

Outline Business Case (OBC)							
1. General Information							
Directorate	Economy	Portfolio Committee	Cllr Ian Ward				
Project Title	Commonwealth Games Village	Project Code					
Project Description	<p>Background</p> <p>Birmingham's bid to host the Games was based on the development of a dedicated Athletes Village complex that will accommodate around 6,500 athletes and officials during the Games. Post Games, it is proposed the dwellings constructed for this purpose will subsequently be retrofitted to provide residential units suitable for sale on the open market, or rent either as affordable housing or to the private rented sector.</p> <p>The Games requires the West Midlands Combined Authority (WMCA) to accelerate part of its £8bn 2026 Delivery Plan for Transport. This include potential upgrades of local railway stations, improved bus interchange, bringing forward a new bus rapid transit service (SPRINT) and road re-alignment of the highway to improve pedestrian and cycling routes encouraging more active and green travel. These works will provide significantly improved transport connectivity for Perry Barr and Games-time movement.</p> <p>The delivery of these projects requires the acquisition of land. The details of the land acquisitions are provided in Appendix 2a.</p> <p>Financial Implications</p> <p><u>Capital</u></p> <p>The Council has developed a package to fund the delivery of the Village and associated infrastructure that is expected to be in the region of £523.3m. This consists of:-</p> <table border="1"> <tr> <td>£20.0m</td> <td>Secured from the West Midlands Combined Authority contribution</td> </tr> <tr> <td>£158.5m</td> <td>HIF funding – subject to confirmation.</td> </tr> </table>			£20.0m	Secured from the West Midlands Combined Authority contribution	£158.5m	HIF funding – subject to confirmation.
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£303.2m	Disposal Proceeds
£30.0m	HS2 Connectivity Package
£11.6m	Other Grants and Contributions
£523.3m	Total

Revenue

The highway infrastructure improvements will create assets that will form part of the highway upon completion of the project; as such they will need to be maintained as a part of the overall highway maintenance regime and within existing resource allocations. This will be confirmed at the FBC stage.

For the Village, the new homes that are built may incur void council tax charges and security costs while they are being retrofitted and prior to being brought into use.

There are a number of internal resources working across a range of disciplines including Planning, Highways, Finance, Housing Development, Procurement and Legal Services, to support the delivery of the Perry Barr regeneration. The revenue implications for the duration of the programme will be absorbed as business as usual.

Procurement

To support the delivery of the regeneration programme there is a requirement for services and works contracts to be procured. These include: -

- Procurement Strategy for the Highway Infrastructure Improvements in preparation for the Commonwealth Games and its Legacy;
- Procurement Strategy for the Professional Services for the Acquisition of Various Properties within Perry Barr
- Procurement Strategy for the Professional Services for the Ground Investigation and Remediation for the CWGV Sites

The details of the overall delivery strategy and the proposed procurement processes to be followed are provided in Appendix 3.

The City Council has entered into a number of contracts. These include: -

- With Arcadis to provide professional services for the design and build of the Athletes village;
- Acquisitions/disposal advice.

- Professional services contract with Aecom to develop the highway infrastructure proposals.

Partner organisations have also entered into a number of contracts that support the delivery of this programme. These includes: -

- Bus interchange improvements, using the Black Country Framework Contract for Minor Works 2016 - 2019;
- Rail station upgrade works;
- Rapid Bus Transit 'Sprint' Infrastructure and Vehicle acquisition by TfWM.

Land Acquisitions

Appendix 2a identifies the maximum extent of the acquisitions needed to deliver the projects set out in this OBC and meet the City's aspirations for a successful Village and the regeneration of Perry Barr District Centre.

The acquisitions will: -

- Enable delivery of the games time village including site for temporary overlay which in legacy will provide for housing growth;
- Provide for the delivery of highways improvement and public transport enhancements including the station and bus interchange;
- Deliver wider regeneration including enhancement of the local centre, and additional housing growth.

Link to Corporate and Service Outcomes

The Council's Vision and Priorities focus on Birmingham being a city of growth where every child, citizen and place matters. The priorities are for Children, Housing, Jobs and Skills and Health. Regeneration of the Perry Barr District Centre maximises the opportunities to align delivery of the City's vision with the vision held by both Government and the Commonwealth Games Federation for the Games and its legacy successes.

Children and Young People

The regeneration would provide an inspirational focus for work with children and young people. The Games, particularly, can be used in tailored curriculum work at schools, provide volunteering opportunities for students and opportunities for children and adults. While the regeneration with its improved housing and enhanced green spaces coupled with better education and community facilities, will provide a nicer living environment, all contributing to the mental health and wellbeing of the local community.

Jobs and Skills (and inclusive economic growth)

The regeneration would provide job opportunities in a range of areas including construction, management, and small business enterprise.

The Games will provide short term economic benefits because of the visitor numbers and direct job creation. A volunteer programme will allow participants to gain accreditation and strengthen skills and confidence. This can help equip people young and old for work and give confidence to those who have been excluded from employment.

Housing

An essential part of the Games is the provision of the Commonwealth Games Village (Games Village). This would be a development of approximately 1,400 homes used to house the athletes and officials during the Games. After the Games these will be refurbished and made available to a range of tenants including social/affordable rent, private rent, homes for sale and an extra care village. The Village will be the catalyst for an accelerated programme of regeneration in Perry Barr including significant investment in infrastructure. This will in turn lead to the development of additional homes in the wider area.

Increasing housing numbers and the range of the housing offer is a key part of the City's corporate priorities, aligning with the Birmingham Development Plan.

Health

The village will be designed to maximise positive health outcomes, providing an environment that promotes health and wellbeing, including mental health. The Games are a significant opportunity to promote a healthy and active lifestyle.

Transport

The regeneration is proposing to accelerate existing planned improvements to the public transport network, providing high quality transport in Games time and deliver a sustainable legacy transport network in line with Birmingham Connected and the HS2 Growth Strategy.

Community and Social Cohesion

The regeneration will be an important symbol and driver for messages about pride in the city, the identity of the community of Birmingham and pride in the history of the people who have come together to form the identity of the city and the region. The regeneration will be designed to demonstrate that physical and cultural activity can be some of the catalysts that bring people, communities and places together. It will help to break down real and perceived barriers, improving community resilience and promoting a greater understanding and tolerance of "those not like me" amongst people of all ages.

Social Responsibility

The City Council will require any contracted organisation delivering works and or services or goods, subject to the threshold values, in relation to the regeneration to be a certified signatory to the Birmingham Business Charter for Social Responsibility (BBC4SR) with an action plan of commitments relevant to the contract awarded. Their compliance with the Birmingham Living Wage Policy will also be a mandatory requirement.

<p>Project Benefits</p>	<p>The Games Village and supporting transport and highways infrastructure will provide benefits that extend out into the wider community. These include: -</p> <p><u><i>Housing growth</i></u></p> <ul style="list-style-type: none"> • Transforming the environment. Providing a vastly improved environment in terms of housing, infrastructure and services will transform the area, to a modern 21st century showpiece which citizens will enjoy and aspire to associate with; • The pleasant and green environment will improve the quality of life of the local population, along with their mental health and well-being; • Bringing forward investment in the much more wider and comprehensive area of Perry Barr more quickly than the Council could achieve without the Games; • The regeneration will attract investment into the area providing additional employment, training and volunteering opportunities for our citizens; • Strengthen regional partnerships by working closely with partners across the city and the wider West Midlands; <p><u><i>Improved Highway and Transport Infrastructure</i></u></p> <ul style="list-style-type: none"> • The new infrastructure will be environmentally friendly and sustainable having a significant positive impact on the carbon footprint and the scheme will help to support economic development in the area by enabling retail, commercial and housing growth through development opportunities and improved linkages; • Provide a more efficient transport infrastructure and improved highway capacity that will allow for additional housing growth at pace; • Provide better public transport and improved connectivity; • Brings forward key projects within the West Midlands Combined Authority (WMCA) £8bn 2026 Delivery Plan
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	<p>for Transport</p> <p><u><i>Land and Property Acquisitions</i></u></p> <ul style="list-style-type: none">• Will allow the City to deliver housing growth and associated regeneration at Perry Barr district centre including the Athletes' Village which will in legacy deliver a significant element of the housing growth,• Allow the city to develop sites for further housing growth,• Develop the local infrastructure to support the wider regeneration interventions necessary to support the proposed level of growth including the delivery of necessary highways works, improved public transport provision, enhanced public realm, and community infrastructure.
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<p>Project Deliverables</p>	<p>The Village and improved highways and transport infrastructure provides a unique opportunity to regenerate the Perry Barr area and provide a number of benefits within the locality. These include: -</p> <p><u>Commonwealth Games Village and Legacy sites</u></p> <p>The host city will be required to accommodate around 6500 athletes and team officials during the Games. Birmingham is proposing to deliver this requirement through the development of:</p> <ol style="list-style-type: none"> 1. New residential development of c. 1400 units including apartments, town houses and mews houses which will provide the residential element of the Athletes' Village Post-Games these will be retrofitted to provide housing of a range of tenures to meet local need; this will be the first phase of the significant housing growth proposed at Perry Barr. The City Council is the developer of this scheme. 2. An 'overlay' site that will provide for a range of Games-time uses such as a dining hall, transport mall, operational and organisational space, leisure space and a 'village heart' with services for athletes and official visitors. Much of this will be provided on a temporary basis, by the Organising Committee (OC). However, the City will provide a cleared and serviced site to the OC. The overlay and servicing will be designed to reflect the legacy proposals for the site such that wherever possible utility and services infrastructure will service the needs of legacy developments. In legacy some of the land will revert to community sports/leisure uses, while the majority will accommodate further housing growth. The approach to delivery will be informed by the disposal strategy reflecting market conditions post Games. <p>The permanent element of the Village and cleared sites for temporary overlay, have to be provided to the OC by January 2022 to allow sufficient preparation time for the Games.</p> <p><u>Highways and Transport</u></p> <p>Significant highways works are necessary to improve the capacity and efficiency of the local transport infrastructure. This will enable the land for the residential element of the Athletes' Village to be assembled and accommodate future housing.</p>
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	<p>These works also work to enhance of the public transport offer, also improving the walking and cycling routes across the area. To ensure the games are delivered successfully and facilitate this scale of growth, there is a need to enhance the transport infrastructure of the area. Proposals include:-</p> <ol style="list-style-type: none"> 3. Highway redesign will include improvements to the Birchfield Road Roundabout with the provision of a new signalised junction together with the possible removal of the Birchfield Underpass. It will include changes to the Perry Barr Gyratory to reconfigure the A34 / A453 junction to remove traffic from the section of the A453 fronting the former Birmingham City University site, including the possible removal of the Birchfield Flyover. The scheme will provide Sprint and bus priority through Perry Barr. The scheme will also see improved pedestrian and cycle linkages and better transport connectivity. The final proposals will be determined following completion of the traffic modelling and an options appraisal. 4. The existing bus interchange is to be redeveloped providing greater capacity and ensuring it is fit for purpose for the Games and beyond. 5. Rail improvements include the redevelopment of the Perry Barr station. 6. Bus Rapid Transit (Sprint) is being introduced through Perry Barr as part of the wider Sprint scheme across the City. Sprint proposals will need to be incorporated into the various highway schemes proposed on the A34 and both TfWM and the City Council are working together to deliver these proposals. 7. The Birmingham Cycle Revolution (BCR) along the A34 - currently end at Heathfield Road. Plans to extend this to Perry Barr are to be considered and included in the wider highway proposals. <p>These will help facilitate Games-time movement and also provide the necessary infrastructure to continue with the sustainable regeneration of the area.</p>
Key Project Milestones	Planned Delivery Dates
The timetable for delivering the Athletes Village and supporting	

infrastructure will need to be completed by 31 December 2021 to handover to the CGF in January 2022 thus allowing them sufficient preparation time for the Games.

Games Village

Village design -----	Jan – June 18
Demolition and site clearance commence-----	June 18
Planning approval -----	Aug 18
Land acquisition for residential development-----	Sept 18
FBC & Contractor approval -----	Oct/Nov 18
Land acquisition for 'overlay' sites -----	Sept 19
Construction of village complete -----	Jan 22
Games temporary infrastructure complete -----	June 22
Disposal of Assets-----	Feb 24

Transport Infrastructure

A34 Improvements and Bus Interchange

Options appraisal -----	Aug 18
Detailed design -----	July 19
Contractor approval -----	July 19
FBC Cabinet approval -----	Oct 19
Construction Completion-----	Dec 21

Note the Bus Interchange may be delivered separately depending on the wider design development

Station upgrade

Scope Definition -----	April 18
Feasibility -----	Aug 18
Options Appraisal -----	Dec 18
Design approved -----	Nov 19
Contractor approval-----	Jan 20
Construction complete -----	Dec 20

Sprint

Advance works -----	March 19
Final Business Case -----	Dec 19
Main Construction Commence-----	Jan 20
Scheme Complete -----	Dec 21

<p>Dependencies on other projects or activities</p>	<ol style="list-style-type: none"> 1. Planning approval will be required for the Athletes Village and other developments. 2. Approval for the HIF Funding from Central Government will be required to ensure the housing requirements of the CGF are met.
<p>Achievability</p>	<p>A Programme Board has been established to oversee the development and delivery of the projects set out in the OBC.</p> <p>The Council has appointed Employers Agent Arcadis to provide the professional team who will support the Council in delivering the athletes village and legacy proposals and provide services including site investigation, architectural design, preparation of planning application, cost control, quantity surveying, mechanical and electrical design services, structural engineers, procurement advice and Clerk of Works services.</p> <p>The Council's BMHT who have a strong positive track record of delivering housing development schemes in the city will be providing technical expertise and support.</p> <p>The Commonwealth Games Federation Partnership, established by the Commonwealth Games Federation to support Host Cities in delivering efficiently, to is providing guidance to support the city in providing an effective and successful Games-time village. This will continue following the formation of the Organising Committee. BCC has also appointed a Villages specialist to work alongside BCC Officers to support the City's interests.</p> <p>The transport infrastructure projects have engaged Aecom to provide professional advice for the A34 improvements; WSP for support on the Bus Interchange; and TfWM supporting the delivery of the station upgrade and Sprint service.</p> <p>Significant internal resource is already committed to this programme and additional resources are required to ensure the timely delivery of the projects. This includes expertise in: - Programme and project management; Housing development; Transportation, Property Planning;</p>

	Legal; Finance; Procurement.		
Project Manager	Mumtaz Mohammed email: - Mumtaz.mohammed@birmingham.gov.uk Tel: - 07823534979		
Project Accountant	Guy Olivant email: - Guy.olivant@birmingham.gov.uk Tel: - 0121 303 4752		
Project Sponsor	Ian MacLeod email: - ian.macleod@birmingham.gov.uk Tel: - 0121 303 4752		
Project Board Members	A project board is established with representatives of partners responsible for monitoring and delivering the projects set out in the OBC. This includes: BCC (planning, housing, Birmingham Property Services, procurement, finance, transportation) Transport for West Midlands Homes England West Midlands Combines Authority Arcadis		
Head of City Finance (HoCF)	Guy Olivant	Date of approved	

<i>Other Mandatory Information</i>	
• Has the project budget been set up on Voyager?	Yes
• Issues and Risks updated (please attach a copy to the OBC and on Voyager)	Yes/no

2. Location of Commonwealth Games Village

Birmingham was confirmed as Host City for the Commonwealth Games in December 2017. At this time Cabinet also approved the development of the Commonwealth Games Village to accommodate around 6500 athletes and team officials during the Games.

The Village, including the residential accommodation and sites for the temporary overlay (including office, medical, storage, dining hall, transport mall and ceremonial space), has to be handed over to the Organising Committee in January 2022 to allow sufficient preparation time for the Games.

An options appraisal for the location of the Village was carried out during the bid process, with the former Birmingham City University campus and adjacent land at Perry Barr identified as the most appropriate and deliverable location. Post Games the athletes accommodation will be converted to general needs housing, some of which will be retained by the Council, and some will be sold on for other tenures including affordable housing, private rent and owner occupation.

The Village will contribute towards the BDP's approach to meeting the City's need for housing growth and supporting infrastructure has identified Perry Barr as an opportunity for regeneration. The extent and pace of this regeneration is however, dependent on HIF funding being made available.

3. Budget Information					
	2017/18	2018/19	2019/20	Later Years	Totals
	£'m	£'m	£'m	£'m	£'m
Capital Costs and Funding					
Expenditure:					
Land Acquisition		48.5			48.5
Construction Costs		25.2	100.5	152.8	278.5
Infrastructure / Highways		14.0	26.9	26.8	67.7
Transportation		6.0	7.1	38.4	51.5
Fees	0.5	2.5	1.1	3.5	7.6
Contingency		9.7	13.6	22.5	45.6
Capitalised Interest		0.3	1.6	17.9	19.8
Totals	0.5	106.2	150.8	261.9	519.4
Funding					
HIF		(67.7)	(67.7)	(23.1)	(158.5)
LRF		(19.2)	(0.8)		(20.0)
Sales Proceeds			(2.7)	(300.5)	(303.2)
HS2 Connectivity		(0.6)	(7.0)	(22.4)	(30.0)
Other		(0.1)	(2.1)	(9.4)	(11.6)
Totals	0.0	(87.6)	(80.3)	(355.4)	(523.3)
Net Capital Cost / (Benefit)**	0.5	18.6	70.5	(93.5)	(3.9)
Revenue Consequences					
Rental of Overlay				1.0	1.0
Council Tax				2.0	2.0
Fees	0.1	0.2	0.2	0.4	0.9
Totals	0.1	0.2	0.2	3.4	3.9

** - In year capital funding deficits will be funded through prudential borrowing, with interest capitalised and both principal and repaid through sales proceeds in later years.

6. Project Development Requirements/Information

Products required to	Separate Business Cases will be developed for each of the key aspects of the Programme that Birmingham City Council is responsible for, namely:
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produce Full Business Case	<p>The Athletes Village, overlay and underlay; The Highway infrastructure.</p> <p>Business Case will include: - Internal liaison with key City Council Officers; Consultation and stakeholder liaison; Requirements analysis; Detailed design; Cost estimates; Whole life costings; Cost-benefit analysis; Notification requirements; Equalities Analysis.</p>
Estimated time to complete project development	<p>The athletes village – 12 months</p> <p>Transport Infrastructure – 12 months.</p>
Estimated cost to complete project development	<i>These costs are integral to the costs of delivering the Village, and are included within the overall costs set out above.</i>
Funding of development costs	<i>Included above</i>

Planned FBC Date	<p><i>Date service expects to receive FBC approval from Cabinet/Cabinet Committee</i></p> <p><i>Athlete Village – Oct 2018</i></p> <p><i>Highways infrastructure – Oct 2019</i></p>	Planned Date for Technical Completion	<p><i>Village and supporting highways infrastructure to be completed by December 2021</i></p>
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APPENDIX 1

Key Risks & Issues						
Risk ID	Description	Likelihood	Impact	Owner	Mitigation/Update	Proximity
Risk	<p>Land Assembly</p> <p>There is a risk that all of the required land is not within the control of BCC in order for demolition and construction work to commence at the Perry Barr site.</p>	M	H	Ian Macleod	<p>Making of CPO con-current with ongoing negotiations with land owners to secure acquisition of land.</p> <p>If all land is not in BCC's control, either a licence agreement will need to be pursued or a re-phasing of the demolition process</p>	26 June 2018
Risk	<p>Planning</p> <p>Planning application for the residential element of the CWG Athletes Village may be delayed by client changes.</p>	H	M	Clive Skidmore	<p>Managing clients expectations of scope and robust checking of application prior to submission.</p>	29 June 2018
Risk	<p>Procurement</p> <p>Failure to secure a single contractor to develop works due to scale and size of works.</p>	M	H	Clive Skidmore	<p>Arcadis to engage in soft market testing of preferred procurement routes.</p>	Sept. 2018
Risk	<p>HIF Funding Timeframe</p> <p>The HIF funding is required to progress the delivery of Accommodation for the Village. Decision on the HIF BID is not expected until late autumn/early winter 2018.</p>	M	H	Ian MacLeod	<p>Due to tight timescales the project will continue at risk and commence OJEU tender process for main construction contractor.</p> <p>The subsequent HIF decision will enable the project to seek authority from cabinet to enter into contract with the main construction contractor.</p> <p>Failure to secure the funding will require an alternative approach to housing athletes and officials.</p>	Autumn 2018
Risk	<p>Site Access</p> <p>Site access, egress, logistics, labour materials etc. are restricted for construction traffic due to associated other construction works taking place in the vicinity (i.e. Highways Improvement, Sprint, Rail upgrade, utility works or work associated with neighbouring schemes</p>	M	H	Clive Skidmore	<ol style="list-style-type: none"> 1. Appoint a Project manager for co-ordinating all works. 2. Ensure that there is an agreed set of rules that all contractors working around the Athletes Village are signed up to and that there is a regular forum which all contractors attend to co-ordinate works. 3. Ensure that rules are issued at tender stage to tendering main contractor for the Athletes village. 	January 2019

APPENDIX 1

Risk	Main contractor or sub contractor becomes insolvent due to poorly performing projects and cashflow issues resulting need to re-procure a main contractor/sub contractor	L	H	Clive Skidmore	1. Arcadis to ensure that a thorough financial check is undertaken on short listed main contractors and key sub-contractors. 2. BCC to consider taking out a bond to enable them to complete the works without the need for a lengthy re-procurement exercise.	On going
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