

<b>ANNUAL PROGRAMME UPDATE REPORT</b>			
<b>1. General Information</b>			
<b>Directorate</b>	Inclusive Growth	<b>Portfolio/Committee</b>	Transport and Environment; Finance and Resources
<b>Project Title</b>	Transport & Highways Capital Programme – Annual Programme Update - 2020/21 – 2025/26	<b>Project Code</b>	Not applicable
<b>Project Description</b>	<p><b><u>Background</u></b></p> <p>The Transport and Highways Capital Programme (THCP) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the City Council’s key policies and priorities, as set out in the West Midlands Strategic Transport Plan, Birmingham Development Plan (BDP), Birmingham Connected transport strategy and the emerging Birmingham Transport Plan. The THCP is also vital to the requirement to develop measures to comply with the provisions of the Ambient Air Quality and Cleaner Air for Europe Directive 2008, which sets limiting values for a range of pollutants to protect public health: tackling the Climate Emergency, and in delivering the 2022 Commonwealth Games (CWG) as per the Host City contract.</p> <p>In the context of inclusive economic growth, the THCP supports the City Council's key priorities as defined in the Birmingham City Council Plan: 2018 to 2022 (updated in 2019) and Financial Plan: 2019 to 2023, namely:</p> <ul style="list-style-type: none"> <li>• Birmingham is an entrepreneurial city to learn, work and invest in</li> <li>• Birmingham is an aspirational city to grow up in</li> <li>• Birmingham is a fulfilling city to age well in</li> <li>• Birmingham is a great city to live in</li> <li>• Birmingham residents gain the maximum benefit from hosting the Commonwealth Games</li> <li>• Birmingham is a city that takes a leading role in tackling climate change</li> </ul> <p>The programme is focused on reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality, supporting delivery of the City Council’s 2030 carbon neutral target, encouraging active and sustainable modes of travel and delivering a successful transport strategy for the CWG.</p> <p>The THCP was previously updated and approved by Cabinet on 26th March 2019 for a rolling six year period up to 2024/25 at a total estimated capital cost of £221.024m. This Annual Programme Update Report (APU) reflects new resources, programmes, priorities, opportunities, revised project costings and expenditure profiles and policy changes that have occurred since this approval. The revised programme totals £256.211m over the next six year rolling programme. Such changes include:</p> <ul style="list-style-type: none"> <li>• The declaration of a climate emergency by Birmingham City Council on 26<sup>th</sup> June 2019, and the establishment of the Route to Zero project to achieve a zero-carbon Birmingham by 2030.</li> <li>• Further certainty over the delivery of the Birmingham CAZ, and associated works including likely levels of income/net surpluses which will be used to fund transport schemes.</li> <li>• Support for the delivery of the Birmingham 2022 Commonwealth Games Transport Strategy, following the announcement of Birmingham as the Host City, with new and accelerated infrastructure schemes being a key part of the post games legacy;</li> <li>• Programme alignment opportunities with WMCA, Network Rail and Highways England.</li> </ul> <p><b>ITB Allocation</b></p> <p>A summary of ITB programme allocations is shown in the capital funding section below, with allocations determined on the basis of previously agreed commitments, particularly in relation to the Major Schemes, Inclusive and Sustainable Growth, Walking and Cycling, and Brum Breathes and Route to Zero. Other allocations reflect rolling programmes in respect of Road Safety and Safer Routes to Schools.</p> <p>The THCP 2020/21 introduces a new programme to cover Brum Breathes and Route to Zero. This recognises the CAZ being introduced and Climate Emergency declared by the City Council and other bodies. This programme will contain existing schemes such as Hydrogen buses, CAZ delivery and mitigation, and future schemes related to air quality and carbon reduction.</p>		

As part of the above allocation of ITB it is proposed that Cabinet approves the release of development funding of £1.121m. A breakdown by project is provided as Annex D.

### **Funding Strategy**

The process of updating the THCP provides an opportunity to reflect new resources, programmes, priorities, opportunities, revised project costings and expenditure profiles and policy changes.

The City Council continues to be highly successful in securing external grant resources to support and expand the THCP. In the competitive context of external bidding rounds the City Council has committed to a significant level of 'local funding contribution', particularly relating to the LGF and Birmingham Cycle Revolution (BCR) programmes approved by Cabinet in March 2015. Given the short timescales and limited scheme detail available at the time of bid submissions (and Project Definition Document stage), detailed work is undertaken to refine scheme details and costs. This is a lengthy and complex process, which also has to consider general cost increases within the construction and engineering industries following Brexit and the impacts of HS2 on the market in respect of resources.

The 2020/21 programme introduces use of CAZ revenue surplus for the City Centre Retail Core Public Realm Scheme. Other uses of CAZ revenue will be added to the programme as they are approved.

The West Midlands Combined Authority (Functions and Amendment) Order 2017 allows the WMCA to undertake works on the Key Route Network with the agreement of the City Council. The WMCA will take the lead role on projects such as SPRINT, along with a number of smaller projects that provide transport benefits for which it is the main funder. These will be developed and introduced to the programme throughout the year. All projects on the public highway undertaken by WMCA will be subject to a Section 8/Section 278 (Highways Act 1980) Agreement and the appropriate approvals being secured through the City Council's GRAF. The City Council's relevant fees will be recovered from WMCA and administered through Voyager.

In the development of the 2019/20 THCP a number of funding pressures were identified, and a strategy formulated to resource these projects over a number of years using a mixture of prudential borrowing and direct allocation of net Bus Lane Enforcement (BLE) surplus. The 2020/21 THCP continues to support this strategy and work is ongoing to minimise the amount of prudential borrowing which is eventually required through the wider ongoing management of the existing THCP resources and new resources as they become available. Further information on prudential borrowing and BLE is provided below.

### **Capital Funding**

The total forecast capital cost of the six year THCP 2020/21 to 2025/26 is £256.211m. This programme profile is summarised in the table below:

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Programme	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
	£m	£m	£m	£m	£m	£m	£m
Inclusive and Sustainable Growth	12.760	9.734	5.747	4.873	1.675	1.675	<b>36.464</b>
Brum Breathes & Route To Zero	47.855	0.811	0.701	0.100	0.100	0.100	<b>49.667</b>
Infrastructure Development	0.961	0.893	1.145	1.045	1.045	1.045	<b>6.134</b>
Major Schemes	31.253	40.087	25.647	17.367	19.884	8.794	<b>143.032</b>
Walking and Cycling	3.966	2.092	1.000	1.762	1.000	1.000	<b>10.820</b>
Local Measures	3.469	1.325	1.325	1.325	1.325	1.325	<b>10.094</b>
<b>TOTAL</b>	<b>100.264</b>	<b>54.942</b>	<b>35.565</b>	<b>26.472</b>	<b>25.029</b>	<b>13.939</b>	<b>256.211</b>

The six year programme is split by funding source as follows:

Funding Source	£m
ITB Funding	30.870
Grants from Central Government	89.301
Contribution 3 <sup>rd</sup> Party	2.636
S278	2.247
Local Growth Fund	64.632
Bus Lane Enforcement/Highways Resources/CAZ	40.510
S106	0.620
Prudential Borrowing	9.790
Prior years ITB	4.434
Capital Grants Reserves	3.774
BCR Phase 3	0.303
Enterprise Zone	7.094
<b>Total Forecast Programme</b>	<b>256.211</b>

### Integrated Transport Block (ITB) funding

ITB Capital funding of £17.618m is to be allocated to the WMCA for 2020/21 as part of a multi-year transport funding settlement agreed as part of the West Midlands Devolution Deal. The WMCA is responsible for reallocating ITB funding to Metropolitan District Councils and Transport for West Midlands. A total of £5.145m of new ITB capital funding has been allocated to Birmingham for integrated transport projects in 2020/21.

The newly allocated ITB is supplemented within the programme by prior years ITB. This programme includes £4.304m of prior year ITB, of which £2.979m was already allocated to specific schemes, and £1.325m is moved from prior year ITB reserves in this report. This leaves a residual £0.100m in prior year ITB reserves.

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Prior Year ITB Reserves	Prior Year ITB reserves allocated through 2020/21-2021/22 programme	Residual Prior Year ITB reserves
£m	£m	£m
1.425	1.325	0.100

The schemes allocated prior year ITB reserves are listed below:

Scheme	Prior Year ITB from Reserves £m	Year allocated
Birmingham Connected	0.085	20/21
CWG 2022	0.100	20/21
R20 Transport Programme	0.100	20/21
HS2 Infrastructure Development	0.086	20/21
Ward Minor Measures	0.320	20/21
BCR 3	0.634	21/22
<b>Total</b>	<b>1.325</b>	

Total ITB funding split across key themes within programme structure is shown in the table below. The confirmed values for 2020/21 include both the new 2020/21 allocation and prior years' allocations. The allocations shown from 2021/22 onwards are yet to be confirmed.

	Confirmed	Provisional			Forecast		
ITB Programme Allocations	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m	£m
<b>Inclusive and Sustainable Growth</b>	1.102	0.500	1.575	0.913	1.675	1.675	7.440
<b>Infrastructure Development</b>	0.961	0.893	1.145	1.045	1.045	1.045	6.134
<b>Major Schemes</b>	2.254	0.869	0	0	0	0	3.123
<b>Walking and Cycling</b>	1.651	2.092	1.000	1.762	1.000	1.000	8.505
<b>Brum Breathes and Route to Zero</b>	0.100	0.100	0.100	0.100	0.100	0.100	0.600
<b>Local Measures</b>	2.877	1.325	1.325	1.325	1.325	1.325	9.502
<b>Total</b>	<b>8.945</b>	<b>5.779</b>	<b>5.145</b>	<b>5.145</b>	<b>5.145</b>	<b>5.145</b>	<b>35.304</b>

**Other Funding Sources**

ITB funding is significantly supplemented by bidding activities to Government and GBSLEP for grant funding including Local Growth Fund (LGF) as detailed below, Cycle City Ambition Grant (CCAG), Air Quality Grant, National Productivity Investment Fund (NPIF), Enterprise Zone (EZ), Transforming Cities Fund, and the HS2 Road Safety Fund. In addition, there is also funding from Corporate Resources including Prudential Borrowing (PB). These additional funding sources over the six year programme are shown in the Funding Source table above alongside ITB.

CAZ revenue surplus is included for the first time in the 2020/21 THCP. It will be included where its use has been approved through an FBC or other process, in this case a £15m contribution to the £25m City Centre Public Realm project was approved at Cabinet on 29<sup>th</sup> October 2019. Further schemes will be added to the THCP at the appropriate time if the City Council has a role in their delivery.

LGF Major Projects - The Council also has two major projects within its LGF programme:

- A457 Dudley Road major transport improvements;
- A38(M) Tame Valley Viaduct (TVV) critical strengthening works.

Final approval of these projects is retained by the DfT, with approval based upon the submission of green book compliant major scheme business cases. Submissions are expected in summer 2020 and on the basis of current estimates the local contribution required for these schemes totals £28.403m (£7.053m Dudley Road and £21.350m TVV) and is within the range expected by the DfT for major schemes (between 10% and 20% of overall project costs). The contributions will be required between 2021/22 and 2024/25 to lever a total of £94.450m from the LGF Growth Deal One programme.

- A457 Dudley Road, the funding strategy is set out in the Cabinet report, approved on 26 June 2018, which includes prudential borrowing of £7.044m funded from net Bus Lane Enforcement (BLE) surplus and £0.009 ITB. Further details in respect of BLE are provided in Appendix B.
- A38(M) TVV, since the 2019/20 Transportation and Highways Capital Programme, work has been on-going to develop a funding strategy for the TVV scheme. The funding gap identified in the 2019/20 THCP was removed using Highways and Infrastructure resources as set out in the TVV cabinet report approved on 30<sup>th</sup> July 2019. The local contribution comprises of £6.009m ITB and £15.341m Highways and Infrastructure resources.

Net Bus Lane Enforcement Surplus Direct Allocation - In the development of previous iterations of the THCP a number of funding pressures were identified, and a strategy formulated to resource these projects over a number of years using direct allocation of net Bus Lane Enforcement (BLE) surplus. The 2020/21 THCP continues to support this strategy.

Corporate Resources including Prudential Borrowing (PB) – The existing programme is part funded through corporate resources including PB, as detailed in the funding source table above. PB costs are funded from in year Net BLE surplus. The need to use corporate resources, including PB, will be minimised wherever possible through the wider ongoing management of the existing THCP resources and the identification of alternative funding streams/new resources. Further information on PB is provided in Appendix B. Revenue consequences of PB will continue to be managed using Inclusive Growth Directorate budgets.

This report approves acceptance of £2.660m from the HS2 Road Safety Fund, subject to separate OBC/FBC's for individual projects, and meeting the grant conditions set by DfT for draw down of the funds. The HS2 Road Safety Fund will provide up to £30.000 million to support road safety schemes along the Phase One line of route. A light touch application is required to be submitted to DfT for approval of each scheme.

The following criteria have been set for use of the fund by DfT:

- Along the line of HS2 construction, but no defined limits. However, generally should be used for mitigating impacts of construction traffic, so could be used along lorry routes (approved under Schedule 17) or other routes used by construction traffic;
- Must leave a legacy of road safety improvements. These would need to be physical works and excludes funding of temporary schemes.
- Does not have to be road-based schemes, but provide for safety of cyclists, pedestrians and equestrians.

It has been noted in this report that subject to separate funding agreements and governance contributions will be made by the City Council from ITB funding, to two schemes being delivered by WMCA, Alcester Road Bus Priority revitalisation and University Station:

- Alcester Road Bus Priority Revitalisation is a £2.357m scheme being delivered by TfWM which will improve bus journey times along the Alcester Road (A435) corridor which carries over 6m bus passengers per annum (ppa). The City Council will provide a contribution of £0.500m which will be used to improve Road Safety along the corridor alongside the bus priority improvements.
- University Station is a £40m rebuild and expansion of the current 1980's station which is a central Big Move in the emerging Masterplan for the area. The current station is designed to cater for up to 400,000 ppa, but current patronage is over 3m ppa. The City Council will provide a £0.500m contribution of ITB in 2021/22 as part of a wider funding strategy, to enable the project to be delivered.

Cabinet approved the Outline Business Case (OBC) for the City Centre Public Realm project on 29th October 2019, it was reported in the OBC that a Full Business Case (FBC) would be presented to Cabinet February 2020. During the drafting of the FBC, further information has come to light that affects the procurement strategy set out in the OBC, requiring certain elements to be brought forward. To achieve this programme, it is necessary to present a separate FBC for this element of the City Centre Public Realm works (estimated at £5m and funded from Transforming Cities Fund). The FBC for the main Public Realm works along New Street, including the fountain refurbishment and hostile vehicle mitigation measures is expected to be presented to Cabinet April / May 2020. Further information is available in Annex G.

The complete Capital Programme is provided in Appendix A – Annex F, detailing projects and associated funding sources on an annual and all years' summary basis.

### **Revenue**

#### **Revenue Maintenance Costs**

New capital transport projects by nature can attract additional ongoing maintenance costs in respect of improved or new assets. In addition, there is also the opportunity to remove existing assets during works to mitigate cost increases. All projects will need to identify revenue maintenance implications and funding as part of the OBC and FBC governance processes.

For projects approved during 2020/21 (excluding those deemed to be major projects), an ongoing annual corporate policy contingency allocation of up to £0.250m is available to accommodate inventory growth and expenditure incurred as a result of new capital works will be monitored to ensure this budget allocation is not exceeded. In the unlikely event that potential pressures are identified measures to mitigate, including project revisions or deferral of projects will be considered.

For projects deemed to be major projects, (for example Metro and HS2), the corporate policy contingency allocation is not normally available to fund associated revenue maintenance impacts and as a result associated OBCs and FBCs will be required to identify a funding source. In some cases, these projects are funded by external bodies and contributions to revenue costs and ongoing maintenance will specifically be explored as part of the project development.

### **Prudential Borrowing Costs**

As detailed above the existing programme is part funded through corporate resources including PB. The revenue cost of PB is funded from in year Net BLE surplus. Further information on PB is provided in Appendix B. Revenue consequences of PB will continue to be managed within Inclusive Growth

### **Structure of THCP**

The structure of the THCP comprises the following programmes.

#### **Major Schemes**

This programme contains larger projects targeting inclusive economic growth across the city, specifically those to be funded from external grants including LGF and NPIF. It also contains residual major schemes from previous Government funding rounds.

#### **Inclusive and Sustainable Growth Programme**

The Inclusive and Sustainable Growth Programme comprises projects of a smaller scale that focus on the provision of transport infrastructure to enable and unlock inclusive economic growth. Measures include junction improvements, public transport enhancements, bus lane enforcement, controlled parking zones and other traffic management schemes to reduce congestion.

#### **Walking and Cycling Programme**

It is recognised that the use of sustainable modes of transport can significantly contribute towards reducing congestion, improving air quality, improving accessibility and also improving health and physical fitness. The Walking and Cycling programme will take forward key projects as detailed in the City Council's Walking and Cycling strategy including new pedestrian and cycling routes, new cycle stands, new cycle hubs and bikes, and smaller measures identified by stakeholders. Significant ITB resources in this programme provide the match funding element of the Birmingham Cycle Revolution (BCR) Programme, which includes 20mph limits and infrastructure to support Green Travel Districts.

#### **Brum Breathes and Route to Zero**

This new programme contains projects related to delivering the CAZ, and others related directly to reducing air pollution through zero emission technology. In 2019 Birmingham City Council declared a Climate Emergency and set up a route to Zero Task Force. Transport schemes coming out of these workstreams will sit in this programme.

#### **Local Measures Programme**

The Local Measures Programme contains smaller transport projects to be delivered at a local level, with work focussed on four sub-programmes as described below:

##### **Road Safety Programme**

The Road Safety Programme targets the continued reduction of recorded killed, seriously injured and slight accidents across the city to maintain the positive downward trend achieved by both Birmingham and the West Midlands Metropolitan area.

For consideration for inclusion into the Local Safety Schemes sub element of the programme, locations would normally have at least nine slight collisions over a three-year period, although consideration is also given to sites with a higher proportion of killed or serious injury collisions. In addition, further weight is given to locations or sites where there is a high concentration of collisions involving pedestrians or cyclists reflecting the City Council's road user hierarchy. Further information on prioritisation is provided in Annex A, along with governance arrangements.

Sites listed in Annex F (full project and financial summary) have been prioritised on a value for money basis, which looks at the benefit to cost ratios of schemes in the context of implementation costs and associated accidents savings based on Department for Transport (DfT) rates.

This programme aligns with the new Birmingham Road Safety Strategy approved by Cabinet in October 2016.

### **Safer Routes to Schools Programme**

It is proposed to continue the successful Safer Routes to Schools Programme (SRTS) over the next six financial years. Schools proposed for named highway engineering schemes are required to have an up-to-date School Travel Plan in place and then are prioritised in accordance with the safety and sustainability criteria provided as Annex B to this OA. In summary, schools are prioritised on safety grounds by reviewing the school population size and road accident levels in the vicinity. Schools prioritised on sustainability grounds are determined by the following:

- School population;
- Proportion of pupils living close enough to walk to school, but choosing not to;
- Particular requirements for highway measures identified by the school in their travel plan;
- Participation in sustainable travel initiatives and projects such as 'Walk Once a Week or 'Bike It'.

In addition to the above projects, it is proposed that a programme of 'smaller enhancement measures' be implemented at existing schools with a SRTS scheme on the basis of requirements identified during the update of individual School Travel Plans.

### **Ward Minor Transport Measures and Prevention of Damage to Grass Verges Pilot**

This programme supports the localism agenda through the provision of a £0.500m budget to address minor transport issues identified at ward level, and a £0.252m budget to address damage to grass verges. Following the changes to ward boundaries and number of ward members since May 2018 a review of how this funding is apportioned took place, with the funding being combined into one allocation per member. The apportionment strategy for 2018/19 and subsequent years was agreed with the Cabinet Member for Transport and Environment, which is set out in Annex C.

### **Local Schemes**

This programme includes ongoing schemes being delivered at a local level, but which sit outside of the main programmes.

### **Infrastructure Development**

The Infrastructure Development programme focuses upon activities to develop future year programmes to enable an overall rolling THCP. In addition, funding enables the development of new schemes and programmes to be funded from Government, LGF or other resources from 2020/21 onwards. Should projects developed in this and other programmes be abortive, then expenditure will represent a revenue cost to the promoting Directorate.

### **Governance and Delegations**

In the context of emerging City Council future operating models, there is clear rationale to streamline project development and delivery processes associated with the THCP to maximise delivery, enhance the City Council's reputation, minimise costs and offset reduced officer resources in relevant departments. In addition, there is a need to respond more expediently to external funding opportunities that become available (Air Quality and Cycle Safety Fund), often at short notice, and enable more effective budget and resource management within the confines of an agreed six year investment programme. As such, the following delegations are proposed:

#### ***Bidding and Grant Acceptance:***

Delegates approval of all OBCs, FBCs and related reports including revised financial appraisals for named projects and programmes detailed in Appendix A (Annex F) of this report to the Interim Director, Inclusive Growth in conjunction with the Interim Chief Finance Officer and in consultation with the relevant portfolio holder, up to a maximum value of £2m.

Delegates approval of all OBCs, FBCs and related reports including revised financial appraisals for named projects and programmes detailed in Appendix A (Annex F) to a report of Interim Director, Inclusive Growth and Interim Chief Finance officer to the relevant portfolio holder, up to a maximum value of £10m.



	<p><b>Project Approvals:</b></p> <p>Delegates authority to bid for and accept external capital and revenue resources in line with City Council priorities and consistent with the policies and objectives of the West Midlands Strategic Transport Plan, Birmingham Development Plan and Birmingham Connected transport strategy to the Interim Director, Inclusive Growth, in conjunction with the Interim Chief Finance Officer, and in consultation the relevant portfolio holder, up to a maximum value of £2.000m, noting that such bids are to be subject to initial Capital Board oversight.</p> <p>Delegates authority to bid for and accept external capital and revenue resources in line with City Council priorities and consistent with the policies and objectives of the West Midlands Strategic Transport Plan, Birmingham Development Plan and Birmingham Connected transport strategy to a report of Interim Director, Inclusive Growth and Interim Chief Finance officer to the relevant portfolio holder, up to a maximum value of £10.000m, noting that such bids are to be subject to initial Capital Board oversight.</p> <p><b>Programme Management:</b></p> <p>In line with City Council policies and objectives, and the City Council GRFAF, delegates authority to approve virement of funding between named projects within Annex F of the Transport and Highways Capital Programme, to Assistant Director Transport and Connectivity, for values below £0.500m.</p> <p>In line with City Council policies and objectives, and the City Council Gateway Approval Framework delegates authority to approve virement of funding between named projects within Annex F of the Transport and Highways Capital Programme, to Assistant Director Transport and Connectivity, in conjunction with the Interim Chief Finance Officer, and in consultation relevant portfolio holder, for values from £0.500m up to a maximum value of £1.000m.</p> <p><b>Consultation</b></p> <p>Full external consultation will be undertaken as part of individual OBCs and FBCs in accordance with normal practise including ward councillors, residents, emergency services, businesses, WM CA/TfWM and the Cycling Forum. Consultation will also be undertaken with Royal Sutton Coldfield Town Council and New Frankley in Birmingham Parish Council where appropriate.</p> <p>Consultation has been undertaken with the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in respect of Local Growth Fund (LGF) resources who support this approach.</p> <p><b>Equalities Analysis</b></p> <p>An initial screening for an Equality Assessment (EA) has been undertaken and has concluded that a full EA is not required at this time, with no adverse impacts on protected groups. This position will be reviewed for each composite project at FBC stage (or full PDD stage for the provisionally approved projects) as necessary. The initial screening is provided as Appendix C to the executive report that accompanies this APU</p> <p><b>Risks</b></p> <p>Key risks are outlined in Annex E of this APUR document. It should be noted that a significant shortage of consultant and contractor resource in the marketplace could impact upon programme delivery and potentially increase project costs. This risk will be managed by senior Transport and Highways officers in conjunction with relevant portfolio holders.</p>
<p><b>Links to Corporate and Service Outcomes</b></p>	<p>The Transport and Highways Capital Programme performs an essential role in supporting a range of projects and programmes that contribute towards achieving the City Council’s key policies and priorities, as set out in the West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy.</p>
<p><b>Project Benefits</b></p>	<p>In the context of inclusive economic growth, the THCP supports the Council’s key priorities as defined in the Birmingham City Council Plan: 2018 to 2022 (updated in 2019) and Financial Plan: 2019 to 2023, namely:</p>

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	<ul style="list-style-type: none"> <li>• Birmingham is an entrepreneurial city to learn, work and invest in</li> <li>• Birmingham is an aspirational city to grow up in</li> <li>• Birmingham is a fulfilling city to age well in</li> <li>• Birmingham is a great city to live in</li> <li>• Birmingham residents gain the maximum benefit from hosting the Commonwealth Games</li> </ul> <p>The programme is focused on reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality, encouraging active and sustainable modes of travel and delivering a successful transport strategy for the CWG.</p>
<b>Project Deliverables</b>	The THCP will deliver significant transport infrastructure over a six year period comprising: junction improvements; measures to reduce congestion; bespoke asset life extending works to structures; cycling and walking schemes; road safety improvements; local accessibility projects; safer routes to schools schemes; and a pipeline of future projects including the City Council's next programme of major transport schemes.
<b>Procurement Implications</b>	There are no direct procurement implications contained within this report. However, it should be noted that schemes will be delivered by the Council and the procurement strategy will be reported in individual OBC and FBC reports as per normal practise, with value for money and compliance with the Birmingham Business Charter for Social Responsibility clearly set out.
<b>Taxation Implications</b>	There are no direct taxation implications in this report. Taxation implications are assessed as part of individual funding bids, OBCs and FBCs.
<b>Accountable Body</b>	There are no direct Accountable Body implications for this report.
<b>Key Project Milestones</b>	
<b>Planned Delivery Dates</b>	
Approval of Programme Definition Document (OA)	February 2020
Approval of Full Business Cases (FBC)	Rolling programme
Seek Tenders & Evaluation	Rolling programme
Start on site	Rolling programme
Completion on site	April 2020 to April 2026
Post Implementation Reviews	April 2021 to April 2027
<b>Dependencies on other projects or activities</b>	<p>There are no direct implications for this report. Specific project implications such as the examples shown below will be addressed as part of individual funding bids, OBCs and FBCs.</p> <ul style="list-style-type: none"> <li>• Approval of GBSLEP business cases;</li> <li>• Approval of business cases by DfT;</li> <li>• Approval of Housing Infrastructure Fund Bid</li> <li>• Securing match funding contributions;</li> <li>• Securing private contributions;</li> <li>• Acquiring necessary third-party land;</li> <li>• Securing funding for revenue implications;</li> <li>• Completing procurement and tendering processes;</li> <li>• Securing access to the public highway;</li> <li>• Phasing works in accordance with other works on the highway;</li> <li>• Securing necessary legal agreements and completing grant agreements; and</li> <li>• Contractors and Statutory Undertakers availability.</li> </ul>
<b>Achievability</b>	Similar programmes have been completed previously by the City Council using its project officer and project management resources supplemented by experienced contractors with a track record of delivering similar projects will be appointed as part of necessary procurement processes.
<b>Project Manager</b>	To be confirmed as part of individual OBC and FBC reports.

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<b>Project Accountant</b>	Andy Price		
<b>Project Sponsor</b>	Philip Edwards		
<b>Proposed Project Board Members</b>	N/A		
<b>Finance Business Partner (FBP)</b>	Simon Ansell	<b>Date of FBP Approval</b>	
<i>Other Mandatory Information</i>			
<ul style="list-style-type: none"> <li>• <b>Has project budget been set up on Voyager?</b></li> </ul>			Ongoing
<ul style="list-style-type: none"> <li>• <b>Issues and Risks updated</b> <i>(Please attach a copy to the PDD and on Voyager)</i></li> </ul>			Annex E

## 2. Options Appraisal Records

The following sections are evidence of the different options that have been considered in arriving at the proposed solution. All options should be documented individually.

<b>Option 1</b>	<b>Discontinue Transport and Highways Capital Programme</b>
<b>Information Considered</b>	Birmingham City Council Priorities; West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; member and senior officer consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; WMCA/TfWM Reports; West Midlands Devolution Deal, Birmingham 2022 Host City Contract.
<b>Pros and Cons of Option</b>	<p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>• Significant funding from the DfT, WMCA and GBSLEP will not be provided or would be at risk of clawback;</li> <li>• The City Council will not be able to demonstrate the ability to manage and deliver government transport funding, potentially affecting the further devolution of resources;</li> <li>• New funding would be difficult to access;</li> <li>• Transport and Highways works to enable growth may not be delivered and restrict the creation of new employment opportunities;</li> <li>• Transport and Highways works to enable growth may not be delivered within necessary timescales, reducing competitiveness and failing to build confidence in key growth zones;</li> <li>• The City Council's economic growth zones will not be progressed in a timely fashion;</li> <li>• Transport benefits relating to reduced congestion and improved safety may not be achieved;</li> <li>• Would dissolve existing strategy to fund large projects such as Tame Valley Viaduct;</li> <li>• Existing commitments and pressures would still need to be funded;</li> <li>• Net surplus BLE income may not be used in accordance with the Bus Lanes Contraventions Regulations 2005;</li> <li>• Abortive 'sunk' development costs that may represent a revenue pressure;</li> <li>• Existing Government and GBSLEP funding could be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding;</li> <li>• Failure to deliver the Birmingham Connected Transport Strategy and West Midlands Strategic Transport Plan;</li> <li>• Broader reputational risks for the Council and members;</li> <li>• Likely to be politically and publically unacceptable;</li> <li>• Severe staff implications due to loss of capital funding and fee recovery;</li> <li>• Failure to adhere to the Birmingham 2022 CWG host city contract;</li> <li>• The full benefits of HS2 will not be realised;</li> <li>• The City Council will not deliver its obligations regarding air quality including a Clean Air Zone.</li> <li>• The City Council will not meet its zero carbon Birmingham by 2030 target</li> <li>• Increased revenue costs as assets deteriorate</li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• Additional maintenance implications may not be incurred;</li> <li>• Potential disruption may be avoided by not delivering key improvements;</li> <li>• Some match funding could be used for alternative purposes.</li> <li>• No risk of cost over run impacting the City Council.</li> </ul>
<b>People Consulted</b>	Consultation has been undertaken with the Cabinet Member for Finance and Resources, Assistant Director Highways and Infrastructure, Interim Assistant Director Development and Assistant Director Transport and Connectivity,
<b>Recommendation</b>	Do not proceed
<b>Principal Reason for Decision</b>	Failure to deliver the City Council's priorities, transport strategy, and associated linkages to other agendas around economic growth, employment, health and sustainability. Failure to adhere to Birmingham 2022 CWG host city contract and CAZ regulations and realise benefits of HS2.

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<b>Option 2</b>	<b>Continue Transport and Highways Capital Programme and Implement Proposed Funding Strategy</b>
<b>Information Considered</b>	Birmingham City Council Priorities; West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; member and senior officer consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; WMCA/TfWM Reports; West Midlands Devolution Deal, Birmingham 2022 Host City Contract.
<b>Pros and Cons of Option</b>	<p><b><u>Limitations</u></b></p> <ul style="list-style-type: none"> <li>• Additional maintenance implications will be incurred;</li> <li>• Disruption associated with delivering key improvements;</li> <li>• Match funding not available for alternative purposes;</li> <li>• Less focus on smaller transport improvements;</li> <li>• No staffing efficiencies; and</li> <li>• Long term commitments to repay prudential borrowing.</li> </ul> <p><b><u>Benefits</u></b></p> <ul style="list-style-type: none"> <li>• Significant funding from the DfT, WMCA and GBSLEP will be secured;</li> <li>• The City Council can demonstrate the ability to manage and deliver government transport funding, supporting the further devolution of resources;</li> <li>• New funding could be accessed;</li> <li>• Existing commitments and pressures would be funded;</li> <li>• Transport and Highways works to enable growth would be delivered and create new employment opportunities;</li> <li>• Transport and Highways works to enable growth would be delivered within necessary timescales, increasing competitiveness and building confidence in key growth zones;</li> <li>• The City Council's economic growth zones will be progressed in a timely fashion;</li> <li>• Transport benefits relating to reduced congestion and improved safety will be achieved;</li> <li>• Strategy to fund large projects such as Tame Valley Viaduct maintained;</li> <li>• Existing Government and GBSLEP funding would not be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding;</li> <li>• Usage of net surplus BLE income in accordance with the Bus Lanes Contraventions Regulations 2005;</li> <li>• Delivery of the Birmingham Connected Transport Strategy and West Midlands Strategic Transport Plan;</li> <li>• No reputational risks for the City Council and members;</li> <li>• Politically and publically acceptable;</li> <li>• No staff implications due to loss of capital funding and fee recovery;</li> <li>• Ability to meet the requirements of the Birmingham 2022 CWG host city contract;</li> <li>• The full benefits of HS2 be realised;</li> <li>• Will support the City Council in delivering its obligations regarding air quality including a Clean Air Zone.</li> <li>• The strategy can contribute to the City Council meeting its zero carbon Birmingham by 2030 target</li> </ul>
<b>People Consulted</b>	Consultation has been undertaken with the Assistant Director Highways and Infrastructure, Interim Assistant Director Development and Assistant Director Transport and Connectivity,
<b>Recommendation</b>	Proceed
<b>Principal Reason for Decision</b>	Delivery of the City Council's priorities, transport strategy, and associated linkages to other agendas around economic growth, employment, health and sustainability. Significant improvements to transport infrastructure. Risk exposure reduced in respect of securing external funding and preventing funding clawback. Ability to meet the requirements of the Birmingham 2022 CWG host city contract, zero carbon Birmingham by 2030 target, CAZ regulations and realise benefits of HS2.

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Criteria	Score		Weighting	Weighted Score		
	Option 1	Option 2		Option 1	Option 2	
Total Capital Cost	8	5	10%	0.8	0.5	Less capital expenditure if the programme is not progressed however this may result in additional future capital cost if infrastructure is not improved
External Funds Leveraged	1	10	10%	0.1	1	External funds will not be leveraged or there will be a significant reduction if the programme does not progress
Upfront Revenue Cost	10	10	10%	1	1	There are no material up-front revenue costs implications for either option
Full Year Revenue Consequences	8	10	10%	0.8	1	There are ongoing revenue cost implications of progressing the programme as detailed within the finance section however, there may also be ongoing future revenue cost implications if the programme is not progressed due to the deterioration of existing infrastructure
Quality Evaluation Criteria e.gs						
1)Meeting Service Requirements	2	10	20%	0.4	2	Service requirements will only be significantly met by progressing the programme
2)Contributing to Priorities	2	10	20%	0.4	2	Priorities will only be significantly met by progressing the programme
3)Compliance with Existing Obligations	2	10	20%	0.4	2	Existing obligations will only be met by progressing the programme
<b>Total</b>			<b>100%</b>	<b>3.9</b>	<b>9.5</b>	

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### 4. Option Recommended

**Option 2** is recommended as it will allow the delivery of the City Council's priorities, transport strategy, and associated linkages to other agendas around economic growth, employment, health and sustainability. It will also allow significant improvements to infrastructure. Risk exposure reduced in respect of securing external funding and preventing funding clawback. Ability to meet the requirements of the Birmingham 2022 CWG host city contract, zero carbon Birmingham by 2030, and Air Quality/CAZ regulations and realise benefits of HS2.

## 5. Budget information

Detailed budget information by project, programme and funding source is provided as Annex F to this Options Appraisal (OA).

### Notes – Revenue Consequences

#### Asset Management/Maintenance Implications

As part of the City Council's obligations under the Highway Maintenance and Management Private Finance Initiative (HMMPPFI) contract, Highways will be formally notified of the proposed changes to the highway inventory arising through individual project OBCs and FBCs.

Consultation with Highways will be carried out to enable coordination of the proposed works with other programmed activities on the highway network as a part of the development of individual project OBCs and FBCs.

#### **Revenue Maintenance Costs**

New capital transport projects by nature can attract additional ongoing maintenance costs in respect of improved or new assets. In addition, there is also the opportunity to remove existing assets during works to mitigate cost increases. All projects will need to identify revenue maintenance implications and funding as part of the OBC and FBC governance processes.

For projects approved during 2020/21 (excluding those deemed to be major projects), an ongoing annual corporate policy contingency allocation of up to £0.250m is available to accommodate inventory growth and expenditure incurred as a result of new capital works will be monitored to ensure this budget allocation is not exceeded. In the unlikely event that potential pressures are identified measures to mitigate, including project revisions or deferral of projects will be considered.

For projects deemed to be major projects, (for example Metro and HS2), the corporate policy contingency allocation is not normally available to fund associated revenue maintenance impacts and as a result associated OBCs and FBCs will be required to identify a funding source. In some cases, these projects are funded by external bodies and contributions to revenue costs and ongoing maintenance will specifically be explored as part of the project development.

#### **Prudential Borrowing Costs**

As detailed above the existing programme is part funded through corporate resources including PB. The revenue cost of PB is funded from in year Net BLE surplus. Further information on PB is provided in Appendix B. Revenue consequences of PB will continue to be managed within Inclusive Growth Directorate budgets.

#### **Network Integrity Assessment**

Network integrity assessments will be carried out for the highway infrastructure to identify locations where potential maintenance savings could be made.



<b>6. Project Development Requirements/Information</b>	
<b>Products required to produce Full Business Case</b>	<p>Please note the information below relates to the production of individual FBCs for specific projects detailed within this OA:</p> <ul style="list-style-type: none"> <li>• Consultation;</li> <li>• Detailed design including drawings and estimate;</li> <li>• Road Safety Audit 2;</li> <li>• Internal liaison with key council officers;</li> <li>• Highways Change Notification;</li> <li>• Traffic Management Protocol and Plans;</li> <li>• NRSWA Notification;</li> <li>• Approval Reports;</li> <li>• Delegated Form of Authority for Traffic Regulation Orders;</li> <li>• Approval of GBSLEP business cases/loan applications;</li> <li>• Approval of business cases by DfT;</li> <li>• Securing match funding contributions;</li> <li>• Securing private contributions;</li> <li>• Acquiring necessary third-party land;</li> <li>• Securing funding for revenue implications;</li> <li>• Completing procurement and tendering processes;</li> <li>• Securing access to the public highway;</li> <li>• Phasing works in accordance with other works on the highway;</li> <li>• Securing necessary legal agreements and completing grant agreements.</li> </ul>
<b>Estimated time to complete project development</b>	Rolling development
<b>Estimated cost to complete project development</b>	Not applicable
<b>Funding of development costs</b>	Development costs funded through ITB are set out in Annex D of this report. Other development costs are funded by external funding as part of funding bids.

<b>Planned FBC Date</b>	Rolling	<b>Planned Date for Technical Completion</b>	Phased between April 2020 and March 2026
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**List of Annexes accompanying this OA:**

**ANNEX A – LOCAL SAFETY SCHEMES PRIORITISATION AND GOVERNANCE**

**ANNEX B – SAFER ROUTES TO SCHOOLS – SCORING CRITERIA FOR SAFETY AND SUSTAINABILITY STRANDS/GOVERNANCE**

**ANNEX C – WARD MINOR TRANSPORT MEASURES AND PREVENTION OF DAMAGE TO GRASS VERGES**

**ANNEX D – BREAKDOWN OF DEVELOPMENT COSTS**

**ANNEX E – HIGH LEVEL PROGRAMME RISK ASSESSMENT**

**ANNEX F – FINANCIAL SUMMARY BY PROJECT AND PROGRAMME (SEPARATE ATTACHMENT)**

**ANNEX G – CITY CENTRE PUBLIC REALM**

### ANNEX A – LOCAL SAFETY SCHEMES PRIORITISATION AND GOVERNANCE

Accident studies are carried out at the following location types: priority junctions, signal junctions, roundabouts, route lengths and local areas. Injury accident data collected by the Police is compiled from the Spectrum system for each location. Statistical tests are then carried out on the data to determine the following:

- Locations with at least 9 accidents in the past 3 years;
- Chi Squared tests to determine locations with significant numbers of KSI (Killed or Seriously injured) accidents or accidents involving vulnerable road users (pedestrians and cyclists); and
- Poisson analysis is used to determine locations with significant recent increases in accident number.

For all locations, a treatable accident pattern is required. Feasibility studies are carried out to determine a solution to the problem, identify accident savings and produce a First Year Rate of Return (FYRR). Schemes are prioritised based on the FYRR.

Individual schemes, which are all estimated to have a value below £200,000, will progress to OBC and FBC stage to be approved by the Chief Officer, without the requirement for an overarching programme OBC.

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**ANNEX B – SAFER ROUTES TO SCHOOLS – SCORING CRITERIA FOR SAFETY AND SUSTAINABILITY STRANDS/GOVERNANCE**

**Safety Strand**

No.	Criteria	Points	Points Criteria	Maximum Points Awarded	Percentage Weighting of Individual Areas
1	Child accident rate (aged 3-16) within 1 km radius of the school over the last three years	5	High number of accidents/severity levels (Fatality, 5 or more serious accidents or 20 or more slight accidents)	5	25%
		3	Intermediate number of accidents/severity levels (Any serious or 10 or more slight accidents)		
		1	Lower number of accidents/severity levels (1 or more slight accident)		
2	Child accident rate (3-16) outside the school over the last three years, this includes adjacent roads.	5	Any serious accident on adjacent roads over the last three years	5	25%
		3	If there were no serious but two or more slight accidents over three years		
		1	Only one slight accident over three years		
3	What is the pedestrian accident rate outside the school over the last three years (adjacent roads)	5	Any fatality or 2 or more serious accidents on adjacent roads over the last three years	5	25%
		3	One serious or two or more slight accidents over three years		
		1	Only one slight accidents over three years		
4	School population including joint bids	5	Over 1500 pupils	5	25%
		4	Over 1250 pupils		
		3	Over 1000 pupils		
		2	Over 500 pupils		
		1	Over 250 pupils		

**Sustainability Strand**

No.	Criteria	Points	Points Criteria	Maximum Points Awarded	% Weighting of Individual Areas
1	School Population	5	Over 1500 pupils	5	20%
		4	Over 1250 pupils		
		3	Over 1000 pupils		
		2	Over 500 pupils		
		1	Over 250 pupils		
2	Potential to improve sustainable mode of travel Calculated by: (Children living within 1 km of the school / 2 km secondary) - (% already travelling by sustainable modes i.e. walk, bus, train, cycle, car share.)	5	Over 40%	5	20%
		4	30-39%		
		3	20-29%		
		2	10-19%		
		1	1-9%		
3	Particular school requirements	5	Recognised need for a particular facility to make sustainable travel more attractive through school travel plan or other form of communication.	5	20%
		3	Generalised reference to facilities required and some supportive evidence of potential.		
4	Part of a wider engineering / maintenance project or a sustainable travel scheme to reduce CO2 emissions and reduce congestion e.g. LSTF Projects etc.	5	Listed as a school within project area.	5	20%
5	Participation in sustainable travel and road safety initiatives.	5	Participation in Walk once a Week, Walking Bus, Bike It or another sustainable travel scheme requiring long term school commitment.	5	20%
		2	W2SW, Bikeability Training, Road Safety Training or Heath Projects.		

Individual schemes will progress to OBC and FBC stage to be approved by the Chief Officer, without the requirement for an overarching programme OBC.

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## ANNEX C – WARD MINOR TRANSPORT MEASURES (Local Ward Programme)

### Ward Minor Transport Measures (WMTM)

This programme will support the localism agenda through the provision of an annual £1.2m budget to develop and deliver schemes addressing minor transport issues identified at ward level. Works within this programme should demonstrate a contribution towards reducing congestion and improving accessibility, with greater flexibility provided in terms of value for money to reflect local priorities.

The highest priority will be given to disabled bay markings and dropped crossings to facilitate mobility for the disabled as there is a statutory duty to fulfil these needs. The balance of the resources can be used for a range of improvements including: prescribed and non-prescribed carriageway markings and traffic signs, traffic regulation orders, safety measures, minor highway realignments, parking measures, minor walking and cycling schemes and small public transport improvements. This programme also includes the protection of grass verges schemes identified at a ward level, with eligible use comprising:

**Regulation:** The Council has the powers to implement Traffic Regulation Orders (TRO). A citywide order was introduced in 2014 to tackle verge parking. However, consent is needed to introduce the required signage. Therefore any potential sites that might be put forward for consideration of a TRO would need to address:

- Vehicle Displacement;
- Sign Clutter; and
- Enforcement.

**Accommodation:** With an increase in car ownership and parking problems across the city, it is inevitable that vehicles will need to be allowed to park on treated verge areas in certain instances. There are several methods that can be used to achieve this:

- Carriageway strip widening;
- Verge Strip Hardening;
- Whole Verge Replacement; and
- Verge Reinforcement.

### Funding Apportionment

Following the changes to ward boundaries and number of ward members since May 2018 a review of how this funding is apportioned has taken place. The apportionment strategy for 2020/21 has been agreed with the Cabinet Member for Transport and Environment and is set out below. This apportionment will continue from 2020/21 and on a rolling annual basis in future years.

**Funding Allocation for  
Ward Minor Transport Measures (WMTM – Local Ward Programme)  
Capital Programmes 2020/21 and beyond:**

<b>WMTM Allocation – 2020/21 (and in future years)</b>	
Development Fee	£190,000
Works	£1,010,000 (£10,000/£20,000 per single/double ward Member)
<b>Total Allocation</b>	<b>£1,200,000</b>

**Funding Allocation per Ward**

<b>Allocation</b>	<b>WMTM - 2020/21 (and in future years) (works)</b>
Per Single Ward Member*	£10,000
Per Double Ward Member*	£20,000

\*37 Wards – 1 Member

\*32 Wards – 2 Members

Cabinet Member for Transport and Environment, Councillor Waseem Zaffar, at his Briefing Meeting on 20<sup>th</sup> January 2020 agreed to allocate WMTM funding (Local Ward Programme) as set out above.

It was agreed that this is the total amount each ward (Member) will receive to implement locally prioritised WMTM schemes in all wards including any other miscellaneous works such as: the provision/removal of Disabled Bays, H- Bar markings, bollards, signs, road markings, guardrailing, drop kerbs etc.

## ANNEX D – BREAKDOWN OF DEVELOPMENT COSTS

<b>Scheme</b>	<b>Cost (£m)</b>	<b>Fund</b>
R20 Transport Programme	0.100	ITB
CWG 2022	0.175	ITB
Cycling & Walking Scheme Development	0.100	ITB
Birmingham Connected Infrastructure	0.250	ITB
Network & Accessibility Development	0.100	ITB
HS2 Infrastructure Development	0.086	ITB
HIL/TRO Reviews & Surveys	0.050	ITB
SADV JDT Costs	0.200	ITB
Road Safety Strategic Scheme Development (SSD)	0.030	ITB
Safer Routes To Schools SSD	0.030	ITB
<b>Total</b>	<b>1.121</b>	

## APPENDIX

### ANNEX E - HIGH LEVEL PROGRAMME RISK ASSESSMENT

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	Assistant Director Transport and Connectivity	High	Medium	High	Detailed programme and cost management. New sources of funding obtained	High	Medium	High	Same	
2	Objections from key consultees	Head of Infrastructure Projects	High	Medium	Medium	The scheme package has been discussed with senior members. Some schemes have already been consulted upon.	High	Low	Medium	Better	
3	Skills, capacity and capability insufficient to fully deliver programme	Head of Infrastructure Projects	High	Medium	High	Recruitment, training and use of consultant's framework put in place.	Medium	Medium	Medium	Better	
4	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	
5	Insufficient revenue resources to fully cover inventory growth	Assistant Director Transport and Connectivity	High	Medium	High	Revenue provision subject to Corporate/Directorate review.	High	Medium	High	Same	
6	Land Ownership.	Head of Infrastructure Projects	Medium	Medium	Medium	Land ownership has been reviewed. Some projects may require third party land or a CPO	Medium	Medium	Medium	Same	
7	Failure to meet grant conditions with funding being withheld.	Head of Infrastructure Projects	High	Low	Medium	Projects will be effectively managed to address issues affecting delivery and consequentially grant funding.	Medium	Low	Low	Better	
8	External funding bids unsuccessful	Assistant Director Transport and Connectivity	High	High	Medium	Close liaison being undertaken with external funders.	High	High	Medium	Same	Reprogramming to revised resources
9	Legal Agreements/Funding agreements with partners	Head of Infrastructure Projects	High	Low	Low	Most agreements in place. Ongoing dialogue with GBSLEP	Medium	Low	Low	Better	



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No	Risk Description	Owner / Manager	Inherent Risk			Measures in place to manage	Residual Risk			Status	Further Action
			Impact	Likelihood	Exposure		Impact	Likelihood	Exposure		
10	Further cost pressures identified	Assistant Director Transport and Connectivity	High	Medium	High	Continual management and review of projects and risks being undertaken.	High	Medium	High	Same	
11	Forecast net surplus bus lane enforcement income does not arise	Assistant Director Transport and Connectivity	High	Medium	High	Ongoing wider management of THCP and identification of new and windfall resources	Medium	Medium	Medium	Better	
12	Expected s106 contributions do not materialise	Assistant Director Transport and Connectivity	Medium	Medium	Medium	Regular engagement with Planning Management Service.	Medium	Medium	Medium	Same	
13	Sunk development costs become abortive and a revenue pressure	Assistant Director Transport and Connectivity	Medium	Medium	Medium	Close engagement with funder partners and provision made within revenue budgets.	Medium	Medium	Medium	Same	
14	New WMCA Mayor revises ITB budget allocations	Assistant Director Transport and Connectivity	High	Low	High	Close working with WMCA established	High	Low	High	Same	
15	ITB allocations reduced beyond 2021/22	Assistant Director Transport and Connectivity	Medium	Medium	Medium	Ongoing liaison with WMCA and overall management of THCP	Medium	Medium	Medium	Same	
16	Funding clawed back by funders	Assistant Director Transport and Connectivity	High	Low	High	Monitoring being undertaken to ensure compliance with grant conditions.	High	Low	High	Same	
17	A local contribution strategy cannot be identified for Tame Valley Viaduct and Dudley Road	Assistant Director Finance & Highways and Infrastructure/Transport and Connectivity	High	Medium	High	Strategy being developed and scope and delivery strategies for the projects being reviewed.	High	Medium	High	Same	

**ANNEX F – ATTACHED SEPARATELY**

## ANNEX G – CITY CENTRE PUBLIC REALM

Cabinet approved the Outline Business Case (OBC) for the City Centre Public Realm project on 29th October 2019, it was reported in the OBC that a Full Business Case (FBC) would be presented to Cabinet February 2020. During the drafting of the FBC, further information has come to light that affects the procurement strategy set out in the OBC. Engie Urban Energy Ltd, the Council's contractor for the Combined Heat and Power scheme is installing new pipework from the Council House along Colmore Row to the Newhall Street junction. To prevent construction work being carried out by two organisations in the same area, it is proposed that Engie Urban Energy Ltd undertake the public realm works at Victoria Square, Colmore Row and Waterloo Street through single contractor negotiation (subject to approval through Planned Procurement Activities report to Cabinet). This approach will reduce disruption to visitors, workers, businesses etc (not digging up Victoria Square twice), provide continuity of paving, reduce construction programme and costs. Approval to this proposed change to the procurement strategy is sought through the Planned Procurement Activities report to Cabinet on 11th February 2020.

This report seeks the delegation of approval of the FBC for the Victoria Square, Colmore Row and Waterloo Street sections of the City Centre Public Realm project, estimated to total up to £5.000m, to a report of Interim Director, Inclusive Growth and Interim Chief Finance officer to the relevant portfolio holder and notes this FBC will be presented ahead of the FBC to Cabinet for the remaining sections of the City Centre Public Realm Project (scheduled for Spring 2020). Engie Urban Energy Ltd are programmed to commence works February 2020 and finish August / September 2020 from the Council House to Colmore Row section. To achieve this programme it is necessary to present a separate FBC for this element of the City Centre Public Realm works (estimated at £5m).

This approach will minimise disruption in the City Centre with the pipework for the Combined Heat and Power scheme and new paving being installed by the same contractor. The FBC will be presented February 2020.

The FBC for the main Public Realm works along New Street, including the fountain refurbishment and hostile vehicle mitigation measures is expected to be presented to Cabinet April / May 2020.

