

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	DIRECTOR OF PLANNING AND REGENERATION AND ACTING ASSISTANT DIRECTOR OF TRANSPORTATION AND CONNECTIVITY
Date of Decision:	8th December 2015
SUBJECT:	LOCAL GROWTH FUND - LONGBRIDGE CONNECTIVITY SCHEME – FULL BUSINESS CASE
Key Decision: Yes	Relevant Forward Plan Ref: 000302/2015
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Members:	Councillor Tahir Ali – Cabinet Member for Development Transport & the Economy Councillor Stewart Stacey - Cabinet Member for Commissioning, Contracting and Improvement
Relevant O&S Chairman:	Councillor Victoria Quinn – The Birmingham Economy and Transport Councillor Waseem Zaffar – Corporate Resources
Wards affected:	Northfield & Longbridge

1. Purpose of report:
1.1 To seek approval to the Full Business Case (FBC) for the Longbridge Connectivity Scheme at a total capital cost of £10.669m, as outlined in Appendix A.
1.2 This proposed investment will enhance the overall transport offer in Longbridge improving the connectivity to and from areas in Longbridge, deemed vital to the future economic prosperity of the area.
1.3 To note that the scheme contains eight sub-projects that will be delivered by Birmingham City Council (Infrastructure Projects Team), Centro (Programme Management Team), or Network Rail (Project Team). These include highways improvements to four junctions together with cycle measures, upgrading Longbridge railway station, improved bus shelters, wayfinding and a decked Park and Ride scheme.

2. Decision(s) recommended:
That Cabinet:-
2.1. Approves the Full Business Case for the Longbridge Connectivity Scheme at Appendix A at an estimated capital cost of £10.669m, including fees, subject to receiving an offer letter as per para. 2.5.
2.2. Approves the highway proposals on Longbridge Lane, Lickey Road, Bristol Road South and Tessall Lane as attached in Appendix F.
2.3. Approves the acceptance of a grant totalling £2.470m from St. Modwen Properties PLC between 2016/2017 and 2017/2018, and land referenced in section 5.9, to deliver the Longbridge Connectivity Scheme. Letter of support attached Appendix K.
2.4. Accepts an offer of £4.860m of grant funding from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Local Growth Fund as part of the Longbridge Connectivity Scheme - Phase 1, which is attached as Appendix J.
2.5. Accepts £1.970m of grant funding from the GBSLEP Local Growth Fund as part of the

Longbridge Connectivity Scheme - Park and Ride, subject to receipt of an offer letter.

- 2.6. Delegates to the Director of Planning and Regeneration the authority to grant aid £1.1m to Network Rail as station owner to deliver Longbridge Railway Station improvements, subject to completion of a funding agreement.
- 2.7. Subject to receiving an offer letter as per para 2.5, delegates to the Director of Planning and Regeneration the authority to grant aid £2.17m to Centro for implementing an extension to the Park and Ride, new Bus Shelters and Wayfinding signage at Longbridge, subject to the completion of a funding agreement.
- 2.8. Delegates to the Director of Property Services the authority to acquire two areas of private land at nil cost to deliver the highway scheme at A38 Bristol Road South and Lickey Road and A38 Bristol Road South and West Works site entrance from St Modwen in order to facilitate the proposed highway junction improvements at these two locations contained in Appendix H.
- 2.9. Notes that the City Council is acting as the accountable body for the Local Growth Fund when providing grant funding to third parties in the delivery of these projects.
- 2.10. Authorises the Acting Assistant Director, Transportation and Connectivity to appoint contractors through the City Council's Highways and Infrastructure Works Framework Contract 2014-18 and, subject to the contract award and works cost being within the pre-estimate, to place orders for the execution of the highways works up to £6.840m.
- 2.11. Authorises the Acting Assistant Director of Transportation and Connectivity to place orders up to the value of £2.094m for the diversion of statutory undertakers' apparatus in the public highway.
- 2.12. Authorises the Acting Assistant Director, Transportation & Connectivity to appoint contractors through the City Council's Landscape Construction Framework Agreement 2015-2019 for the removal of trees in advance of the main contract works, subject to the contract award and works cost being within the pre-estimate.
- 2.13. Authorises the Director of Legal Democratic Services to negotiate, execute, seal and complete all necessary agreements and documentation to give effect to the above recommendations.

Lead Contact Officer(s):	
Telephone No:	John Maillard, Project Manager Planning and Regeneration 0121 303 3682
E-mail address:	john.maillard@birmingham.gov.uk

3. Consultation

3.1 Internal

- 3.1.1 Longbridge and Northfield Ward Members and the Executive Member for Northfield District have been consulted in 2014 and 2015 as part of the scheme development and their responses are given in Appendices D and E. Officers within Highways and Transportation and Connectivity were consulted in the development of the highway schemes. The consultation responses are given in Appendix E.
- 3.1.2 The Deputy Leader has been consulted in respect to the land and property responsibilities and supports the proposals proceeding to executive decision.
- 3.1.3 Legal and Democratic Services, Procurement and City Finance have been involved in the preparation of this report.

3.2 External

- 3.2.1 The MP for Northfield, Longbridge Consultative Group, Centro, bus operators, Sustrans, St.Modwens Properties PLC, Bournville College, Network Rail, London Midland and other key stakeholders have been consulted as part of the scheme development.
- 3.2.2 A Public Consultation event was held on 25th November 2014 on the Longbridge Connectivity scheme and the results are given in Appendix D.
- 3.2.3 A second Public Consultation exercise was undertaken on the highway schemes between 6th July – 31st July 2015. To address specific local issues, two further consultations were carried out with frontagers in October 2015. The consultation results are given in Appendix E
- 3.2.4 The Longbridge Delivery Group (LDG) is responsible for assessing and prioritising the Longbridge Infrastructure Tariff (LIT) funded schemes. The LDG support the use of LIT funding towards the Connectivity Scheme. The LDG includes representatives from the City Council, Bromsgrove District Council and Worcestershire County Council who jointly prepared and signed a Memorandum of Understanding to formalise the cross-boundary partnership arrangements and working structure.
- 3.2.5 In consultation with the GBSLEP, a full business case for £4.860m was submitted to and approved by the GBSLEP Growth Board on 2nd September 2015.
- 3.2.6 In consultation with the GBSLEP, a second full business case for £1.970m, specifically for the Longbridge Park and Ride was submitted to the GBSLEP on 2nd November 2015. The FBC has been reviewed by the LEP's Independent Technical Evaluator and recommended for approval at the Growth Team Board in February 2016.

4. **Compliance Issues:**

Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The Longbridge Connectivity Scheme fully supports the primary objective 'A Prosperous City' as set out in the City Council's Business Plan 2015+ and Leaders Policy Statement. The proposal contributes to growing the built environment in Birmingham. Other policy statements are reference in the FBC at Appendix A
- 4.1.2 The Public Services (Social Value) Act 2012 became effective on 31st January 2013. The proposed method for schemes delivered as part of this FBC, will include the mandatory requirement for contractors to adhere to Birmingham's Business Charter for Social Responsibility (BBC4SR). Prior to contract award, an action plan will be agreed with the proposed contractors on how the charter principles will be implemented and monitored during the contract period. Contract spend will be monitored and the action plan adapted to reflect the value of business achieved throughout the contract period. The requirement to pay the Birmingham Living Wage is included in the Charter and so will apply to this contract. The City Council will require that the recipient of grant funding take all reasonable steps to become a signatory to the (BBC4SR).

4.2 Financial Implications

- 4.2.1 The capital cost of the scheme is £10.669m (including all works, contingency, statutory undertakers and professional fees), which will be funded as shown in Table 1 below. The capital cost of individual projects that comprise the Longbridge Scheme and the respective delivery partners are detailed in Table 2 below.

Table 1

Funding stream	Total £'000
Local Growth Fund	4,860
Local Growth Fund (Park & Ride)	1,970
Section 106 (LIT, S106)	769
Contributions:	
Private developer	2,470
National Station Improvement Programme (incurred by Network Rail)	500
Integrated Transport Block	100
Total Capital Funding	10,669

Table 2

Project	Delivery Partners Project Costs			Total £'000
	City Council £'000	Centro £'000	Network Rail £'000	
Longbridge Lane Junctions & Cycle measures. A38 Round-about at Lickey Road / West Link Junction / Speed Limit reduction Tessall Lane Cycle Measures	6,840			6,840
Longbridge Railway Station upgrades			1,660	1,660
New Bus Shelters		147		147
Wayfinding Infrastructure		52		52
Park and Ride		1,970		1,970
Totals	6,840	2,169	1,660	10,669

4.2.2 The City Council is the Accountable body for the GBSLEP's Growth Fund. The City Council will control and manage the funds with its scheme partners through funding agreements ensuring that defrayed expenditure is eligible and procurement processes are in place to ensure value for money.

4.2.3 The National Station Improvements Programme (NSIP) – London Midland Delivery Group (LMDG), consisting of representatives of London Midland, Network Rail, Centro and Passenger Focus - have approved funding of £0.500m towards Longbridge station as part of the LMDG NSIP programme.

4.2.4 This scheme will create assets that will form part of the highway upon completion of the works; as such they will be maintained within the overall highway maintenance regime. The estimated net cost of including these newly created assets within the highway maintenance regime is £27,800 per year (including energy costs). This cost will be funded from the provision for Highways Maintenance held within the Corporate Policy contingency.

4.2.5 Funding agreements with Network Rail (Longbridge Rail Station) and Centro (Park and Ride) will ensure that any revenue implications arising from these two capital projects will be the responsibility of the delivery partner. Land owned by St Modwens (shown in Appendix H) is required to deliver the highway scheme at A38 Bristol Road South and Lickey Road in order to facilitate the proposed highway junction improvements at these two locations. St Modwen will transfer the land to the City Council at nil cost, who will adopt the land as part of the highway. There will be VAT arising from the transaction which is recoverable. There will be no stamp duty as there is no consideration being paid by the City Council.

4.3 Legal Implications

4.3.1 Under the general power of competence in Section 1 Localism Act 2011, the Council may enter into the arrangements set out in this report and they are within the boundaries and limits of the general power of competence in Sections 2 and 4 Localism Act 2011.

4.3.2 The City Council will be required to enter into a legal agreement to grant aid Network Rail and Centro for the costs associated with the design development and implementation of an approved scheme

4.3.3 The City Council will be required to enter into a legal agreement with St. Modwen to accept £2.470m in private sector monies to design and develop the Longbridge scheme

4.3.4 The City Council carries out transportation, highways and infrastructure related works under the relevant primary legislation including the Town and Country Planning Act 1990, Highways Act 1980, Road Traffic Regulation Act 1984, Traffic Management Act 2004, Transport Act 2000, Local Government (Miscellaneous Provisions) Act 1976, Countryside and Rights of Way Act 2000, and other related regulations, instructions, directives and general guidance.

4.4 Public Sector Equality Duty (see separate guidance note)

4.4.1 An Equality Analysis was carried out in line with the City Council's procedures for the LAAP in order to identify the potential adverse impacts of the Longbridge development, strategies and policies Ref. DE0111LA and is attached in Appendix B

4.4.2 An Equality Analysis has been undertaken for Local Growth Fund Transport and Connectivity Projects: PDD. Equality Analysis Ref EA000548.

5. Relevant background/chronology of key events:

5.1 On 7th July 2014 the Government announced the outcome of the 39 Growth Deals to Local Enterprise Partnerships. The GBSLEP has secured £357.4m to fund economic growth in the area with £38.7m of new funding confirmed for 2015/16 and £58.5m for 2016/17 to 2021. Longbridge Connectivity Scheme is one of the Growth schemes.

5.2 On 16th March 2015, Cabinet approved the PDD for the Local Growth Fund Transport and Connectivity Projects. This report allocated £0.35m to Longbridge to develop the scheme to FBC, which has been incurred by Sustainable Transportation and Partnership in design fees.

5.3 On 15th June 2015 a business case for the Longbridge Connectivity Scheme phase 1 was submitted to the GBSLEP, requesting the release of £4.86m of LGF funding. Approval was received at the Growth Board on 2nd September 2015 and the offer letter is attached as Appendix J.

5.4 On 2nd November 2015 a business case for the Longbridge Connectivity Scheme phase 2 Park and Ride was submitted to the GBSLEP, requesting the release of £1.970m of LGF funding. The FBC has been reviewed by the LEP's Independent Technical Evaluator and is recommended for approval at the Growth Team Board in February 2016.

Project Delivery

- 5.5 The Longbridge Connectivity scheme will enhance the overall transport offer in Longbridge, one of the largest regeneration projects in the West Midlands. The scheme includes the following individual elements, further details of the proposals are given in Appendix A:
- Upgrade the existing railway station facility ensuring the station is 'fit for purpose'
 - Improve the existing bus interchange: 5 stops on Longbridge Lane and 3 on A38 Bristol Road South to be upgraded. The locations are shown in Appendix I.
 - Improve the highway connectivity to strategic routes by addressing pinch points and reduce congestion at four junctions; A38 Roundabout at Lickey Road and West Link junction, Longbridge Lane junctions and Tessall Lane at A38 Bristol Road South.
 - Accommodate the diversion of the National Cycle Network Route 5 through Longbridge by extending the traffic free cycle route via the River Rea to Tessall Lane.
 - Implement pedestrian way finding signage to improve navigation and connections at and around Longbridge Railway Station and to better connect with local bus stops. The locations are shown in Appendix I.
 - Enhance the existing Park and Ride, doubling its capacity to 223 spaces.
- 5.6 The highway improvement schemes are expected to have a significant positive impact on journey times and delays through the Longbridge area. To deliver these benefits highway improvements are required at the following junctions/locations: (see drawings Appendix F)
- I. A38 Roundabout at Lickey Road and West Link Road, including Speed Limit Reduction as shown on Drawing Nos. CA-02712-S2-015, 016, and 017.
 - II. A38 Bristol Road/ Tessall Lane as shown on Drawing No. CA-02712-S3-052
 - III. Tessall Lane Cycle Measures as shown on Drawing No. CA-02712-S3-051
 - IV. Longbridge Lane / Groveley Lane / Cofton Road as shown on Drawing No. CA-02712-S1-035
 - V. Longbridge Lane / Turves Green / Coombes Lane as shown on Drawing No. CA-02712-S1-034
 - VI. Longbridge Lane Cycle Measures as shown on Drawing No. CA-02172-S1-033
- 5.7 The proposal for improvements to the junctions on Longbridge Lane was developed as part of the approved Longbridge Area Action Plan and is reflected within the Longbridge Connectivity Scheme Local Growth Fund bid.
- 5.8 The highway proposals impact on approximately 48 highway trees, including approximately 21 trees at the Longbridge Lane / Groveley Lane / Cofton Road junction. In order to compensate for the tree loss on the local environment it is proposed to plant two new semi mature trees for every tree removed. A landscaping scheme which will be developed further at the detailed design stage. An options appraisal for these junctions is attached as Appendix G.
- 5.9 The highway proposals at the junction of A38 Bristol Road South and Lickey Road require two small areas of private land from St. Modwen Properties as shown on drawings CA-02712-S2-001 and CA-02712-S2-014 in Appendix H. As part of St. Modwen's funding contribution towards the scheme, these two areas will be transferred to the City Council at nil cost

Procurement Implications:

- 5.10 The delivery partners: the City Council, Centro and Network Rail, have robust internal procurement procedures in place for the delivery of their respective projects, ensuring best value for money. All three organisations will award contracts using existing Framework Agreements enabling their projects to proceed efficiently from scheme development, and procurement through to implementation.
- 5.11 The highway works will be procured through the Birmingham City Council 'Highways and Infrastructure Works Framework Agreement' which is valid up to August 2018. At this point, it is the intention to package the junction works as one contract to be delivered on a phased basis. A further competition under Lot 4 will be carried out to select a contractor, which will be evaluated on a 30% quality, 60% price, 10% social value criteria. It may be necessary to remove trees prior to the start of the main works to avoid the bird nesting season. If tree removal is required before the start of the main works the tree removal will be procured through the City Council's Landscape Construction Framework Agreement 2015-2019.
- 5.12 Network Rail and London Midland: The National Station Improvements Programme (NSIP) is a £150 million Government fund to improve station facilities and deliver significant passenger benefits. A National Board oversees 13 Local Delivery Groups; the London Midland Local Delivery Group consists of representatives of London Midland, Network Rail, Centro and Passenger Focus. Governance for Railway Investment Projects (GRIP) divides a project into eight distinct stages, with formal stage gate reviews held at key points within the GRIP lifecycle. In February 2015 Mott MacDonald was commissioned by Network Rail to produce a GRIP 3 Option Selection report for the delivery of Longbridge Station Improvements. Following the GRIP 3 stage received in September 2015, Network Rail will utilise one of Network Rail's Infrastructure Projects competitively tendered Building Framework contractors to implement the scheme.
- 5.13 Centro: Procurement of enhanced bus shelters and wayfinding contracts will be through Centro's Enhanced Infrastructure Framework Agreement procured through OJEU - Lot 1 Enhanced Shelters and Lot 2 Enhanced Totems.
- 5.14 Due to the specialist fabrication requirements of the decked Park and Ride, procurement will be competitively tendered and advertised via Bravo-Solution, Find-it-in-Birmingham, and Contracts Finder. The contractor will be appointed under the NEC form of contracts.
- 5.15 A risk assessment schedule is attached as Appendix C.
- 5.16 Milestones of on-site works is as follows:

Milestone Activity	Start Date	End Date
Bus Shelters and Wayfinding signage	March-16	June-16
Rail Station	June-16	Jan 17
Park & Ride	June-16	Jan-17
Highway Projects	May-16	Sep-17
Completion of all works		Sep-17

6. Evaluation of alternative option(s):

- 6.1 Alternative options for each project have been undertaken by the responsible delivery partner. In addition to the preferred solution, options considered included; decreasing the scope of improvements, increasing the scope of improvements and do nothing. The preferred solution for each project has been selected on the basis of delivering the desired benefits and outputs, while representing the best value for money solution. Alternative Options are set out in Appendix A (annex 4).

7. Reasons for Decision(s):

- 7.1 The approval of the FBC for the Longbridge Connectivity Scheme will allow the proposed scheme to progress to delivery stage.

Signatures

Date

Councillor Tahir Ali
Cabinet Member for Development, Transport and the Economy

.....
Councillor Stewart Stacey
Cabinet Member for Commissioning, Contracting and Improvement

.....
Paul Dransfield
Deputy Chief Executive

List of Background Documents used to compile this Report:

1. Local Growth Fund Transport and Connectivity Projects: Programme Definition Document – Report of the Deputy Chief Executive to Cabinet on 16th March 2015.
2. GBSLEP Full Business Case for Longbridge Connectivity Scheme phase 1 – June 2015
3. GBSLEP Full Business Case for Longbridge Connectivity Scheme phase 2 –Nov 2015
4. Longbridge Area Action Plan 2009
5. Longbridge Rail Station Improvements – Full Business Case. Dated 11th December 2013
Cabinet Member for Development, Job and Skills jointly with the Strategic Director of Development and Culture.

List of Appendices accompanying this Report (if any):

1. Appendix A – Full Business Case
2. Appendix B - Equality Assessment
3. Appendix C – Risk Management Assessment
4. Appendix D – 2014 Consultation Summary
5. Appendix E – 2015 Consultation Summary
6. Appendix F – Highway Scheme Plans
7. Appendix G - Option Analysis Longbridge Lane / Groveley Lane / Cofton Road Junction
8. Appendix H – Land Requirement Plans
9. Appendix I – Location plan for Bus Shelters and Wayfinding Signs
10. Appendix J - GBSLEP Phase 1 Grant Offer Letter
11. Appendix K – St. Modwen letter of support