

Birmingham Airport response to ITC Call for Evidence on *'What will be the spatial effects of High Speed Rail in the UK?'*

This is the consultation response by Birmingham Airport Limited (Airport Company) to the Independent Transport Commission call for evidence *'What will be the spatial effects of High Speed Rail in the UK?'*

Although this is the Airport Company's response, it should be read in the context of the Airport as a major driver of the Greater Birmingham and Midlands Economies and also in the context of the Sir Howard Davies Aviation Commission, which is due to make a pronouncement on best utilisation of existing capacity, sometime in 2013. The final part of the commission will examine the best way to provide additional connectivity for the UK. Surface access, such as HS2, may have a bearing on the final recommendations, due in 2015.

Introduction to West Midlands

In 2009, the West Midlands Economic Contribution (GVA)¹ amounted to approximately £91bn, approaching 9% of the overall total for the UK. If this is extended to encompass the economic catchment area of the Airport (i.e. one hour drive time) then a conservative estimate sees this increase to 10 million people and close to £263bn of national GVA. Additionally, when including the Home Counties component of the Airport's extended (90 minute) catchment is factored in, this figure rises by an extra £82bn of GVA. These figures demonstrate the UK wide economic importance of the catchment area, which Birmingham Airport operates within today and that it could serve over the coming years. Currently over 14 million people live within 100 minutes drive time of Birmingham Airport.

The Greater Birmingham and West Midlands rail network needs to support the regional and national economy by providing a fast, affordable, reliable alternative to the congested motorway and trunk road network for both passengers and freight. The rail network needs to deliver effectively in all key markets:

- **Commuter** flows into the conurbation and principal towns;
- **Regional** links between key centres;
- **Inter City** services to/from London, the Core Cities and other principal towns;
- **Freight** to/from and through the region (recognising that the West Midlands is logistically significant due to its central location for the distribution of goods nationally); and
- **HSR** has the opportunity to 'close the gap' between the core cities of the UK, with significant capacity increases to alleviate the already congested existing services and by reducing journey times.

Birmingham is the second city. It also forms a key national and regional hub for the rail network. Capacity on the rail network in the Greater Birmingham and West Midlands conurbation is a key constraint and has knock on effects for the whole region. Capacity constraints currently mean that key flows cannot be adequately segregated. This results in longer distance services being forced to accommodate shorter distance commuter flows to

¹ Office of National Statistics, 2010

which they are not suited. This compromises journey times and makes longer distance services less attractive.

Greater Birmingham and the West Midlands currently urgently needs infrastructure schemes that deliver accelerated journey times (line speed, electrification), increased capacity (track and signalling), and station investment (platform lengths, key gateways). HSR will provide increased capacity, reduced journey times, increased connectivity with existing transport hubs and key cities, and generally enable the West Midlands region to make best use of its current situation and build on future opportunities.

Analysis by the West Midlands Economic Forum² (Appendix A) shows that in UK manufacturing exports by region, London is third with exports of £35.2 billion in 2011, the Midlands second with £37.8 billion and the South East is first with £42.9bn. A recent report by Frontier Economics³ found that trade between Britain and emerging markets that have a daily flight is 20 times higher than countries only accessible via transfer. Frontier Economics estimates a lack of capacity at airports in the South East is costing the UK economy £1.2 billion per annum. It is also damaging the UK's reputation as a place to do business with.

To overcome this problem, the UK needs to have airports across the country that can deliver the connectivity needed to support the UK's productive sectors and therefore excellent connectivity via all modes of transport is essential for the future economic performance of the UK. Accessibility to Birmingham Airport from across the UK by HSR, will enable businesses within the traditional Birmingham Airport catchment area and far beyond, to trade with international and national markets.

Introduction to Birmingham Airport

Birmingham Airport believes that HSR is essential to achieve economic regeneration in the region and to ensure that Greater Birmingham and the West Midlands contribute to a rebalanced UK economy.

Birmingham Airport is a strategic national asset, in terms of the UK's economic and transport infrastructure, and is uniquely placed, as an airport, for access by road, benefitting from its location adjacent to the Midlands Motorway Box (via the M42 and Junction 6) and for access by rail, benefitting from its location adjacent to the London to Birmingham railway (via Birmingham International Station and the Multi Modal Interchange and the Air-Rail Link people mover system into the Passenger Terminal).

There has been significant investment at Birmingham Airport, in recent years, which means up to nine million additional passengers per annum could be accommodated immediately within existing capacity, in addition to the 8.6 million passengers who currently use the Airport. Birmingham Airport has an agreed master plan for 27m passengers per annum and feasibly could cater for 36m passengers on a single runway. Birmingham Airport's 'Don't Put all your Eggs in One Basket – A challenge to Aviation Orthodoxy'⁴ demonstrates the opportunities Birmingham Airport offer in relating to growth, capacity and connectivity (Appendix B).

² West Midlands Economic Forum – '*Birmingham Airport – Stimulating Revival*', 2012

³ Frontier Economics, "Connecting for growth: the role of Britain's hub airports", 2009.

⁴ Birmingham Airport – '*Don't put all your Eggs in One Basket – A challenge to Aviation Orthodoxy*', 2012.

Birmingham Airport, through its location and accessibility, by all modes, has also been identified as a potential solution to capacity constraints and congestion at the south east airports. Birmingham Airport, together with local Stakeholders, believes that such an approach would improve UK resilience, start to rebalance the UK economy, and have a positive environmental effect. Credible surface access is key to this objective.

The overall accessibility of Birmingham Airport is one of its most important assets and the Airport Company is committed to encouraging sustainable access to the site for passengers and employees. The plans of HSR are of the utmost importance to the Airport, to the region, and indeed to the nation, as aviation capacity is accessed outside the South-East.

Benefits of HSR to Birmingham Airport

HSR proposals would significantly increase the catchment area of Birmingham Airport, from the current 14 million people within an one hour drive time to approximately half of the UK population.

At a time when UK aviation capacity is under the spot light in terms of connectivity and capacity, Birmingham Airport has a pivotal role to play in supporting the Government in delivering on a policy that future demand should be met through existing capacity at a series of 'National Airports'.

HSR between London Euston and the proposed Birmingham Interchange station would reduce the journey time from a current 70 minutes, to only 37 minutes. To Old Oak Common, where Cross Rail services will be accessible, the journey time will only be 31 minutes.

Other journey time reductions include over 60 minutes time saving to Manchester and 50 minutes to Leeds. This will put the Core Cities of the UK within one hour of Birmingham Airport. It has been estimated that around 50% of the British population will have a HS2 'railhead' less than one hour from Birmingham Airport.

Will the cities served by HSR become subservient centres to London or be enriched in their own right?

The advent of HSR certainly has the potential to make English regions and cities more subservient than they already are to London, in the same way that the existing rail and road infrastructure and aviation policy of the UK can be argued to have done for many years.

However, this is a particularly negative way of looking at the effects of HSR and to accept this point at this time, 15 years or so ahead of the bringing into use of the first phase of HSR would be particularly defeatist. The challenge is to ensure that when HSR comes on line, cities served by HSR are fully ready and able to ensure that HSR enriches them, as opposed to merely benefitting London.

With Government currently wishing to put measures in place to rebalance the UK economy and ensure that all regions have the best opportunities to have sustainable local economies, where job creation, investment and priorities meet the wider national needs, HSR *could* have a great impact on helping to achieve this aim.

HSR will place Birmingham Airport approximately 37 minutes from Central London, 1 hour 5 minutes from Leeds and 49 minutes from Manchester⁵. This will enable passengers to reach Birmingham Airport from a much wider catchment area that at presently, thus increasing the likelihood that passenger numbers will increase due to higher demand. Recently, the West Midlands Economic Forum has suggested that using spare capacity at Birmingham Airport would increase airport related jobs to 31,000 and Midlands employment by up to 243,000. An increase such as this in the local economy would be an incredible opportunity and increased connectivity related to HSR, which further increases the chances of increased passenger growth, further enhances the prospects for the local and national economy.

Furthermore, individuals or businesses may choose to locate in the Greater Birmingham area and commute to London, or even locate in the UK because they can access London but easily access the other areas of the UK using HSR. Therefore, Birmingham Airport expects HSR to be a way to enrich the UK as a whole, not just draw more attention on London and the South East. It should be noted that Birmingham will be at the heart of the HS2 network.

Using analysis by the West Midlands Economic Forum and the calculation of comparative advantage of the 2009 Location Quotient, the main London drivers were Finance and Professional Services sectors. Whilst this is not surprising, when assessing the key economic sectors for the West and East Midlands, both of which would benefit from HSR, the key sectors are Agriculture, Manufacturing, Wholesale and Retail, and Waster and Water. These sectors are far more important to the regional economies than those focused in the South East or London. Therefore using HSR to align with Birmingham Airport's promotion of utilising existing capacity and serving a national economic need rather than just one or two sectors (London), the opportunity to make the regions more successful, less reliant and overall more prosperous is a clear reality to be realised, rather than as some would claim - a pipedream.

How will HSR impact on the economic and social life of the cities it serves?

HSR has the potential to have a great effect on the economic and social well-being of the cities/regions it serves; but as before, it requires the cities and regions to work together to capitalise on the benefits HSR can bring. Providing cities and regions put in place deliverable, researched and resourced plans to capture the advantages HSR can bring then it can have a very beneficial effect. For the example of HSR, cities and regions need to work together now to summarise benefits and develop these plans.

It is also important that HSR stations are fit for purpose, and embrace all possibilities for the time they are programmed to open – stations should not simply be value engineered at the moment, 15 years ahead of opening. This will only result in inappropriate designs being set in stone well ahead of when they need to be. Station designs should be well designed architecturally, and be designed to maximise connectivity to all modes of transport – and be future proofed as far as reasonably possible. The same applies to supporting road infrastructure. The potential for development, redevelopment and regeneration around

⁵ High Speed 2 Ltd, 2012

stations to help maximise their benefits should also be fully considered to make the best of HSR stations.

The overall plan for HSR should be accepted by local Government and businesses, with connectivity arrangements put in place today to maximise the benefits and opportunities. Studies such as the 'M42 Gateway Study'⁶, which is currently being commissioned by Solihull Metropolitan Borough Council is looking today at the future options for the M42 Gateway, including HSR, Birmingham Airport, the NEC, Solihull town centre and the wider area. Looking at the possibilities associated with HSR and other key contributors enables local areas or regions to ensure that priorities are tabled in advance to ensure buy-in, infrastructure or commitment is developed in a timely manner to maximise benefits.

Previous studies have also highlighted the value of the M42 economic corridor, including the ECOTEC report to Advantage West Midlands – 'Realising the potential of the M42 Corridor', see Appendix C.⁷

What will be the impact of HSR on those cities/regions it will not directly serve?

It should be the long term aspiration of the UK to ensure that all towns, cities and regions benefit from HSR and the increased connectivity, and opportunities it brings. The key issue in the short term for those cities or regions is to ensure that their connections and overall connectivity to cities/regions, which are served by HSR, are as strong as they possibly can be.

It is not feasible to expect that HSR can reach everywhere immediately and this is evident in the phased approach currently under consideration by Government. Birmingham Airport would however like to see a much more advanced and timely process that is currently the case and would welcome the 'Y' network to be completed sooner.

Cities and regions that do not have immediate access to HSR should work to investigate the most appropriate method to link into HSR connections. That way they can experience some, or all of the benefits of HSR, and help ensure any negatives are minimised.

Again, plans should be place now to ensure that these connections are in place for when HSR opens – for instance for the East Midlands station Derby and Nottingham will need to be well connected, and Sheffield will need to ensure that it is well connected to the South Yorkshire station; or whole city dynamic may change and the central activities may move outwards to new station locations.

Birmingham Airport feels it is imperative that safeguarding of existing rail lines or future development of access should be guaranteed. A local example is the Whitacre Link, which would enable direct services to Birmingham Interchange/Birmingham Airport from Tamworth, Derby, Nottingham, Nuneaton and Leicester, and also reduce the need for freight goods to travel north/south through the region, without having to go in via the congested rail lines in Birmingham. The Whitacre Link mainly involves the reinstatement of a closed line on an

⁶ Solihull MBC – *'Delivering Managed Economic Growth in the "M42 Economic Gateway"'*

⁷ ECOTEC – 'Realising the Potential of the M42 Corridor' – final report to Advantage West Midlands

existing alignment, which has been subject to only very limited incursion; however this must be safeguarded by HS2 Ltd and Government to protect the option for the future. Whitacre Link – Appendix D.

Cities and regions more remote from HSR should also concentrate on connectivity – but also establish and promote their own distinctiveness of place to maximise economic opportunities.

What should be the top priorities for investment in HSR in order to ensure it improves your locality/city/region?

Investment in HSR should be targeted to ensure the areas that HSR connects to have access to the full benefits and opportunities it provides. In essence this means ensuring connectivity to and from HSR stations, transport hubs, key local and regional destinations is as good as it can be and is future proofed sufficiently to allow for future growth in services and the likely effect of other likely developments in and around HSR stations and beyond.

Successful HSR schemes in Europe have been those which have concentrated on connectivity (e.g. Paris to Lyon), whilst those which have not done so have not had the desired economic or passenger benefit, for example Madrid to Seville only became economically sustainable once Barcelona was included in the network.

Connectivity should be national for HSR services, with more regional and local connectivity being the important driver for Local Economic Partnerships, local Government and businesses.

Investment should be targeted at the biggest economic drivers, whilst ensuring that all sections of society have the opportunities to benefit from HSR and the follow on benefits, which stem from the initial arrival of the rail service.

What additional public/private investment should be considered by these cities and their wider region to capture maximum value?

Public/private investment should be driven towards (a) increasing connectivity to and from HSR stations, (b) increasing connectivity and making the best use of capacity released by the advent of HSR, and (c) focusing investment on strategic sites which can make the best use of connections to HSR – and on connections to these sites from all other modes.

Public and private investment should be used on schemes which will derive maximum benefits rather than be 'nice to haves'. There must be an economic advantage of any proposed scheme.

It is important that connectivity of HSR is not just considered in relation to connecting to cities or regions, but also connectivity between transport modes. The examples of HSR and aviation in Europe show the benefits of a connected transport network between air and rail. This should be considered in the UK, with at a minimum a *fast*, efficient link between Birmingham Interchange and Birmingham Airport; to the full exploration of opportunities for a co-located aviation terminal/HSR Station at Birmingham Interchange. This would enable a cross transfer of passengers between air and rail, and follow examples such as that at Munich Airport or the soon to open, Berlin Brandenburg Airport.

Investment should be targeted at connecting with other key city regions; HSR provides an opportunity not just to increase connections to and from London, but also crucially between other the other major city regions of Birmingham, Manchester, Sheffield and Leeds. Strong political leadership and a clear vision from these cities, their regions and businesses, is vital to push this forward to maximise the benefit of HSR in the UK.