

PROGRAMME DEFINITION DOCUMENT (PrDD)			
1. General Information			
Directorate	Economy	Portfolio	Transport and Roads; Value for Money and Efficiency; Deputy Leader
Project Title	Updated Transportation & Highways Funding Strategy 2017/18 to 2022/23	Project Code	Not applicable
Programme Description	<p><b><u>Background</u></b></p> <p>The Transportation and Highways Funding Strategy (THFS) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the Council's key policies and priorities, as set out in the West Midlands Strategic Transport Plan, Birmingham Development Plan (BDP) and the Birmingham Connected transport strategy. The THFS is also relevant to the Future Council Transformation programme and the requirement to develop a Clean Air Zone (CAZ) to comply with the provisions of the Ambient Air Quality and Cleaner Air for Europe Directive 2008, which sets limiting values for a range of pollutants to protect public health.</p> <p>In the context of inclusive economic growth, the THFS has a strong focus on supporting the Council's core mission to be a city of growth where every child, citizen and place matters. In addition, the programme seeks to make a significant contribution towards the key priorities of children, jobs and skills, housing and health by reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality and encouraging active and sustainable modes of travel.</p> <p>The THFS was previously updated and approved by Cabinet on 16 February 2016 for a rolling 6 year period up to 2021/22. This Programme Definition Document (PrDD) reflects new resources, priorities, opportunities, revised project costings and programmes, slippage and policy changes that have occurred since this approval. Such changes include the Council's requirement to develop a CAZ, work undertaken by the Economy, Skills and Transport Overview and Scrutiny Committee on 'Preventing Damage to Grass Verges', programme alignment opportunities with Network Rail and a need to increase investment in local road safety schemes.</p> <p><b><u>Capital Funding</u></b></p> <p>As part of the West Midlands Devolution Deal, HM Government agreed to devolve a consolidated local transport budget and provide a multi-year transport funding settlement, which will come under the West Midlands Combined Authority (WMCA) Mayor when they take office. Devolved grant resources comprising Integrated Transport Block (ITB), Highways Maintenance Block, Highways Maintenance Incentive Funding and Bus Services Operating Grant (BSOG) have been confirmed until 2020/21, with annual allocations of £35.2m to be paid to the WMCA as 'accountable body'.</p> <p>Funding for highway maintenance is 'passported' directly to Metropolitan District Councils, with the exception of Birmingham, whose allocation is deemed to be included within funding arrangements for the Highways Maintenance and Management Private Finance Initiative (PFI). BSOG will be paid directly to Transport for West Midlands (TfWM) as revenue funding for tendered bus services.</p> <p>The WMCA have allocated ITB funding to Birmingham and the other Metropolitan District Councils to be used for 'small transport improvement projects' on a per capita basis. This is in accord with the intention of Government that funding be used for such projects to help transport authorities stimulate local economies by reducing congestion, improving road safety, improving accessibility and supporting the use of active and sustainable modes of travel.</p> <p>Further to WMCA Board approval on the 9 December 2016, a total of £5.170m of new ITB capital</p>		

funding has been allocated through the above process to Birmingham for integrated transport projects in 2017/18. It should be noted that this approval contained the requirement for 15% of the annual ITB allocation to be utilised for scheme development purposes, with this requirement met in the proposed resourcing set out in this PrDD. In the context of the devolved multi-year settlement, ITB allocations are forecast to remain broadly consistent until 2020/21, with potential impacts of the WMCA Mayor on budget allocations as yet unknown.

It should be recognised that ITB funding is significantly supplemented by bidding activities to Government, Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and the WMCA for funding including Local Growth Fund (LGF), Cycle City Ambition Grant (CCAG), Air Quality Grants, National Productivity Investment Fund (NPIF) and Enterprise Zone (EZ) resources.

### **New Supplementary Resources in 2017/18 - Air Quality Grant and National Productivity Investment Fund**

#### **Air Quality Grant (Revenue)**

During March 2017 revenue grant resources totalling £0.990m were secured by the Council from the Department for Environment, Food and Rural Affairs (DEFRA) to support the development of a CAZ in the city. In consultation with the Air Quality Steering Group (Cabinet Members for Transport and Road, Clean Streets, Recycling and Environment, Health and Social Care and the Chair of Licensing and Public Protection Committee) funding has been confirmed for the following activities:

- £350,000 – Development of further controlled parking zones;
- £50,000 – National Air Quality Awareness Campaign; and
- £590,000 – Feasibility work (including traffic modelling and air quality modelling) to develop a clean air zone and associated measures, with support for project/programme management costs.

It is proposed that Cabinet accepts and approves expenditure of this grant ahead of the National Air Quality Plan being published by Government on the 31 July, noting that further reports to Cabinet and full Council will be prepared in respect of the size and composition of the city's clean air zone. The implementation of any subsequent measures will be subject to normal governance arrangements as set out in the Council's Gateway and Related Financial Approval Framework (GRFAF).

#### **National Productivity Investment Fund (NPIF)**

During April 2017 capital resources totalling £1.897m were secured from the NPIF, for which the WMCA is 'accountable body'. This fund targets transportation improvements to boost productivity through the reduction of congestion, with funding received for the below projects further to the submission of 'Expressions of Interest' in consultation with the relevant portfolio holder:

- £700,000 – Completion of improvement works at Holloway Circus;
- £569,000 – Interim improvements to Bromford Gyratory;
- £530,000 – Traffic Signal Improvements to enable access to growth areas; and
- £98,000 – Further rollout of Bus Lane Enforcement Cameras.

It is proposed that Cabinet accepts these supplementary resources and agrees for NPIF projects to proceed straight to Full Business Case stage given that funding must be spent in 2017/18 and that an options appraisal has effectively been undertaken by the WMCA in allocating funding. Fund aims and evaluation criteria are listed below. It should be noted that the Holloway Circus project already has Full Business Case approval and is proposed to be delivered within its original funding envelope, albeit with amended resourcing.

The NPIF aims to improve the following areas:

- Local road networks and public transport;
- Develop economic and job creation opportunities;
- Improve access to employment and housing;
- Reduce congestion at key locations; and
- Upgrade or improve the maintenance of local highway assets.

The proposals were evaluated against the following criteria:

- How well does it develop economic and job creation opportunities?
- Does it clearly state how the proposal would improve access to employment and housing?
- How well does the proposal aim to reduce congestion at key locations?
- Does the proposal aim to upgrade or improve highway assets reaching end of life?
- Is the proposal deliverable within 2017/18?

### **Programme Structure**

The structure of the THFS comprises the following programmes.

#### **Major Schemes**

This programme contains larger projects targeting inclusive economic growth across the city, specifically those to be funded from external grants including LGF and NPIF. It also contains residual major schemes from previous Government funding rounds.

#### **Inclusive and Sustainable Growth Programme**

The Inclusive and Sustainable Growth Programme comprises projects of a smaller scale that focus on the provision of transport infrastructure to enable and unlock inclusive economic growth. Measures include junction improvements, public transport enhancements, bus lane enforcement, controlled parking zones and other traffic management schemes to reduce congestion.

#### **Walking and Cycling Programme**

It is recognised that the use of sustainable modes of transport can significantly contribute towards reducing congestion, improving air quality, improving accessibility and also improving health and physical fitness. The Walking and Cycling programme will take forward key projects as detailed in the Council's Walking and Cycling strategies including new pedestrian and cycling routes, new cycle stands, new cycle hubs and bikes, and smaller measures identified by stakeholders. Significant ITB resources in this programme provide the match funding element of the Birmingham Cycle Revolution (BCR) Programme, which includes 20mph limits and infrastructure to support Green Travel Districts.

#### **Local Measures Programme**

The Local Measures Programme contains smaller transport projects to be delivered at a local level, with work focussed on four sub-programmes as described below.

#### **Road Safety Programme**

The Road Safety Programme targets the continued reduction of recorded killed, seriously injured and slight accidents across the city to maintain the positive downward trend achieved by both Birmingham and the West Midlands Metropolitan area.

For consideration for inclusion into the Local Safety Schemes sub element of the programme, locations would normally have at least nine slight collisions over a three year period, although consideration is also given to sites with a higher proportion of killed or serious injury collisions. In addition, further

weight is given to locations or sites where there is a high concentration of collisions involving pedestrians or cyclists reflecting the Council's road user hierarchy. Further information on prioritisation is provided in Annex A, along with governance arrangements.

Sites listed in Annex F (full project and financial summary) have been prioritised on a value for money basis, which looks at the benefit to cost ratios of schemes in the context of implementation costs and associated accidents savings based on Department for Transport (DfT) rates.

This programme aligns with the new Birmingham Road Safety Strategy approved by Cabinet in October 2016.

### **Safer Routes to Schools Programme**

It is proposed to continue the successful Safer Routes to Schools Programme (SRTS) over the next 6 financial years. Schools proposed for named highway engineering schemes are required to have an up to date School Travel Plan in place and then are prioritised in accordance with the safety and sustainability criteria provided as Annex B to this PrDD (also includes governance arrangements). In summary, schools are prioritised on safety grounds by reviewing the school population size and road accident levels in the vicinity. Schools prioritised on sustainability grounds are determined by the following:

- School population;
- Proportion of pupils living close enough to walk to school, but choosing not to;
- Particular requirements for highway measures identified by the school in their travel plan;
- Participation in sustainable travel initiatives and projects such as 'Walk Once a Week or 'Bike It'.

In addition to the above projects, it is proposed that a programme of 'smaller enhancement measures' be implemented at existing schools with a SRTS scheme on the basis of requirements identified during the update of individual School Travel Plans.

### **Ward Minor Transport Measures**

This programme supports the localism agenda through the provision of a £0.5m budget to address minor transport issues identified at ward level. Works within this programme should demonstrate a contribution towards reducing congestion, improving road safety (including 20mph limits), improving accessibility and improving air quality, with greater flexibility provided in terms of value for money to reflect local priorities. All works should be undertaken within the public highway, with no more than £2,500 of the £12,500 provided to each ward to be utilised on development and implementation fees. Further programme guidance is provided in Annex C.

### **Prevention of Damage to Grass Verges Pilot**

The process of updating the THFS provides an opportunity to reflect new resources, priorities, opportunities, revised project costings and programmes, slippage and policy changes. In this context it is proposed to introduce a new three year pilot programme to prevent damage to grass verges following work by the Economy, Skills and Transport Overview and Scrutiny Committee. This programme will provide £1.0m of ITB funding to introduce prevention, regulation and accommodation measures over the next three financial years, with specific projects to be determined by Ward Councillors and implemented by the Local Engineering service. Further guidance for this programme is provided as Annex C, with allowable measures outlined below.

**Prevention:** by installing 'hard' engineering measures including bollards, double kerbing and trip rails so that vehicles are physically unable to park. There is also the option of using softer measures such as planting trees to encourage people not to use the verge to park.

**Regulation:** The Council has the powers to implement Traffic Regulation Orders (TRO). A citywide



### **Funding Strategy**

The Council continues to be highly successful in securing external grant resources to support and expand the THFS. In the competitive context of external bidding rounds the Council has committed to a significant level of 'local funding contribution', particularly relating to the LGF and Birmingham Cycle Revolution (BCR) programmes approved by Cabinet in March 2015. Given the short timescales and limited scheme detail available at the time of bid submissions (and Project Definition Document stage), detailed work has been undertaken to refine scheme detail and costs during 2015/16 and 2016/17. This has been a lengthy and complex process, which has additionally had to consider general cost increases within the construction and engineering industries following Brexit and the impacts of HS2 on the market in respect of resources.

Further to the above exercise, the following pressures have been identified totalling an estimated £10.488m over the next 4 financial years: Battery Way Extension £2.0m; Iron Lane/Flaxley Road/Station Road £6.038m; Longbridge Connectivity (Highway Works) £1.0m; and Selly Oak New Road Phase 1B £1.450m. In addition, an opportunity to align with Network Rail's bridge replacement programme has arisen to improve access to the Tyseley employment area by enhancing the Wharfdale Road bridge. This enhancement is a 'one off' opportunity that requires a £2.5m Council contribution to match a £8-9m investment by Network Rail. While a scheme specific Project Definition Document (PDD) and Full Business Case (FBC) will be prepared for this project accordingly, early financial commitment from the Council is required.

In the above context, a range of funding options have been considered in discussion with funding partners as follows:

- Further allocation and direct use of net bus lane enforcement surplus – balance at 31 March 2017 - £4.862m;
- Extension of programmes to profile local contribution commitments over a longer period;
- Further applications for additional LGF resources from GBSLEP;
- Short term loans from the GBSLEP Revolving Investment Fund (RIF);
- Expressions of interest for GBSLEP Local Growth Fund 3 resources;
- Prudential Borrowing; and
- Reduced local programme ITB allocations for road safety, safer routes to schools and ward measures, with ITB reallocated to meet cost pressures on LGF projects.

Having evaluated the above options with funding partners, potential solutions involving the GBSLEP were discounted on the basis of highly restricted resource availability (for both additional funding and LGF3) and the three year repayment term for RIF loans, which would divert substantial future allocations of ITB away from key projects and programmes. Similarly, reducing local programme ITB allocations for road safety measures and locally determined improvements was rejected in the context of the Council's localism and devolution agendas.

As such, the following project and programme funding strategies are proposed in this report:

- Battery Way Extension: up to £2.0m prudential borrowing;
- Iron Lane/Flaxley Road/Station Road: £6.038m additional direct allocation of net bus lane enforcement surplus;
- Longbridge Connectivity (Highway Works): up to £0.5m prudential borrowing and additional direct allocation of £0.5m net bus lane enforcement surplus;
- Selly Oak New Road Phase 1B: up to £1.0m prudential borrowing and additional direct allocation of £0.450m of net bus lane enforcement surplus; and
- Wharfdale Road Bridge: up to £2.5m prudential borrowing.

In respect of prudential borrowing, it is proposed that annual repayments of up to £0.486m are resourced from net surplus bus lane enforcement (BLE) income from both current and planned BLE



schemes over a 15 year period. It should be noted that the exact quantum of prudential borrowing will be confirmed and fully agreed at FBC stage for each relevant project, with further detail around cost variances handled at a project level in accordance with the Council's GRFAF. In addition, it should be further noted that prudential borrowing requirements will be minimised wherever possible through the wider ongoing management of the THFS and the offsetting of borrowing with new or windfall resources as they become available. Further information on prudential borrowing is provided as Appendix B to the executive report that accompanies this PrDD.

### **Local Funding Contributions required to deliver Provisionally Approved LGF Projects**

In addition to the LGF projects discussed above, the Council also has two major projects within its LGF programme, which comprise critical strengthening works to the A38 (M) Tame Valley Viaduct and major transportation improvements to the A457 Dudley Road. Final approval of these projects is retained by the DfT, with approval based upon the submission of green book compliant major scheme business cases. On the basis of current estimates, the Council will be required to provide a local funding contribution of £20.566m towards these projects, split £13.522m (Tame Valley Viaduct) and £7.044m (Dudley Road). This contribution is within the range expected by the DfT for major schemes (between 10% and 20% of overall project costs) and will be required in 2021/22 and 2022/23 to lever a total of £94.450m from the LGF Growth Deal One programme.

To enable funding bids to be submitted to the DfT (which will be subject to specific PDD reports covering all relevant detail to Cabinet) it is now necessary to establish a funding strategy in respect of the local contribution. This strategy will be developed over the next 6 months. It should be noted that no bid submissions will be made unless a 'high value for money' case can be demonstrated to the DfT, with a minimum benefit to cost ratio of two to one. In addition, both schemes must clearly demonstrate affordability and deliverability in respect of funding, scheme benefits, alignment with the policies of the BDP, traffic management and construction.

### **Revenue Implications**

New capital transportation and highways projects by nature attract additional ongoing costs in respect of maintaining new highway assets. For projects approved in 2017/18 an approved annual corporate policy contingency allocation is in place to accommodate inventory growth (in 2017/18 £0.25m). All projects and schemes will need to identify revenue maintenance commitments and funding as part of the PDD/FBC approval process.

Revenue implications associated with prudential borrowing of up to £0.486m will be funded from forecast net surplus bus lane enforcement (BLE) income from both current and planned BLE schemes over a 15 year period. Further detail is provided in Appendix B of the accompanying executive report.

### **Governance and Delegations**

In the context of emerging future operating models, there is clear rationale to streamline project development and delivery processes associated with the THFS to maximise delivery, enhance the Council's reputation, minimise costs and offset reduced officer resources in relevant departments. In addition, there is a need to respond more expediently to external funding opportunities that become available (Air Quality and NPIF as examples in this report), often at short notice, and enable more effective budget and resource management within the confines of an agreed 6 year investment programme. As such, the following delegations are proposed:

**Bidding and Grant Acceptance:** delegation to the Corporate Director, Economy, in conjunction with the Chief Finance Officer, to bid for and accept grant resources up to £1.0m; and the relevant portfolio holders jointly with the Corporate Director, Economy, in conjunction with the Chief Finance Officer, to bid for and accept grant resources up to £10.0m for projects that align with the approved policies and objectives of the Council

**Project Approvals:** delegation to the Corporate Director, Economy to approve PDDs and FBCs up to the value of £1.0m; and the relevant portfolio holders jointly with the Corporate Director, Economy, up to £10.0m for projects and programmes included within Annex F of this report.

	<p><b><u>Consultation</u></b></p> <p>Consultation has been undertaken with the Cabinet Member for Clean Streets, Recycling and Environment, Corporate Director Place, Assistant Director Highways and Infrastructure, Assistant Director Planning, Assistant Director Development and the Assistant Director Transportation and Connectivity, who support the proposals contained within this report.</p> <p>Officers from City Finance and Legal and Democratic Services have been involved in the preparation of this report.</p> <p>Full and detailed formal consultation will be undertaken as part of individual PDD and FBC documents including with Sutton Town Council and Frankley Parish Council as appropriate.</p> <p><b><u>Procurement</u></b></p> <p>There are no direct procurement implications contained within this PrDD, however, it should be noted that schemes will be delivered by the Council and works will be procured through approved frameworks or competitive tenders utilising either in house resources or partner's procurement arrangements, in accordance with Standing Orders and the Procurement Governance Arrangements. Procurement implications will be reported in individual PDD and FBC reports as per normal practise, with value for money and compliance with the Birmingham Business Charter for Social Responsibility clearly set out.</p> <p><b><u>Equalities Analysis</u></b></p> <p>An initial screening for an Equality Assessment (EA) has been undertaken and has concluded that a full EA is not required at this time, with no adverse impacts on protected groups. This position will be reviewed for each composite project at FBC stage (or full PDD stage for the provisionally approved projects) as necessary. The initial screening is provided as Appendix C to the executive report that accompanies this PrDD.</p> <p><b><u>Risks</u></b></p> <p>Key risks are outlined in Annex E of this PrDD document. It should be noted that a significant shortage of consultant and contractor resource in the marketplace could impact upon programme delivery and potentially increase project costs. This risk will be managed by senior Transportation and Highways officers in conjunction with relevant portfolio holders.</p>
<b>Links to Corporate and Service Outcomes</b>	The Transportation and Highways Funding Strategy performs an essential role in supporting a range of projects and programmes that contribute towards achieving the Council's key policies and priorities, as set out in the West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy.
<b>Programme Benefits</b>	In the context of the vision for an inclusive economic growth, the THFS has a strong focus on supporting the Council's core mission to be a city of growth where every child, citizen and place matters. In addition, the programme seeks to make a significant contribution towards the key priorities of children, jobs and skills, housing and health by reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality and encouraging active and sustainable modes of travel.
<b>Programme Deliverables</b>	The THFS will deliver a significant amount of transport infrastructure over a 6 year period comprising: junction improvements; measures to reduce congestion; bespoke asset life extending maintenance to structures; cycling and walking schemes; road safety improvements; local accessibility projects; safer routes to schools schemes; and a pipeline of future projects including the Council's next programme of major transport schemes.

Key Programme Milestones	Planned Delivery Dates
Approval of Programme Definition Document (PrDD)	May 2017
Approval of Full Business Cases (FBC)	Rolling programme
Seek Tenders & Evaluation	Rolling programme
Start on site	Rolling programme



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Completion on site		June 2017 to April 2023		
Post Implementation Reviews		April 2018 to April 2024		
Dependencies on other projects or activities	<ul style="list-style-type: none"><li>• Approval of GBSLEP business cases;</li><li>• Approval of business cases by DfT;</li><li>• Securing match funding contributions;</li><li>• Securing private contributions;</li><li>• Acquiring necessary third party land;</li><li>• Securing funding for revenue implications;</li><li>• Completing procurement and tendering processes;</li><li>• Securing access to the public highway;</li><li>• Phasing works in accordance with other works on the highway;</li><li>• Securing necessary legal agreements and completing grant agreements; and</li><li>• Contractors and Statutory Undertakers availability.</li></ul>			
Achievability	Similar programmes have been completed previously by the Council. Experienced contractors with a track record of delivering similar projects will be appointed as part of necessary procurement processes.			
Project Managers	To be confirmed as part of individual PDD and FBC reports.			
Project Accountant	Andy R Price			
Project Sponsors	Anne Shaw – Assistant Director Transportation and Connectivity Kevin Hicks – Assistant Director Highways and Infrastructure			
Proposed Project Board Members	To be confirmed			
Head of City Finance (HoCF)		Simon Ansell	Date of HoCF Approval	04/05/2017
Other Mandatory Information				
• Has project budget been set up on Voyager?				Yes
• Issues and Risks updated (Please attach a copy to the PDD and on Voyager)				Yes

## 2. Option Appraisal

<b>Option 1</b>	<b>Discontinue Transportation and Highways Projects and Programmes</b>
<b>Information Considered</b>	West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; WMCA/TfWM Reports; West Midlands Devolution Deal.
<b>Pros and Cons of Option</b>	<p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>• Significant funding from the DfT, WMCA and GBSLEP will not be provided or lost;</li> <li>• The Council will not be able to demonstrate the ability to manage and deliver government transport funding, potentially affecting the further devolution of resources;</li> <li>• New funding would be difficult to access;</li> <li>• Transportation and Highways works to enable growth may not be delivered and restrict the creation of new employment opportunities;</li> <li>• Transportation and Highways works to enable growth may not be delivered within necessary timescales, reducing competitiveness and failing to build confidence in key growth zones;</li> <li>• The City Council's economic growth zones will not be progressed in a timely fashion;</li> <li>• Transport benefits relating to reduced congestion and improved safety may not be achieved;</li> <li>• Would dissolve existing strategy to fund large projects such as Tame Valley</li> </ul>

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	<p>Viaduct;</p> <ul style="list-style-type: none"> <li>Existing commitments and pressures would still need to be funded;</li> <li>Net surplus BLE income may not be used in accordance with the Bus Lanes Contraventions Regulations 2005;</li> <li>Abortive 'sunk' development costs that would represent a revenue pressure;</li> <li>Existing Government and GBSLEP funding could be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding;</li> <li>Failure to deliver the Birmingham Connected Transport Strategy and West Midlands Strategic Transport Plan;</li> <li>Broader reputational risks for the Council and senior members;</li> <li>Likely to be politically and publically unacceptable; and</li> <li>Severe staff implications due to loss of capital funding and fee recovery.</li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>Additional maintenance implications may not be incurred;</li> <li>Potential disruption may be avoided by not delivering key improvements;</li> <li>Some match funding could be used for alternative purposes.</li> </ul>
<b>People Consulted</b>	Consultation has been undertaken with the Cabinet Member for Clean Streets, Recycling and Environment, Corporate Director Place, Assistant Director Highways and Infrastructure, Assistant Director Planning, Assistant Director Development, Assistant Director Transportation and Connectivity, City Finance, Corporate Finance, Legal and Democratic Services, WMCA and GBSLEP.
<b>Recommendation</b>	Do not proceed
<b>Principal Reason for Decision</b>	Failure to deliver the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability.

<b>Option 2</b>	<b>Continue Transportation and Highways Projects and Programmes, but do not implement proposed Funding Strategy</b>
<b>Information Considered</b>	West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Draft Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; WMCA Reports; West Midlands Devolution Deal.
<b>Pros and Cons of Option</b>	<p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>Significant funding from the DfT, WMCA and GBSLEP will not be provided or lost;</li> <li>The Council will not be able to demonstrate the ability to manage and deliver government transport funding, potentially affecting the further devolution of resources;</li> <li>New funding would be difficult to access;</li> <li>Existing commitments and pressures would still have to be funded;</li> <li>Transportation and Highways works to enable growth may not be delivered and restrict the creation of new employment opportunities;</li> <li>Transportation and Highways works to enable growth may not be delivered within necessary timescales, reducing competitiveness and failing to build confidence in key growth zones;</li> <li>The City Council's economic growth zones will not be progressed in a timely fashion;</li> <li>Transport benefits relating to reduced congestion and improved safety may not be achieved;</li> <li>Would dissolve existing strategy to fund large projects such as Tame Valley Viaduct and pass the full funding burden to the Council;</li> <li>Existing Government and GBSLEP funding could be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding;</li> <li>Abortive 'sunk' development costs that would represent a revenue pressure;</li> <li>Net surplus BLE income may not be used in accordance with the Bus Lanes Contraventions Regulations 2005;</li> <li>Failure to deliver the Birmingham Connected Transport Strategy and West Midlands Strategic Transport Plan;</li> <li>Broader reputational risks for the Council and senior members;</li> <li>Likely to be politically and publically unacceptable; and</li> </ul>

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	<ul style="list-style-type: none"> <li>Staff implications due to loss of capital funding and fee recovery.</li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>Additional maintenance implications may not be incurred;</li> <li>Potential disruption may be avoided by not delivering key improvements;</li> <li>Some match funding could be used for alternative purposes;</li> <li>Focus could be provided on smaller transport improvements outside of the LGF or BCR programmes.</li> </ul>
<b>People Consulted</b>	Consultation has been undertaken with the Cabinet Member for Clean Streets, Recycling and Environment, Corporate Director Place, Assistant Director Highways and Infrastructure, Assistant Director Planning, Assistant Director Development, Assistant Director Transportation and Connectivity, City Finance, Corporate Finance, Legal and Democratic Services, WMCA and GBSLEP.
<b>Recommendation</b>	Do not proceed
<b>Principal Reason for Decision</b>	Failure to deliver the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability. Exposes the Council to severe funding risks in terms of clawback and failure to sure external resources such as the £72m provisionally allocated for Tame Valley Viaduct.

<b>Option 3</b>	<b>Continue Transportation and Highways Projects and Programmes and implement proposed Funding Strategy</b>
<b>Information Considered</b>	West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Draft Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; WMCA Reports; West Midlands Devolution Deal.
<b>Pros and Cons of Option</b>	<p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>Additional maintenance implications will be incurred;</li> <li>Disruption associated with delivering key improvements;</li> <li>Some match funding could not be used for alternative purposes;</li> <li>Less focus on smaller transport improvements;</li> <li>No staffing efficiencies; and</li> <li>Long term commitments to top slice ITB and repay prudential borrowing.</li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>Significant funding from the DfT, WMCA and GBSLEP will be secured;</li> <li>The Council can demonstrate the ability to manage and deliver government transport funding, supporting the further devolution of resources;</li> <li>New funding could be accessed;</li> <li>Existing commitments and pressures would be funded;</li> <li>Transportation and Highways works to enable growth would be delivered and create new employment opportunities;</li> <li>Transportation and Highways works to enable growth would be delivered within necessary timescales, increasing competitiveness and building confidence in key growth zones;</li> <li>The City Council's economic growth zones will be progressed in a timely fashion;</li> <li>Transport benefits relating to reduced congestion and improved safety will be achieved;</li> <li>Strategy to fund large projects such as Tame Valley Viaduct maintained;</li> <li>Existing Government and GBSLEP funding would not be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding;</li> <li>Usage of net surplus BLE income in accordance with the Bus Lanes Contraventions Regulations 2005;</li> <li>Delivery of the Birmingham Connected Transport Strategy and West Midlands Strategic Transport Plan;</li> <li>No reputational risks for the Council and senior members;</li> <li>Politically and publically acceptable; and</li> <li>No staff implications due to loss of capital funding and fee recovery.</li> </ul>

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<b>People Consulted</b>	Consultation has been undertaken with the Cabinet Member for Clean Streets, Recycling and Environment, Corporate Director Place, Assistant Director Highways and Infrastructure, Assistant Director Planning, Assistant Director Development, Assistant Director Transportation and Connectivity, City Finance, Corporate Finance, Legal and Democratic Services, WMCA and GBSLEP.
<b>Recommendation</b>	Proceed
<b>Principal Reason for Decision</b>	Delivery of the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability. Risk exposure reduced in respect of securing external funding and preventing funding clawback.

### 4. Budget Information – see annex F for project specific budget information

Detailed budget information by project, programme and funding source is provided as Annex F to this PrDD.

#### Notes – Revenue Consequences

#### Asset Management / Maintenance Implications

As part of the City Council's obligations under the Highway Maintenance and Management Private Finance Initiative (HMMPI) contract, Highways will be formally notified of the proposed changes to the highway inventory arising from this THFS programme.

Consultation with Highways will be carried out to enable coordination of the proposed works with other programmed activities on the highway network.

#### **Maintenance Costs**

A high level maintenance estimate for this programme has indicated that additional average annual maintenance costs of £250,000 may arise per annum. These costs are based upon previous schemes of a similar nature, and options to further reduce these additional annual maintenance costs will be explored during the detailed design, including de-cluttering and the sourcing of commuted sums.

Where commuted sums or EZ contributions cannot be provided, such costs will be funded from provision for Highways Maintenance held within the Corporate Policy Contingency.

#### **Network Integrity Assessment**

Network integrity assessments will be carried out for the highway infrastructure to identify locations where potential maintenance savings could be made.

### 5. Project Development Requirements/Information

<b>Products required to produce Full Business Case (FBC)</b>	<ul style="list-style-type: none"> <li>• Consultation;</li> <li>• Detailed design including drawings and estimate;</li> <li>• Road Safety Audit 2;</li> <li>• Internal liaison with key Council Officers;</li> <li>• Highways Change Notification;</li> <li>• Traffic Management Protocol and Plans;</li> <li>• NRSWA Notification;</li> <li>• Approval Reports;</li> <li>• Delegated Form of Authority for Traffic Regulation Orders;</li> <li>• Approval of GBSLEP business cases/loan applications;</li> <li>• Approval of business cases by DfT;</li> <li>• Securing match funding contributions;</li> <li>• Securing private contributions;</li> <li>• Acquiring necessary third party land;</li> <li>• Securing funding for revenue implications;</li> <li>• Completing procurement and tendering processes;</li> <li>• Securing access to the public highway;</li> <li>• Phasing works in accordance with other works on the highway;</li> <li>• Securing necessary legal agreements and completing grant agreements.</li> </ul>
<b>Estimated time to complete project</b>	<i>Rolling development</i>

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<b>development</b>			
<b>Estimated cost to complete project development</b>	Not applicable		
<b>Funding of development costs</b>	Not applicable		
<b>Planned FBC Date</b>	Rolling	<b>Planned Date for Technical Completion</b>	Phased between May 2017 and April 2023

### List of Annexes accompanying this PDD:

**ANNEX A – LOCAL SAFETY SCHEMES PRIORITISATION AND GOVERNANCE**

**ANNEX B – SAFER ROUTES TO SCHOOLS – SCORING CRITERIA FOR SAFETY AND SUSTAINABILITY STRANDS/GOVERNANCE**

**ANNEX C – WARD MINOR TRANSPORT MEASURES AND PREVENTION OF DAMAGE TO GRASS VERGES**

**ANNEX D – BREAKDOWN OF DEVELOPMENT COSTS**

**ANNEX E – HIGH LEVEL PROGRAMME RISK ASSESSMENT**

**ANNEX F – FINANCIAL SUMMARY BY PROJECT AND PROGRAMME (SEPARATE ATTACHMENT)**

### ANNEX A – LOCAL SAFETY SCHEMES PRIORITISATION AND GOVERNANCE

Accident studies are carried out at the following location types: priority junctions, signal junctions, roundabouts, route lengths and local areas. Injury accident data collected by the Police is compiled from the Spectrum system for each location. Statistical tests are then carried out of the data to determine the following:

- Locations with at least 9 accidents in the past 3 years;
- Chi Squared tests to determine locations with significant numbers of KSI (Killed or Seriously injured) accidents or accidents involving vulnerable road users (pedestrians and cyclists); and
- Poisson analysis is used to determine locations with significant recent increases in accident number.

For all locations, a treatable accident pattern is required. Feasibility studies are carried out to determine a solution to the problem, identify accident savings and produce a First Year Rate of Return (FYRR). Schemes are prioritised based on the FYRR.

Individual schemes, which are all estimated to have a value below £200,000, will progress to PDD and FBC stage to be approved by the Chief Officer, without the requirement for an overarching programme PDD.



**ANNEX B – SAFER ROUTES TO SCHOOLS – SCORING CRITERIA FOR SAFETY AND SUSTAINABILITY STRANDS/GOVERNANCE**

**Safety Strand**

No.	Criteria	Points	Points Criteria	Maximum Points Awarded	Percentage Weighting of Individual Areas
1	Child accident rate (aged 3-16) within 1 km radius of the school over the last three years	5	High number of accidents/severity levels (Fatality, 5 or more serious accidents or 20 or more slight accidents)	5	25%
		3	Intermediate number of accidents/severity levels (Any serious or 10 or more slight accidents)		
		1	Lower number of accidents/severity levels (1 or more slight accident)		
2	Child accident rate (3-16) outside the school over the last three years, this includes adjacent roads.	5	Any serious accident on adjacent roads over the last three years	5	25%
		3	If there were no serious but two or more slight accidents over three years		
		1	Only one slight accident over three years		
3	What is the pedestrian accident rate outside the school over the last three years (adjacent roads)	5	Any fatality or 2 or more serious accidents on adjacent roads over the last three years	5	25%
		3	One serious or two or more slight accidents over three years		
		1	Only one slight accidents over three years		
4	School population including joint bids	5	Over 1500 pupils	5	25%
		4	Over 1250 pupils		
		3	Over 1000 pupils		
		2	Over 500 pupils		
		1	Over 250 pupils		

## Sustainability Strand

No.	Criteria	Points	Points Criteria	Maximum Points Awarded	% Weighting of Individual Areas
1	School Population	5	Over 1500 pupils	5	20%
		4	Over 1250 pupils		
		3	Over 1000 pupils		
		2	Over 500 pupils		
		1	Over 250 pupils		
2	Potential to improve sustainable mode of travel Calculated by: (Children living within 1 km of the school / 2 km secondary) - (% already travelling by sustainable modes i.e. walk, bus, train, cycle, car share.)	5	Over 40%	5	20%
		4	30-39%		
		3	20-29%		
		2	10-19%		
		1	1-9%		
3	Particular school requirements	5	Recognised need for a particular facility to make sustainable travel more attractive through school travel plan or other form of communication.	5	20%
		3	Generalised reference to facilities required and some supportive evidence of potential.		
4	Part of a wider engineering / maintenance project or a sustainable travel scheme to reduce CO2 emissions and reduce congestion e.g. LSTF Projects etc.			5	20%
		5	Listed as a school within project area.		
5	Participation in sustainable travel and road safety initiatives.	5	Participation in Walk once a Week, Walking Bus, Bike It or another sustainable travel scheme requiring long term school commitment.	5	20%
		2	W2SW, Bikeability Training, Road Safety Training or Heath Projects.		

Individual schemes will progress to PDD and FBC stage to be approved by the Chief Officer, without the requirement for an overarching programme PDD.

## ANNEX C – WARD MINOR TRANSPORT MEASURES AND GRASS VERGE PROTECTION PILOT

### Ward Minor Measures

This programme will support the localism agenda through the provision of an annual £0.5m budget to address minor transport issues identified at ward level. Works within this programme should demonstrate a contribution towards reducing congestion, improving road safety, improving accessibility and improving air quality, with greater flexibility provided in terms of value for money to reflect local priorities.

The highest priority will be given to disabled bay markings and dropped crossings to facilitate mobility for the disabled as there is a statutory duty to fulfil these needs. The balance of the resources can be used for a range of improvements including: prescribed and non-prescribed carriageway markings and traffic signs, traffic regulation orders, road safety measures, minor highway realignment, double kerbing, parking measures, minor walking and cycling schemes and small public transport improvement. The provision of “no ball games” signs and “neighbourhood watch” signs are specifically excluded.

All works should be undertaken within the public highway, with no more than £2,500 of the £12,500 provided to each ward utilised on design and implementation fees.

Individual schemes, which are all estimated to have a value below £200,000, will progress to FBC stage for each ward to be approved by the Chief Officer, without the requirement for an overarching programme PDD. Approval will only be agreed upon confirmation that ward councillors have been fully consulted in terms of the priority measure/s to be progressed and their support of specific proposals.

### Grass Verge Protection Pilot

A sum of £1.0m will be provided between 2017/18 and 2019/20 to enable the protection of grass verges as a pilot programme. Schemes should be identified at a ward level, with eligible use comprising:

**Prevention:** by installing ‘hard’ engineering measures including bollards, double kerbing and trip rails so that vehicles are physically unable to park. There is also the option of using softer measures such as planting trees to encourage people not to use the verge to park.

**Regulation:** The Council has the powers to implement Traffic Regulation Orders (TRO). A citywide order was introduced in 2014 to tackle verge parking. However, consent is needed to introduce the required signage. Therefore any potential sites that might be put forward for consideration of a TRO would need to address:

- Vehicle Displacement;
- Sign Clutter; and
- Enforcement.

**Accommodation:** With an increase in car ownership and parking problems across the city, it is inevitable that vehicles will need to be allowed to park on treated verge areas in certain instances. There are several methods that can be used to achieve this:

- Carriageway strip widening;
- Verge Strip Hardening;
- Whole Verge Replacement; and
- Verge Reinforcement.

Development funding of £0.100m must be spent in 2017/18, with delivery to commence in 2017/18 through to 2019/20.

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Individual schemes, which are all estimated to have a value below £200,000, will progress to FBC stage for each ward to be approved by the Chief Officer, without the requirement for an overarching programme PDD. Approval will only be agreed upon confirmation that ward councillors have been fully consulted in terms of the priority measure/s to be progressed and their support of specific proposals.

### **Timescales and Funding Conditions**

Ward minor measures and grass protection schemes are required to be identified and confirmed by all wards by the 31 October of any given financial year. Where this deadline is not met resources will be reallocated to other wards where an agreed schedule of improvements can be formally demonstrated.

Ward minor measures funding can be added to resources allocated for preventing damage to grass verges if so agreed at ward level. This virement can only be effected to deliver enhanced measures to prevent damage to grass verges. Funding allocated for preventing damage to grass verges cannot be moved into the ward minor measures programme.

### **Transitional Arrangements – Changes to Ward Boundaries**

In respect of changes to ward boundaries, funding for ward minor measures and grass verge protection will become a sum for individual ward councillors from May 2018.

## ANNEX D – BREAKDOWN OF DEVELOPMENT COSTS

	2017/18	
	£000's	Source
Tame Valley Viaduct Stage 3	450	ITB
Wharfedale Road Bridge	100	ITB
BLE Tranche 2	75	NPIF
Car Clubs	55	ITB
Digbeth CPZ	50	ITB
Journey Time Reliability to Growth Areas	100	NPIF
Road Safety Schemes	25	ITB
Safer Routes to Schools	25	ITB
Ward Minor Measures	100	ITB
Grass Verge Programme	250	ITB
Birmingham Connected Infrastructure	200	ITB
Clean Air Zone	148	ITB
Clean Air Zone	990	Air Quality Grant
JDT	200	ITB
Highway Improvement Lines	25	ITB
<b>Total</b>	<b>2,793</b>	

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### TRANSPORTATION AND HIGHWAYS FUNDING STRATEGY 2017/18 TO 2022/23

### ANNEX E

#### HIGH LEVEL PROGRAMME RISK ASSESSMENT

No	Risk Description	Owner / Manager	Inherent Risk			Measures in place to manage	Residual Risk			Status	Further Action
			Impact	Likelihood	Exposure		Impact	Likelihood	Exposure		
1	Insufficient funding to fully deliver programme	Head of Growth and Transportation	High	Medium	High	Detailed programme and cost management. New sources of funding obtained	High	Medium	High	Same	
2	Objections from key consultees	Head of Infrastructure Projects	High	Medium	Medium	The scheme package has been discussed with senior members. Some schemes have already been consulted upon.	High	Low	Medium	Better	
3	Skills, capacity and capability insufficient to fully deliver programme	Head of Infrastructure Projects	High	Medium	High	Recruitment, training and use of consultant's framework put in place.	Medium	Medium	Medium	Better	
4	Contractors experience financial difficulties.	Contractor	High	Low	Medium	It is proposed to procure the works through current frameworks, in house resources or partner frameworks. Financial checks will be carried out during tender evaluation processes.	High	Low	Medium	Same	
5	Insufficient revenue resources to fully cover inventory growth	Assistant Director Transport and Connectivity	High	Medium	High	Revenue provision subject to Corporate/Directorate review.	High	Medium	High	Same	
6	Land Ownership.	Head of Infrastructure Projects	Medium	Medium	Medium	Land ownership has been reviewed. Some projects may require third party land or a CPO	Medium	Medium	Medium	Same	
7	Failure to meet grant conditions with funding being withheld.	Head of Infrastructure Projects	High	Low	Medium	Projects will be effectively managed to address issues affecting delivery and consequentially grant funding.	Medium	Low	Low	Better	
8	External funding bids unsuccessful	Head of Growth and Transportation	High	High	Medium	Close liaison being undertaken with external funders.	High	High	Medium	Same	Reprogramming to revised resources
9	Legal Agreements/Funding agreements with partners	Head of Infrastructure Projects	High	Low	Low	Most agreements in place. Ongoing dialogue with GBSLEP	Medium	Low	Low	Better	



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No	Risk Description	Owner / Manager	Inherent Risk			Measures in place to manage	Residual Risk			Status	Further Action
			Impact	Likelihood	Exposure		Impact	Likelihood	Exposure		
10	Further cost pressures identified	Assistant Director Transport and Connectivity	High	Medium	High	Continual management and review of projects and risks being undertaken.	High	Medium	High	Same	
11	Forecast net surplus bus lane enforcement income does not arise	Head of Growth and Transportation	High	Medium	High	Ongoing wider management of THFS and identification of new and windfall resources	Medium	Medium	Medium	Better	
12	Expected s106 contributions do not materialise	Head of Growth and Transportation	Medium	Medium	Medium	Regular engagement with Planning Management Service.	Medium	Medium	Medium	Same	
13	Sunk development costs become abortive and a revenue pressure	Assistant Director Transport and Connectivity	Medium	Medium	Medium	Close engagement with funder partners and provision made within revenue budgets.	Medium	Medium	Medium	Same	
14	New WMCA Mayor revises ITB budget allocations	Head of Growth and Transportation	High	Low	High	Close working with WMCA established	High	Low	High	Same	
15	ITB allocations reduced beyond 2020/21	Head of Growth and Transportation	Medium	Medium	Medium	Ongoing liaison with WMCA and overall management of THFS	Medium	Medium	Medium	Same	
16	Funding clawed back by funders	Head of Growth and Transportation	High	Low	High	Monitoring being undertaken to ensure compliance with grant conditions.	High	Low	High	Same	
17	A local contribution strategy cannot be identified for Tame Valley Viaduct and Dudley Road	Assistant Director Finance & Highways and Infrastructure/Transportation and Connectivity	High	Medium	High	Strategy being developed and scope and delivery strategies for the projects being reviewed.	High	Medium	High	Same	