

| Full Business Case (FBC) |  |                         |                     |
|--------------------------|--|-------------------------|---------------------|
| 1. General Information   |  |                         |                     |
| Directorate              | Economy  | Portfolio/<br>Committee | Transport and Roads |
| Project Title            | BATTERY WAY EXTENSION  | Project Code            | CA-02710            |
| Project Description      | <p><b><u>Introduction</u></b></p> <p>This document represents the Full Business Case (FBC) for the Local Growth Fund (LGF) – Battery Way Extension. This scheme will unlock access to development sites as well as provide an alternative route between Warwick Road and Reddings Lane, which will bypass residential areas and improve safety and accessibility for all road users.</p> <p><b><u>Background</u></b></p> <p>On 7th July 2014, the Government announced 39 Growth Deals to Local Enterprise Partnerships (LEP). One of the City Council promoted transportation projects included within the specific GBSLEP Growth Deal was the Battery Way Extension scheme.</p> <p>The Battery Way Extension scheme proposal comprises the construction of a new road linking Warwick Road to Reddings Lane utilising land that previously formed the Yuasa Battery Site. A new traffic signal controlled junction will also be created between the new road, Reddings Lane and Olton Boulevard West. The new road will facilitate the development of the adjacent land, which is owned by a private developer, and has the potential to create approximately 345,000 sq ft of commercial floor space and 700 new jobs. The scheme will also incorporate pedestrian and cycling crossings. Planning permission for the new road was granted on 25th June 2015.</p> <p>The proposals are shown on drawing no's CA-02711_S1_ 020 (attached in Appendix E to the Executive Report) and comprise:</p> <ul style="list-style-type: none"> <li>• Construction of a new single carriageway road, approximately 700m in length, connecting A41 Warwick Road to Reddings Lane including cycle lanes along the entire length;</li> <li>• Removal of 35 trees;</li> <li>• New landscaping along the length of the proposed road including planting of 46 new trees;</li> <li>• Conversion of the mini-roundabout at the junction of Reddings Land and Olton Boulevard West to a signal controlled junction to better manage traffic and installation of pedestrian / cycle crossings at the junction to improve safety for non-motorised road users.</li> </ul> <p>Approximately 1658m<sup>2</sup> of Open Space, as shown in the plan at</p> |                         |                     |

Appendix G to the Executive Report, is to be released for incorporation into the improved and widened road. Improvements such as landscaping, upgraded fencing and tree planting will be carried out to the boundaries and the area immediately next to the road to compensate for loss of Public Open space.

An area (totalling 410m<sup>2</sup>) of Public Open Space, as shown at Appendix H to the Executive Report, is to be disposed of to permit land swap with the developer. This land swap is required to improve the alignment of the proposed junction improvement at Reddings Lane / Olton Boulevard West, protect six dwellings and a business from being subject to Compulsory Purchase Order and subsequent demolition, and to reduce the overall loss of Public Open Space.

The scheme will enhance the local area by:

- Providing access to employment sites outside of Birmingham city centre;
- Construction of a new road linking Warwick Road and Reddings Lane, bypassing a busy residential area and increasing safety for local residents;
- Installation of new pedestrian and cycling facilities improving safety for all road users.

On 16<sup>th</sup> March 2015, Cabinet approved the Project Definition Document (PDD) for the Local Growth Fund Transport and Connectivity Projects, giving approval to commence development of the Battery Way Extension scheme. The estimated cost at PDD stage was £2.570m. In August 2015, a Business Case for Battery Way Extension was presented to the GBSLEP, estimating the total scheme cost at £2.774m. The minor increase was due to increased design and legal fees.

During the project development stage, and following expert geotechnical input, project risks were reviewed. It was considered prudent to seek additional funding to cover the earthworks costs, with a contingency provision for unforeseen works through this brownfield site. An additional £1.25m LGF was sought from GBSLEP in May 2016. This was approved on 27th May 2016 by the Greater Birmingham and Solihull Growth Team and the total project cost is now estimated at £4.024m.

### **Funding Implications**

The estimated cost of the proposals covered by this FBC is £4.024m (including, works, contingency, statutory undertakers, CPO costs and fees). The project is funded by £0.157m Integrated Transport Block (ITB), £0.157m S106 (Battery Way 2013/04953/PA) funding and £3.710m Local Growth Fund (LGF).

### **Revenue Implications – Infrastructure Works**

This project will create assets that will form part of the highway upon completion and as such they will need to be maintained within the overall highway maintenance regime. The estimated annual cost of accruing these newly created assets is £0.049m

and this will be funded from the provision for Highways Maintenance held within Corporate Policy contingency.

### **Consultation Summary**

A public consultation exercise for Battery Way Extension was carried out in February / March 2015.

Ward Councillors, the Executive Member for Local Services (Hall Green and Yardley), MP's, Emergency Services, Centro, bus operators, cycling groups, key stakeholders and residents were all consulted with as part of the scheme development. Following scheme development, further consultation with Ward Councillors and residents was carried out in June 2016 regarding the possible loss of parking in the area.

Evaluation of all consultations is given in Appendix D to the Executive Report.

### **Procurement Strategy**

The highway works will be procured as a single contract through the Birmingham City Council Highways and Infrastructure Works Framework. Contractors on Lot 4 (over £0.5m) will be invited to tender under the National Engineering & Construction Contract - Option C (Activity Schedule). Quotations will be assessed in accordance with the framework agreement following the City Council's Corporate Procurement Services Evaluating Tenders Procedure document.

The appointment of the contractor to carry out the construction works would follow completion of the land acquisitions either by negotiation or CPO.

The PDD included the requirement to terminate the tenancy of a café at 152 Reddings Lane. The lease was terminated on 6th May 2016. This property will be demolished as part of this scheme as it falls within the outer limits of the new road alignment. As part of the demolition, the outer wall of property 150 will be made good under a party wall agreement. Acivico will be used to oversee the demolition and party wall works with Contractors procured under Chief Officer delegation.

### **Equalities Analysis**

An Equality Analysis for Battery Way Extension has been carried out and is attached as Appendix B to the Executive Report. The scheme is aimed at improving facilities for all road users including the local community and it is not envisaged that any user group will be adversely affected by the proposals. This will be monitored and updated accordingly throughout the life of the scheme.

### **Compulsory Purchase Order (CPO)**

Negotiations with affected land owners, for acquisition of private land, commenced early 2015 and are progressing. It is hoped that the land can be acquired voluntarily. If not however, it is

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|  | <p>proposed to make a CPO to give the statutory powers to secure the private land interests. The CPO process will run in parallel to the negotiated land acquisition process.</p> <p><b><u>Key Milestones</u></b></p> <ul style="list-style-type: none"> <li>• Full Business Case Approval – July 2016</li> <li>• Appoint Contractor – December 2016</li> <li>• Commence Works – March 2017</li> <li>• Complete Works – March 2018</li> <li>• Post Implementation Review – March 2019</li> </ul>   |                         |   |
| <b>Links to Corporate and Service Outcomes</b>     | <p><b><u>City Council Objectives</u></b></p> <p>The Battery Way Extension scheme fully supports the primary objectives as set out in the City Councils Business Plan and Budget 2016+. The proposal contributes to “strong economy” through investment in transport infrastructure that supports new developments being built in Birmingham. It also aligns with the GBSLEP Strategy for Growth, Strategic Economic Plan.</p> <p><b><u>Birmingham Business Charter for Social Responsibility (BBC4SR)</u></b></p> <p>Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. The framework providers that will be invited to tender are all certified signatories to the charter. Tenderers will submit additional actions which support the local economy and create much needed jobs and apprenticeships with their tender proportionate to the value of this contract that will be added to their action plan. The action plan of the successful tenderer will be implemented and monitored during the contract period.</p> |                         |   |
| <b>Project Definition Document approved by</b>     | Cabinet  | <b>Date of Approval</b> | 16 <sup>th</sup> March 2015   |
| <b>Benefits Quantification- Impact on Outcomes</b> | <b>Measure</b>   |                         | <b>Impact</b>   |
|  | Construction of New Road   |                         | Creates access to new development site, creating commercial floor space and new jobs, and diverts traffic away from using residential roads as through routes |
|  | Conversion of mini-roundabout to traffic signal controlled junction  |                         | Better management of traffic at the junction and improved safety for drivers  |
|  | Implementation of signal controlled crossings  |                         | Improve safety for all non-motor vehicle users and improve accessibility to local amenities in the area   |
|  | Implementation of cycle facilities along new road  |                         | Provide a safe route for cyclists to local amenities and promote sustainable transport  |
|  | Landscaping along new road   |                         | Mitigate against loss of Public   |

|   |   |  |
|---|---|--|
|   |   | Open Space and creation of a pleasant environment  |
|   | Connection of traffic signals to Urban Traffic Management Control   | Allows remote control of the junction to ensure signal timings can be adjusted to suit traffic flows |
| <b>Project Deliverables</b>                         | <p>The project will deliver improvements for all road users including:</p> <ul style="list-style-type: none"> <li>• 700m of new single carriageway and associated footways, cycle lanes and soft landscaping</li> <li>• Improved junction at Reddings Lane / Olton Boulevard West which will be controlled by traffic signals</li> <li>• Controlled pedestrian facilities to improve accessibility and safety in the area</li> <li>• Connection into proposed Birmingham Cycle Revolution parallel route</li> <li>• New landscaping including the provision of 46 new trees, which will offset the 35 trees that require removal.</li> </ul> <p>A beneficial impact on social connectivity is also anticipated by providing better access to services, improved journey quality and enhanced physical activity.</p> |  |
| <b>Scope</b>  | This project includes the construction of a new road on the former Yuasa Battery Site, and improvements to the Reddings Lane / Olton Boulevard West junction.   |  |
| <b>Scope exclusions</b>                             | This project covers the measures outlined in this report and excludes any works carried out as part of the Birmingham Cycle Revolution.   |  |
| <b>Dependencies on other projects or activities</b> | <ul style="list-style-type: none"> <li>• Appropriation / Disposal of Public Open Space.</li> <li>• Securing private land either by negotiation or CPO.</li> <li>• Land Exchange Agreement with developer</li> <li>• Delivery of Traffic Regulation Order related items is dependent on there being no objections during the statutory process, and any unresolved objections being reported to the Cabinet Member for Transport and Roads for consideration.</li> <li>• Appointment of contractors and placing of orders</li> </ul>   |  |
| <b>Achievability</b>                                | <p>The project involves standard highway engineering and measures and the City Council has in-house experience of successfully delivering highway projects of this nature. Specialist expertise and support has been obtained through appropriate external consultants for Highway design elements, safety audits and Construction Design Management (CDM) responsibilities.</p> <p>Notice will be given to Contractors on the Highways and Infrastructure Works Framework of the tender opportunity. This will enable Contractors to plan resources to price and return the tender within the set timescales.</p> <p>Statutory Undertaker's diversions are required and these will be programmed into the construction and managed by the contractor to minimise any disruption to road users and delay to the</p> |  |

|   |  |   |                                  |
|---|--|---|----------------------------------|
|   | construction programme.  |   |                                  |
| <b>Project Managers</b>                               | Gavin Maciel<br>Tel: 0121 675 4332 E-mail: <a href="mailto:gavin.maciell@birmingham.gov.uk">gavin.maciell@birmingham.gov.uk</a>  |   |                                  |
| <b>Budget Holders</b>                                 | Peter Parker Tel: 0121 303 7096<br>E-mail: <a href="mailto:peter.parker@birmingham.gov.uk">peter.parker@birmingham.gov.uk</a>  |   |                                  |
| <b>Sponsors</b>                                       | Anne Shaw – Assistant Director, Transport & Connectivity<br>Tel: 0121 303 6467 E-mail: <a href="mailto:anne.shaw@birmingham.gov.uk">anne.shaw@birmingham.gov.uk</a>  |   |                                  |
| <b>Project Accountant</b>                             | Alison Jarrett – Assistant Director, Finance<br>Tel: 0121 675 5431 E-mail: <a href="mailto:alison.jarrett@birmingham.gov.uk">alison.jarrett@birmingham.gov.uk</a>  |   |                                  |
| <b>Project Board Members</b>                          | <ul style="list-style-type: none"> <li>• Project Director – Peter Parker</li> <li>• Project Manager – Gavin Maciel</li> <li>• Policy Manager – Phil Edwards</li> <li>• LGF Manager – Lesley Edwards</li> <li>• Alison Jarrett – Finance</li> </ul> |   |                                  |
| <b>Head of City Finance (HoCF)</b>                    | Simon Ansell   | <b>Date of HoCF Approval:</b>               | 12 <sup>th</sup> July 2016       |
| <b>Planned start date for delivery of the project</b> | March 2017<br>(construction start)   | <b>Planned date of technical completion</b> | March 2018<br>(construction end) |

| 2. Budget Summary   |              |                          |                          |                          |                          |                         |
|---|--------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
|   | Voyager Code | 2014/15                  | 2015/16                  | 2016/17                  | 2017/18                  | Totals                  |
|   |              | £'000                    | £'000                    | £'000                    | £'000                    | £'000                   |
| <b>Capital Costs &amp; Funding</b>  |              |                          |                          |                          |                          |                         |
| <b><u>Development, Design, Legal and Implementation Costs</u></b>           | CA_02711-03  |                          |                          |                          |                          |                         |
| <b>Total</b>  |              | <b>44.40</b>             | <b>141.20</b>            | <b>550.00</b>            | <b>3288.40</b>           | <b>4024.00</b>          |
| <b><u>Funding</u></b>   |              |                          |                          |                          |                          |                         |
| LGF   |              | 0.00                     | 141.20                   | 550.00                   | 3018.80                  | <b>3710.00</b>          |
| Integrated Transport Block  |              | 44.40                    | 0.00                     | 0.00                     | 112.60                   | <b>157.00</b>           |
| S106  |              | 0.00                     | 0.00                     | 0.00                     | 157.00                   | <b>157.00</b>           |
| <b>Funding Total (Capital)</b>  |              | <b>44.40</b>             | <b>141.20</b>            | <b>550.00</b>            | <b>3288.40</b>           | <b>4024.00</b>          |
|   |              |                          |                          |                          |                          |                         |
| <b><u>Revenue Consequences</u></b>  |              | <b>2014/15<br/>£'000</b> | <b>2015/16<br/>£'000</b> | <b>2016/17<br/>£'000</b> | <b>2017/18<br/>£'000</b> | <b>Totals<br/>£'000</b> |
| <b><u>Infrastructure Works</u></b>  |              |                          |                          |                          |                          | (Full Year)             |
| Maintenance Costs   |              | 0.00                     | 0.00                     | 0.00                     | 0.00                     | 49.00                   |
| <b>Infrastructure works Total</b>   |              | <b>0.00</b>              | <b>0.00</b>              | <b>0.00</b>              | <b>0.00</b>              | <b>49.00</b>            |
| <b><u>Funded By:</u></b>  |              |                          |                          |                          |                          |                         |
| Provision for Highways Maintenance held within Corporate Policy contingency |              | 0.00                     | 0.00                     | 0.00                     | 0.00                     | 49.00                   |
| <b>Totals</b>   |              | <b>0.00</b>              | <b>0.00</b>              | <b>0.00</b>              | <b>0.00</b>              | <b>49.00</b>            |

### **Notes – Revenue Consequences**

#### **Asset Management / Maintenance Implications**

As part of the City Council's obligations under the Highway Maintenance and Management Private Finance Initiative (HMMPFI) contract, Highways have been formally notified of the proposed changes to the highway inventory arising from this scheme which has been allocated SSD No. 0048.

Regular meetings with Amey are held to coordinate the proposed works with other programmed activities on the highway network.

#### **Maintenance Costs – Infrastructure Works**

The Battery Way Extension project will create assets that will form part of the highway upon completion of the project; as such they will need to be maintained within the overall highway maintenance regime. The estimated total cost of including these newly created assets within the highway maintenance regime is £49,000 (including energy costs) per annum (full year 2018/19) as shown below. This additional cost will be funded from the provision for Highways Maintenance held within Corporate Policy contingency.



| Battery Way Maintenance Cost  | Maintenance and Liability Cost (Per Annum, Full Year) | Energy Cost (Per Annum, Full Year) |
|---|---|------------------------------------|
| Highway Assets  | £42,912   | £2,307                             |
| *Noise attenuation barrier, retaining wall, hedging and other landscaping | £3,781  | 0                                  |
| <b>Total</b>  | <b>£46,693</b>  | <b>£2,307</b>                      |

\*The accrual cost for these elements have been estimated by the Project Manager. As the design is developed these costs will be reviewed working with the HMMPFI contractor.

| 3. Checklist of Documents Supporting the FBC   |                      |                                      |
|--|----------------------|--------------------------------------|
| Item   | Mandatory attachment | Number attached                      |
| <b>Financial Case and Plan</b>   |                      |                                      |
| <ul style="list-style-type: none"> <li>Detailed workings in support of the above Budget Summary (as necessary)</li> </ul>                                    | Mandatory            | Included in section 2                |
| <ul style="list-style-type: none"> <li>Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document</li> </ul> | Mandatory            | Included in section 1                |
| <ul style="list-style-type: none"> <li>Whole Lifecycle Costing analysis ( as necessary)</li> </ul>   | N / A                | N / A                                |
| <ul style="list-style-type: none"> <li>Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet)</li> </ul>                    | Mandatory            | Included in FBC                      |
| <b>Project Development products</b>  |                      |                                      |
| <ul style="list-style-type: none"> <li>Risk Management Assessment</li> </ul>   | Mandatory            | Appendix C to Executive Report       |
| <ul style="list-style-type: none"> <li>Consultation Summary</li> </ul>   | Mandatory            | Appendix D to Executive Report       |
| <b>Other Attachments (list as appropriate)</b>   |                      |                                      |
| <ul style="list-style-type: none"> <li>Equality Analysis</li> </ul>  |                      | Appendix B to Executive Report       |
| <ul style="list-style-type: none"> <li>Scheme Plan / CPO Plan / POS Appropriation Plan / POS Disposal Plan</li> </ul>  |                      | Appendix E/F/G/H to Executive Report |