

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

Project Title	LADYWOOD ESTATE REGENERATION		
Oracle code	B1 AV05L EC0 LV00A3 LV00A3-001 TZZZZ		
Portfolio /Committee	Housing and Homelessness and Finance and Resources	Directorate	Place, Prosperity & Sustainability
Approved by Project Sponsor	Ian Macleod	Approved by Finance Business Partner	Azhar Rafiq

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

A3. Project Description

Ladywood Estate is located just a short walk from the major commercial, business and tourist areas of Westside and the city centre. The area is also adjacent to the Great Icknield housing growth area and the historic Jewellery Quarter.

The Ladywood Estate is primarily 1960s residential housing development with over 5,000 residents living there across 1,979 properties, with a small number of commercial uses within the project boundary.

The vision of the Ladywood Estate Regeneration Scheme is to create a sustainable family focused neighbourhood set within a high quality environment, connected by a well-designed network of streets and public spaces, and supported by local amenities and facilities.

The development of the Ladywood Estate will transform the residential offer within the area. It is creating the opportunity to deliver a new high quality residential neighbourhood on the doorstep of the city centre core. As an exemplar sustainable development, it will make use of existing resources such as the canal, create two new parks and provide radically improved connectivity to the surrounding area. The future redevelopment will achieve at least 1 for 1 replacement of social housing and reinvestment in public open space.

This vision will be delivered through a series of objectives which will be integral to meeting the ambition to transform this part of the city centre including –

- To secure high quality, sustainable homes as part of a well-designed neighbourhood.
- To provide a safe and attractive network of connected public open spaces and pedestrian routes.
- To create a complementary mix of commercial and other uses to support a vibrant active neighbourhood.

The responsibilities of the chosen Development Partner, to:

- Creating a comprehensive project team to meet the objectives of the development and to integrate with the Council's project team;
- Creating a comprehensive masterplan for the site in collaboration with the local community and other key stakeholders
Bring forward detailed designs of the development; manage the site assembly for the scheme, including the rehousing of residents, if necessary , with statutory support from the local authority;
- Development of a planning strategy and implementation of that strategy in order to achieve a satisfactory planning consent for the development;
- Pursuing a development that is viable, fundable, and commercially deliverable;
- The development and implementation of a strategy for the assembly of land interests necessary for the development;
- Securing the necessary funding to deliver the Development, both prior and post satisfaction of any development conditions;
- Undertaking all necessary and appropriate communication and consultation with persons interested in the development, in accordance with a communications plan agreed with the Council;
- Contribute towards the Council's professional and administrative costs in connection with the development;
- Commission, undertake, manage, and complete the development;
- Define and implement a strategy for the continued economic use of the site prior to the implementation of the development;
- Undertake branding, promotion, and marketing of the development; and
- Establish future estate management arrangements for the completed development that ensure a legacy is created and the quality is maintained.

A4. Scope

- Enable the Council to produce FBC to be brought to Cabinet for approval in Spring 2023
- Cabinet FBC.
- Land identified within the redline boundary attached
- A review of the baseline information with residents distilled into the key factors that will drive investment strategy. This will be set out the strategic context of Ladywood Estate Regeneration Scheme.
- Financial Viability Assessment of the Masterplan identified including a cost plan and a delivery method statement.
- A masterplan that is financially viable and affordable to both Council and prospective developers.
- List of Deliverables or Desired outcomes
- Creating a comprehensive masterplan for the site in collaboration with the local community and other key stakeholders
- Bring forward detailed designs of the development; manage the site assembly for the scheme, including the rehousing of residents, if necessary , with statutory support from the local authority;
- Development of a planning strategy and implementation of that strategy in order to achieve a satisfactory planning consent for the development;
- Pursuing a development that is viable, fundable, and commercially deliverable;
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- Securing the necessary funding to deliver the Development, both prior and post satisfaction of any development conditions;
- Undertaking all necessary and appropriate communication and consultation with persons interested in the development, in accordance with a communications plan agreed with the Council;
- Contribute towards the Council's professional and administrative costs in connection with the development;
- Commission, undertake, manage, and complete the development;
- Define and implement a strategy for the continued economic use of the site prior to the implementation of the development;
- Undertake branding, promotion, and marketing of the development; and
- Establish future estate management arrangements for the completed development that ensure a legacy is created and the quality is maintained.
- Creating a comprehensive project team to meet the objectives of the development and to integrate with the Council's project team;

A5. Scope exclusions

The initial Big City Plan – Ladywood Project, included a Broad Street project, south of the Ladywood Estate which was excluded early in the competitive process as it was seen to have different development strategy.

The ongoing management and maintenance of the Council housing stock including the Towers is outside the project scope.

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

Strategic fit

The Ladywood Estate Regeneration Scheme project is designed to be a key part of delivering the Council's vision for a sustainable and connected city, and its strategic growth plans as defined in the Birmingham Development Plan 2031, the Big City Plan. And the emerging Our Future City Plan. This comprehensive redevelopment programme comprises a range of housing developments, supported by a package of infrastructure, connectivity and public realm enhancements. Ladywood Estate Regeneration Scheme is strategically strongly aligned with a range of other strategies and policy initiatives at the national and local levels.

National strategic context

The Government's White Paper **Fixing our broken housing market** (February 2017) set out the Government's plans to reform the housing market and boost the supply of new homes in England. It includes measures that seek to:

- plan for the right homes in the right places;
- build homes faster;
- diversify the housing market; and
- help people now.

These objectives are reflected in the Ladywood Estate Regeneration Scheme project and particularly in its proposals for new housing development opportunities in accessible locations.

Local strategic context

Ladywood Estate Regeneration Scheme fits within the City's **Growth Agenda**. This includes delivering 51,000 new homes, 100,000 jobs and the infrastructure by 2031 to support the City's growing population and to continue to strengthen its national and international standing.

The growth potential for Ladywood Estate Regeneration Scheme was first established within the **Big City Plan** launched in 2011. The aspirations of the Big City Plan are fully reflected within the **Birmingham Development Plan**, the statutory planning document for the city, which sets out the city-wide growth agenda for the period to 2031. As the strategic masterplan for the city centre the Big City Plan seeks to grow the city centre core and deliver improved connectivity, the strengthening of the centre's authentic character and the diversification of its economic and cultural base. It also seeks to grow the residential population and deliver the quality of place to facilitate this. Five strategic 'areas of transformation' are identified to deliver this growth.

The **Birmingham Development Plan** (Birmingham Plan 2031), adopted in January 2017, sets out Birmingham Council's vision and a strategy for the sustainable growth of the city for the period up to 2031. The BDP sets a target of 51,100 new homes and the creation of an additional 100,000 jobs to be delivered over the period 2011-2031.

Ladywood Estate Regeneration Scheme forms an important part in contributing to the priority of accelerating housing delivery within the city. The project will make a substantial contribution to achieving the BDP's housing targets.

The **Big City Plan (July 2011)** sits alongside the BDP as a non-statutory document that sets out a vision and framework for how the city will be transformed, reflecting the key proposals in the BDP. The Big City Plan sets out the vision for the future transformation of the city over a 20-year period to 2031. It identifies the opportunities available in the city and the actions that would need to be taken to deliver long-term economic growth and secure a competitive and successful centre for the future. The vision includes new residential neighborhoods, with a wider opportunity to stimulate regeneration of Ladywood and the surrounding area. The Council is currently in the process of replacing the Big City Plan with **Our Future City – draft Central Birmingham Framework 2040 (May 2023)** which is currently out for consultation. The draft Central Birmingham Framework continues to identify Ladywood as key priority for regeneration complementing the scope of this FBC.

The Ladywood Estate Regeneration Scheme project has been designed around the following key development principles that were set out within the Visioning Document (as set out in the project description section). These development principles draw upon precedents from other successful places to provide new ideas and concepts informing what Ladywood Estate Regeneration Scheme could become.

Birmingham Council corporate priorities

The redevelopment of Ladywood Estate is a specific action within the Council's Plan 2022-2026 strategic outcomes; to support the priority of jobs and skills to create conditions for inclusive and sustainable growth which delivers and sustains jobs and homes across Birmingham. It also supports the priority action to use the Council's property assets for development, regeneration, and investment.

The Council Plan and Budget sets out the Council's commitment to deliver on the targets set by the BDP identified above – to deliver 100,000 jobs and 51,100 new homes by 2031. Key to meeting these targets is the development and delivery of a series of Major Projects and Programmes, including Ladywood Estate Regeneration Scheme.

The development of the Ladywood Estate also supports the housing priority as it will contribute to the provision of housing in a range of types and tenures, to meet the housing needs of all current and future citizens of Birmingham; and the city's leading role in tackling climate change, as the project adopts international best practice in climate change and carbon reduction activity, and has an evaluation framework to monitor the climate impact during the design and construction of the development.

The delivery of the Ladywood Estate proposals aligns with policy objectives in the Corporate Plan 2022 – 2026 (To Support, To Serve, To Level Up) the Birmingham Development Plan, Birmingham Connected, the Health and Wellbeing Strategy, and Clean Air/Climate Change Emergency including Route to Zero, as well as the Council's Economic Recovery Plan.

The Ladywood Estate Regeneration Scheme proposals support the delivery of the Birmingham Development Plan, the Birmingham Transport Plan, the Our Future City – draft Central Birmingham 2040 Framework, and the emerging Local Plan review.

The Council's objectives for the scheme have been set out in the following terms:

Concept

Residential Neighbourhood: To provide a mix of good quality private and affordable residential units within an attractive green setting, including other supporting uses, to form a new neighbourhood and community.

Local Centre: The provision of a new local centre establishing a key area for the neighbourhood whilst respecting their historic part of the area's buildings. The local centre offer should provide an adaptable environment, incorporating a mix of uses including eateries, restaurants, small retail outlets and business space for start-ups and small enterprises, offering real opportunities for growing independent businesses.

Leisure facilities: To create a leisure spaces and areas for all ages including provision for young people and families.

Community, Office & Other Ancillary Uses: The provision of complementary community and other ancillary uses to enhance activity throughout the day and into the evening; support the primary residential uses whilst being consistent with a high quality sustainable mixed use scheme.

Art & Culture: For the scheme to incorporate a cultural attraction that complements the neighbourhoods existing offer with flexible space for exhibitions and events.

Public Realm: The provision of attractive and innovative high-quality public spaces including greening of spaces, new parks and linkages to encourage people to live and work in the area.

- To incorporate public art (temporary and permanent) within the public realm / street scape that reflects the history and future of the area and new multi-functional public space, new parks, as a hub for cultural, community and arts events, activities and festivals and other transport improvements provision of a high-quality network of active streets, spaces, paths.
- To deliver an environmentally sustainable approach to transport, including encouraging cycle usage, improving accessibility through active travel initiatives and public transport and reducing reliance on car usage.

Transport, Linkages & Connectivity: To connect the area to the wider city and improve permeability and pedestrian flows through the provision of a high-quality network of active streets, spaces, paths and other transport improvements
To deliver an environmentally sustainable approach to transport, including encouraging cycle usage, improving accessibility through active travel initiatives and better public transport provision and reducing reliance on car usage.

Delivery

Partnering Approach: To create a partnering structure with the Council that: aligns the parties' goals; plays to their strengths; appropriately apportions risks and provides sufficient control for each party to deliver the schemes objectives.

Delivery & Resources: The timely delivery of the scheme, with appropriate and sufficient resources.

Operation

Long Term Structure: The provision of a long-term management and maintenance structure over the completed scheme in order to maintain the environment as an attractive place to live, work and visit, where people feel safe and secure, at minimal cost and risk to the Council.

Smart Cities: To incorporate digital and smart technology within the scheme to create a better place that improves wellbeing, mobility, equality, communities and prosperity. To future-proof homes, community & commercial buildings, infrastructure and technology.

Temporary Uses: The inclusion of a range of temporary uses and linkages during the scheme phase that generates footfall, income, and complements activities already available within the Ladywood Estate.

Social Value

Buy Birmingham First: To provide positive social, environmental and economic impacts on the wider Birmingham area through buying locally.

Local Employment: To create training and employment pathway opportunities for local residents throughout the delivery of the scheme, targeting areas of high unemployment and groups facing disadvantage and supporting schools, colleges and universities to ensure that the economic growth is delivered in an inclusive way benefiting the wider Birmingham population.

Partners in Communities: To build capacity by supporting community organisations with resources and expertise in Ladywood and the wider City. To improve and sustain local facilities with a particular focus on Arts and Cultural facilities across the scheme.

Green & Sustainable (Environmental Sustainability): The provision of an environmentally sustainable scheme with reference to Zero Emissions Cities in the design, scheme and occupational stages of the development.

Commerciality

Viability & Funding: To deliver a viable and fundable scheme and deliver the scheme and unlock public sector funding where gap funding is required.

Financial Structure: To provide a transparent financial structure that appropriately remunerates and rewards the parties in consideration of responsibilities, risks and contributions to the scheme of the scheme and fulfils the Council's obligation to achieve best consideration.

B2. Project Deliverables

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

The key deliverables will include the following range of outputs, outcomes and impacts which are consistent with those initially identified in the Councils key objectives for the scheme. These proposals will go through the consultation, planning and procurement processes prior to delivery.

- Developer proposes a comprehensive programme of infrastructure and high-quality landscaping improvements to the Ladywood estate and environment in accordance with a constantly evolving Masterplan.
- A 20 plus year development proposal which will include comprehensive demolition and redevelopment of new housing units across the scheme, **7,531 new residential units across the overall 4 individual phases of development.**
- The Council will benefit from 638 new build units on a "one for one" basis to be constructed in various blocks across the phases.
- Council will be able to buy additional affordable homes built across the scheme.
- The Council and residents will from the refurbishment of 628 apartments within the existing 7 retained tower blocks at a total cost of £37.7 million.
- In addition, developer will offer the Council to the construction of ground floor podiums on each of the retained towers at a total additional cost of £9.6 million. The podiums propose to provide community spaces & possible nursery provision. (Any under-utilised budget returns to the retained tower block refurbishment budget.).

- A further 427 new intermediate affordable homes are provided for in phase 4 of the proposed development.
- New homes affordable is a blended 16.08% across Phases 1,2,3 & 4.
- Educational improvements for; one new (4 x form entry) primary school & one new (4 x form entry primary & 6 x form entry secondary) combined school.
- Providing over 33,000sqm of commercial and community space across the whole site through two new local centres, community faculties and flexible work/office space, based around a re-purposing of heritage industrial buildings on Ledsam St.
- Reprovision of all existing green space extends to over 14 hectares with 2 new urban parks, incorporating native planting, trees, natural play, community gardens, orchards, and areas for seating within the landscaped spaces and public realm improvements .
- Focus on reconnecting to the surrounding areas to become a highly accessible neighbourhood where sustainable and active modes of travel are prioritised and promoted.
- In total, overall commitments through social value initiatives represent £332 million of additional benefits to the community.
- Ladywood project to create 10,000 FTE jobs over the lifetime of the project.
- Over 1,000 apprentices will be supported on site over the project.
- A bursary programme will directly support the City Council's Building Birmingham Scholarship Programme and will be targeted primarily at young people in the estate or surrounding wards.
- Over the course of the project, a total of 10,000 work placement hours. Placements will come from combination of Women into Construction, Street Elite, BCC EAT programmes and local higher education institutes.
- Over the duration of the project. support 1,000 disadvantaged individuals annually.
- Over the course of the project, 120 community projects will be funded.
- Employing a Social Value Manager to support the delivery of all commitments.
- Operation of a Construction Skills Centre (CSC) and to support an Employment Pathways Programme (EPP).
- Forming a Community Development Trust (CDT).
- BCC will employ a dedicated engagement officer to liaise with and provide a consistent point of contact for the local residents throughout the development.
- Stakeholder Engagement Strategy to ensure that stakeholders that have an interest or whom may be affected by the scheme are appropriately engaged throughout the life of the Development (further details in B5).

B3. Project Benefits

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

Measure	Impact
<i>List at least one measure associated with each 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>
Residential neighbourhood	Comprising 7,531 new 1-4 bed housing units across a range of tenures (BCC, open market, build to rent, co-living, and senior living) with the level of affordable housing currently at 16.08% with potential to increase in latter phases).

APPENDIX 2

2 New Local Centres	Small supermarkets, convenience store, doctor's surgery and pharmacy as part of the centre. Circa 1,280 sq. metres (NIA) space for retail and leisure uses and 2,250 sq. metres (NIA) space for community uses.
Office & start up uses	Commercial space for start-ups, entrepreneurs and established businesses within the refurbished Victorian warehouses and new built elements. 2,300 sq. metres of flexible space for businesses and new enterprises.
Community Space	Community space located at the local centre along with other spaces in strategic locations across the neighbourhood. In total 11,439 sq. metres of community and health space.
Education facilities	The existing Primary school will be upgraded to provide 4 forms of entry of primary school as part of the 1st phase of development. An 'all-through' school will provide for ages 5 to 16 with 4 form entry primary and 6 form entry secondary.
Art & Culture	New spaces and streets with an extensive range of public art features. An expression of local creativity and culture, the opportunity for local organisations and artists to become involved in shaping their local environment will bring value and local meaning to the landscape.
Public realm	44% of the site to be green space, 14 hectares of parks, community gardens and green streets, enhanced canal environment and 2 new parks within the heart of the neighbourhoods, a new event space for local community performances & events
Transport linkages	Focusing on walking, cycling and public transport (new bus corridor in the neighbourhood) the approach to access and movement within the neighbourhood responds to the existing patterns of car ownership, journey to work and the city's policy direction for Route to Zero and Clean Air Strategy.
IT connectivity	key IT connectivity comprising FTTP, area-wide Wi-Fi, and incorporation of IoT technology in relation to support the smart city strategy.
BCC's 'Buy Birmingham First' principles, which are a key aspect of the Birmingham Business Charter for Social Responsibility	The project will provide a significant platform for investment into improving the lives of the local community and delivering wider socio-economic and environmental benefits for Birmingham.
Wider impacts	There will be substantial wider impacts as a result of the project, including: <ul style="list-style-type: none"> • contribution to the Growth Agenda at the national, regional and local levels;

- contribution to achieving the employment and housing targets set by the Birmingham Development Plan;
- accelerating housing delivery – a key national, regional and local priority;
- supporting the regeneration of the Ladywood area; and
- contributing to achieving the principles of social inclusion and sustainable development.

For major projects and programmes over £20m:

A detailed Benefits Register is attached at G5 below.

B4. Benefits Realisation Plan

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

Contractual Structure

The Contractual Documentation accompanying this scheme (set out in D2), sets out the legal structure and obligations of both parties for the development.

Project Governance Arrangements

A three-tier structure will support the successful delivery of the Ladywood Estate Regeneration Scheme, ensuring there is regular interaction between the partner organisations at all levels. The governance structure, which is set out in the Development Agreement, will provide effective oversight, direction, disclosure, reporting and issue escalation to ensure that the scheme is managed effectively in a controlled manner. Issues will escalate through the governance structure if they cannot be resolved.

The Council's Sponsor for the project will be the Strategic Director, Place, Prosperity and Sustainability and will be the responsible officer for the Contractual Agreement between the Council and Berkeley Homes and the realisation of benefits from the project. Representation on the Executive Members group will have equal representation from the Council and Berkeley Homes. The Executive Members will be used for ultimate escalation of issues unresolved by the Project Board, in addition to the matters set out in the Development Agreement.

Project Management Approach

The Council propose to assist the delivery of the scheme, through planning, land assembly, risk management, change control, social value, procurement, environment, health, safety & well-being and monitoring & reporting contractual requirements post drawdown of each phase.

Pre land drawdown each party will be responsible for its pursuing its obligations to progress and satisfy the Site-wide Conditions Precedent and where relevant, Phase Conditions Precedent, as set down in the Development Agreement.

Development Agreement

The Development Agreement has been developed through the Preferred Bidder period in order to detail the agreed key contractual agreements and principles that will inform both the Masterplan development and delivery of the scheme and act as

a reference point for Council planning officers as Berkeley Homes work through the outline planning applications and subsequent Reserved Matters applications.

The Masterplan will be governed by the design principles and considerations set out in the Development Agreement and will provide the design framework for the Masterplan to evolve as Berkeley Homes works through detailed design in later phases, as well as informing the Design and Access Statement for all planning applications.

Planning Strategy

The Planning Strategy will be reviewed prior to the commencement of the design of each phase, in order to ensure that each phase of the scheme continues to meet the overall Key Principles and Project Objectives.

Subject to the standard planning viability tests, the scheme will need to ensure it meets local demands for affordable housing, and the project board members will continue to identify ways in which the current provision can be improved. This will include looking for additional funding sources, as well as reviewing other ways of realising greater value from the existing scheme to support improved provision and considering these alongside the Phasing Principles and the overall Planning Strategy and delivery programme.

Risk Management

Berkeley Homes will manage the risk management process for delivery of the development on behalf of the Executive Members which will include the production of the Project Risk Management Plan (“**RMP**”) in consultation with Council to ensure that risks are effectively, identified, evaluated, prioritised, mitigated, managed and reported, and opportunities maximised. The Executive Members will agree an appropriate form / template to be used for the Development risk register reporting purposes. The RMP will be updated on a frequent basis (at least quarterly) as the project progresses.

Change Control

Given the scale and complexity in delivering the Key Principles and Project Objectives of the scheme, it is likely that there will be changing local, national and international economic, social, political, technological and environmental circumstances over its lifetime.

Changes to the scheme will be considered by the appropriate parties in the governance structure. Confirmed changes to the scheme will be documented as part of the Business Plan process.

Monitoring & Reporting

During the life of the Development, the Project Board will receive regular progress updates from the Implementation Group and the Site Assembly Working Group. The Project Board will be responsible for regular updates to the Executive Members. During phase delivery, Monthly Progress Reports will be produced and shared by Berkeley Homes. The report shall include a review of lessons learned with any relevant learning applied to future phases of the project.

Project Delivery Team

The Berkeley Homes core Project Delivery Team, located in Birmingham, will be supported by the wider Berkeley Homes business and sector specialists, including Residential, Office and Community expertise as well as key functions including Health & Safety, Sustainability, Community Engagement, Cost Planning and programme support.

The Council will provide Land Assembly services to support delivery of the Development (include securing a Compulsory Purchase Order, if required) and will commit a number of core staff to support the governance and delivery of the scheme.

The Project Delivery Team details are shown in F5.

B5. Stakeholders

A Stakeholder Engagement Strategy will be developed in partnership with Berkeley Homes Plc to ensure that stakeholders that have an interest or whom may be affected by the scheme are appropriately engaged throughout the life of the Development.

The plan will evolve as the scheme matures during the Development's lifecycle. Berkeley Homes will lead stakeholder engagement through the life of the Development, supported by the Council and working together to ensure the widest range of stakeholders are actively engaged and involved in the long term delivery of the Development.

Objectives

The aim will be achieved by:

- Undertaking **Stakeholder Mapping** to identify all key internal and external stakeholders and gain a clear understanding of their influence/power, interest and attitude towards the scheme.
- Producing and implementing a **Stakeholder Engagement Management Plan** that defines how key stakeholders are to be informed, consulted and engaged throughout the Development lifecycle. The plan will include measures to mitigate any adverse effects and maximise positive effects which key stakeholders can have on the successful delivery of the scheme.

The Plan shall clearly set out:

- Stakeholder power/influence and interest
- Method, format and frequency of engagement of activity
- Roles and responsibility for each engagement activity
- Key messages which are to be conveyed

Producing a **Stakeholder Engagement Action Plan** that sets out the aim, objectives, audience and dates of all planned stakeholder engagement activities.

Regularly monitoring and reviewing the Stakeholder Engagement Management and Action Plans to ensure that stakeholders are effectively engaged in the scheme.

The aim of the Stakeholder Engagement Strategy is to include public consultation, community engagement days, round table meetings, a Design Committee, working groups, roadshows, fun day and community events, business network sessions

which will be arranged as the proposals for the Ladywood Estate are progressed to ensure all local Stakeholders are engaged in the process.

A stakeholder analysis is set out at G4 below.

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.

Long-list of options

A range of alternative options was assessed as part of the process of developing the Masterplan for the Ladywood area based on key criteria such as strategic fit and requirements. The long-list included, for example, the size of the identified area and the mix of residential uses, as well as delivery options including a market-led approach involving direct sale of land for development. The resulting option has provided the basis for the procurement process to identify a preferred development partner to develop a masterplan. As part of the process of preparing the tender documentation alternative joint venture arrangements were also assessed.

The tendering process resulted in 6 initial expressions of interest and 3 firms responded by submitting a Selection Questionnaire (SQ) tender. Subsequently, one bid was submitted, and has been subject to extensive review and evaluation. The recommended preferred bidder's scheme has been taken forward in this FBC as the short-listed intervention option.

In addition, a do minimum option has also been considered. Since the masterplan requires a comprehensive redevelopment scheme, the Council has indicated that piecemeal development would not be permitted. Consequently, the do minimum option is assumed to be the same as the Business as Usual option, at least for the short to medium term.

Short-listed options

The proposed intervention option has been considered in detail, together with the 'Business as Usual (do nothing)' option (Option 1) to identify the counterfactual. These are summarised below:

Option 1 – Do Nothing. The area has remained largely unchanged since it was built. Ladywood Estate remains the largest housing estate in Birmingham that has not received any major regeneration and in an area that represents significant housing market regeneration opportunity. This option has been discounted on the basis that in the absence of a comprehensive approach to the area's regeneration the social, economic, community and environmental issues will not be addressed.

Option 2 – Comprehensive Clearance of the Site and Disposal Through Sale of the Land on the Open Market. The Council would have no influence over the timing and quality of the development and the nature of land ownerships and infrastructure would undermine the ability to deliver a comprehensive approach. For this reason, this option has been discounted.

Option 3 – To tender for Direct Delivery of the Regeneration by the Council through the Birmingham Municipal Housing Trust (BMHT). The City Council could not directly deploy the level of financial and staff resources required to deliver a regeneration programme on the scale required to transform the area, address the issues and realise the full benefits for the residents. This option has been discounted.

Option 4 – To undertake a full procurement process to find a development partner to produce a masterplan in line with the Council's aspirations for the regeneration of the area, and full viability assessment will be used as the basis for the evaluation of bids and the selection of partners. Complete Resident Engagement of the Masterplan will be undertaken by the development partner on reward of the contract to inform the delivery strategy for the project.

Preferred Option – Option 4 would align with the aspirations of the Council for the regeneration of the Ladywood Estate. Whilst enabling a significant degree of community engagement / empowerment and ensure that the existing community was fully integrated in the regeneration process. This is the recommended option.

C2. Evaluation of key risks and issues

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

The key risks and mitigations are summarised below:

Risk	Mitigation
Partnership - failure to develop and maintain relationship (the Council and the Developer)	Agreed roles, responsibilities, communication and reporting requirements to ensure DA obligations are delivered. Clarity of project governance and induction of new team members into ways of working and collaboration.
Developer Insolvency	Robust finance evaluation of the development partner current status before drawdown of each delivery phase.
Risk of project delay due to CPO process.	Early engagement from the developer and the Council during the CPO consultation process (and before for key / well-known Third Parties with land interests); to ensure support and buy-in and required time for negotiations. Potential programme delays will need to be assessed for impact on scheme viability.
Delays in gaining approvals	Colleagues from other disciplines (Planning / Housing / Education / Property and Legal) are supporting the delivery of the scheme to ensure timescales, policy and procedures are adhered to.
Commitment from directorates across the Council	Work closely with the Ladywood Estate Implementation Group to ensure resources can be allocated and issues are identified early and resolved.
Community buy-in for masterplan not achieved.	Work closely with community engagement specialists and key community groups from the outset with early identification of issues for resolution.
Increased Acquisition Costs	Expert advice has been obtained from commercial advisers in respect of the property valuations to ensure that they accurately reflect the market values at the time. This will be continually monitored through the Site Assembly Working Group. Compensation to the occupiers and disruption to the businesses has been built into the project costs.

The current risks and opportunities are shown in the *Risk Register at Appendix 11*.

C3. Other impacts of the preferred option*Describe other significant impacts, both positive and negative*

The Preferred bidder, St Joseph as part of Berkeley Homes Plc has a national reputation for producing very high-quality schemes with an above average specification for its market share. This is illustrated on the proposed quality of public realm designs proposed in the indicative masterplan documents. Notwithstanding the improved quality Ladywood residents will undoubtedly enjoy as delivery and procurement progress, this could have consequences in several resultant areas of the project: -

- The high-cost specification will make viability thresholds higher as values will need to be attained.
- Pro rata external grant support may be discounted to reflect this higher spend levels to be in line with National guidelines.
- The potential costs of higher specification public realm maintenance will need to be considered against the affordability ambitions of the project and annual cost implications.
- The development programme is largely predicated on achieving private unit sales and reaching financial viability. The rate of change Ladywood could see is ultimately dependent on a delivery the market can absorb in private unit sales. St Joseph's parent company Berkeley is larger than most to withstand the national financial pressures, but public and private appetite and the Nation's financial robustness will dictate the levels and timescales of the project successes enjoyed.
- The proposed refurbishment budget for the Council's owned tower block apartments (estimated to be 628 apartments) could potentially exceed the £47.3million offer from St Joseph which is to be index linked, but not guaranteed to cover the more than a budget afforded to their refurbishment. This sum would potentially not cover any additional structural elements which may still be a latent risk in the towers.
- The planning approvals to educational projects require greater land take up than the developer has allocated to their external space provision. This has two consequences, loss of residential land which affects programme and financial viability.

The development agreement is set up to afford protections to the Council and developer equally, whereby a series of tests and thresholds exist before additional phases are embarked upon.

- The first phase is predicated on all land assembly and consultations are complete and the viability tests met to the first phase.
- The second phase is dependent on at least 70% of the re-provided homes are returned to the Council and viability tests being met.
- The third and fourth phases are dependent on overall viability tests, but also the financial robustness of third-party developer sub-contractors, for whom the preferred developer must act as guarantor, albeit with step in rights and reasonable extensions of time to deliver the committed phase project.
- CPO delays and consultation efforts take longer than envisaged.

In the event of termination of the Development Agreement the preferred developer will be prevented from drawing down additional phases or leases for the project, most significant risks, and consequences, for the Council of this are: -

- The Council can only suspend the agreement where substantial commencement of the phases has not occurred (which are defined in the development agreement) in relation to phases 1 or 2 or importantly at all in relation to phases 3 & 4.
- The Council under these circumstances, would be required to reimburse any remaining CPO costs, not covered by development revenue already committed, within 12 months of the date of termination of the legal agreement.

D. COMMERCIAL CASE

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

D1. Partnership, Joint venture, and accountable body working

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

The Ladywood Estate Regeneration Scheme is none of the above as is a straightforward contract award.

However, the Ladywood Estate Regeneration Scheme and its associated development agreement structures which have been developed throughout the bid process workshops and legal dialogues have resulted in a contractual position which allows the preferred bidder to be in partnership with the Council on many levels.

The various agreements have robust terms of governance, controls and reporting, the payments for profit share and the granting of land interests to the developer partner to deliver the overall outcomes of the Ladywood project.

The working environment for the major decisions being a proposed Project Board which would take strategic decisions based on a project working group, which respectively the Council (with its either approved or delegated Cabinet authorities) and the bidder with its respective Board Approvals are proposed to develop the day-to-day decisions.

The mechanics of the development agreements were agreed by the 10th October 2022 and prior to the declared final bid submission date for the invitation to Submit Final Tenders on the 7th November 2022. This allowed the Council to conclude dialogue as there was a deliverable solution.

- The Development Agreement is a contractual arrangement and details the governance, reporting, controls, the sharing of risk and reward, the payment of profit share and the granting of land interests to the Development Partner to enable delivery of the Project.
- The Phase Development Agreement is the proposed agreement for each phase (currently proposed as four) have to meet conditions precedent and viability tests before commencement. They will confirm the content of residential units and commercial spaces intended in the development phase and respective viability thresholds.
- A Phase Lease – is the agreement which permits the transfer of land from Council to Developer, subject to conditions being met.

- Phase 1 Site Assembly Agreement (SAA) – permits the Council and the Developer to commence the first overall land assembly programme and enter the first anticipated CPO process. (subsequent Site Assembly Agreement (SAA) for latter phases to be conditional on ongoing merit & viability tests).

The development agreement is set up to afford protections to the Council and Berkeley Homes equally, whereby a series of tests and thresholds exist before additional phases are embarked upon.

- The first phase is predicated on all land assembly and consultations are complete and the viability tests met to the first phase.
- The second phase is dependent on at least 70% of the re-provided homes are returned to the Council and viability tests being met.
- The third and fourth phases are dependent on overall viability tests, but also the financial robustness of third-party developer sub-contractors, for whom the preferred developer must act as guarantor, albeit with step in rights and reasonable extensions of time to deliver the committed phase project.
- CPO delays and consultation efforts take longer than envisaged.

In the event of termination of the Development Agreement, Berkeley Homes will be prevented from drawing down additional phases or leases for the project, most significant risks, and consequences, for the Council of this are: -

- The Council can only suspend the agreement where substantial commencement of the phases has not occurred (which are defined in the development agreement) in relation to phases 1 or 2 or importantly at all in relation to phases 3 & 4.
- The Council under these circumstances, would be required to reimburse any remaining CPO costs, not covered by development revenue already committed, within 12 months of the date of termination of the legal agreement.

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 strategy for the development of the Ladywood Estate approved in the Big City Plan Ladywood report dated 19th March 2019 was to undertake a procurement process using the Competitive Dialogue Procedure.

Any other external requirement to support the Ladywood regeneration scheme throughout its lifecycle will be com is procurement

In relation to professional services, property, legal, and advice in relation to taxation have been procured within the requirements of the Public Contracts Regulation 2015 (as amended) and BCC's Procurement Policy. Further professional services are expected to require procurement, including site investigation and survey advice, architectural, engineering, planning, and cost consultancy services. Such additional services will similarly be procured in a compliant manner.

Procurement of a development partner has been carried out through the competitive dialogue procedure, one of four potential procedures permitted under the EU Procurement Directives and the UK Public Contracts Regulation 2015 (as amended). This involves a pre-qualification process under which short-listed candidates are invited to take part in a dialogue process during which the nature of the project may

be discussed and possible solutions may be developed. When the dialogue process is complete, final tenders are invited.

STAGE 1: Selection (Pre-qualification)

Stage 1 commenced with the issue of the Contract Notice in the Official Journal to the European Union (OJEU). Potential suppliers responding to the notice were able to gain access to the Selection Questionnaire (SQ) (previously referred to as Pre-Qualification Questionnaire or PQQ) and a range of supporting documents. Potential suppliers who intended to submit a completed questionnaire were obliged to follow the instructions in the SQ and submit their completed questionnaire to the Council by the due date. Completed questionnaires were evaluated by the Council with assistance from its appointed advisors, and dependent on the quantity and quality of responses received, it was anticipated that up to four bidders would be shortlisted for Stage 2. In actuality, a total of 6 firms responded to the PQQ and 3 were invited to proceed to Stage 2.

Stage 2: Dialogue

Selected bidders were issued with an Invitation to Participate in Dialogue (IPD). This included the requirements for the dialogue stage, including draft heads of terms and the Council's detailed objectives and evaluation criteria for awarding the contract.

A number of structured dialogue meetings were planned throughout this period between the Council and individual bidders to discuss key elements of the requirements; for the Council to provide constructive feedback on bidder's evolving solutions, and for both parties to discuss and agree appropriate changes to the draft Development Agreement.

As a condition of engaging in this stage, bidders were required to enter into confidentiality agreements and the Council established secure procedures to ensure that each of the bidder's intellectual property, identified as part of their proposals, remained confidential.

The primary intention of this stage was to identify solutions that satisfied the Council's objectives. The Council sought to conduct the dialogue stage as expeditiously as possible to avoid unnecessary protraction and cost for all parties involved. It included provision that once one or more acceptable solutions were identified, the Council could close the dialogue and invite the remaining bidders to the final tender stage. Of the 6 bidders that entered the Dialogue stage, 3 withdrew, leaving 3 bidders to proceed to Stage 3.

Stage 3: Final tender and evaluation

Stage 3 commenced with the issue of the Invitation to Submit Final Tenders (ISFT). The Council indicated that it could issue a draft ISFT to Bidders during dialogue to enable bidders to provide feedback before dialogue was closed. Bidders were required to submit their tenders in response to the ISFT and on the basis of the solutions agreed during dialogue. Final tenders were to be evaluated on the basis of the best price quality ratio, in accordance with the evaluation criteria, and a preferred bidder was to be recommended. Tender evaluation, incorporating clarification requests and responses from tenderers, was undertaken by representatives of BCC and overseen by the Council's procurement Team with further oversight provided by Legal Advisors. The current status of the procurement process (May 2023) is that a Procurement Report has been prepared recommending a preferred bidder.

Stage 4: Preferred bidder/contract award

This stage will involve clarification, specification and optimisation of the preferred Bidder's proposals in line with the principles set out in their tender submission. Key

outputs of this stage will include the Development Agreement, Site Assembly Agreement, Phasing Agreement, the proposed Masterplan and a completed suite of contract documents ready for formalising the contract between the Council and the preferred bidder.

Preferred bidder

As indicated above, the preferred bidder will be selected at Stage 4 of the procurement process. This will be completed in tandem with preparation of the FBC for the Ladywood Estate Regeneration Scheme.

Acquisition strategy

Acquisition plan

The Council's proposed strategy in relation to assembling land is based on prosecuting a compulsory purchase order (on the basis of the back-to-back arrangements with Berkeley Homes PLC), with the option put forward of seeking voluntary purchases in advance. The Council is required to lead on the land assembly and vacant possession strategy, with funding provided by Berkeley Homes.

Acquisition budget

The Council's CPO responsibilities are covered in the Site Assembly Agreement (SAA). The bid reflects a total budget of £176 million for these costs including fees, which are the responsibility of Berkeley Homes.

Delivery structure

The proposed delivery structure is set out in the project management and governance arrangements (Section F5). Broadly, this comprises the establishment of a contract agreement between BCC and Berkeley Homes that will deliver the built development through an Implementation Group working to a Project Board under the terms of a Development Agreement in accordance with Berkeley Homes Masterplan (once approved).

Legal implications

The scheme will be subject to several legal agreements, including:

- Development Agreement
- Phase Development Agreement
- Phase Lease
- Phase 1 Site Assembly Agreement (SAA)

Further details of these agreements are set out in D1 above.

D3. Staffing and TUPE implications:

Officers from Planning, Development, Transport and Connectivity, City Housing, City Operations, Housing Development, Procurement, Education and Youth Services, Leisure Services, Legal and Finance will need to commit the time of officers throughout the project.

This will include a resource commitment from City Housing, City Operations, Education and Skills, Planning, Development, Transport and Connectivity, Leisure Services, Legal and Finance to review the provision of assets and services within the area boundary and align them with the masterplan.

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Should there be a need to provide additional resources to support the scheme the procurement strategy Appendix 12 details the approach and process.

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

The proposed contract with the development partner Berkely Homes Plc, sets out that Berkeley Homes Plc will deliver all development on Phases 1 & 2, and facilitate the development on Phases 3 & 4. Consequently, there are no direct development costs attributable to Birmingham City Council itself.

The Ladywood estate regeneration partner roles and responsibilities in the delivery of the project are summarised below:

St Joseph Homes Ltd (part of the Berkley Homes Group)

Initial Phase Viability

Appointment of sub-development partner(s)

Procurement of sub-development partner(s)

Outline Planning Consent (whole site)

Detailed Planning Consent

Site Enabling Works

Infrastructure Delivery

Public Realm (site wide i.e. Parks)

Public Realm (plot)

Residential Units

Non-Residential Uses

Tower contributions

Social value commitments

Berkeley Homes Plc

Phase Guarantor

Underwrite costs of site assembly

Development Funding

Plot Developers

Detailed Planning Consent

Development Funding (in phase)

Public Realm (on- plot)

Residential Units

Social Value Commitments

Community owned Management Co.

Long Term Estate Management

A summary of the base development appraisal prepared by the development partner is shown below. It identifies the elements of costs, revenues, financing and development margin associated with the project and is broken down by each of the four phases.

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Item	Phase 1	Phase 2	Phase 3	Phase 4	Total
Superstructure (inc fit-out)					
Abnormals					
PRELIMS (Site Setup)					
PRELIMS					
Pre-Planning fees					
Professional Fees					
Warranty / Maintenance					
Contingency					
Total S&M					
Land Assembly					
Land Assembly Fees					
Land Legals					
Disturbance Fee					
School Legals					
SDLT Liability					
S106					
Public Sector Funding					
Tower Fund					
OJEU Bid + Preferred bidder					
DM Fee					
TOTAL COSTS					
Private Residential Sales					
Build to Rent					
Extra Care					
Commercial Completion					
Parking Revenue					
Other Revenue (Land Receipt)					
TOTAL REVENUES					
Margin					
Interest Charges					
Net Margin					
Net Margin / Total Revenues					

Berkeley Homes Plc will manage and lead the project as the Development Partner. Berkeley Homes Plc will provide a full parent company guarantee to Birmingham City Council and underwrite all relevant costs of the project including site assembly, planning and construction. Berkeley Homes Plc will be responsible for leading and managing all aspects of the pre-development and operational aspects of the project. Berkeley Homes Plc may also appoint Plot Developer(s) to build out certain plots and phases. These Plot Developer(s) will be managed by Berkeley Homes Plc as the Development Partner

The earlier stages of the project will largely be focused on arrangements to secure planning application approval and land assembly, which is where most of the costs are to be incurred (and to be borne by the development partner). This is demonstrated in the development appraisal cashflow below which specifically highlights project cashflows over the coming four financial years (2023/24 to 2026/27).

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Item	Prior Years	2023/24	2024/25	2025/26	2026/27	Later Years	Total
Superstructure (inc fit-out)							
Abnormals							
PRELIMS (Site Setup)							
PRELIMS							
Pre-Planning fees							
Professional Fees							
Warranty / Maintenance							
Contingency							
Total S&M							
Land Assembly							
Land Assembly Fees							
Land Legals							
Disturbance Fee							
School Legals							
SDLT Liability							
S106 (tranche 1)							
S106 (tranche 2)							
Public Sector Funding							
Tower Fund							
OJEU Bid + Preferred bidder							
DM Fee							
GRAND TOTAL COSTS							
Private Residential Sales							
Build to Rent							
Extra Care							
Commercial Completion							
Parking Revenue							
Other Revenue (Land Receipt)							
GRAND TOTAL REVENUE							
MARGIN							
Interest Charge							
NET MARGIN							

Post development, The Council will retain the freehold with the long-term estate management handed to a management company. The City Council will have some input to how the estate is run as freeholder with the Estate Charge run by the management company

Birmingham City Council will be supporting the development partner in two ways:

1. The Council is required to lead on the land assembly and vacant possession strategy, with funding provided by the developer partner. The Council's CPO responsibilities are covered in the Site Assembly Agreement (SAA). The bid reflects a total budget of £176 million for these costs including fees, which are the responsibility of the bid developer.
2. The Council will also lead on any required external public sector funding needs of the project. These are specifically identified as follows in the indicative bid development appraisal: -
 - a. These are estimated for infrastructure and remedial costs of land assembly, which is expected to be provided & procured through Homes England.
 - b. The other area of dependency on funding is section 106 commuted payments for the Ladywood area that could assist in the provision of the proposed new secondary school.

A Ladywood Operational Group will be the internal Council group assuming day-to-day responsibility for supporting delivery of the scheme, providing guidance and direction to the project to ensure that the project remains within scope and delivers the required outputs and project benefits within the agreed budget and schedule.

E2. Evaluation and comment on financial implications:

The proposed contract with the development partner Berkely Homes Plc will deliver all development on Phases 1 & 2 and facilitate the development on Phases 3 & 4. The appointed developer will be the Contracting Entity and responsible for overall delivery but working closely with Birmingham City Council. The Council will have a role to play in supporting site assembly and obtaining vacant possession of land. The Council will also lead on bids and applications for public sector funding.

The costs associated with CPO and Land assembly for the scheme will be funded by the preferred bidder, in line with Site Assembly Agreement and Development Agreement.

Berkeley Homes Plc will be funding the delivery of the development and therefore carry the majority of the financial risk of the project.

The financial structure assumes that the Council will not provide any additional financial contribution to the scheme in addition to the equity in their land. However, in the event that the Council would like to provide further financial contributions, this would support the delivery of additional affordable housing.

The development partner is seeking a 20% return on revenue for the Ladywood project. Berkeley Homes Plc also proposed a 50:50 profit share with the Council for any phased returns above the 20%, subject to the minimum land value (i.e., the total costs of land assembly) being met for conditional viability purposes. This is the profit share mechanism proposed for phases 1 & 2 where Berkeley Homes Plc have full delivery developer responsibilities

E3. Approach to optimism bias and provision of contingency

There are no direct development costs for Birmingham City Council. The development partner will make its own assumptions about costs and income which will feed into the development appraisal (and to be agreed by both parties).

E4. Taxation

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

The acquisition and transfer of properties by Birmingham City Council within the Ladywood site will have complex and potentially significant VAT and SDLT implications. The VAT and SDLT implications of the project will be considered in detail on an ongoing basis as the project develops. Appropriate technical and tax advice will be taken to ensure transactions

are undertaken in the most efficient manner whilst protecting the Council's VAT partial exemption position.

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

Preferred Bidder Announcement	June 2023
Signed Development Agreement	Dec 2023
Submission of Masterplan Outline Planning Application	June 2024
Submission of Detailed Planning Application First Phase	June 2024
Masterplan Outline Planning Application Approval	April 2025
First Phase Planning Application Approval	April 2025
Make Compulsory Purchase Order (CPO)	June 2025
Phase 1 Site Assembly Build Period	Oct 2023 – Nov 2028 Aug 2028 – Oct 2042
Phase 2 Planning Site Assembly Build Period	Oct 2029- Sept 2031 Oct 2029-Oct 2033 July 2034-April 2044
Phase 3 Procurement of Plot Developer(s) Planning Site Assembly Build Period	Aug 2026-April 2029 Sept 2029-March 2031 May 2029-Aug 2033 Aug 2034-Feb 2045
Phase 4 Procurement of Plot Developer(s) Planning Site Assembly Build Period	July 2027-May 2030 May 2030-May 2032 May 2030-Sept 2034 Sept 2035-Jan 2037
Key tasks and delivery dates for Phase 1 once preferred bidder is selected	
Community and stakeholder consultation	Commence in Jan 2024 and run in parallel with programme feeding into planning, land assembly and construction
Exchange of Development Agreement	Target 6 months from Preferred Bidder Selection
Submission of Planning Application	18 months from Exchange of Development Agreement
Grant of Planning Permission	16 months from Planning Submission
Post Planning Viability	6 months from Grant of Planning Permission
Land Assembly	27 months from Grant of Planning Permission

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Discharge of Phase Conditions	Later of Land Assembly or Grant of Planning
Start of Works	12 months from Discharge of Phase Conditions
Completion of Reprovision Homes	96 months from start of works

F2. Achievability

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

The following key resources have been identified to successfully deliver the project:

- BCC – the Council is the driving force behind the scheme and will contribute strategic and technical expertise and land assets. The Council has experience of successfully supporting the delivery of a wide range of major regeneration and redevelopment projects of a similar scale and value across the city including in a mix housing context. In all cases the Council has providing expertise in supporting services including compulsory purchase, planning, housing, and transportation for example, Perry Barr, Druids Heath, Smithfield, HS2.
- Project team – a team within BCC has been established to project manage day-to-day responsibility for delivering the scheme and to ensure that the project remains within scope and delivers the required outputs and project benefits within the agreed budget and schedule.
- Development partner (PSP) – a private sector partner is being procured to deliver the scheme to provide high quality, sustainable homes as part of a well-designed neighbourhood.

F3. Dependencies on other projects or activities

This scheme is not dependent on other projects or activities within the Council.

F4. Officer support

Project Manager: Nick Matthews

Project Accountant: Azhar Rafiq

Project Sponsor: Ian MacLeod

F5. Project Management

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

The proposed structure of the BCC project governance will be as follows:

Project Board:

A project board with the key responsibility to provide overall guidance and direction to the project at a strategic level to ensure that it meets directorate and corporate policy priorities and remains within any specific constraints; review and sign off each key project stage and key product including the business plan, public funding applications, site wide and phase viability plan, development funding agreements and long term management plan and monitor and review any major project deviation and/or change.

The Council roles on the board will be the Project Sponsor alongside key senior officers overseeing the delivery of the housing, planning, CPO, land assembly, reprovision and acquisition elements of the scheme.

Project Team:

The Project Team is supported by professional advisers providing specialist advice. Consultants are in place for property & commercial advice and remediation & technical advice.

This internal Council group assumes day-to-day responsibility for delivering the scheme with the following key responsibilities:

- Provide guidance and direction to the project to ensure that the project remains within scope and delivers the required outputs and project benefits within the agreed budget and schedule;
- Monitor the development of solutions and proposals at all stages to ensure they meet the organisation's needs and progress towards targets;
- Evaluate the impact of solutions and proposals on the Council and stakeholders;
- Ensure risks are being tracked and mitigated as effectively as possible;
- Be responsible for administering the funding agreement and contract, acquisition of assets, monitor the delivery of business plan, benefit realisation and procurement of contractors;
- Establish Sub-Groups of the operational team that will undertake the Council's responsibilities for land assembly; provide pre-application design, planning and transportation advice; monitor design quality and process land remediation;
- Reports issues and exceptions to the Project Board and/or the Council Project Executive/Sponsor for direction and decision making. The Project Board and/or the Executive/Sponsor has executive responsibility for the project and the Project Team.

The Council officers sitting on this group will be delivering the housing, planning, CPO, land assembly, re-provision acquisition and contract management elements of the scheme.

The Project Manager will:

- monitor the project deliverables against specified tolerances of time, cost, quality, scope, risk and benefits;
- be responsible for finalising service contracts and issuing instructions and receiving highlight reports from all service providers and team managers;
- make reports to external funders as required;
- coordinate the interface, communication and ensure information is exchanged expeditiously between the Council and different teams and organisations involved in the delivery of the project;
- provide regular reports to the Ladywood Project Management Board and/or the Council Project Executive/Sponsor to keep senior management routinely informed of project status and all developments that impact on the project success.

A range of key stakeholders are expected to provide key advisory inputs, including local community interest organisations, and other groups representing business, housing, and transport interests.

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

Project Plan supporting key milestones are shown *at Appendix 8.*

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

		Risk after mitigation:	
Risk or issue	mitigation	Sever-ity	Like-lihood
Partnership - failure to develop and maintain relationship (the Council and the Developer)	Agreed roles, responsibilities, communication and reporting requirements to ensure DA obligations are delivered. Clarity of project governance and induction of new team members into ways of working and collaboration.	Medium	Low
Developer Insolvency	Robust finance evaluation of the development partner current status before drawdown of each delivery phase.	Medium	Medium
Risk of project delay due to CPO process.	Early engagement from the developer and the Council during the CPO consultation process (and before for key / well-known Third Parties with land interests); to ensure support and buy-in and required time for negotiations. Potential programme delays will need to be assessed for impact on scheme viability.	Medium	Medium
Delays in gaining approvals	Colleagues from other disciplines (Planning / Housing / Education / Property and Legal) are supporting the delivery of the scheme to ensure timescales, policy and procedures are adhered to.	Low	Medium
Commitment from directorates across the Council	Work closely with the Ladywood Estate Implementation Group to ensure resources can be allocated and issues are identified early and resolved.	High	Low
Community buy-in for masterplan not achieved.	Work closely with community engagement specialists and key community groups from the outset with early identification of issues for resolution.	Medium	Medium
Increased Acquisition Costs	Expert advice has been obtained from commercial advisers in respect of the property valuations to ensure that they accurately reflect the market values at the time. This will be continually monitored through the Site Assembly Working Group. Compensation to the occupiers and disruption to the businesses has been built into the project costs.	Low	Medium

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)

None at the current time.

G4. STAKEHOLDER ANALYSIS

Stakeholder	Role and significance	how stakeholder relationships will be managed
Ward Councillors	Knowledge of issues affecting local community	Ongoing involvement through consultation
Cabinet Member for Major Projects	Portfolio holder to deliver Major Projects	Ongoing involvement through consultation
Cabinet Member for Housing and Homelessness	Portfolio holder to deliver new, affordable, quality homes and neighbourhoods	Ongoing involvement through consultation
Cabinet member for Transport	Portfolio holder to deliver Sustainable Transport, active travel initiatives	Ongoing involvement through consultation
Cabinet Member for Commissioning, Contracting and Improvement	Ensuring that social benefits and value for money is achieved from procurements	Ongoing involvement through consultation
Cabinet Member for Finance and Resources	Portfolio holder. Wants best value and	Ongoing involvement through consultation
Residents	Land Holding	Planned engagement
Residents	Tenants	Planned engagement
Local Community Organisations		Planned engagement
Wider Stakeholders		Planned engagement
Development Partner	Funder	Development Agreement

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 each of the outcomes in B1 above</i>			<i>What the estimated impact of the project will be on the measure identified</i>
Monetised benefits:	£		

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Other quantified benefits:			
Non-quantified benefits:	n/a		

Other Attachments <i>provide as appropriate</i>	
Eg. Outcome of consultation Technical Feasibility Assessments Site plans and drawings Summary of Impact assessments External Funding and Partnership agreement implications	