

## OUTLINE BUSINESS CASE (OBC)

### A. GENERAL INFORMATION

#### A1. General

<b>Project Title</b> <i>(as per Voyager)</i>	<b>City Centre Public Realm Revitalisation</b>		
<b>Voyager code</b>			
<b>Portfolio /Committee</b>	Transport and Environment; Social Inclusion, Community Safety and Equalities Finance and Resources	<b>Directorate</b>	Inclusive Growth
<b>Approved by Project Sponsor</b>	Philip Edwards: 18.10.2019	<b>Approved by Finance Business Partner</b>	Simon. Ansell, 17.10.2019

#### A2. Project Description

The project will deliver a package of works resulting in the comprehensive renewal of the public realm within the city centre retail core. This will include the wholesale replacement of the surface materials, which are now at the end of their useful life, and in some areas, the further pedestrianisation of the streets. The repair of the Victoria Square fountain will also form part of the renewal of the square to provide an improved civic space and setting for events.

A key part of the scheme will be the provision of permanent hostile vehicle mitigation (HVM) measures (which will in the main be rise and fall bollards) to replace the current temporary measures which manage the access of vehicles to the retail area and thereby improve security within the city. To support the daytime pedestrianisation of the retail core of the city centre and its security, a revised Traffic Regulation Order will also be introduced, subject to consultation.

As a result of the project, the public realm improvements will provide a major asset to support future economic growth benefitting all within Birmingham, support the safety and security of its residents and visitors and provide the backdrop to the Commonwealth Games.

### B. STRATEGIC CASE

*This sets out the case for change and the project's fit to the Council Plan objectives*

#### B1. Project objectives and outcomes

*The case for change including the contribution to Council Plan objectives and outcomes*

The proposals set out in this report will support the delivery of the Council Plan 2018-22. They will also support the delivery of the ambition set out in the adopted Birmingham Development Plan (BDP), Big City Plan, the city's role as the host city for the 2022 Commonwealth Games and the Clean Air Zone and Climate Change agendas.

The improvements sought within the retail core of the city centre, support the Council's

core mission to be a city of growth where every child, citizen and place matters. Specifically, the project will support business, improve security and safety, and promote the growth of the city.

In addition to the creation of a cleaner safer city environment, the proposals are also aligned to the West Midlands Strategic Transport Plan, Birmingham Connected Transport Strategy and Clean Air agendas, by enhancing the pedestrian environment, improving walking, cycling, access to public transport and making the area less desirable for private vehicles.

The proposal also supports the City Centre Retail Strategy, which builds on the Big City Plan, a planning document for the retail core's future to ensure its integrity and attractiveness is maintained and its position as a top destination is strengthened.

**Transport Objectives:** A transformed city centre environment in New Street, Temple Street and High Street will support the inclusive growth of the city by creating safe, convenient and attractive spaces for pedestrians and cyclists, and will provide a high quality of living. It will make it easier to access the city centre, with improved legibility and wayfinding helping to make the connections between public transport modes. These links will play a vital role during events such as the Commonwealth Games.

The proposals will also support the reduction of traffic congestion in the city centre and improve air quality by providing attractive, safe and connected public spaces to encourage the use of active travel modes and public transport, thereby reducing the use of private cars. The reduction of access and loading periods will enhance pedestrian access and permeability. This will have a positive impact on levels of traffic congestion in the city centre. This project will support the implementation of a Clean Air Zone in the city centre to meet air quality targets as mandated by Central Government.

This project will seek to create a connected and walkable centre which will link Birmingham's sustainable transport network with the retail core. It will form the next stage in linking the three city centre stations (New Street, Snow Hill and Moor Street), Centenary Square and Paradise Developments, HS2 and the Metro extension, encouraging modal shift to sustainable transport. The opportunity for cycling within the centre will also be considered as part of the design process.

The project is also aligned to key WMCA priorities and supports the Commonwealth Games.

An improved wayfinding experience is essential to facilitate connections between transport modes for the high number of visitors to the city. It is also vital that the city's core is modern, inviting and enjoyable, and that it leaves a legacy for Birmingham.

**B2. Project Deliverables**

1. Replacement of approximately 40,000m<sup>2</sup> existing life expired public realm with high quality street scape throughout the city centre retail core.
2. The enlargement of Victoria Square as an event space.
3. Repair and reinstatement of The River (Victoria Square Fountain).
4. Improved legibility and permeability of the retail core, and links across the city centre for public transport interchange and access to destinations and events as part of the Commonwealth Games.
5. Replacing ageing materials and street furniture to reflect modern retail environment and the integration of Hostile Vehicle mitigation (HVM) measures.
6. Implementing a revised TRO that will rationalise access and loading periods and allow greater pedestrian priority during peak hours across the area.
7. Extended pedestrian area.
8. Introduction of permanent hostile vehicle mitigation measures within the project area.

**B3. Project Benefits**

*These are the social benefits and outcomes from the project, e.g. additional school places or economic benefits.*

Measure	Outline Impact
<i>List at least one measure associated with <b>each</b> of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified</i>
Reduced congestion	Creation of a cleaner safer city environment by reduced car use in the retail core
Improvement to air quality	Creation of a cleaner safer city environment by reduced car use in the retail core
Increased footfall and consumer spend	Support business by improved commercial environment supporting retail businesses
Limit vehicular access to retail core	Improves security and safety by providing permanent hostile vehicle mitigation measures
Increased visitor numbers and encourage repeat visits	Supports business and growth of the city
Rationalisation of street furniture	Improves connectivity

**B4. Property implications**

*Describe any implications for Council properties and for the Council's property strategies*

The works will be undertaken on existing highway and land owned by the Council.

The only exception to this being the potential need for forecourt agreements where frontage to frontage public realm works are proposed.

## C. ECONOMIC CASE - OPTIONS APPRAISAL

*This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities*

### C1. Options reviewed

*A full description and review of each option is in Section G1*

#### **Option 1 - Business as Usual (Do nothing)**

The existing public realm is life expired having been last renewed in 1992/3; and is in a worn condition. Further increases in pedestrian flows will create safety concerns. The visual appearance and overall experience that visitors have of the city has a significant impact on the health of the high street. In the current challenging retail environment, it is therefore imperative that the retail centre is supported through updating and extending high quality public realm improvements.

The fountain at Victoria Square has been in disrepair since 2009 and retention of the temporary planting was only ever intended as a short-term measure. A permanent repair is required to reinstate the fountain as originally designed.

The city centre currently benefits from temporary physical security measures, which in the main are provided on loan as part of the national barrier asset. It is essential that permanent measures are installed to ensure the continuation of the security of the city centre. The increased visitor numbers anticipated during the Commonwealth Games exacerbates this requirement.

#### **Option 2 – Do Minimum**

The do minimum approach would focus on the implementation of HVM barriers at critical locations throughout the city centre to provide a security network in preparation for the Commonwealth Games, alongside an updated TRO. However, this would reduce the scope for essential public realm work to be carried out, particularly for Victoria Square and New Street with allowance for basic maintenance work.

#### **Options 3 & 4 - Partial intervention - Reduced Cost Options**

**Reduced Cost:** The entirety of the public realm in the project area is in worn condition and life expired and will require replacement/renewal soon. A previous intervention to bring forward proposals for individual streets within the city centre was rejected in 2017 as it was recognised that the piecemeal development of the retail area could not provide the cohesive design and delivery of the integrated security and physical works required. The further daytime pedestrianisation of the city centre also needs to be underpinned by a revised traffic regulation order. This complex combination of traditional physical works; security measures and traffic movement measures requires an integrated approach to the entirety of the area, making partial intervention unlikely to achieve the desired overall outcome sought.

A reduced minimum cost project must include the implementation of the HVM barriers to ensure the current existing security requirements for the city. It is essential that these are provided prior to the Commonwealth Games and to be effective the revised TRO must

also be implemented. Public realm works to the areas of New Street, Lower Temple Street and Ethel Street must also be included to meet the conditions of the existing approved funding from the Transforming Cities Fund. The renewal of Victoria Square aligns with the existing works being carried out by the Metro and Paradise developments and must be improved to provide the setting for the Games.

Two options for a reduced scheme have been considered:

Option 3: This option would provide full HVM provision, and public realm works to New Street, Lower Temple Street and Ethel Street to comply with the funding conditions of the Transforming Cities Fund. The estimated capital cost is £10m and the revenue cost is estimated to be £0.256m per annum

Option 4: This option provides full HVM provision, Victoria Square and public realm works to New Street, Lower Temple Street and Ethel Street to comply the funding conditions of the Transforming Cities fund. The estimated capital cost is £16m and the revenue cost is estimated to be £0.287m per annum.

### **Option 5 - Comprehensive Integrated Approach - Proposed Option:**

The need for the renewal of the public realm in the city centre has been identified for several years and is reflected within the Big City Plan produced in 2010 to guide the future development and regeneration of the city and the need for a well-connected, efficient and walkable city centre, and new and improved public spaces.

The comprehensive integrated approach supports the delivery of a project that enables the city centre to present a high-quality destination space, particularly considering the increased visitor numbers resulting from the Commonwealth Games 2022. It is also vital that the city's core is inviting, safe and enjoyable, and that it leaves a legacy for Birmingham. Using this approach, the permanent security measures that must be implemented by the commencement of the Games can be fully integrated within the public realm. The existing public realm is life expired across the city centre and its wholesale renewal will provide the consistency to present a cohesive environment for the retail sector. By introducing the control measures alongside the physical works, an enhanced pedestrian retail and visitor centre can be achieved. The wholesale renewal of the public realm in the retail environment is extremely challenging and a comprehensive approach will allow for the development of partnership between the public and business's and the contractor. A phased programme of works prior to, and after the Commonwealth Games underpinned by a clear communication strategy will ensure the successful delivery of the project.

As the nature of retail moves to one characterised by a broader leisure experience incorporating shopping, eating, relaxing, browsing and culture, the city centre environment needs to reflect this new reality. New Street and Victoria Square are the highest profile, strategic public realm assets within the city; their success is fundamental to the city's growth agenda. The project supports Birmingham's role as a major tourist destination, supports commercial businesses and provides a vastly improved public realm

between strategic points of the city centre. The project will revitalise the heart of the city centre; support and expand pedestrian priority spaces, improve user experience and support increased levels of private sector investment.

## C2. Summary of Options Appraisal – Price/Quality Matrix

	Option score (out of 10)				Weight	Weighted Score			
Criteria	5	4	3	2		5	4	3	2
1. Total capital cost	5	6	7	8	20%	100	120	140	160
2. Full year revenue consequences	5	6	7	8	20%	100	120	140	160
3. Benefits: Council priorities	10	7	5	3	40%	400	280	200	120
4. Deliverability and risks	5	6	7	8	20%	100	120	140	160
<b>Total</b>					<b>100%</b>	<b>700</b>	<b>640</b>	<b>620</b>	<b>600</b>

Further details are given in the Options Appraisal records attached at the end of this OBC.

## C3. Option recommended, with reasons

*Which option is recommended and the key reasons for this decision.*

Option 5 is recommended

The proposed comprehensive integrated approach to the City Centre Public Realm project incorporates the public realm and street works; proposals to repair the water feature within the refurbishment and renewal of Victoria Square; the provision of permanent well designed and security measures integrated with the public realm and the control measures to facilitate an enhanced pedestrian retail and visitor centre. It is this programme of works that is to be developed and recommended for delivery.

This approach is recommended as it supports the delivery of a project that enables the city centre to act as a gateway to the Birmingham 2022 Commonwealth Games. The proposed procurement route will also ensure the completion of the priority areas for improvement prior to the Commonwealth Games, whilst also ensuring the delivery of the wider scheme leaves a legacy for the city by providing the permanent security measures required in the city centre and a modern, inviting and enjoyable retail and leisure area. The restrictions on traffic access and movement within the area through the implementation of the TRO will not only improve security but also support the clean air zone objectives. The inclusion of all the public realm works together with the security measures can ensure consistency of approach and economies of scale within the construction contract.

## C4. Risks and Issues of the preferred option

This is a challenging project and there are several key risk areas to its successful implementation. These being associated with financial, delivery, procurement and reputational risks.

The primary challenge of the delivery of the project is the management of works within a busy city centre where the needs of businesses; residents and visitors need to be



balanced with the requirements of the contractors, whilst still achieving value for money. Most of the works are on the public highway, where there are a plethora of utilities within the substructure. These issues remain, regardless of the extent of the works, but to provide the comprehensive scheme in advance of the Commonwealth Games, for which there is a time constraint, requires the programming of works in a realistic timeframe whilst also introducing the flexibility within works contracts to both respond to the need to accelerate or pause the works to accommodate the busy calendar of events held in the city. These issues can be managed using pre-contract surveys and partnership working with stakeholders and contractors.

Ensuring value for money on the project is essential. There are financial risks associated with the project particularly associated with utilities and the risks associated with the repair of the fountain at Victoria Square and the proliferation of utilities and services within the city centre environment may result in a risk premium being built into the contractors pricing for the works. The use of a design and build contract will contain these risks.

Expanding further on the financial risk, it is important to note that the capital funding to carry out the preferred option is not yet fully secured and there are significant revenue implications that need to be fully quantified and appropriate funding sources identified to cover these costs as part of the FBC development.

An outline Risks and Issues Register is attached at the end of this OBC. A further risk register is provided as Appendix E.

### **C5. Other impacts of the preferred option**

*Describe other significant impacts, both positive and negative*

Procurement Risk: Implementing the physical works within a busy retail environment may result in a prolonged programme for delivery. It is vital that key elements of the programme are delivered prior to the Commonwealth Games, and as such the programme will be phased accordingly. Contractor availability is recognised as a risk in view of the level of investment in the city, and as such early contractor engagement and soft market testing will be undertaken. A delivery workshop with framework contractors to inform the best approach to procurement and delivery has already been undertaken to inform the procurement strategy. The Council already works in collaboration with the various stakeholders within the city centre, utilities companies, businesses and statutory bodies. The successful delivery of this project will require close working with the Retail and Colmore Business Improvement District organisations. The Traffic Regulation Order will also require careful and extensive consultation with affected residents and businesses.

The Council hosts several events throughout the year in the city centre and the delivery of this programme will need to be considered in the programming of the works.

**D. COMMERCIAL CASE**

*This considers whether realistic and commercial arrangements for the project can be made*

**D1. Partnership, Joint venture and accountable body working**

*Describe how the project will be controlled, managed and delivered if using these arrangements*

The Commonwealth Games Capital Board will be engaged on project progression and a governance process will be established for submission and formal approval of a funding bid for monies to support the project.

**D2. Procurement implications:**

*What is the proposed procurement strategy and route? Which Framework or OJEU?*

It is proposed that the public realm works be tendered using the Council's Highways and Infrastructure Framework Agreement Lot 4 – Works above £500,000. This is the approved route for design and specification construction works of this nature.

As part of the development of the procurement strategy, a contractor's workshop has been undertaken to consider the issues associated with the project, and how best to deliver it. This is a challenging project and the current level of investment in the city means that there is potentially a shortage of resources for this project. As such the procurement strategy will need to be flexible to adapt to changes in the contractor market.

The proposed Procurement Strategy for the public realm works and repair of the Victoria Square fountain are contained at Appendix D.



**E. FINANCIAL CASE***This sets out the cost and affordability of the project***E1. Financial Implications and Funding****Phase 1 – Pre-Commonwealth Games**

	Financial Year 2019/20 £'000	Financial Year 2020/21 £'000	Financial Year 2021/22 £'000	Financial Year 2022/23 £'000	Later years 23/24 onwards £'000	Total £'000
<b>CAPITAL EXPENDITURE</b>						
Development costs to proceed to FBC	844	100	-	-	-	944
Capital expenditure works incl. fees	-	8,668	8,734	387	-	17,789
<b>Total Capital Expenditure</b>	<b>844</b>	<b>8,768</b>	<b>8,734</b>	<b>387</b>	<b>-</b>	<b>18,733</b>
<b>CAPITAL FUNDING</b>						
Transforming Cities Fund	844	3,768	388	-	-	5,000
Commonwealth Games – Public Realm Grant	-	5,000	-	-	-	5,000
Clean Air Zone	-	-	8,346	387	-	8,733
<b>Total Capital Funding</b>	<b>844</b>	<b>8,768</b>	<b>8,734</b>	<b>387</b>	<b>-</b>	<b>18,733</b>

**Notes**

1. Internal fees have been allocated in full to the relevant financial year and not split across the individual areas and phases.
2. Commonwealth Games (CWG) funding subject to a formal bid and approval by the CWG Committee
3. Clean Air Zone funding from the net surplus receipts in line with the recommendations of the CAZ Charging Order report approved by Cabinet in June 2019.
4. In the event that the funding identified within this report is not approved or falls short of the required values/is not available within the required timeframe, there may be a requirement to use corporate resources of up to £20.478m to enable progression of the programme. In the event of additional funding being subsequently confirmed, this will be used to repay corporate funding.
5. The above table shows the current expenditure and funding profiles which will be finalised in the development of the FBC.

Phase 2 - Post Commonwealth Games

	Financial Year 2019/20 £'000	Financial Year 2020/21 £'000	Financial Year 2021/22 £'000	Financial Year 2022/23 £'000	Later years 23/24 onwards £'000	Total £'000
<b>CAPITAL EXPENDITURE</b>						
Capital expenditure works incl. fees	-	-	-	3,285	3,460	6,745
<b>Total Capital Expenditure</b>	-	-	-	<b>3,285</b>	<b>3,460</b>	<b>6,745</b>
<b>CAPITAL FUNDING</b>						
Clean Air Zone				3,285	3,460	6,745
<b>Total Capital Funding</b>	-	-	-	<b>3,285</b>	<b>3,460</b>	<b>6,745</b>

Notes

1. Internal fees have been allocated in full to the relevant financial year and not split across the individual areas and phases.
2. Commonwealth Games (CWG) funding subject to a formal bid and approval by the CWG Committee
3. Clean Air Zone funding from the net surplus receipts in line with the recommendations of the CAZ Charging Order report approved by Cabinet in June 2019.
4. In the event that the funding identified within this report is not approved or falls short of the required values/is not available within the required timeframe, there may be a requirement to use corporate resources of up to £20.478m to enable progression of the programme. In the event of additional funding being subsequently confirmed, this will be used to repay corporate funding.
5. The above table shows the current expenditure and funding profiles which will be finalised in the development of the FBC.

## APPENDIX A

	<i>Financial Year 2019/20 £'000</i>	<i>Financial Year 2020/21 £'000</i>	<i>Financial Year 2021/22 £'000</i>	<i>Financial Year 2022/23 £'000</i>	<i>Later years (p.a.) £'000</i>	<i>Total over 30yrs £'000</i>
<b>REVENUE CONSEQUENCES</b>						
Revenue costs during project delivery.	-	-	-	-	-	
Operating Period Expenditure (30yrs)						
Highways Assets	-	6	6	6	6	180
Maintenance of HVM/replacement CCTV	-	-	223	223	223	6,690
Victoria Square fountain	-	-	64	64	64	1,920
Loss of Parking Revenue	-	108	108	108	108	3,240
<b>Net revenue consequences</b>		114	401	401	401	12,030
<b>REVENUE FUNDING</b>						
Current Budget Provision (to be confirmed at FBC)						
Additional Revenue Funding requirement (to be confirmed at FBC)						
<b>Total revenue funding</b>						

### Notes

1. The above table shows the current expenditure and funding profiles which will be finalised in the development of the FBC.

<b>E2. Evaluation and comment on financial implications:</b>
<p><b>Capital Funding:</b></p> <p>The estimated capital cost to deliver the City Centre Public Project is £25.478m.</p> <p>The funding currently secured is £5.0m from the Transforming Cities Fund.</p> <p>A funding allocation of £5.0m from within the Commonwealth Games Public Realm budget is subject to a formal bid and approval by the Commonwealth Games Board, having been agreed as part of the £778m CWG budget announced by the Government on 25 June 2019. The submission of the bid is anticipated in November.</p> <p>The residual costs of £15.478m will be met from the Clean Air Zone (CAZ) net proceeds. This is consistent with the recommendations of the Clean Air Zone Charging Order as approved by Cabinet on 25<sup>th</sup> June 2019.</p> <p>CAZ net proceeds are set to commence by July 2020. Where possible, grant funding will be used in the early years, to enable the use of the CAZ revenue to be profiled at the back end of the programme. If the funding identified within this report is not approved or falls short of the required values/is not available within the required timeframe, there may be a requirement to use corporate resources of up to £20.478m to enable progression of the programme. In the event of additional funding being subsequently confirmed, this will be used to repay corporate</p>

funding.

### **Revenue Implications**

As part of the Council's obligations under the HMMPFI contract Highways have been formally notified of the proposed changes to the highway inventory arising from this scheme (SSD 6227).

Where the replaced highways assets are on a like for like basis, they will be maintained within the overall existing highway maintenance budget. The detail of the estimated net cost of any newly created assets will be established and addressed as part of the development of the Full Business Case. Currently, the project estimate for the additional revenue requirement in respect of highway assets over 30 years is £0.180m. This funding is currently unsecured, and a funding source will need to be identified during the development of the FBC. Opportunity to include previously excluded assets as well as de-accruing existing asset within the PFI contract and the costs of this approach will also be evaluated as part of the FBC.

Details of the maintenance implications for each project area will be reported in the project specific Full Business Case. However, it should be noted that it is proposed that all capital works contracts will include a full repair and maintenance obligation for a minimum of 2years.

The loss of parking revenue is estimated at £0.108m per annum. As with the additional highways maintenance costs this is currently unfunded and will also need to be addressed as part of the FBC development.

Provision of improved security measures for the city centre by the installation of essential permanent Hostile Vehicle Mitigation measures, replacement CCTV will also generate an additional cost estimated at approximately £0.223m per annum. As with other unfunded revenue costs, this will be addressed during the development of the FBC.

Repair and restoration of the Victoria Square fountain is estimated to cost an additional £0.064m per annum to maintain. Funding to cover this cost will need to be identified in the FBC.

Management of the HVM and CCTV will remain with the City Centre Management Team within the Neighbourhoods Directorate. This will be reviewed as part of the development of the FBC to identify if additional resources are required.

### **E3. Approach to optimism bias and provision of contingency**

Lessons learned from the development of Centenary Square and other public realm projects delivered within the city centre have been considered and as such a contingency figure of 20% has been applied on the main works and 40% in respect of the HVM measures, to reflect that the results of site investigations are not yet known and as such the foundation design for these works has not yet been determined. This contingency figure will be adjusted as the FBC is developed and final tendered costs are received. Final tendered costs will be included in the FBC and the related approvals to award contracts.

### **E4. Taxation**

*Describe any tax implications and how they will be managed, including VAT*

It is not envisaged that there will be taxation implications at this stage. This will be further considered in the development of the FBC.

<b>F. PROJECT MANAGEMENT CASE</b>	
<i>This considers how project delivery plans are robust and realistic</i>	
<b>F1a. Key Project Milestones-Public Realm works</b>	<b>Planned Delivery Dates</b>
<b>See attached high level Programme</b>	
Pre contract Design	May 2019 –October 2019
OBC approval	29 <sup>th</sup> October 2019
Stakeholder and Public Engagement consultation	November 2019 –January 2020
Full Business Case approval	February 2020
Works procurement	November 2019 – January 2020
Contract award and commencement	March 2020
Construction period (pre-Games Phases)	July 2020- March 2022
Construction period (post Games phases)	September 2022 - March 2024
Date of Post Implementation Review	September 2024
<b>F2. Achievability</b>	
<i>Describe how the project can be delivered given the organisational skills and capacity available</i>	
<p>The project will be managed within the Inclusive Growth Directorate with support from external technical advisors. A project team has been set up to deliver this project comprising of officers from the Project Delivery Team; Transport Projects; Planning and the City Centre Management Team. The internal team is supported by consultants providing pre contract design cost and procurement support. This is a challenging project which requires the coordination of several work streams. Pre contract design and surveys will inform the procurement of works.</p> <p>A full project programme identifies that it will be necessary to undertake a phased approach to the works. As such the works will be phased into pre and post Commonwealth Games work programmes. This is supported by early contractor involvement feedback. The high level of investment in the city currently may adversely impact on the availability of resources for the project from a contractor's perspective, and this will be addressed in partnership with framework contractors. The phased delivery plan will also take in to account the events schedule for the city centre and incorporate this within the timeline for works to be completed.</p> <p>The proposals for a revised Traffic Regulation Order to support the daytime pedestrianisation of the retail core will be subject to consultation with businesses, residents and stakeholders. The Council has extensive experience of securing TRO's any risks associated with the achievement of this element of the project is reflected in the project risk register.</p>	
<b>F3. Dependencies on other projects or activities</b>	
<p>Delivery of the comprehensive programme of works is subject to funding approvals as set out in this report. Contract awards will not commence until these approvals are in place. The programme is impacted on by the programme of events held within the city centre environment. The programme reflects the potential delay caused by these events.</p> <p>Works to Victoria Square cannot commence until completion of the ENGIE (infrastructure works) works which are to commence in spring 2020 in respect of a connection to Colmore Row.</p> <p>The implementation of HVM measures is subject to additional technical approvals. All</p>	

programme activities are reflected in the projects programme, that is regularly updated by the project team and reported to the project board											
<b>F4. Products required to produce Full Business Case</b> <i>This should be a full list of the items required in order to produce a Full Business Case.</i>											
<ul style="list-style-type: none"> <li>• Programme and Risk Register</li> <li>• Financial plan including funding</li> <li>• Concept design</li> <li>• Pre contract surveys</li> <li>• Pre tender costs and value for money statement</li> <li>• Tender Pack to include specification of works during project development)</li> <li>• Consultation/Stakeholder analysis</li> <li>• TRO proposals and consultation feedback</li> <li>• Revenue implications and budgets identified</li> </ul>											
<b>F5. Estimated time to complete project development to FBC</b> <i>Give an estimate of how long it will take to complete the delivery of all the products stated above, and incorporate them into a Full Business Case.</i>											
The proposals are currently being developed and pre contract costs being prepared to enable the issue of tenders in November 2019. The full business case and tender acceptance awards will be completed by March 2020 following the procurement process for the works.											
<b>F6. Estimated cost to complete project development to FBC</b> <i>Provide details of the development costs shown in Section F1 above (capital and revenue). This should include an estimate of the costs of delivering all the products stated above, and incorporating them into a Full Business Case. The cost of internal resources, where these are charged to the project budget, should be included. A separate analysis may be attached.</i>											
Pre contract design, cost and procurement consultant appointed. Costs met from existing contract and approved budget (TCF funding)											
<table> <tr> <td><b>Development costs</b></td><td><b>£</b></td></tr> <tr> <td>Internal Fees</td><td>151,210</td></tr> <tr> <td>External fees</td><td>292,845</td></tr> <tr> <td>Pre contract Surveys</td><td>500,000</td></tr> <tr> <td><b>Total</b></td><td><b>944,055</b></td></tr> </table>		<b>Development costs</b>	<b>£</b>	Internal Fees	151,210	External fees	292,845	Pre contract Surveys	500,000	<b>Total</b>	<b>944,055</b>
<b>Development costs</b>	<b>£</b>										
Internal Fees	151,210										
External fees	292,845										
Pre contract Surveys	500,000										
<b>Total</b>	<b>944,055</b>										
<b>F7. Funding of development costs</b> <i>Provide details of development costs funding shown in Section F1 above.</i>											
The preparation of the concept design and tender package and costs of the site investigations will be met from the Transforming Cities Fund. All development costs to FBC can be met from within the existing approved funding sources.											
<b>F8. Officer support</b>											
<b>Project Manager: Julia Martin/Craig Richards</b>											
<b>Project Accountant: Simon Ansell</b>											
<b>Project Sponsor: Philip Edwards</b>											
<b>F9. Project Management</b> <i>Describe how the project will be managed, including the responsible Project Board and who its members are</i>											
<p>The project is directed by a Project Board, consisting of</p> <ul style="list-style-type: none"> <li>• Phil Edwards, Assistant Director: Transport and Connectivity</li> <li>• Kevin Hicks, Assistant Director: Highways and Infrastructure.</li> <li>• Paul Lankester Interim Assistant Director: - Regulation and Enforcement</li> </ul>											

- Andy Middleton BCR/Commonwealth Games Transport Programme Manager
- Gary Woodward, Planning Manager
- Rob Pace, Finance Manager

## G. SUPPORTING INFORMATION

*(Please adapt or replace the formats as appropriate to the project)*

### G1. OBC OPTIONS APPRAISAL RECORDS (these are summarised in section C2)

*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.*

Option 1	Business as Usual (Do Nothing)
Information Considered	<ul style="list-style-type: none"> <li>• Strategic Fit</li> <li>• Impact on and by the Commonwealth Games</li> <li>• Existing site conditions</li> <li>• Costs</li> <li>• Long term sustainability</li> <li>• Available resources and funding opportunities</li> </ul>
Pros and Cons of Option	<p>Having been last renewed in the early 1990's the existing public realm now needs replacing. The security requirements for the city centre have also developed over time and the implementation of integrated hostile vehicle mitigation measures is essential to the safety of residents and visitors to the city. The comprehensive renewal would enable these key issues to be addressed, whilst also supporting the reduction in vehicle use within the city centre.</p> <p>The business as usual, or do-nothing option, would mean that the existing public realm would not be renewed, and only general maintenance would be carried out. Funding has already been provided to carry out improvements to the Lower Temple Street/New Street area as part of the Transforming Cities Fund. Failure to progress these works would result in the loss of this funding. The existing security measures would remain in place however as these are provided on a temporary basis on loan as part of the national barrier asset. These could be removed at any time should they be recalled due to another priority area.</p> <p>The increased visitor numbers anticipated during the Commonwealth Games exacerbates this security requirement.</p> <p>There are currently conflicts between existing planning conditions and traffic restrictions and concerns regarding the lack of enforcement of current loading restrictions. The barriers would support the ability to manage the access control of vehicles to the centre.</p> <p><i>The advantages/positive aspects of this option include</i></p> <ul style="list-style-type: none"> <li>• Reduced capital costs.</li> </ul>



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	<ul style="list-style-type: none"> <li>• No additional revenue obligations beyond existing commitments</li> <li>• No disturbance to commercial premises arising from project.</li> </ul> <p><i>The disadvantages/negative aspects of this option include</i></p> <ul style="list-style-type: none"> <li>• Risk of removal of temporary security measures with no permanent measures put in place.</li> <li>• The current public realm not fit for purpose in changing commercial climate</li> <li>• Deterioration of the city centre environment potential decline in visitor numbers: Does not take advantage of major strategic assets within city centre to support city growth agenda</li> <li>• Negative perception of city centre environment considering the Commonwealth Games.</li> <li>• Does not address the existing revenue shortfall</li> <li>• Loss of existing funding of £5.0m</li> </ul>
<b>People Consulted</b>	<p>The complex nature of the road and surroundings require joint working with several partners:</p> <ul style="list-style-type: none"> <li>• Midland Metro Alliance - (Metro)</li> <li>• Birmingham City Council (Planning &amp; Regeneration [Client], Transport Strategy, Highways,</li> <li>• Paradise developers</li> <li>• Retail Business Improvement District (BID)</li> <li>• Local commercial businesses.</li> </ul>
<b>Recommendation</b>	Abandon
<b>Principal Reason for Decision</b>	Status quo would not support Council and service priorities. Misses opportunity to present high quality experience for Commonwealth Games visitors and does not appropriately respond to changing retail climate. Does not address the safety and security needs of the city centre.

<b>Option 2</b>	<b>Do Minimum</b>
<b>Information Considered</b>	<ul style="list-style-type: none"> <li>• Strategic Fit</li> <li>• Impact on and by the Commonwealth Games</li> <li>• Existing site conditions</li> <li>• Costs</li> <li>• Long term sustainability</li> <li>• Available resources and funding opportunities</li> </ul>
<b>Pros and Cons of Option</b>	<p>The do minimum approach would allow for the implementation of HVM barriers in some key areas throughout the city centre identified as safety risks. The HVM safety mitigation would replace the existing temporary barrier assets and provide less obtrusive protection and therefore allowing for greater pedestrian permeability in the process. This would satisfy some of the security requirement for the increased number of visitors expected for the Commonwealth Games.</p>

	<p>However, the do minimum approach does not allow for a comprehensive renewal and upgrading of the public realm in the city centre, which is required.</p> <p><i>The advantages/positive aspects of this option include</i></p> <ul style="list-style-type: none"> <li>• Reduced capital costs.</li> <li>• Limited impact to commercial premises arising from project.</li> <li>• Replacement of temporary barriers with HVM bollards allowing for more accessibility.</li> <li>• Increases project delivery timescale for CWG.</li> </ul> <p><i>The disadvantages/negative aspects of this option include</i></p> <ul style="list-style-type: none"> <li>• Does not address the required renewal of core streets within the city centre and therefore preventing any benefits that would arise from a comprehensive approach.</li> </ul>
<b>People Consulted</b>	<p>The complex nature of the road and surroundings require joint working with several partners:</p> <ul style="list-style-type: none"> <li>• Midland Metro Alliance - (Metro)</li> <li>• Birmingham City Council (Planning &amp; Regeneration [Client], Transport Strategy,</li> <li>• Paradise developers</li> <li>• Retail Business Improvement District (BID)</li> <li>• Local commercial businesses. Who was consulted regarding development of key elements of this option</li> </ul>
<b>Recommendation</b>	Abandon
<b>Principal Reason for Decision</b>	Do minimum approach would not support council and service priorities. Misses opportunity to present high quality experience for Commonwealth Games visitors and does not appropriately respond to changing retail climate.

<b>Option 3</b>	<b>Partial Intervention 1</b>
<b>Information Considered</b>	<ul style="list-style-type: none"> <li>• Strategic Fit</li> <li>• Impact on and by the Commonwealth Games</li> <li>• Existing site conditions</li> <li>• Costs</li> <li>• Long term sustainability</li> <li>• Available resources and funding opportunities</li> </ul>
<b>Pros and Cons of Option</b>	<p>The need for the renewal of the public realm in the city centre has been identified for several years and is reflected within the Big City Plan produced in 2010 to guide the future development and regeneration of the city and the need for a well-connected, efficient and walkable city centre, and new and improved public spaces. The piecemeal approach to the renewal of the public realm in the city centre was rejected in 2017 following 'The Making the Connections' project which</p>

	<p>endeavoured to bring forward proposals for individual streets and locations within the city centre.</p> <p>This approach was rejected as it was recognised that the piecemeal development of the retail area could not provide the cohesive design and delivery of the integrated security and physical works required. The further daytime pedestrianisation of the city centre also needs to be underpinned by a revised traffic regulation order. This complex combination of traditional physical works; security measures and traffic movement measures requires an integrated approach to the entirety of the area, making partial intervention unlikely to achieve the desired overall outcome succeed.</p> <p>The advantages/positive aspects of this option include</p> <ul style="list-style-type: none"> <li>• Focuses attention on high priority streets</li> <li>• Reduces time to deliver ensuring works are completed prior to CWG</li> </ul> <p>The disadvantages/negative aspects of this option include</p> <ul style="list-style-type: none"> <li>• Does not adequately address the integrated, holistic characteristic of the city core. Each street has a corresponding impact on its surroundings; by dealing with a street in isolation it does not provide the accelerated benefits that would arise from a comprehensive approach.</li> <li>• The HVM security measures are required across the city centre in any event so partial scheme would not negate the disruption and requirement to undertake extensive works prior to the Games.</li> </ul>
<b>People Consulted</b>	<p>The complex nature of the road and surroundings require joint working with several partners:</p> <ul style="list-style-type: none"> <li>• Midland Metro Alliance - (Metro)</li> <li>• Birmingham City Council (Planning &amp; Regeneration [Client], Transport Strategy,</li> <li>• Paradise developers</li> <li>• Retail Business Improvement District (BID)</li> <li>• Local commercial businesses. Who was consulted regarding development of key elements of this option</li> </ul>
<b>Recommendation</b>	Abandon
<b>Principal Reason for Decision</b>	Leads to disjointed approach to city core public realm. Needs a comprehensive approach looking at the city core holistically.

<b>Options 4</b>	<b>Partial Intervention 2</b>
<b>Information Considered</b>	<ul style="list-style-type: none"> <li>• Strategic Fit</li> <li>• Impact on and by the Commonwealth Games</li> <li>• Existing site conditions</li> <li>• Costs</li> <li>• Long term sustainability</li> <li>• Available resources and funding opportunities</li> </ul>
<b>Pros and Cons of Option</b>	<p>This covers the proposals set out in option 3 in addition to further renewal and enhancement of Victoria Square.</p> <p>The advantages/positive aspects of this option include</p> <ul style="list-style-type: none"> <li>• Focuses attention on high priority streets</li> <li>• Establishes the longevity of Victoria Square as an event space and central element of the city centre</li> <li>• Reduces time to deliver ensuring works are completed prior to CWG</li> </ul> <p>The disadvantages/negative aspects of this option include</p> <ul style="list-style-type: none"> <li>• Does not adequately address the integrated, holistic characteristic of the city core. Each street has a corresponding impact on its surroundings; by dealing with a street in isolation it does not provide the accelerated benefits that would arise from a comprehensive approach.</li> <li>• The HVM security measures are required across the city centre in any event so partial scheme would not negate the disruption and requirement to undertake extensive works prior to the Games.</li> </ul>
<b>People Consulted</b>	<p>The complex nature of the road and surroundings require joint working with several partners:</p> <ul style="list-style-type: none"> <li>• Midland Metro Alliance - (Metro)</li> <li>• Birmingham City Council (Planning &amp; Regeneration [Client], Transport Strategy,</li> <li>• Paradise developers</li> <li>• Retail Business Improvement District (BID)</li> <li>• Local commercial businesses. Who was consulted regarding development of key elements of this option</li> </ul>
<b>Recommendation</b>	Abandon
<b>Principal Reason for Decision</b>	Leads to disjointed approach to city core public realm. Needs a comprehensive approach looking at the city core holistically.

<b>Option 5</b>	<b>Comprehensive Integrated Approach</b>
<b>Information Considered</b>	<ul style="list-style-type: none"> <li>• <i>Strategic Fit</i></li> <li>• <i>Impact on and by the Commonwealth Games</i></li> <li>• <i>Existing site conditions</i></li> <li>• <i>Costs</i></li> <li>• <i>Long term sustainability</i></li> <li>• <i>Available resources and funding opportunities</i></li> </ul>
<b>Pros and Cons of Option</b>	<p>The City Centre Public Realm project incorporates the public realm and street works; proposals to repair the water feature within the refurbishment and renewal of Victoria Square; the provision of permanent well designed and security measures integrated with the public realm and the control measures to facilitate an enhanced pedestrian retail and visitor centre. This comprehensive approach supports the delivery of a project that enables the city centre to act as a gateway to Birmingham 2022 Commonwealth Games. It is also vital that the city's core is modern, inviting and enjoyable, and that it leaves a legacy for Birmingham. It is this programme of works that is to be developed and recommended for delivery. This is reflected in the OBC at Appendix A.</p> <p><i>The advantages/positive aspects of this option include</i></p> <ul style="list-style-type: none"> <li>• Provides the long-term benefits providing the necessary outputs to transition the city core into a high-quality destination space.</li> <li>• Supports strategic objectives outlined in Big City Plan, Birmingham Development Plan, Council Plan, Clean Air and Climate Change.</li> <li>• Enables the integration of the HVM within the public realm.</li> <li>• Supports the further daytime pedestrianisation of the city centre</li> </ul> <p><i>The disadvantages/negative aspects of this option include;</i></p> <ul style="list-style-type: none"> <li>• Significant capital cost and associated additional revenue costs.</li> <li>• There will be disruption within the centre due to the works to be carried out resulting in the risk of claims from businesses and reduced revenue to the Council.</li> <li>• The risk of priority areas not being completed in time for CWG increases.</li> </ul>
<b>People Consulted</b>	<p>The complex nature of the road and surroundings require joint working with several partners:</p> <ul style="list-style-type: none"> <li>• Midland Metro Alliance - (Metro)</li> <li>• Birmingham City Council (Planning &amp; Regeneration [Client], Transport Strategy,</li> <li>• Paradise developers</li> <li>• Retail Business Improvement District (BID)</li> <li>• Local commercial businesses. Who was consulted regarding development of key elements of this option</li> </ul>

<b>Recommendation</b>	Proceed
<b>Principal Reason for Decision</b>	<p>Delivers on key strategic priorities.</p> <p>Supports the showcase of the city as part of the Commonwealth Games</p> <p>Ensures the provision of the security measures required prior to the Games</p> <p>Supports the clean air objectives</p>

**G2. OUTLINE RISKS AND ISSUES REGISTER**

*Risks should include Optimism Bias, and risks during the development to FBC*

*Grading of severity and likelihood: High – Significant – Medium - Low*

		<b>Risk after Mitigation:</b>	
<b>Risk or issue</b>	<b>Mitigation</b>	<b>Likelihood</b>	<b>Severity</b>
A reduced scheme may have to be provided in event of reduced funding	Working with Partners to ensure all available funding streams are unlocked. The £5m from TCF will allow development of the wider scheme and for delivery to commence.	medium	high
Programme over run so not complete ahead of CWG	The programme will include a contingency but be phased to ensure completion of priority areas prior to the CWG. Phased approach to the works	high	medium
Failure to secure approved TRO	Detailed stakeholder management plan produced to ensure the Retail BID are involved throughout the consultation process and to alleviate concerns surrounding the TRO implementation.	medium	medium
Objection to TRO leads to Judicial Review	Additional legal advice sought with regards to TRO implementation	medium	high
Adverse impact of construction programme slippage.	Phased programme and break clause to endure delivery of key works prior to Commonwealth games	medium	low
Lack of contractor availability due to the level of other investments in the city currently.	Council are working closely with contractors through our frameworks to ensure resources are available. Flexibility within the procurement strategy to utilise alternate frameworks.	medium	medium
Failure to address full revenue implications of the	Further workshops or consultations to be held to identify the revenue	medium	medium

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improvement works	budget that is required to support the structural alterations after completion of the scheme.		
Cost overruns. Unknown Stats costs emerging during construction	Contingency of 20%-40% has been included in cost estimates until more detailed design work is complete	low	medium
Resilience of transport network given high number of schemes being delivered pre CWG/HS2	TfWM have appointed a resilience director to co-ordinate the delivery of infrastructure schemes by all partners across the West Midlands This scheme is in an area of the city which is already largely pedestrianised so should have limited direct impact on Public Transport and/or general traffic	low	low
Risk of compensation claims and subsequent increase in costs	Ongoing stakeholder engagement and phased programme of works in consultation with stakeholders to minimise risk of claim. Obligation placed on contractor to address claims.	low	medium