

Birmingham City Council

Report to Cabinet

22 March 2022



Subject: Transportation & Highways Capital Programme
2022/23 to 2027/28 – Annual Programme Update

Report of: Strategic Director of Place, Prosperity & Sustainability

Relevant Cabinet Member: Councillor Waseem Zaffar – Transport and Environment
Councillor Tristan Chatfield – Finance and Resources

Relevant O &S Chair(s): Councillor Liz Clements – Sustainability and Transport
Councillor Mohammed Aikhlaq – Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 009593/2022		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1 Executive Summary

- 1.1 To seek approval to the Annual Programme Update (APU) for the Transportation and Highways Capital Programme (THCP) for the period 2022/23 to 2027/28 at a total estimated cost of £331.203m. The THCP supports delivery of the City Council's key policies and priorities, facilitating streamlined and efficient delivery. The APU reflects new resources, revised project costings and programmes, expenditure profiles and policy changes that have occurred since approval of the previous THCP on 9 February 2021. Within this update, approval is sought to allocate £6.225m Local Network Improvement Plan (LNIP) funding for 2022/23,

available through the West Midlands Combined Authority (WMCA) devolved transport grant process, to support a range of projects and programmes that contribute towards key City Council priorities and delivery plans.

- 1.2 The THCP contributes to the delivery of priorities including the West Midlands Strategic Transport Plan: Movement for Growth, Birmingham Development Plan, Birmingham Connected transport strategy and the Birmingham Transport Plan (BTP), the Route to Zero strategy, and to allow the City Council to fulfil its obligations as Host City for the 2022 Commonwealth Games (CWG).
- 1.3 The report also seeks approval to release development funding of £2.082m Local Network Improvement Plan (LNIP) funding to progress individual projects to Outline Business Case (OBC) or Full Business Case (FBC) stage in accordance with the City Council's Gateway and Related Financial Approval Framework (GRFAF) and the delegations proposed within this report, to expedite project delivery and enable a rapid response to emerging grant funding opportunities.

2 Recommendations

- 2.1 Approves the Annual Programme Update (APU) provided as Appendix A to this report at a total estimated capital cost of £331.203m, including Annexes A to F setting out major schemes, programme governance and prioritisation criteria, as an update to the Transportation and Highways Capital Programme 2021/22 to 2026/27 approved by Cabinet in February 2021 at a total estimated capital cost of £237.601m.
- 2.2 Approves subject to the City Council's Gateway and Related Financial Approval Framework (GRFAF), confirmation of 2022/23 funding and pursuant to the delegations set out in recommendations 2.5 to 2.12.
 - 2.2.1 An estimated allocation £6.254m in 2022/23 of new LNIP funding provided through WMCA devolved transport grant processes, to named projects.
 - 2.2.2 The release of LNIP development funding of £2.082m to progress named projects to Outline Business Case (OBC) and Full Business Case (FBC) stage.
- 2.3 Notes that approved prudential borrowing (PB) detailed in Appendix B and associated PB financing will be formally committed at project FBC stage in accordance with the City Council's GRFAF, with new resources and windfalls used to offset the requirement for borrowing wherever possible;
- 2.4 Delegates approval of all OBCs, FBCs and related reports including revised financial appraisals for named projects and programmes detailed in Appendix A (Annex F) of this report to the Strategic Director of Place, Prosperity & Sustainability in conjunction with the Director of Council Management and in consultation with the relevant portfolio holder, up to a maximum value of £2.000m.
- 2.5 Delegates approval of all OBCs, FBCs and related reports including revised financial appraisals for named projects and programmes detailed in Appendix A

(Annex F) to a report of the Strategic Director of Place, Prosperity & Sustainability and Director of Council Management to the relevant portfolio holder, up to a maximum value of £10.000m.

- 2.6 Delegates authority to approve the strategy for the procurement activity and the award of contracts for the professional services and works to support the delivery of the named projects within Annex F of the Transport and Highways Capital Programme to the Strategic Director of Place, Prosperity & Sustainability in conjunction with the Assistant Director, Procurement, the Director of Council Management and the City Solicitor (or their delegates) for values below the procurement threshold of £10.000m.
- 2.7 Delegates authority to bid for and accept external capital and revenue resources in line with City Council priorities and consistent with the policies and objectives of the West Midlands Strategic Transport Plan, Birmingham Development Plan, and Birmingham Transport Plan to the Strategic Director of Place, Prosperity & Sustainability, in conjunction with the Director of Council Management, and in consultation with the relevant portfolio holder, up to a maximum value of £2.000m.
- 2.8 Delegates authority to bid for and accept external capital and revenue resources in line with City Council priorities and consistent with the policies and objectives of the West Midlands Strategic Transport Plan, Birmingham Development Plan, and Birmingham Transport Plan to a report of the Strategic Director of Place, Prosperity & Sustainability and Director of Council Management to the relevant portfolio holder, up to a maximum value of £10.000m.
- 2.9 Delegates authority to approve virement of funding between named projects within Annex F of the Transport and Highways Capital Programme, to the Strategic Director of Place, Prosperity & Sustainability, in conjunction with the Director of Council Management, and in consultation with the relevant portfolio holder, up to a maximum value of £2.000m in line with City Council policies and objectives, and the City Council GRFAF.
- 2.10 Delegates authority to approve virement of funding between named projects within Annex F of the Transport and Highways Capital Programme, to a report of the Strategic Director of Place, Prosperity & Sustainability and Director of Council Management to the relevant portfolio holder, up to a maximum value of £10.000m in line with City Council policies and objectives, and the City Council GRFAF.
- 2.11 Approves, in the event of a successful bid, the acceptance of the £2.25m Active Travel Fund Tranche 3 grant via the WMCA (as detailed in sections 3.28 to 3.31), noting that the Active Travel Fund Tranche 3 project becomes a named project within Annex F of this report.
- 2.12 Authorises the City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

3 Background

- 3.1 The Transportation and Highways Capital Programme (THCP) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the City Council's key policies, priorities and delivery plan, as set out in the West Midlands Strategic Transport Plan, Birmingham Development Plan, Birmingham Connected transport strategy, and the Birmingham Transport Plan (BTP), Route to Zero Strategy, and Walking & Cycling Strategy & Investment Plan.
- 3.2 The THCP was previously updated and approved by Cabinet on 9 February 2021 for a rolling six-year period up to 2026/27. This report reflects new programmes, resources, priorities, opportunities, revised project costings, expenditure profiles and policy changes that have occurred since this time. Such changes include:
- 3.2.1 Increase in development and delivery of active travel schemes to aid the city's recovery from the COVID-19 pandemic;
 - 3.2.2 Delivery of the Birmingham Clean Air Zone (CAZ) In June 2021;
 - 3.2.3 Finalisation of the Birmingham 2022 Commonwealth Games Transport Strategy, with new and accelerated infrastructure schemes being a key part of the post games legacy;
 - 3.2.4 Programme alignment opportunities with WMCA, Network Rail and Highways England;
 - 3.2.5 Adoption of the BTP in October 2021, with the production of its associated delivery plan underway.

City Region Sustainable Transport Settlement (CRSTS)

- 3.3 As part of the November 2020 Spending review, it was announced that there was to be a change to how local transport funding is allocated. Over £2.5bn was confirmed for eight city regions across England from 2022-23, as part of the government's commitment of £4.2bn for five-years, consolidated intracity transport settlements. It was also announced that the Transforming Cities Fund (TCF), Integrated Transport Block (ITB) and Highway Maintenance Grants (HMG) would no longer exist from April 2022.
- 3.4 In July 2021, WMCA and other Mayoral Combined Authorities received guidance from DfT pertaining to the CRSTS. Previously badged as the Intracity Transport Settlement, the fund is a five-year capital settlement to enable the region to achieve the Government's ambitions in terms of Transport investment, Carbon reduction, economic growth and levelling up. It should be noted that with regard to the TCF, ITB and HMG, the activities that these funds delivered will now be provisioned under the City Region Sustainable Transport Settlement (CRSTS).
- 3.5 Following the WMCA Board meeting in September 2021, WMCA submitted an ambitious, over-programmed bid to HM Treasury (HMT) for consideration which

totalled £1.73bn. The Financial Monitoring Report to the November 2021 WMCA Board included an update on the settlement and confirmed the headline allocation awarded to WMCA was £1.050bn. DfT subsequently issued further guidance and advised that the allocation was 'indicative'; to be firmed up as part of the review and acceptance of a final programme level business case.

- 3.6 On 14 January 2022 the WMCA Board agreed to the submission of the CRSTS programme level business case to the government. The WMCA Board will formally consider the final programme and any funding conditions which are applied by government before accepting and adopting the final programme.
- 3.7 The CRSTS fund will be operated through and be fully compliant with the WMCA Single Assurance Framework (SAF). It is proposed that the WMCA SAF will be augmented by requirements for additional transport information. This is in order to ensure compliance with the CRSTS funding objectives and to provide additional assurance over the ability to make the right interventions at the delivery pace required over the five-year programme.
- 3.8 Two key elements of the CRSTS programme will be subject to a simplified en bloc approval process which the WMCA will process through the system at the earliest opportunity following confirmation of the CRSTS grant by government.
 - 3.8.1 Highway Maintenance Block: which is not applicable to Birmingham as the city's allocation is deemed to be included within funding arrangements for the Highways Maintenance and Management Private Finance Initiative (HMMPFI).
 - 3.8.2 Local Network Improvement Plan (LNIP): The replacement funding for the Integrated Transport Block. A light-touch approach is required for this to reflect the typically low complexity/low risk projects and often reactive nature of the works undertaken under this funding. A single WMCA SAF application will be processed by TfWM for the full £107.5m five year allocation (representing an 21% uplift), allowing it to be released in annual grants to each constituent local authorities. Local authorities will be required to produce a short annual monitoring report against a standardised format. This will set out what has been delivered supported by a small number of case studies showing how delivery aligns to Local Transport Plan and CRSTS funding objectives, as well as proposed delivery for the next period.
- 3.9 It should be noted that the financial and WMCA SAF processes for the LNIP and highway maintenance funding cannot be progressed until government confirms the CRSTS funding and any specific funding conditions, and funding cannot be released until the funding is received by the WMCA. However, WMCA has instructed that local authorities should proceed to plan their own activity and budgets on the basis of the above and the full programme business case appended to this report.

- 3.10 The structure of the THCP comprises the following sub-programmes as described in Appendix A: Major Schemes; Public Transport; Brum Breathes and Route to Zero, Infrastructure Development, Active Travel and Places for People.
- 3.11 The West Midlands Combined Authority (Functions and Amendment) Order 2017 allows the WMCA to undertake works on the Key Route Network with the agreement of the City Council. The WMCA will take the lead role on projects such as Sprint buses and Cross City Bus, along with a number of smaller projects that provide transport benefits for which it is the main funder. These will be developed and introduced to the programme throughout the year. All projects on the public highway undertaken by WMCA will be subject to a Section 8/Section 278 (Highways Act 1980) Agreement and the appropriate approvals being secured through the City Council's GRFAF. The City Council's relevant fees will be recovered from WMCA and administered through the Council's financial system.
- 3.12 In the development of previous iterations of the THCP a number of funding pressures were identified, and a strategy formulated to resource these projects over a number of years using a mixture of Prudential Borrowing (PB) and direct allocation of net Bus Lane Enforcement (BLE) surplus. The 2022/23 to 2027/28 THCP continues to support this strategy and work is ongoing to minimise the amount of prudential borrowing which is eventually required through the wider ongoing management of the existing THCP resources and new resources as they become available. Further information is provided in the finance section.
- 3.13 In order to maximise delivery, enhance the City Council's reputation, minimise costs and offset reduced officer resources in relevant departments, there is a need to respond expediently to external funding opportunities that become available, often at short notice, and enable more effective budget and resource management within the confines of an agreed six year investment programme. To this end, in line with previous years the delegations in recommendations 2.4 to 2.10 of this report are being sought.

Birmingham Transport Plan

- 3.14 The Birmingham Transport Plan (BTP), adopted by the City Council in October 2021, sets out the principles that aim to support the city on its journey to tackle the climate emergency, reduce transport's damaging impact on the environment and on people's health whilst making the most of opportunities to support the economic success and development of the city. The measures outlined in the BTP aim to serve a future Birmingham that is home to more people, and that is a better environment in which to live and work for all citizens.
- 3.15 In line with the Birmingham Development Plan 2031 (adopted in 2017), the latest reinvention of Birmingham is progressing at a remarkable rate. Continued national and international confidence in the future of the city means that the level of inward investment is both unprecedented and unabated. It is being put to good use - delivering tens of thousands of new jobs and new homes, creating new urban environments fit for modern life.

- 3.16 Good transport is an essential element in Birmingham's future success. Transport is much more than a means of getting us to where we want to go each day. It also has the potential to open up new opportunities in every aspect of our lives. To unlock the transformational potential of transport, we need to fundamentally change the way people and goods move around the city. Without change in our approach these opportunities and benefits will be constrained by poor air quality in our city, a lack of transport capacity and further adverse social and environmental impacts.
- 3.17 We know that our over-dependence on private cars is bad for the health of ourselves and our families, bad for our communities and bad for business, and bad for the future in terms of transport's contribution to carbon emissions, which accelerate the climate emergency. Investment in our transport system and implementation of schemes that prioritise people over cars, will help develop a cleaner, greener, healthier and more sustainable environment to deliver the health and wellbeing benefits for the people of Birmingham and allow Birmingham to continue to grow and prosper.
- 3.18 The declaration of a climate emergency and the introduction of Birmingham's Clean Air Zone are signals of our intention and important first steps towards establishing a net zero emissions city for the benefit of our citizens, particularly children, whilst standing toe to toe with investment competitors nationally and internationally.
- 3.19 The Birmingham Transport Plan 2031 builds on the aspirations set out in the Birmingham Connected White Paper (2014) and outlines what Birmingham needs to do differently to achieve its strategic vision:
- "The vision for Birmingham's transport is for a sustainable, green and inclusive, go-anywhere network.*
- Safe and healthy environments will make active travel – walking and cycling – the first choice for people making short journeys.*
- A fully integrated, high quality public transport system will be the go-to choice for longer trips.*
- A smart, innovative, carbon neutral and low emission network will support sustainable and inclusive economic growth, tackle the climate emergency and promote the health and well-being of Birmingham's citizens".*
- 3.20 The Birmingham Transport Plan is clearly aligned with the City Council's Route to Zero, which aims to address the climate emergency and deliver the City Council's decarbonisation target to become net zero carbon by 2030, or as soon as possible thereafter as a 'just transition' allows, while ensuring we reduce inequalities in the city and bring our communities with us.
- 3.21 To achieve the vision and secure the benefits of the vision will deliver, we have developed four principles:

- 3.22 The allocation of road space will change away from single occupancy private cars to support the delivery of a public transport system fit for a global city, fundamentally changing the way that people and goods move around the city.
- 3.23 The city centre of Birmingham will be transformed through the creation of a network of pedestrian streets and public spaces integrated with public transport services and cycling infrastructure. Access to the city centre for private cars will be limited with no through trips. This includes looking at different options for the central section of the A38 including re-routing it to an upgraded ring road.
- 3.24 Active travel – walking and cycling – will become how most people get around their locality most of the time. Cars will no longer dominate street life around homes and schools. A limit of 20mph will be standard on all local roads. Residential neighbourhoods and local centres will be places where people are put first.
- 3.25 Parking will be used as a means to manage demand for travel by car through availability, pricing and restrictions. Where development potential exists, land currently occupied by car parking will be put to more productive use.
- 3.26 While the BTP provides the vision and guiding principles, it is now necessary for a Delivery Plan to be created, which will provide the detailed interventions required to deliver the vision, including infrastructure, policy and travel behaviour measures.
- 3.27 The Delivery Plan will also ensure coordination with the emerging Birmingham Development Plan and will consider future growth in the city and how it can be accommodated. The Delivery Plan will also need to be coordinated with the emerging Local Transport Plan and associated Area Strategies that are under development by Transport for West Midlands.

Active Travel Fund Tranche 3

- 3.28 On 9th May 2020 the Secretary of State for Transport announced that a range of active travel measures, which could include: pop-up bike lanes with protected space for cycling, wider pavements, and cycle and bus-only corridors, would be created in England within weeks as part of a £250 million (Emergency) Active Travel Fund (ATF), the first stage of a £2 billion investment, (part of the £5 billion in new funding announced for cycling and buses in February 2020).
- 3.29 On 27th May 2020 the Department for Transport (DfT) informed local authorities that of the total ATF £250 million fund, £225 million will be provided directly to local transport authorities and London boroughs, while £25 million will help support cycle repair schemes.
- 3.30 The ATF £225 million allocated to combined and local authorities has been released in phases. The WMCA area made a bid to the DfT for tranche 3 of the programme in July 2021, with £2.25m proposed for schemes within Birmingham. At the time of writing this report an announcement on the funding is imminent.

- 3.31 If the bid is successful, the funding will be allocated to three projects; Places for People £0.250m, Bradford Street cycle route £1.500m and Selly Oak centre cycle route £0.500m. These three projects were put forward as part of the WMCA bid as they are schemes which are currently being progressed to delivery stage and additional funding from ATF 3 will support their completion.

4 Options Considered and Recommended Proposal

- 4.1 Alternative options have been explored as part of the Annual Programme Update provided at Appendix A to this report, with the proposed option selected on the basis of best achieving the City Council's key policies and priorities within finite resources, whilst maximising delivery and minimising risks.

5 Consultation

- 5.1 Full external consultation will be undertaken as part of individual OBCs and FBCs in accordance with normal practise including Ward Councillors, residents, emergency services, businesses, WMCA/TfWM, special interest groups and the Cycling Forum. Consultation will also be undertaken with Sutton Town Council and New Frankley in Birmingham Parish Council where appropriate.
- 5.2 Consultation has been undertaken with the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in respect of Local Growth Fund (LGF) resources who support this approach.

6 Risk Management

- 6.1 Key risks are outlined in Appendix A (Annex E). It should be noted that a significant shortage of consultant and contractor resources in the marketplace could impact upon programme delivery and increase project costs. In addition, the COVID-19 pandemic may impact upon the delivery of projects and their costs. Such risks will be managed by senior Transportation and Highways officers in conjunction with the relevant portfolio holders.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The Transportation and Highways Capital Programme (THCP) performs an essential role in supporting a range of programmes and projects that contribute towards achieving the City Council's key policies and priorities as set out in the City Council Plan and Budget 2021-25, West Midlands Strategic Transport Plan, Birmingham Development Plan, Birmingham Connected transport strategy, Birmingham Transport Plan, Local Walking & Cycling Strategy & Infrastructure Plan, Clean Air/Climate Change Emergency including Route to Zero, and Commonwealth Games agendas.

- 7.1.2 In the context of inclusive economic growth, the THCP has a strong focus on supporting the City 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, encouraging active and sustainable modes of travel, and tackling the climate emergency.
- 7.1.3 In particularly, delivery of the draft Birmingham Transport Plan is key to the delivery of Inclusive Growth priorities including Route to Zero, East Birmingham Strategy and Our Future City Plan.

7.1.4 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR will be a mandatory requirement for any procurement exercise undertaken in line with the social value policy and will form part of the conditions of the contracts to be entered into. The successful tenderers will submit an action plan which will be implemented and monitored during the contract period.

The social value outcomes that tenderers will be required to address will be agreed prior to the commencement of the procurement exercise and will be specific and relevant to the area(s) the scheme is being delivered in. There will be a particular emphasis on local employment and carbon reduction in addition to the other themes as appropriate to the project. The Real Living Wage will be implemented in accordance with the Living Wage Policy.

7.2 Legal Implications

- 7.2.1 The relevant primary legislation required to implement individual projects contained within the THCP comprises the Highways Act 1980; Road Traffic Regulation Act 1984; Road Traffic Act 1988; Transport Act 2000; Traffic Management Act 2004; Town and Country Planning Act 1990 and Planning and Compulsory Purchase Act 2004, together with related regulations and guidance. The Bus Lanes Contraventions Regulations 2005 are also directly relevant to this report in terms of the use of bus lane enforcement surpluses, alongside the Ambient Air Quality and Cleaner Air for Europe Directive 2008 and the Air Quality Standards Regulations 2010 in relation to Clean Air Zone implementation.
- 7.2.2 Section 111 of the Local Government Act 1972 empowers local authorities to do anything (whether or not involving the borrowing, expenditure or lending of money or the acquisition or disposal of any of its property) which, is calculated to, or is conducive or incidental to the discharge of any of their functions.

7.3 Financial Implications

Capital

7.3.1 The total forecast capital cost of the six-year THCP 2022/23 to 2027/28 is £331.203m. The programme profile is summarised in the table below, which is also split per programme:

Programme	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	TOTAL
	£m	£m	£m	£m	£m	£m	£m
Major Schemes	35.908	59.047	70.498	24.962	5.426	2.000	197.841
Public Transport	3.160	0.300	0.300	0.250	0.200	0.200	4.410
Brum Breathes & Route to Zero	29.478	5.250	0.300	0.250	0.250	0.250	35.778
Infrastructure Development	1.179	1.571	2.429	0.758	0.879	1.654	8.470
Active Travel	19.889	22.758	25.800	2.100	0.862	1.000	72.409
Places for People	4.395	1.925	1.525	1.550	1.550	1.350	12.295
TOTAL	94.009	90.851	100.852	29.870	9.167	6.454	331.203

7.3.2 The six-year programme is split by funding source as follows:

Funding Source	£m
LNIP Funding	37.524
Grants from Central Government	185.405
Levelling Up Fund	19.296
Contribution 3 rd Party	10.093
S278	0.393
Bus Lane Enforcement/Highways Resources/CAZ	31.738
S106	0.825
Prudential Borrowing	6.349
Prior years ITB	1.524
Capital Grants Reserves	36.442
Enterprise Zone	1.614
Total Forecast Programme	331.203

7.3.3 LNIP Capital funding of £6.254m is estimated to be allocated to Birmingham for 2022/23, as detailed within the City Region Sustainable Transport Settlement Submission WMCA Board report, dated 14 January 2022

7.3.4 Total LNIP funding split across key themes within the programme structure is shown in the table below. The values for 2022/23 are an estimation and the allocations shown from 2023/24 onwards are forecasts.

	Estimated	Forecast					
LNIP Allocations	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m	£m	£m
Major Schemes	1.250	1.000	1.000	3.296	2.713	2.000	11.259
Public Transport	0.500	0	0	0	0	0	0.500
Brum Breathes & Route to Zero	0.250	0.300	0.300	0.250	0.250	0.250	1.600
Infrastructure Development	1.179	1.571	2.429	0.758	0.879	1.654	8.470
Active Travel	0.500	1.458	1.000	0.400	0.862	1.000	5.220
Places for People	2.575	1.925	1.525	1.550	1.550	1.350	10.475
TOTAL	6.254	6.254	6.254	6.254	6.254	6.254	37.524

- 7.3.5 LNIP funding is significantly supplemented by bidding to Government, WMCA and GBSLEP for other grant funding including other City Region Sustainable Transport Settlement (CRSTS), Local Growth Fund (LGF), Cycle City Ambition Grant (CCAG), Levelling Up Fund (LUF), Enterprise Zone (EZ), HS2 Road Safety Fund and Active Travel Fund. In addition, there is also funding from Corporate Resources including Prudential Borrowing (PB). These additional funding sources over the six-year programme are shown in the funding source table above (7.3.2).
- 7.3.6 Net Bus Lane Enforcement Surplus Direct Allocation - In the development of previous iterations of the THCP a number of funding pressures were identified, and a strategy formulated to resource these projects over a number of years using direct allocation of net Bus Lane Enforcement (BLE) surplus. The 2022/23 to 2027/28 THCP continues to support this strategy.
- 7.3.7 Corporate Resources including Prudential Borrowing (PB) – The existing programme is part funded through corporate resources including PB, as detailed in the funding source table above. PB costs are funded from in year net BLE surplus as shown in Appendix B. The need to use corporate resources, including PB, will be minimised wherever possible through the wider ongoing management of the existing THCP resources and the identification of alternative funding streams/new resources. Further information on PB is provided in Appendix B.
- 7.3.8 The complete capital programme is provided in Appendix A – Annex F, detailing projects and associated funding sources on an annual and all years' summary basis.

Revenue

CRSTS Capacity Fund

- 7.3.9 It should be noted that WMCA was provided £8.9m of capacity funding from government. These are the only funds of a revenue nature available to support the delivery of the CRSTS programme.
- 7.3.10 This revenue funding is to be used for capacity building and strategic programme development to ensure rapid and effective delivery.
- 7.3.11 The WMCA Board agreed the following CRSTS Capacity Fund allocations on 17 September 2021.

Capacity Fund Allocation	
Birmingham City Council	£1,893,900
Black Country Local Authorities	£1,997,450
Coventry City Council	£629,850
Solihull Council	£361,300

Revenue Maintenance Costs

- 7.3.12 It is recognised that new capital transport schemes can by their nature attract additional ongoing maintenance costs in respect of improved or new assets and provide opportunities to remove existing assets during works to mitigate cost increases. For all schemes (excluding those deemed to be major schemes), an ongoing corporate policy contingency annual allocation is available to bid for to accommodate basic inventory growth and expenditure incurred as a result of new capital works and this is monitored to ensure the budget allocation is not exceeded. Alternative funding sources are investigated for the maintenance of enhanced assets but where these cannot be identified, the cost of maintaining enhanced assets may have to be funded from the corporate policy contingency allocation. In this event, options to reduce costs are considered including scheme revisions and scheme deferrals. Each scheme will need to identify revenue maintenance implications and funding, as part of the scheme-specific approval process, including where relevant the use of the corporate policy contingency allocation.

Prudential Borrowing Costs

- 7.3.13 As detailed above the existing programme is part funded through corporate resources including PB. The revenue cost of PB is funded from in year net BLE surplus. Further information on PB is provided in Appendix B. Revenue consequences of PB will continue to be managed within Inclusive Growth Directorate budgets.

Impact of Transport Schemes on Parking Income

7.3.14 It should be noted that the Birmingham Transport Plan will provide the step change in Council policy that is required to meet our objectives, including the Route to Zero targets. To achieve these aims previous ways of working and revenue streams will be impacted, in particular by moving away from a car dominated transport system, and reallocating transport space away from the private car, traditional revenue income from car parking may reduce impacting Council finances unless they can be replaced from other sources. Changing objectives and associated impacts will need to be considered through the Council's future budget processes.

7.4 Procurement Implications (if required)

7.4.1 This report seeks to delegate the approval of the procurement strategy and the award of contracts for professional services and works above the procurement threshold of £177,898 (excluding VAT) to support the delivery of the named projects. Projects under the procurement threshold will be procured and awarded under Chief Officer delegated authority.

7.4.2 Professional Services

The approved route for the technical professional services to support the delivery of the projects is to use the Council's Transportation and Development Professional Services Framework Agreement (or its replacement) in accordance with the approved call off arrangements of either a direct award or a further competition exercise.

7.4.3 Works

The procurement route for the works will be reported in each project OBC and include the following options:

- Black Country Minor Works Framework Agreement – this is a framework agreement awarded by Sandwell Council which covers the type of works required for the project until the Council's framework agreement below is awarded.
- The Council's Highways and Infrastructure Works Framework Agreement – the procurement strategy for the framework is due to be presented to Cabinet in early Summer 2022 with a commencement date issued shortly thereafter. When the framework agreement is awarded, it is proposed this will be the procurement route for all projects unless it is determined that a procurement process open to the market will result in a more cost-effective solution.
- If the event of the unsuitability of the above two options after a robust review, a procurement process open to the marketplace will be

advertised on Find a Tender, Contracts Finder and www.finditinbirmingham.com.

The evaluation criteria for each project will be set based on its complexity with a higher quality weighting over price for more complex schemes. The application of Social Value and the Living Wage will be in accordance with the Council's Policies and a minimum weighting of 20% will be applied where applicable.

7.5 Human Resources Implications (if required)

7.5.1 N/A

7.6 Public Sector Equality Duty

7.6.1 An initial screening for an Equality Analysis (EA) has been undertaken for the THCP and has concluded that a full EA is not required at this time, with no adverse impacts on the protected groups and characteristics under the Equality Act 2010. This position will be reviewed for each composite project and/or programme at OBC and FBC stage as necessary. The initial EA screening is provided as Appendix C to this report.

8 Appendices

- 8.1 Appendix A – Options Appraisal (including Annexes A to F)
- 8.2 Appendix B - Usage and Forecasts of Net Surplus Bus Lane Enforcement Income
- 8.3 Appendix C - Equalities Assessment Initial Screening

9 Background Documents

- 9.1 Council Financial Plan 2019-23
- 9.2 West Midlands Strategic Transport Plan
- 9.3 Birmingham Connected Transport Strategy
- 9.4 Birmingham Transport Plan
- 9.5 Local Walking & Cycling Strategy & Infrastructure Plan
- 9.6 Birmingham Development Plan
- 9.7 Greater Birmingham and Solihull LEP Strategic Economic Plan
- 9.8 West Midlands Devolution Deal
- 9.9 City Region Sustainable Transport Settlement Submission - WMCA Board Report 14 January 2022