

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	Acting Strategic Director of Economy
Date of Decision:	19th April 2016
SUBJECT:	CENTENARY SQUARE PUBLIC REALM IMPROVEMENT SCHEME: FULL BUSINESS CASE AND CONTRACT AWARD
Key Decision: Yes	Relevant Forward Plan Ref: 001415/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved ☐ O&S Chairman approved ☐
Relevant Cabinet Member:	Councillor Tahir Ali - Development ,Transport and Economy Councillor Stewart Stacey - Cabinet Member Commissioning, Contracting and Improvement
Relevant O&S Chairman:	Cllr Victoria Quinn, Economy, Skills and Sustainability Cllr Waseem Zaffar, Corporate Resources
Wards affected:	Ladywood

1. Purpose of report:
1.1 To seek acceptance to £10.55m of Enterprise Zone grant from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) to fund the Centenary Square Public Realm Improvement scheme. 1.2 To approve the Full Business Case for the Centenary Square Public Realm Improvement scheme (attached as Appendix 1 Public Report) 1.3 To provide details of the outcome of the selection process for the provision of design and construction works for the Centenary Square Public Realm Improvement scheme 1.4 An accompanying Private report contains the commercially confidential information.

2. Decision(s) recommended:
That Cabinet:-
2.1 Approves the Full Business Case for the Centenary Square Public Realm Improvement project (Appendix A) at a total capital cost of £10.55m. 2.2 Notes that prior to planning permission being granted and the completion of RIBA stage 4 works, the full capital cost of the project cannot be determined accurately, and that if this varies by more than 10% a further report will be presented to Cabinet. 2.3 Accepts £10.55m of Enterprise Zone grant from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) to fund the capital costs for delivering the Centenary Square Public Realm Improvement scheme. 2.4 Requires the City Centre Public Realm Project Board to ensure that the final design includes the ability to accommodate concerts, the Christmas Fair, the Big Wheel, the Ice Rink and the Remembrance Day Service and Parade centred on the Hall of Memory. 2.5 Delegates approval of the final design to the Strategic Director for Major Programmes and Projects in consultation with the Deputy Leader and Cabinet Members for Development, Transport and Economy and for Commissioning, Contracting and Improvement.

Lead Contact Officers:	Jim Wilson – Project Delivery Manager
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3. Consultation

3.1 Internal

The development of the project has been overseen by the Centenary Square Project Board and its advisors with representation from Planning and Regeneration, Acivico, Transportation.

Officers from Corporate Procurement, City Finance and Legal Services have been involved with the preparation of this report.

Ward Members for Ladywood Councillor Sir Albert Bore, Councillor Kath Hartley and Councillor Carl Rice have been advised on the scheme. Regular briefings have been held with Councillor Ian Ward, Deputy Leader. Councillor Lisa Trickett, Cabinet Member for Sustainability, has been briefed and supports the scheme. Briefings/Presentations to key Strategic Directors including the Strategic Director Major Programmes and Projects, Acting Strategic Director Place, and Acting strategic Director Economy have also been made and are supportive of the scheme.

3.2 External

- Presentation to Ladywood Neighbourhood Forum 28th February 2015
- A public consultation event was held for the final 5 designs, at the Library of Birmingham between 25th and 29th May 2015. The consultation outcomes were used by the panel of judges as part of the assessment process in selecting the preferred design partner for the scheme.
- Ongoing liaison with Centenary Square Strategy group and West Side Business Improvement District, who are supportive of the scheme.
- Several individual meetings plus a full presentation in December 2016 have taken place with boundary stakeholders who are supportive of the scheme
- The British Legion has been contacted and with the armed forces will be consulted throughout the Stage 4 design process to ensure that the final design enables the Remembrance Day Service and Parade to be centred on the Hall of Memory.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

4.1.1 The project is consistent with many of the Council Business Plan and Budget 2016+ objectives including the Big City Plan and Enterprise Zones Investment Plan 2012 and Economic Zones Prospectus.

4.1.2 Birmingham Business Charter for Social Responsibility

As a provider on the Constructing West Midlands Framework the recommended contractor is already an accredited signatory to the Birmingham Business Charter for Social Responsibility. An action plan with commitments relevant and proportionate to this contract and its value will need to be agreed with the contractor prior to contract award. Delivery of these commitments will be monitored through the project's contract management processes for the duration of the contract period.

4.2 Financial Implications

(Will decisions be carried out within existing finance and Resources?)

4.2.1 The capital cost of this proposal has been capped to £10.55m by the project board over two years (2016/17 and 2017/18). These costs will be fully funded from Enterprise Zone grant approved by the GBSLEP (see Appendix 4 Public Report approved Enterprise Zone Offer Letter). The profile of spend is shown within the Full Business Case in the attached Appendix 1.

4.2.2 Although a review of the current and potential future management and maintenance arrangements for Centenary Square is underway, the existing budgets will be utilised to maintain Centenary Square, with any savings due to the warrantee and improvements used to offset the costs of maintaining the water feature. However the completed square is expected to generate increased event income which will be reinvested in the Square to enhance the management and maintenance arrangements still further.

4.3 Legal Implications

4.3.2 Investment in economic development is made pursuant to the general power of competence contained in Section 1 of the Localism Act 2011.

4.4 Public Sector Equality Duty (see separate guidance note)

Equality Assessments were undertaken in relation to the Centenary Square scheme (Ref EA001151 attached as Appendix 2 Public Report). These assessments recognise that whilst there will be a wide range of positive impacts from the Centenary Square Improvement Scheme, due to the transformational nature of the proposals for the site there will be some initial negative impacts during construction. In order to mitigate the negative impacts as much as possible, all stakeholders including the public and local businesses will be kept informed and consulted throughout the whole implementation period.

5 Relevant background/chronology of key events:

- 5.1 The Centenary Square refurbishment project is part of a programme of schemes to transform the Westside of the City Centre. Featuring within the Big City Plan and the Enterprise Zone Investment Plan 2012, the site is centrally located, and once developed will be 'an attractive centrepiece' and key gateway to the expanding Central Business District, seamlessly connecting the Westside of the City Centre which includes the Paradise Forum, Arena Central, Baskerville Wharf, Symphony Hall, International Convention Centre, Repertory Theatre and the Library of Birmingham.
- 5.2 The Square is part of the wider investment plan in the area by the City, following the completion of the Library of Birmingham. The project reflects the City's ambition for the location in attracting significant inward investment to the area bringing with it valuable economic benefits for the people of Birmingham and beyond. The scheme complements the Metro project and the design will be commensurate with the new Paradise Forum and Arena Central developments and HSBC's new headquarters.
- 5.3 The project will deliver an outstanding world class public space for the City of Birmingham. The components of the new square combine to create a scheme which is creative and innovative and will become distinctively Birmingham; a place for people to visit, photograph and use, whether they live or work in or visit the City. The new space is also the finishing piece of the puzzle completing this area with a square that can unite all the surrounding new, existing and proposed developments. Key features of the scheme will include;
- A grid of 25 metre high lighting columns which will combine to create one of the main identifying parts of the design, a 'Hall of Columns';
 - A new water feature will sit at the centre of the design combining the interaction of the fountain jets for play and relaxation with the reflections of the surrounding buildings and sky above, while having the ability to be drained with ease to create the main events space within the square.
 - The glades of trees will create seasonality of interest at different times of year and below them will be a range of distinctive more intimate spaces, enabling informal play, relaxation and contemplation in a softer and more natural setting.
 - New edges of all the elements within the space will provide informal seating with mitigation against vehicles built seamlessly into the design
 - An enhanced setting of the Hall of Memory, respectfully integrated into the wider design of the square.
 - The site will be a centralised interface for the surrounding neighbours.
- 5.4 A new Metro stop will be located at Centenary Square, delivering passengers into the heart of this area. The Centenary Square Design team have liaised with Centro and their designers in order to ensure that all materials and design principles will be synchronised, ensuring seamless integration between the two schemes. The site will integrate with the public transport corridor to maximise the use of Centenary Square as a place to pass through, linger and enjoy as well as a space for events. This project will be transformational and provide a key focal point to complement the range of public and private sector investment currently taking place through Paradise, Arena Central and the

Metro, creating investor and occupier confidence which will attract future inward investment opportunities.

- 5.5 The Enterprise Zone Investment Plan (EZIP) was approved by LEP and Cabinet on 30th July 2012 which included a £25m contribution for the delivery of a Metro extension to Centenary Square and the refurbishment of the Square. Provisionally an allocation of £8m for Centenary Square was set aside to enable the scheme to be developed and a more accurate delivery cost confirmed.
- 5.6 A Project Definition Document was approved by Cabinet on 21st October 2013 for the release of funding to develop a concept design and prepare the Full Business Case. The funds made available included work to undertake the procurement of the design consultant for the scheme.
- 5.7 An international design competition was undertaken in order to select the appropriate design for the scheme. The design competition was administered using the RIBA competition platform (see <http://www.ribacompetitions.com/centenarysquare>). This ensured a fair process in advertising the tender to the most appropriate practitioners, providing maximum market exposure for the scheme and attracted interest from around the world to compete for the project.
- 5.8 The competition was launched in May 2015 seeking innovative designs to be delivered within budget parameters. The entries were assessed via a three stage process;
- Stage 1 Technical Assessment* – The entries underwent an initial filtering process and were evaluated by a team consisting of surveyors, design and construction professionals who then reduced the 185 entries to 35.
- Stage 2 Assessment* - The 35 entries were then assessed and shortlisted by a panel of judges based on a set criteria;
- Overall Design Quality,
 - Response to brief, context and constraints
 - Clarity of Presentation
- Stage 3 Appointment* – The remaining five entries shortlisted were required to develop their proposals to be further scrutinised at the final stage of the appraisal process which included a public consultation and a presentation to a panel which assessed against a set criteria;
- Quality/innovation
 - Response to feedback
 - Viability of submission and costs
 - Ability to deliver and work in partnership with Client Group.
- 5.9 The panel of judges, including the Council's Deputy Leader Cllr Ian Ward, BCC Officers and Stakeholder representatives, assessed the designs against the set criteria taking account of the results of the public consultation exercise. These included the ability to accommodate concerts, the Christmas Fair, the Big Wheel and the Remembrance Day Service and Parade centred on the Hall of Memory. The Panel chose the Graeme Massie Architects Ltd design and appointed them to develop the design through the RIBA stage 3. A Chief Officer Delegated Authority Report on 27th July 2015 released the budget to fund Graeme Massie Architects plus additional professional fees. The completion of RIBA stage 3 enabled the proposed scheme to be fully consulted on, plus gave more cost

certainty to be reported to Cabinet as part of this Full Business Case report.

- 5.10 Acivico Ltd was responsible for the tender process of appointing an organisation to undertake the RIBA stage 4 design and the construction of the scheme using Lot 7 of the Constructing West Midlands Framework Agreement (CWM) using Early Contractor Involvement (ECI).
- 5.11 The ECI approach enables improved team working, innovation and better planning between the client and project delivery partner. It enables the client to work with the contractor and design team to identify the scope of the scheme, resources required and risks in order to understand the project costs at an early stage before a contract is awarded. The benefits of the ECI process include;
- Early identification of stakeholders and management plan
 - Early identification of risks and management strategy
 - Early understanding of a cost plan and construction programme.
- 5.12 The contractor allocation process for Centenary Square improvement scheme used a Mini - Competition exercise where tenderers submitted responses to a quality questionnaire and an interview was carried out with the tenderers based upon their quality response. In the absence of any decision on preferred scheme design, there was insufficient detail to enable any assessment based on the costs and therefore the presentations made by the Contractors were assessed based on Quality only. Similarly it was not possible to compete Social Value commitments specific to this scheme and therefore a scheme specific Action Plan will be agreed with the contractor prior to contract award.
- 5.13 Four CWM contractors were invited to bid. One declined the offer to bid, another withdrew during the tender process and two responses were returned.
- 5.14 After the evaluation of the two tenders received, it was agreed that Supplier B would be recommended for the award of the contract to deliver the works for scheme. The allocation results are summarised within the CWM Allocation Decision Summary (see Appendix 3 Public Report).
- 5.15 On completion of the Stage 3 design by Graeme Massie Architects Ltd, cost estimates for the delivery of the scheme were produced by their surveyors, which were verified by Acivico Limited. Following the mini competition, Supplier B was tasked to review the cost estimates for the scheme which was provided by Graeme Massie Architects Ltd. The supplier compared the cost estimates against current market rates, and confirmed the estimated scheme delivery costs of £10.55m.
- 5.16 On confirmation of the estimated scheme delivery cost, the Enterprise Zone Executive Board approved the £10.55 grant to deliver the scheme (a £2.55m increase to the original provisional allocation of £8m).
- 5.17 The timescales for project delivery are as follows:

Activity	Timescales
Cabinet approval	April 2016
Planning approval	August 2016
Contract Award	November 2016
Start on site	January 2017
Contract completion	July 2018

5.18 Service Delivery Management

5.18.1 Contract Management

The accountability for the contract will be with the Executive Officer, the Strategic Director for Major Programmes and Projects, Corporate Resources who chairs the City Centre Public Realm Project Board. The contract will be managed operationally by the Project Delivery Manager - Planning and Regeneration who will report monthly on progress to the Board and will raise any issues arising relating to actual and forecast costs. The actual roles and responsibilities between the Project Manager and the Contract Manager will be agreed prior to the commencement of the contract. To ensure the successful delivery of the contract within the available budget, an up to date scope for each stage of the commission will be agreed by the Project Board, with amendments agreed only in reasonable circumstances. Any changes to scope will be managed through formal change control procedures, as required by the contract.

The Project Delivery Manager's responsibilities will include;

- Rigorous project monitoring throughout the life of the programme and reporting to the Project Board.
- Monthly review meetings will be held between the Project Manager, Framework Contract Manager and the appointed contractor, to ensure effective delivery against KPIs, Project Milestones, Objectives and Financial targets.
- The Project Manager will ensure the detailed monitoring and reporting of any risks, issues or exceptions to the Project Board, throughout the duration of the scheme.

5.18.2 Performance Management

The following Key Performance Indicators have been included to ensure sufficient performance management of the contract. These include:

- Performance against the agreed Target Cost under Option C of NEC Contract.
- Performance against Constructing Excellence UK Industry Key Performance Indicators for Time, Cost, Quality, Client Satisfaction and Health and Safety as per CWM terms and conditions.
- Performance of delivery against Social Value commitments.

6. Evaluation of alternative option(s):

- 6.1 Do nothing – This is not an option as the square is already in need of repairs and upgrades, and the expenditure will simply be postponed and not avoided.
- 6.2 Repair existing Public Square – The site is dated and in need of modernisation. Any basic repairs will fail to complement the quality, design standards and materials that are being implemented by the newer neighbouring developments.
- 6.3 Reduce Scope - The option for constructing with a lower budget was considered. However, to remove major elements such as the columns or water feature would have a major impact on the design and will not reduce the project costs significantly.
- 6.4 Deliver proposed scheme: This will provide a new world class Public Square, befitting of the Council's aspirations for this location. This is the recommended option.

7. Reasons for Decision(s):

- 7.1 To award the contract to progress the implementation of the Centenary Square Public Realm Improvement Scheme.

Signatures

Date

Councillor Tahir Ali
Cabinet Member for Development
Transport and the Economy

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Councillor Stewart Stacey
Cabinet Member Commissioning,
Contracting and Improvement

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Waheed Nazir
Acting Strategic Director for Economy

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List of Background Documents used to compile this Report:
• Big City Plan • Enterprise Prospectus 2012 • Project Definition Document - Metro Extension to Centenary Square and Associated Works

List of Appendices accompanying this Report (if any):
Appendix 1 Public Report Full Business Case a. Risk Register b. Stakeholder Analysis c. Site Plan/Design Plan Appendix 2 Public Report – Equalities AssessmentAppendix 3 Public Report – CWM Allocation SummaryAppendix 4 Public Report – Enterprise Zone Grant Offer Letter

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	The Council must, in the exercise of its functions, have due regard to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to: (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
4	Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to: (a) tackle prejudice, and (b) promote understanding.
5	The relevant protected characteristics are: (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation