

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR OF ECONOMY
Date of Decision:	19th April 2016
SUBJECT:	CHESTER ROAD HIGHWAY IMPROVEMENTS – FINANCIAL UPDATE
Key Decision: Yes	Relevant Forward Plan Ref:
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input checked="" type="checkbox"/>
	O&S Chairman approved <input checked="" type="checkbox"/>
Relevant Cabinet Members:	Councillor Tahir Ali – Cabinet Member, Development, Transport and the Economy Councillor Stewart Stacey – Cabinet Member, Commissioning, Contracting & Improvement
Relevant O&S Chairman:	Councillor Victoria Quinn – Transport, Connectivity and Sustainability Councillor Waseem Zaffar – Corporate Resources
Wards affected:	Tyburn and Hodge Hill

1. Purpose of report:

- 1.1 To provide an update on the Chester Road Highways Improvements project.
- 1.2 The private report contains commercially sensitive information relating to the contract.

2. Decision(s) recommended:

That the Cabinet:

- 2.1 Notes the contents of this report.

Lead Contact Officer(s):	Varinder Raulia – Head of Infrastructure Projects
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<div data-bbox="81 129 367 168" data-label="Section-Header"> <h3>3. Consultation</h3> </div> <div data-bbox="81 170 293 208" data-label="Section-Header"> <h4>3.1 <u>Internal</u></h4> </div> <div data-bbox="81 241 1246 318" data-label="Text"> <p>3.1.1 Officers from Legal Services and City Finance have been involved with the preparation of this report.</p> </div> <div data-bbox="81 353 303 392" data-label="Section-Header"> <h4>3.2 <u>External</u></h4> </div> <div data-bbox="81 425 1394 537" data-label="Text"> <p>3.2.1 There is no requirement to undertake any further public consultation in respect of the recommendations in this report as the scheme has been consulted on and is currently being delivered.</p> </div>
<div data-bbox="81 600 470 638" data-label="Section-Header"> <h3>4. Compliance Issues:</h3> </div> <div data-bbox="81 640 1458 714" data-label="Section-Header"> <h4>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></h4> </div> <div data-bbox="81 748 1458 860" data-label="Text"> <p>4.1.1 The Full Business Case report of the former Strategic Director of Development and Culture to Cabinet, 29th July 2013 advised which policies, plans and strategies the project supports.</p> </div> <div data-bbox="81 896 478 934" data-label="Section-Header"> <h4>4.2 <u>Financial Implications</u></h4> </div> <div data-bbox="81 987 1394 1099" data-label="Text"> <p>4.2.1 The Full Business Case for the Chester Road Highway Improvement Works was approved by the Cabinet on 29th July 2013. The latest funding strategy for this project was approved by Cabinet on 16th February 2016.</p> </div> <div data-bbox="81 1128 427 1167" data-label="Section-Header"> <h4>4.3 <u>Legal Implications</u></h4> </div> <div data-bbox="81 1220 1452 1330" data-label="Text"> <p>4.3.1 The City Council is undertaking these works under powers to carry out transportation and highway infrastructure work under the Highways Act 1980 and the Road Traffic Regulation Act 1984.</p> </div> <div data-bbox="81 1359 984 1397" data-label="Section-Header"> <h4>4.4 <u>Public Sector Equality Duty (see separate guidance note)</u></h4> </div> <div data-bbox="81 1413 1436 1597" data-label="Text"> <p>4.4.1 An initial assessment was carried out prior to the submission of the Full Business case and identified no adverse implications for those persons with the relevant protected characteristics as identified under the Equalities Act 2010. The initial screening has been reviewed during the project and no circumstances have occurred which require an amendment of the outcome of that initial screening.</p> </div>

5. Relevant background/chronology of key events:

- 5.1 The A452 Chester Road between the Tyburn Road junction and Junction 5 of the M6 forms part of the strategic highway network within north-east Birmingham. Traffic travelling along Chester Road and traffic crossing at the major junctions is subject to significant delays throughout the day. There are a number of businesses in the area and the congestion can add significantly to business costs and discourage businesses from investing in the area.
- 5.2 The project involves the upgrading of a 2km stretch of the A452 Chester Road to provide additional capacity to main junctions and links, improvements to pedestrian and cycle facilities, benefit to public transport and an improved local environment The project will provide:
- signalisation and widening of the M6 Junction 5 roundabout;
 - signalisation and widening of the Chester Road / Fort Parkway junction;
 - widening of the carriageway between the Fort Parkway and Kingsbury Road junctions;
 - widening of approaches to the Chester Road / Kingsbury Road junction; and reshaping of the Chester Road / Tyburn Road junction.
- 5.3 The Full Business Case for the Chester Road Highway Improvements was approved by Cabinet on 29th July 2013 and following approval of the Contract award on 30th October 2013 the scheme commenced in January 2014 with work due to complete in July 2015.
- 5.4 During construction, a number of unforeseen events were encountered that are likely to increase costs. The areas of potential increased costs and delays are:-
- Delays by some Statutory Undertakers in providing the required information to support the Contractor led design process,
 - Delays caused by Statutory Undertakers changing their designs whilst on site,
 - Clashes between Statutory Undertakers work due to the changes in design,
 - Issues caused by Highways England using the Chester Road as a diversionary route for their remedial works on the M6 which was not allowed for in the contract,
 - Considerable changes to the drainage design to ensure compliance with new regulations issued in April 2015,
 - Upgrade of the traffic signal specification to enable remote control and better detection at junctions.
- 5.5 In order to mitigate the impact of the potential increases in the cost of the project Officers have undertaken a de-scoping exercise to remove any non-essential elements of the works and worked with the Contractor to modify the design so that more cost efficient solutions are provided.

5.6	The project is now practically complete on site other than for landscaping and remedial works and whilst the costs are being finalised no further fundamental issues are anticipated. It is necessary however, under the terms of the works contract and other agreements to make payments above the expenditure originally approved in the Full Business Case.
5.7	A full update on the project to comply with the Council's governance requirements will be given in due course.

6. Evaluation of alternative option(s):
6.1 Refer to the Private Report.

7. Reasons for Decision(s):
7.1 The report is for information and the decisions are detailed in the private report.

Signatures	Date
Councillor Tahir Ali Cabinet Member for Development, Transport and the Economy	
.....
Councillor Stewart Stacey Cabinet Member for Commissioning, Contracting & Improvement	
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Waheed Nazir Strategic Director of Development	
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List of Background Documents used to compile this Report:
<ol style="list-style-type: none">1. A452 Chester Road Improvements – Full Business Case, report of the Strategic Director of Development and Culture to Cabinet, 29th July 2013.2. A452 Chester Road Improvements – Contract Award Public Report to the Cabinet Member for Commissioning, Contracting and Improvement jointly with Strategic Director of Development and Culture 30th October 20143. Updated Transportation and Highways Capital Funding Strategy 2015/16 to 2020/21 Project Definition Document to Cabinet 16th February 2016

List of Appendices accompanying this Report (if any):
None