

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	CORPORATE DIRECTOR, ECONOMY
Date of Decision:	16th May 2017
SUBJECT:	IRON LANE, STECHFORD, JUNCTION IMPROVEMENT, FULL BUSINESS CASE
Key Decision: Yes	Relevant Forward Plan Ref: 000315/2015
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member for Local Services:	Councillor Stewart Stacey – Cabinet Member for Transport and Roads Councillor Majid Mahmood – Value for Money and Efficiency
Relevant O&S Chairman:	Councillor Zafar Iqbal – Economy, Skills and Transport Councillor Mohammed Aikhlaq – Corporate Resources and Governance
Wards affected:	Hodge Hill, Washwood Heath and Stechford and Yardley North

1. Purpose of report:
1.1 To seek approval to accept funding from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), approve the Full Business Case (FBC) for the Iron Lane, Stechford Junction Improvement scheme, as outlined in Appendix A, at a total capital cost of £12.984m, make a Compulsory Purchase Order (CPO) and authorise all necessary land agreements. The scheme aims to unlock economic growth in the area by reducing congestion through improved infrastructure.
1.2 To seek approval for the Assistant Director, Transportation and Connectivity to award contracts and place orders for all of the works, subject to the works costs being within the pre tender estimate.
1.3 The accompanying private report contains confidential market information which could impact on the tender process.

2. Decision(s) recommended:
That Cabinet:-
2.1 In its capacity as the Council and as Accountable Body for the Greater Birmingham and Solihull Local Enterprise Partnership, approves the Full Business Case for the Iron Lane Junction Improvement Scheme as detailed in Appendix A to this report and the project cost breakdown as detailed in the private report, at a total capital cost of £12.984m including fees.
2.2 Authorises the Assistant Director, Transportation and Connectivity to enter into a funding agreement and accept £5m of Local Growth Fund grant funding through the Greater Birmingham and Solihull Local Enterprise Partnership.
2.3 Approves the making of a Compulsory Purchase Order under sections 239, 240 and 250 of the Highways Act 1980 in respect of the land and rights within the areas shown edged black on drawing CA_02709_S1_001 Rev J (Appendix F).

- 2.4 Authorises the City Solicitor to carry out all preparatory work for the Compulsory Purchase Order (including land referencing), and make and submit the order to the Secretary of State for Transport for confirmation, preparation for Public Inquiry (if required) and to serve all necessary notices to give effect to the Compulsory Purchase Order and its implementation, including High Court Enforcement Officer Notices and (if granted power to do so) to confirm the Compulsory Purchase Order.
- 2.5 Authorises the Assistant Director of Property (Interim) to negotiate and complete the acquisition (and disposal if required) of any interest to facilitate the building of the new highway including easements and drainage in the adjoining land connected to the scheme, in advance of and alongside the confirmation of the Compulsory Purchase Order and to agree costs and compensation relating to the Compulsory Purchase Order, and authorise the City Solicitor to complete such acquisitions or disposals or easements and seal any documents in connection therewith.
- 2.6 Authorises the City Solicitor to draft and submit for confirmation an Order in accordance with Section 14 and Section 125 of the Highways Act 1980 (or other such similar Orders as may be required) to support the Compulsory Purchase Order.
- 2.7 Authorises the City Solicitor to advertise of the loss of Public Open Space within the area shown edged black on the plan at Appendix G, in accordance with Section 122(2A) of the Local Government Act 1972, and consideration by the Leader of any objections to the appropriation.
- 2.8 Subject to the Leader being satisfied after consideration of any such objections in respect of 2.7 above, or if no objections are received approves the appropriation of the open space land from Place Directorate to Economy Directorate for Transportation use.
- 2.9 Notes the use of £7.038m Bus Lane Enforcement Surplus to fund this project in line with the Updated Transportation and Highways Funding Strategy 2017/18 to 2022/23 Programme Definition Document Report to Cabinet 16th May 2017.
- 2.10 Authorises the City Solicitor to negotiate, execute and complete all necessary agreements and documentation to give effect to the above recommendations.

Lead Contact Officer(s):	Varinder Raulia – Head of Infrastructure Projects
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3. Consultation

3.1 Internal

- 3.1.1 The Hodge Hill, Washwood Heath and Stechford and Yardley North Ward Councillors, the Executive Members for Hodge Hill and Yardley and the MPs for Hodge Hill and Yardley have been consulted and the responses are given in Appendix D. The Assistant Director of Highways and Infrastructure and District Engineers for Washwood Heath and Yardley have also been consulted and their comments are also given in Appendix D. Responses received to date have been supportive.
- 3.1.2 The Leader has been consulted in respect of the land and property responsibilities and supports the proposals to proceed to executive decision.
- 3.1.3 Officers from City Finance, Procurement and Legal and Democratic Services have been involved in the preparation of this report.
- 3.1.4 Agreement has been reached with the Constituency Parks and Customer Liaison Manager with respect to the parks land required for the scheme. The parks land is Public Open Space and the loss of this land will be advertised under section 122 of the Local Government Act 1972.

3.2 External

- 3.2.1 A public consultation exercise, including highway users passing through the junctions, was carried out in June 2015, and the results are given in Appendix D. Transport for West Midlands, bus operators, cycling groups and other key stakeholders have also been consulted as part of the scheme development, and the results are also given in Appendix D. The majority of consultees were supportive of the proposals.

4. Compliance Issues:

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

- 4.1.1 The Iron Lane Junction Improvement scheme fully supports the Council's primary objectives, specifically growing the economy through investment in transport infrastructure that supports new developments being built in Birmingham. The project also aligns with the GBSLEP Strategy for Growth, Strategic Economic Plan.
- 4.1.2 The project supports the targets and objectives of the Local Transport Plan 3, 2011-2026, specifically targets including reducing congestion, improving road safety, improving the highway network and improving air quality.
- 4.1.3 The Public Services (Social Value) Act 2012 became effective on 31st January 2013. The proposed procurement method for schemes delivered as part of this FBC, will include the mandatory requirement for contractors to sign up to Birmingham's Business Charter for Social Responsibility. Prior to contract award, an action plan will be agreed with the proposed contractors on how the Charter principles will be implemented and monitored during the contract period. Contract spend will be monitored and the action plan adapted to reflect the value of business achieved throughout the contract period. The requirement to pay the Birmingham Living Wage is included in the Charter and so will apply to this contract.

4.2 Financial Implications

- 4.2.1 The Project Definition Document (PDD) for the Local Growth Fund programme including the Iron lane Project was approved by Cabinet 16th March 2015. The project cost estimate at PDD stage was £9.659m and the funding proposal was £5.000m Local Growth Fund (LGF), £0.2m Integrated Transport Block (ITB) and £4.459m Public Sector Funds to be confirmed. Given the short timescales and limited scheme detail available at the time of the bids submission (and PDD stage), significant detailed work has been undertaken to refine the project detail, costs and funding during 2015/16 and 2016/17. This has been a lengthy and complex process which has had to consider general cost increases within the construction and engineering industries following Brexit and impacts of HS2 on the market in respect of resources. The capital cost of the project is now forecast at £12.984m (including, works, contingency, statutory undertakers, land costs and fees), the reasons for the increase are given in Section 5.0 below. The project is funded by £7.038m Bus Lane Enforcement surplus, £0.946m ITB and £5.000m Local Growth Fund (LGF). Details of the Funding Strategy are given in the Updated Transportation and Highways Funding Strategy 2017/18 to 2022/23 PDD Report to Cabinet 16th May 2017.
- 4.2.2 The value of the compensation for the permanent loss of the Public Open Space (POS) at Glebe Farm Recreation Ground has been estimated at £58,750. This has been calculated to take into account both the land value of the area lost as estimated by Birmingham Property Services and the value of loss of the amenity for the local community. Landscape improvement works to this value will be built into the scheme so as to directly benefit the local community .
- 4.2.3 The rental cost for the temporary site compound on the POS land at Glebe Farm Recreation Ground is £18,000 for an 18 month period. This cost is contained within the allocated funding and will be paid to Parks when the works contractor takes possession of the land.
- 4.2.4 This 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 cost of including these newly created assets, including soft landscaping, within the highway maintenance regime is £20,450 per annum. This additional cost will be funded from the provision for Highways Maintenance held within Corporate Policy contingency, see Appendix A for further detail.
- 4.2.5 A risk management assessment has been undertaken and is included in Appendix C.

4.3 Legal Implications

- 4.3.1 The City Council carries out transportation, highways and infrastructure related works under the relevant primary legislation including the Town and Country Planning Act 1990, Highways Act 1980, Road Traffic Regulation Act 1984, Traffic Management Act 2004, Transport Act 2000, Countryside and Rights of Way Act 2000, and other related regulations, instructions, directives and general guidance. Consideration has also been given to Department for Communities and Local Government advice October 2015 on Compulsory Purchase and Department of Transport circulars 1/97 and 2/97.
- 4.3.2 The Council has power to appropriate land under Section 122 of the Local Government Act 1972 where satisfied it is no longer required for the purpose for which it is held immediately before the appropriation. Section 122(2A) requires that where land is existing open space, notice of the intention to appropriate to other use must be advertised and any objections considered prior to the appropriation taking place.

4.4 Public Sector Equality Duty

- 4.4.1 In August 2015 an analysis of the effects of equality was undertaken for the Iron Lane – Stechford junction improvement scheme and is attached as Appendix B to this report. It was concluded that there would be no adverse effect on protected groups so no action plans are required.

5. Relevant background/chronology of key events:

- 5.1 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 Iron Lane – Stechford junction improvement scheme.
- 5.2 On 16th March 2015 Cabinet approved the Project Definition Document (PDD) for the Local Growth Fund Transport and Connectivity Projects. This report allocated £0.350m to Iron Lane Junction Improvement scheme to develop the Project to FBC and a further £0.200m for the advanced demolition of the Flaxley Road snooker hall.
- 5.3 In December 2015 the final proposals for Iron Lane, Stechford were presented to the GBSLEP, requesting the release of £5.0m of LGF funding. Approval was given in January 2016.
- 5.4 Since the PDD approval traffic modelling has been completed to determine the scheme layout, the detailed design has been progressed and the full public consultation completed. Preparatory works for the Compulsory Purchase Order (CPO) and Side Roads Order (SRO) are proceeding in parallel with negotiations for private land acquisition. Vacant possession has been secured on the snooker club, a demolition contractor was appointed summer 2016 and the demolition works were completed November 2016. The project works cost has been built up using current City Council framework rates, obtaining diversion costs from statutory undertakers and by estimating the time input to determine the fees of the various professional services necessary to design and deliver the project.
- 5.5 The current cost estimate is £12.984m, this reflects the current construction market conditions and provides for increased contingency and risk sums. The project cost, programme and risks will continue to be reviewed monthly, any variances / unforeseen works up to the end of the construction are expected to be contained within the current estimate of £12.984m.
- 5.6 The Iron Lane/Station Road/Flaxley Road project requires third party land outside of the Council's current ownership. It is proposed that the CPO process is initiated on the basis set out in Appendices A and H to this report and to run in parallel to negotiated acquisition. Authority for this was previously given at the time the PDD was approved. However following design development work, a small area of additional private land is required for the scheme and a fresh recommendation is now sought in this report. The original delivery programme was based on securing private land by negotiation, this is now unlikely and the programme now assumes the project proceeding subject to a confirmed CPO in Winter 2017, with a construction start proposed for early 2018.
- 5.7 Negotiations with affected land owners, for acquisition of private land, commenced in summer 2015. It is proposed to make a CPO to give the statutory powers to secure the private land interests. The land requirements for the scheme are shown on the plan in Appendix F. The CPO process will run in parallel to the negotiated land acquisition process. The project delivery programme is based on securing a confirmed CPO in Autumn 2017. The matters referred to in Appendix H have been considered in the context of the use of CPO powers proposed.

- 5.8 Two areas (totalling 1468.5m²) of POS at Glebe Farm Recreation Ground are to be appropriated for the construction of the scheme. This land is required for the widening to dual two lane carriageway of Stechford Lane/Station Road and provision of the new left turn slip lane at Burney Lane roundabout. In addition, an area of POS (1100m²) is required temporarily for the contractors site compound and two areas of POS (totalling 639m²) are required for working space to construct the road. These areas at Glebe Farm Recreation Ground will be reinstated on completion of the works. The POS areas affected are shown on drawing no. CA_02709_S1_035 Rev A in Appendix G.
- 5.9 The highway proposals impact on approximately six trees of which three are in the public open space area, it is proposed to appoint an experienced contractor using the City Council's Landscape Construction Framework Agreement 2015-2019 for the proposed landscaping, including tree removal and planting works. The work will be procured in line with the framework agreement where the work is offered to the first ranked supplier in the first instance. If this opportunity is declined, it will be offered to the second ranked supplier and so forth. A landscaping scheme has been developed for the highway works where the loss of highway trees will be compensated. Approximately 28 no. of new trees are to be planted within the highway. It is also proposed to plant a significant number of trees in the Glebe Farm Recreation Ground. The trees to be removed will be cut into manageable lengths and removed from site to the Hodge Hill timber recycling depot run by Parks, where the tree waste is converted into Biomass wood fuel which the City Council then supplies under contract to a green energy company. This process generates income for the city. The new trees within the highway boundary will be maintained for two years by the landscape contractor. All of the new trees will be maintained by the City Council. The cost associated with these works is provided for in the scheme cost.
- 5.10 Some side roads and private accesses are affected by the proposals. A SRO is required to authorise these changes.
- 5.11 The objective of the scheme is to enhance the local economy by:
- Removing a major pinch point on the A4040 Outer Ring Road in East Birmingham, located 4 miles south east of the M6 Junction 6 (Spaghetti Junction);
 - Providing improved access to a number of large urban employment sites outside of Birmingham city centre and areas targeted for regeneration in the east of the City area;
 - Reducing the high levels of congestion, traffic queues and unreliable journey times that affect buses, cars and commercial vehicles. This, as well as severance experienced by pedestrians, constrain economic stimulus and growth in the area.
- 5.12 The proposed highway improvements comprise:
- The implementation of two new gyratory arrangements to increase junction capacity and reduce congestion at the junction of Iron Lane, Flaxley Road and Station Road;
 - Widening Station Road to dual carriageway (between Stechford Lane and Flaxley Road) and construction of a new bridge over the river Cole to carry the widened road. A flood risk assessment has been carried out to ensure the new structure complies with the latest Environment Agency (EA) regulations and the EA have given approval to the works within the river channel;
 - Improvements to the Burney Lane gyratory including a dedicated slip lane from Stechford Lane to Station Road;
 - Provision of dedicated pedestrian/cycle crossing facilities to enhance 'active travel';
 - New street lighting;
 - Minor increase in Highway Maintainable at Public Expense (HMPE) to improve pedestrian safety at the junction of Stechford Lane and Stechford Road

- Accomodation works to the car park to the Stechford Retail Park, Imex Business Park, no. 40 Flaxley Road and Shell Petrol Station.

Further details are contained in the attached FBC and drawings CA-02709_040 Rev M and 041 Rev M attached in Appendix E. The project will be delivered in accordance with Birmingham City Council Traffic Management Protocol to minimise disruption during construction.

Procurement

- 5.13 The demolition of the snooker hall has been procured through the “finditinbirmingham” route, approval for the demolition was given in the PDD report. The demolition works were below £200,000 and authority to appoint a contractor and place an order was sought through a delegated authority from the Assistant Director Transportation and Connectivity on 11th May 2016. Demolition was completed in November 2016.
- 5.14 It is proposed to award the main works contract through the Council’s Highways and Infrastructure Works Framework Contract - Lot 4 (works over £0.5m). It is proposed to award the Landscape works through the City Council’s Landscape Construction Framework Agreement 2015-2019.
- 5.15 Works tenders are to be invited Autumn 2017, with a construction start expected early 2018 with completion in Autumn 2019. (Subject to the successful completion of land acquisitions or a confirmed CPO).

6. Evaluation of alternative option(s):

- 6.1 As part of the Local Transport Plan Outer Circle major scheme, a number of options were developed to address the issues at Station Road / Iron Lane junction. Option testing in VISSIM, ARCADY and TRANSYT, transport modelling systems used by the Council, has shown that alternative priority and signal controlled arrangements do not fulfil necessary objectives, whilst a signal controlled option only does not provide full accessibility or turning movements

7. Reasons for Decision(s):

- 7.1 To enable the proposed project to progress to delivery stage and to authorise the awarding of contracts and placing of orders for the works.

Signatures

Date

Councillor Stewart Stacey
Cabinet Member for Transport and Roads

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Councillor Majid Mahmood
Cabinet Member for Value for Money and Efficiency

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Waheed Nazir
Corporate Director, Economy

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List of Background Documents used to compile this Report:

1. Local Growth Fund Transport and Connectivity Projects: Programme Definition Document – Report of the Deputy Chief Executive to Cabinet on 16th March 2015.
2. GBSLEP Full Business Case for Iron Lane, Stechford – November 2015
3. Updated Transportation and Highways Capital Funding Strategy 2015/16 to 2020/21 Programme Definition Document Report to Cabinet 16th February 2016.
4. Iron Lane Junction Improvement – Demolition and Associated works at Flaxley Road Snooker Hall – Report of the Assistant Director, Transportation and Connectivity, Economy Directorate, Under Delegated Authority – 11th May 2016
5. Updated Transportation and Highways Capital Funding Strategy 2017/18 to 2022/23 Programme Definition Document – Report to Cabinet 16th May 2017

List of Appendices accompanying this Report (if any):

1. Appendix A - Full Business Case for Iron Lane – Stechford, junction improvement
2. Appendix B - Equality Assessment Ref: EA001778
3. Appendix C - Risk Management Assessment
4. Appendix D - Consultation Summary
5. Appendix E - Scheme Plans CA-02709_S1_040 Rev M and 041 Rev M
6. Appendix F - Land Requirements Plan CA-02709_S1_001 Rev J
7. Appendix G - Public Open Space Plan CA_02709_S1_035 Rev A
8. Appendix H - Compulsory Purchase Issues

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	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none">(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	<p>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:</p> <ul style="list-style-type: none">(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	<p>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.</p>
4	<p>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:</p> <ul style="list-style-type: none">(a) tackle prejudice, and(b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none">(a) Marriage & civil partnership(b) Age(c) Disability(d) Gender reassignment(e) Pregnancy and maternity(f) Race(g) Religion or belief(h) Sex(i) Sexual orientation