

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

| | | | |
|---|---|---|----------------------------|
| Project Title <i>(as per Voyager)</i> | City Centre Public Realm Improvement Scheme Phase 1 – Full Business Case (FBC) | | |
| Voyager Code | CA-03078-03 | | |
| Portfolio / Committee | Transport & Environment Finance & Resources | Directorate | Inclusive Growth |
| Approved by Project Sponsor | Phil Edwards 16/12/2020 | Approved by Finance Business Partner | Simon Ansell 15/12/2020 |

A2. Outline Business Case approval *(Date and approving body)*

The Outline Business Case (OBC) for the proposed City Centre Public Realm (CCPR) improvements presented in this Full Business Case (FBC) was approved by Cabinet on the 29 October 2019. Since the approval of the OBC, the project has been divided into two phases. These phases are detailed in Table 1 below.

Table 1: CCPR Phases

| Phase | Area/Description | Status |
|---------|---|---|
| Phase 1 | Victoria Square and Colmore Row/Waterloo Street | FBC outlined in this document. |
| Phase 2 | Remaining CCPR areas | FBC to be submitted in the summer of 2021 subject to funding. |

A3. Project Description

This FBC is for the delivery of Phase 1 of the CCPR project only. The FBC for Phase 2 will be subject to a separate FBC subject to funding in the summer of 2021. The two phases are illustrated on Figure 1 below.

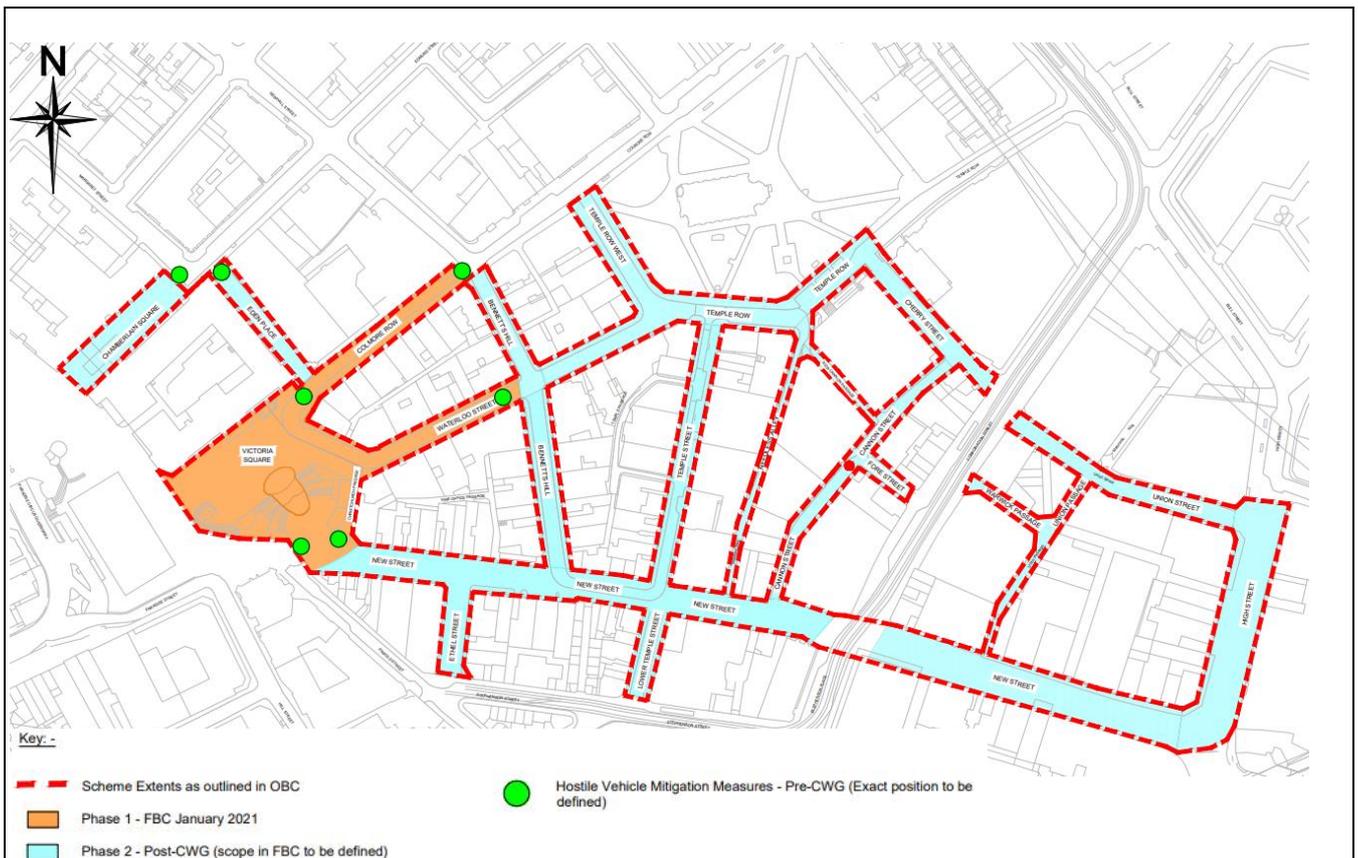


Figure 1: CCPR Phasing Plan

Background

Phase 1 of the project forms an important part of the comprehensive renewal of the public realm within the city centre core. Improvements to the quality of public realm include safe and attractive pedestrian environments, greater priority for active modes of travel and the creation of spill-out areas for outdoor seating, to further support businesses in their recovery and growth from the impacts of Covid-19. Permanent hostile vehicle mitigation (HVM) will replace the existing and unattractive temporary barriers.

Birmingham will be on the world stage during the 2022 Commonwealth Games (CWG) and the city centre will act as a gateway for many visitors coming to Birmingham for the first time. The public realm improvements will help create a lasting legacy, provide a safe, attractive and welcoming pedestrianised environment that will attract more visitors and investment and maximise the potential of the Colmore area, supporting further economic growth.

Existing Situation

Birmingham city centre is at the heart of the West Midlands with a magnitude of investment and opportunities over the next decade including HS2, Midland Metro extensions and the hosting of the 2022 CWG. Birmingham was the fourth most visited city in the UK in 2019¹ and boasts the largest city economy in the UK outside London with a GDP of £31.9bn². The city centre benefits from three main railway stations in the heart of the city: New Street, Snow Hill and Moor Street.

The existing public realm including the paving and street furniture is outdated, tired and inconsistent in its specification and positioning. Recent Midland Metro extensions have made improvements to the public realm adjacent to the Town Hall in Victoria Square, and on New Street (closest to the Council House) and this project will adopt the same material palette to be consistent across the area.

¹ Visitbritain.org/town-data

² Birmingham Update Q4 2019

The majority of the city centre is already pedestrianised; however, there is an increasing amount of vehicular activity taking place in the city core including Colmore Row and Waterloo Street at all hours of the day. This, combined with narrow footway and street furniture, creates pinchpoints for the increasing number of pedestrians travelling to and through the area for work and leisure.

Temporary National Barrier Assets (NBA) are in place across the city centre; however, these are large, intrusive structures that create unnecessary difficulties for cyclists, pushchairs and people with disabilities to navigate through. A permanent, less invasive solution is required to improve the flow of pedestrians and cyclists in the city centre whilst maintaining the necessary safety and security measures to protect the city from hostile vehicles.

Drivers and Opportunities for Change

The proposals set out in this FBC aim to transform the public realm in the city centre and create an attractive, safe and welcoming environment to support economic recovery and growth.

The early impacts on city centre retail and hospitality businesses as a result of Covid-19 have further strengthened the case for change and the need for investment in the city centre to drive forward further investment, attract more businesses to the city centre and create jobs that this project will aim to support.

The CWG's has presented an exciting opportunity to exhibit these improvements as for a lot of visitors, Birmingham city centre will, be the first place that spectators from around the world will see. High-quality public realm will enable safe, convenient and accessible travel to CWG venues, transport hubs and fan zones across the city centre.

New Street Station will be at the heart of visiting spectators and guests, providing fast and reliable services across the country including to Birmingham International Airport. The station normally accommodates circa 50 million passengers per annum but this will increase significantly during the games³. According to the latest version of the CWG spectator and workforce model (SWAT v1.5) up to 11,643 spectators (in addition to business as usual) will walk or cycle between the city centre and Arena Birmingham per hour⁴ during the games, passing through areas of high-quality public realm that this scheme will deliver. It is therefore vital that the public realm in the vicinity of New Street and Victoria Square is of the highest quality and specifications to create a lasting and positive impact. Improvements to the public realm in Victoria Square and on Colmore Row and Waterloo Street will provide high-quality connectivity between New Street and Snow Hill, complementing the public realm improvements being undertaken in the Snow Hill area.

High-quality public realm improvements can have many social, health, economic and environmental benefits including greater business and consumer confidence in the city centre allowing greater inward investment, increasing land values and spending in the city centre, boosting tourism and creating more jobs. Improved connectivity to transport hubs, jobs and leisure facilities will encourage walking and cycling which will also have positive health and social benefits.

Case studies within the UK have also shown that well-planned improvements to public spaces including restrictions to traffic and reallocation of space for walking and cycling can lead to increased revenue for retail stores and a boost in footfall and trading of 20-30%⁵. The outdoor 'spill-out' area that will be provided as part of this scheme will further enhance the desire for people to spend more time in the area. There are many misconceptions that restricting access to private cars damage the economy; however, studies have shown that this does not reduce the number of customers or spend within city centres. Widened footways and pedestrianised areas allow streets to become 'places' attracting greater footfall, outdoor tables and chairs and social interaction making the area a more attractive and welcoming place to be.

³ <https://www.birminghamupdates.com/birmingham-new-street-is-now-the-fifth-busiest-station-beating-london-euston/>

⁴ Data from the CWG spectator and workforce model (SWAT v1.5) during daytime hours (07:00-19:00).

⁵ Pedestrian pound 2018

The number of vehicles including HGVs driving through the city core during peak pedestrian hours is ever-increasing and is impacting upon the safety of pedestrians and cyclists. This combined with the risk of hostile vehicles in crowded places and densely populated areas of pedestrians provides a much-needed reallocation of space and improved security measures to ensure pedestrian safety is comprehensive, giving the public the confidence to enjoy the city centre without fear. The permanent HVM measures proposed will provide this security and fit with the aesthetics of the surrounding environment.

Phase 1 will also restore running water to one of Europe's largest fountains the River Fountain, known locally as the 'Floozie in the Jacuzzi', which was turned off in 2013 and subsequently filled with flowers in 2015. The Fountain is an iconic feature situated in Victoria Square surrounded by attractive buildings and architecture and has for many years been central to the identity of the city. Repairing and restoring the three tiered River Fountain to its former glory will support visitor numbers and create an improved civic space for people to meet and relax and to host civic events.

Scheme Development

Since the approval of the OBC on the 29 October 2019, the project has been split into two phases as a result of the impacts that the Covid-19 pandemic has had on the delivery of the project. As a result, some elements of the project that were set out in the OBC to be delivered prior to the CWG have been delayed until after the Games. The two phases are:

- Phase 1 – Victoria Square and Colmore Row/Waterloo Street public realm works, River Fountain reinstatement and seven HVM locations
- Phase 2 – The remaining elements of the CCPR project as outlined in the OBC (subject to a separate FBC)

A Revised Financial Appraisal (RFA) was approved by Cabinet on the 21 July 2020 which gave authority for the detailed design to be undertaken prior to the submission of this FBC to ensure accurate capital and revenue costs and timescales were estimated.

Scheme Proposals

This FBC outlines the scheme proposals for Phase 1 of the project, which is illustrated in the scheme drawing in Appendix C. Due to the CWG embargo, no construction work is permitted to take place after March 2022. ECI has informed the project that there is insufficient construction time available, partly due to Christmas working restrictions in 2021, to fully complete the construction works. Therefore, a phased delivery will be undertaken which includes:

Phase 1 Proposals (delivered by March 2022)

- Public realm improvements in Victoria Square;
- Public realm improvements on the corner of Colmore Row/Waterloo Street by Victoria Square;
- Repair and reinstatement of the River Fountain in Victoria Square;
- HVM at seven locations including Victoria Square, Waterloo Street, Colmore Row;
- Support the reinstatement of the Ironman in Victoria Square;
- Subject to a Traffic Regulation Order (TRO) the scheme proposals include:
 - No loading/unloading or vehicular access between 11am and 11pm on Colmore Row and Waterloo Street, seven days a week;
 - Removal of three pay and display bays on Colmore Row;
 - Removal of 25 pay and display bays on Waterloo Street;
 - Removal of two disabled bays on Waterloo Street;
 - Removal of two pay and display bays on Waterloo Street East to be replaced with the two removed disabled bays on Waterloo Street;
 - Removal of motorcycle bays on Colmore Row.

Phase 1 Proposals (delivered by October 2023)

- Completion of public realm improvements on Colmore Row/Waterloo Street including provision for a 2m outdoor seating/spill out area, new signage and wayfinding, street furniture and lighting.

To avoid any further delays to the programme, the project has identified the need to procure materials ahead of the contractor award due to the long lead time for this item and its impact on the works output. The West Midlands Combined Authority (WMCA) has been identified as a supplier of this material due to the need to match the specification of the product previously used by the MMA in the area.

A4. Scope

This scope includes all elements within Phase 1 of the CCPR project outlined within this report.

A5. Scope Exclusions

Phase 2 has been excluded from the scope of works and will be subject to a separate FBC in the summer of 2021 subject to funding.

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

Scheme Objectives

The scheme objectives are set out in Table 2.

Table 2: Scheme Objectives

APPENDIX A

| Scheme Objectives | Outcomes | Current Issues | How this scheme will achieve the objectives |
|--|---|---|--|
| <p>To deliver high-quality public realm for all user groups and increase visitor numbers and support economic recovery</p> | <p>Accessible for all users.</p> <p>Attractive and welcoming for people visiting Birmingham for the first time during the 2022 Commonwealth Games.</p> <p>River Fountain restored as a water feature.</p> | <p>Tired paving</p> <p>Neighbouring improvements e.g. Paradise, Centenary Square Metro Extension has upgraded surrounding paving.</p> | <p>Replacement of paving, street furniture including seating and lighting. Flush kerbs.</p> |
| <p>To create a pedestrian friendly environment to support business recovery and growth</p> | <p>Widened footways for restaurants and bars to spill out on.</p> <p>Vehicles restricted between 11am and 11pm to ensure safe environment for pedestrians to enjoy.</p> | <p>Narrow footways, street clutter, lots of vehicles.</p> | <p>Create spill out areas for restaurants and bars on Colmore Row/Waterloo Street to have outside seating and create an environment that people want to spend time in.</p> |
| <p>To improve the security and safety in the city core</p> | <p>Permanent HVM at seven locations within the city core.</p> <p>Vehicle access and loading restricted on Colmore Row/Waterloo Street between 11am and 11pm.</p> | <p>National Barrier Asset (NBA) HVM is unattractive and obstructive for cyclists and people with disabilities to navigate.</p> <p>No restrictions for vehicles to enter the city core at any time. High pedestrian flows and narrow footways increase the number of conflicts between pedestrians and vehicles.</p> | <p>Greater priority for pedestrians and cyclists at peak times.</p> <p>HVM controlled centrally to ensure a joined up safety and security strategy.</p> |

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| Enhanced connectivity for pedestrians and cyclists | Improved connectivity for pedestrians and cyclists connecting. | Existing street clutter and NBA HVM makes movement through the city centre difficult. | Improved signage and wayfinding. |
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Policy Fit

The improvements to the public realm in the city core set out in this FBC, helps support the delivery of local and regional policies set out in Table 3 below.

Table 3: Policy Fit

| Policy | Strategic Alignment |
|---|--|
| Local Policies | |
| City Council Plan and Budget 2018-2022 (as updated in 2019) | <p>The proposed scheme supports the policy objectives outlined in the City Council’s Plan and Budget 2018-2022 including:</p> <p>Outcome 1, Priority 4: <i>‘We will develop our transport infrastructure, keep the city moving through walking, cycling and improving public transport’;</i></p> <p>Outcome 4: <i>‘Birmingham is a great, clean and green city to live in’, particularly ‘improve the environment and tackle air pollution’;</i></p> <p>Outcome 5: <i>‘Birmingham residents gain the maximum benefit from hosting the Commonwealth Games’;</i></p> <p>Outcome 6: <i>‘Birmingham is a city that takes a leading role in tackling climate change’.</i></p> <p>The Phase 1 proposals will provide improvements to walking and cycling, which will support the sustainable and environmental outcomes of the City Council Plan as well as delivering the majority of these improvements prior to the Commonwealth Games for everyone to enjoy.</p> |
| Birmingham Development Plan (2011) | <p>The vision for Birmingham set out in the Birmingham Development Plan (BDP) is:</p> <p><i>“By 2031 Birmingham will be renowned as an enterprising, innovative and green City that has delivered sustainable growth meeting the needs of its population and strengthening its global competitiveness.”</i></p> <p>The proposed public realm improvements in the city centre are consistent with the achievement of Birmingham’s objectives set out in the BDP, including:</p> <ul style="list-style-type: none"> • To provide high quality connections throughout the city and with other places including encouraging the increased use of public transport, walking and cycling; • To create a prosperous, successful and enterprising economy with benefits felt by all; • To promote Birmingham’s national and international role; and |

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| | <ul style="list-style-type: none"> To ensure that the City has the infrastructure in place to support its future growth and prosperity. <p>As well as specific policies including:</p> <ul style="list-style-type: none"> Policy PG2 – Birmingham as an international city – <i>Birmingham will be promoted as an international city supporting development, investment and other initiatives that raise the City’s profile and strengthen its position nationally and internationally.</i> Policy PG3 – Place making - <i>Provide attractive environments that encourage people to move around by walking and cycling;</i> Policy GA1.1 – City Centre - ...improvements to the quality of the environment and the shopping experience within this area will be promoted. Policy GA1.4 – Connectivity – Improvements to and prioritisation of pedestrian and cycle accessibility; Policy TP39 – Walking – The provision of safe and pleasant walking environments throughout Birmingham will be promoted; and <p>Policy TP40 – Cycling - Cycling will be encouraged through a comprehensive city-wide programme of cycling infrastructure improvements.</p> |
| <p>Birmingham Transport Plan (draft 2020)</p> | <p>The draft Birmingham Transport Plan aims to create safe and healthy environments will make active travel, walking and cycling – the first choice for people making short journeys. The scheme will help deliver the objectives set out in the plan including:</p> <ul style="list-style-type: none"> Develop improved cycling and walking infrastructure and pedestrianisation supporting cross city centre navigation and connectivity with public transport hubs; and <p>Improve walking environments make streets inclusive for all and help older people and people with disabilities travel around the city.</p> |
| <p>Emergency Birmingham Transport Plan (June 2020)</p> | <p>The Emergency Birmingham Transport Plan does not replace the Birmingham Transport Plan; however, it sets out the short, medium and long term actions that Birmingham can take to enable a low carbon, clean air recovery from Covid-19. These measures, relevant to the City Centre Public Realm scheme, including maximising improvements to walking and cycling and ensure public spaces are safe and accessible for everyone. The scheme will support the vision and objectives set out in Birmingham’s Transport Plan (below) and support the delivery of further walking and cycling improvements to support social distancing and Covid-19 recovery.</p> |
| <p>Birmingham Connected (2014)</p> | <p>The Birmingham Connected White Paper directly links to the strategies and policies of the BDP, outlined below. It sets out the agenda for investing in a radically improved integrated transport system that will realise the city’s potential to support sustainable economic growth, support job creating and link communities. It seeks to make travel more</p> |

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| | <p>accessible, more reliable, safer and healthier and to use investment in transport as a catalyst to improve the fabric of the city.</p> <p>The scheme will contribute to the objectives set out in the Birmingham Connected White Paper, including facilitating improvements to walking and cycling in the city centre.</p> |
| Clean Air Strategy (draft 2019) | <p>The scheme will support the objectives set out in the Council's draft Clean Air Strategy and the Council's implementation of a Class D Clean Air Zone to improve air quality in the city centre by:</p> <ul style="list-style-type: none"> • Contributing towards a reduction in car usage – reducing emissions and improve health; and • ...increasing the range of cleaner, sustainable and active travel modes. |
| City Centre Retail Strategy (2015) | <p>This strategy document builds on the vision of the City's Big City Plan published in 2010 focussing on the city centre and retail core. Plans to enhance the public realm in the retail core around New Street and Victoria Square are presented in this strategy to attract investment and visitors and improve the image of the city, with the aim of making Birmingham one of the top retail destinations in the UK. The main objectives that this scheme helps deliver includes:</p> <ul style="list-style-type: none"> • Support and promote the rationalisation of vehicular traffic on key streets in the Retail Core to create pedestrian friendly environments that are accessible to all; and • Support the improvement of the public realm and environment. |
| Regional Policies | |
| Midlands Connect Strategy: Powering the Midlands Engine (2017) | <p>The Midlands Connect Strategy sets out the long-term approach to power the Midlands Engine giving <i>'much-needed certainty to businesses, communities and investors whilst also improving quality of life, improving skills and enhancing access to new opportunities'</i>.</p> <p>This public realm scheme will improve connectivity within the city centre for sustainable modes of transport including walking and cycling and allow the economic potential of the Midlands to be maximised.</p> |
| Greater Birmingham and Solihull LEP Strategic Economic Plan (2016-2030) | <p>The proposed scheme supports policies set out in the GBS LEP Strategic Economic plan including:</p> <ul style="list-style-type: none"> • Reduce demand, ensuring that capacity on key routes is released by negating unnecessary trips. This means investing in towns and local centres to ensure that very short distance trips can be made safely by walking, cycling and public transport • Supporting the regeneration of our high streets • Improving connectivity within towns and local centres |
| Movement for Growth, West Midlands | <p>This policy document sets out the WMCA's strategic transport plan and long term delivery plan for transport across the West Midlands.</p> |

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| <p>Combined Authority (WMCA)</p> | <p>The transport vision:</p> <p><i>“Reduce transport’s impact on our environment – improving air quality, reducing carbon emissions and improving road safety”</i></p> <p>This vision will be supported by:</p> <ul style="list-style-type: none"> • Using transport improvements to enhance the public realm and attractiveness of our centres • Ensuring that walking and cycling are a safe and attractive option for many journeys, especially short journeys by enhancing local travel <p>The scheme will improve the public realm and attractiveness of the city core, whilst encouraging more active travel including cycling and walking supporting public health.</p> |
|----------------------------------|--|

Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of the contract for the main works. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with each procurement strategy and the action plan of the successful tenderers will be implemented and monitored during the contract period.

B2. Project Deliverables

These are the outputs from the project e.g. a new building with xm2 of internal space, xm of new road, etc

Phase 1 outputs include:

- Paving:
 - 212sqm Yorkstone slab paving;
 - 5,499sqm Granite paving;
 - 520m Granite edging;
 - 548m Corduroy tactile;
 - 58m Dished channel drain;
- Provision for 2m ‘spill-out’ space outside buildings for outdoor seating on Colmore Row/Waterloo Street (refer to Appendix C for more details);
- Seven HVM bollards (three mechanically operated locations);
- Support the reinstatement of the Ironman in Victoria Square;
- Street furniture:
 - Four heritage street lighting on Colmore Row;
 - Three benches;
 - Three bins;
 - Four cycle racks;
 - Provision for one cycle hire dock;
 - Provision for e-scooter racks (if approved).

B3. Project Benefits

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

| Measure | Impact |
|--|--|
| List at least one measure associated with each of the objectives and outcomes in B1 above | What the estimated impact of the project will be on the measure identified – please quantify where |

APPENDIX A

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| | practicable (e.g. for economic and transportation benefits) |
| Support the economic recovery and growth of the city centre through renewal of public realm | Enhancement of the area will create a more attractive, safe and useable area to attract more visitors, businesses and investment to the area and increase consumer spend. The provision of 2m 'spill out' area outside properties on Colmore Row/Waterloo Street will create an attractive and safe place to spend time. It will also encourage repeat visits which is particularly important for Birmingham city centre given that the city will become a gateway during the CWG in 2022. |
| Encourage active modes of travel within the city centre | <p>Accessibility for pedestrians, cyclists and people with mobility issues will be improved through new, high-quality paving. An attractive, public space will increase the availability of civic space to host community events e.g. Pride and generate revenue for the city.</p> <p>A more pleasant environment through the city centre will encourage more people to walk shorter journeys, improving air quality and supporting the Council's clean air policies. It will also deliver health benefits to the citizens and visitors of Birmingham.</p> |
| People's perceptions of safety and attractiveness of the city centre | <p>59 crimes were reported in the vicinity of Victoria Square/Colmore Row/Waterloo Street between September 2019 and August 2020. Anti-social behaviour accounted for 29% of these crimes.</p> <p>Improvements to the public realm, lighting and provision of outdoor seating will improve the perceived safety of people within the area. Permanent HVM bollards will ensure only necessary access for loading takes place during designated hours. Outside of these hours the HVM will ensure pedestrians are safe from hostile vehicles.</p> |
| Property price increase | Substantial evidence that public realm improvements increase property prices in the local vicinity. |
| Table 2, in Section B1 above, outlines the scheme objectives, and how these will be achieved through this scheme tackling the current issues faced in the area. It also outlines the benefits and outcomes associated with delivering these objectives. Further economic benefits are listed in Section G3 below. | |
| <p>B4. Benefits Realisation Plan</p> <p><i>Set out here how you will ensure the planned benefits will be delivered</i></p> | |
| Benefits will be delivered upon completion of Phase 1 of the project. The planned benefits will be delivered by ensuring a robust governance structure has been established to monitor progress and manage dependencies, risks and issues, as they arise. Clear tolerance and escalation levels are set to ensure issues are identified and managed in a timely manner. | |

Ordering the paving materials ahead of the contract award will mitigate any delay to the programme or outputs that could be caused as a result of long lead times for this item.

Further benefit realisation is set out in Table 4 below.

Table 4: Benefits Realisation

| Benefit | Who will benefit? | How will benefits be realised? | Baseline measure |
|---|---|--|-------------------------------------|
| Improved public realm | All users | Increased attractiveness for all users | Satisfaction levels |
| Improved perception of safety for all users | All users | Crime rates | Crime statistics |
| Increased use of active modes | Pedestrians, cyclists, other active modes | Increase in number of people walking and cycling | Pedestrian counts (February 2020) |
| Increase in customers due to outdoor seating area | Local businesses | Occupancy of outdoor seating area | Business engagement and utilisation |

B5. Stakeholders

Public consultation on the overall City Centre Public Realm scheme was carried out between 13 January 2020 and 21 February 2020. A total of 598 responses were received via BeHeard.

As part of the consultation exercise approximately 3,500 leaflets were delivered to all commercial and residential properties with the scheme area and regular emails were sent out via the Business Improvement Districts (BIDs) to their businesses. In addition, consultation material including leaflets and questionnaires were held at Library of Birmingham and individuals could request a copy of the material and questionnaire by contacting the project team.

Key stakeholders were emailed copies of the scheme proposals and consultation materials, urging them to provide feedback via the BeHeard consultation site. Two public drop-in sessions were also held to talk to discuss the project with businesses, residents and individuals and to understanding any local issues or concerns.

Engagement with Colmore and Retail BID, ward councillors and resident groups/representatives has been ongoing throughout the development of this project to ensure they are kept informed of the progress and changes.

Analysis of the consultation responses identified key themes and suggestions from individuals and organisations which has been taken into consideration whilst developing the scheme and addressed in Appendix D. The analysis highlights the following key statistics:

- 77% of respondents agree or strongly agree that the proposals to improve the public realm are attractive and welcoming. This is broken down to:
 - 77% of individuals;
 - 90% of businesses/organisations;
 - 79% of residents.
- 72% of respondents agree or strongly agree with the proposals to restrict access and loading between 7am and 7pm. This is broken down to:
 - 74% of individuals;
 - 42% of businesses/ organisations;
 - 7% of residents

- 46% of respondents believe the scheme will have a somewhat or very positive impact on them/their business and 34% believe the impact will be neutral. This is broken down to:
 - 46% of individuals;
 - 58% of businesses/organisations;
 - 14% of residents.

C. ECONOMIC CASE AND 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. Summary of options reviewed at Outline Business Case

(including reasons for the preferred option which has been developed to FBC)

If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.

Options were reviewed at the OBC stage and Option 5 was approved to be taken forward to FBC stage. The options included:

Option 1 – Business as Usual (Do Nothing)

Option 2 – Do Minimum – implement HVM at critical locations across the city centre.

Option 3 – Partial intervention - implement permanent HVM measures as part of a comprehensive safety and security strategy for the city centre. Public realm improvements to New Street, Lower Temple Street and Ethel Street.

Option 4 – Partial intervention – Option 3 with the addition of public realm improvements in Victoria Square.

Option 5 – Comprehensive Integrated Approach – permanent HVM measures as part of a comprehensive safety and security strategy for the city centre. Public realm improvements to the city core including New Street, Lower Temple Street, Ethel Street and Victoria Square. Repair and restoration of the River Fountain in Victoria Square.

Changes since the OBC

After the approval of the OBC in October 2019, a new delivery team was established. Upon review of the programme, a revised delivery strategy and timeline was developed to allow time to develop the project in further detail and produce a comprehensive FBC including establishing a detailed design, finalising the scope of the project, securing Early Contractor Involvement (ECI) and establishing accurate capital and revenue costs. The Design and Build approach that was approved at OBC, outlined construction start in 2020. These timescales were deemed unfeasible and a revised delivery strategy and programme was issued and approved by Cabinet as part of a RFA in July 2020.

The RFA also granted permission to transfer £0.758m from the post-contract costs to develop the project to FBC. The Covid-19 pandemic has led to programme delays and uncertainty around funding available to deliver the project. As a result, the project was split into two phases outlined in Section A3 above. This FBC outlines the proposals for Phase 1 of the project with a separate FBC for Phase 2 to be submitted in Summer 2021. This phased delivery will enable the project team to fully understand the cost estimates and the funding requirements needed.

C2. Evaluation of key risks and issues

The full risks and issues register is included at the end of this FBC

A summary of the key risks are outlined in Table 5 below. A copy of the full risk register can be found in Appendix E.

Table 5: Top Risks

| Risk | Mitigation |
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|------|------------|

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| Unknown ground conditions/utilities/basements | Ground Penetrating Radar (GPR) surveys and trial hole work being undertaken to conclude clash detection and enter into early agreement with Statutory Undertakers. Partnership working and sharing of stats data. Known basement surveys requested. |
| Activities prior to construction are delayed. No float in programme. | Regular review of programme and briefing sessions with senior officers and Cabinet Members. |
| The impact of Covid-19 and Brexit on the supply of materials, the contractor's resources and timescales | Engagement with the contractor and their supply chain to understand material lead in and resources available. |
| CAZ revenue does not materialise due to ongoing Covid-19/behaviour changes | Predicted CAZ revenue has been reassessed and the CAZ funding requirement has been re-profiled with less funding required in the early years of the CAZ. Project underwritten by Prudential Borrowing in OBC. |

C3. Other impacts of the preferred option

Describe other significant impacts, both positive and negative

A VURT (Valuing Urban Realm Toolkit) assessment was undertaken in February 2020 to assess the economic benefits of the CCPR scheme. The toolkit was introduced by Transport for London (TfL) to provide an evidence-based justification for investing in public realm improvements by assigning monetary values to the less tangible benefits of a scheme. The estimated monetary benefits cover an appraisal period of 15 years (2022-2036) and are provided in 2010 prices and values. The estimated monetary benefits for Victoria Square, Colmore Row and Waterloo Street are shown in Table 6 below.

Table Error! No text of specified style in document.6: Estimated monetary benefits

| Area | Estimated Monetary Benefits (2010 prices) |
|-----------------|---|
| Victoria Square | £813,358 |
| Colmore Row | £780,845 |
| Waterloo Street | £261,461 |

Other impacts that CCPR will address are set out in Table 7 below.

Table 7: Impacts of preferred option

| Measure | Impact |
|--------------------------|---|
| Pedestrians and Cyclists | Safe, attractive public spaces with enhanced public realm will create an area for all users to enjoy. |
| Public Realm | Better quality environment and paving materials leading to improved development value and a more attractive destination to attract more visitors to the city. |

| | |
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| Noise/Air Quality | Noise generated from construction works will be minimised where possible. Timing of construction will be assessed based on local characteristics e.g. residential properties, businesses. |
| D. COMMERCIAL CASE <i>This considers whether realistic and commercial arrangements for the project can be made</i> | |
| D1. Partnership, joint venture and accountable body working <i>Describe how the project will be controlled, managed and delivered if using these arrangements</i> | |
| <p>The Council is responsible for the delivery of Phase 1 of the CCPR scheme. The scheme proposals have been developed alongside key partners including Retail BID and Colmore BID.</p> | |
| D2. Procurement implications and Contract Strategy <i>What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).</i> | |
| <p>Detailed Design</p> <p>The detailed design for phase 1 of the project is being undertaken by Arcadis Consulting Limited under a contract awarded under delegated authority in September 2020.</p> <p>Public Realm Works (including River Fountain)</p> <p>The procurement strategy for the works and the water feature is in Appendix B of the Cabinet report.</p> <p>Purchase of Materials</p> <p>The supply of paving materials is to be undertaken by the West Midlands Combined Authority to enable an order to be placed and delivered prior to the award of the contract and the commencement of the works. The cost of the paving materials is expected to be in the region of £0.5m. The WMCA will store and insure the materials at a secure location at no extra cost to the Council until the materials are ready to be used. The procurement strategy for the order of materials is in Appendix B.</p> | |
| D3. Staffing and TUPE implications | |
| <p>There are no identified staffing or TUPE implications with this project. The scheme will be resourced using City Council staff and external resources for the professional services and the works.</p> | |

E. FINANCIAL CASE*This sets out the cost and affordability of the project***E1. Financial implications and funding**

| | Previous Financial Years £000s | 2020/21 £000s | 2021/22 £000s | 2022/23 £000s | Total £000s |
|--|---|------------------|------------------|------------------|----------------|
| Capital code: CA-03078-03 | | | | | |
| CAPITAL EXPENDITURE | | | | | |
| Capital expenditure incl. contingency | 414 | 1,274 | 8,147 | 2,560 | 12,395 |
| Total capital expenditure | 414 | 1,274 | 8,147 | 2,560 | 12,395 |
| CAPITAL FUNDING: | | | | | |
| Transforming Cities Fund (TCF) | 414 | 1,274 | 2,312 | 0 | 4,000 |
| CAZ Revenue | 0 | 0 | 5,835 | 2,560 | 8,395 |
| Total capital funding | 414 | 1,274 | 8,147 | 2,560 | 12,395 |

APPENDIX A

| | 2022/23 | 2023/24 | 2024/25 | Per annum |
|---|--------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ | £ |
| Highways Maintenance | | | | |
| Basic Highway Assets | | -599.20 | -2,004.06 | -2,004.06 |
| Enhanced Highway Assets | | 2,059.13 | 3,127.22 | 3,127.22 |
| Energy Costs | | 0.00 | 134.64 | 134.64 |
| Highway Horticulture (Parks) | | 0.00 | 0.00 | 0.00 |
| Non-Highway Assets (NPNPs) | | 0.00 | 33.57 | 33.57 |
| Net revenue consequences | | 1,459.93 | 1,291.37 | 1,291.37 |
| Funded by: | | | | |
| Highways Maintenance Policy Contingency | | -1,459.93 | -1,291.37 | -1,291.37 |
| Total Revenue Funding | | -1,459.93 | -1,291.37 | -1,291.37 |
| | | | | |
| River Fountain | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 |
| Net revenue consequences | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 |
| Funded by: | | | | |
| Clocks and Fountains Revenue Budget | -20,000.00 | -20,000.00 | -20,000.00 | -20,000.00 |
| Total Revenue Funding | -20,000.00 | -20,000.00 | -20,000.00 | -20,000.00 |
| | | | | |
| HVM (5 year SLA) | | 31,002.00 | 31,002.00 | 31,002.00 |
| Net revenue consequences | | 31,002.00 | 31,002.00 | 31,002.00 |
| Funded by: | | | | |
| Revenue Budget to be allocated via 2021/22+ Medium Term Financial Plan budget process | | -31,002.00 | -31,002.00 | -31,002.00 |
| Total Revenue Funding | | -31,002.00 | -31,002.00 | -31,002.00 |
| | | | | |
| Loss of parking income | 202,479.20 | 202,479.20 | 202,479.20 | 202,479.20 |
| Net revenue consequences | 202,479.20 | 202,479.20 | 202,479.20 | 202,479.20 |
| Funded by: | | | | |
| Controlled Parking Zone income | -202,479.20 | -202,479.20 | -202,479.20 | -202,479.20 |
| Total Revenue Funding | -202,479.20 | -202,479.20 | -202,479.20 | -202,479.20 |

E2. Evaluation and comment on financial implications

Capital Costs

The estimated total capital cost of Phase 1 of the City Centre Public Realm scheme outlined is £12.395m and are planned to be funded by Transforming Cities Fund (£4.000m) and Clean Air Zone (£8.395m). A detailed breakdown is included in Exempt Appendix G.

A delay in implementing the CAZ means that there is a risk that the funding required for Phase 1 may become unavailable. The recommendations approved by Cabinet within the OBC in October 2019 included the use of corporate resources up to the total value of £20.478m in the event that the funding sources identified were not approved or fell short of the required values and noted that, in the event of additional funding being subsequently confirmed, that this would be used to repay corporate

funding. The use of corporate resources was subsequently included and approved as part of the Council 2020/21+ Capital Programme in February 2020.

The OBC for the Phase 1 works included £5m of funding as a part of the Commonwealth Games Public Realm capital budget, which forms a part of the overall budget for the Commonwealth Games being funded jointly between the Council, local Partners and the Government. As the detailed proposals for the Phase 1 works have been refined during the evolution from an Outline to a Full Business Case it has become clear that the City Centre Public Realm works can be funded wholly from funding available through Transforming Cities and Clean Air Zone programmes and it has been agreed with all Games Partners that the Commonwealth Games funding is more appropriately utilised to mitigate any risks arising as a result of the COVID-19 pandemic and ensure delivery of other projects that are critical for the successful delivery of the Commonwealth Games.

Subject to the successful conclusion of single contractor negotiations, the supply of paving materials is to be undertaken by WMCA, to enable the order prior to the award of contract for the works. The cost of this is estimated to be £0.500m and the WMCA will store and insure the materials at a secure location at no additional cost to the Council.

Revenue Implications

This project will both remove and create assets that will form part of the highway upon completion of the project; as such they will be maintained within the overall highway maintenance programme. The net maintenance costs arising from the public realm proposals in this FBC is estimated to be £0.001m per annum, which will be funded from the provision for Highways Maintenance held within Corporate Policy contingency. This figure does not include maintenance for the River Fountain or the three mechanically operated HVMS. Details of both of these are shown separately below.

The revenue implications for the River Fountain is estimated to be £0.020m per annum, based on engagement with a fountain specialist, which will be funded from the existing approved maintenance budget for clocks and fountains.

The total revenue implications for the mechanically operated HVM at three of the seven locations are estimated to be £0.031m per annum based on a five-year maintenance agreement with the supplier. This cost is being factored into the 2021/22+ Medium Term Financial Plan budget process.

Additionally, the project will result in the removal of 30 pay and display bays on Colmore Row/Waterloo Street which will result in an estimated loss of parking income of £0.202m per annum (£2.02m over a ten-year period). The loss of income will be offset within the overall net car parking income generated, and specifically through the controlled parking zones being implemented as part of the Clean Air Zone (CAZ) additional measures.

E3. Approach to optimism bias and provision of contingency

A contingency of 20% has been applied to the cost of Phase 1 public realm works on Colmore Row/Waterloo Street. A contingency of 40% has been applied to the cost of the HVM and River Fountain.

The contingency covers project risks around scope of construction and the outcomes of realising risks identified within the risk register.

Construction risk and contingency has been priced to cover any delays and changes to outputs.

E4. Taxation

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

There will be no adverse VAT implications for the City Council in this scheme as the maintenance of highways is a statutory function of the City Council such that any VAT paid to contractors is reclaimable.

As this is a construction project, the requirements of HMRC's Construction Industry Tax Scheme will be included in the contract documentation to ensure the Council's compliance.

F. PROJECT MANAGEMENT CASE

This considers how project delivery plans are robust and realistic

| F1. Key Project Milestones <i>The summary Project Plan and milestones is attached at G1 below</i> | Planned Delivery Dates |
|--|-------------------------|
| | Phase 1 |
| Public Consultation | January – February 2020 |
| Appoint contractor for detailed design | August 2020 |
| Commence detailed design | November 2020 |
| Full Business Case approval | January 2021 |
| Placing the order for materials with WMCA | January 2021 |
| Invitation to tender (ITT) issued | February 2021 |
| ITT return | March 2021 |
| Award of construction contract | April 2021 |
| Construction start | June 2021 |
| Construction end | March 2022/October 2023 |

BCC Project Team recognise that the achievement of the programme (and these milestones) may be subject to change.

F2. Achievability

Describe how the project can be delivered given the organisational skills and capacity available

The project involves standard highway engineering and measures and the City Council has in-house experience of successfully delivering highway projects of this nature. Specialist expertise and support has been obtained through appropriate external consultants for the public realm design elements, Traffic Regulation Orders and Construction Design Management (CDM) responsibilities.

F3. Dependencies on other projects or activities

N/A

F4. Officer support

| | |
|----------------------------|---|
| Project Manager: | Craig Richards Tel: 07704539772 Email: craig.richards@birmingham.gov.uk |
| Project Accountant: | Simon Ansell Tel: 0121 464 9124 Email: simon.ansell@birmingham.gov.uk |
| Project Sponsor: | Philip Edwards Tel: 0121 303 6467 Email: philip.edwards@birmingham.gov.uk |

F5. Project Management

Describe how the project will be managed, including the responsible Project Board and who its members are

The Project Board has been set up which will oversee the City Centre Public Realm works. It consists of officers responsible for delivering and monitoring the overall City Centre Public Realm and includes:

- Officers from Transport and Connectivity, Planning, Highways, Finance, Legal and Procurement including the Assistant Director, Transport & Connectivity and the Assistant Director, Highways and Infrastructure.

G. SUPPORTING INFORMATION

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

G1. Project Plan

Detailed Project Plan supporting the key milestones in section F1 above

Please refer to **Section F1** of this report for delivery milestones.

G2. Summary of 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

Please refer to **Appendix E** for the scheme risk register.

G3. External funding and other financial details

Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)

A summary of funding for the delivery of the scheme is provided in **Section E2** of this report.

| G4. Stakeholder Analysis | | |
|---|---|---|
| The table below identifies all of the stakeholders involved in the project outlining their role and significance and how these relationships will be managed throughout the successful delivery of the project. | | |
| Stakeholder | Role and Significance | How stakeholder relationships will be managed |
| MP and local councillors | Local impact to ensure they are aware of the scheme should they be approached by their constituents | Regular updates through member briefings |
| Retail and Colmore BID | Key stakeholder group | Regular updates through email and meetings |
| Residents/businesses affected by TRO | Affected stakeholders | Updates during detailed design, prior to construction and during works. |
| Taxi operators | End user | Updates during detailed design, prior to construction and during works. |
| General groups e.g. cycling and walking, bus users and resident groups | End user | Updates during detailed design, prior to construction and during works. |
| Emergency services | End user | Updates during detailed design, prior to construction and during works. |
| General public | End user | Updates during detailed design, prior to construction and during works. |

G5. Benefits Register

For major projects and programmes over £20m, this sets out in more detail the planned benefits. Benefits should be monetised where it is proportionate and possible to do so, to support the calculation of a BCR and NPSV (please adapt this template as appropriate)

| Measure | Annual value | Start date | Impact |
|---|--------------|------------|--|
| List at least one measure associated with each of the outcomes in B1 above | | | What the estimated impact of the project will be on the measure identified |
| (a) Non-quantified benefits: | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Other Attachments

provide as appropriate

| | |
|---|--|
| <ul style="list-style-type: none"> Appendix B – Procurement Strategy | |
| <ul style="list-style-type: none"> Appendix C – Scheme Plans | |
| <ul style="list-style-type: none"> Appendix D – Consultation Analysis | |
| <ul style="list-style-type: none"> Appendix E – Risk Register | |
| <ul style="list-style-type: none"> Appendix F – Equalities Analysis | |
| <ul style="list-style-type: none"> Exempt Appendix G – Exempt Appendix | |