

## FULL BUSINESS CASE (FBC)

### A. GENERAL INFORMATION

#### A1. General

<b>Project Title</b> <i>(as per Voyager)</i>	A457 Dudley Road Improvement Scheme – Western Road Junction Phase 1 Advance Works		
<b>Voyager Code</b>	CA-02715		
<b>Portfolio / Committee</b>	Transport & Environment Finance & Resources	<b>Directorate</b>	Inclusive Growth
<b>Approved by Project Sponsor</b>	Phil Edwards 5th March 2021	<b>Approved by Finance Business Partner</b>	Simon Ansell 5th March 2021

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

An Outline Business Cases (OBC) for the A457 Dudley Road Improvement Revised Scheme was approved by Cabinet on 10th November 2020, at a total estimated capital cost of £29.935m. An element of the Revised Scheme is Western Road Phase 1 Advanced Works, estimated at £3.405m in the approved OBC, which has risen to £5.100m in the FBC, an increase of £1.695m due to cost of utility diversion works not previously accounted for, further investigative works and refinement of the detailed design of the scheme giving more robust cost estimate. The approval provided the authority to progress development of the Revised Scheme together with the option to deliver the Western Rd Junction Advanced Works subject to a Section 278 agreement with the Soho Loop Developer.

The Soho Loop Development gained full planning approval on 20<sup>th</sup> January 2020 and the planning approval is conditional on the developer carrying out a junction improvement scheme to enable occupation. Ongoing discussions with the developer to acquire land to facilitate the development have identified the opportunity to deliver the Western Road Junction work in advance of the wider Dudley Road Improvement Revised Scheme.

#### A3. Project Description

[a focussed description which shouldn't generally exceed ½ page. An FBC for smaller, simpler projects should be shorter and simpler than for major complex projects]

##### Summary

The proposals for Dudley Road Improvements Revised Scheme - Western Road Junction Phase 1 Advanced Works are in accordance with policies set out in key Council documents including the Birmingham Development Plan (BDP), Emergency Travel Plan (ETP) and the Greater Icknield Masterplan.

Greater Icknield is identified as a key growth area within the Birmingham Development Plan (2017), with proposals to accommodate new housing developments along with other local facilities and employment opportunities. It is part of a wider growth corridor and along with development sites in Sandwell provide the potential to deliver over 3,000 new homes.

This Full Business Case (FBC) seeks approval for the delivery of Dudley Road Improvement Revised Scheme – Western Road Junction as Phase 1 Advanced Works ahead of the main Dudley Improvements Revised Scheme at a Capital Cost £5.100m.

The Western Road Junction was included to an extent as part of the original Dudley Road Improvement Project Definition Document (PDD). Within the Revised Scheme the junction will facilitate access to the Soho Loop development site and bring forward the wider junction improvements of the proposed scheme. There is an opportunity to bring forward the work as Phase 1 Advanced Works which will enable development occupation, avoid abortive work and save associated costs of delivery. The progression will be subject to a Section 278 of the Highways Act 1980 agreement with the Soho Loop developers and a developer's contribution of £1.800m, using the existing design and works contract approved by Cabinet dated 26th June 2018. GBSLEP funding of £0.979m is being used to part fund the scheme but City Council funding of £2.321m will be also be required to cover the difference between the developer's scheme and the wider revised junction improvement scheme, funded from Prudential Borrowing (PB).

**Background**

The PDD for the overall Dudley Road Improvements Scheme was approved by Cabinet on 26th June 2018. This approval authorised the City Council to: submit a funding bid to the Department for Transport (DfT), begin commencement of the land/property acquisition process and to make a Compulsory Purchase Order and Side Roads Order (CPO & SRO); and to grant delegated authority to the Assistant Director, Transport and Connectivity to procure, appoint and place orders with a design and build contractor to carry out Early Contractor Involvement (ECI) and design development.

In light of Covid-19 and the Emergency Transport Plan (ETP), the project team has undertaken a study to assess the feasibility of making significant changes to the scheme in-line with the ETP. The revised A457 Dudley Road improvement scheme is well developed and provides wider footways and new segregated cycle paths to cater for non-motorised users, the provision of a bus lanes along the corridor, alongside the carriageway widening works to support increased traffic capacity.

The Revised Scheme is split into 3 elements.

- Developing a shelf ready scheme (including previous years expenditure) - £6.494m. A Full Business Case (FBC) will be taken to the GBSELP in March 2021.
- Delivery of the Dudley Road Improvement Revised Scheme – Western Road Junction as Phase 1 Advance Works - £5.100m – subject to agreement between the City Council and the Soho Loop Developer.
- Delivery of the Main scheme - £18.341m. (see separate Cabinet report on this agenda)

**Scheme Details**

The proposals relevant to this FBC are outlined below and shown in the scheme plan attached as Appendix D. Specific details can be found in the `Deliverables` section of this FBC and are summarised below:

- Introduction of wider footways to provide for further pedestrian capacity and social distancing;
- Introduction of segregated cycling facility to the northern side of the corridor including the NHS treatment centre.
- Upgrade signalised junction at Western Road/Dudley Road, all movements signalised junction with a segregated control crossing for cyclists / pedestrians;
- Junction realignment to increase capacity at signalised junction;
- Introduction of additional filter lane to the Western Road arm to improve capacity and efficiency of the junction; and

- Upgrade pedestrian crossings to cycling and pedestrian crossings at the signalised junction to improve safety.

#### A4. Scope

The delivery of highway improvements associated with the A457 Dudley Road Western Road Junction and side roads as set out in this FBC and shown on the scheme plan attached as Appendix D, including the acquisition of private land and property, in line with the main A457 Dudley Road Improvement Revised Scheme.

#### A5. Scope Exclusions

The project only includes the measures as detailed in this FBC and not those associated with the wider scheme.

### 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*

[bullet points will be fine]

##### Existing Situation and Issues

The A457 Dudley Road corridor runs west to east through the eastern side of Birmingham. The corridor is approximately 2km long from Ladywood Middleway/Spring Hill junction on the Ring Road to Cape Hill near the boundary with Sandwell Metropolitan Borough Council (MBC). The A457 forms part of Birmingham's Strategic Highway Network and provides a key arterial route from the Black Country into central Birmingham. The road is heavily used by both local and through traffic and forms part of the emergency vehicle route to the M5 Motorway.

The A457 Dudley Road is a heavily trafficked major route with over 30,000 vehicles per day which equates to around 2,000 vehicles during the peak hour. The corridor provides access to major employment sites, residential and health centres from Birmingham city centre and Sandwell MBC and is a key route to the motorway network. As a major route the A457 Dudley Road is heavily utilised by buses, heavy goods vehicles (HGVs) and servicing vehicles, and due to its strategic nature, the route also carries significant volumes of commuter traffic during the peak periods.

Dudley Road provides access to the residential areas in Winson Green and Rotton Park together with serving as a route for existing businesses within the area. Major employers and developments in the area include: City Hospital, and HM Birmingham Prison.

There are a significant number of accidents along the road, with 113 recorded injury accidents in the period from 1st January 2011 to 31st December 2016, including 25 pedestrian casualties. The most common type of accident is driver error where the driver has failed to look properly when turning right from/to Dudley Road. The proposals seek to address this poor accident record through the implementation of signal-controlled junctions and signalised pedestrian crossing.

Proposed developments taking place within the area will change the traffic pattern during the peak period causing an increase during the standard peak times. The majority of the City Hospital will be relocated to Smethwick creating a super hospital 'Midland Metropolitan Hospital' which is expected to open in Grove Lane, late 2022. This relocation will pave the way for more housing (750 approx.) to be developed across the remaining City Hospital site.

In addition, the Icknield Port Development Site and the Soho Loop Development Site are also currently being developed and positioned adjacent to the City Hospital Development on the southern side of the Dudley Road corridor. Both developments will bring forward more housing

approximately 1,200 for the Icknield Port and approximately 700 for the Soho Loop development Site. These developments will have direct impact on A457 Dudley Road – Western Road Junction.

The section of the Dudley Road corridor being considered for improvement is approximately 2km in length from the Spring Hill junction to the Sandwell boundary. The corridor consists of a wide single carriageway marked with 4 narrow substandard traffic lanes with some sections flaring out to three traffic lanes at the main junctions, there are several priority junctions located along the corridor. The route also crosses the West Coast Main Railway Line and both the Birmingham Main Line Canal and Soho Loop Canal.

### **Scheme-Specific Objectives**

The Dudley Road Improvement Revised Scheme – Western Road Junction Phase 1 Advanced Works proposal supports the City Council's policy objectives, particularly for 'a prosperous city built on an inclusive economy' and 'tackling inequality and deprivation' by improving public transport and other links to employment, training opportunities and local services. Equally the scheme proposals complement and align with the vision, principles and objectives of the ETP and Active Travel Plan (ATP).

The scheme proposals are outlined below:

- Benefits to public transport operations, by making improvements to the signalised junction and providing bus detection measures to improve bus journey time;
- Support regeneration initiatives through improved accessibility to the existing and new development sites;
- Contribute to the retention of existing business in the area as well as encouraging new investment;
- The junction includes dedicated right turn lanes on A457 Dudley Road at the junction of Western Road and an all movement lane on Western Road approaching the junction. This provides increased traffic capacity at Western Road/Dudley Road junction which forms an important part of the city's Strategic Highway Network.
- Realignment of junction to provide increased capacity at Western Road/Dudley Road signalised junctions;
- Upgraded/new pedestrian crossings at all signalised junction.
- Cycle and pedestrian facilities on wider footways within the extent of the junction improvement scheme; this primarily will be in the form of segregated cycling on the north side of the corridor and shared facilities at the signalised crossings. The cycling measures will also include toucan crossing facilities to create a link to the south side of the corridor;
- Provision of wider footways on the south side of the corridor (within the scheme extents) together with a new footbridge adjacent to the existing Springhill bridge;

### **City Council Objectives including ETP/ATP and the Draft Birmingham Travel Plan – Big Moves**

The Dudley Road Improvement Revised Scheme – Western Road Junction Phase 1 Advanced Works project supports the policy objectives outlined in the City Council Plan and Budget 2018-2022 (as updated in 2019), including:

- 'an entrepreneurial city to learn, work and invest in', particularly 'develop our transport infrastructure, keeping the city moving through walking, cycling and improved public transport'.
- 'a great, clean and green city to live in', particularly 'improve the environment and tackle air

pollution`.

- `strive to maximise the investment in the city and engage local employers to create quality jobs and opportunities for citizens.
- `takes a leading role in tackling climate change`.

The scheme proposals support the priorities of `A Clean Air Strategy for the City of Birmingham - Draft`

- `Improving the wider transport network to support smoother and faster journeys, whilst increasing the range of cleaner and environmentally/health-friendly journey options available to travellers`

The proposals also support the objectives of Birmingham Development Plan (BDP) 2031 including:

- `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 more sustainable city that minimises its carbon footprint`.
- `To encourage better health and wellbeing`.

The scheme supports the Additional Climate Change Commitments including the aspiration for the City Council to be net zero carbon by 2030, as agreed by Cabinet on 30th July 2019, following the declaration of a Climate Change Emergency passed by full City Council on 11th June 2019.

### **Combined Authority Objectives**

The measures will support policies within the West Midlands Strategic Transport Plan, in particular:

- Economic Growth and Economic Inclusion: `To accommodate increased travel demand by ... new sustainable transport capacity` and `to improve connections to areas of deprivation`.
- Population Growth and Housing Development: `To improve connections to new housing ... primarily through sustainable transport connections`.
- Environment: `To help tackle climate change by ensuring a large decrease in greenhouse gases from the ... area's transport system`.
- Public Health: `To significantly increase the amount of active travel` and `to assist with the reduction of health inequalities`.
- Social Well-Being: `to improve the accessibility of shops, services and other desired destinations for socially-excluded people`.

### **Birmingham Emergency Transport Plan**

The proposals have been reviewed in the light of the Emergency Birmingham Transport Plan – A low carbon, clean air recovery after Covid-19` published in May 2020:

- Reallocating road space away from single occupancy private cars to create safe space for walking, cycling and social distancing while maintaining public transport provision.
- Transforming the city centre through the creation of walking and cycling routes alongside public transport services and limited access for private cars.
- Prioritising active travel in local neighbourhoods so that walking and cycling is the way most people get around their local area most of the time. Local areas should be places where people are put first, creating stronger communities with space for exercise and play.

- Managing demand through parking measures where land and space currently occupied by car parking is repurposed for walking, cycling and social distancing.

## B2. Project Deliverables

*These are the outputs from the project eg a new building with xm2 of internal space, xm of new road, etc*

[again, this should be focussed, and a list of bullet points will be fine]

The project will:

- Widening to provide additional right turn lanes on approach to A457 Dudley Road and the Western Road arm;
- Provide an enhanced junction to significantly improve network efficiency and reduce congestion as part of the wider corridor designation;
- Provide a new signalised access for key development sites to support regeneration initiatives through improved accessibility to the existing developments and;
- Contribute to the retention of existing business in the area as well as encouraging new investment;
- Deliver benefits to public transport operations, by making improvements to the signalised junction and provide bus detection at the junction to improve bus journey time;
- Support regeneration initiatives through improved accessibility to the existing developments and;
- Contribute to the retention of existing business in the area as well as encouraging interest and investment.

## B3. Project Benefits

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

Measure	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 – please quantify where practicable (eg for economic and transportation benefits)</i>
Provision of enhanced junctions to significantly improve network efficiency and reduce congestion as part of the corridor designation and introduction of bus detection measures	To improve journey time reliability (including for public transport)
Provision of a new signalised access for key development sites to support regeneration initiatives through improved accessibility to the existing developments and;	The proposals will contribute to the retention of existing business in the area as well as encouraging interest and investment
Provision of additional right turn lanes on approach to A457 Dudley Road and the Western Road arm	To reduce congestion and delays at the junction

*For major projects and programmes over £20m:*

## B4. Benefits Realisation Plan

*Set out here how you will ensure the planned benefits will be delivered*

The project will be monitored through the proposed bi-weekly progress meetings and Project Board



meetings.

This project would be considered a success if the identified objectives of improving journey times and journey time reliability (including for public transport), improving accessibility and promoting road safety and improving air-quality are achieved. As part of a Benefit Realisation Plan; further targets will be set to allow these overall objectives to be measured and monitored to allow the success, or otherwise, of the project to be evaluated.

## B5. Stakeholders

A stakeholder analysis is set out at G4 below.

A full public consultation relating to the main revised Dudley Road Improvement Scheme including stakeholders was undertaken between 17th November 2020 and 15th December 2020. This included consultation on the proposed Western Road junction improvements. 104 responses were received via BeHeard, e-mail and consultation events, which included cycling groups and other key stakeholders. Analysis of the consultation responses showed 61.01% either fully support the proposals or partially support the proposals subject to minor amendments. Details of feedback provided are in Appendix E.

## 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.*

The options considered are listed below.

- Option 1 - Do nothing (Soho Loop Developer to delivery their scheme)
- Option 2 - Do Something (Revised Scheme Advanced Works delivered by the City Council)

Option 2 was taken forward as is offered, on balance, the best value for money in light of controlling the delivery programme, removing potential disruption from having two contractors operating in the same location at the same time as well as assisting with the following:

- Providing access to development sites.
- Time saving.
- Securing a financial contribution to the works costs.
- Improved Traffic management – better coordination of design and construction of works.
- Avoiding additional delays and pressures on the network that would arise if the scheme was not delivered,

### C2. Evaluation of Key Risks and Issues

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

[drawing attention to the biggest items only]

#### Key Risks:

-  Impact of coronavirus, may cause third party delays due to lack of resource, lack of material

availability with a consequential increase in project costs, delay in programme. This will be mitigated by Project team working closely with developer and contractor to ensure advanced notice is given so adequate preparations and order can be placed with supply chain.

- Agreement of the S278 with the developer to enable the City Council to deliver the scheme. The project team will mitigate this risk by working closely with developer through the design process so all parties understand true, agreement in principle has now been reached.
- Meeting the developer long stop dates to ensure the developer can occupy the development. Mitigation to include contractor who will be appointed to deliver works is aware of the development occupation dates and works are programmed accordingly to finish in advance.
- Objections to Traffic Regulation Orders delay delivery. Mitigation to reduce risk will include liaising with any objectors during consultation process to manage objections and amend TROs if required.

Risks will be managed through bi-weekly progress meetings between the City Council and the contractor. The City Council will continue with ongoing dialogue and provide quarterly project reports to update on progress of the scheme together with all financial risks.

#### Key Issues:

The delivery of the Dudley Road Improvement Revised Scheme – Western Road Junction as Phase 1 Advanced Works only provides localised benefits, and the wider corridor are reliant on the approval and delivery of the A457 Dudley Road Improvement Revised Scheme.

### **C3. Other Impacts of the Preferred Option**

*Describe other significant impacts, both positive and negative*

- Reduced queues improve bus reliability through junction
- Provision of additional controlled crossings
- Limited segregated facilities for cyclists can be provided as an initial phase.
- Provision of a new signalised access for key development sites to support regeneration initiatives through improved accessibility to the existing developments.
- Provision of localised wider footways to cater for maintaining social distance in light of corona virus restrictions.

What are the disadvantages/negative aspects of this option?

- Limited works and improvements to the Junction only.
- Does not deliver the corridor improvements.

## **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*

Delivery of the Dudley Road Improvement Revised Scheme – Western Road Junction Phase 1 Advanced Works at £5.100m – subject to agreement between the City Council and the Soho Loop Developer.



## D2. Procurement Implications and Contract Strategy

*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).*

The procurement strategy for the Original Scheme delivery was approved by Cabinet on 26th June 2018 as part of the PDD. The works will be delivered using the City Council's Highways and Infrastructure Works Framework Agreement under Lot 4 (works over £0.5m).

As the scheme progressed, it was recommended by the DfT to consider ways to accelerate the delivery programme in order to facilitate an earlier spend profile. The method to implement this acceleration was to amend the procurement strategy to carrying out a single procurement exercise, to include Phase 1 (including Stage 1 - ECI and Stage 2 - Detail Design) and Phase 2 (Stage 3 - Works), with the progress to the final stage being subject to the works cost being within budget and DfT approving the Major Scheme Business Case (MSBC), with the inclusion of a break clause at each stage. This would provide cost savings and the acceleration of the programme to deliver the scheme to meet the DfT's request. Due to the acceleration of the programme, it was necessary to undertake additional site survey's and investigation to ensure that the tender returns would be robust.

The main contractor was procured using a single, two phased (design and construction) contract and appointed in November 2019 to develop the detailed design and construction planning. Construction works were to follow completion of the detailed design, subject to:

- Approval of the FBC
- Securing confirmed Compulsory Purchase Order and Side Roads Order
- DfT approval to the MSBC

In the event the above approvals are not secured the delivery contract will be terminated by giving notice to terminate the contractor's obligation to provide the works and discharge this contract.

In light of Covid-19, the scheme has been reviewed and as a result the previous scheme will no longer progress and a revised scheme will be developed to replace it.

The existing contract will be utilised to complete the revised scheme to a preliminary/detail design stage ready for delivery, following which the termination clause in the existing contract will be triggered.

As a consequence of the revised scheme being progressed, there are two options available for the delivery. Option A to deliver the Dudley Road Improvement Revised Scheme – Western Road Junction Phase 1 Advanced Works in conjunction with the Soho Loop development (S278) and Option B to deliver the Western Road Junction improvements as part of the overall Revised Scheme. Option A is subject to a Section 278 agreement being agreed from the Soho Loop Development and additional funding being approved to cover the difference between the developer's scheme and the wider revised scheme. If Option A is pursued this will enable the delivery to be undertaken using the existing contract, subject to approval of the FBC and a S278 agreement with the Soho Loop Developer.

If Option A is not pursued, the detailed design will be completed, and the termination clause will be invoked.

In addition, as part of the approved OBC in November 2020, approval was granted to acquire 3<sup>rd</sup> party land and start land demolition process of the MOT Garage and various adjacent retail properties subject to successful land acquisition and authority delegated to Assistant Director for Inclusive Growth to award contract for the works. Following further design works, the Windmill Public House acquired by the City Council as part of the land acquisition process is now also required to be demolished to allow widening works of the highway to take place and realise the full

scheme benefits.

The overall demolition works would normally be covered by the City Councils agreement with Acivico, however following discussions with Acivico, the demolition works required for all properties would result in a 36 week delay due to Acivico resourcing issues along with having to tender the works externally. The tight timescales and programme for the advanced Western Road Phase 1 works means such a delay will have significant impact on the overall deliverability of the main revised scheme. Therefore, it is proposed for the existing ECI Contractor on the main revised scheme to be awarded the demolition works.

#### Birmingham Business Charter for Social Responsibility (BBC4SR).

Works - Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of the contract for the Dudley Road Improvement Revised Scheme. The contractor undertaking this project work, under the City Council's Highways and Infrastructure Framework Agreement, is a certified signatory to the BBC4SR and has provided additional actions proportionate to the value of each contract awarded. The actions will be monitored and managed during the contract period. If there is a requirement for a subsequent procurement exercise for the works, the BBC4SR requirement will be reported in the procurement strategy.

### **D3. Staffing and TUPE Implications**

The management and delivery of the A457 Dudley Road – Western Road Junction will be undertaken by officers within Transport and Connectivity supported by external consultants for professional services. There are no TUPE implications.

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

	2020/21	2021/22	2022/23	Total
	£'000	£'000	£'000	£'000
<b>CAPITAL EXPENDITURE</b>				
Traffic Management		503	7	<b>510</b>
Risk Contingency		261	4	<b>265</b>
BCC Design, Management & Supervision Fees		355		<b>355</b>
Construction Works Costs		2,705	41	<b>2,746</b>
Statutory Undertakers	979		245	<b>1,224</b>
<b>Total Capital Expenditure</b>	<b>979</b>	<b>3,824</b>	<b>297</b>	<b>5,100</b>
<b>CAPITAL FUNDING:</b>				
Prudential Borrowing		2,024	297	<b>2,321</b>
Local Enterprise Partnership	979			<b>979</b>
Section 278 Contribution		1,800		<b>1,800</b>
<b>Total Capital Funding</b>	<b>979</b>	<b>3,824</b>	<b>297</b>	<b>5,100</b>

	2022/23	Later Years (p.a.)
	£'000	£'000
<b>REVENUE CONSEQUENCES</b> <b><u>Highways Maintenance</u></b>		
Basic Highway Assets	2.8	2.8
Enhanced Highway Assets	5.7	5.7
Highway Horticulture (Parks)	0.2	0.2
Energy Cost	1.0	1.0
<b>Net revenue consequences</b>	<b>9.7</b>	<b>9.7</b>
<b>REVENUE FUNDING:</b>		
Corporate Policy Contingency	-9.7	-9.7
<b>Total revenue funding</b>	<b>-9.7</b>	<b>-9.7</b>
<b>REVENUE CONSEQUENCES</b> <b><u>Prudential Borrowing</u></b>		
Prudential Borrowing	115.6	132.9
<b>Net revenue consequences</b>	<b>115.6</b>	<b>132.9</b>
<b>REVENUE FUNDING:</b>		
Bus Lane Enforcement Surplus Income	-115.6	-132.9
<b>Total revenue funding</b>	<b>-115.6</b>	<b>-132.9</b>

## E2. Evaluation and Comment on Financial Implications

### Capital Costs

The total estimated capital cost of the Western Road Junction Phase 1 Advanced Works is £5.100m. The option to deliver this element ahead of the main scheme will require identification of a s278 contribution from the Soho Loop development estimated at £1.800m. An agreement in principle is in place for the developer to contribute £1.800m towards the cost of the scheme, and a draft S.278 Agreement has been agreed. It is envisaged the S.278 agreement will be signed in March/April 2021 subject to Cabinet approval of this report. The remaining funding for the scheme is GBSLEP funding of £0.979m and City Council funding of £2.321m, funded from Prudential Borrowing (PB).

The estimated increase in costs of £1.695m over the cost in the approved OBC, follows a firming up of the statutory undertakers costs further investigative works and refinement of the detailed

design of the scheme giving more robust cost estimate and split across this Western Rd Junction element of the scheme and the Main scheme. In terms of the overall Dudley Road scheme position, this remains unchanged.

There have also been adjustments to the value, timing and mix of funding assumed in the OBC. To address the increase in costs a reallocation of £0.979m of GBSLEP funding has been agreed from the main scheme. In addition, to mitigate the remaining increase in costs and the accelerated scheme delivery (required to meet the Commonwealth Games deadline), PB of £0.716m has been switched from the main scheme and accelerated. Finally, the estimated s278 contribution has reduced by £0.200m following negotiations and has been replaced with addition PB.

### Revenue Implications

Western Road Junction Phase 1 Advanced Works will both change and create assets that will form part of the highway upon completion of the project. As such they will need to be maintained within the overall highway maintenance programme. This cost of £0.010m will be funded from the provision for highways maintenance held within Corporate Policy Contingency. The detailed design will be developed by the appointed design and build contractor with a view to minimising the future maintenance liability to the City Council.

The Western Road Junction Phase 1 Advanced Works will require PB estimated at £2.321m. The cost of PB of £0.133m per annum (full year effect) will be funded from Bus Lane Enforcement net surplus income as set out in the Transportation and Highways Capital Programme 2021/22 – 2026/27 Annual Programme Update report approved by Cabinet on 9th February 2021. The total potential cost of PB for the Western Road Junction Phase 1 Advanced Works of £0.133m per annum (full year effect) is within the borrowing limits for the original scheme which is included within the approved Capital Programme

The Prudential Borrowing costs referred to above are based on current Public Works Loans Board (PWLb) interest rates. There is potential to access reduced rate PWLB borrowing, through the Concessionary Infrastructure Loan Rate, subject to meeting the required criteria. An application will be considered in line with the due process

### E3. Approach to Optimism Bias and Provision of Contingency

The overall total estimated capital cost of the project is £5.100m which includes an allocation for contingency and risk deemed enough to address any unforeseen works, based on risk assessment workshop.

### E4. Taxation

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

There should 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 or on the acquisition of land 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

*The summary Project Plan and milestones is attached at G1 below*

### Planned Delivery Dates

Detailed Design commenced	January 2021
Detail Design complete	March 2021
Full Business Case approval	March 2021
TROs advertised	March 2021

Works commence	June 2021
Works complete	May 2022
Date of Post Implementation Review	May 2023

## F2. Achievability

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

The programme involves standard highway engineering works, and the City Council has significant experience of successfully project managing and implementing projects of this nature. To support the in-house team additional external professional services have been engaged through existing frameworks where required. As part of the original contract a Design and Build contractor was appointed to undertake the design development, detailed design and ECI as the first phase and delivery subject to agreeing the target cost and approval of funding being the second phase. The original contract will continue to be used to progress the scheme to delivery should the opportunity arise to deliver the Dudley Road Improvement Revised Scheme – Western Road Junction Phase 1 Advanced Works earlier.

At the appropriate stage prior to deliver Traffic Regulation Orders (TRO) will be required to amend parking and loading restrictions. The TRO process has been included in the delivery programme with an allowance for dealing with any objections received.

A City Council Arboricultural Officer will have input in the preparation of the landscape strategy as design and build progresses.

## F3. Dependencies on Other Projects or Activities

Delivery of the measures are subject to approval of the FBC at the appropriate stage by the GBSLEP, the FBC will be submitted to March in Spring 2021.

## F4. Officer Support

**Project Manager:** Robert Warner – Transport Delivery Specialist  
Tel: 0121 675 6502 Email: [Robert.Warner@birmingham.gov.uk](mailto:Robert.Warner@birmingham.gov.uk)

**Programme Manager:** Gavin Maciel – Transport Delivery Specialist  
Tel: 0121 675 4332 Email: [Gavin.Maciel@birmingham.gov.uk](mailto:Gavin.Maciel@birmingham.gov.uk)

**Project Accountant:** Andy Price – Finance Manager  
Tel: 0121 303 7107 Email: [Andy.Price@birmingham.gov.uk](mailto:Andy.Price@birmingham.gov.uk)

**Project Sponsor:** Philip Edwards – Assistant Director Transport and Connectivity  
Tel: 0121 303 6467 Email: [Philip.Edwards@birmingham.gov.uk](mailto: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*

Day to day project management will be carried out by the Project Manager - Overseeing design and delivery of the Scheme.

Monthly Capital Projects Board meeting will review progress of the project.

Monthly Programme management meeting to review the programme, budget and risks.

Monthly team project progress meetings to review scheme progress.

Biweekly project programme review and weekly project team meetings.



**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*

See section F1

**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*

		<b>Risk after mitigation:</b>	
<b>Risk or Issue</b>	<b>Mitigation</b>	<b>Severity</b>	<b>Likelihood</b>
1. Coronavirus - strained financial and operational conditions. Particularly on working capital in the absence of direct support from stakeholders/funders	Inquire if government financial package is applicable to client/contractor	Medium	Medium
2. Internal approvals from BCC may cause delay	to raise a delegated authority report/highlight report for approval to spend until FBC is approved.	Medium	Low
3. Failure to negotiate s.278 costs with private developer	Working closely with developer through the design process so all parties understand true, agreement in principle has now been reached.	Low	Medium

For smaller schemes (Chief Officer approval up to £200k) use the above table.

For larger schemes (Cabinet or Cabinet Member approval) use the separate corporate Risk Register template.

**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)*

*Insert cumulative approvals table here if there are several schemes within one programme*

See section E2

G4. Stakeholder Analysis		
Stakeholder	Role and Significance	How stakeholder relationships will be managed
MP & Local councillors	Local impact to ensure they are aware of the scheme should they be approached by their constituents	Regular email exchange / updates. Weekly updates through construction briefs (once construction has commenced).
Bus operators (National Express)	End user	Ongoing engagement through Transport for West Midlands
PFI contractor	Own and maintain the existing roads.	Notified of the project via internal processes.
Department for Transport	Proposed primary funding body for the main revised scheme	Updated quarterly
NHS - Birmingham City Hospital	Neighbours affected by the widening scheme	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.
Taxi operators	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
<i>List at least one measure associated with <b>each</b> of the outcomes in B1 above</i>			<i>What the estimated impact of the project will be on the measure identified</i>
<b>(a)</b>			
<b>(b)</b>			
<b>(c)</b>			

**Other Attachments**

*provide as appropriate*

- Appendix B – Equality Analysis
- Appendix C – Risk Assessment
- Appendix D – Scheme Plans
- Appendix E – Consultation Outcome
- Appendix F – Western Road Programme