

BIRMINGHAM CITY COUNCIL

CABINET

TUESDAY, 08 JUNE 2021 AT 10:00 HOURS
IN COUNCIL CHAMBER, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Internet site (www.civico.net/birmingham) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 APOLOGIES

To receive any apologies.

3 DECLARATIONS OF INTERESTS

Members are reminded that they must declare all relevant pecuniary and non pecuniary interests arising from any business to be discussed at this meeting. If a disclosable pecuniary interest is declared a Member must not speak or take part in that agenda item. Any declarations will be recorded in the minutes of the meeting.

4 EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC

a) To highlight reports or appendices which officers have identified as containing exempt information within the meaning of Section 100I of the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.

b) To formally pass the following resolution:-

RESOLVED – That, in accordance with Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of those parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be

transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

- 1 - 44**
- 5 **LEVELLING UP FUND – BID SUBMISSIONS TRANCHE ONE**
- Report of Acting Director, Inclusive Growth
- 45 - 64**
- 6 **HIGHWAY MAINTENANCE AND MANAGEMENT PFI CONTRACT**
- Report of Acting Director Inclusive Growth
- 65 - 70**
- 7 **ERDF WELCOME BACK FUND**
- Managing Director – City Operations
- 8 **OTHER URGENT BUSINESS**
- To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.

Birmingham City Council

Report to Cabinet

8th June 2021



Subject: Levelling Up Fund – Tranche 1 Bids
Report of: Acting Director, Inclusive Growth
Relevant Cabinet Members: Councillor Ian Ward – Leader of the Council

Relevant O & S Chairs: Councillor Liz Clements – Sustainability and Transport
 Councillor Mohammed Aikhlaq – Resources
 Councillor Penny Holbrook – Housing and Neighbourhoods
 Councillor Shabrana Hussain – Economy & Skills

Report author: Phillip Edwards, Assistant Director – Transport and Connectivity
 Tel: 07557 203167 Email: philip.edwards@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 008762/2021		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential: Not applicable		

1 Executive Summary

- 1.1 On the 3rd March 2021, the Government announced a £4.8 billion Levelling Up Fund (LUF) as part of the Spring Budget. The fund will provide investment into infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport infrastructure, and investing in cultural and heritage assets.

- 1.2 The fund allows Members of Parliament, as democratically elected representatives of the area, to back one bid that they see as a priority. The number of bids that a local authority can make will relate to the number of MPs in their area. Bids can be up to £20 million for a scheme or package of schemes. Larger transport schemes can be up to £50 million, although a Combined Authority can only submit one such bid. Birmingham could submit a maximum of 10 bids over the four-year period, up to 2024-25 (one for each parliamentary constituency).
- 1.3 The fund is to be split into tranches, with up to £650 million of the £4.8 billion available within the first tranche which will see projects commence in the financial year 2021/22.
- 1.4 Birmingham City Council propose to submit four capital bids to the first tranche of the LUF totalling £64.018 million. Further details of the schemes to be submitted, as listed below, are available in paragraphs 3.23 to 3.38.
- Erdington High Street
 - A457 Dudley Road Improvements
 - Moseley Road Baths & Balsall Health Library
 - Remediation of Former Birmingham Wheels Site (Bordesley Park).

2 Recommendations

- 2.1 Approves, the submission of four capital bids totalling £64.018 million to the LUF to deliver the schemes listed in paragraph 3.21.
- 2.2 Notes that the LUF bids are subject to final revisions ahead of the 18th June 2021 deadline, so long as financial values are within 10% of those within this report and the outputs of each scheme are not substantively different to those listed.
- 2.3 In the event of successful bids, delegates authority to the Director of Council Management (Interim) to accept the LUF grant to deliver the schemes listed in paragraph 3.21 of this report and enter into the relevant funding agreement, subject to the final terms and conditions being acceptable.
- 2.4 Delegates authority to the Director of Council Management (Interim) to accept the £0.125 million LUF capacity fund offered by the government for the development of bids.
- 2.5 Subject to a successful funding bid, delegates authority to the Director of City Operations in conjunction with the Director of Council Management (Interim) to accept the £1.000 million National Heritage Horizons Lottery Grant for the development phase of Moseley Road Baths
- 2.6 In the event of successful bids, delegates approval of Outline Business Cases and Full Business Cases, including revised financial appraisals, for the LUF Tranche 1 projects detailed in paragraph 3.21, to the Acting Director, Inclusive Growth, Managing Director – City Operations, and the Director of Council Management (Interim) with the relevant portfolio holder(s).

- 2.7 Approves additional prudential borrowing (PB) of £11.932 million detailed in section 7.3 as the City Council's element of the match funding for the LUF bids, (noting that £3.000 million for the Moseley Road Baths scheme was previously approved) and subject to approval of the OBCs and/or FBCs for the individual schemes as part of the City Council's governance process.
- 2.8 Subject to approval and acceptance of the LUF funding, approve the Council entering into Conditions of Grant Aid (CoGA) agreements with the following organisations to deliver elements of the Erdington High Street scheme
- Godwin Developments Ltd
 - Witton Lodge Community Association
- 2.9 Authorises the Acting City Solicitor to negotiate, execute, seal and complete all necessary documentation to give effect to the above recommendations.

3 Background

Levelling Up Fund

- 3.1 The LUF was announced by Government as part of the Spring Budget on the 3rd March 2021 and represents a marked change to the way that Government supports local economic growth. Alongside the fund's prospectus (which was published as part of the Spring Budget), a technical note providing further details of the funds guidelines was released on 29th March, as well as 'frequently asked questions' on the 30th April 2021, providing local authorities with full details of the fund.
- 3.2 This change involves further decentralisation of Government powers, by working more directly with local partners and communities across England and the devolved administrations. This recognises that local administrations are best placed to understand the needs of their areas, and more closely aligned to the local economic geographies to deliver quickly on the ground.
- 3.3 To support these objectives, the Government launched three new investment programmes to support local communities. These new investment programmes are:
- The UK Community Renewal Fund (CRF)
 - The Levelling Up Fund (LUF)
 - The Community Ownership Fund (COF)
- 3.4 The £4.8 billion LUF will support investment in infrastructure that improves everyday life across the UK, stimulating economic recovery across the UK as the nation recovers from the COVID-19 pandemic. Specifically, the focus of the LUF is to support regeneration of town centres and high streets, support individuals into employment, improve local transport links and invest in local cultural and heritage facilities.

- 3.5 The first tranche of the LUF makes £650 million available to Local Authorities in 2021/22. Every Local Authority in the country can submit bids, up to one per parliamentary constituency, during the four financial years where funding will be available.
- 3.6 Local Authorities have been banded into three tiers (based on an “economic resilience index”) which will influence the priority given to bids during assessment. Birmingham has been placed within tier one, which represents the highest level of priority.
- 3.7 Bids to the fund can be up to £20 million each (larger transport schemes can be up to £50 million, although a Combined Authority can only submit one such bid). Smaller projects can be packaged together and projects that cross constituency or district boundaries can also be submitted.
- 3.8 It should be noted that £0.125 million of revenue capacity funding has been made available for bidding and to support delivery.
- 3.9 Schemes submitted for the first tranche of funding must begin delivery on the ground in the 2021/22 financial year. There will be further opportunities to bid in subsequent rounds in future years. All funding provided from the LUF is to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes.
- 3.10 The fund can be spent on the following three themes:
- **Transport investment** – Active travel, repairs and major maintenance, smaller projects that can reduce carbon, improving air quality, cutting congestion, enhancing growth and improving the transport experience for users.
 - **Regeneration and town centre investment** – building on the Towns Fund framework, upgrading buildings and spaces, crime reduction and community infrastructure.
 - **Cultural investment** – Maintaining, regenerating or creatively repurposing museums, galleries, visitor attractions and heritage assets, including providing new community owned spaces for culture and the arts.
- 3.11 Scheme proposals will be assessed against the following criteria:
- Characteristics of the place (as expressed in the three-tier classification);
 - Deliverability;
 - Strategic fit with local and fund priorities (to be expressed in the strategic case of submissions);
 - Value for money.

Key Considerations

- 3.12 The fund has been designed to have the potential to disperse funds very widely across a range of purposes, and to engage many stakeholders. It is vitally important that our approach is as strategically coherent as possible, to ensure

maximum value can be achieved and bids are delivered on time. An internal officer group has been established to ensure that Birmingham is:

- **Strategically focused** - there is a strategic approach to how we focus on the use of the fund, including the wider context of current funds and activities, as well as being in line with existing Council priorities.
- **Transparent and objective** - with clear and objective criteria to prioritise proposals.
- **Supported by stakeholders** - there is effective engagement with stakeholders in the development of bids, including all local MPs.
- **Realistic** - projects proposed are deliverable in terms of their readiness and the currently available delivery capacity in the City Council and relevant partner agencies.

3.13 In order to ensure that schemes submitted for Tranche 1 of LUF are suitable, a prioritisation process has been undertaken. This prioritisation has been led by an external consultancy who have assessed all schemes put forward for consideration for Tranche 1. This process is detailed further in paragraphs 3.19 to 3.20.

3.14 It is important to bear in mind the following factors regarding schemes that will be put forward for Tranche 1:

- The City Council is currently under significant delivery pressure, given the extensive preparations for next year's Commonwealth Games, the existing intensity of development in the city, and the number of projects associated with managing and recovering from the COVID-19 crisis.
- The Government's key concern is to see visible and rapid improvements in local places, through the restoration or creation of infrastructure for transport, community activities, town and city centres and culture and open space.
- Not all projects brought forward will be "deliverable" or "shovel ready" in the first or early rounds of the fund. As indicated in the prospectus, there may be benefits in holding back some proposed projects for later rounds, to ensure that they are ready to go. Readiness or deliverability needs to be defined rigorously in terms of factors such as planning permission, other funding being in place, existence of a full business case and the need for land remediation.
- Whilst the City Council is invited to submit up to ten bids (one for each parliamentary constituency) over the life of the fund, there is the option to hold some of these back for delivery in later years, as part of later phases.

Proposed Strategic Focus

3.15 The fund is one of several funding streams currently in operation or about to be launched. The much smaller Community Renewal Fund will also operate during 2021/22 and will make way for the Shared Prosperity Fund in 2022/23. This will

replace EU structural funds and will focus on employment, skills and business support, as well as additional place-based investment. There are also emerging funding opportunities for regional transport infrastructure (Intra-Cities Fund).

- 3.16 The biggest challenge facing Birmingham during 2021 is to support businesses, the city centre and local centres to recover from the impact of the COVID-19 pandemic. The absence of a Towns Fund allocation or Town Deals within the city means that resources are limited for this work.
- 3.17 It is proposed that the unifying theme for Tranche 1 should be the recovery of high streets and local centres. This would prioritise proposals across the three themes of the fund, including packages of support to specific local centres or the city centre. This focus should also reflect the City Council's priority to tackle inequalities and the zero-carbon agenda.
- 3.18 This approach can be reviewed for future rounds, once the SPF is up and running and greater clarity is available of funding availability.

Tranche 1 Schemes – Prioritisation

- 3.19 From a long list of schemes, prioritisation was undertaken to assess each against the LUF criteria, and to identify those schemes that could maximise funding for the city. The protocol set out in Appendix A was followed by an independent consultant.
- 3.20 The appraisal criteria were developed to support an incremental process, where failure to demonstrate deliverability from 2021/22, or have MP support, would remove the scheme from the process (Stage 1). During Stage 2, scoring against each LUF sub-criteria was completed, in conjunction with the guidance documents that supported the LUF Application Form (Levelling Up Fund Technical Note - UK Wide, UK Government). Once scored, a weighting was then given to each theme, as below:

Theme	Weighting
Strategic Fit	25%
Value for Money	25%
Deliverability	25%
Place Characteristics	25%
Total	100%

Tranche 1 Schemes – Selected Schemes

3.21 As a result of the prioritisation process, four schemes have been selected to bid for Tranche 1 funding;

- Erdington High Street
- A457 Dudley Road Improvements
- Moseley Road Baths & Balsall Health Library
- Remediation of Former Birmingham Wheels Site (Bordesley Park).

An overview of each scheme is presented below.

3.22 Within each funding application, the following four priorities of the LUF have been referenced throughout. Aligning to these four priorities will maximise the chances of the bids being successful:

- **Characteristics of the place** – setting out a clear narrative for why investment is needed within Birmingham and how the associated characteristics align to the broader Levelling Up objectives.
- **Deliverability** – setting out the financial, management and commercial cases for investment, with capital expenditure in 2021/22 that will quickly unlock the benefits aligned to the Levelling Up objectives.
- **Strategic fit with local and Fund priorities** – clearly identifying how the scheme contributes to local, regional and national priorities.
- **Value for money** – an economic case, explaining the benefits of the scheme and how it represents value for money.

Erdington High Street Scheme Overview

3.23 The LUF will be used to facilitate transformation of Erdington High Street into a thriving centre, providing new start up business incubation space, housing, cultural, leisure and social activities for all ages as well as improved urban realm and physical and social connectivity within the area. The fund will support five transformative schemes which will contribute to the longer term and wider vision for the High Street. The shortlisted schemes are:

- redevelopment of a former swimming baths into a Community and Enterprise Hub which will house spaces for community activities and events, incubation office space and specialist advisors to support business start-ups;
- mixed-use redevelopment of Central Square Shopping Centre with residential (private rental), ground floor food and beverage provision and a new public square/space linked directly to the High Street;
- creation of a community space linking the new Central Square development to St. Barnabas churchyard and the High Street;
- improved connectivity within the High Street, including pedestrianisation and enhanced footways in the middle section of the High Street and public

- space/village green to the north along with measures to slow vehicular traffic and improve public realm;
 - upgrading the public footpath through St Barnabas Churchyard, adding disabled access and lighting to make it accessible and safe at night.
- 3.24 The schemes are designed to address the market failures on the High Street and align with the objectives of the LUF to renew and reshape town centres and high streets, whilst enhancing a sense of belonging to local communities. The package of schemes will collectively support a change of use from retail and vacant properties into housing, business start-up space and community events and activities space, as well as offering new food and beverage units on the High Street and improving the quality of the high street environment. This will support economic growth and help to ensure future sustainability on the High Street.
- 3.25 During the prioritisation process for Tranche 1, it was agreed that the scheme is locally supported, can be started in 2021/22, and has an existing strong evidence base to ensure a robust case for investment for the 18th June 2021 bid submission.

A457 Dudley Road Improvements Overview

- 3.26 Improvements will be made along the A457 Dudley Road, near to Birmingham City Hospital, to reduce traffic congestion through junctions and make improvements for active travel modes.
- 3.27 The A457 Dudley Road forms part of the corridor between Birmingham city centre and Smethwick in Sandwell. Many of the services at the existing City Hospital are expected to move to the new Midland Metro Hospital in Smethwick. As well as the addition of a new hospital along the corridor, several housing developments are also planned, with around 2,650 new homes expected.
- 3.28 The following measures are planned as part of the A457 Dudley Road improvements scheme;
- segregated cycling and pedestrian facilities will be provided on the north side of Spring Hill and Dudley Road. Shared use cycling and pedestrian facilities will be provided on the south side of Spring Hill and Dudley Road;
 - widening of the carriageway in some sections to allow for improvements to the carriageway layout and the introduction of bus lanes;
 - improvements to the signalised junctions of Dudley Road/Winson Green Road/Western Road and the junction of Winson Green Road/Heath Street;
 - new signalised junctions to be created at Dudley Road/Heath Street and Steward Street/Dudley Road;
 - all improvements include upgraded pedestrian crossing facilities. Toucan crossings for pedestrians and cyclists will be added at Dudley Road/Winson

Green Road, opposite the hospital and across the north side of the Dudley Road/Western Road junction;

- 3.29 As part of the Tranche 1 prioritisation, it was agreed that a robust case for investment had already been prepared for this scheme, which also has local support and can begin immediately, subject to the funding. The existing case for investment is being tailored to the requirements of LUF, with a clear focus on how the transport improvements will provide improved access to and creation of economic activity within an area of the city that requires capital investment to ensure reduced economic exclusion.

Moseley Road Baths & Balsall Health Library Overview

- 3.30 The Moseley Road Baths element of the project will allow for the next phase of the restoration of the Grade II listed Edwardian swimming pool and library to take place. The following works are included within the project;

- managers flat and boardroom
- flat roofs and roof lights
- Gala Pool balconies
- MRB basement structural works
- restoration works to Pool 2 windows
- external fabric of the Baths and Library
- internal redevelopment of the Library

- 3.31 During the Tranche 1 prioritisation, it was agreed that this scheme reflects the requirements of the fund and will be aligned to the heritage theme. The scheme is deliverable within the required timescales and has local support. The strategic case for investment is strong, with further evidence being prepared prior to the 18th June 2021 bid submission deadline for the associated commercial and management cases.

- 3.32 Moseley Road Baths regeneration is being delivered by a coalition of partners including BCC, the National Trust, Historic England, World Monuments Fund and a Charitable Incorporated Organisation. An expression of interest was submitted by the coalition, in the name of the National Trust, to the National Lottery Heritage Fund in October 2019. The expression of Interest was successful, and the National Trust were invited to submit a further stage 1 application in February 2021 for the development phase of the scheme. Unfortunately, due to the impact of the Covid-19 pandemic the National Trust were not in a position to progress the stage 1 application. As a coalition partner and freehold owner of the asset, the Council stepped in to submit the application or risk not progressing and failing to secure the funding required to progress the development, losing significant momentum and impact achieved by Council and coalition investment to date.

- 3.33 If successful the capital grant of up to £1.000 million received will enable the scheme to progress through the development stage to delivery stage and will lead to a potential further £5.430 million of grant funding. The Council will be informed of a decision on 29th June 2021. There are no conditions associated with this application that negatively impact the LUF bid or vice versa. If either of the bids is unsuccessful then the scheme delivered would be reduced accordingly.

Remediation of Former Birmingham Wheels Site (Bordesley Park) Overview

- 3.34 Remediation of the former Birmingham Wheels site to allow the land to be utilised for future employment opportunities. Works will include:
- full site investigations and ecological surveys
 - remediation and ground excavations
 - treatment of Japanese knot weed
 - ecological mitigation
 - demolition of structures on site and clearance of materials (namely tyres)
 - utility services diversions and installation
 - highway access improvements
 - land acquisition.
- 3.35 On 14th January 2020, the City Council adopted the Bordesley Park Area Action Plan (BPAAP) which seeks to drive forward the regeneration of the area delivering economic and housing growth opportunities to local residents and businesses, enhancing public transport and connectivity and supporting the sustainable growth of the city up to 2031. The BPAAP identifies the Wheels Park site and environs as a key area of change (key opportunity 1) which has the potential to become an attractive location for high quality employment use which delivers inclusive and sustainable growth, improved transportation and employment and training opportunities
- 3.36 At the heart of the Wheels Park area is the Wheels Site owned by the City Council, a former landfill site which has a number of challenges including contamination, access constraints, a poor environment and significant differences in ground levels.
- 3.37 The Wheels Park scheme as outlined in the BPAAP, aims to provide up to 1 million square feet of new and improved employment-led development, creating up to 3,000 jobs and training opportunities targeted at the local community and associated infrastructure including new access routes, an internal road network and improved access to public transport, in particular a new Metro route proposed to the south of the site which will connect the new HS2 Curzon Station in the city centre to the Airport and NEC.
- 3.38 The LUF bid will facilitate the regeneration of the Wheels Site which will provide the catalyst for the regeneration of the local area and contribute to the City

Council's wider aspirations for the East Birmingham growth corridor as set out in the recently approved East Birmingham Inclusive Growth Strategy.

Tranche 2 and Beyond

- 3.39 Following the conclusion of the Tranche 1 prioritisation process, the 4 schemes detailed above were identified as those that best met, at the current time, Assessment Framework criteria and were therefore most likely to result in successful bids. Several other schemes, across the city, were reviewed as part of the prioritisation process. Some of these additional schemes reflected the themes of LUF and therefore have a strong strategic case for investment but further work was required to strengthen scheme deliverability and associated evidence to demonstrate value for money. Once dates for Tranche 2 submissions have been identified, the LUF working group will agree the next steps to develop some/all of these additional schemes. The allocation of funding via Tranche 1, and broader funding opportunities, will need to be considered prior to the agreement of priority schemes for development towards a Tranche 2 submission.
- 3.40 Appendix B present the status of future funding bid ideas. Project groups have begun to be established for future bids, for example a Project Board has been created to focus on the regeneration of Northfield Local Centre which incorporates Gary Sambrook MP, local councillors and other stakeholders. One of the key objectives is to develop a suite of projects that could form the core of a future Tranche 2 LUF bid.

4 Options Considered and Recommended Proposal

- 4.1 **Option 1 – Do Nothing:** This alternative option to implementing recommendations 2.1 to 2.9 would hamper the city's opportunity to secure funding to invest in infrastructure that improves everyday life across Birmingham, including regenerating local centres and high streets, upgrading local transport, and investing in cultural and heritage assets. The projects selected have been significantly developed and progressed to an advanced stage and not applying to the fund would result in a loss of opportunity to deliver these projects.
- 4.2 **Option 2 - Submit bids to the Levelling Up Fund:** Source a significant amount of external funding and enable delivery of projects which have already been developed and have support but lack funding to progress further to the delivery stage. The delivery of these projects would help the city's ambition to be 'a city of growth, where every child, citizen and place matters' as set out in the Council's Plan 2021-25. For this reason, it is recommended to proceed with this option.

5 Consultation

Erdington High Street

- 5.1 Initial stakeholder engagement with the local community was carried out by the local councillors in March 2019 to identify key challenges on the High Street. The

consultation identified agreement among residents that the High Street needs transformation. Further engagement with the local community was carried out for the shortlisted option between 5th April 2020 – 12th April 2020. In total, 269 respondents participated in the consultation (93% live in Erdington). Grocery shopping is either the primary or secondary purpose of visiting the High Street by 75% of the respondents, followed by other types of shopping. Leisure time (including meeting friends or family), work, eating and drinking, beauty treatments, and other reasons are listed as less common motives for using the High Street.

- 5.2 The consultation respondents highlighted numerous issues considered as barriers to people using the High Street more often, these included the lack of parking spaces, poor road system and poor maintenance across the High Street. These reasons are reflected when respondents are asked to list changes they believe would improve the High Street. The most popular changes include measures to reduce anti-social behaviour and more police, investment to ensure that local businesses can thrive and more shops and supermarkets. Additional changes people wish to see is more free parking, pedestrianisation of the High Street, and investment to ensure the high street is clean. The vast majority claim they would visit the High Street more often (83%) and stay longer (70%) if such changes were made.

A457 Dudley Road Improvements

- 5.3 A full public consultation including stakeholders was undertaken between 17th November 2020 and 15th December 2020. 104 responses were received via BeHeard, e-mail and consultation events, which included cycling groups and other key stakeholders. Analysis of the consultation responses showed 61.01% either fully or partially supported the proposals subject to minor amendments.
- 5.4 The project officers contacted property owners/occupiers whose land or property is directly affected by the proposals and subject of the CPO to commence negotiations for acquisition in November 2019 (associated with the original scheme approved by Cabinet in June 2018 and subsequently November 2020 for the OBC and March 2021 for the Single Scheme Cabinet Report). Heads of Terms have been agreed to allow for the acquisition of 19 plots of land.
- 5.5 As a result of the feedback received to the consultation some modifications to the scheme were made.

Moseley Road Baths & Balsall Health Library

- 5.6 Consultation with the local community and stakeholders about the future of the Baths has been ongoing since c2018. It has included surveys, filming, interviews and a social media takeover. Business planning, demographic and market research has also been undertaken.
- 5.7 Local ward councillors, Cabinet Members, the Leader of the Council and the local MP have all been consulted upon the current proposals.

Remediation of Former Birmingham Wheels Site (Bordesley Park)

- 5.8 The Bordesley Park AAP was prepared following significant consultation over a number of years and at each stage of the plan making process. This culminated in submission of the AAP to the Secretary of State and an Examination in Public (EIP) that was held in May 2019 where outstanding objections and issues were considered. Following the receipt of the Planning Inspector's report which recommended that the AAP be adopted without modification, the Bordesley Park AAP was formally adopted by full Council on the 14th January 2020.

6 Risk Management

- 6.1 Key programme level risks are outlined in Appendix C. Such risks will be managed by senior Inclusive Growth and Neighbourhoods officers in conjunction with the relevant portfolio holders.
- 6.2 Risk management forms a key part of the management case of each LUF bid. A detailed risk assessment is included in each project's bid and includes identification of the barriers and level of risk to delivery, appropriate and effective arrangements for managing and mitigating the risks and a clear understanding on roles and responsibilities.
- 6.3 A structure to monitor projects to be formulated in line with guidance which is to be released by the government later this year. Project boards will be formulated to oversee the delivery of each scheme and this will include the monitoring and management of risks.

7 Compliance Issues

- 7.1 **How are the recommended decisions consistent with the City Council's priorities, plans**
- 7.1.1 The proposals align with policy objectives in the Council's Plan 2021-2025, the Birmingham Development Plan, Birmingham Connected, the Health and Wellbeing Strategy, and Clean Air/Climate Change Emergency including Route to Zero, as well as the Council's emerging Economic Recovery Plan.
- 7.1.2 In the context of inclusive economic growth, the LUF projects have a strong focus on supporting the City Council's core mission to be a "city of growth where every child, citizen and place matters". In addition, the programme seeks to make a significant contribution towards the key priorities of children, jobs and skills, housing and health by reducing congestion, enabling growth, improving accessibility, improving air quality, encouraging active and sustainable modes of travel, and tackling the climate emergency.

7.2 Legal Implications

- 7.2.1 Under the general power of competence per Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report and they are within the boundaries and limits of the general power of competence Sections 2 and 4 of the Localism Act 2011.
- 7.2.2 The power to voluntarily acquire, dispose, manage assets in land and property is contained in Sections 120 and 123 of the Local Government Act 1972. Under Section 111 of the Local Government Act 1972 the City Council may incur expenditure in relation to anything which is incidental to the discharge of its functions.
- 7.2.3 The Highways Act 1980 sets out the relevant powers for changes to existing highways and the adoption of new roads the Road Traffic Regulation Act 1984 contains the powers to make appropriate Traffic Regulation Orders and Section 247 of the Town and Country Planning Act 1990 to stop up highway.
- 7.2.4 The relevant legal powers for the making of a Planning CPO are contained in section 226(1) (a) Town and Country Planning Act 1990, and for the making of a Highways CPO are contained in Sections 239, 240 and 250 of the Highways Act 1980. Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 is relevant in respect of acquiring new rights.

7.3 Financial Implications

Capital

- 7.3.1 The fund is a capital only fund, a minimum of 10% match funding is encouraged (local authority and/or third-party contributions)
- 7.3.2 Approval is sought to submit four bids for LUF Tranche 1 totalling £64.018 million. Deadline for Tranche 1 bid submission is 18th June 2021, with a funding decision to be made during the government's Autumn Budget in November 2021.
- 7.3.3 Delivery of Tranche 1 schemes must commence by 31st March 2022. Due to the timescales provided by the government, each project's OBC and/or FBC will be subject to final approval as per the delegation sought in recommendation 2.6 within this report. An overview of the projects funding requirement from LUF, associated match funding including the prudential borrowing requirement and total project cost is shown in the table below.

Project	Total Cost	LUF Requirement	Match Funding	Prudential Borrowing
	£m	£m	£m	£m
Erdington High Street	56.438	12.673	43.765	0.000
A457 Dudley Road Improvements	30.135	19.941	10.194	3.242
Moseley Road Baths & Balsall Health Library (1)	31.467	14.259	17.208	10.425
Remediation of Former Birmingham Wheels Site (Bordesley Park)	19.050	17.145	1.905	1.265
Total	137.090	64.018	73.072	14.932

(1) £3.000m of the £10.425 million PB funding requirement has been approved previously and included in the MTFP. The balance will be subject to the Council's gateway approval process. At this stage it is anticipated this will be corporately funded Prudential Borrowing.

Erdington High Street

7.3.4 The total cost of the Preferred Option is £56.438m. This cost is largely being funded from a private sector source who has committed a combined total of £43.765m (c.80% of the total cost of the Preferred Option). This level of co-funding results in a funding-gap of £12.673m which is anticipated to be closed through LUF grant funding as shown in the table below.

Preferred Option	Co-funding Secured	LUF Requirement	Total Scheme Cost
	£m	£m	£m
Scheme 1: Community and Enterprise Hub	-	4.242	4.242
Scheme 2: Central Square Shopping Centre	43.765	3.918	47.683
Scheme 3: Community Space	-	2.016	2.016
Scheme 4: High Street Connectivity	-	1.839	1.839
Scheme 5: St Barnabas Connectivity	-	0.376	0.376
Monitoring and evaluation costs	-	0.282	0.282

TOTAL	43.765	12.673	56.438
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A457 Dudley Road Improvements

7.3.5 The total estimated capital cost of the scheme is £30.135 million of which £10.194 million of funding has been identified (including prudential borrowing of £3.242 million) leaving a LUF funding requirement of £19.941 million, which largely relates to the main scheme works as shown in the table below.

	Total
	£m
CAPITAL EXPENDITURE	
Developing a Shelf Ready Scheme (Inc Land Costs)	6.494
Western Road Junction (incl Statutory Undertakers)	5.438
Main Works Costs	18.203
Total Capital Expenditure	30.135
CAPITAL FUNDING:	
DfT	0.500
GBSLEP	5.043
ITB	0.009
Prudential Borrowing	3.242
Transportation & Highways Capital Programme	0.250
Section 278 Contribution	1.150
LUF Requirement	19.941
Total Capital Funding	30.135

Moseley Road Baths & Balsall Health Library

7.3.6 The total estimated capital cost of the scheme is £31.467 million of which £17.208 million of funding has been identified (including prudential borrowing of £10.425 million) leaving a LUF funding requirement of £14.259 million as shown in the table below

Moseley Road Baths & Balsall Heath Library	Total
	£m
Capital Expenditure	31.467
CAPITAL FUNDING:	
Historic England	0.223
World Monuments Fund	0.130
Birmingham City Council	10.425
National Lottery Heritage Fund	6.430
LUF Requirement	14.259
Total Capital Funding	31.467

7.3.7 Moseley Road Baths regeneration is being delivered by a coalition of partners including BCC, the National Trust, Historic England, World Monuments Fund and a Charitable Incorporated Organisation. An expression of interest was submitted by the coalition, in the name of the National Trust, to the National Lottery Heritage Fund in October 2019. This expression of Interest was successful and the National Trust were invited to submit a further stage 1 application in February 2021 for the development phase of the scheme. Unfortunately, due to the impact of the Covid-19 pandemic the National Trust were not in a position to progress the stage 1 application. As a coalition partner and freehold owner of the asset, the Council stepped in to submit the application or risk not progressing and failing to secure the funding required to progress the development, losing significant momentum and impact achieved by Council and coalition investment to date.

7.3.8 If successful the capital grant of up to £1.000 million received will enable the scheme to progress through the development stage to delivery stage and will lead to a potential further £5.430 million of grant funding. The Council will be informed of a decision on 29th June 2021. There are no conditions associated with this application that negatively impact the LUF bid or vice versa. If either of the bids is unsuccessful then the scheme delivered would be reduced accordingly

Remediation of Former Birmingham Wheels Site (Bordesley Park)

7.3.9 Costs presented in the table below are very high level. Further work is being undertaken to determine the schemes funding profile and LUF ask and will form part of the OBC and FBC governance process. The Council's capital match-funding is being provided from corporate resources including borrowing funded from capital receipts.

Activity	Cost
	£m
Further site investigations & ecological surveys	0.300
Remediation and ground excavations	6.250
Ecological mitigation	0.150
Demolition and clearance of material / tyres	0.750
Service / utility diversions & installation	4.000
On site access	2.000
Off-site highway improvements	1.100
Japanese knot weed	0.500
Third party land acquisition	4.000
Total Capital Expenditure	19.050
Capital Funding	
LUF Requirement	17.145
Match Funding (10%)	
- Costs Already Incurred	0.640
- Prudential Borrowing	1.265
Total Capital Funding	19.050

Revenue Implications

7.3.10 It should be noted that £0.125 million of revenue funding is available for each eligible LA to build capacity. Approval to accept this funding is sought in this report.

7.3.11 Existing staff within Inclusive Growth and Neighbourhoods Directorates have been refocused to work on the LUF programme to ensure that the timescales required by the government are met and will be funded from existing Inclusive Growth and Neighbourhoods Directorates' revenue budgets. Staff are being supported by external consultants where required which is funded through the revenue capacity funding.

Erdington High Street

7.3.12 The scheme was the subject of an unsuccessful Future High Street Fund bid in April 2020. The bid and the associated Cabinet report did not quantify the revenue implications of the scheme, but did identify that revenue costs may be incurred in relation to

- increased highway maintenance costs (mitigated by a de-cluttering exercise)
- increased parking enforcement costs (less revenue raised)
- increased parks maintenance costs
- change in business rate and council tax receipts

7.3.13 Revenue costs and appropriate funding sources will need to be identified as part of the OBC and FBC governance process in relation to the individual schemes.

7.3.14 The scheme does not require any match funding from the City Council.

A457 Dudley Road Improvements

7.3.15 The scheme was the subject of 2 separate Cabinet reports in March 2021 covering the Western Road Junction and the Main Scheme Works elements.

7.3.16 The update report to Cabinet on the main scheme works identified the estimated net highway maintenance cost for the revised scheme of £0.042 million per annum of which, £0.010 million relates to the Western Road Phase 1 Advanced Works, as a result of increased material quantities required for the Revised Scheme and an increase in maintenance unit costs.. This cost will be funded from the provision for highways maintenance held within Corporate Policy Contingency. The costs will be confirmed as part of the OBC and FBC governance process. The detailed design will be developed by the appointed design and build contractor with a view to minimising the future maintenance liability to the City Council.

7.3.17 The Council will need to undertake Prudential Borrowing (PB) of £3.242 million to fund the match funding requirement. The annual cost of the PB is estimated at £0.197 million (full year effect) over a 20 year period and will be funded from bus lane enforcement income.

Moseley Road Baths & Balsall Health Library

7.3.18 The scheme has not been subject to any formal appraisal to date.

7.3.19 Revenue costs and appropriate funding sources will need to be identified as part of the OBC and FBC governance process in relation to the individual schemes.

7.3.20 The Council will need to undertake Prudential Borrowing (PB) of £10.425 million to fund the match funding requirement. The annual cost of the PB is estimated at £0.395 million (full year effect) over a 40 year period.

£3.000 million of this is funded from corporate resources. The remainder will be subject to the Council's gateway approval process. It is anticipated that this will also require corporate funding.

Remediation of Former Birmingham Wheels Site (Bordesley Park)

- 7.3.21 Revenue costs including highways maintenance costs and appropriate funding sources will need to be identified as part of the OBC and FBC governance process.
- 7.3.22 The Council will need to contribute £1.905 million to cover the match funding requirement. The Council has already incurred costs of £0.640 million in obtaining control of the site and the remaining match-funding of up to £1.265 million will be funded via prudential borrowing over 5 years at an annual cost of £0.017 million (full year effect) funded from existing Inclusive Growth Directorate revenue budgets. The borrowing is expected to be repaid after 5 years via a capital receipt from disposal of the site.

Other

- 7.3.23 There is a risk of clawback if the schemes are not delivered within the agreed delivery timescales. However, given that deliverability is a key criteria in the assessment of the bids and award of funding, this risk should be minimal as any bids deemed at significant risk of non-delivery are unlikely to be successful.
- 7.3.24 If the funding bid is successful, the grant funding for certain elements of the Erdington High Street will be passported to the delivery partners (Godwin Developments Limited and Witton Lodge Community Association) via Conditions of Grant Aid (CoGA) Agreements in line with the funding application.

7.4 Procurement Implications

- 7.4.1 There are no direct procurement implications contained within this report. However, it should be noted that schemes will be delivered by the City Council and the procurement strategies will be reported in accordance with the Council's Constitution and Procurement Governance Arrangements, with demonstration of value for money and compliance with the Birmingham Business Charter for Social Responsibility clearly set out.

7.5 Human Resources Implications (if required)

- 7.5.1 Staff within Inclusive Growth have been refocused to work on the LUF programme to ensure that the timescales required by the government are met. Staff are supported by consultancy agreements where required. All staffing costs for the development of Tranche 1 scheme will be met from existing Inclusive Growth Directorate resources.

7.6 Public Sector Equality Duty

7.6.1 An initial screening for an Equality Analysis (EA) has been undertaken for the LUF bids and has concluded that a full EA is not required at this time, with no adverse impacts on the protected groups and characteristics under the Equality Act 2010. This position will be reviewed for each composite project and/or programme at FBC stage as necessary. The initial EA screening is provided as Appendix D to this report.

8 Appendices

List of Appendices accompanying this report:

Appendix A – Scheme Evaluation & Prioritisation Protocol

Appendix B – Schemes in Development by Constituency

Appendix C – Risk Register

Appendix D – EA Screening

9 Background Documents

- Levelling Up Fund: Prospectus, HM Treasury (2021)
- Levelling Up Fund: Technical note, HM Treasury (2021)
- Levelling Up Fund: Frequently asked questions, HM Treasury (2021)

Erdington High Street

- Urban Centres: A Framework for Inclusive Growth January 2020
- Report to Cabinet 20th April 2020, Erdington Future High Streets Application for Government Funding

A457 Dudley Road Improvements

- Report to Cabinet 16th March 2021, A457 Dudley Road Improvement Revised Scheme Update Report

Remediation of Former Birmingham Wheels Site (Bordesley Park).

- Bordesley Park Area Action Plan January 2020
- Report to Cabinet 17th March 2020, Wheels Site Development: Strategic Business Case

BCC Levelling Up Fund

Scheme Evaluation and Prioritisation Protocol

Introduction

This document sets out the protocol which will be used to review and sift Birmingham City Council schemes. The priority schemes will represent the submission to the UK Levelling Up Fund, Tranche 1.

The appraisal criteria have been developed to support an incremental process, where failure to demonstrate deliverability from 2021/22, or have MP support, would remove the scheme from the process.

This document is intended to be read in conjunction with the guidance documents that supported the LUF Application Form (*Levelling Up Fund Technical Note - UK Wide*).

This document sets out which pieces of information associated with each scheme will be scored in the sifting process and how scores will be allocated.

The Scheme Prioritisation Scoring Protocol

Stage 1, Question 1: Deliverability

Will the scheme bid include plans for some LUF expenditure in 2021-22?

Yes, the scheme has LUF expenditure in 2021-22 - **the scheme moves into Stage 1, Question 2, below.**

No, the scheme has no LUF expenditure in 2021-22 - **the scheme does not move into Stage 2, but could be considered for further LUF Tranches.**

Stage 1, Question 2: MP Endorsement

Has any MP formally given the bid their priority support in this funding round, with a signed letter included?

below.

No, formal support has not been given from any MP - **the scheme does not move into Stage 2, but could be considered for further LUF Tranches.**

Stage 2: Tranche 1 Scheme Sifting

The areas of the Proforma which will be scored are set out in this section together with information on how score values will be allocated.

In general a four point scoring scale will be used, unless stated otherwise, as set out in the table below.

Score
3 - Maximum
2
1
0 - Minimum

Strategic Fit

Stakeholder Engagement and Support

There is an expectation of engagement with all relevant stakeholders. The range of stakeholders will vary and therefore there is no list of stakeholders for whom evidence of support must be provided with exception of where the local MP is supporting the bid as a priority. Wider MP (non-priority MP) support should be demonstrated here.

Applications should set out:

- What engagement has been done with local stakeholders and the community
- Explains how stakeholders have been identified, and the efforts made to reach those that might not normally engage
- Outlines the methods used, including innovative virtual methods given the constraints of ongoing Covid-19 restrictions
- The extent to which this engagement has informed the bid
- All engagement activities should be evidenced, including links to any current/ongoing consultations, community forums, etc
- Where success of the bid is reliant on the cooperation and support of stakeholders or the local community, that should be made clear and evidenced in the response

Stakeholder engagement and support will be rated as follows:

- 3 - The bid meets all of the stakeholder engagement and support criteria
- 2 - The bid meets most of the outlined criteria
- 1 - The bid meets some of the outlined criteria
- 0 - The bid does not meet the outlined criteria

The Case for Investment

Bid outlines a strong case for investment and a realistic theory of change demonstrating:

- Evidence of the local challenges/barriers to growth and context that the bid is seeking to respond. A clear explanation on what is to be invested in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, the rationale for the location that the bid is focusing on should be included.
- For transport schemes this should be presented as an Options Assessment Report (OAR).
- Sets out what the planned outputs and outcomes are and how it will deliver the outputs and confirms these results are likely to flow from the interventions.
- An explanation on why Government investment is needed (what is the market failure)
- Explains whether/ how other public and private funding will be leveraged

Scoring for case for investment as follows:

- 3 - Bid provides all relevant information to demonstrate a strong case for investment and a realistic theory of change
- 2 - Bid provides most of the relevant information required to demonstrate a strong case for investment and a realistic theory of change
- 1 - Bid provides some relevant information required to demonstrate a strong case for investment and a realistic theory of change
- 0 - Bid doesn't provide enough relevant information to demonstrate a case for investment

Alignment with the Local and National Context

Explain how the bid aligns to and supports:

- Relevant local strategies including the Birmingham City Council Transport Plan and local objectives for investment, improving infrastructure, local economic development and levelling up.
- UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. Bids for transport projects in particular should clearly explain their carbon benefits.
- Other investments from different funding streams, such as (but not limited to) the Towns Fund, Future High Streets Fund and Transforming Cities Fund.
- The Government's expectation is that all local road projects will also deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required.

Scoring for local and national context as follows:

- 3 - Bid strongly aligns to and supports Birmingham City Council and UK government policy, targets and strategies and other investments.
- 2 - Bid mostly aligns to and supports BCC and UK government policy, targets and strategies, and other investments.
- 1 - Bid somewhat aligns to and supports BCC and UK government policy, targets and strategies, and other investments
- 0 - Bid does not align to and support BCC and UK government policy, targets and strategies, and other investments

Value for Money

Appropriateness of Data Sources and Evidence

including:

issues.

- Data collection and survey methods are sufficient to ensure data is robust and unbiased.
- Data is comprehensive in coverage, i.e. the area of interest.

Scoring for appropriateness of data sources and evidence as follows:

- 3 - Comprehensive and high quality data analysis and evidence is utilised to explain the scale and significance of local problems and issues
- 2 - Data analysis and evidence mostly meets outlined criteria
- 1 - Data analysis and evidence somewhat meets outlined criteria
- 0 - Data analysis and evidence does not meet outlined criteria

Effectiveness of Proposal in Addressing Problems

Analysis and evidence on how the proposals will address existing or anticipated future problems. Quantifiable impacts should, where appropriate, usually be forecasted using a suitable model. Key factors are:

- Robustness of the forecast assumptions, methodology and model outputs
- Quality of the analysis or model (in terms of its accuracy and functionality)

*For non-transport measures, theory of change evidence should be identified and referenced.

Scoring for effectiveness of proposal in addressing problems as follows:

- 3 - Analysis and evidence of how the proposals will address existing or future problems are comprehensive, accurate and quantified, where appropriate
- 2 - Analysis and evidence of how the proposals will address existing or future problems mostly meets outlined criteria
- 1 - Analysis and evidence of how the proposals will address existing or future problems somewhat meets outlined criteria
- 0 - Analysis and evidence is not provided or does not meet the outlined criteria

Economic Costs of Proposal

Economic costs should be consistent with the costs in the financial case but adjusted for the economic case. Inflation should be included, fully explained and appropriate. The costs should be adjusted to an appropriate price base year, including adjustment for risk and optimism bias

Scoring for economic costs of proposal as follows:

- 3 - Provided economic costs are appropriately calculated, adjusted and explained
- 0 - Economic costs not provided or do not meet outlined criteria

Analysis of Monetised Costs and Benefits

- The economic benefits of the proposal are properly measured. These should, where possible, be explained in terms of outcomes. For example, the economic case analysis for transport bids could estimate how they will reduce journey times, support economic growth, support employment, or reduce carbon emissions. For regeneration bids, direct and wider land value uplift, amenity, air quality may be relevant.
- Explanation of how benefits and costs are analysed and estimated, and of how this approach to the analysis is proportionate for the proposal being considered.

Scoring for analysis of monetised costs and benefits is as follows:

- 3 - Economic benefits of the proposal are properly measured, clearly explains how benefits/costs are analysed and estimated, and outlines how the approach is proportionate for the proposal being considered
- estimated
- estimated
- 0 - Economic benefits of the proposal are not measured

Value for Money of Proposal

A summary of the overall value for money of the proposal.

- This should include reporting of Benefit Cost Ratios, with a methodology note.
- Other non-monetised impacts are properly assessed.
- A summary assessment of risks and uncertainties that could affect the overall Value for Money.

Scoring of Value for Money of Proposal as follows:

- 3 - A comprehensive summary of the overall value for money of the proposal is provided including BCRs, risks and uncertainties and non-monetised impacts assessed properly. Scheme BCR > 4
- 2 - A comprehensive summary of the overall value for money of the proposal is provided including BCRs, risks and uncertainties and non-monetised impacts assessed properly. Scheme BCR > 2

1 - A summary of the overall value for money of the proposal is provided. Scheme BCR > 1. including BCRs, risks and uncertainties and non-monetised impacts.

0 - No value for money of the proposal is provided.

Deliverability

Financial

Provide details of:

- Costs and spend profile at the project and bid level. This should also set out clearly what funding is secured from other sources and major interdependencies where funding has not been secured
- Local and third-party contributions (a minimum local contribution of 10%) (local authority and/or third party) of the bid costs is encouraged.
- Certainty over the whole funding package, including evidence of any wider public or private sector co-funding commitments (i.e. letters, contractual commitments). Identification of any gaps in funding
- Information on margins and contingencies that have been allowed for and the rationale.
- The main financial risks and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners.

Financial scoring summary as follows:

3 - Comprehensive financial details provided. Non-LUF contribution >50%. No gaps in funding.

2 - Financial details provided. Non-LUF contribution >10%. No gaps in funding.

1 - Financial details provided. Non-LUF contribution >10%. Gaps in funding exist.

0 - Financial details provided. Non-LUF contribution <10%. Gaps in funding exist.

Commercial

Provide a robust procurement strategy which sets out the rationale for the strategy selected and other options considered and discount. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

All procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties.

Commercial scoring summary as follows:

3 - Procurement strategy is robust, sets out strategy selection rationale and is appropriate to the scale and nature of the bid. Procurement also meets relevant legal requirements. No risk to 2021/22 start.

2 - Procurement strategy in draft and is specific to scheme being promoted. No risk to 2021/22 start.

1 - Procurement strategy in draft. Potential risk to 2021/22 start.

0 - Procurement strategy does not exist.

Management

A delivery plan which demonstrates:

- Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.
- An understanding of the roles and responsibilities, skills, capability, or capacity needed.
- Arrangements for managing any delivery partners and the plan for benefits realisation.
- Engagement of developers/ occupiers (where needed)
- The strategy for managing stakeholders and considering their interests and influences.

- Confirmation of statutory approvals e.g. Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid
- Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.
- The ability to spend some LUF in 2021/22

A detailed risk assessment which sets out:

- the barriers and level of risk to the delivery of your bid.
- appropriate and effective arrangements for managing and mitigating these risks
- a clear understanding on roles / responsibilities for risk

Evidence of a track record and past experience of delivering schemes of a similar scale and type.

Management scoring as follows:

3 - A comprehensive delivery plan, risk assessment and evidence of a track record and past experience is provided

2 - Delivery plan, risk assessment and previous project evidence mostly meets criteria

1 - Delivery plan, risk assessment and previous project experience somewhat meets criteria

0 - Delivery plan, risk assessment and previous project experience does not meet criteria

Monitoring and Evaluation

A proportionate monitoring and evaluation plan which sets out:

- Bid level M&E objectives and research questions
- Outline of bid level M&E approach
- Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change
- Resourcing and governance arrangements for bid level M&E

Monitoring and evaluation scoring

3 - Proportionate monitoring and evaluation plan is provided with all outlined criteria

2 - Monitoring and evaluation plan is provided in draft

1 - Monitoring and evaluation plan can be prepared by June 2021

0 - Monitoring and evaluation plan cannot be prepared by June 2021

Place Characteristics

Funding will be targeted towards places in England, Scotland and Wales with the most significant need. This is measured by an index taking into account the following place characteristics:

- need for economic recovery and growth;
- need for improved transport connectivity; and,
- need for regeneration

Using this index, places have been allocated the following categories; 1, 2 or 3. A category 1 represents places with the highest levels of identified needs.

The city of Birmingham has been identified as a Category 1. As this protocol has been developed for Birmingham City Council bids, it is assumed each is a category 1.

Refer to *Levelling Up Fund list of local authorities by priority category.xl* for bids out with the City of Birmingham.

This protocol will score place characteristics as follows:

- 3 - Category 1, and within a top 20 IMD most deprived area in England.
- 2 - Category 1, and within a top 50 IMD most deprived area in England.
- 1 - Category 1, and not within a top 50 IMD most deprived area in England.

3. The Scheme Prioritisation Score Weighting Protocol

The table below outlines the score weighting protocol by assessment criteria as stated in the *Levelling Up Fund Technical Note - UK Wide* for Stage 2: Assessment and Shortlisting Bids.

Theme
Strategic Fit
Value For Money
Deliverability
Place Characteristics
Total

4. The Assessment Spreadsheet

An assessment spreadsheet accompanies this scheme prioritisation process.

Appendix B – Schemes in development by constituency

The table gives an overview of project identification and development activity by constituency.

Note that MHCLG have advised that they will be issuing further detail on how the Fund will operate from 2022-23 onwards which will be set out later this year. Outline schemes identified for possible submission for future bidding rounds will have to be reassessed against any additional guidance issued by MHCLG. Early project identification work will also need to consider the potential for schemes generating additional revenue cost pressures arising from maintenance requirements etc.

Constituency	Tranche One	Tranche Two / Later Rounds	Lead Officer/s Project Manager in Bold	Notes
Erdington	Erdington Town Centre Future High Streets Bid - Enhanced		Doug Lee (IG - PD) Chris Jordan (N)	<ul style="list-style-type: none"> Full engagement with Jack Dromey MP and Cllr Alden. MP Support secured.
Edgbaston		Alternative proposals to be pursued in constituency.		<ul style="list-style-type: none"> No Edgbaston schemes at OBC/concept stage within city and partners pipeline. Next steps to include engagement with MP to identify local priorities and exploration of governance / working group options.
Hall Green	Moseley Road Baths & Library		Dave Wagg (N) Chris Jordan (N)	<ul style="list-style-type: none"> MP support secured.
Hodge Hill	Wheels Site Remediation to deliver AAP and possible employment site		Doug Lee (IG - PD) Mark Gamble (IG) Ian MacLeod (IG)	<ul style="list-style-type: none"> MP support secured.
Ladywood	Dudley Road Improvements (multi-modal transport corridor)		Rob Warner and Paul Simkins (IG – TC) Rachel Telfer (IG – TC) Phil Edwards (IG – TC)	<ul style="list-style-type: none"> MP support secured.
Northfield		Northfield Local Centre Improvements	Doug Lee (IG – PD)	<ul style="list-style-type: none"> Early discussions with MP on local priorities. No firm or developed scheme proposals for Tranche 1 hence exploration of possible schemes for Tranche 2. Project Board established to progress local aspirations.
Perry Barr		Perry Barr – scheme identification	Becky Farr (IG – PD) Rachel Telfer (IG – PD)	<ul style="list-style-type: none"> Project prioritisation exercise to be undertaken following review of updated guidance from MHCLG re future tranche submissions. Ongoing engagement with MP to identify local priorities and exploration of governance / working group options. Discussions also taking place with CWG Programme Team on complementing Games activity. Other areas, such as Lozells Rd, to be considered particularly where there is strategic alignment with key policy documents (in this case Our Future City Plan).
		Perry Park/Alexander Stadium Phase 2 Legacy	Dave Wagg (N) Chris Jordan (N)	<ul style="list-style-type: none"> OBC approved. RIBA Stage 1 Design Report delivered. More work needed to develop scheme and FBC.
		Soho Road Improvements	Becky Farr (IG – PD) Rachel Telfer (IG – PD)	<ul style="list-style-type: none"> Development work completed.
Selly Oak		Druids Heath - new facilities as part of regeneration and public hub programme	Colette McCann (IG – HD) Kathryn James (IG – BPS)	<ul style="list-style-type: none"> Some engagement with local MP; seems to be a local will for this to be included as a Tranche 2 submission aligned with public hub programme. Further discussions with local MP, governance arrangements to be put in place, options analysis to be undertaken and scope agreed.
Sutton Coldfield		Implementation of highway and transport projects as set out in the Sutton Coldfield Town Centre Masterplan	Becky Farr (IG – PD) Director and ADs (IG – PD)	<ul style="list-style-type: none"> Positive support from local MP and Town Council. Working Group established (with TfWM, Town Council), which will identify scheme options and programme of work.
Yardley		Further expansion and development of Tyseley Energy Park (TEP)	Mark Gamble (IG – PD)	<ul style="list-style-type: none"> Options are in development in partnership with TEP stakeholders including Webster and Horsfall and UoB with intention to align with future rounds of LUF Discussions around current opportunities have concluded that further development is needed.
		Yardley project identification	TBC	<ul style="list-style-type: none"> More discussion needed with MP re any other potential bids, e.g. River Cole Corridor.

Item 5

Key:




	Shovel ready, approvals in place, able to rapidly respond to a funding call
	Requires development work and/or development funding for T1 or T2
	Concept stage, further information required, significant development work and funding required

No	Risk Description	Owner / Manager	Inherent Risk			Measures in place to manage	Residual Risk			Status	Further Action
			Impact	Likelihood	Exposure		Impact	Likelihood	Exposure		
1	Insufficient funding to fully deliver programme	Relevant Assistant Director (depending on project)	High	Medium	High	Detailed programme and cost management. New sources of funding obtained	High	Medium	High	Same	
2	Risk of clawback of funding for non-delivery/meeting grant conditions.	Relevant Assistant Director (depending on project)	High	Low	Medium	Effective scheme governance processes in place, which will include scheme monitoring to ensure compliance with grant conditions.	High	Low	Low	Better	
3	Objections from key consultees	Relevant Head of Service (depending on project)	High	Medium	Medium	The scheme package has been discussed with senior members. Some schemes have already been consulted upon.	High	Low	Medium	Better	
4	Skills, capacity and capability insufficient to fully deliver programme	Relevant Head of Service (depending on project)	High	Medium	High	Recruitment, training and use of consultancy framework in place.	Medium	Low	Low	Better	
5	Contractors experience financial difficulties.	Contractor	High	Low	Medium	It is proposed to procure the works through current frameworks, in house resources or partner frameworks. Financial checks will be carried out during tender evaluation processes.	High	Low	Medium	Same	
6	Insufficient revenue resources to fully cover inventory growth	Relevant Assistant Director (depending on project)	High	Medium	High	Revenue provision subject to Corporate/Directorate review.	High	Medium	High	Same	Governance processes used to monitor and assess likely revenue impacts during and after delivery.
7	Land Ownership.	Relevant Head of Service (depending on project)	Medium	Medium	Medium	Land ownership has been reviewed. Some projects may require third party land or a CPO	Medium	Medium	Medium	Same	

9	Legal Agreements/Funding agreements with partners	Relevant Head of Service (depending on project)	High	Low	Low	Most agreements in place.	Medium	Low	Low	Better	
10	Further costs identified (costs overrun)	Relevant Assistant Director (depending on project)	High	Medium	High	Continual management and review of projects and risks being undertaken.	High	Medium	High	Same	Value management exercises will be pursued where cost overrun is anticipated.
11	Third party contributions do not materialise	Relevant Assistant Director (depending on project)	Medium	Medium	Medium	Regular engagement with partners.	Medium	Medium	Medium	Same	Value management exercises will be pursued where cost overrun is anticipated.
12	Sunk development costs become abortive and a revenue pressure	Relevant Assistant Director (depending on project)	Medium	Medium	Medium	Close engagement with funder partners and provision made within revenue budgets.	Medium	Medium	Medium	Same	Alternative funding sources will be sought for unsuccessful schemes.

Measures of likelihood/ Impact:

Description	Likelihood Description	Impact Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long term recovery period.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.	Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Serious impact on output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Possible, might occur at some time. 20% - 50% chance.	Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Unlikely, but could occur at some time. Less than 20% chance.	Minor loss, delay, inconvenience or interruption. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.

Title of proposed EIA	HM Treasury Levelling Up Fund – Tranche 1 Bids
Reference No	EQUA690
EA is in support of	New Function
Review Frequency	Annually
Date of first review	28/06/2022
Directorate	Inclusive Growth
Division	Transport and Connectivity
Service Area	Transport Planning and Network Strategy
Responsible Officer(s)	 Peter A Bethell
Quality Control Officer(s)	 Janet L Hinks
Accountable Officer(s)	 Mel Jones
Purpose of proposal	To review the application by Birmingham City Council for first tranche of the HM Treasury's Levelling Up fund.
Data sources	
Please include any other sources of data	
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Wider Community
Age details:	<p>The bids submitted for Levelling Up Funding will deliver benefit for users of all age groups, including the very young and the old.</p> <p>Public realm design will specifically consider the needs of all users, including surfacing and street furniture layout to support improved access for those with dementia and specific mobility issues associated with older age.</p> <p>The proposed pedestrianisation of Erdington High Street will benefit all pedestrian users, including the very young and the old. Improved safety measures between the station and the High Street will benefit all users, including the old, by improving access to a range of key health,</p>

Protected characteristic: Disability

Disability details:

employment, leisure, education, retail and transport services and facilities, which will act to improve quality of life for local residents.

The provision of the Toucan crossings on the Dudley Road and Winson Green Road will benefit all pedestrians, including the very young and the old. The crossings will enable all pedestrians to cross the road safely.

Wider Community

The bids submitted for Levelling Up Funding will benefit all users, and will take into account the needs of disabled users,

The design standards for each scheme will ensure that the needs of the mobility impaired are catered for.

Pedestrianisation of Erdington High Street and the addition of disabled access to St. Barnabus churchyard will benefit disabled users, including wheelchair users, by ensuring all new features are designed to the latest standards to support ease of access for those with additional mobility needs and other disabilities, such as blind and partially-sighted persons.

Toucan crossings on the Dudley Road and Winson Green Road will enable all pedestrians to cross the road safely, and will benefit disabled users, including wheelchair users, by improving access for all (including those with protected characteristics) to a range of key services and facilities provided locally including health, employment, leisure, education, retail and transport services enabling local residents to enjoy an enhanced quality of life.

Protected characteristic: Sex

Gender details:

The renovation of the Moseley Road baths will include enhanced opportunities for disabled users.

Wider Community

The pedestrianisation of Erdington High Street and the improved lighting of St. Barnabus churchyard will improve safety for all users, particularly females travelling on their own.

The renovation of Moseley Road baths will include the opportunity for further women-only sessions, where women can use the facilities in a safe environment.

Protected characteristics: Gender Reassignment

Gender reassignment details:

Not Applicable

Moseley Road baths will provide an enhanced experience for those going through gender reassignment, the baths already provides cubicles where people can get changed in a safe environment.

Protected characteristics: Marriage and Civil Partnership

Marriage and civil partnership details:

Protected characteristics: Pregnancy and Maternity

Pregnancy and maternity details:

Not Applicable

Wider Community

The bids submitted for Levelling Up Funding will benefit all users, including parents with small children, in particular, by improving access for all (including pregnant women and those with small children) to key health, employment, leisure, education, retail and transport services and facilities.

Pedestrianisation of Erdington High Street and the improved lighting in St. Barnabus churchyard will benefit all pedestrian users, including parents with pushchairs. Toucan crossings on the Dudley Road and Winson Green

Road will benefit all pedestrians, including parents with pushchairs.

Protected characteristics: Race

Race details:

Wider Community

A number of the proposed schemes, particularly those in the Dudley Road area, Moseley Road and Balsall Heath, and the former Birmingham Wheels site, are in areas where there are a high proportion of BAME residents. These schemes will have a positive impact on the communities immediately surrounding the sites, and will enhance the quality of life for residents and workers in those areas.

Protected characteristics: Religion or Beliefs

Religion or beliefs details:

Wider Community

The proposed Dudley Road improvements will increase connectivity and accessibility to the area, including places of worship.

The renovation of Moseley Road baths will include the opportunity for further women-only sessions. There is a large Muslim population in this area, and women may feel more comfortable using the facilities in women-only sessions.

Protected characteristics: Sexual Orientation

Sexual orientation details:

Socio-economic impacts

Please indicate any actions arising from completing this screening exercise.

Not Applicable

This Equalities Assessment reviews the application by Birmingham City Council for first tranche of the HM Treasury's Levelling Up fund.

On March 3rd 2021 the government announced a £4.8 billion Levelling Up Fund as part of the Spring Budget. The fund will provide investment into infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport

infrastructure, and investing in cultural and heritage assets.

The fund allows for a parliamentary constituency to submit a bid for up to £20 million for a scheme or package of schemes once during the fund's four-year period. The fund is to be split into tranches, with up to £650 million of the £4.8 billion available within the first tranche, which covers the financial year 2021/22.

From a long list of schemes, prioritisation was undertaken to assess each against the LUF criteria, and to identify those schemes that could maximise funding for the city. Birmingham City Council proposes to submit four bids to the first tranche of the Levelling Up Fund totalling £62.020 million.

They are:

- Erdington High Street

The LUF will be used to facilitate a transformation of Erdington High Street into a thriving centre, providing new start up business incubation space, housing, cultural, leisure and social activities for all ages as well as improved urban realm and physical and social connectivity within the area.

- A457 Dudley Road Improvements

Improvements will be made along the A457 Dudley Road, near to Birmingham City Hospital, to reduce traffic congestion through junctions and to make improvements for active travel modes.

- Moseley Road Baths & Balsall Health Library

The Moseley Road Baths element of the project will allow for the next phase of the restoration of the Grade II listed Edwardian swimming pool and library to take place.

- Remediation of Former Birmingham Wheels Site.

Remediation of the former Birmingham Wheels site to allow land to be utilised for future employment development usage. Works will include full site investigations and ecological surveys, remediation and ground excavations, treatment of Japanese knot weed, ecological mitigation, demolition of structures on site and clearance of materials (namely tyres), utility services diversions and installation, highway access improvements, and land acquisition.

If successful, these bids could have a significantly positive impact on our communities and within that, many of the protected characteristic groups. It is considered that there are no aspects of the Levelling Up Fund that could contribute to inequality. The facilities and measures proposed are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity, disability, marriage / civil partnership or religion / belief.

The BCC Scheme Evaluation and Protocol document outlines the methodology whereby schemes are assessed for suitability. As part of the stakeholder engagement and support, there will be engagement with all relevant stakeholders. This includes groups representing the protected characteristics, including disability groups (e.g. RNIB), faith groups and age-related groups (e.g. Age Concern). Consultation with such groups on each

individual scheme will ensure that the protected characteristics are taken into account.

The bids align with relevant local and national strategies, including the BCC Council Transport Plan, which already takes into account the needs of the protected characteristics; and UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality.

Please indicate whether a full impact assessment is recommended

NO

What data has been collected to facilitate the assessment of this policy/proposal?

Consultation analysis

Adverse impact on any people with protected characteristics.

Could the policy/proposal be modified to reduce or eliminate any adverse impact?

How will the effect(s) of this policy/proposal on equality be monitored?

What data is required in the future?

Are there any adverse impacts on any particular group(s)

No

If yes, please explain your reasons for going ahead.

Initial equality impact assessment of your proposal

Consulted People or Groups

Informed People or Groups

Summary and evidence of findings from your EIA

All schemes proposed within the Levelling Up Fund are provided as a 'public good' and are available for all members of the community and visitors alike to use. Individual schemes will be subject to further screening for equalities analysis.

The facilities and measures proposed within the bids for the Levelling Up fund proposals are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity, disability, marriage / civil partnership or religion / belief.

Internal consultation has been undertaken with the Director

Inclusive Growth, the Director of Neighbourhoods, the Assistant Director Highways, the Assistant Director Planning, the Assistant Director Development, the Assistant Director Transport and Connectivity and the Assistant Director Neighbourhoods

Full external consultation will be undertaken with all relevant stakeholders as part of individual Options Appraisals and FBCs, in accordance with normal practice, including ward councillors, residents, emergency services and businesses. All members of the local community, including groups of people whose first language is not English, will be invited to comment on the proposals during the public consultations. All proposals will be designed in accordance with national design standards, which give consideration to the needs of disabled people; helping to promote positive attitudes towards disabled people.

Individual scheme proposals will be further screened for equalities analysis as part of standard Council governance and approval processes, and EA's will be completed at Options Appraisal and FBC stage for individual projects and programmes.

QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

No

Quality Control Officer comments

Proceed to Accountable Officer 27 05 2021

Decision by Quality Control Officer

Proceed for final approval

Submit draft to Accountable Officer?

Yes

Decision by Accountable Officer

Approve

Date approved / rejected by the Accountable Officer

28/05/2021

Reasons for approval or rejection

Approved on the basis of positive or neutral impacts on protected characteristics

Please print and save a PDF copy for your records

Yes

Julie Bach

Person or Group

Content Type: Item

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Birmingham City Council

Report to Cabinet

8 June 2021



Subject: Highway Maintenance and Management PFI Contract

Report of: Acting Director, Inclusive Growth and Interim Director of Council Management

Relevant Cabinet Members: Councillor Waseem Zaffar, Transport and Environment
Councillor Tristan Chatfield, Finance and Resources

Relevant O&S Chairs: Councillor Liz Clements, Sustainability and Transport
Councillor Mohammed Aiklaq, Resources

Report author: Kevin Hicks, Assistant Director, Highways and Infrastructure, Telephone No: 0121 303 7939
Email Address: kevin.hicks@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 008501/2021		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Exempt Appendix (D): Exempt information paragraph 3: Information relating to the financial or business affairs of any particular person (including the Council).		

1 Executive Summary

- 1.1 On 16 March 2021 Cabinet was advised of challenges in delivering the outcomes from the Council's Highway Maintenance and Management Private Finance Initiative (PFI) contract and the implications for future services delivery. Officers have consequently been working to develop solutions to optimise the investment and the value for money that the Council gets from a future long-term contract.
- 1.2 A commercial agreement between the complex structure of stakeholders in the project is now required to take the contract forward as a PFI contract. In its decisions in March 2021, Cabinet delegated authority to officers to negotiate an agreement regarding the future approach to the contract. This report recommends decisions to Cabinet based on the outcome of those negotiations.

2 Recommendations

That Cabinet:

- 2.1 Delegates authority to the Acting Director Inclusive Growth, in consultation with the Cabinet Members for Transport and Environment and Finance and Resources and the Interim Director of Council Management and the City Solicitor to enter into a commercial agreement to extend the Restructuring Period, as set out within the Heads of Terms described in Exempt Appendix (D), subject to:
 - 2.1.1 The agreement remaining within the commercial parameters approved by Cabinet on 16 March 2021 and the Heads of Terms; and
 - 2.1.2 Approval from Department for Transport (or confirmation that approval is not required).
- 2.2 Authorises the Assistant Director, Highways and Infrastructure to:
 - 2.2.1 Develop and implement programmes of capital investment works as described in paragraph 3.16 below;
 - 2.2.2 Develop and take all actions necessary to implement the commercial agreement reached;
 - 2.2.3 Approve payments by the City Council or on behalf of Birmingham Highways Limited in accordance with the commercial position of the City Council as approved by Cabinet; and
 - 2.2.4 Undertake all actions necessary to transfer and / or novate ownership of project systems and components of the Management Information System to the City Council. Following transfer undertake a competitive re-procurement for the supply and configuration of these systems and appoint a new vendor as appropriate; and
- 2.3 Delegates authority to the City Solicitor to execute, seal and complete all necessary agreements and documentation to give effect to the above recommendations.

3 Background

Context

- 3.1 The Council's Highway Maintenance and Management PFI contract commenced on 7 June 2010 and is a 25-year contract to rehabilitate and maintain the Council's highway infrastructure to defined standard. Its key features are described and shown in Appendix B.
- 3.2 As was set out in the Cabinet report of 16 March 2021 (see Background Reports in section 9 below), the Council entered into a commercial settlement regarding the PFI contract on 29 June 2019. That settlement provided a period of up to two years to 29 June 2021 to enable the Council and Birmingham Highways Ltd (BHL) to seek to restructure the contract for its remaining duration until June 2035 (called the "Restructuring Period"). A restructuring would require approval by all project stakeholders and requires:
 - 3.2.1 The Council and BHL to agree revisions to the contract;
 - 3.2.2 The proposed future contract to meet pre-specified criteria for the lending banks and the Council (or to waive those criteria); and
 - 3.2.3 Continuation of the Council's PFI grant funding being approved.
- 3.3 If any of the above requirements for restructuring are not met, then the contract may end.

Commercial agreement

- 3.4 The Council submitted its Updated Business Case to DfT on 1 March 2021. The document was included within Exempt Information to the report to Cabinet on 16 March 2021. The response from DfT is awaited.
- 3.5 The project structure and parties are described in Appendix B. In parallel to consideration of the business case, negotiations are ongoing with relevant parties to seek to reach a commercial agreement within the parameters approved by Cabinet on 16 March 2021. The purpose of negotiations is to agree the commercial terms on which a future project is taken forward between the Council, lenders, BHL and BHL's investors.
- 3.6 The 16 March 2021 report explained that a revised set of long-term arrangements will not be completed by the end of the Restructuring Period on 29 June 2021. It is presently anticipated that this will be completed by the end of August 2023, although it should be noted that this remains subject to a number of factors. To ensure that the PFI contract does not end, an extension to the Restructuring Period is required. The commercial agreement will provide this extension.
- 3.7 Through negotiations to date, the Council has agreed Heads of Terms to extend the Restructuring Period that fall within the parameters agreed by Cabinet. Further negotiation is expected to conclude a long-term commercial arrangement.

Operational Services

- 3.8 Following Cabinet's decision on 16 March 2021, BHL extended its Interim Services Contract with Kier Highways Ltd to 30 December 2021. This ensures that the Council has continued provision of services to ensure that its highways are kept safe and available.
- 3.9 The Council's preference is that these services are extended for a longer period and Cabinet has already approved an extension to that effect. The approach to providing these services beyond 30 December 2021 will be agreed as soon as possible.
- 3.10 As part of the approval by Cabinet of the 2019 Settlement Agreement, the Council has taken responsibility for the systems comprising the contract's management information system. Further actions are proposed within the recommendations with how these systems are owned and procured to ensure that the Council is able to have such services provided in the most competitive way going forward.

Programmed Maintenance

- 3.11 Continuing investment in Programmed Maintenance has been recognised as a priority given the significant backlog that has arisen, particularly on surfacing. It is important to emphasise that whilst the Council is investing significantly in Programmed Maintenance, improvements will be seen through sustained investment over time, delivered in tandem with effective Routine and Reactive Maintenance.
- 3.12 Under the 2019 settlement the Council committed to £50m of investment in Carriageway and Footway by June 2021. Schemes continue to be completed but from June 2019 to May 2021 completed works were as shown in Table 1 below.

Table 1: Surfacing Programmed Maintenance delivered (to 25 May 2021)

Asset / component	Schemes	Planned Works	Value completed on site ¹	Quantity Delivered
Priority Schemes (Carriageway and Footway)	25 / 25	£ 3.36m	£ 3.36m	58,912m ²
Carriageway	139 / 162	£ 22.15m	£ 19.62m	374,512m ²
Footway	86 / 156	£ 20.92m	£ 14.2m	137,835m ²
Surfacing Design		£ 3.83m	£ 3.63m	
Total	250 / 343	£ 50.26m	£ 40.81m	571,259m²

Notes:

¹ The Council is invoiced upon certification of completion of works. In an ongoing programme the amount paid to date will therefore always be less than the volume of work completed on site.

- 3.13 In addition to surfacing, 1,808 street lighting columns have been replaced so far of 2,023 planned replacements, at a cost of £ 2.8m.
- 3.14 Some schemes have been deferred due to impact on other works (including schemes relating to the Commonwealth Games and the A34 SPRINT route, while some schemes are being reviewed. 11 carriageway and 5 footway schemes have been added to the programme (included in Table 1 above). It is anticipated that the remaining carriageway and footway schemes will be completed by August 2021 to complete the £50m investment.
- 3.15 There is some way to go with improving the condition of the network as a whole. The investment to date has been important in arresting the deterioration of the network but considerable further investment is required to improve condition.
- 3.16 Subject to confirmation that the Council will remain in receipt of its PFI grant, further Programmed Maintenance is proposed in 2021-22 as follows:
- 3.16.1 *Carriageway and Footway Surfacing (£40m)*: Officers have developed a list of potential schemes, which has been validated with video survey and site visits. This is prioritised and has been developed from:
- Completion during 2021 of schemes from the 2020-21 programme (where it is appropriate to do so); and
 - Analysis of survey information, condition maps, complaints, recommendations from Local Engineers and highway stewards and other Council priorities.
- 3.16.2 *Street Lighting (£3m)*: Proposals have been developed based on priorities for asset replacement and specific energy / carbon reduction priorities. These comprise:
- Major Programmed Maintenance to replace lighting on the A38(M) Aston Expressway and Five Ways Underpass; and
 - A small number of local lighting replacement and upgrade schemes.
- 3.17 Programmes will be developed as follows. Consultation on a provisional list of schemes will be undertaken with Members and Local Engineers. An indicative programme will then be developed. There may be changes in this indicative programme due to other activity on the network. The estimated timeline is given in Table 2 below.

Table 2: Programme development

Activity	Period	Output
Consultation with Councillors on provisional list	Early to mid-July 2021	Revised provisional list of schemes
Confirm construction feasibility of provisional list	Mid- to end July 2021	Indicative programme / Draft Forward Planning Notice
Amendments / confirmation of the provisional list	Early August 2021	Provisional programme

Activity	Period	Output
Book road space	Mid-August 2021	Traffic orders etc.
Commence design	Mid-August 2021	Design programme
Commence construction	Late October to early November 2021	Construction programme (3-month forecast)

3.18 It should be noted that this Programmed Maintenance is in combination with Routine and Reactive Maintenance to keep the highway infrastructure safe and resist deterioration in the condition of the asset. This means that smaller / localised repairs will continue where appropriate and in line with the Council's Safety Inspection Strategy. Where schemes are not taken forward as Programmed Maintenance they may still be addressed by Routine and Reactive Maintenance.

Implementation of the commercial agreement

3.19 The route forward with implementation will depend upon the agreed way forward with the project. The different permutations and the Council's proposed approach to those permutations are in Exempt Appendix (D).

4 Options considered and Recommended Proposal

4.1 The recommended proposal is that the Council:

4.1.1 Enters into a commercial agreement to extend the Restructuring Period and continues negotiations regarding the future approach to the contract on the terms described in Exempt Appendix (D); and

4.1.2 Undertakes capital investment as detailed above.

4.2 The alternative option to entering into the commercial agreement is that the Restructuring Period is not extended and / or the project is not restructured. In this position, the contract will end and the Council would lose its £50.311m per annum PFI grant. This would necessitate a full restructuring of how the Council delivers its Highways services, based on a significantly reduced budget.

4.3 The alternative to investing in capital works is that the Council's highway asset will continue to deteriorate significantly and there is a risk that either the cost of keeping the Council's Highways safe increases or that the Council may not be able to comply with its statutory duties.

5 Consultation

5.1 Since the 2019 settlement senior officers from the Council have worked with DfT, advisors to project lenders, BHHL's administrator and the chairman of BHL as part of a steering group regarding the way forward with the project.

5.2 External legal advice, including expert financial and commercial advice, has been obtained from DLA Piper.

- 5.3 DfT as the Council's sponsoring Government department for the project and HM Treasury have also been consulted directly throughout discussions. DfT has worked with the Council to enable alternative solutions to project issues to be considered.
- 5.4 At the request of the Cabinet Member for Transport and Environment an informal, cross-party member working group has been briefed and consulted regarding proposed changes to the service specification. The response from the Chair of the group (Councillor Mike Leddy) is attached as Appendix C, with the detail on how matters are proposed to be dealt with under procurement guidelines and regulations within Exempt Appendix (D).

6 Risk Management

- 6.1 An analysis of risks is contained within Exempt Appendix (D) – section 5 and Appendix D5).

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The Council has adopted the *Council Plan 2018 to 2022 (2019 update)*. This identifies six outcomes for the city, the first of which is "*Birmingham is an entrepreneurial city to learn, work and invest in.*" Priority 4 under this outcome is that "*We will develop our transport infrastructure, keep the city moving through walking, cycling and improved public transport.*"
- 7.1.2 This decision directly affects investment in and maintenance of the Council's 2,500km highway network and Council-owned infrastructure on it. Such investment will directly reduce the percentage of carriageways that should be considered for structural maintenance; this is a measure for Outcome 1 / Priority 4 of the Council Plan.
- 7.1.3 Citizens' priorities also reflect that road and pavement repairs are the fourth highest priority in the city for citizens.

7.2 Legal Implications

- 7.2.1 The Council has a statutory duty to maintain highway infrastructure, primarily under the Highways Act 1980 and the New Roads and Street Works Act 1991.
- 7.2.2 Under Section 111 of the Local Government Act 1972 the Council has power to do anything that is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 7.2.3 The information contained within Exempt Appendix (D) is considered exempt under Schedule 12A of the Local Government Act 1972, as it relates to the financial / business affairs of parties to the Highway Maintenance and Management PFI contract, including the Council.

- 7.2.4 Disclosure of the information within Exempt Appendix (D) would adversely affect the Council's ability to negotiate the best value outcome in relation to the contract and disputes by disclosing its strategy to those with whom it is negotiating. It is therefore not in the public interest to make this information available publicly.
- 7.2.5 Legal documentation will be required to implement (i) the Heads of Terms; and (ii) the finally determined commercial position. This latter category of documents is likely to include amendments to the contract and new sub-contract arrangements.

7.3 Financial Implications

- 7.3.1 The Council has an annual revenue budget for highways maintenance of £50.628m which is currently supplemented by Government PFI grant of £50.311m. Continued provision of this grant is subject to Government determination of the Council's revised business case (as detailed above) and restructuring proposal. The Council has, as part of the original PFI business case proposal, ring-fenced its highways revenue budget and has accumulated a revenue reserve of £181.975m at 31 March 2021 which is ringfenced to support future investment and facilitate the restructuring of the contract.
- 7.3.2 Ongoing receipt of annual PFI grant is dependent on a number of factors including the Council reaching an agreement with the DfT on the revised business case and the Council, BHL and its stakeholders entering into the commercial agreement. The loss of PFI grant would be replaced by annual bidding for grants, which could result in a significantly reduced amount of funding for investment in the City's highways network. Whilst this potential of reduced funding would have an impact on the Council's ability to invest in the network, the Council would still have available its existing revenue budget and reserves to ensure a safe network but at a reduced level of investment.

7.4 Procurement Implications

- 7.4.1 Implications for the wider procurement are set out in paragraph 6.3 of the Exempt Appendix (D).
- 7.4.2 The procurements relating to components of the management information system will be conducted and reported through the existing Council processes.

7.5 Human Resources Implications

- 7.5.1 As advised on 16 March 2021, Cabinet should note that there will be different human resource implications relating to the potential future scenarios. These are also described within Exempt Appendix (D).

7.6 Public Sector Equality Duty

- 7.6.1 A copy of the initial equality assessment screening (reference EQUA682) is shown in Appendix A.

8 Appendices

- 8.1 Appendix A: Equality Assessment
- 8.2 Appendix B: Project Structure
- 8.3 Appendix C: Response from Member Working Group
- 8.4 Appendix D: Exempt Appendix (D)

9 Background Documents

- 9.1 Report of the Acting Director, Inclusive Growth and Interim Chief Finance Officer to Cabinet, 16 March 2021: Highway Maintenance and Management PFI Contract.

Appendix A

Equality Assessment

Title of proposed EIA	Highway Maintenance and Management PFI Contract
Reference No	EQUA682
EA is in support of	Amended Function
Review Frequency	Annually
Date of first review	07/06/2022
Directorate	Inclusive Growth
Division	Highways & Infrastructure
Service Area	PFI Contract Management
Responsible Officer(s)	<input type="checkbox"/> Jenny Bent
Quality Control Officer(s)	<input type="checkbox"/> Janet L Hinks
Accountable Officer(s)	<input type="checkbox"/> Ravinder Sahota
Purpose of proposal	The Highway Maintenance and Management PFI contract delivers investment, maintenance and management services for the council's highway infrastructure to June 2035. This is a decision regarding the commercial management of the contract.
Data sources	relevant reports/strategies; relevant research
Please include any other sources of data	N/A
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Not Applicable
Age details:	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Protected characteristic: Disability	Not Applicable
Disability details:	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Protected characteristic: Sex	Not Applicable
Gender details:	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Protected characteristics: Gender Reassignment	Not Applicable
Gender reassignment details:	

	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Protected characteristics: Marriage and Civil Partnership	Not Applicable
Marriage and civil partnership details:	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Protected characteristics: Pregnancy and Maternity	Not Applicable
Pregnancy and maternity details:	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Protected characteristics: Race	Not Applicable
Race details:	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Protected characteristics: Religion or Beliefs	Not Applicable
Religion or beliefs details:	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Protected characteristics: Sexual Orientation	Not Applicable
Sexual orientation details:	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Socio-economic impacts	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Please indicate any actions arising from completing this screening exercise.	There is no specific adverse impact on any of the groups and therefore this will not be applicable.
Please indicate whether a full impact assessment is recommended	NO
What data has been collected to facilitate the assessment of this policy/proposal?	This is a proposed change to the arrangements under which highway maintenance and management services will be delivered. The means by which those services are delivered in so far as they might impact upon protected characteristics is unchanged. The relevant data for this assessment is the commercial and financial information as identified within the report.

Consultation analysis	Feedback from consultation has been included within the report as appropriate.
Adverse impact on any people with protected characteristics.	Not applicable
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	Not applicable
How will the effect(s) of this policy/proposal on equality be monitored?	Not applicable
What data is required in the future?	Not applicable
Are there any adverse impacts on any particular group(s)	No
If yes, please explain your reasons for going ahead.	Not applicable
Initial equality impact assessment of your proposal	This is a proposed change to the arrangements under which highway maintenance and management services will be delivered. The means by which those services are delivered in so far as they might impact upon protected characteristics is unchanged.
Consulted People or Groups	Consultation has taken place with Cabinet Members and elected members, senior officers and Department for Transport, as described in the decision report.
Informed People or Groups	
Summary and evidence of findings from your EIA	The Highway Maintenance and Management PFI contract delivers investment, maintenance and management services for the council's highway infrastructure to discharge the council's statutory duties to maintain and manage the public highway and ensure that it remains available. This decision affects the way in which these services are contracted for and does not change how they are delivered in respect of the potential impact on anyone with a protected characteristic.
QUALITY CONTROL SECTION	
Submit to the Quality Control Officer for reviewing?	Yes
Quality Control Officer comments	
Decision by Quality Control Officer	

Submit draft to Accountable Officer?

No

Decision by Accountable Officer

Date approved / rejected by the Accountable Officer

Reasons for approval or rejection

Please print and save a PDF copy for your records

Yes

Julie Bach

Person or Group

☐ Domenic De Bechi

Content Type: Item

Version: 3.0

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Last modified at 30/04/2021 11:46 AM by Workflow on behalf of ☐ Jenny Bent

Close

Appendix B

Project Structure

The Council's contract (the Project Agreement) is with **Birmingham Highways Ltd (BHL)**. The Council gets circa half the funding for its contract from Government via a PFI Grant, for which **Department for Transport** is the sponsoring government department. The remainder is funded from the Council's revenue budget for Highways, which was ring-fenced in 2010 and continues to be indexed in line with Council budgets.

BHL is a Special Purpose Vehicle (SPV) owned by **Birmingham Highways Holdings Ltd (BHHL)**. BHHL is owned by its shareholders, **Equitix** and **Foresight Group**.

BHL has borrowed c.£193m from a lending group of banks (**Senior Lenders** or **Creditors**), under a lending Facilities Agreement. Of this, c.£153m remains outstanding.

Equity in BHL was funded by a c.£69m loan from its three investors, Amey Ventures, Equitix and Foresight Group. This loan remains in place and ranks behind the debt to Senior Lenders referred to above.

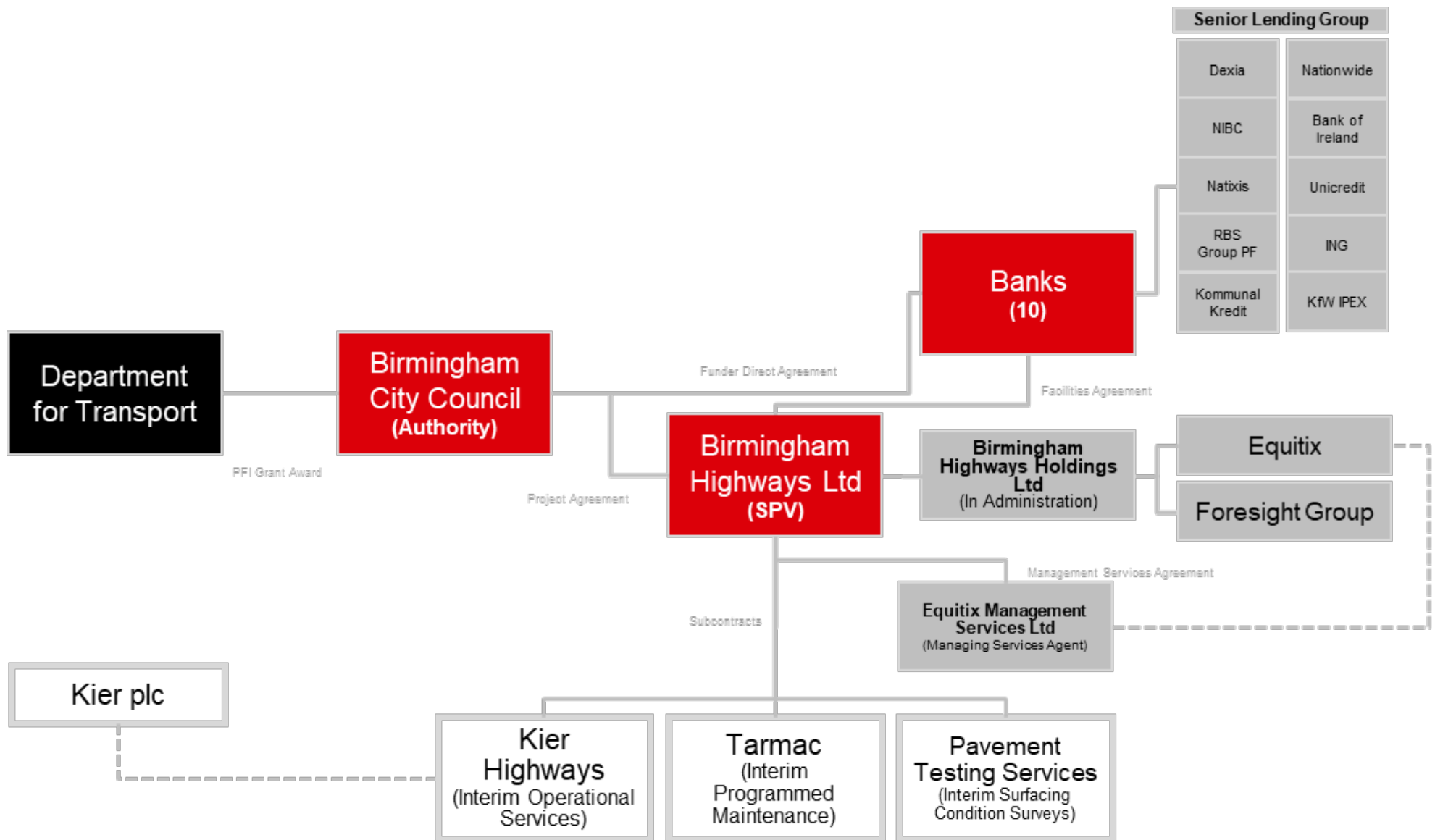
BHL has obligations to deliver the services according to its contract with the Council and repay its borrowing and carries the risks of non-performance under both.

BHL delivers services under its contract with the Council through subcontracts. The current interim principal subcontracts are with:

- **Kier Highways Ltd** (owned by **Kier plc**) for operational services;
- **Tarmac** for interim surfacing schemes; and
- **Pavement Testing Services (PTS)** for condition surveys.

BHL employs **Equitix Management Services Ltd (EMS)** to manage these subcontracts on its behalf. EMS is owned by Equitix.

Until 1 April 2020 BHL's subcontractor was Amey Local Government (Amey LG), owned by Amey plc. The 2019 settlement agreed Amey's exit from the project; BHL was formerly called Amey Birmingham Highways Ltd (ABHL). Amey LG is not shown in the structure because it is no longer in the project.



Appendix C

Response from Member Working Group



BIRMINGHAM CITY COUNCIL

Councillor Mike Leddy

The Council House

Victoria Square

Birmingham B1 1BB

Tel: 0121 303 2039

Email: mike.leddy@birmingham.gov.uk

7 April 2021

Councillor Waseem Zaffar

Cabinet Member for Transport and Environment

Dear Waseem,

Member Working Group – Highway Maintenance and Management PFI

I am writing to report back to you on the work of the informal Member Working Group for the Highway Maintenance and Management PFI contract.

You requested that the all-party group was set up in the Autumn of 2019. Our role was to act as a member sounding board for the development of proposals for the new contract.

I was pleased to be joined by Councillors Timothy Huxtable, Zafar Iqbal, Karen McCarthy and Paul Tilsley. My colleagues brought extensive understanding of the Highways service through their involvement in both Executive roles and as chairpersons and lead members on Overview and Scrutiny Committees. We were assisted by service managers from within Highways and Infrastructure. I would like to thank all for their positive contributions.

As members we had all been disappointed with the behaviour and performance of Amey and the poor condition in which they left our roads and pavements through their lack of investment. We were keen to understand how the issues that the council experienced can be taken forward within a new contract.

We have identified with officers the important issues for members and the citizens that we represent. We recognise that highway services are challenging to deliver and that some of these issues are complex. Many of these issues result from poor behaviour and do not have solutions that can be written into a contract. Our observations and findings to report back you are as follows:

1. Where the council has been let down by a poor provider it is important that the council has managed this contract well. We are beginning to stabilise delivery with an interim provider. We are looking forward to the future positively but are keen to ensure that we don't experience previous problems.
2. Continuing investment in our network is essential and we are pleased that you have recognised this priority. We have clearly learned from the approach to how investment is directed and are working to correct problems experienced. We acknowledge that there is still some way to go to improve our network but a promising start has been made.

3. We accept that things will go wrong occasionally with operational highway services and that the process of making changes is not an overnight solution. We ask that officers and our providers continue to learn from problems experienced and look to prevent them re-occurring.
4. The role of stewards with our services providers in liaising with the council's Local Engineers is important and provides for a responsive service to people. It is also important in identifying specific local solutions to problems that blight our streets such as damage to grass verges. I would also ask that you give consideration to asking a member to act as 'champion' for highway services delivery in the future to liaise on such issues.

With the support of officers, we identified what can be taken forward practically. Many of these points have already been responded to positively in the proposed future contract specification. I attach a summary of these issues for your reference. I am also sharing this with Councillor Liz Clements as the Chair of the Sustainability and Transport Overview and Scrutiny Committee, as this will be helpful in her role.

I trust you find our feedback helpful and I would like to thank you for the opportunity of chairing this group.

Yours sincerely

A handwritten signature in blue ink that reads "Mike L." with a stylized flourish at the end.

Councillor Mike Leddy

Chair – Member Working Group – Highway Maintenance and Management PFI

Appendix D

Exempt Appendix (D)

Birmingham City Council

Report to Cabinet – ERDF Welcome Back Fund

27 May 2021



Subject: ERDF Welcome Back Fund
Report of: Managing Director – City Operations
Relevant Cabinet Member: Councillor Ian Ward, Leader
Relevant O &S Chair(s): Councillor Shabrana Hussain, Economy & Skills
Report author: Chris Jordan, Assistant Director Neighbourhoods
 Tel: 0121 303 6143
 Email : chris.jordan@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 Birmingham has been allocated a further £1,016,937 in the second round of funding from the Government to assist in the re-opening of high streets. The previous fund 'Reopening High Streets Safely' is now called the 'Welcome Back' Fund.
- 1.2 Resources are to be provided as 100% European Regional Development Fund (ERDF) grant funding and any work will need to be appropriately delivered and procured in compliance with the rules and regulations of European grants.
- 1.3 It is proposed that the governance remains the same as under the first round of funding with officers within Inclusive Growth's European and International Team providing support/direction and the Reopening High Streets Safely Steering

Group (involving city centre and suburban BID representatives) co-ordinating activity and reporting into the Economic Recovery Group as required.

- 1.4 Funding can be used for projects from the date of the release of the formal guidance, which was 16 April 2021 and must be spent by 31 March 2022.

2 Recommendations

- 2.1 Approve the proposed expenditure framework set out in Table One: Proposed Expenditure Framework.
- 2.2 Accept the Welcome Back Fund ERDF Grant provided by MHCLG, delegate the Assistant Director Neighbourhoods to accept the grant agreement in conjunction with finance and legal.
- 2.3 Delegate authority to spend grant funds in line with 2.1, to the Assistant Director Neighbourhoods and Assistant Director Transport and Connectivity (temporary public realm works).

3 Background

- 3.1 Under the Withdrawal Agreement, the UK will continue to participate in programmes funded under the current 2014-2020 Multiannual Financial Framework (MFF) until their closure. This means that the vast majority of programmes will continue to receive EU funding across the programme's lifetime. In many cases, funding will continue until after 2020 and the end of the transition period. In addition, UK organisations can continue to bid for new grant funding under the current MFF.
- 3.2 The Welcome Back Fund is a continuation of the ERDF Reopening High Streets Safely Fund (RHSSF). RHSSF was introduced in June 2020 by MHCLG to allow local authorities in England to put in place additional measures to establish a safe trading environment for businesses and customers, particularly in high streets during the covid-19 restrictions
- 3.3 The Welcome Back Funding can be spent across six categories. One through four were originally included in the Reopening High Streets Safely Fund, while five and six are new categories added to the Welcome Back Fund:
- 1) Support to develop an action plan for safe reopening of local economies;
 - 2) Communications and public information;
 - 3) Business-facing awareness raising activities;
 - 4) Temporary public realm changes to ensure that reopening of local economies can be managed successfully and safely;
 - 5) Support to promote a safe public environment for a local area's visitor economy; and
 - 6) Support local authorities to develop plans for responding to the medium-term impact of Covid-19 including trialling new ideas particularly where these relate to the High Street.

3.4 Eligible activity under these two new strands could include:

- Placed based marketing or events (such as safe celebration events)
- Marshals
- Public space maintenance
- Maintenance of public conveniences (toilets) including provision of new temporary facilities (toilets)
- Beautification activities including graffiti removal
- Non-permanent public realm adaptations
- Activities that future proof the high street
- Improvement of green spaces and provision of outdoor seating areas

4 Options considered and Recommended Proposal

4.1 In the first round of funding (the Reopening High Streets Safely Fund) the majority of funds were allocated to temporary changes to the public realm (£584k) followed by safety communications (£286k) and then smaller amounts on footfall counters, staffing etc.

4.2 The guidance is more flexible with the Welcome Back Fund enabling a broader approach, supporting areas to drive footfall whilst allowing for planting, graffiti removal, deep cleaning etc. It is felt that this time the majority of grant funding should be targeted at beautification of areas to support the visitor economy, and particularly encouraging seating/café culture to improve footfall and dwell time in the city centre and urban centre locations.

4.3 It is also proposed that smaller sums of money are allocated to a strategic visioning review of a new future for high streets in Birmingham as well as some minor public realm i.e. maintenance and subsequent removal of temporary pavement widening measures.

4.4 In line with the first-round funding approach, it is proposed that all BID areas and all areas in the Urban Centre Framework are targeted for support. There are 12 BID areas and the 7 other areas in the UCF where there is no BID (a total of 19 high streets). Resources also need to be earmarked for other locations in the city where business communities/forums come forward, seeking support. Engagement with these areas will be through Ward Councillors and existing contacts through colleagues within BCC.

- BIDs in UCF: Erdington, Northfield, Sutton Coldfield
- BIDs not in UCF: Acocks Green, Colmore Business District, Harborne, Jewellery Quarter, Kings Heath, Retail Birmingham, Soho Road, Southside, Westside
- UCF locations with no BID: Alum Rock Road, Bordesley Green, Coventry Road, Meadway, Perry Barr, Small Heath, Stechford, Stirchley

4.5 Having engaged with BIDs, other local groups and key internal stakeholders, a proposed expenditure framework for the Welcome Back Fund is shown in Table One. Ideas proposed include:

- Beautification of areas to support the visitor economy through graffiti removal and additional deep cleaning
- Improving spaces through planting, seating, wardens etc to encourage people to come into high streets
- Events to drive footfall
- Temporary public realm changes which include maintenance and removal of the barriers/bollards installed to aid social distancing
- A strategic/visioning review of a new future for high streets in Birmingham

Table One: Proposed Expenditure Framework				
Activity	Phase 1 <i>June-August 2021</i>	Phase 2 <i>Sept-Dec 2021</i>	Phase 3 <i>Jan-March 2022</i>	Total
SCOPE 1: ACTION PLAN				
Monitoring				£10k
SCOPE 2: COMMUNICATIONS				
Communications				£0
SCOPE 3: SMALL BUSINESS RE-OPENING ADVICE				
Advising Businesses				£0
SCOPE 4: TEMPORARY CHANGES TO PUBLIC REALM				
Temporary changes to public space, including maintenance, removal and seating	£150k	£50k		£200k
SCOPE 5: SUPPORT AND PROMOTE A SAFE PUBLIC ENVIRONMENT FOR A LOCAL AREA'S VISITOR ECONOMY				
5.1 Graffiti removal, deep cleaning, flytipping	Procured by BCC as city wide activity up to March 2022			£276k
5.2 Additional outdoor seating, wardens, planting etc.	To cover twelve BID areas and delivered across phases			£120k
5.3 Additional outdoor seating, planting plus any other activities identified.	To cover areas within UCF with no BID (seven areas) and others that may come forward for support across phases			£50k
5.4 Events	To cover event activity currently being considered by BID, UCF and other areas across the city			£248k
SCOPE 6: SUPPORT LOCAL AUTHORITIES TO DEVELOP PLANS FOR RESPONDING TO THE MEDIUM-TERM IMPACT OF COVID-19 INCLUDING TRIALLING NEW IDEAS PARTICULARLY WHERE THESE RELATE TO THE HIGH STREET				
Strategic visioning review of the future of High Streets	£10k	£10k	£10k	£30k
OTHER				
ERDF Admin				£41k
Project Officer				£41k

4.6 As with first round funding, a phased approach has been built in to allow the proposals to be adapted in response to changing circumstances due to Covid.

- 4.7 It is envisaged that there will be some early work to increase cleanliness, followed by summer activity to encourage footfall and again around the festive period.
- 4.8 It should be noted that proposed actions must demonstrate that ERDF investment is providing additionality to existing plans. The European and International Team has identified staffing support on the technical aspects of the ERDF project and will make sure all grant conditions are met and claims are submitted accurately and the required project audit trail is compiled. This will include the completion of a new delivery plan to be agreed with MHCLG.
- 4.9 A Project Management post is required to coordinate and communicate activity across the various stakeholders, assist on procurement compliance, coordinate publicity and ensure that areas of the city that do not have BIDs are engaged.
- 4.10 It is recommended that the proposed expenditure framework in Table One is approved; that the Welcome Back Fund grant is accepted; and authority to spend grant funds in line with this paper is delegated to the Assistant Director Neighbourhoods.

5 Consultation

- 5.1 Consultation has taken place with all 12 Business Improvement Districts through the Steering Group to identify key priorities and also internal stakeholders.
- 5.2 Business and community groups from Stirchley, Digbeth and Sparkhill
- 5.3 The working group has engaged with all BIDs and also key internal services as to which categories should be prioritised. It has also presented the information to the Economic Recovery Cell on 18 May 2021 who supported the approach.

6 Risk Management

- 6.1 The grant funds are provided to the Council under the terms of ERDF funding. Failure to comply with these terms, which cover eligible activity, procurement rules etc, would result in the Council being unable to recover defrayed costs. The Inclusive Growth European and International Team has identified technical staffing support to help ensure all grant conditions are met and claims are submitted accurately. This will involve the completion of a new delivery plan to be agreed with MHCLG.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 Investing in additional deep cleaning, graffiti removal, planting and outdoor seating across the city will assist with Outcome 4 ('Birmingham is a great city to live in'), specifically Priority 1 ('We will work with our residents and businesses to improve the cleanliness of our city') through enhanced cleaning regimes across the city centre and local centres, and Priority 8 ('We will

enhance our status as a city of culture, sports and events') by increasing the number of events in shared spaces and communities.

7.2 Legal Implications

7.2.1 None

7.3 Financial Implications

7.3.1 The resources are to be provided as 100% ERDF grant funding, any work will need to be appropriately delivered and procured to comply with necessary processes and procedures relating to European grant.

7.3.2 All spend must be in the 21/22 financial year and must comply and be eligible within the grant conditions.

7.4 Procurement Implications (if required)

7.4.1 ERDF Procurement Guidelines will be followed.

7.5 Human Resources Implications (if required)

7.5.1 A Project Management role is required which can be fulfilled by an existing post created for the ERDF Reopening High Streets Safely Fund. Budget for this is identified in Table One.

7.6 Public Sector Equality Duty

7.6.1 This fund will enhance high streets across the city and will have a positive impact. Money has been allocated in table 1 to cover areas of the city beyond those formally recognised in the Urban Centre Framework or those areas with a BID and in doing so provides an opportunity to address any wider issues as they emerge.

8 Background Documents

8.1 None.

List of appendices accompanying this report:

None