approach the City Council, or they could approach you, and you could, as we were doing, bring forward a joint masterplan and that could find some status. Actually, it doesn't necessarily need to, so it's not going to be necessarily allocated in that way through the local plan or development plan, but you might have supplementary planning document if that was appropriate. I would say it's not necessary here because everyone's in agreement that it's an appropriate use for the site, in terms of mixed employment uses, and therefore, what you're really doing is encouraging a degree of cooperation and dialogue in relation to achieving a suitable outcome for everyone.

421. MR ELVIN QC: Can I turn to Chelmsley Wood? You were asked some questions about noise and the like. Could we just see what HS2's own document says about the proposals for Chelmsley Wood? That's P213. Can we go to the traffic light page, page 37? We can see on sound, noise and vibration, HS2 – both themselves assess Birmingham interchange and Chelmsley Wood as being better in noise terms than Washwood Heath.

422. MR ROUSE: Yes, they have.

423. MR ELVIN QC: Are there residential occupiers in close proximity to the proposed depot at Washwood Heath?

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

425. MR ELVIN QC: Can we just pick up on that, the noise environmental report and we really don't need to look at very much of this, but can we just pick up – it's in your appendix A92, it's your appendix 6, it's the Pell Frischmann report. Can we go to what I think is page 8? I'm guessing, but I'm sure Mr Mould would give me the right page if I've got it wrong. This is part of the response of Pell Frischmann to the petition response document. We can see at the third paragraph down, para 6, page 13, 'The realignment was in response to well organised local opposition. It should however, be borne in mind the realignment would have had negligible effect and not significantly change the impact through the area'. That was in the environmental report.

426. MR ROUSE: Yes.

427. MR MOULD QC (DfT): That's your consultant.

428. MR ELVIN QC: That's our consultant. It's not yours, Mr Mould; don't worry. And I think it's 61 but again, I'm keeping my fingers crossed. We see the environmental report produced by Pell Frischmann for Axa deals with noise and vibration and on the next page, please, mitigation measures. And we see two, four – four paragraphs down, it says that, 'Financially speaking, mitigation is likely to be a bit more expensive than Birmingham interchange, but other kind with Washwood Heath'.

429. MR ROUSE: Yes.

430. MR ELVIN QC: Thank you. Finally on the question of UK Central, and sir, can I – there was a document we sent, and it hasn't made its way onto the system, can I circulate you with a paper copy for the time being? It's a letter from Lorely Burt, the MP for Solihull.

431. CHAIR: Yes, that's fine.

432. MR ELVIN QC: It's only one a half pages. And Lorely sets out her position, explains her support for the Axa position, and on the second page, sees Axa's alternative

proposals as being beneficial to Solihull, not detrimental.

433. MR ROUSE: Yes, absolutely.

434. MR MOULD QC (DfT): For the record, we're calling this P255.

435. MR ELVIN QC: No further questions. Thank you very much, sir.

436. CHAIR: Given the hour, I think it's probably as well for you to start tomorrow.

437. MR MOULD QC (DfT): Fine.

CHAIR: Order, order.