

Mr Robert Syms MP (Chair)
HS2 Commons Select Committee
House of Commons Private Bill Office
House of Commons
London
SW1A 0AA

Dear Mr Syms,

10th December 2014

I write further to my letter of 5 November.

You have our detailed and compelling submissions on the case for relocation of the rolling stock maintenance depot. Since submission we have been considering whether we could further assist the Committee though not intending to detract in any way from our main case to the Committee that the depot should be relocated. I asked our team to assess the basis upon which a depot at Washwood Heath could be reconfigured to maximise the residual land for employment development, albeit only in the event that our primary case to you were not to be accepted.

In that context, I enclose a drawing which our team has produced to illustrate how the depot could be reconfigured to keep approximately 33 hectares of the Washwood Heath site (the AXA and PXP land) available for much needed employment development on this strategically important site delivering approximately 1,400,000 sq. ft. of development floorspace. This alternative proposal for Washwood Heath provides:

1. A more compact layout which complies with HS2's depot specification and will be **easier to operate than HS2's existing design**. Stabling sidings would be reduced from 20 to 16 on the assumption that 8 double trains can be stabled overnight at Curzon Street. This would simplify the movement between Washwood Heath and Curzon Street, significantly decongesting the current proposed movement pattern.
2. Empty trains arriving from Curzon Street will run directly to their berthing siding, being washed on the way. Use of the east end access to the main line will remain as in HS2's existing layout.
3. The existing access from the A47 would be retained with an additional span constructed. There are also opportunities to dual the existing access from Wolseley Drive and secondary accesses to the South of the Site.
4. **Balancing ponds are not required** as this site is already developed and the construction of a depot will not result in an increase in hard surfaces or a corresponding increase in surface water runoff. This approach complies with national planning policy and draft National SuDS Standards which require developments to prevent an increase in surface water runoff which could otherwise increase flows and flood risk downstream.
5. It would require only **minimal changes to HS2's draft circulation plan**. The only change required would be the use of some of the platforms at Curzon Street station for stabling as is proposed at Euston, which as we have previously asserted is an acceptable and operationally efficient solution.

6. The revised configuration of Washwood Heath would be **significantly cheaper**. Less land would need to be acquired at Washwood Heath and construction costs would also be cheaper.
7. Crucially, the opportunity to deliver significant jobs at Washwood Heath would be better preserved than with the HS2 proposals. Whilst the existing job losses at Washwood Heath that we identified in our evidence to Committee would remain, as acknowledged previously, these would be reduced by the 640 jobs which HS2 claim would be delivered at the depot and network control centre. Our suggested relocation would take slightly more land at Saltley Business Park although this would result in more efficient use of the land and is consistent with the evidence of Hansteen (owners of Saltley Business Park) which is petitioning for the whole of its site to be acquired by HS2 in any event. The land which would be freed up with the reconfigured depot proposed would be able to accommodate approximately 2,334 jobs. These jobs would be in addition to the 640 depot jobs referred to above.

We still urge the Committee to accept what we consider to be the optimal solution where the depot is relocated to an alternative site. Whilst our reconfiguration of the site at Washwood Heath would enable significantly more jobs to be delivered at the site than HS2's proposal, some existing jobs would still be lost and it is likely that the timing of delivery of any new jobs would also be delayed. Those living in the Washwood Heath area need jobs to be delivered as soon as possible.

However, if the Committee were to consider that the depot should remain at Washwood Heath but that residual land for employment development should be maximised, then we ask the Committee to give serious consideration to the reconfigured depot proposal for Washwood Heath enclosed. This revised proposal for a depot at Washwood Heath maximises the employment land available, creating significantly more jobs and delivering the depot at a lower cost whilst providing a more efficient depot solution than is currently proposed by HS2.

Subject to our comments above, we would respectfully ask you to indicate clear support for our proposals for the reconfiguration of the depot on Washwood Heath and to specifically direct HS2:

- (a) to liaise with our team of consultants on the revised proposal enclosed; and
- (b) to agree a reconfigured design for the depot which avoids the AXA land (aside from the land required for works to the HS2 mainline) and includes an optimised access solution for the residual land including retention of the existing bridge access from the A47,

to safeguard best quality employment land and maximise the number of jobs for the Washwood Heath area in conjunction with a depot at this location.

Yours sincerely



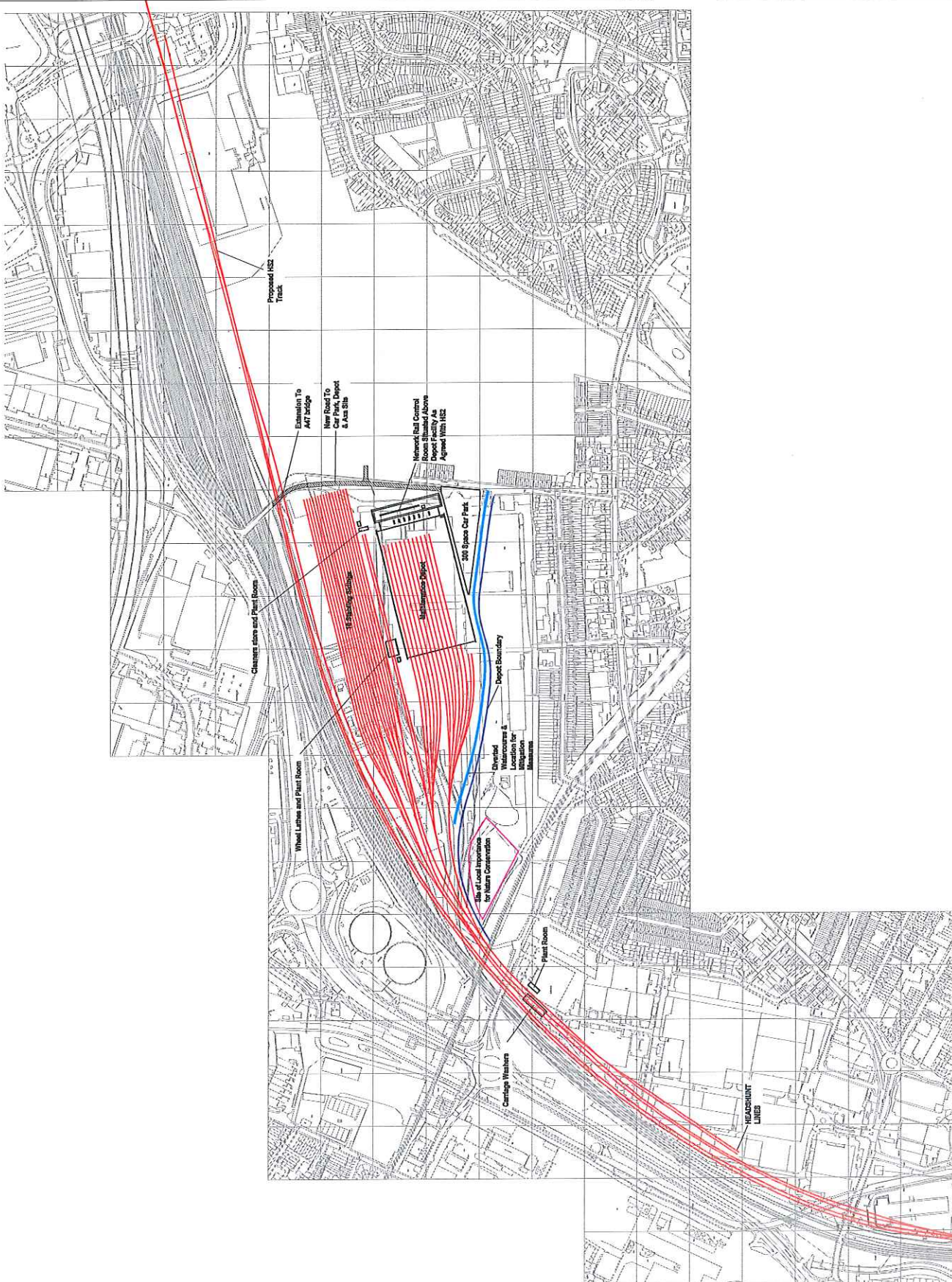
S.R. Yates

AXA Real Estate

Copy letter to:

Mr Henry Bellingham MP, Sir Peter Bottomley MP, Mr Ian Mearns MP, Mr Michael Thornton MP, Ms Yasmin Qureshi MP, Mr Liam Byrne MP, Ms Caroline Spelman MP, Ms Lorely Burt MP, Mr Neil Caulfield (Committee Clerk) and Ms Terri-Ann Lovelock (HS2 Ltd)

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Relationship Between Employment Land and Job Creation

Members of the Select Committee should be assured that the value of a potential job to be created on a site allocated within a Development Plan should be regarded at least as equal in value and deliverability as a job which is proposed by HS2. There is: a planning need, market demand, funding and a development partner to deliver the Friends Life site as soon as it can be released. Jobs can be expected to be delivered within 18 - 24 months of the site being removed from the Bill limits of land to be acquired. The HS2 Phase 1 Bill is yet to receive Royal Assent and delivery of expected jobs at the Rolling Stock Maintenance Depot are not programmed to come into being until the commissioning stage, 1 – 2 years before opening, and therefore projected around 2025.

The assessment of requirement for employment land in Birmingham in the period to 2031 was carried out objectively by a third party consultant appointed by the City Council. That assessment included an analysis of key industrial sectors underpinning the economy of the City and assessed the specific needs of each sector. The employment land target is not therefore simply an extrapolation of past trends of land take-up, it is a structured assessment of land that is necessary to sustain the needs of existing industry (whether for the use of existing businesses or new entrants) which currently support the employment baseline of the City in the period to 2031. If sufficient employment land is not provided the existing industries that currently support Birmingham's economy (particularly advanced manufacturing and automotive) will not be able to grow as they themselves project, and ultimately the competitiveness of Birmingham will be harmed, economic opportunity and employment will be lost and industry groups detrimentally affected, potentially affecting the national economy.

The evidence submitted by the City Council to the Birmingham Development Plan Examination in Public which closed at the end of November, showed that even after the proposed release of 80ha of green belt, there is still an unmet need for 60ha of land within the Best Quality category, being sites of at least 10ha suitable for occupiers with an international / national / regional choice of locations. With the alternative solution proposed by Friends Life at Washwood Heath, the Friends Life site not needed for HS2 line could satisfy 20ha of that need, the PXP site a further 9ha. Additional land could also be returned to employment use from the former UK Mail site and combined with this opportunity. The Friends Life site alone would be the single largest employment site in Birmingham that is available and capable of development in the short term. In the current market it would be expected to attract significant occupier interest, as it has previously done, before HS2 safeguarding curtailed the opportunity.

The land that has been identified by Birmingham City Council is all in plot sizes smaller than its own guidelines set as the threshold for land to be considered Best Quality. The small size of the plots available, means that large footprint building requirements simply cannot be accommodated within the City at present. The 80ha green belt release will take years to deliver and significant investment to

open up with necessary infrastructure. The contribution the single large area Friends Life site can make is therefore highly relevant.

The significant under-provision in the supply of employment land in Birmingham and also in the sub-regional markets is compounded by a severe shortage of Grade A building stock. Recycling of existing buildings is not therefore an alternative to building new accommodation to meet the business need.

The Friends Life site is a high quality site and, given the severe shortage of high quality land and buildings within Birmingham and the wider sub-region, there can be confidence that if the site is removed from the Bill limits of land to be acquired, the site will be delivered into development quickly. AXA (as managers of the site for Friends Life) will commit to the submission of an outline planning application and commence marketing in parallel. AXA will also commit to the provision of necessary on-site infrastructure. There are no 'additional costs' in bringing this land forward other than normal costs associated with a brownfield site. Much of that investment has already been made, with approximately £3 million having been spent by AXA on site preparation to date.

Additional jobs from new employment development cannot possibly be created unless there is land available on which to do so. The purpose of the plan making system is precisely to ensure that land is available to meet needs in a managed way.

The first jobs at Washwood Heath could be delivered within 18 months following removal of the site from the Bill limits of land to be acquired. Outline planning permission for the whole site, marketing, detailed permission for the first phase and development of that first phase all expected to be complete within 18 – 24 months. At expected take-up levels, it is expected that the whole 29ha (approximately 1.3 million sqft of industrial buildings) would be taken up within 5 – 6 years, meaning all 2,300 jobs could be delivered on the site by 2023, well before any permanent jobs are delivered by HS2.