

Birmingham City Council

Report to Cabinet

25 June 2024



Subject: **Transportation & Highways Delivery Programme
2024/25 to 2029/30 – Annual Programme Update**

Report of: **Strategic Director of Place, Prosperity & Sustainability**

Relevant Cabinet Member: **Councillor Majid Mahmood: Environment and Transport**

Relevant O & S Chair: **Councillor Lee Marsham: Sustainability and Transport**

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|---|---|---|
| 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: 011821/2023 | | |
| 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 |

1 Executive Summary

- 1.1 The Transport and Highways Delivery Programme (THDP) is a rolling programme of capital and revenue investment in the city's transport networks and systems, which includes all investment in transport and highways outside of the Highways Maintenance and Management Private Finance Initiative (PFI). This report provides Cabinet with an Annual Programme Update (APU) for the period 2024/25 to 2029/30 at an estimated value of £308.372m. The APU sets out new resources and funding allocations, project budgets, expenditure profiles, policy changes and a summary of forecast project activity during 2024/25. This report also provides the necessary approvals and delegations to enable the streamlined delivery and management of the THDP.

2 Recommendations

- 2.1 Approves the Annual Programme Update (APU) provided as Appendix A to this report at a total estimated value of £308.372m.
- 2.2 Approves, subject to the Council's Gateway and Related Financial Approval Framework (GRFAF), confirmation of 2024/25 funding and pursuant to the delegations set out in recommendations 2.5 to 2.9:
 - 2.2.1 An estimated allocation of £6.254m in 2024/25 of new Local Network Improvement Plan (LNIP) funding provided through West Midlands Combined Authority (WMCA) devolved transport grant process, to named projects; and
 - 2.2.2 The release of LNIP development funding of £2.605m from within the allocation shown in paragraph 2.2.1 to progress named projects to Outline Business Case (OBC) and Full Business Case (FBC) stage, which have a strong probability of being delivered through either current or future funding mechanisms.
- 2.3 Approves the allocation of up to £31.482m of net surplus revenues from the Clean Air Zone in accordance with the Transport Act 2000 and the statutory charging order, noting that actual expenditure will require the approval of specific OBC and/or FBC reports.
- 2.4 Delegates approval of all OBCs, FBCs and related reports including revised financial appraisals for named projects and programmes detailed in Appendix A of this report to the Strategic Director of Place, Prosperity and Sustainability in consultation with the Director of Finance (Section 151 Officer) or their delegate, up to a maximum value of £5.000m, and to the relevant portfolio holder up to a maximum value of £10.000m
- 2.5 Approves the strategy for the procurement activity in 7.4 and delegates the award of contracts for services and works to support the delivery of the named projects within Appendix A of this report to the Strategic Director of Place, Prosperity and Sustainability in consultation with the Interim Director Commercial and Procurement, Director of Finance (Section 151 Officer) and the City Solicitor and Monitoring Officer (or their delegates) for values above the procurement threshold and up to £10.000m.
- 2.6 Under the Council's Procurement and Contract Governance Rules paragraph 4.59 vi, approves applying a Negotiated Contract without competition to West Midlands Combined Authority, for any highways and infrastructure works and services to support the delivery of named projects within Appendix A of the Transport and Highways Delivery Programme, in accordance with the approach in paragraph 7.4.4 and delegates the award of any subsequent contracts to the Strategic Director of Place, Prosperity and Sustainability in consultation with the Interim Director Commercial and Procurement, Director of Finance (Section 151 Officer) and the City Solicitor and Monitoring Officer (or their delegates).

- 2.7 Delegates authority to bid for and accept external capital and revenue resources in line with Council priorities and consistent with the policies and objectives of the Birmingham Transport Plan to the Assistant Director Transport and Connectivity in consultation with the Director of Finance (Section 151 Officer) or their delegate, up to a maximum value of £5.000m, and to the relevant portfolio holder up to a maximum value of £10.000m. Schemes that are successful in securing external capital and revenue resources will be added to the THDP as appropriate.
- 2.8 Delegates authority to approve virements of funding into and between named projects within Appendix A of the THDP to the Assistant Director Transport and Connectivity, up to a maximum value of £5.000m, and to the relevant portfolio holder up to a maximum value of £10.000m
- 2.9 Authorises the City Solicitor and Monitoring Officer to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

3 Background

- 3.1 The Birmingham Transport Plan (BTP) defines a new vision for Birmingham's Transport network. It sets out how the Council will transform the city's transport to meet the challenges of the next decade. The BTP is our comprehensive response to a range of social, environmental and economic imperatives (and is directly aligned to a range of priority projects and agendas, locally, regionally, and nationally), but with the scale and pace of change driven by the commitment to achieve net zero carbon by 2030. The projects and programmes within the Transportation and Highways Delivery Programme (THDP) 2024/25 to 2029/30 play a significant role in delivering the BTP. Planned project activity for the 2024/25 financial year is provided as Appendix C to this report.
- 3.2 Transport is essential for people to meet their daily needs to access employment, education, health and leisure. The BTP and associated THDP take a citizen focused approach. One third of households in the city do not have access to a car and the current public transport offer does not fulfil all needs. Negative impacts of transport such as poor air quality and road safety impact on health, wellbeing and quality of life. In order to support the city's growing population and our citizens' needs for a clean and safe sustainable transport network, improvements need to be delivered at pace and this is something that citizens and stakeholders are now demanding of the Council.
- 3.3 Ultimately, transport will contribute to a more prosperous, inclusive and healthy city, and also help reduce longer-term demands on Council and other public services when delivered in an aligned way.
- 3.4 The THDP is resourced fully from a combination of capital and revenue ring-fenced grants and incomes, which are required to be applied in accordance with grant agreements, legislation and associated regulations, and in the case of net surplus revenues from the Clean Air Zone (CAZ) the statutory charging order.

- 3.5 It should be noted that this report does not approve individual projects, as these are subject to the Council's Gateway and Related Financial Approval Framework (GRFAF), or appropriate delegations focussed upon streamlining delivery and maximising external grant funding opportunities. Additionally, projects and financial resources are approved on a sequential basis through each gateway stage of the GRFAF and where applicable the West Midlands Combined Authority's Single Assurance Framework (SAF).

Intervention and Transport and Highways Funding

- 3.6 Whilst the THDP retains a strong citizen focus and supports the delivery of statutory duties, it must be recognised that the operating context of the Council has changed, and activity must contribute to and align with the Council's Improvement and Recovery Plan (IRP). The THDP provides a strong example of how the Council can deliver for the city, maximising use of external funding resources, and working collaboratively with external partners including WMCA, adjoining local authorities, government departments and agencies, and the private sector. Notwithstanding this, work has been undertaken to review and rephase planned projects, programmes and resources so as to not only maximise transport outcomes, but support savings proposals, generate future savings and efficiencies, and reduce and/or remove calls for Council borrowing or general fund expenditure.
- 3.7 Aligned with the above, significant consideration has been given to the further use of net surplus revenues from the CAZ to provide multiple benefits, with this report proposing a new allocation of £31.482m, noting that expenditure can only be committed upon the approval of a FBC in accordance with governance previously approved by Cabinet.

Environment and Transport Neighbourhood Fund

- 3.8 Listening to and involving our citizens and communities forms a key part of the Council's IRP, with the first 'Shaping Birmingham's Future Together' meeting taking place during May. Removing silos, optimising delivery and performance also strongly feature in the IRP.
- 3.9 Set in the above context it is proposed to create an Environment and Transport Neighbourhood Fund (ETNF) where elected members can work with citizens and community groups to develop meaningful local interventions in a streamlined manner to provide a positive contribution towards active travel, road harm reduction, air quality, carbon reduction and climate change mitigation. As the £1.200m proposed for the fund is resourced from transport grant provided by the Department for Transport (DfT) via WMCA as part of the CRSTS1 settlement, the focus of the fund will be road safety interventions reflecting significant issues and citizen concerns across the city at the current time. In addition, road safety is a key performance indicator set by the DfT to monitor the impact and effectiveness of CRSTS1 resources.
- 3.10 It should be noted that whilst funds for the ETNF are allocated at a ward level and interventions are to be identified by elected members working with citizens and

community groups, all financial and scheme approvals will be undertaken by officers. Each scheme will require a FBC that is accompanied by a delegated report that will have received approval from the Council's Section 151 spend control board before final sign off from the appropriate senior officer as listed in the scheme of delegations.

- 3.11 To support the development of interventions, Healthy Streets training will be a mandatory requirement for all officers involved in the fund, with training to also be offered to elected members and community groups where possible.
- 3.12 It is proposed that the ETNF will be created in two stages, with transport resources previously allocated to the Ward Minor Transport Measures (WMTM) moved into the new fund with immediate effect. Secondly, a review of the Brum Breathes Fund (BBF) funded by net surplus CAZ revenues will be undertaken with the objective of moving resources that are not subject to a live application into the ETNF. As part of this review, officer capacity where required will be provided to elected members to build community capacity to help develop their ward plans and proactively identify a forward-looking programme of appropriate interventions over the next two financial years.
- 3.13 By adopting this approach, it is intended that elected members working with citizens and community groups are given the opportunity to deliver larger value for money schemes that make a strong contribution to the priorities set out in paragraph 3.9 and 3.10. Further information related to the ETNF is provided in Appendix A (pages 1 and 2). The project governance and approval process set out in paragraph 3.10 will apply.

Future Funding – Single Settlement

- 3.14 The WMCA is currently negotiating with Government for a single settlement that will cover themes including transport, housing, regeneration and skills. This is part of the Deeper Devolution Deal approved by WMCA Board in October 2023 and set out in a Memorandum of Understanding published as part of the 2023 Autumn Statement. Subject to these negotiations, the single settlement is likely to commence in 2025/26 and run in parallel with the remaining two years of the City Region Sustainable Transport Settlement (CRSTS) 1, which will conclude at the end of 2026/27.
- 3.15 Beyond 2026/27 the government had already provided a CRSTS 2 baseline allocation of £1.566m to the region, with a further uplift of £1.082m announced as part of the West Midlands Network North funding package following the cancellation of the northern leg of HS2.
- 3.16 This proposed long-term investment is welcomed in terms of financial planning, scheme development and preparing for delivery, rather than a requirement to make ad-hoc bids when required or enter into costly competitive processes. In this context, it is important that the Council is prepared for the single settlement and has a pipeline of suitable schemes developed that meet the policies and priorities of the Council, WMCA and government. As such, development allocations

contained within this report are essential to this activity and ensuring that the city maximises its investment from external grant funded sources in the period up to 2032, which importantly also have a high probability of being delivered.

4 Options Considered and Recommended Proposal

- 4.1 As referenced above, the operating context of the Council has changed and whilst the THDP is a strong example of collaborative delivery that is financially sustainable using external and ring-fenced resources, it must be recognised that certain planned activity and use of resources is required to change to support the IRP.
- 4.2 As such, a number of options have been explored as part of preparing the Annual Programme Update provided at Appendix A to this report, with the proposed option selected based on best achieving the Council's key policies and priorities within finite resources, whilst maximising delivery and minimising risks. The recommended option supports the IRP where practicable, and where funding stipulations allow, through reviewing, reprioritising and rephasing planned projects, programmes and resource allocations so as to help support current savings proposals, generate future savings and efficiencies, and reduce and/or remove calls for Council borrowing and general fund expenditure.
- 4.3 As part of the options analysis undertaken, the further use of net surplus CAZ revenues has been critically reviewed to enable the continuation and delivery of projects previously planned to be funded via the Council's Enterprise Zone or borrowing, increase resources for road harm reduction activity given significant public and political concern, and undertake work to maximise future external grant resources via the single settlement process. In addition, new projects have been proposed that will secure multiple benefits for the Council, for example, investment in LED street lighting upgrades on active travel corridors that will not only support greater levels of walking and cycling, but improve personal safety, help offset proposed reductions in the highways maintenance budget, reduce general fund utilities costs and drive a reduction in carbon emissions to contribute to our route to net zero agenda. The proposed new allocations of net surplus CAZ revenues are shown within the CAZ model provided within Appendix A (page 13).

5 Consultation

- 5.1 Full external consultation on specific projects will be undertaken as part of individual OBCs and FBCs in accordance with normal practise including ward councillors, residents, emergency services, businesses, WMCA/TfWM, and special interest groups. Consultation will also be undertaken with Sutton Coldfield Town Council and New Frankley in Birmingham Parish Council where appropriate.

6 Risk Management

- 6.1 A Programme Risk Register is included at Appendix B. This reflects the current situation the Council faces and considers the impact that it has on a wide range of

situations. The Council continues to see sharp rises in the cost of construction due to national and global events. The prices and shortage of materials and labour together with high energy prices is having a major impact on projects in contract, as well as those projects that have recently been through the OBC and FBC process. Economic instability nationally, with interest rates fluctuating, will continue to have an impact on future projects that are in development, as well as those that are yet to enter into construction. Such risks will be managed by senior Transportation and Highways officers in conjunction with the relevant portfolio holders. Risks are also managed at a more granular level for programmes and specific projects through a variety of project and programme boards.

7 Compliance Issues:

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

- 7.1.1 The THDP performs an essential role in supporting a range of programmes and projects that contribute towards achieving the Council's key policies and priorities as set out in the Corporate Plan, Birmingham Transport Plan, West Midlands Strategic Transport Plan, emerging Birmingham Local Plan and existing Birmingham Development Plan, Local Walking and Cycling Strategy and Infrastructure Plan, Road Safety Strategy/draft Road Harm Reduction Strategy, Clean Air Strategy and Route to Zero Strategy. In addition, the THDP will play a strong contributory role in the delivery of a balanced Council budget and the IRP.
- 7.1.2 In the context of inclusive economic growth, the THDP has a strong focus on supporting the Council's core mission 'to create a fairer, stronger city where all citizens share in the creation and benefits of more sustainable economic growth, where our citizens live longer, healthier and happier lives.'
- 7.1.3 In addition, the programme seeks to make a significant contribution towards the key priorities of children, jobs and skills, housing and health by enabling growth, improving road safety, improving accessibility, improving air quality, encouraging active and sustainable modes of travel and tackling the climate emergency.

Birmingham Business Charter for Social Responsibility (BBC4SR)

- 7.1.5 Compliance with the BBC4SR will be a mandatory requirement for any procurement exercise undertaken in line with the social value policy and will form part of the conditions of the contracts to be entered into. Successful tenderers will submit an action plan which will be implemented and monitored during the contract period.
- 7.1.6 The social value outcomes that tenderers will be required to address will be agreed prior to the commencement of the procurement exercise and will be specific and relevant to the area(s) the scheme is being delivered in. There

will be a particular emphasis on local employment and carbon reduction in addition to the other themes as appropriate to the project. The Real Living Wage will be mandated in accordance with the Living Wage Policy.

7.2 Legal Implications

7.2.1 The relevant primary legislation required to implement individual projects contained within the THDP comprises the Highways Act 1980; Road Traffic Regulation Act 1984; Road Traffic Act 1988; Transport Act 2000; Traffic Management Act 2004; Town and Country Planning Act 1990 and Planning and Compulsory Purchase Act 2004, together with related regulations and guidance. The Civil Enforcement of Road Traffic Contraventions (Approved Devices, Charging Guidelines and General Provisions) (England) Regulations 2022 are also directly relevant to this report in terms of the use of bus lane enforcement surpluses, alongside the Ambient Air Quality and Cleaner Air for Europe Directive 2008 and the Air Quality Standards Regulations 2010 in relation to CAZ implementation and the Transport Act 2000 to which the CAZ was pursuantly introduced. A Charging Order was produced and published on 26 April 2021 which provides the legal basis for the operation and enforcement of the CAZ. The legislation used to create the CAZ also sets out the uses of revenues raised through the scheme.

7.2.2 Section 111 of the Local Government Act 1972 empowers local authorities to do anything (whether or not involving the borrowing, expenditure or lending of money or the acquisition or disposal of any of its property) which, is calculated to, or is conducive or incidental to the discharge of any of their functions.

7.3 Financial Implications

7.3.1 The estimated value of the six-year THDP 2024/25 to 2029/30 is £308.372m. The programme profile is summarised in the table below, which is split per sub programme. The complete THDP is provided in Appendix A, detailing projects, and associated funding sources on an annual and all years' summary basis.

| Sub Programme | 2024-25 | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | TOTAL |
|--|---------------|---------------|----------------|---------------|---------------|--------------|----------------|
| | £m | £m | £m | £m | £m | £m | £m |
| Central Birmingham | 21.561 | 25.577 | 65.034 | 27.800 | 12.800 | 2.187 | 154.959 |
| Corridors | 22.906 | 38.561 | 32.500 | 0.100 | 0.100 | 0.100 | 94.267 |
| Neighbourhoods | 17.894 | 4.815 | 4.115 | 3.050 | 1.550 | 1.550 | 32.274 |
| Infrastructure & Programme Development | 3.832 | 4.589 | 4.339 | 4.004 | 4.704 | 4.704 | 26.872 |
| TOTAL | 66.193 | 73.542 | 105.988 | 34.954 | 19.154 | 8.541 | 308.372 |

- 7.3.2 In accordance with the IRP and the clear requirements for financial sustainability, the THDP is demonstrably formulated and resourced from external grant funding, secured in the main from collaborative partnership working with WMCA, supplemented by bespoke grants from central government. Additionally, ring-fenced incomes comprising net surplus bus lane enforcement and CAZ resources have been utilised to lever and match fund these grants to maximise delivery and benefits, whilst also removing the need for corporate prudential borrowing and reducing the call on Enterprise Zone funding. Further detail on bus lane enforcement and CAZ revenues can be found within Appendix A (pages 13 and 14). Proposed resourcing of the 6-year programme is shown in the below table.
- 7.3.3 The ongoing delivery of capital works and the recharge of officer fees forms a key component of the operating models for both Transport and Connectivity and the Local Engineering service within Highways and Infrastructure. Recurrent general fund savings of circa £1.300m per annum (as set out in the Council's overall budget) are predicated upon this model alongside an associated uplift in recharge levels. Following staff consultation, the Local Engineering service will have a focus on the delivery of small capital works, with recharges to the proposed Environment and Transport Neighbourhood Fund (ETNF) forming an important element of the operating and financial model established.

| Funding Source | £m |
|--|----------------|
| LNIP Funding | 37.524 |
| Capital Grants from Central Government | 101.951 |
| Revenue Grants from Central Government | 1.749 |
| Levelling Up Fund | 4.332 |
| Contribution 3 rd Party | 13.319 |
| S278 | 1.156 |
| Bus Lane Enforcement Surplus Revenue | 8.523 |
| Clean Air Zone Net Surplus Revenue | 56.695 |
| S106 | 2.033 |
| Prior years ITB/LNIP | 6.663 |
| Capital Grants Reserves | 0.427 |
| Enterprise Zone | 74.00 |
| Total Forecast Programme | 308.372 |

- 7.3.4 In the later years of the current THDP, usage of Enterprise Zone resources is still identified as per the current Enterprise Zone Investment Plan. As these longer-term projects are developed through the OBC and FBC stage gates, the usage of Enterprise Zone resources will be reviewed, and opportunities sought in respect of alternative funding sources including CRSTS2 that forms part of the single settlement process referred to earlier in this report.
- 7.3.5 It should be noted that the current expenditure profiles shown within Appendix A are kept under continuous review and that some projects and profiles may have

to be rephased or adjusted in terms of both deliverability and a re-baselining exercise being undertaken over the summer period by the WMCA relating to the overall CRSTS1 regional programme in partnership with Transport for West Midlands and the six other metropolitan district councils.

Revenue Implications/Maintenance Costs

- 7.3.6 It is recognised that new capital transport schemes can by their nature often attract additional ongoing maintenance costs in respect of improved or new assets. They also provide opportunities to remove existing assets during works to mitigate cost increases. Ongoing maintenance costs for schemes will be captured on a case-by-case basis through the OBC and FBC process.
- 7.3.7 For new schemes, a corporate contingency allocation is available to bid for to accommodate basic inventory growth and expenditure incurred as a result of new capital works and this is monitored to ensure the budget allocation is not exceeded. Alternative funding sources are investigated for the maintenance of enhanced assets, but where these cannot be identified, the cost of maintaining enhanced assets may have to be funded from the corporate contingency allocation. In this event, options to reduce costs are considered including scheme revisions and scheme deferrals. Each scheme will need to identify revenue maintenance implications and funding, as part of the scheme-specific approval process, including where relevant the use of the corporate contingency allocation.
- 7.3.8 Whilst the corporate contingency provision is funded through the Council's corporate resources, it should be strongly acknowledged that without support for asset growth, many of the external capital funding streams received by the Council would not be accessible to the detriment of the city and its citizens. The capital investment received far exceeds the revenue expenditure required when applying best value and value for money principles.
- 7.3.9 The Council's Highways and Infrastructure division manages the maintenance of the city's highways assets and in addition, the corporate contingency allocation. It is acknowledged by the service that there is continued pressure on this allocation, with supplementary maintenance income mechanisms currently being explored alongside a new policy to manage asset growth and maintenance implications. This includes work to better align new build activity with maintenance to reduce costs and provide enhanced value for money including schemes delivered by partners such as WMCA.

Impact of Transport Schemes on Parking Income

- 7.3.10 The BTP provides a step change in Council policy that is required to meet our objectives including those associated with climate change. To achieve these objectives, previous ways of working and revenue streams may be impacted. In particular, the BTP represents a coordinated approach to move away from a car dominated transport system through reallocation of transport space away from the private car. Over time, this may cause traditional revenue income from car

parking to reduce. Impacts on income will be considered on a case-by-case basis through the OBC and FBC process as per current practice.

7.4 Procurement Implications

7.4.1 This report advises on the procurement strategy approaches below and to delegate the award of contracts for professional services and works above the relative procurement thresholds stated in the Council's Procurement and Contract Governance Rules, (Section 3, Table 2) to support the delivery of named projects. Projects under the procurement threshold will be procured and awarded under Chief Officer delegated authority.

Professional Services

7.4.2 The approved route for technical professional services to support the delivery of the THDP is to use the Council's Transportation and Development Professional Services Framework Agreement (or its replacement, for which a report will be presented to Cabinet in the summer) in accordance with the approved call off arrangements of either a direct award or a further competition exercise.

Works

7.4.3 The procurement route for works will be reported in each project's OBC and include the following options ahead of the Council bringing forward its own works framework, which will be subject to a report to Cabinet during 2024:

7.4.3.1. Black Country Minor Works Framework Agreement – this is a framework agreement awarded by Sandwell Council that covers the type of works required to deliver infrastructure projects in the THDP, until the Council's own highways and infrastructure framework agreement below is awarded.

7.4.3.2. The Council's Highways and Infrastructure Works Framework Agreement – the procurement strategy for the framework is due to be presented to Cabinet in 2024. When the framework agreement is awarded, it is proposed this will be the procurement route for all projects unless it is determined that a procurement process open to the market will result in a more cost-effective solution.

7.4.3.3. In the event of the unsuitability of the above options after a robust review, an alternative compliant procurement route will be utilised, such as an alternative framework or a procurement process open to the marketplace that will be advertised on Find a Tender, Contracts Finder and www.finditinbirmingham.com.

7.4.3.4. The evaluation criteria for each project will be set based on its complexity with a higher quality weighting over price for more complex schemes. The application of Social Value and the Living Wage will be in accordance with the Council's Policies and a minimum weighting of 20% will be applied where applicable.

7.4.3.5. The contract award(s) will be reported in either the FBC or a delegated award report as per paragraph 2.6.

Works undertaken by the WMCA

7.4.4 The WMCA is responsible for the delivery of the Midland Metro. There are various sites that the Council has responsibility for that are adjacent to the Midland Metro route that require infrastructure improvements.

7.4.5 The WMCA undertook a procurement exercise in compliance with the Public Contracts Regulations 2015 to implement a 10-year programme of tram system enhancement works across the West Midlands and awarded an alliance contract to the Midland Metro Alliance (MMA), a consortium of private sector suppliers. The MMA is a partnership and not a contracting entity therefore in order to access this arrangement, contracts have to be entered into with WMCA. To be compliant with the Council's Constitution and Procurement and Contract Governance Rules, the proposed procurement route is to apply a Negotiated Contract without competition with the WMCA under clause 4.59(vi).

7.4.6 The justification for entering into a Negotiated Contract is for practical and logistical considerations, with WMCA the sole supplier that delivers works and realises benefits. Given the scale of any of the Council's works in the area, tendering for a separate contract to deliver complimentary infrastructure and Metro schemes as two separate work packages, but in parallel timeframes, would bring about significant challenges in terms of the co-ordination of works. In addition, this would not realise the efficiencies and economies of scale that effectively mean that there would be no genuine competition nor joined up management arrangements. Therefore, in order to maximise efficient delivery, minimise disruption and ensure that the joint scheme benefits are fully realised, it is proposed that any infrastructure schemes complimentary to Metro are designed and implemented alongside Metro works. The proposed contract will include robust contract management and assurance arrangements, providing opportunity for the Council to work with WMCA, the contractor and designer to deliver the expected works at the agreed cost.

7.5 Human Resources Implications

7.5.1 As highlighted within Appendix B, resourcing presents a risk to the delivery of THDP. Both the development and delivery of transport projects requires specialist skills, of which there is a local and national shortage. This presents a challenge when recruiting staff, as well as the ability to retain existing officers as the market is buoyant towards the employee rather than the employer.

7.5.2 The Transport and Connectivity division will continue to operate a hybrid resourcing model, with Council officer capacity being supplemented by secondees and commissioned projects. This operating model allows the service to maintain sufficient staffing levels to develop and deliver projects within the THDP, whilst retaining a core team of Council employed officers to ensure corporate memory and important knowledge and skills are retained in-house.

7.6 Public Sector Equality Duty

7.6.1 An initial screening for an Equality Analysis (EA) has been undertaken for the THDP and has concluded that a full EA is not required at this time, with only positive or neutral 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 OBC and FBC stage as necessary. The initial EA screening is provided as Appendix D to this report.

8 Appendices

Appendix A – Financial Forecasts, Programme Governance and Prioritisation Criteria.

Appendix B – High Level Programme Risk Assessment

Appendix C – Programme Overview

Appendix D – Equalities Assessment Initial Screening

Appendix E – Environment and Sustainability Assessment

9 Background Documents

Birmingham Transport Plan

Local Walking & Cycling Strategy & Infrastructure Plan

Birmingham Development Plan

West Midlands Strategic Transport Plan