

# Midlands Rail Hub

*A roundtable on the future of the Midlands' most transformational rail scheme*

Hosted by:



# Introduction

On 14th October 2022, business leaders from across the West Midlands region joined the Centre for the New Midlands for its second-ever Roundtable, with guests discussing the extent to which the Midlands Rail Hub could be the key to regional growth.

Supported by Midlands Connect, the roundtable welcomed leaders from a whole host of sectors and organisations from across the West Midlands. This report draws on the themes and associated issues discussed throughout the session.

## About Centre for the New Midlands

The Centre for the New Midlands is the only independent think tank based in, and for, the West Midlands region. We bring people together to debate, shape and create new research and ideas to help build a 'better' region. We are non-partisan and not for profit.

We host roundtables; webinars and in-person events to bring people together to discuss and debate ways in which we can do things even better as a region. We produce new research to inform and help shape public policy and provide thought leadership on some of the biggest challenges and opportunities facing society.

## About Midlands Connect

Midlands Connect researches, develops and progresses transport projects which will provide the biggest possible environmental, economic and social benefits for the Midlands and the rest of the UK.

They examine options for improving major transport infrastructure in our region, analysing the cost, impact and benefits of delivering these changes, and ensuring there is a strong pipeline of projects being developed to improve mobility across the Midlands.

The central focus of the Roundtable, the Midlands Rail Hub, is Midlands Connects' flagship project. The Rail hub is a comprehensive series of measures to create space for more passenger train and freight links, as well as boost station capacity.



# Our Guests

**Professor Julian Beer**, Deputy Vice-Chancellor for Research, Innovation and Enterprise, Birmingham City University

**Alex Bishop**, National Head of Dispute Resolution & Litigation and co-Head of Birmingham Office, Shoosmiths

**Richard Brooks**, Partner, Anthony Collins Solicitors LLP

**Paul Brown**, Director, Government & Public Sector, EY

**Matt Drinkwater**, Co-Founder and Lead Tech Recruiter, Woodrow Mercer Recruitment

**Tim Fawcett**, Project Principal, Mott MacDonald

**Craig Flindall**, Chief Operating Officer, Edgbaston

**Amardeep Gill**, Partner and Member of CNM Advisory Board, Trowers & Hamblins

**Kevin Harris**, Managing Partner and Regional Accounting Head, RSM UK

**Karen Heppenstall**, Head of Rail, Midlands Connect

**Richard Hill**, National Head of Mobility & Logistics, Natwest Group

**Huw Howells**, Managing Director, Head of Manufacturing and Industrials, Corporate and Institutional Coverage, Lloyds Banking Group

**Ciara Jagger**, External Affairs Manager, Midlands Connect

**Jack Kelly**, Director of Talent and Corporate Affairs, Midland Heart

**Maria Machancoses**, Chief Executive Officer, Midlands Connect

**Peter Plisner**, Former BBC Business and Transport Correspondent and Director of Clever Conclusions

**Kevin Roeton**, Associate Director, WSP

**Chris Smith**, Founder and Managing Director, Centre for the New Midlands

**David Williams**, Global Head of Rail and Bus, KPMG



# About the Midlands Rail Hub

Rail connectivity is synonymous with boosting economic growth as well as a catalyst for the government's 'Levelling Up' agenda. With projects such as HS2 bringing Britain closer together, those in the Midlands and Northern regions will benefit from the improved employment and leisure opportunities. Whilst HS2 is a flagship project with multiple planned phases to enhance connectivity between different regions, there are still crucial challenges to be addressed when thinking about rail connectivity within regions.

Passenger rail usage in the Midlands is growing faster than anywhere else in the UK, but without investment, the region's rail network cannot keep pace with this record demand, and many services remain slow and infrequent. Birmingham, for instance, is one of the most complex and congested parts of the British rail network.

The Midlands Rail Hub is Midlands Connects' flagship project, the biggest upgrade of regional rail networks for a generation. The project was awarded £20m in the March 2020 budget to develop the scheme and outline a business case, taking the vision closer to reality. It aims to enhance rail connectivity via a programme of new and upgraded infrastructure that will be implemented in phases between now and 2033. It is an ambitious yet deliverable package of improvements to transform East-West rail links.

At around £1.3bn, the plans will activate six million more rail journeys each year, creating space for up to 20 extra passenger trains an hour and reducing journey times. Implementing these improvements will bring 1.6 million more people within an hour of the region's biggest towns.

The Mayor of the West Midlands, Andy Street CBE is enthusiastic about the Midlands Rail Hub. He considers the project a fundamental, yet cost-effective endeavour to boost the region's economy through enhanced rail connectivity. He urges that the treasury be persuaded to support such a fundamental project.

**"The Midlands Rail Hub is a vitally important project. Rail has been a huge part of the success story of this region, and we need this kind of investment if our network is to keep growing and supporting our economy."**

*Andy Steet CBE, Mayor of the West Midlands*

# Our Conversation

On 14th October, the Centre for the New Midlands, in partnership with Midlands Connect, invited key stakeholders from across the West Midlands region to a Roundtable discussion on the Midlands Rail Hub and its role in driving regional growth.

Following on from the Government's reinforced commitment to "Levelling Up" at the Conservative Party Conference in Birmingham, conversations about regional infrastructure projects such as the Midlands Rail Hub could not be timelier.

Key themes discussed at the Roundtable (which was held at Fazenda Birmingham) included the role that the Midlands Rail Hub could play in enhancing connectivity across the region, how the project could help to deliver the Government's 'Levelling Up' agenda and if it would help to boost productivity 'post' Covid. These ideas were discussed through the framing of three questions which were posed to our guests prior to the event and discussed on the day.



## **If Downing Street's three priorities for the UK economy are 'growth, growth and growth', how important do you feel big infrastructure projects, such as the Midlands Rail Hub, are in delivering growth for your organisation and the wider regional economy?**

Rail connectivity is an 'intrinsic part of the growth narrative'. It was argued that not only are projects such as the Midlands Rail Hub important to the 'Levelling Up' agenda, but they live far beyond physical infrastructure, delivering considerable positive impact on the region's businesses and communities.

The capacity of the region's transport network to boost the micro-mobility of those seeking jobs in the region was highlighted. Better transport links between towns and cities in the East and West Midlands would mean organisations can attract talent previously inaccessible due to commuting times.

The role that the implementation of the Midlands Rail Hub could play in delivering the region's Net Zero targets was also explored. Enhanced efficiency of trains and more direct routes in the Midlands would result in passengers and commuters being more likely to opt for train travel instead of travelling by car. Guests stated this would be a massive shift towards decarbonisation.

The Midlands Rail Hub would not only create benefits for passengers, but also provide better infrastructure for freight trains. By increasing capacity for the transportation of goods, across the Midlands, boosting the efficiency of trade and helping the region on its path to Net Zero, the benefits of the Rail Hub were broadly endorsed.

One major challenge raised throughout the discussion was how the Midlands Rail Hub, and other projects like it, could receive prioritisation from the government when Ministers are increasingly under pressure to cancel or postpone numerous asks from across the country.

However, the 'relatively' small price tag of the Midlands Rail Hub project was cited as being in its favour, particularly when aligned to the sums being spent on HS2. It was argued that 'deep complex thinking' was necessary to overcome some of the long-term challenges associated with these kind of major projects and more needed to be done to win the support of local populations, particularly given the long term nature of the projects from concept to reality.



## How important is the rail network to your organisation's customers, staff and other stakeholders, particularly in a 'post' Covid environment?

Two key themes arose in response to this question. The first related to the need to attract talent with guests highlighting that even with hybrid working, a lack of direct routes, high train ticket prices and access to nearby train stations were still huge barriers for employees returning to the office. The rail network remains fundamental to organisations despite the emergence of hybrid working. Many businesses have offices strategically placed by main train stations, in which they can easily access their offices and clients across the region.

The second theme which arose was the importance of rail networks in not only attracting people back to the office 'post' Covid, but how essential it is for those who must physically be at their places of work. Some individuals have no choice but to both pay transport costs and use what are often inefficient train services. Enhanced connectivity is essential for this significant proportion of the region's workforce.

The discussion explored how the Covid-19 pandemic had taught important lessons on the importance of the region preparing itself for emerging threats. The importance of how the region works to achieve Net Zero was stressed for the sustainability and success of the region.



## **The arrival of HS2 will see vastly improved services between Birmingham and London. In this context, how important do you think greater East-to-West connectivity is for your organisation and/or the region?**

Guests discussed how enhanced connectivity paired with hybrid working can act as both a pull to and from the Midlands region. This may mean talent chasing higher salaries could be drawn to the employers in the South East. Other members of the panel argued that the opposite would occur, with a growing appeal for recent graduates and experienced individuals to live and/or work outside of London. One of our guests commented that when the first phase of HS2 is complete, Birmingham Airport will effectively become a Zone 4 destination for many Londoners, with an approximate 38 minute journey time from Central London.

Another guest highlighted East to West connectivity as being more important to regional growth than the London to Birmingham phase of HS2, arguing that it was 'second-rate to not be able to travel within our own region'. There was a feeling Midlands leaders need 'to remove the dividing line between East and West'.

As the Roundtable drew to a close, the conversation turned to challenges around how to place projects such as the Midlands Rail Hub into the national political agenda, particularly given the significant timelines for delivery. It was argued that to achieve the implementation of ambitious infrastructure projects like the Midlands Rail Hub and beyond, leaders in the Midlands needed to be better at coming together to raise its voice.





# Conclusion

Roundtables play a key role in bringing leaders together from across the region to discuss some of the big challenges and opportunities facing the region. As an independent actor, we are able to facilitate conversations that others may not be able to have and bring together a cross sector mix of organisations to ensure these events are as inclusive as possible.

Guests at this Roundtable expressed enthusiasm for enhanced infrastructure and connectivity to support their respective organisations, including the positive impact that enhanced routes and capacity across the region would have on their stakeholders, future growth projections and the environment.

The case needs to continue being pushed to Government (of whichever persuasion) that HS2 cannot be the start and finish for infrastructure enhancements north of London. Enhanced East to West connectivity must be seen as a project to run in parallel to HS2 if the region is to maximise the true benefits of such a major investment as HS2.

The Centre for the New Midlands will continue to work with partners across the West Midlands region to enable a breadth of organisations to participate and share their ideas for how the region can realise its potential and be the true 'engine' for the nation's revival.

