

BIRMINGHAM CITY COUNCIL

JOINT CABINET MEMBER AND CHIEF OFFICER

THURSDAY, 06 JUNE 2019 AT 00:00 HOURS
IN CABINET MEMBERS OFFICE, COUNCIL HOUSE, VICTORIA
SQUARE, BIRMINGHAM, B1 1BB

A G E N D A

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1 COMMONWEALTH GAMES – ATHLETES VILLAGE

**Report to the Leader and the Cabinet Member for
Finance and Resources jointly with the Director,
Inclusive Growth and Chief Finance Officer**

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**2 APPROVAL OF THE EXTENSION OF THE CONTRACT OF THE
PROVISION OF ADULT SUBSTANCE MISUSE TREATMENT AND
RECOVERY SERVICES**

Item Description

Birmingham City Council

Report to the Leader and the Cabinet Member for Finance and Resources jointly with the Director, Inclusive Growth and Chief Finance Officer

[06 June 2019]



Subject: Commonwealth Games – Athletes Village

Report of: Assistant Director, Planning

Relevant Cabinet Member: Cllr Ian Ward, Leader; Cllr Tristan Chatfield, Cabinet Member for Finance and Resources.

Relevant O &S Chair(s): Cllr Mariam Khan, Learning, Culture and Physical Activity, Cllr Tahir Ali, Economy and Skill; Cllr Penny Holbrook, Housing and Neighbourhoods, Cllr Sir Albert Bore, Resources.

Report author: Ian Macleod, Assistant Director Planning,
Telephone No: 0121 303 3959
Email Address: ian.macleod@birmingham.gov.uk

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Perry Barr, Aston, Birchfield		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Exempt Para 3: Information relating to the financial or business affairs of any particular person (including the council)		

1 Executive Summary

- 1.1 The area of Perry Barr is identified as a location that would gain significantly from regeneration. This report provides details of the schemes being delivered to enable this regeneration which includes the development required for the

Commonwealth Games village and improvements to the local infrastructure and transport facilities. The regeneration programme comprises: -

Phase 1 Residential Scheme:

- 1.2.1 The construction of 1,177 residential units to provide Games time accommodation and provision of the infrastructure to deliver a further 239 dwellings post Games on 'plot 10'. This will provide a total of 1,416 dwellings when the scheme is complete;
- 1.2.2 The conversion from Games-time specification to habitable dwellings ('retrofitting'), of the 1,177 residential units post Games.

Games time Village:

- 1.2.3 Acquisition, demolition and remediation of a number of privately owned sites adjacent to the Phase 1 residential scheme to provide a site for temporary Games time uses;
- 1.2.4 Provision of infrastructure to facilitate Games time uses (overlay) and enable future development;
- 1.2.5 Refurbishment of the buildings known as Oscott Gardens for further Games time accommodation.

Wider Regeneration – Perry Barr Centre

- 1.2.6 The acquisition of land to deliver a series of highways improvements and public transport enhancements including the redevelopment of Perry Barr Rail Station and bus interchange, facilitating wider development.
- 1.2 These projects form a comprehensive programme at a total capital cost of £492.611m, details of which are found in the attached Full Business Case (FBC).
- 1.3 Cabinet approved the Outline Business Case in June 2018 setting out the proposal for the Commonwealth Games Village and the wider Perry Barr regeneration programme.
- 1.4 Decision 2.7 of the June 2018 Cabinet report provides approval for the Full Business Case to be delegated to the Leader and the Cabinet Member for Finance and Resources, jointly with the then Corporate Director, Economy and the Chief Finance Officer.

2 Recommendations

- 2.1 Approve the Full Business Case (FBC) attached at Appendix A to: -
 - a) Develop the 1,177 residential units (Phase 1) and provide services to plot 10 in readiness for vertical construction post Games.
 - b) Provide infrastructure that will be used to support temporary games time uses (overlay) and facilitate post Games development.
 - c) Refurbish Oscott Gardens.

- 2.2 With regard the works being undertaken outside of the FBC, to note: -
- a) That Perry Barr Railway Station, Bus Interchange and Sprint Rapid Bus transit schemes are being delivered by the West Midlands Combined Authority and will be subject to separate governance, approval and monitoring processes.
 - b) The highways works undertaken around Perry Barr will be subject to separate Business Case(s) presented in due course.
 - c) The retrofitting of the 1,177 residential units post games, in preparation for disposal, if the decision is made to progress with this option.
- 2.3 With regards to associated procurement activity: -
- a) Approve the demolition and remediation strategy and commencement of procurement activities for the demolition and remediation of properties as outlined in Appendix C and Appendix D (Exempt Information).
 - b) Notes that any changes in strategy for the tender packages outlined in Appendix C and Appendix D (Exempt Information) that may occur during the programme will be reported in accordance with the Council's Standing Orders and Procurement Governance Arrangements.
 - c) Delegates the award of contracts for the demolition and remediation to the Director, Inclusive Growth in conjunction with Assistant Director, Development and Commercial, the Chief Finance Officer, the City Solicitor (or their delegates).
- 2.4 Accept grant funding of £1.5m provided by the Learning & Skills Council as a contribution towards the on-site training facility being provided.
- 2.5 Approve payment of up to £5m of Community Infrastructure Levy (CIL) as a contribution towards delivery of the Perry Barr railway station development in the form of a capital grant to Transport for West Midlands.
- 2.6 Note the ringfencing of £10m of the overall approved Council-wide capital contingency of £25m to be made available for this project in the unlikely event that the project specific contingency as set out in paragraph 7.3.4 of this report is insufficient.
- 2.7 Authorise the City Solicitor to execute and complete all necessary legal documents to give effect to the above recommendations.

3 Background

- 3.1 Birmingham was confirmed as Host City for the Commonwealth Games in December 2017 and as such is required to provide a Commonwealth Games Village to accommodate around 6,500 athletes and team officials and a range of temporary facilities for use during the Games.
- 3.2 To meet this need, the Council has acquired substantial amounts of the land required including the former Birmingham City University (BCU) teaching

campus to deliver the residential element of the Athletes' Village, in line with the planning approval (application number 2018/06313/PA). Approval was granted in December 2018, for 1,416 new homes. Of these, 1,177 homes will be built prior to the Games, as Phase 1. This will provide 6,100 bed spaces for Games time use. The utility services infrastructure for plot 10 will also be introduced, allowing this building to be constructed post Games.

- 3.3 Alongside Phase 1, the Council will provide the infrastructure to facilitate the temporary facilities for Games time. Additionally, upon acquisition, the Council will refurbish the Oscott Gardens accommodation to provide up to 400 bed spaces for Games time use, bringing the total provision to 6,500.
- 3.4 Consideration is being given to the potential short term use of Oscott Gardens prior to the Games, including provision of temporary accommodation for homeless households. A further report will be presented to the appropriate decision maker in due course.
- 3.5 The Village, which comprises the residential accommodation and sites for the temporary uses (including dining hall, transport mall, leisure and recreational space), is expected to be handed over to the Organising Committee in early 2022 to allow sufficient preparation time for the Games.
- 3.6 The permanent residential development will be constructed to meet Games-time requirements, with additional dividing walls in apartments creating additional bedrooms – the majority of which will be utilised as twin rooms – and no kitchens being fitted.
- 3.7 Post Games retrofitting will be necessary to prepare these homes for their end use. This will include the introduction of kitchens, flooring and some minor internal alterations and is expected to cost in the region of £24m. A disposal strategy will determine whether the optimal approach is to undertake this work in advance of disposal or to dispose of the properties before the work is undertaken, leaving the purchaser responsible for the works. A separate business case will be submitted in due course if this option is progressed.
- 3.8 The associated highway infrastructure improvements at Perry Barr proposed as a part of the Village development to support the Commonwealth Games (CWG) and legacy growth will be the subject of separate reports seeking approval to the detailed proposals in due course. The projects will improve transport connectivity between the Birchfield Retail Core, One Stop Shopping Centre and the CWG Athletes' Village and legacy residential sites. They will also support the successful delivery of the Games whilst acting as a catalyst for further development in Perry Barr once the Village has been retrofitted to create new homes.
- 3.9 These highway improvements include capping of Birchfield Roundabout, gyratory works on the A34 and Aldridge Road, adjacent to the One Stop shopping centre, and the introduction of dedicated bus and cycle routes are

expected to cost in the region of £27.1m. Separate Business Case(s) are being developed for these works and will be presented for approval in due course.

- 3.10 A number of elements of the wider regeneration of Perry Barr that were included in the OBC approved by Cabinet on 28 June 2018 are being delivered and funded by the West Midlands Combined Authority. They are therefore out of the scope of this FBC and excluded from this report. These include the bus interchange adjacent to One Stop shopping centre, Perry Barr railway station improvements and Sprint Bus Rapid Transit service. The schemes will collectively provide for better access to rail and bus services, better modal interchange, and a more attractive environment for passengers. The combined cost of the works is estimated to be in the region of £46.2m.
- 3.11 This FBC, sets out the package of funding and costs associated with the delivery of the Athletes' Village and preparation of the site for future development post Games. It also sets out the wider funding package for the projects associated with the regeneration of Perry Barr Centre. The overall capital cost of works included in the scope of this FBC is £492.611m including estimated costs as set out in paragraphs 3.7 and 3.9.
- 3.12 The introduction of these schemes will act as a catalyst for the regeneration of Perry Barr Centre, unlocking wider growth and delivery of circa 4,000 more homes in the area, in line with the Birmingham Development Plan.

Site Assembly

- 3.13 At the commencement of the project to deliver the Village, the City Council had very limited ownership of the land required within Perry Barr to facilitate the proposals, making acquisition of third party interests necessary.
- 3.14 In June 2018 Cabinet approved the acquisition of land necessary to facilitate the delivery of the Commonwealth Games Village and subsequent regeneration of the area, including the use of Compulsory Purchase Order (CPO) powers. Significant progress has been made in securing voluntary acquisitions.
- 3.15 More than half of the land required to deliver the overall scheme is now in the ownership of BCC. Negotiations are underway with all outstanding interests via the Council's agents on this matter and significant progress is being made with the acquisition of more than 10 further interests currently agreed and being progressed. Positive engagement is ongoing with holders of other interests.
- 3.16 A CPO was made in December 2018. Nineteen objections were received, and the Council is seeking to address these through negotiations with the relevant holders' interests. Positive progress is being made and all avenues to remove these objections are being explored, including voluntary acquisitions. A number of objections have been resolved and it is considered likely that a number of objections will remain and therefore a public inquiry is likely to be necessary - this is scheduled to commence on 2nd July 2019.

- 3.17 The buildings that sit on the land acquired as part of this site assembly are in poor condition and a scheme of demolition and remediation works is required to clear the sites in preparation for the wider regeneration. It is expected that the majority of this work is carried out before 2022 with contracts being awarded in accordance with the procurement strategy detailed in Appendix C and Appendix D (Exempt Information) attached.

Phase 1

- 3.18 The Phase 1 residential scheme is being delivered across 11 plots. During 2018 the design of this scheme progressed through the RIBA Plan of Work Stages where the design was refined and developed accordingly. By RIBA Work Stage 3 the scope had been enhanced to include podium decks to all plots, providing additional car parking space and enhancing the look and function of the final scheme. The result of this was an additional c. £19m of construction costs being added to the scheme. A summary of the adjustments is provided below:

Summary of Cost Movement	Further Detail	+ / -
Tier 1 Construction Cost	Design development, realisation of risk and aligning of construction costs to actual inflation lead to a cost increase of £41m during 2018. This includes the introduction of 5 additional podiums, an increase in the number of units, enhanced detailing to the façade, additional balconies and further detailing to the external works.	£41m
Tier 1 Value Engineering	Value engineering achieved during 2018 in a mitigation measure to offset design development and risks incurred.	(£9m)
Tier 1 Preliminaries	Reduction in Tier 1 Preliminaries from 15% down to 12% to reflect the Lendlease shared preliminaries strategy.	(£3m)
Tier 1 Overhead and Profit	Increase in Tier 1 overhead and profit as the 6% is applied over a larger net construction cost.	£2m
Tier 1 Design Fees	Reduction in design fees to reflect RIBA Work Stage 3 programme position.	(£.5m)
Tier 1 Risk	Reduction in Tier 1 risk provision to reflect maturity of construction cost plan (reduced from 5% down to 2.5%).	(£6.5m)
Tier 1 Inflation	Reduction in Tier 1 inflation provision to reflect maturity of construction cost plan (reduced from 7% down to 5%).	(£5m)
		£19m

- 3.19 In addition to the £19m, the overall cost of the scheme was further increased to reflect the procurement approach as a consequence of the buoyant construction market in Birmingham and the wider region and the perceived risk profile of the scheme. It should be noted that the initial procurement exercise undertaken in

the summer of 2018 was not successful in awarding the contract to deliver the whole scheme on a fixed price, lump sum design and build basis. Market consultation indicated the scheme was deemed too large and too risky from a programme and reputational perspective for a single contractor to deliver on the basis tendered.

- 3.20 The revised procurement strategy was to award a contract to Lendlease Construction (Europe) Limited using the Scape National Construction – Principal Works framework agreement in accordance with its direct award protocol. Lendlease Construction (Europe) Limited will procure, manage and co-ordinate the delivery of all the plots, including the award of sub-contracts for individual plots to be developed by Tier 1 contractors. Details of the procurement process were approved under Chief Officer delegated authority by the Director, Inclusive Growth, in conjunction with the Assistant Director, Development and Commercial (or their delegate) Chief Finance Officer (or their delegate) and the City Solicitor (or their delegate).
- 3.21 After preliminary analysis of the buildability of the scheme, Lendlease Construction (Europe) Limited confirmed that delivery of plot 10 (a 239 unit block that sits on the west side of the scheme), would not be possible within the timescales for the Games. Work on that part of the site also provided the risk of hindering the highway works being undertaken as part of the wider area regeneration. As a consequence, building plot 10 has been delayed until after the Games and will be built as part of Phase 2, although the utility services for this plot will be provided as part of Phase 1. This approach came with a cost premium of c. £56m, consisting of management time, central welfare, security, logistics and waste management facilities and an additional fee to manage this. The costs associated with this approach and their description are provided below: -

Summary of Cost Increases	Further Detail	Value
Lendlease Construction (Europe) Limited Management	Professional team of circa 45 staff to coordinate and manage the design, procurement, construction and commissioning of the Athletes' Village which will be carried out by step down Tier 1 Contractors.	£12m
Lendlease Construction (Europe) Limited Shared Preliminaries	Centralised shared preliminaries with single point of responsibility for logistics, security, access control, temporary site services, site welfare accommodation, temporary office spaces, IT and Equipment and consumables.	£25m
Lendlease Construction (Europe) Limited Overhead and Profit	5% level of overhead and profit to be applied to the total construction cost. This has been tendered through the Scape Procure Principal Works Framework.	£17.2m
Scape Procurement Fee	0.5% framework fee to be applied to the total construction cost.	£1.8m
		£56m

- 3.22 Demolition and remediation work of the BCU site commenced in summer 2018 and is due to be completed in June 2019 as planned. The work was undertaken by DSM Demolition Ltd who was awarded a contract under a joint agreement with Homes England. The contract was administered by White Young Green (WYG plc) who is managing the works on behalf of the Council and Homes England. These works will ensure the land is suitable for the development of the scheme.
- 3.23 The Council has entered into a Preliminary Services Contract (PSC) with Lendlease Construction (Europe) Limited allowing them to commence early works up to the value of £9.8m. This has allowed them to progress with preparing the site for construction, confirming the design of the site welfare facility and their tendering process for the contractors to commence construction of the building and site wider infrastructure in summer 2019.
- 3.24 Work on the main contract between Lendlease Construction (Europe) Limited and the Council's (the Construction Delivery Agreement - CDA) is progressing and is expected to be completed and signed in early June. The CDA will allow Lendlease Construction (Europe) Limited to agree contracts with the Tier 1 contractors for Plot 1 and the site wide infrastructure.
- 3.25 The plots within the residential scheme are being tendered by Lendlease Construction (Europe) Limited as separate lots with the expectation that a number of contractors are selected to work on the scheme concurrently. The tendering process will award the Tier 1 contracts for all lots, is due to be complete by early 2020 and the building work is due to be completed by early 2022. The lots will be tendered as follows:-

Lot	Plots	Commence Process	Anticipated Completion
A	1	May 19	Oct 21
B	10 (site infrastructure only)	Jan 21	Feb 22
C	6, 7	June 19	Feb 22
D	8, 9	July 19	Dec 21
E	3, 4, 5	Oct 19	June 21
F	2, 11	Nov 19	Aug 21
	Site wide infrastructure	July 19	Jan 20

Phase 2

- 3.26 The land, including both Oscott Gardens and Coppice Buildings, situated adjacent to the residential scheme, being used to provide supporting facilities during Games time, will be developed post Games as additional housing as part of Phase 2 of the Perry Barr regeneration.

- 3.27 An outline planning application offering the potential to build up to an additional 500 homes has been submitted and is currently out to consultation. Development of Phase 2 will be subject to further business cases which will be submitted in due course.

4 Options Considered and Recommended Proposal

- 4.1 Hosting the Games has given Birmingham the opportunity to attract and secure additional funding for the area to maximise the regeneration potential of the works. The Council has the options: -

4.1.1 To continue with the regeneration of Perry Barr as agreed by Cabinet at Outline Business Case stage and progressed by this report, thereby delivering the housing growth, highways and public transport improvement. This includes the requirements for the Athletes' Village. This will deliver an improved environment within the Perry Barr centre and act as a catalyst to generate further development opportunities and deliver future growth in the area. It is anticipated that a significant number of additional new homes will also be delivered across the wider area over the next 15 years and improve the commercial viability of the residential scheme being built. The Council will be able to take advantage of the £165m Infrastructure Fund grant awarded from Central Government as well as the other funding secured. £148.3 million will be provided directly to the Council to support the delivery of the Athletes' Village, highway works and wider land assembly programme with the remainder (£17m) being provided to the WMCA with responsibility for delivering the new Perry Barr Station Interchange. The Council will have to ensure the funding spend criteria to mitigate the risk of providers reclaiming funds.

4.1.2 To limit the development work undertaken in Perry Barr to the Athletes' Village scheme. This may not meet the requirements of the grants secured so the Council would have to accommodate some of the cost of the works from internally generated resources, putting additional pressure on the budget. The lack of wider regeneration may stifle the potential value uplift of the homes and the Council may not realise their full sale value. This option limits the legacy opportunity for Perry Barr, the opportunity to maximise investment in the area and the delivery of sustainable growth.

- 4.2 It is recommended the FBC is approved, providing the opportunity to accelerate the regeneration of Perry Barr and introducing infrastructure that would unlock further development in the wider area.

5 Consultation

- 5.1 There is ongoing dialogue with Ward Councillors for Perry Barr, Aston and Birchfield to keep them up to date on progress of the development of the residential scheme and its potential to regenerate the wider area.

- 5.2 Officers from Planning, Highways, Transport and Connectivity, Housing, Procurement, Birmingham Property Services, Legal Services and Finance have been involved in the preparation of this report.
- 5.3 Opportunities for the regeneration at Perry Barr are set out in the Birmingham Development Plan and Aston, Newtown and Lozells Area Action Plan, both of which were subject to extensive consultation.
- 5.4 A Residents' Consultation Group has been established to ensure local people are kept informed of progress of schemes in the area, including that required as part of the CPO process. Response to the residential scheme has been positive and local people welcome the improvements it will bring to the area.
- 5.5 The freeholders and leaseholders of properties which could be directly affected by acquisitions have been contacted. Engagement with these parties is continuing as the Council seeks to secure acquisitions by voluntary negotiation.
- 5.6 Significant local stakeholders have been consulted on proposals for the regeneration of Perry Barr including the residential village, infrastructure enhancements, and the approach to land acquisitions required to facilitate this. This includes Network Rail; Transport for West Midlands (TfWM); the owners of One Stop Shopping Centre; the Education and Skills Funding Agency; Homes England and Birmingham City University; the West Midlands Combined Authority (WMCA) and; the Commonwealth Games Federation Partnership (CGFP).
- 5.7 The Commonwealth Games Organising Committee is being consulted and is kept informed on an on-going basis as part of the updates provided at Capital Projects Board and is supportive of the residential scheme being developed.
- 5.8 The MP for Perry Barr has been consulted on the residential scheme and has been made aware of the development being delivered and the positive impact it will have on the area.

6 Risk Management

- 6.1 Ordinarily, the Commonwealth Games Federation would nominate a host city 7 years prior to the Games providing ample time for development and preparation of the facilities. From being selected to host the Games in December 2017, the Council has only four years to undertake the work.
- 6.2 In order to manage this timescale the Council has worked hard to reduce the risk of failing to deliver through:- the use of existing procurements frameworks; selection of suppliers and partners with extensive experience of major projects being delivered to time cost quality; significant upfront design work and standardising where possible; robust governance and monitoring; and the support of external skills and expertise.
- 6.3 The Council has appointed Lendlease Construction (Europe) Limited to lead on the delivery of the residential complex. It has a successful track record of working on large complex schemes, including the delivery of the Athletes' Village

for the Gold Coast Commonwealth Games 2018 and the Elephant and Castle development in London.

- 6.4 The Tier 1 contractors procured by Lendlease Construction (Europe) Limited have provided budget plans in line with the overall cost plan. However there is a risk the Lendlease Construction (Europe) Limited budget plan for delivering the preliminary works may exceed the overall cost plan. In order to militate against this, the Council is negotiating an absolute cap (value to be confirmed) on the cost for these works. If this cap is exceeded, Lendlease Construction (Europe) Limited will pay the additional cost. A further pain/gain share agreement is also being negotiated where if the costs exceed the cost plan value, Lendlease Construction (Europe) Limited will make a percentage contribution (value to be confirmed) towards the overspend, up to the value of the cap. This limits the impact on the Council's funds and incentivises Lendlease Construction (Europe) Limited to keep overspend to a minimum. An annual review will be undertaken and reported to the Chief Finance Officer providing an update on spend and a risk assessment of the current financial position.
- 6.5 In the unlikely event that Lendlease Construction (Europe) Limited cease to operate an alternative management contractor will be procured and the Tier 1 contractors selected to deliver the scheme will operate under their instruction.
- 6.6 A robust governance structure has been established to monitor progress and manage dependencies, risks and issues, as they arise.
- 6.7 Significant level of 'upfront' design work has been undertaken with early engagement with contractors to ensure building the design is achievable within the timescales.
- 6.8 Modern construction methods are being considered to build parts of the scheme, with less reliance on skilled labour, materials and offering reduced completion times.
- 6.9 Confirmation of goods and labour required for the main construction is being undertaken to ensure its availability at the appropriate times.
- 6.10 Work is co-ordinated and dependencies are managed between Highways, the Village, works on the railway station, Sprint and the Stadium developments, to minimise impact on the surrounding highway infrastructure and local communities.
- 6.11 In the unlikely event the residential scheme, or a part, is not completed in time for the Games, a plan B is being developed where existing accommodation across the City is used to house athletes and officials without affecting visitor accommodation.

7 Compliance Issues:

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

- 7.1.1 The proposed development at Perry Barr is in line with the Council's plans for growth as set out in the Birmingham 2031 Development Plan. The Village forms the first phase of significant proposals for Perry Barr.
- 7.1.2 This proposal is also consistent with the Council's Vision and Forward Plan 2018 key priorities: -
- 7.1.3 Birmingham is an aspirational city to grow up in – the redevelopment of Perry Barr will lead to a step change in the local Neighbourhood and ensure a safe, warm, sustainable and connected environment in which our children can thrive;
- 7.1.4 Birmingham is a great city to live in – the Council is committed to the development of enough high quality new homes to meet the needs of a growing city, and the proposals within this report seek to support housing growth in the city;
- 7.1.5 Birmingham is an entrepreneurial city to learn, work and invest in – activity within the construction sector will create jobs and apprenticeships in the city, and activity in the supply chain industries, supporting the local economy through the Birmingham Business Charter for Social Responsibility;
- 7.1.6 Birmingham is a fulfilling city to age well in – the links between health and housing are well recognised. The scheme will see the construction of new thermally efficient, economical to run new homes which are designed to high standards of quality and internal space standards will be more affordable for residents and will offer a higher quality of life leading to better health outcomes;
- 7.1.7 Birmingham residents gain the maximum benefit from hosting the Commonwealth Games – the development of accommodation for athletes will assist with improved housing together with the regeneration of Perry Barr will provide benefits to Birmingham residents.

7.2 Legal Implications

- 7.2.1 The Localism Act 2011 aims to facilitate the devolution of decision-making powers from central government control to individuals and communities. Section 1 of the Act contains the City Council's general power of competence.
- 7.2.2 The use of CIL monies must be in accordance with the Community Infrastructure Regulations 2010. The Perry Barr Public Transport Hub

is included in the current Regulation 123 list which sets out the infrastructure projects that are to be funded through the use of CIL.

7.2.3 The power to voluntarily acquire, dispose, manage assets in land and property is contained in Sections 120 and 123 of the Local Government Act 1972. Under Section 111 of the Local Government Act 1972 the City Council may incur expenditure in relation to anything which is incidental to the discharge of its functions.

7.2.4 The Highways Act 1980 sets out the relevant powers for changes to existing highways and the adoption of new roads, the Road Traffic Regulation Act 1984 contains the powers to make appropriate Traffic Regulation Orders and Section 247 of the Town and Country Planning Act 1990 to stop up highway.

7.3 Financial Implications

7.3.1 The FBC sets out the package of funding required to meet the delivery of Phase 1, the Games time Village and wider regeneration requirements post Games. This includes a grant of £148.3m Infrastructure Fund provided from Central Government under a Section 31 Grant Agreement the first instalment of which £23.2m was received in March 2019. This forms part of a larger award of £165.7m with the balance of £17.3m being awarded to the West Midlands Combined Authority as a contribution to the costs of improving the local transport infrastructure.

7.3.2 The programme was also successful in securing funding for an on-site training facility from the Learning & Skills Council that will be used to provide skills and education for staff during the day, and offered as a community facility in the evening and weekends.

7.3.3 The overall funding package for the residential Village and wider works, including the capital receipts generated from the future sale of the residential accommodation post Games is summarised below: -

Description	Value £m
Government Infrastructure Fund	148.300
Combined Authority Brownfield Land and Property Development Fund (BLPDF) which supports early acquisitions and utility works	20.100
Learning & Skills Council	1.500
Local Growth Fund (Highways)	1.100
Capital receipts secured from sale of residential accommodation	261.957

Capital receipts from sale of land	51.757
Net revenue Contributions	7.897
Total Funding	492,611

7.3.4 The key elements of investment to be delivered through the above funding are set out in the following table

Description	Accommodation £'m	Overlay £'m	Wider Area £'m	Total £'m
Site Assembly	17.684	49.430	17.814	84.928
Construction	317.168			317.168
Highways Works	15.361		11.739	27.100
Fees	28.739		0.065	28.804
Capitalised Interest	24.334			24.334
Contingency	8.692	0.989	0.596	10.277
Total Expenditure	411.978	50.419	30.214	492.611

In the unlikely event that the level of contingency identified in the above table proves to be insufficient, a further £10m of capital contingency (forming a part of the overall £25m capital contingency within the Council's overall approved capital budget) is ringfenced to be available for delivery of this scheme, subject to review by the Council's Capital Board and approval of Cabinet to the formal allocation of the corporate contingency, compliance with the change control and approval process in place for the scheme.

7.4 Procurement Implications

- 7.4.1 There are a number of procurement activities being undertaken by Lendlease Construction (Europe) Limited and other suppliers to provide the capability and materials to deliver the residential scheme and wider regeneration. With the exception of a few specialist provision requirements, Lendlease will use the *Find it in Birmingham* procurement portal to advertise opportunities. The selection process will adopt an open book approach and ensure best value. It should be noted that social value will be incorporated in the evaluation criteria despite not being mandatory for private sector procurement. Lendlease Construction (Europe) Limited has committed to social value actions that will be monitored to ensure local businesses and citizens are able to benefit from development.
- 7.4.2 Additional procurement activities required to support the scheme are being undertaken to ensure the Council has the correct level of skill, resources and materials to ensure delivery of the programme. These services are provided in more detail within Section D2 of the FBC.
- 7.4.3 The demolition and remediation works required to serve the overlay and prepare the area for the wider regeneration development as part of Phase 2 is specified in 3.17. The procurement strategy is attached as Appendix C and Appendix D (Exempt Information).
- 7.4.4 A number of social value targets have been established that align with both the Council's Birmingham Business Charter for Social Responsibility policy and the Scape framework requirements. The focus is to increase employment, provide skills and training commitments, work with community organisations and encourage sustainability.

7.5 Human Resources Implications

- 7.5.1 The Council is providing support, skill and expertise from within existing resources. Where there is a gap in these resourcing requirements, external resource has been engaged. These requirements are detailed in within Section D2 of the FBC.

7.6 Public Sector Equality Duty

7.6.1 The equalities implications for the development of the Commonwealth Games Village were set out in the report to Cabinet dated 14th November 2017, updated in June 2018 and then again in March 2019, as attached at Appendix B and the same continues to apply. No material considerations were identified and continue to apply to the report recommendations as they do not have any adverse impact on the protected characteristics and groups under the Equality Act 2010.

8 Appendices

- 8.1 A - Full Business Case
- 8.2 B - Equality Analysis
- 8.3 C – Procurement Strategy - Demolition and Remediation
- 8.4 D - Procurement Strategy Exempt Information – Demolition and Remediation

9 Background Documents

- 9.1 Birmingham Development Plan
- 9.2 New Aston and Lozells Area Action Plan
- 9.3 Report to Cabinet 15th Aug 2017 – Commonwealth Games 2022
- 9.4 Report to Cabinet 8th December 2017 – Commonwealth Games 2022
- 9.5 Report to Cabinet 26th June 2018 – Commonwealth Games Village and the Wider Perry Barr Regeneration Programme

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

Project Title <i>(as per Voyager)</i>	Commonwealth Games – Athletes Village		
Voyager code	Various		
Portfolio /Committee	Leader's Portfolio	Directorate	Inclusive Growth
Approved by Project Sponsor	Ian MacLeod	Approved by Finance Business Partner	Guy Olivant

A2. Outline Business Case approval *(Date and approving body)*

The Outline Business Case was approved by Cabinet on 26th June 2018.

A3. Project Description

This business case covers: -

- A. Phase 1 of a residential development at Perry Barr, which will temporarily form the residential element of the Athletes' Village and in legacy provide 1,416 homes. Of these, 1,177 will be built prior to the Games and the remaining thereafter.*
- B. The infrastructure required to provide the Games time Village including the refurbishment of Oscott Gardens and the preparation of the overlay site*
- C. Activity to progress the wider regeneration of Perry Barr and seeks approval to draw down the Infrastructure Funding provided by Ministry for Communities Housing and Local Government (MCHLG) for the elements to be carried out by the City Council.*

Background

Birmingham was confirmed as Host City for the Commonwealth Games in December 2017. As part of the Host City Contract the Council is required to provide a Commonwealth Games Village (CGV) which will provide residential accommodation for approximately 6,500 athletes and team officials. It is also required to make available the infrastructure that will enable the provision of Games time facilities provided by the Commonwealth Games Organising Committee.

While the overlay is provided by the Commonwealth Games Organising Committee, provision of the services infrastructure to support this (underlay) is the responsibility of the Council.

The residential accommodation and prepared site for the overlay is required for handover to the Commonwealth Organising Committee in January 2022 to allow sufficient preparation time for the Games.

Options for the location of the village were considered during the bid process and the former Birmingham City University (BCU) campus and adjacent land at Perry Barr were identified as the most appropriate and deliverable location within the time and estimated financial envelope available. The area has also been highlighted as an area of economic growth and regeneration in the Birmingham Development Plan. The work being undertaken in Perry Barr will act as a catalyst for further growth in the area, including redevelopment of sites within the district centre and substantial additional housing growth across Perry Barr.

To support the regeneration and create a more connected Perry Barr, the transport and highways infrastructure is being enhanced, making it a more attractive and efficient place to live and work. Proposals to be implemented include: highways redesign to improve pedestrian and cycle linkages, improved transport connectivity, including a new bus interchange, redevelopment of the railway station, and the implementation of Sprint bus rapid transit.

Post Games, the athletes' residential accommodation will 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. The scheme, which is described as Phase 1, will also incorporate an extra care centre, a community centre and a number of commercial units. The overlay area is being earmarked for 'post games' housing development, providing up to 500 additional homes over the following 10 years (Phase 2).

Phase 1 Residential Scheme comprises: -

- a) The construction of 1,177 residential units to accommodate 6,100 athlete bed spaces during the Games;
- b) The retrofitting of these residential units post games in preparation for disposal. A further 239 residential dwellings will be provided upon the construction of Plot 10 at a later date post Games, providing a total of 1,416 new residential units.

Games time Village comprises:

- a) Providing an underlay infrastructure that will be used to introduce the games time operation overlay and services. The Organising Committee will fund overlay facilities and services. In Legacy this infrastructure will facilitate the further Phase 2 development;
- b) Refurbishing of Oscott Gardens, which is former BCU student accommodation with en-suite bedrooms contained within 9 separate blocks. This is anticipated to provide accommodation for upwards of 400 athletes. Post Games, this area is earmarked for redevelopment, making way for the additional housing being proposed as part of Phase 2;
NB 'a' and 'b' allow for Birmingham to meet its obligation to the Commonwealth Games Federation of delivering 6,500 bed spaces;
- c) A number of privately owned sites adjacent to BCU are required for the Games time Village underlay/overlay and wider area improvements. Acquisition of these, through negotiation and Compulsory Purchase Order (CPO), was agreed in the Outline Business Case in June 2018. The sites are being acquired by BCC who will benefit from the development of the site in legacy and used to enable delivery of the games time village including site for temporary overlay;
- d) An outline planning application for the post games development of the overlay/Phase 2 site has been submitted and is currently out to consultation.

It should be noted these legacy proposals are informing the Games time master plan which is owned by the Organising Committee.

Wider Regeneration comprises: -

- The delivery of highways improvements and public transport enhancements including the station and bus interchange;
- Delivery of the development opportunities including commercial and residential growth in the centre and additional housing growth across Perry Barr. This growth is facilitated by the improvements that are being introduced.

The OBC, approved in June 2018, set out the programme of interventions across the whole of Perry Barr at an anticipated capital cost of £519.4m

The aspects of the OBC that are not being progressed by this FBC are:

- The Highways work around Perry Barr District Centre. This includes capping of the Birchfield Roundabout; gyratory improvement works to the A34 adjacent to the One Stop Shopping Centre and the introduction of the bus and cycle routes through the Centre – separate business cases will be presented for approval in due course.
- Improvements to Perry Barr railway station, the Bus Interchange and the introduction of the wider Sprint Bus Rapid Transit network is being delivered by the Combined Authority (CA). Approval for these works will be progressed the CA's own governance process. However the works will be carried out in close co-ordination with the Council.
- Retrofitting of the residential scheme post Games to include the introduction of kitchens, flooring and some minor internal alterations. A separate business case will be submitted in due course if this option is progressed.

To facilitate the proposals, a CPO was made on 7th December 2018 and notices serviced to affected parties by 14 December 2018. (The maximum extent of the CPO is shown in Appendix 1). Subject to the Order being confirmed and land not being secured by negotiation in advance, it is expected the land required for the overlay and Phase 2 regeneration will be vested in early 2020.

Following a procurement exercise, the contract to manage and co-ordinate the delivery of all the plots on the residential scheme, including the award of sub-contracts for individual plots to be developed by Tier 1 contractors, was awarded to Lendlease Construction (Europe) Limited. In order to ensure the accommodation is delivered in time for the Games, Lendlease Construction (Europe) Limited has undertaken an extensive design review exercise, referred to as Stage 3+, which has resulted in refining the design.

The review also considered potential to deliver the scheme in time for the Games. This concluded Plot 10, originally scheduled to be built prior to the Games, to be delayed and built post Games. This has had the positive effect of reducing the risk of the highway works adjacent to the Village impacting its delivery timescales. In order to meet the City Council's commitment to provide 6,500 bed spaces, the additional

provision will be provided in Oscott Gardens, a former BCU student accommodation facility.

A4. Scope

The scope of this FBC is to deliver : -

- A. The residential developments at Perry Barr, which will temporarily form the residential element of the Athletes' Village and in legacy, provide 1,416 homes. Of these, 1,177 will be built prior to the Games.
- B. The infrastructure required to provide the Games time Village including the refurbishment of Oscott Gardens and the preparation of the overlay site.
- C. Acquisition through negotiation or CPO of all interests in the land outlined in plan attached (which shows the maximum potential extent) required to deliver the regeneration of Perry Barr. This enables delivery of the overlay facilities, transport infrastructure and wider area improvements.

A5. Scope exclusions

Beyond the village a significant level of infrastructure and transport improvements are being undertaken. These include: -

- I. Overlay of Commonwealth Games Federation temporary buildings. The Residential Village and underlay will be handed over to the Federation in January 2022 to allow time for the erection of these building prior to the Games.
- II. Plot 10 vertical construction will be constructed post Games. A decision on whether the scheme is developed by the Council or a private developer will be informed by the Disposal Strategy which is expected to be developed in late 2019.
- III. Following consultation and if the decision is made to proceed with these works, removal of the flyover adjacent to Gailey Park and A453 reconfiguration will be delivered by BCC as part of a separate scheme of works in 2020/21.
- IV. Following consultation and if the decision is made to proceed with these works, capping of Birchfield Roundabout will be delivered by BCC as part of a separate scheme of works in 2020/21.
- V. Introduction of a bus and cycle way will be delivered by BCC as part of a separate the scheme of highway works in 2020/21
- VI. Introduction of a Sprint bus service will be delivered by TfWM as part of a separate scheme of works in 2020/21
- VII. Improvements to the Railway station at its existing location will be delivered by TfWM as part of a separate scheme of works in 2020/21.
- VIII. Improvements to the bus interchange adjacent to One Stop shopping centre will be delivered by TFWM as part of a separate scheme of works in 2020/21
- IX. Improvement to the existing subway located south of the railway station will be delivered by the Combined Authority as part of the scheme of works to improve the Perry Barr railway station and Bus Interchange in 2020/21.
- X. An outline planning application has been submitted and is currently out to consultation. Works undertaken as part of Phase 2 will be considered through separate business cases presented in the future.

B. STRATEGIC CASE

This sets out the case for change and the project's fit to the Council Plan objectives

B1. Project objectives and outcomes

The case for change including the contribution to Council Plan objectives and outcomes

The proposed development at Perry Barr is in line with the Council's plans for growth as set out in the Birmingham 2031 Development Plan. The Village forms the first phase of significant proposals for Perry Barr.

This proposal is also consistent with the Council's Vision and Forward Plan 2018 key priorities by:

- Birmingham is an aspirational city to grow up in – the redevelopment of Perry Barr will lead to a step change in the local Neighbourhood and ensure a safe, warm, sustainable and connected environment in which our children can thrive;
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, this will all aim to contribute to the mental health and wellbeing of the local community;
- Birmingham is a great city to live in – the Council is committed to the development of enough high

quality new homes to meet the needs of a growing city, and the proposals within this report seek to support housing growth in the city.

An essential part of the Games is the provision of the Commonwealth Games Village. This would be a development of approximately 1,177 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. Phase 2 will deliver up to a further 500 homes including a number of homes suitable for family accommodation.

Alongside this, the regeneration of the sites at Perry Barr brings a quantum of development into the heart of the urban area sufficient to affect genuine change in the housing market; this impact will spread and accelerate the delivery of housing on smaller nearby sites.

- Birmingham is an entrepreneurial city to learn, work and invest in – activity within the construction sector will create jobs and apprenticeships in the city, and activity in the supply chain industries, supporting the local economy through the Birmingham Business Charter for Social Responsibility;
- Birmingham is a fulfilling city to age well in – the links between health and housing are well recognised. The scheme will see the construction of new thermally efficient, economical to run new homes which are designed to high standards of quality and internal space standards will be more affordable for residents and will offer a higher quality of life leading to better health outcomes. 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.
- Birmingham residents gain the maximum benefit from hosting the Commonwealth Games – the development of accommodation for athletes will assist with improved housing together with the regeneration of Perry Barr will provide benefits to Birmingham residents. The regeneration is proposing to accelerate existing planned improvements to the public transport network, providing high quality transport in Games time and delivering a sustainable legacy transport network in line with Birmingham Connected and the HS2 Growth Strategy.

Birmingham Business Charter for Social Responsibility (BBC4SR)

The certification of Lendlease Construction (Europe) Limited to the BBC4SR has provided the opportunity to gain commitments to support new entrants into jobs, apprenticeships, work experience and graduate placements. This is coupled with the development of an on-site training and engagement facility that will be also used at evening and weekend as a local community provision

Lendlease Construction (Europe) Limited is an accredited signatory to the BBC4SR and has an action plan in place with commitments proportionate to the value of the contract in accordance with the charter themes. The action plan supports new entrants into jobs, apprenticeships, work experience and graduate placements. This is coupled with the development of an on-site training and engagement facility that will be also used at evening and weekend as a local community provision.

B2. Project Deliverables

These are the outputs from the project eg a new building with xm2 of internal space, xm of new road, etc

Phase 1 of the Perry Barr Regeneration scheme will deliver: -

- Construction of the residential accommodation for the Games providing 1,177 residential units. The units will exclude kitchens but include partition walls to provide the bed spaces necessary for Games time. Post Games retrofitting will be necessary to prepare these homes for their end use. This will include the introduction of kitchens, flooring and some minor internal alterations. A disposal strategy will determine whether the optimal approach is to undertake this work in advance of disposal or to dispose of the properties before the work is undertaken, leaving the purchaser responsible for the works. The table below shows the property type in legacy: –

Plot	Property Type	No of units	No of bedrooms in legacy	No of comm. Units
1	Apartment	47	1	3
	Apartment	71	2	
	Duplex	4	2	

2	Apartment Apartment	31 62	1 2	
3,4 5	House Affordable House Affordable House Mews House Mews	6 52 4 7	3 4 3 4	
6	Apartment Apartment	121 147	1 2	1
7	Apartment Apartment	130 137	1 2	5
8	Duplex Apartment Apartment Duplex	8 72 76 2	2 1 2 3	
9	Apartment Apartment Duplex	80 85 7	1 2 2	
10*	Site infrastructure			
11	Apartment Apartment Village Hall	12 16	1 2	2
Total		1,177		11

*NB Plot 10 will be constructed post Games with 78 x 1 bed apartments, 161 x 2 bed apartments and 1 commercial unit.

- b) Refurbishing of Oscott Gardens. This former BCU student accommodation consists of 9 separate blocks, containing a total of 419 rooms. The buildings are functionally fit-for-purpose and require no major works and will provide accommodation for 400 athletes. It should be noted the site may be demolished post Games and form part of Phase 2 development;
- c) Introducing services to plot 10 in readiness for vertical construction post Games;
- d) Provide an underlay infrastructure that will be used to introduce the overlay games time operation and services. The underlay will provide the utility services required for the Games time overlay provision and Phase 2 development. It should be noted, the Organising Committee will fund the total cost for the overlay facilities and services and this is work is out of scope for the Council;
- e) Acquisition through voluntary negotiation where possible or CPO where necessary of land necessary to facilitate the delivery of the Perry Barr regeneration.

B3. Project Benefits

These are the social benefits and outcomes from the project, eg additional school places or economic benefits.

Measure	Impact
<i>List at least one measure associated with each of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (eg for economic and transportation benefits)</i>
Birmingham is an aspirational city to grow up in - Students in Education will be supported across Birmingham schools through governors, reading, mentoring and career advice, curriculum support, employability support and business projects.	As part of the Social Value commitments confirmed by Lendlease Construction (Europe) Limited at least 10,000 Students will be supported across Birmingham including post 16 and SEN schools. This will include, mentoring and career advice, curriculum support, employability support and business projects.
Birmingham is an entrepreneurial city to learn, work and invest in – New jobs in construction and development will be created during the construction period of the Athletes Village.	The scheme is providing at least 2,000 jobs and creating 400 new jobs in construction, including 50 apprenticeships, during the construction period.
Birmingham is a great city to live in – New homes will be made available to a range of tenants including social/affordable rent, private rent, homes for sale and an extra care village. The investment	Phase 1 will build 1,416 homes. Of these, 1,177 will be built prior to the Games. Up to 500 additional homes will be built as part of Phase 2 post Games as well as unlocking the wider growth potential in the area.

in infrastructure will lead to the development of additional homes in the wider area	
Birmingham is a fulfilling city to age well in. The Village will provide a pleasant and green environment helping to improve the quality of life of the local population along with their mental health and well-being.	The village will have 338 trees providing a net increase of 66 additional trees from previously. There will also be a village green located within the centre of the complex providing a significantly improved green environment.

A detailed Benefits Register is attached at G5 below.

B4. Benefits Realisation Plan

Set out here how you will ensure the planned benefits will be delivered

By delivering the Games Village and providing the infrastructure to unlock future development sites around Perry Barr the schemes will: -

Ordinarily, the Commonwealth Games Federation would nominate a host city 7 years prior to the Games providing ample time for development and preparation of the facilities. From being selected to host the Games in December 2017, the Council has 4 years to undertake work. In order to manage this timescale the Council has worked hard to reduce the risk of failing to deliver through:-

- a) The council has selected Lendlease Construction (Europe) Limited to deliver the residential complex. It has extensive experience of major projects being delivered to time cost quality, a successful track record of working on large complex schemes, including the delivery of the athlete's village for the Gold Coast Commonwealth Games 2018 and the Elephant and Castle development in London.
- b) Contractual commitments have been established with clear delivery dates and target costs. A Preliminary Services Contract (PSC) was provided to ensure early preparatory works could commence. A more detailed Construction Delivery Agreement (CDA) is being drafted that will provide contractual commitments for the duration of the scheme.
- c) In the case Lendlease Construction (Europe) Limited cease to operate an alternative management contractor will be procured and the Tier 1 contractors selected to deliver the scheme will operate under their instruction.
- d) Significant upfront design work has been undertaken and standardising where possible the design. This will ensure buildability and identify possible areas of difficulty early on. Early engagement with contractors has been undertaken to ensure building the design is achievable within the timescales.
- e) A robust governance structure has been established to monitor progress and manage dependencies, risks and issues, as they arise. Clear tolerance and escalation levels are set to ensure issues are identified and managed in a timely manner;
- f) Modern construction methods are being considered to build parts of the scheme, with less reliance on skilled labour, materials and offering reduced completion times.
- g) Confirmation of goods and labour required for the main construction is being undertaken to ensure its availability at the appropriate times.
- h) Work is co-ordinated and dependencies are managed between highways, the Village and the Stadium to minimise impact on the surrounding highway infrastructure and local communities.
- i) In the unlikely event the residential scheme, or a part, is not completed in time for the Games, a plan B is being developed where existing accommodation across the City is used to house athletes and officials.
- j) Stretched Social value targets have been set and will be monitored on a monthly basis to ensure compliance.

B5. Stakeholders

A stakeholder analysis is set out at G4 below. A summary of consultation responses is in the covering Executive report.

C. ECONOMIC CASE AND OPTIONS APPRAISAL

This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities

C1. Summary of options reviewed at Outline Business Case

*(including reasons for the preferred option which has been developed to FBC)
If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.*

Options to consider how Birmingham would manage the needs of the athletes and officials during the Games were considered and this provided two main options: -

1. To house athletes and officials at a dedicated purpose built village. This has been well received by the CGF and formed a part of Birmingham's initial bid to the CGF for hosting the Games. This would deliver an improved environment within the Perry Barr centre and act as a catalyst to generate further development opportunities and deliver future growth in the area. It is anticipated that a significant number of additional new homes will also be delivered across the wider area over the next 15 years.
2. To house the athletes at various locations across the city and scale back the development of the residential village. This would significantly limit the legacy opportunity for Perry Barr. Alternative accommodation would need to be sought for athletes and officials at locations across the city at significant cost to the Birmingham City Council with no enduring benefit or positive legacy.

C2. Evaluation of key risks and issues

The full risks and issues register is included at the end of this FBC

1. The timescales to deliver the residential scheme are extremely tight with handover to the Federation due in early 2022. The scheme is required to be being delivered in less than 4 years where other such developments are usually expected to be complete within 7 years.
2. Risk costs of programme may increase significantly due to the supply chain not meeting the cost of the programme due to future economic changes and currency fluctuations.
3. Risk that contractors or sub-contractors becoming insolvent due to poorly performing contracts of cash flow issues.
4. Programme for transport related schemes may not align with the Village construction programme and compromise project delivery of village and/or transport infrastructure schemes.

C3. Other impacts of the preferred option

Describe other significant impacts, both positive and negative

Positive Impacts: -

1. Provides much needed housing to the area
2. Significant improvement in terms of green space
3. Unlocks development potential and on-going regeneration of the area
4. Provides capital receipts from sale of accommodation post Games
5. The highways works will provide for an improved public realm,
6. Improved public transport priority and cycle routes through the area will be provided
7. The public transport improvements will provide for better access to rail and bus services, better modal interchange, and a more attractive environment for passengers.
8. Wider site assembly will both facilitate the delivery of the schemes outlined above and will enable the delivery of new development to improve the local centre and provide additional housing post-Games

Negative Impacts: -

1. The works will provide disruption to both business and residents in the area but this will be kept to a minimum. The contractors on the various schemes being developed across the Perry Barr area will work together to minimise disruption.

D. COMMERCIAL CASE

This considers whether realistic and commercial arrangements for the project can be made

D1. Partnership, Joint venture and accountable body working

Describe how the project will be controlled, managed and delivered if using these arrangements

N/A

D2. Procurement implications and Contract Strategy:

What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).

An initial procurement exercise undertaken in the summer of 2018 to award the contract to deliver the residential scheme was unsuccessful, the scheme was deemed too large and too risky from a programme and reputational perspective for a single contractor to complete works on a fixed price, lump sum design and build basis. A revised procurement strategy was to award a contract to Lendlease Construction (Europe) Limited using the Scape National Construction – Principal Works framework agreement in accordance with its direct award protocol. Lendlease Construction (Europe) Limited will procure, manage and co-ordinate the delivery of all the plots, including the award of sub-contracts for individual plots to be developed by Tier 1 contractors.

On 9th October 2018, the Corporate Director, Economy in conjunction with the Director of Commissioning and Procurement, the Corporate Director, Finance and Governance (or their delegate) and the City Solicitor (or their delegate) approved the award of a contract to Lendlease Construction (Europe) Limited for the development of the residential element for the Commonwealth Games Village.

The Council has entered into a number of additional contracts to support the delivery of the scheme. These include: -

Service	Provider
Employers Agent, Quantity Surveying and pre RIBA Work Stage 3. Stage 3 onwards Project Management; Supervisor and Design Assurance services for the residential village.	Arcadis LLP
Site Investigation and Geotechnical Services	White Young Green Ltd
Demolition and remediation of the BCU site	DSM Demolition Ltd
Professional advice on acquisitions/disposals.	Various

There is a requirement to carry out procurement processes for a number of other contracts to support the wider Perry Barr regeneration. These include: -

Service
Demolition and Remediation works to land the Council has acquired outside Phase 1.
Consultancy service to develop a disposal strategy for the residential village
Health and Safety Advisory role

D3. Staffing and TUPE implications:

There are no TUPE implications with this project but a number of staff from the Council are committed to ensuring the successful delivery These include: -

Programme Sponsor
 Accounts and Financial support
 Programme Management
 Project Management
 Site assembly and property acquisition
 Demo and remediation
 Project Management Office

E. FINANCIAL CASE

This sets out the cost and affordability of the project

E1. Financial implications and funding

[illegible]

APPENDIX A

[illegible]

E2. Evaluation and comment on financial implications:

Funding Implications

The Council has assembled a package of funding to deliver the whole Perry Barr regeneration scheme totaling £492.6m. This comprises: -

The City Council through the West Midlands Combined Authority (WMCA) has been successful in securing a £165m grant fund from Central Government towards building the infrastructure on Perry Barr. £148.3 million will be provided directly to the City Council to support the delivery of the Athletes village, highway works and wider land assembly programme with the remainder (£17m) being provided to the WMCA with responsibility for delivering the new Perry Barr Station Interchange. Government is proposing to make annual payments via a Section 31 agreement, with the Authority, in return:

- reporting into the appropriate Commonwealth Games governance structures to provide assurance and oversight;
- being open and transparent with their delivery plan, if requested by Government;
- providing annual assurance from S151 officer that funding has been spent on the project and future funding can be drawn down;
- providing ongoing reporting of housing delivery for the Perry Barr regeneration to enable the impact of the funding to be monitored by Central Government
- Birmingham City Council is responsible for delivery and any cost overruns.

The total funding secured for the programme including the Infrastructure Fund is provided below: -

Description	Contribution Towards Programme (£m)
Government Infrastructure Fund	148.300
Learning & Skills Council	1.500
LRF	20.100
Local Growth Fund (Highways)	1.100
Capital receipts secured from sale of residential accommodation	261.957
Capital receipts from sale of land secured through CPO	51.8
Net Revenue Contribution	7.897
Total Funding	492.611

It should be noted that whilst £310m of the overall funding package will be delivered from the sale of land and residential accommodation post-games, the expenditure will be incurred in advance of the receipts being generated. This expenditure will therefore be funded through prudential borrowing in the first instance, with the interest incurred on this borrowing capitalised, and then subsequently repaid once the land receipts crystallise.

Capital Costs to Deliver Programme

The costs to deliver the programme of works are expected to be £492.611m, with funding provided from a number of sources. The table below provides a breakdown of the funding being made available:-

Description	Contribution towards Residential Accommodation (£m)	Contribution towards Village (£m)	Contribution towards Perry Barr Wider Regeneration (£m)	Total
Residential village (Phase 1 construction) Includes site infrastructure & services, legacy retrofit costs	317.168			317.168
Land assembly, Acquisitions and remediation	17.684	49.430	17.814	84.928
Highways works. Includes a £3m contribution from BCR	15.361		11.739	27.100
Fees	28.739		0.065	28.804
Capitalised Interest	24.334			24.334
Contingency	8.692	0.989	0.596	10.277
Total Expenditure	411.978	50.419	30.214	492.611

In the unlikely event that the level of contingency identified in the above table proves to be insufficient, a further £10m of capital contingency (forming a part of the overall £25m capital contingency within the Council's overall approved capital budget) is ringfenced to be available for delivery of this scheme, subject to review by the Council's Capital Board and approval of Cabinet to the formal allocation of the corporate contingency, compliance with the change control and approval process in place for the scheme.

This funding will contribute towards: -

- Building the residential village;
- Retrofit of the properties post Games;
- Acquisition of properties with the line boundary shown in Appendix 1;
- Introduction of underlay works to support the Games time overlay requirements and Phase 2

- development;
- Building the related highway and transportation infrastructure works - details for which will be provided through separate business cases.

E3. Approach to optimism bias and provision of contingency

The early engagement of Lendlease Construction (Europe) Limited as lead contractor for the construction of the accommodation, together with the advanced negotiations to agree acquisition costs for the necessary land to deliver the village, has resulted in a high level of cost certainty for overall project delivery. Initial feedback from Lendlease has also indicated that tenders received from Tier 1 contractors are within the identified cost envelopes for individual phases of the housing development.

A modest level of contingency has been identified at a programme level, amounting to £10.277m. Access to this contingency will be closely managed and controlled through a rigorous and challenging change control process that will require approval of all requests in advance of expenditure being incurred.

E4. Taxation

Describe any tax implications and how they will be managed, including VAT

This project includes substantial levels of land acquisition, and the nature of the construction being undertaken is likely to result in the majority of expenditure being standard rated for VAT.

Acquisition costs are all considered inclusive of SDLT implications, and it is considered that the VAT liability relating to the construction costs will be either recoverable as it will result in non-business usage, or can be managed within the overall VAT partial exemption limits for the Council.

F. PROJECT MANAGEMENT CASE

This considers how project delivery plans are robust and realistic

F1. Key Project Milestones

The summary Project Plan and milestones is attached at G1 below

Planned Delivery Dates

Residential Village Scheme

Cabinet Approval of OBC	June 2018 completed
Selection of Lendlease Construction (Europe) Limited to deliver residential village	Nov 2018 completed
Planning Application for Residential Village granted	Dec 2018 completed
Preliminary Services Contract awarded to Lendlease Construction (Europe) Limited	Feb 2019 completed
Commence preliminary works on site	May 2019 completed
Complete BCU site demolition and remediation	June 2019
Commence site wide infrastructure works	June/July 2019
Commence plots construction	June/July 2019
Complete plots construction	Feb 2022
Completion of public realm	May 2022

Games Time Village and Wider Regeneration

Land acquisitions by negotiation	Ongoing
CPO made	Dec 2018
CPO Inquiry	July 2019
Confirmation of CPO (anticipated)	Autumn 2019
Vesting of land through CPO	Winter 19/20
Assembly and preparation of Games-time Village site complete – handover to Organising Committee	Jan 2022

F2. Achievability

Describe how the project can be delivered given the organisational skills and capacity available

Phase 1

Lendlease Construction (Europe) Limited has a strong track record of delivering large scale high profile developments, including the Olympic Park Athletes Village, the Athletes Village for the Gold Coast Commonwealth Games 2018 and the Elephant and Castle development in London. The option to use Lendlease to retrofit the residential blocks post games is available under the procurement route taken and further consideration will be given to the best option at a later stage.

Arcadis LLP, an experienced organization has been appointed to the role of Project Manager and Supervisor under the NEC contract to assure deliver plans and quality of deliverables in maintained.

Robust Governance to ensure effective oversight and timely decision making is being introduced.

Regular monitoring of spend against profile is being established with clear thresholds for approval.

Delivery of the scheme split between a number of Tier 1 contractors to reduce the risk of failure to deliver to timescales. Lendlease Construction (Europe) Limited will manage the contractors.

Under the circumstances where Lendlease Construction (Europe) Limited are unable to operate, an alternative Managing Contractor would be procured to lead the development.

Robust project plan established with levels of contingency built in.

Upfront review of the design has been undertaken to ensure contractors are able to deliver their allocated scheme.

Selection of materials, fixtures and fittings are being standardised wherever possible to ensure availability and affordability.

Games Time Village

The Commonwealth Games Federation Partnership to support the Authority in providing an effective and successful Games-time village.

A multi-disciplinary team, including a range of delivery partners, and strong governance is in place to manage and deliver the scheme.

The Games-time delivery is supported by our strong links with Gold Coast – the previous Host City – and the input of other experts with learning opportunities from their recent experiences and their ongoing advice regarding delivery and legacy

The Council has also appointed a specialist with experience of operational facilities requirements of major Games to work alongside Officers and provide support.

Wider Regeneration

A number of consultants and property agents are working with the Council to manage the property acquisitions process.

The Council has a strong track record of delivering major regeneration and capital projects where necessary using compulsory purchase powers over many years, in respect of which it has been supported by successive Secretaries of State who have confirmed the Orders. These include housing (with BMHT being the largest housebuilder in the city in recent years), and transport infrastructure such as New Street Station/Birmingham Gateway.

Significant internal resource is committed to the programme and additional resources required to ensure the timely delivery of the projects are provided. This includes expertise in: -

Programme and project management;
Housing development;
Transportation,
Property services,
Planning,
Legal,
Finance,
Procurement.

F3. Dependencies on other projects or activities

In order for the Games to be successfully delivered a number of schemes are currently being progressed including:

- Re-development of the Alexander Stadium
- A number of highway and transport infrastructure schemes across the region including a significant number in Perry Barr
- Upgrades of a number of transport hubs across the city

F4. Officer support

Project Manager: Mumtaz Mohammed

Email: mumtaz.mohammed@birmingham.gov.uk

Tel: 07823 534 979

Project Accountant: Guy Olivant

Email: guy.olivant@birmingham.gov.uk

Tel: 0121 303 4752

Project Sponsor: Ian Macleod

Email: ian.macleod@birmingham.gov.uk

F5. Project Management

Describe how the project will be managed, including the responsible Project Board and who its members are

A Project Board has been set up to oversee the works within the Perry Barr area. It consists of partners responsible for delivering and monitoring the projects set out in this report and includes: BCC Officers - (Planning, Housing, Birmingham Property Services, Procurement, Finance, Legal and Transportation)

Transport for West Midlands (TfWM)

Homes England

West Midlands Combined Authority

Arcadis LLP

A project board is being established to oversee the delivery of the residential scheme that will consist of representatives from Sponsor, Senior Customer, Finance, Procurement, Senior Supplier, Programme Management and PMO.

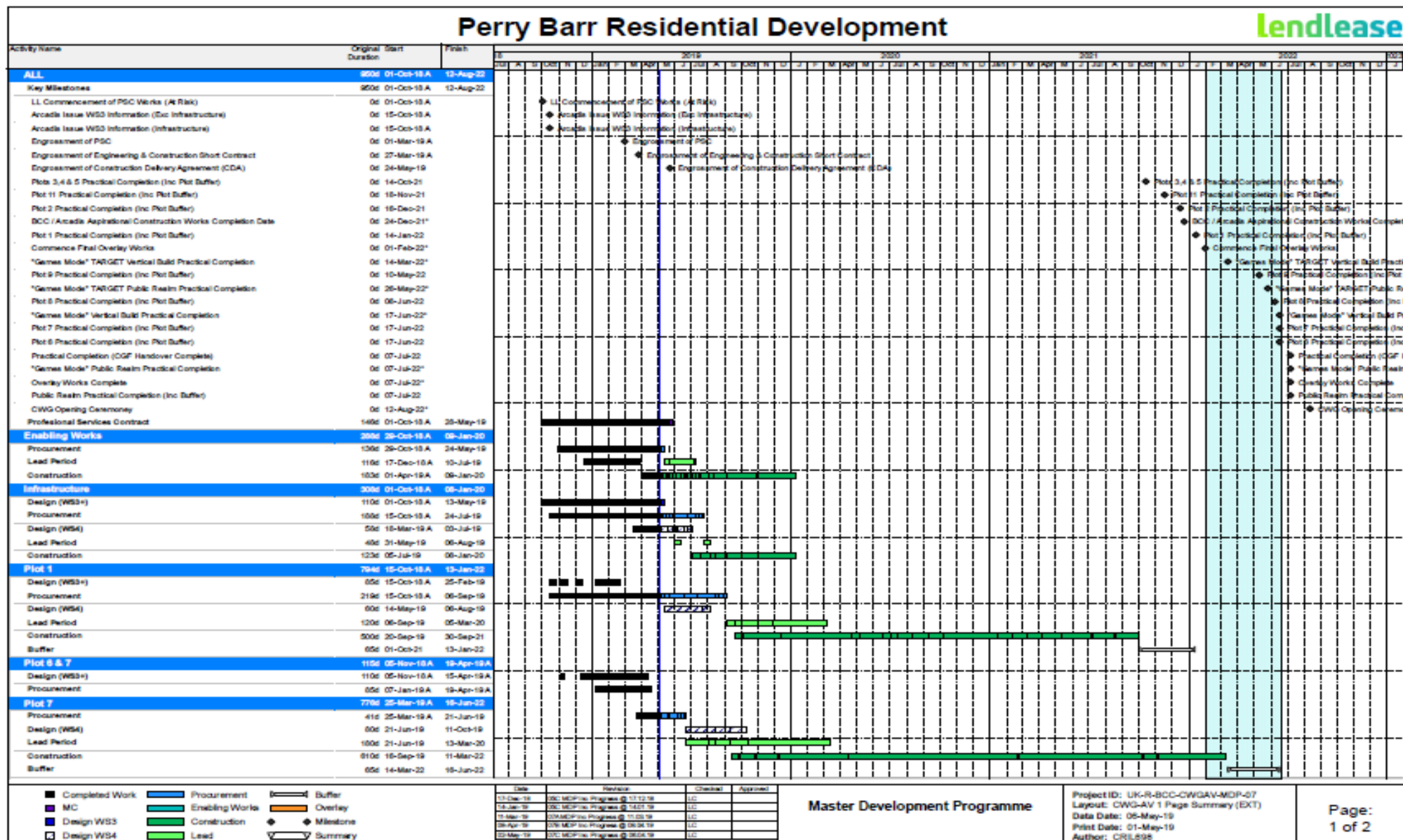
The Capital Programme Board oversees the delivery of all capital projects associated with the Game and convenes every 4 weeks. The Board consists of representatives from Commonwealth Games Federation, Alexandra Stadium, Games Village, Birmingham City Council and other key stakeholders. The organogram is provided indicating the internal Governance structure for the Games.

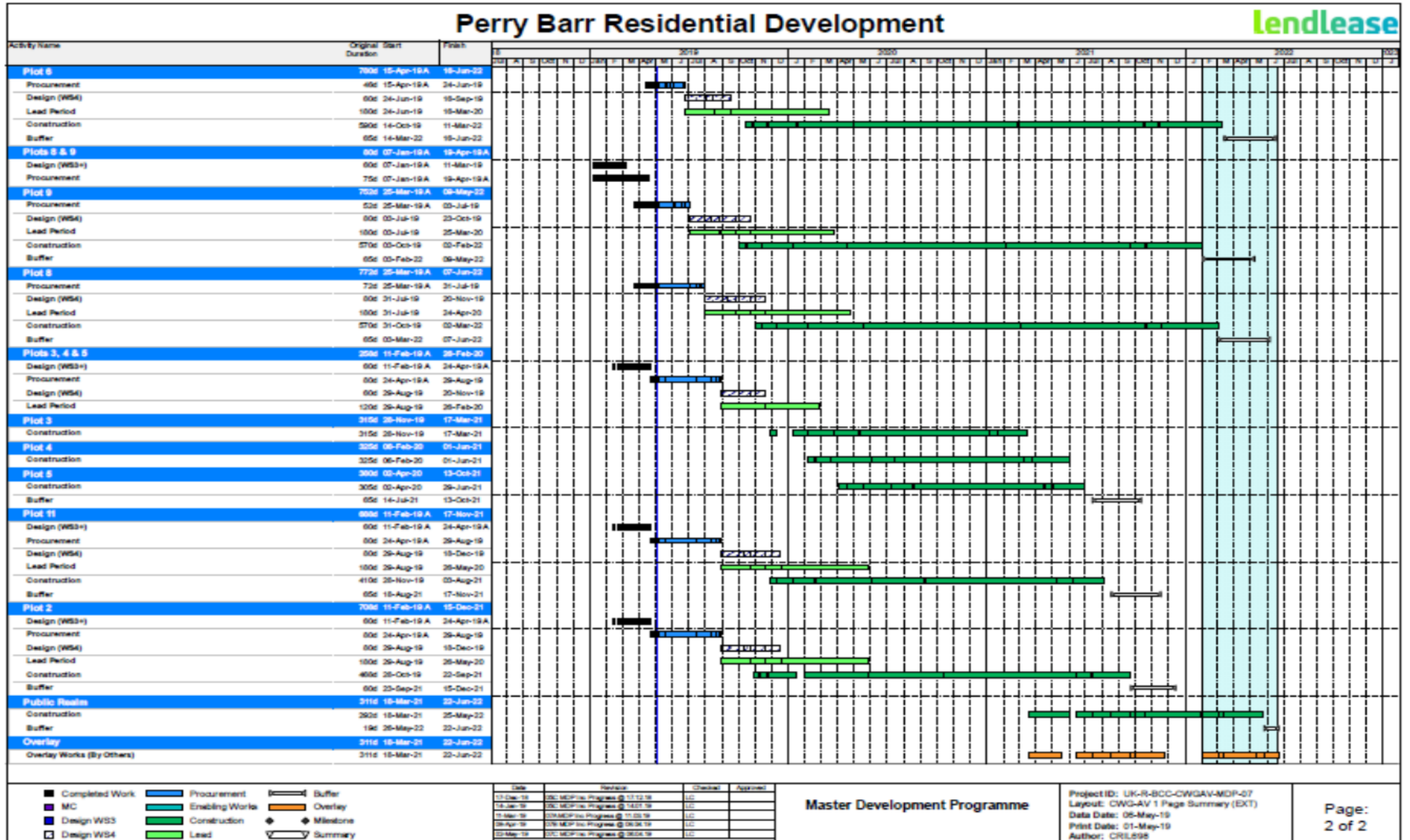
G. SUPPORTING INFORMATION

(Please adapt or replace the formats as appropriate to the project)

G1. PROJECT PLAN

APPENDIX A





G2. SUMMARY OF RISKS AND ISSUES REGISTER

Risks should include Optimism Bias, and risks during the development to FBC

Grading of severity and likelihood: High – Significant – Medium - Low

KEY RISKS									
Risk ID	Description including Games Consequences	Original RAG	Owner	Mitigation	Update	Residual / Current RAG	Proximity	Escalate Y/N?	Resolution Target Date
R111	Programme for transport related schemes (i.e. highways improvements, train station, A34 Sprint) may not align with the village construction programme and compromise project delivery of village and/or transport infrastructure schemes.	25	BCC	Project managers ensure co-ordination of designs and construction plans integrate between schemes.	11/02/19 - Transport infrastructure Group meetings continue to be held regularly.	16	Approaching		On-going
New	The Business Case for the Athletes Village, and in particular the level of contingency included within the financial plan is below the level that would be required to ensure Green Book compliance		BCC	Project level contingency supplemented by additional £10m ringfencing of Council's overall Capital Contingency. Risk of need to access contingency reduced by approach to contracts including fixed price contracts and role of Lendlease.		16	Approaching		On-going
R36	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 (Sprint) Rail upgrade, Utility works or work associated with neighbouring schemes resulting in a delay to the construction programme.	20	BCC	1. BCC to appoint a co-ordinating manager for co-ordinating all works associated with works around the CWG Village. 2. BCC to 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. Project Manager to	A construction programme is being prepared which will lead to a CEMP and site logistics.	12	Approaching	N	On-going

APPENDIX A

				ensure that rules are issued at tender stage to the tendering primary contractor for the Athletes village.					
R60	There is a risk that the main contractor or sub contractor(s) becomes insolvent due to poorly performing projects and cash flow issues resulting in the need to re-procure a main contractor/sub-contractor and the project stalling.	15	BCC	1. Lendlease will ensure that a thorough financial check is undertaken on short listed primary 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.	Due diligence being undertaken on the T1 contractors by Lendlease as part of the pre-selection process ahead of tendering for each plot	10	Distant	N	Jul 19
R28	There is a risk the supply chain may not meet the cost of the programme due to future economic changes and currency fluctuations which may lead to a sub-optimal design/product.	12	BCC	Employer's Agent seek to amend contract conditions so risk of supply chain insolvency and price fluctuations sit with the main contractor.	Being discussed as part of early engagement by Lendlease and the T1 contractors.	9	Distant	N	Jul 19
R133	There is a risk the programme budget may be exceeded due to the very tight timescales and level of challenge with building a scheme of this size and complexity	12	BCC	Early engagement of Lendlease Construction (Europe) Limited as lead contractor for the construction of the accommodation. Identify a level of contingency at a programme level. Access to this contingency to be closely managed and controlled through a	The early engagement of Lendlease Construction (Europe) Limited as lead contractor for the construction of the accommodation, together with the advanced negotiations to agree acquisition costs for the necessary land to deliver the village, has resulted in a high level of cost certainty for overall project delivery. Initial feedback from Lendlease has also indicated		Distant	N	On Going

APPENDIX A

				rigorous and challenging change control process that will require approval of all requests in advance of expenditure being incurred	that tenders received from Tier 1 contractors are within the identified cost envelopes for individual phases of the housing development.				
--	--	--	--	---	--	--	--	--	--

G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS

Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)

Description	Value (£m)
Government Infrastructure Fund	148.300
Combined Authority Brownfield Land and Property Development Fund (BLPDF) which supports early acquisitions and utility works	1.500
Learning & Skills Council	20.100
Local Growth Fund (Highways)	1.100
Capital receipts secured from sale of residential accommodation	261.957
Capital receipts from sale of land	51.8
Net revenue Contributions	7.9
Total Funding	492.6

G4. STAKEHOLDER ANALYSIS

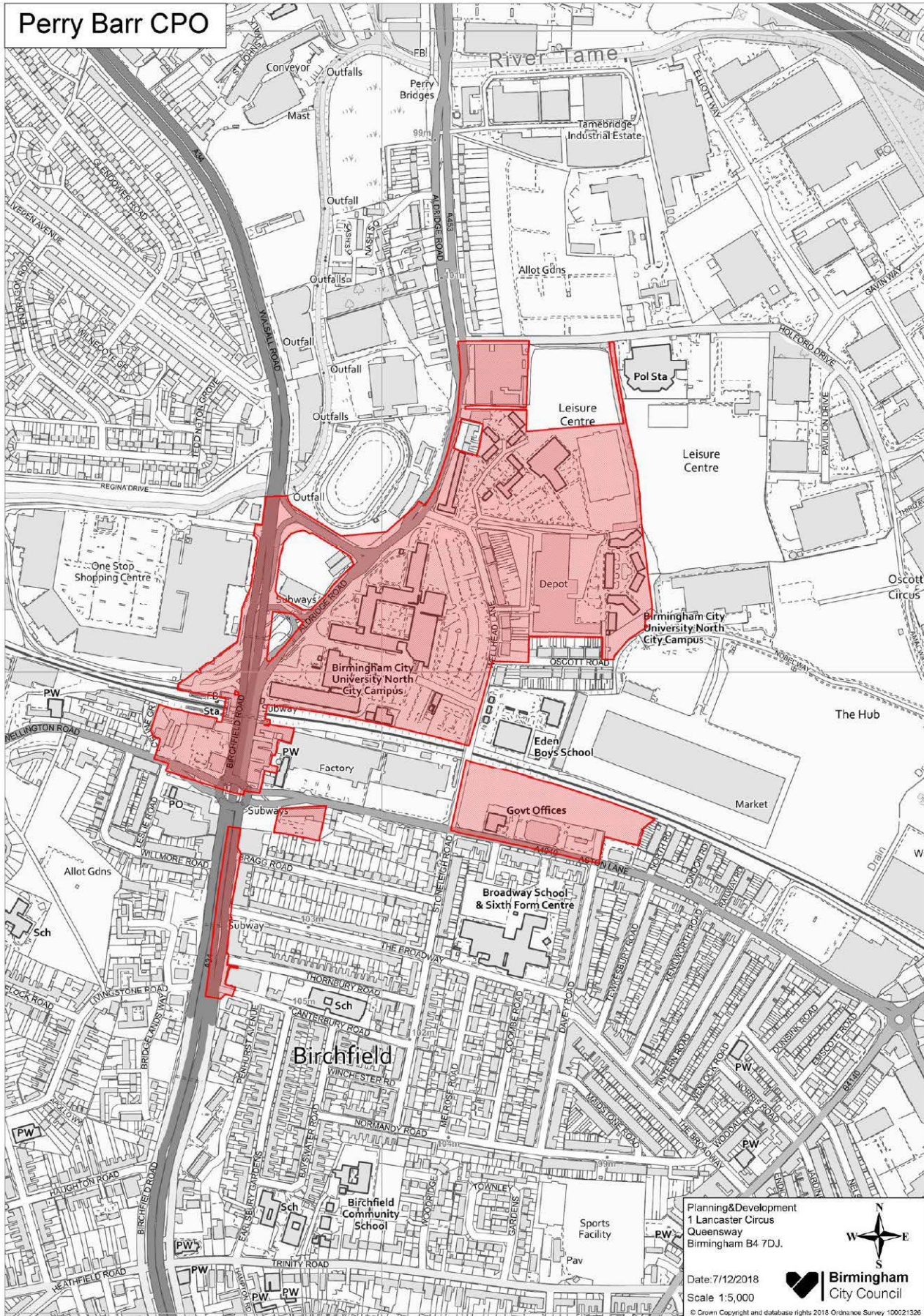
The stakeholder matrix below provides details of many of the key stakeholders associated with the delivery of the schemes and gives an indication of their level of involvement in delivery.

Stakeholder Matrix					
Name	Role/Company	Responsible	Accountable	Consulted	Informed
Media	Press				ü
Councillor Ian Ward	Leader of Council			ü	
Councillor Morriam Jan	CLlr for Perry Barr			ü	
Councillor John Hunt	CLlr for Perry Barr			ü	
Khalid Mahmood	MP for Perry Barr			ü	
Waheed Nazir	Corporate Director Inclusive Growth		ü		
Neil Carney	Programme Director - Commonwealth Games		ü		
Kathryn James	Assistant Director of Property	ü			
Dawn Bexandale	Chief Executive Officer	ü			
Andrew Street	Mayor of West Midlands				ü
Clive Heaphy	Chief Finance Officer		ü		
Dave Wagg	Project & Client Manager, Strategic Sport		ü		
Councillor Sharon Thompson	Cabinet Member for Homes and Neighbourhoods			ü	
Councillor Tristan Chatfield	Cabinet Member for Finance and Resources			ü	
	Transport for West Midlands (TfWM)	ü			
	West Midlands Police	ü			
	Organising Committee		ü		
	National Express West Midlands			ü	
	Emergency Services	ü			
	Network Rail			ü	
	High Speed2			ü	
	Birmingham City University	ü			
	West Midlands Combined Authority			ü	
	One Stop Shopping Centre			ü	

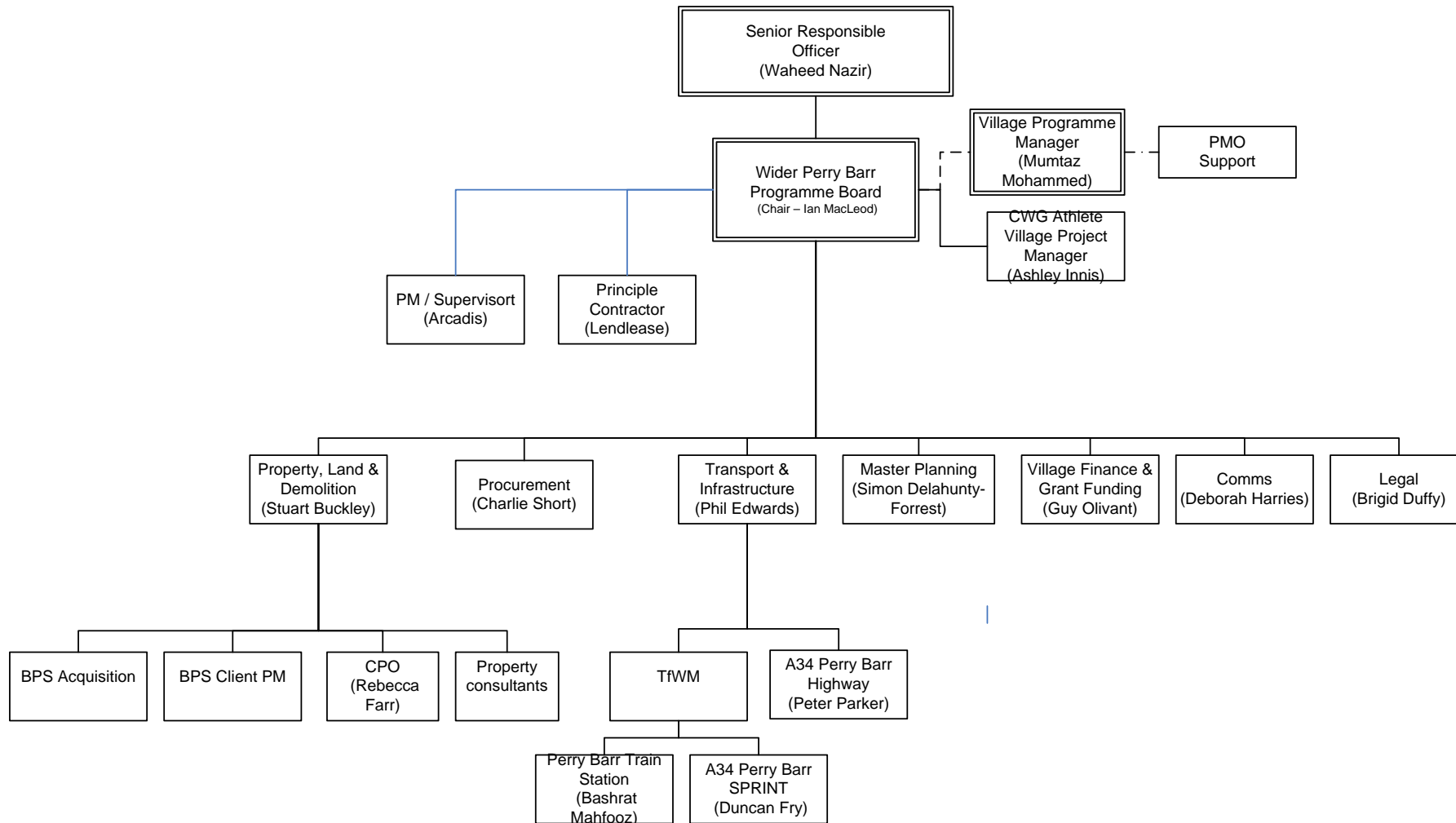
G5. BENEFITS REGISTER

For major projects and programmes over £20m, this sets out in more detail the planned benefits. Benefits should be monetised where it is proportionate and possible to do so, to support the calculation of a BCR and NPSV (please adapt this template as appropriate)

Measure	Annual value	Start date	Impact
<i>List at least one measure associated with each of the outcomes in B1 above</i>			<i>What the estimated impact of the project will be on the measure identified</i>
(a) Monetised benefits:	£1,412,000	April 2024	Council tax income from the 1177 homes.
(b) Other quantified benefits:	1177 new homes		
	Infrastructure in place to build another 500 new homes as part of Phase 2.		
	Infrastructure available to build 239 apartment block on plot 10		
(c) Non-quantified benefits:	<p>a. Facilitate the delivery of the Games, which will bring significant economic benefits to the immediate area, the City and the Region. The Games will demonstrate on a global stage that Birmingham is a young, diverse, entrepreneurial and exciting city, and will see a raised profile for the region before, during and after the Games. This will generate a range of economic opportunities—promoting tourism, investment, business and delivering employment, training and volunteering opportunities for our citizens. Working closely with partners across the region to deliver a Games that reflects the City and the wider West Midlands will strengthen regional partnership and drive a joint regional ‘effort’.</p> <p>b. Directly enable and accelerate the development of around 5,000 new homes to the area, enabling and promoting higher density development, in line with the strategy for growth set out in the BDP.</p> <p>c. Enable major investment in transport infrastructure across the area as part of the delivery of the ‘Birmingham Connected vision’. This vision seeks to create a transport network which is equitable, efficient, sustainable, healthy and attractive to support economic growth.</p> <p>d. The delivery of infrastructure at Perry Barr and along the A34 corridor will be accelerated by this project. This will in turn stimulate significant private sector investment, thereby increasing investor confidence, employment opportunities and regeneration across the wider area.</p> <p>e. Increase land values, creating certainty for investors and raising the profile and the city.</p> <p>f. Create new jobs through construction and end use.</p> <p>g. Provide a new and diverse housing offer, including apartments, family housing and an Extra Care Village within a range of tenures, which will create a revitalised and increasingly mixed community in the area.</p> <p>h. Improve local centre provision, both the ‘offer’ and quality of buildings (as many premises are out dated or in poor condition, which projects a poor environmental image).</p> <p>i. Improve the quality of the urban environment and public realm including a number of accessible green spaces, new as well as retained/relocated trees, and significantly enhanced walking and cycling routes.</p>		



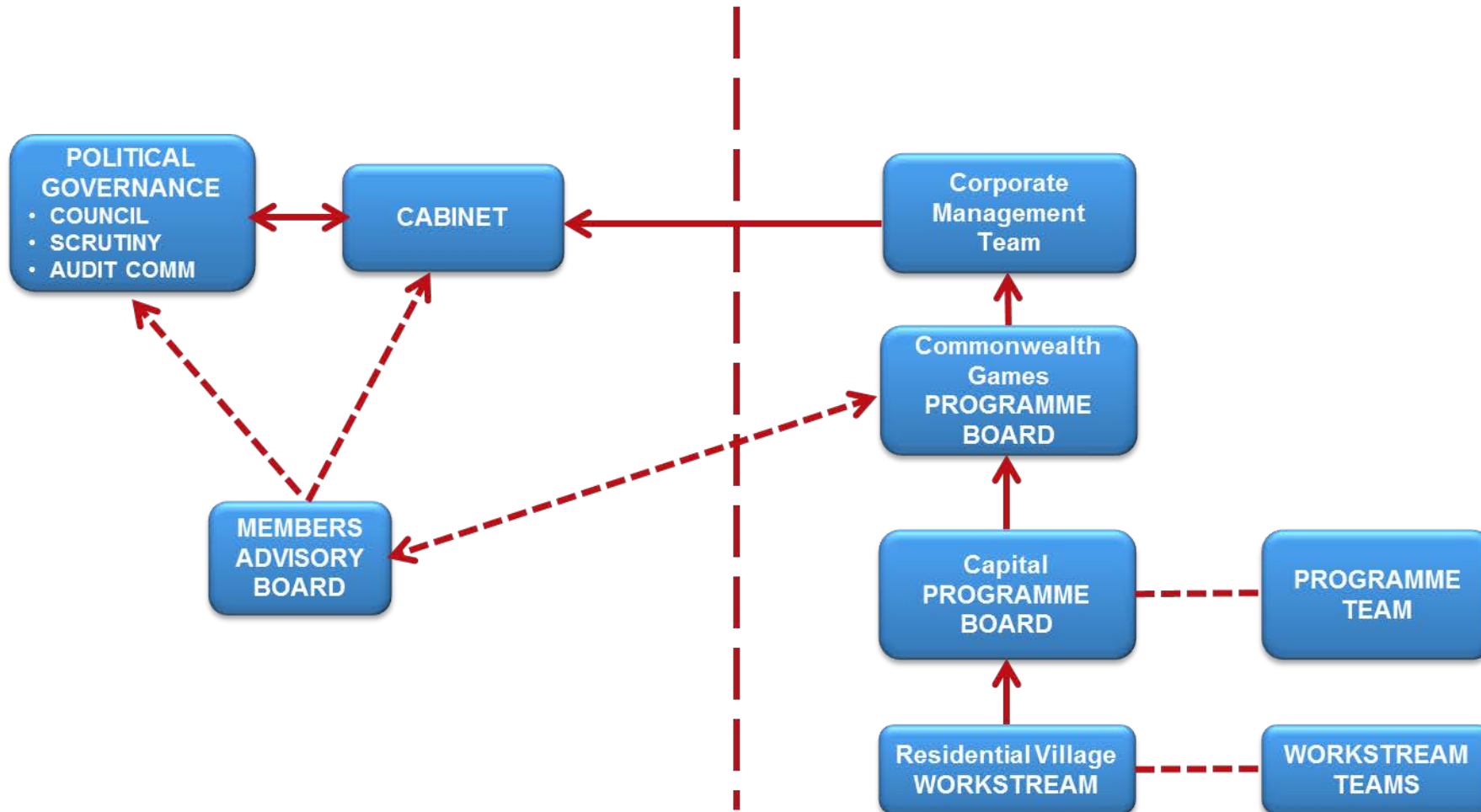
Commonwealth Village & Wider Perry Barr Programme Structure



Internal Structure and Governance Organogram

POLITICAL

OPERATIONAL



Appendix B

Equalities Appraisal: Perry Barr Commonwealth Games Athletes' Village and legacy regeneration

Update 1

February 2019

1. Introduction

- 1.1. An Equality Analysis (EA) report (Reference Number: EA002780) was produced as part of the Commonwealth Games Village and wider Perry Barr regeneration programme Outline Business Case Cabinet Report ("the OBC") (26th June 2018), in line with the City Council's duties under the Equalities Act 2010. The EA report identified; "that there is some potential for the programme to have differential impacts on protected characteristics but that mechanisms are in place to mitigate this."
- 1.2. This paper provides an update on the equalities position, to support the Council's position on the Compulsory Purchase Order ("the CPO") and the Commonwealth Games Athletes' Village and wider Perry Barr regeneration Full Business Case report ("the FBC"). It sets out the potential issues identified and the Council's approach to mitigating any potential differential impacts.
- 1.3. This paper does not address the proposed highway scheme or public transport improvements, and only considers them insofar as the impact of the acquisitions required to deliver those elements of the overall scheme.

Equalities duties

- 1.4. The City Council has a duty under the Equalities Act 2010 ("the Act") to consider the needs of diverse groups when designing and delivering services, so that people can get fairer opportunities and equal services, to consider all the protected characteristics, and to tackle socio-economic inequalities.
- 1.5. The Act protects you from discrimination by; employers, business and organisations which provide goods or services, health and care providers, someone who you rent or buy a property from, school, colleges and other education providers, transport services and public bodies like government departments and local authorities. The Act contains nine protected characteristics which are age, disability, gender reassignment, marriage or civil partnership (in employment only), pregnancy and maternity, race, religion or belief, sex and sexual orientation.

2. Background

Perry Barr Regeneration

- 2.1 The scheme for the regeneration of Perry Barr, as set out in the OBC referred above, includes the delivery of the Commonwealth Games Athletes' Village (residential and

Games-time operational uses), highways and public transport works, and site assembly to enable future growth.

- 2.2 The Games village is essential to the successful delivery of the Commonwealth Games, and as such will enable significant benefits to be realised for the city and region as well as for the immediate locality. The residential element of the Village will be developed in line with the planning approval (application number 2018/06313/PA) granted in December 2018 for c. 1400 new homes. The Games-time overlay site will be delivered adjacent to this, on the former BCU campus and adjoining sites. This will be developed post-Games for residential uses, with the Doug Ellis Sports Centre being retained for leisure uses.
- 2.3 The highways works will provide for an improved public realm, public transport priority and cycle routes through the area. It will also enable new housing development to be maximised by unlocking development plots and improving the viability of housing schemes in the area. A detailed Equalities Appraisal of the highways scheme will be carried out as part of the approvals process for these works through the City Council's gateway process.
- 2.4 The public transport improvements will provide for better access to rail and bus services, better modal interchange, and a more attractive environment for passengers. These schemes will be delivered through the West Midlands Combined Authority's governance processes, and equalities issues arising directly from these schemes will be addressed through that process.
- 2.5 Wider site assembly will both facilitate the delivery of the schemes outlined above and will enable the delivery of new development to improve the local centre and provide additional housing post-Games.
- 2.6 As such, it is clear that the scheme brings about benefits on the macro level. In developing the key elements of the scheme to full business case the Council will continue to review the equalities implications of each element. For example a separate EA for the highways scheme was carried out to accompany the Outline Business Case to the Council's Cabinet, identifying issues specific to the highways scheme.
- 2.7 The scheme is in line with the city's planning framework for the area set out in the Birmingham Development Plan (BDP) and Aston, Newtown and Lozells Area Action Plan (the AAP), and the emerging Urban Centres Framework (UCF), which builds upon the policies set out in the BDP and AAP. It should be noted that policies set out in these documents has itself been subject to equalities appraisal, sustainability appraisal, and independent examination.

The Compulsory Purchase Order (CPO)

- 2.8 The City Council has authority to make acquisitions in the Perry Barr area to deliver the Athletes' Village, associated works, and an ongoing regeneration legacy for Perry Barr. Because there is a limited amount of time to prepare for the Commonwealth

Games, the Council needs to be sure that it can buy the land needed to deliver the proposals within a reasonable time. To do this the council will be using a CPO alongside voluntary negotiations. To provide certainty in the acquisitions process a CPO was made on 7 December 2018. If the council is not able to negotiate a purchase of a property by agreement, a CPO (if confirmed by the Secretary of State) allows the council to buy land even if the owner does not agree. The council is legally obliged to pay a fair price for the property under a CPO, as governed by the Compensation Code. To use CPO powers the council has to show that the use of these powers is justified based on legal tests. It is a statutory obligation to notify everyone affected by a CPO and anyone affected can object and make their case at a Public Local Inquiry if they wish, before the Secretary of State makes a decision.

3. Demographics

The local population

- 3.1 Perry Barr district centre at the juncture of three Birmingham City Council wards – Perry Barr, Aston and Birchfield.
- 3.2 The last census was carried out in 2011. Since then there will inevitably have been significant changes in terms of demographics in the area. It should also be noted that ward boundaries were revised in 2018. However, based on the 2011 census (BCC estimates for 2018 wards) the following trends can be noted:
- The proportion of the population aged under 16 is higher than the city average in Aston and Birchfield, and marginally below the city average in Perry Barr.
 - The proportion of the population aged 65 or more is below the city average in Aston and Birchfield, but above the city average in Perry Barr.
 - In 2011, less than 10% of the population in Aston or Birchfield was White British. 52% of the population in Perry Barr was White British.
 - More than half of the population in Birchfield and more than two thirds of the population in Aston was Asian or Asian British.
 - More than a quarter of the population in Birchfield was Black or African or Caribbean or Black British, compared with 13% in Perry Barr and 16% in Aston.
- 3.3 These people will be affected by the scheme, both during delivery and following completion. Given the important role that Perry Barr district centre plays in providing local facilities for the community it is important that the needs of these people are reflected in the design of the overall scheme.

People directly affected by the CPO

- 3.4 It has been important for the Council to recognise the individual circumstances of those who are directly affected by the CPO. It is not appropriate to provide a detailed breakdown of those affected as the specific nature of the site boundary means that

this would potentially enable individuals to be identified. However, based on the information gathered about the affected parties, and observations made from the engagement work to date, it is possible to identify the following points:

- A range of ethnicities are affected, which is relatively reflective of the make-up of the wider area.
- A range of age groups are affected, including children (living in residential properties affected by the Order) and older people (both residents and property owners).
- There are a number of people with disabilities or health conditions.
- In certain parts of the CPO area there are more women affected than men.
- A significant number of business owners affected are from BAME communities.
- Tenants, investment owners and owner occupiers are affected.

3.5 These people are affected as a result of the location of their property interests rather than as a result of their specific characteristics. As such, and as the Council considers the acquisition of land here to deliver the scheme to be in the public interest, it is important that the Council mitigate against any potential negative differential impacts on these people.

4. Findings of the Initial Statement

- 4.1 The Initial Statement addressed the housing and transport infrastructure at OBC stage, as well as the acquisitions. It did not address the policy positions on Perry Barr regeneration or the Commonwealth Games, which were considered through the appropriate processes. It also identified that those affected by the policy would be users/stakeholders as well as the wider community. It found that differential impacts could occur as a result of Disability, Race, and Religion or Belief.
- 4.2 The Initial Statement recognised that throughout the development of the programme of regeneration, including the Athletes' Village and hosting of the Games, the local community will be engaged. A Perry Barr Commonwealth Games Residents Liaison Group had been established and other community engagement would be carried out on specific proposals. It highlighted that a comprehensive approach to consultation and engagement across the programme would be centrally managed.

5. Mitigating Equalities Impacts

Residential development

- 5.1 The Birmingham Development Plan identifies a need for significant new housing in Birmingham, and the provision of new housing in Perry Barr will contribute to this. It is not considered that the delivery of new housing here will have a negative impact on any particular group, and in fact there are a number of measures which will have

benefits for particular groups. All schemes will be subject to planning consent which will enable issues to be considered.

- 5.2 The first phase of housing, which will provide the residential element of the Athletes' Village, is largely apartment led (there are 58 houses on the site). This density is appropriate in policy terms for this location, and is also necessary to deliver the Games-time requirements. It will be balanced by a second phase which will be focused on the provision of family housing. Both elements will help meet local and city-wide need.
- 5.3 The phase 1 scheme includes an 'Extra-Care Village' for older adults with differing care needs. All properties across the site will be built to lifetime homes standards which will mean they are accessible for people of all ages and with mobility difficulties. It also improves access to open space for all people in the area.
- 5.4 The development provides for a range of tenures, which will enable accommodation to be available to a range of people. This will include houses which will be let by the Council (through its choice-based lettings approach), shared ownership, private rented accommodation, and units for outright sale.
- 5.5 The Athletes' Village requires land acquisitions, the mitigations in respect of which are outlined below.

Communication with those affected by the CPO

- 5.6 To enable the Council to best work with affected parties in the area there has been a significant effort to communicate with all those affected and provide information to enable them to engage in the process.
- 5.7 Those affected by the CPO were contacted in July 2018 and invited to attend drop in sessions to get more information. A number attended or called for more information, and this early contact enabled the Council to better understand the needs of those affected.
- 5.8 Notice of the Order was served by 'signed-for' to ensure that all affected parties were correctly informed of the making of the Order. The supporting documents relating to the CPO were made available to view in person at: 1 Lancaster Circus, Birmingham, B4 7DJ or within the local area at Doug Ellis Sport Centre, 150 Wellhead Lane, Perry Barr, Birmingham, B42 2SY.
- 5.9 Following the making of the Order, in January 2019, affected parties with residential interests (Wellhead Lane and Birchfield Road), and business interests (Birchfield Road, Aldridge Road, and Aston Lane) were contacted by letter inviting them to attend surgery sessions and providing leaflets with more details of the acquisitions process. Those with interests in affected forecourts (Birchfield Road) were also contacted about the surgery sessions.

5.10 A website link was produced to contain information relating specifically to the CPO (<https://www.birmingham.gov.uk/perrybarrcpo>). The website link provided general information on the CPO. The website contained a link to view the Order documentation online including documents titled; BBC1- BCC30. The link also provided a web version of the residential and commercial booklet as well as the residential form. The website link also contained information on the advice surgery sessions including times, dates and contact details on how to book a slot.

5.11 Three surgery sessions were held following the making of the Order. These were held at Doug Ellis Sport Centre:

- Tuesday 19 February 2019, 3pm-7pm
- Thursday 21 February 2019, 9am-2pm
- Saturday 23 February 2019 10am-3pm

This ensured that sessions were available at all times of day. Furthermore, all attempts were made to accommodate those who were unable to make these sessions, including meetings at properties in the area during the same week.

5.12 21 appointment slots were booked up. These were staffed by representatives from Birmingham City Council Housing and the Council's agents in respect of particular properties, Carter Jonas LLP and Gateley Hamer, and provided a range of advice as required by each attendee. This included guidance about timescales, rehousing and relocation options, compensation, and general support and information. All sessions were well received and attended by a mixture of people affected including those with an interest in the residential properties, commercial properties and forecourts.

Mitigating language barriers

5.13 The letters referred above contained a translation in a number of languages which loosely read; if you would like this letter in another language format, ask someone who speaks English to make a request on your behalf by calling the number on the letter. One translation was provided on request.

5.14 The Council also provided a translator for one of the surgery sessions referred above to ensure that the tenants of the property could understand the circumstances of the CPO.

Rehousing

5.15 The council has provided a dedicated housing officer to support residential occupiers affected by the Order. This officer has provided advice and support at the surgery sessions and through one to one meetings with affected parties to understand their needs and circumstances including tenancy agreement and type of tenancy, current property type/number of bedrooms, household details and other details such as; medical/disability needs, employment, education or caring responsibilities. Where

appropriate this has included supporting residents to register on the Council's choice based lettings portal to enable them to access Council housing. The Council's criteria for accessing housing means that at this point most affected residents would be in 'band 2', but that by summer of 2019, 6 months prior to the property being demolished, they would qualify as 'band 1' – the highest priority.

- 5.16 To support those looking for private rented property in the area the Council's agents are maintaining an up to date list of such properties.

Business relocations

- 5.17 Where appropriate the Council and its agents are supporting affected businesses to identify alternative properties either held by the Council or privately, and has actively made links with local agents to identify opportunities. The Council is also supporting relocating businesses through the provisions of the compensation code.
- 5.18 Where the Council has made acquisitions and there is a tenant in occupation, there are a number of cases where either a deferred completion or a leaseback arrangement has been agreed to enable businesses more time to relocate and/or freeholders to benefit from the ongoing income.
- 5.19 A feasibility study is underway to consider the provision of temporary units within the Perry Barr centre which would enable businesses to remain in the area in the short term, either prior to relocating elsewhere or to enable them to then move into commercial space resulting from the proposed development in the area.

Impact of the scheme on the wider community

- 5.20 It is recognised that the scheme as a whole requires the loss of commercial and residential space in the short term, and that the implementation of the scheme will cause disruption. Specific mitigation measures will be put in place during the delivery of the various elements of the scheme to ensure that the impact is managed and that, for example, businesses are able to continue operating effectively.
- 5.21 The loss of local facilities such as small shops, restaurants and takeaways, and banking facilities as a result of the scheme is recognised and the Council is working with local businesses to look for relocation opportunities which will minimise the impact of this, and to reprovide key facilities in new developments.
- 5.22 The scheme facilitates the delivery of a new school, adjacent to the Games-time Athlete's Village. This will provide additional secondary school and sixth form places in a mixed, non-religious setting, to meet local demand.

6. Conclusions

- 6.1 The residential development in the area serves to provide new housing for the city and the local community, and to do so in a way that benefits the local community.

- 6.2 The Council has been working actively with those impacted by the CPO both in a residential and commercial property capacity. The Council is currently working with existing businesses and is looking to mitigate the impact on existing businesses through considering a scheme to provide temporary units in place of those commercial properties which will be affected as part of the CPO. In addition to this, it is the Council's long term ambition as part of the legacy to deliver mixed use development.
- 6.3 Throughout the process measures are being taken to ensure that those affected by the CPO are given the opportunity to engage with the Council and benefit from appropriate support.
- 6.4 No additional equalities issues have been identified as a result of this paper. The Council will continue to monitor this.

APPENDIX C**Demolition & Remediation - Wider Perry Barr Regeneration and CWG Legacy sites****1 Service Requirements****1.1 The demolition of various properties and the remediation, as required for various sites in the Perry Barr areas as follows:**

- Coppice Student Accommodation, WDM Cars, Temporary Car Park
- National Express Depot (new sites at Aston Lane)
- Shops at Aston Lane, Library site
- Factory Site of Midland Chromium Plating
- The African Village (former Crown and Cushion Public House) and adjoining sites
- Housing at Wellhead Lane
- National Express Depot (current site at Wellhead Lane)
- High Street Shops at Birchfield Rd
- Oscott Gardens

1.2 The strategy reflects advice from our demolition/remediation consultants White Young Green (WYG).**1.3 The size and complexity of the works that need to be undertaken, coupled with the staggered timeline with which the Council will be acquiring and taking possession of the sites, required the following two approaches for the procurement:**

- To tender for the whole programme of works under one contract.

The benefit of this approach would be that there would be a single procurement process undertaken and the Council will only be managing a single contract to deliver the works. However, the sites are currently not all in the Council's ownership and will be acquired over an extended period of time. Therefore the pre-tender surveys required to inform and prepare the tender documentation will not be available at the same time. As a consequence, pricing from potential suppliers will be based on assumptions to account for worst case scenarios. This is likely to introduce significant risk and potential additional cost to the works that are being undertaken.

- To split the programme of works into different packages and tender for multiple contracts to undertake the works.

As the sites come into the Council's control, surveys to inform the tender specifications will be able to be undertaken and reduce the need for suppliers to submit costs based on provisional sums. The benefit of this approach is that the tender return costs will be better informed based on more accurate information and market conditions with a lesser risk of cost escalation during the contract period. It should be noted multiple tender exercises will be required to be undertaken and the additional procurement cost and resourcing are outweighed

by the benefits of more accurate pricing. This is the recommended option that will allow this programme to progress to progress in alignment with the acquisition timescales of the Council taking vacant possession of the various sites, the nature of work required and in accordance with the programme priorities.

1.4 Tender Packages

1.3.1 In order to ensure the sites are delivered to meet the CWG timescales, the programme of works is proposed to be tendered in seven packages. The properties have been grouped in packages in accordance with when they are proposed to become vacant, to suit the programme priorities and also due to site specific characteristics.

1.3.2 The demolition surveys and full ground investigations can only be undertaken once the buildings become vacant. The outcomes of the surveys play a significant part in determining the terms of the contract and its value following the tender process, and therefore contracts that are awarded without the completion of required surveys run a significant risk of cost escalation. Therefore the sites have been grouped within the respective packages according to the expected vacant possession timeframe. The proposed option of separating the work packages will ensure a more de-risked approach to the tender process enabling better control and mitigate against scope creep and cost overrun than if a single package was procured for the whole programme. The tender packages are as follows:

Tender Package	Site
1	Coppice Student Accommodation, WDM Cars, Temporary Car Park
	National Express (new sites Aston Lane)
	Shops (Aston Lane, Library site)
2	Midland Chromium Plating and adjacent properties
3	Crown and Cushion and adjoining sites
4	Wellhead Lane Housing
5	High Street Shops (Birchfield Rd)
6	National Express (current site Wellhead Lane)
7	Oscott Gardens

1.3.3 The first phase will be the demolition of the Coppice and the adjoining WDM Cars which is required for the Overlay and Games time use, and to enable the construction of the temporary car park within the same parcel of land. With regards to the clearance of the National Express new site, it will need to be cleared as soon as possible due to the need to facilitate the relocation of the current National Express depot on Wellhead Lane. The

former library and Aston Lane shops site will provide the area for the compound for the highway works on the A34 and also support the overlay for Games time use.

- 1.3.4 Midland Chromium will be tendered as a separate exercise due to the complexities of demolition and site remediation. Initial site investigation work has shown that the Midland Chromium site has significant levels of contamination. A strategy for remediation will need to be agreed with the Environment Agency prior to the issue of tenders that will need to be co-ordinated closely with the demolition strategy.
- 1.3.5 The Wellhead Lane and Birchfield roundabout sites will become available later in the programme due to the likely need for compulsory purchase which will determine the timescale for achieving vacant possession.
- 1.3.6 The African Village (former Crown and Cushion Public House) site and adjoining plots will be managed as a single demolition contract as they will be used initially as a compound for the construction of the new Perry Barr Station.
- 1.3.7 Oscott Gardens will be demolished post-games as the accommodation will be used for athletes during games time.
- 1.3.8 It should be noted that the tender packages have been grouped based on the current acquisition timescale. In the event of any change that results in amendment to the grouping, this will be reported to the Director, Inclusive Growth in conjunction with Assistant Director, Development and Commercial, the Chief Finance Officer and the City Solicitor (or their delegates).

2 Procurement Options

The following options were considered:

- Tender each contract on an individual basis - there are benefits as prices will reflect current market conditions and the latest corporate requirements can be included for each tender exercise. For these reasons, this is the proposed route.
- Use a Collaborative Framework Agreement - there is not a collaborative framework agreement awarded by the Council or any other public sector body in place for the services required. The Constructing West Midlands Framework Agreement does not cover demolition and remediation.

3 Procurement Approach

3.1 Duration and Advertising Route

The duration for the demolition and remediation works to prepare the sites for the CWG Legacy and the Perry Barr Regeneration projects are projected to last for 4 years, and thus, due to size and complexity of the programme the series of works will be delivered following seven tender processes as per below:

- Tender Package 1: Sep 19 – Sep 20

- Tender Package 2: Dec 19 – Aug 23
- Tender Package 3: Dec 19 – Aug 23
- Tender Package 4: Jan 20 – Aug 23
- Tender Package 5: Jan 20 – Aug 23
- Tender Package 6: Sep 21 – Aug 23
- Tender Package 7: Oct 22 – Aug 23

Each period reflects the proposed delivery programme for the project.

Each individual Tender Package represents a works contract which is below the OJEU threshold of £4,551,413 and therefore the tenders will be advertised via www.finditinbirmingham.com and Contracts Finder only.

3.2 Procurement Route

The requirement will be tendered using the 'open' route on the basis that:

- There are sufficient suppliers in the market place that can provide all the required services
- The service can be clearly defined
- Tenderers' prices will be fixed for the term of the contract.

3.3 Scope and Specification

The scope and specification for the sites is as follows:

Preliminaries in preparation for the works to commence Demolition and Remediation including;

- Removal of fencing and boundaries
- Removal of communication lines
- Removal of any fly tipped and surplus materials
- Identification and disposal of asbestos and toxic waste
- Site protection
- Erect temporary security fencing
- Demolition of the existing buildings, including the excavation foundations and hard standing, obstructions and infrastructure.
- The treatment and/or disposal of hydrocarbon impacted groundwater
- The treatment and/or disposal of hydrocarbon impacted soils
- Removal of all remaining redundant services
- Excavation and either treatment or removal of any encountered contamination.
- Clearance of any remaining vegetation and invasive species (e.g. Japanese Knotweed).
- Validation of excavations to demonstrate compliance with remediation strategy.
- Excavations of made ground across the site and placement as an engineered fill.
- Excavation and removal of any encountered buried ACM on the site.
- If required, the importation of fill material to build up the site levels
- Creation of development platform for development and

- Creation of site provision for uses as per the requirements of the Commonwealth Games on the remediated site.
- Construction of temporary car park provision on part of the Coppice site once cleared.
- Provision of a validation report on the works for submission to the regulators.

3.4 Tender Structure (Including Evaluation and Selection Criteria)

The quality / price balances below were established having due regard for the corporate document 'Advice and Guidance on Evaluating Tenders' which considers the complexity of the services to be provided. The tender documents will include the form of contract; NEC3 Option A / NEC4 Option A or JCT Measured Contract 2011 with the Council's amendments, specification and standard details.

Tenders will be evaluated against the specification in accordance with a pre-determined evaluation model.

The evaluation of tenders will be assessed as detailed below:

Assessment A

Criteria	Evaluation
STAGE ONE - Selection Stage	
Company Information	Pass / Fail
Financial Information (including Insurance)	Pass / Fail
Health and Safety	Pass / Fail
Compliance with Equalities	Pass / Fail
Quality Management	Pass / Fail
Grounds for Mandatory Exclusion	Pass / Fail
Grounds for Discretionary Exclusion (Part 1 and Part 2)	Pass / Fail
Birmingham Business Charter for Social Responsibility (BBC4SR)	Pass / Fail
Supplier Portal	Pass / Fail
Modern Slavery Act 2015	Pass / Fail
Technical and Professional Ability	Pass / Fail
Declaration	Pass / Fail

Those organisations that pass all sections of Assessment A will proceed to the next stage.

Assessment B

Quality (50% Weighting)

Criteria	Overall Weighting	Sub-Weighting
Technical Competence and Capacity		50%

Organisation and Resources	100%	20%
Project Methodology		30%

An interview with tenderers may take place if required to clarify their understanding of the requirements and the scoring adjusted accordingly, as appropriate.

Tenderers who score less than the quality threshold of 60% i.e. a score of 300 out of a maximum quality score of 500 marks may not proceed to the stage of the overall evaluation. If the tender scores zero against any individual question they may be excluded from the remaining evaluation stages.

Assessment C

Social Value (Weighting 10%)

Criteria	Overall Weighting	Sub-weighting
Local Employment	100%	25%
Buy Local		15%
Partners in Communities		40%
Green and Sustainable		20%

Tenderers who score less than the quality threshold of 40% i.e. a score of 200 out of a maximum quality score of 500 marks may not proceed to the overall evaluation.

Assessment D

Pricing (Weighting 40%)

Tenderers will be required to submit a fixed price tender.

*Due to the complex nature for the remediation of the Midland Chromium site (Package 2) and adjacent properties, the criteria will be assessed by Quality 60%, Social Value 10% and Price 30%.

Overall Evaluation

The evaluation process will result in comparative quality, and price scores for each tenderer. The maximum scores will be awarded to the tender that demonstrates the highest for quality and social value. Similarly the maximum price score will be awarded to the lowest acceptable price. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money with the recommendation for the contract to be awarded to the first ranked tenderer.

3.5 Evaluation Team

The evaluation of the tenders will be undertaken by:

- Officers from Planning and Development/Transportation and Connectivity
- A representative of White Young Green Ltd

Supported by officers from Corporate Procurement Services

4 Indicative Implementation Plan

The indicative implementation plan below for each tender exercise is as follows:

Tender Package 1

Cabinet Approval (Strategy)	25 th June 2019
ITT Issued	July 2019
ITT Return	August 2019
Evaluation Period	August / September 2019
DPR Approval (Award)	September 2019
Contract Award	September 2019
Contract Start	September 2019
Demolition and Remediation Complete	July 2020

Tender Package 2

Cabinet Approval (Strategy)	25 th June 2019
ITT Issued	December 2019
ITT Return	January 2020
Evaluation Period	January / February 2020
DPR Approval (Award)	February 2020
Contract Award	March 2020
Contract Start	April 2020
Demolition and Remediation Complete	August 2023

Tender Package 3

Cabinet Approval (Strategy)	25 th June 2019
ITT Issued	December 2019
ITT Return	January 2020
Evaluation Period	January / February 2020
DPR Approval (Award)	February 2020
Contract Award	March 2020
Contract Start	April 2020
Demolition and Remediation Complete	October 2020

Tender Package 4

Cabinet Approval (Strategy)	25 th June 2019
ITT Issued	January 2020

ITT Return	February 2020
Evaluation Period	March 2020
DPR Approval (Award)	April 2020
Contract Award	May 2020
Contract Start	June 2020
Demolition and Remediation Complete	August 2023

Tender Package 5

Cabinet Approval (Strategy)	25 th June 2019
ITT Issued	January 2020
ITT Return	February 2020
Evaluation Period	March 2020
DPR Approval (Award)	April 2020
Contract Award	May 2020
Contract Start	June 2020
Demolition and Remediation Complete	August 2023

Tender Package 6

Cabinet Approval (Strategy)	25 th June 2019
ITT Issued	January 2021
ITT Return	February 2021
Evaluation Period	March 2021
DPR Approval (Award)	April 2021
Contract Award	May 2021
Contract Start	Sep 2021
Demolition and Remediation Complete	August 2023

Tender Package 7

Cabinet Approval (Strategy)	25 th June 2019
ITT Issued	August 2022
ITT Return	September 2022
Evaluation Period	October 2022
DPR Approval (Award)	November 2022
Contract Award	January 2023
Contract Start	August 2023
Demolition and Remediation Complete	July 2020

5 Service Delivery Management

5.1 Contract Management

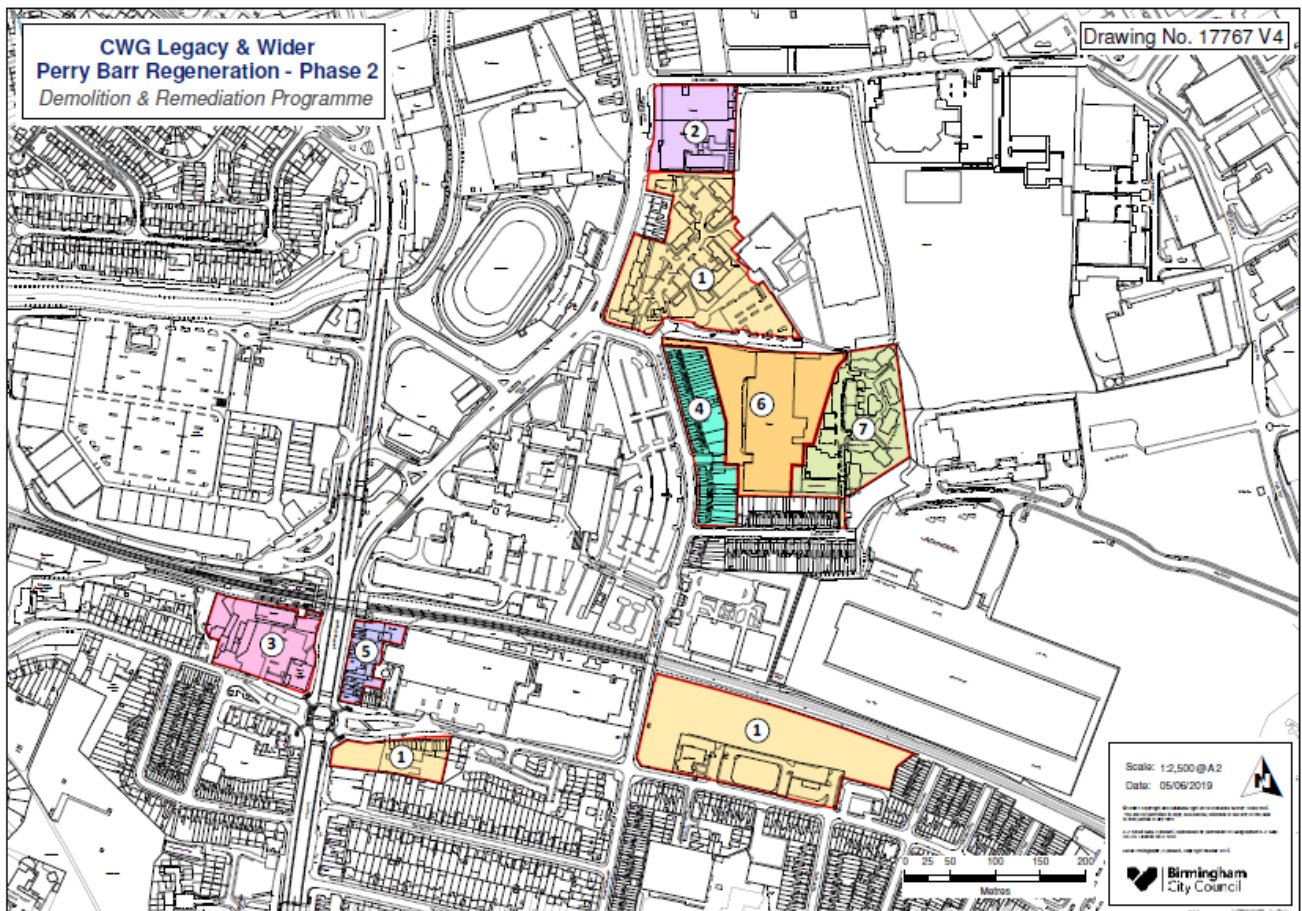
The overall programme of works and contract management of the individual contracts will be managed by the Principal Project Delivery Officer (Transportation & Connectivity) supported by representatives from WYG.

5.2 Performance Measurement

The successful contractors will be monitored against the Key Performance Indicators to ensure work is delivered to time cost quality. The measures for the KPI's will be contained within the contracts, (NEC 3 Option A/NEC 4 Option A or JCT Measured Contract 2011): The contract administrator will ensure that the project is delivered;

- To agreed milestones, ensuring realistic timescales are agreed in accordance with programme agreed at tender approval stage.
- Project delivered to agreed scope as specified in 3.3. Failure to deliver against scope and timescales may be subject to liquidated damages claims in accordance with the terms of the contract
- Project delivered to agreed cost in accordance with the terms of the contract.

All contractors will be bound by their pre agreed social value targets, the implementation of which will be monitored throughout the duration of the project.



Birmingham City Council
Cabinet Member(s) Health and Social Care,
Finance & Resources jointly with the Director
for Adult Social Care



06 June 2019

Subject: Approval of the Extension of the Contract of the Provision of Adult Substance Misuse Treatment and Recovery Services

Report of: Adult Social Care and Health

Relevant Cabinet Member: Councillor Paulette Hamilton - Health and Social Care
 Councillor Tristan Chatfield – Finance & Resources

Relevant O &S Chair(s): Councillor Rob Pocock – Health & Social Care
 Councillor Sir Albert Bore – Resources

Report author: Max Vaughan - Head of Service Adult Social Care and Health

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1. Executive Summary

- 1.1 Cabinet awarded the contract for the provision of adult substance misuse treatment and recovery services to the organisation 'Change Grow Live' (CGL) on the 14th July 2014 following a procurement exercise. CGL were formerly known at the time of contract award as Crime Reduction Initiatives (CRI).
- 1.2 The contract was awarded for a 5 year period and commenced on the 1st March 2015. Delegated authority to approve the extension of the contract if required was also granted for a further 2 years, subject to satisfactory performance and budget availability to the Cabinet Member for Health and Wellbeing and the Cabinet Member for Commissioning, Contracting and Improvement with the Strategic

Director for People in conjunction with Director of Finance, Director of Legal & Democratic Services and Assistant Director Corporate Procurement Services.

- 1.3 The provision of drug and alcohol treatment services is defined as one of the “grant conditions” of the Public Health Grant.
- 1.4 A stakeholder consultation exercise has been conducted as well as a structured contract negotiation process with the current service provider so to inform the necessary future service outcomes, pathways and deliverables required during the extension period.

2. Recommendations

- 2.1 To approve the two year extension of the contract for the provision of adult substance misuse treatment and recovery services to the organisation ‘Change Grow Live’ (CGL). The extension to commence from 1st March 2020.
- 2.2 The contract value to be reduced for the extension period by 5% of the 2019/20 contract value in line with Public Health Grant efficiencies. The annual contract value will therefore be £14,112,630.00 for 2020/21 and 2021/22.
- 2.3 To work with the provider CGL to identify how the service can be further developed to maximise health, social care and criminal justice outcomes for the benefit of the City in line with the commissioning intentions which have been developed through the stakeholder consultation, with the Council’s Public Health commissioning team and CGL. Public Health commissioners through the Substance Misuse Joint Commissioning Group and the Public Health Contracts Board will oversee this work.

3. Background

- 3.1 The provision of drug and alcohol treatment services is defined as one of the “grant conditions” of the Public Health Grant. Spending the grant a local authority has to *“have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services”*.
- 3.2 Substance misuse treatment has been evaluated by researchers on a wide range of measures, including drug use, abstinence from drug use, drug injecting, overdose, health and mortality, crime, social functioning including employment, housing, family relations, and the perceptions of service users about their recovery status. The breadth of these measures reflects the broad range of benefits anticipated from substance misuse treatment.
- 3.3 The procurement strategy for this contract was approved by Cabinet on 16th December 2013. The contract was mobilised in a phased process from September 2014 and commenced fully on the 1st March 2015 for a five year period with an option to extend for a further 2 years, subject to satisfactory performance and budget availability.
- 3.4 The decision to extend has been based on a number of factors including CGL’s positive contract performance which is in the top quartile when compared to the other core cities. In addition there is uncertainty as to the value of the Public Health Grant post 2022. It is proposed to extend the current contract to 2022 and to conduct a re-procurement exercise with the new contract commencing from 2022 when clarity as to the value of the Public Health Grant for this future period will be available. The extension negotiation process was agreed by the Director of

Public Health and the Adult Health Management Team in April 2018. Expenditure on drug and alcohol treatment services in the City has reduced from £27m to £18m in 2014/15. Expenditure has further reduced to £15m in 2018/19. This is due in part to the reducing Public Health grant allocation.

- 3.5 The contract specification delivers services to adults who are experiencing the negative impacts of drug and / or alcohol misuse. Support is also provided to affected families and carers. Supporting the safeguarding of children negatively affected by their parents' or carers' misuse of drugs and / or alcohol is a critical function of the service given the associated risks.
- 3.6 A 'recovery' approach has been taken with regards the treatment for citizens experiencing the harms associated with substance misuse. To support this the Birmingham treatment and recovery single system is measured by the following key outcome measures:
 - Increased levels of employment
 - Reduction in re-offending
 - Improved housing
 - Improved parenting
 - Robust children's safeguarding
 - Improvements in physical health
 - Improvements in mental health
 - Reduction in sexual health problems and blood borne virus transmission
 - Reduction in domestic violence
 - Ensuring protection for vulnerable adults
- 3.7 All substance misuse services nationally are measured by utilising the National Drug Treatment Monitoring System with a key performance indicator being the successful completion of treatment. CGL is in the top quartile nationally for alcohol, non-opiate and alcohol and non-opiate clients completing treatment and are marginally below the national average for opiate clients. There is a payment by results element to the contract and CGL constantly achieve the associated key performance indicators which cover re-offending rates, family interventions and employment. From a financial viewpoint the performance levels of the contract compare favourably nationally as based on contract spend per head of population Birmingham ranks as the 7th lowest spend out of 8 from a core city perspective and ranks as the 11th lowest spend out of 15 local authorities from a CIPFA perspective.
- 3.8 An engagement event was conducted in December 2018 across the health, social care and criminal justice sectors with representation from the Probation service, Police, DWP, CCG, acute sector, mental health services, community safety partnership, GP's and homelessness services. Service users were also in attendance. The engagement event focused upon what treatment service response the city needed regards the issue of addressing drug and alcohol misuse related harms. The consultation concluded that drug and alcohol treatment provision is a fundamental component of the health, social care and criminal justice system in the City. These systems partners have expressed serious concerns regards the impact of any significant reduction in funding.
- 3.9 Through a structured negotiation process with CGL and City Council Commissioners, it has been agreed that a 5% reduction in contract value is the maximum possible which enables the service to continue to deliver the key outcomes in line with the affordability of the available funding through the Public Health grant.
- 3.10 It is proposed that the current provider is awarded a contract extension for two years from 1st March 2020. A review of their contract performance and their ability

to respond to future service demands validates the decision to extend the contract. The following adapted commissioning intentions have been defined for the remainder of the contract period:

- A Renewed Focus upon the Recovery agenda.
- Responding to the changing patterns of drug and alcohol related harms with a specific focus on the harms caused by opiate, alcohol and Novel Psychoactive Substance misuse.
- A refocus on Comorbidity: Mental Health and Substance Misuse
- A refreshed Locality Model of Delivery
- A refreshed Child Protection Focus
- Maintaining a Drug Alert System
- Clarifying liabilities regards prescribing costs
- Reviewing key service pathways including mental health, acute sector, homelessness and employment.

3.11 A systems review of adult substance misuse prevention, treatment and recovery services is to be undertaken so to maximise the outcomes of the current system and to develop commissioning intentions for when the contract is re tendered in 2022. This review which will be conducted with health, criminal justice and social care partners will aim to help develop more effective services pathways and identify how resources can be best aligned. The substance misuse Joint Commissioning Group will be reconvened to oversee this work supported by health, criminal justice and social care partners.

4. Options considered and Recommended Proposal

A number of options were considered with regard the continuation of alcohol and drug treatment provision in the City:

4.1 Re tender the contract to secure an alternative provider from 1st March 2020.

Assessed as not the best option for the Citizens of Birmingham due to the cost of reprocurement and associated commissioning activities. The Contract will be re procured for commencement in 2022. The adult substance misuse treatment contract is of high financial value and is complex in nature, the benefits of extending the contract which has successfully performed outweigh the financial costs and impact on citizens of re tendering after the five year period. Commissioners are also not aware at this juncture of the Public Health Grant financial allocation beyond March 2022. Re-procurement will start in March 2020 including market shaping and working with key partners to develop a commissioning strategy. The value of the Public Health Grant for the period post 2022 should then be clearer to inform the strategy.

In addition, CGL's performance is acceptable as is in the top quartile against comparable core cities. A change in service provider which currently involves the treatment and care of approximately 7000 service users will see a very significant drop in contract performance during any provider transition period which is typically of an 18 month duration following contract commencement. Given the significant reduction in expenditure from the Public Health Grant on alcohol and

drug treatment provisions it is questionable whether an alternative provider could deliver a better service with the available financial resources. The development of the commissioning strategy for the period post 2022 is likely to include a different approach to the provision of these services including opportunities to joint commission ie with mental health, criminal justice, homeless services with the intention of providing better outcomes for citizens more cost efficiently.

4.2 Reduce the contract value by 10% for the extension period.

Not a viable option as health, social care and criminal justice partners determined through a consultation exercise that the impact on the service if this level of reduction was implemented would have a serious impact on essential pathways. In addition CGL stated through a structured contract negotiation process that they could not deliver the service safely (i.e. CQC compliant) if a 10% contract reduction was imposed and therefore would not accept an extension on these terms.

Extend the contract with no reduction in value.

Does not comply with the need to make the necessary savings required from the reducing Public Health Grant.

4.4 To approve the two year extension of the Change Grow Live (CGL) substance misuse treatment contract.

This is the recommended option and the extension will commence from 1st March 2020. The contract value will be reduced for the extension period by 5% of the 2019/20 contract value. The contract value will therefore be £14,112,630.00 for 2020/21 and 2021/22.

As part of this option it is intended to work with the provider CGL as to how the service can be further developed to maximise outcomes in line with the commissioning intentions which derive from a stakeholder consultation, the Council and CGL. Public Health commissioners will oversee this work.

5. Consultation

A stakeholder consultation has been conducted with representation from the health, social care and criminal justice partners including the Probation service, Police, DWP, CCG, acute sector, mental health services, Community Safety Partnership, GP's and homelessness services. Service users were also in attendance and contributed. The consultation focused on what treatment service responses the City needs regarding the issues of drug and alcohol misuse and what impact a further 10% reduction in funding would have.

A general consensus was formed by stakeholders that a 10% further reduction in funding would have a very significant and serious impact on what is already over stretched service provision.

6. Risk Management

6.1 Financial – The available financial resources are identified through the Public Health Grant allocation for the extension period.

- 6.2 Contract Performance - monitored through monthly contract review meetings, the Substance Misuse Commissioning Group and the Public Health Contract Board.
- 6.3 Quality Assurance - CGL is required to be CQC compliant.
- 6.4 The Corporate Risk Register identifies and offers mitigations against the risks that CGL ceases to trade and that the Public Health grant sees an unplanned reduction.

7. Compliance Issues:

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

7.1.1 Aligns with the 2018/19 Public Health Strategy and Action Plan specifically Priority 2: Addressing the cumulative impact of unhealthy behaviours such as smoking, substance misuse, alcohol and physical inactivity.

7.1.2 Aligns with the Birmingham City Council Plan: 2018-2022 Birmingham – a city of growth where every child, citizen and place matters. Specifically Outcome 3 - Birmingham is a fulfilling city to age well in: we want citizens to live more active, longer, healthier and independent lives.

7.1.3 CGL are signatories to the BBC4SR, The CGL Social Value Action Plan included:

(i) Buy Birmingham First

- CGL Birmingham due to the size of the contract has become a Reginal Business Unit for their wider organisation providing back office jobs including those servicing HR, payroll and IT for CGL nationally.
- CGL have awarded contracts to local companies for fitting and the maintenance of the new four hubs operational bases
- CGL have reviewed existing procurement practice to transfer suppliers to local businesses arrangements were possible and where existing national contracts enable the flexibility to do so.
- Utilised regional procurement policy to source local products and services, in line with their environmental and sustainability policies.
- Used 'Find It In Birmingham' throughout their delivery supply chain, reporting quarterly on the business procured using this method

(ii) Created employment and training opportunities for Birmingham residents

- CGL have secured additional investment (£350k) from Public Health England to support service users into employment / training. CGL are funding the 'See Change Project' where CGL clients volunteer with the Canal Trust.
- The 'See Change Project' is also working with local communities to clean up / maintain local parks and the community

(iii) Work in partnership with small third sector organisations

- CGL supported a number of small third sector organisations with a small grants programme and provided capacity building expertise.
- (iv) Develop a peer mentoring and volunteering network
- CGL use a group of in the region of 45 'experts by experience' to support other service users in their recovery journey.

7.1.4 A refreshed Social Value plan will be developed with CGL by August 2019 for approval by the Cabinet Member for Health and Social Care and the Cabinet Member for Finance and Resources prior to the commencement of the contract extension period.

7.2 Legal Implications

7.2.1 The Health and Social Care Act 2012 and associated regulations transferred the responsibility for public health from the NHS to local authorities from April 2013. Drugs and alcohol services are not mandatory public health services as defined by the relevant legislation (Health and Social Care Act, 2012) but are in the relevant circular describing appropriate public health services (LAC(DH)(2013)3). Several key indicators in the Public Health Outcome Framework relate to these areas and it is likely that they will be assessed in terms of performance.

7.2.2 Consideration of Public Services (The Social Value) Act 2012 was included in the original procurement with 10% of the tender evaluation scoring attributed to bidders' planned social value outcomes.

7.3 Financial Implications

7.3.1 The contract extension to be funded through the Public Health Grant. The contract value to be reduced for the extension period by 5% of the 2019/20 contract value in line with Public Health Grant efficiencies. The annual contract value will therefore be £14,112,630.00 for 2020/21 and 2021/22.

7.4 Procurement Implications

7.4.1 None as the contract is to be extended. Future Procurement activities will commence in 2020 prior to when the contract extension ends in March 2022.

7.4.2 An indicative timeline for the commissioning and future procurement is set out below:

Activity	Timeline
Commissioning Activities to inform the procurement	March - September 2020
Produce Procurement documents	August – December 2020
Produce Cabinet report	August – December 2020
Cabinet Approval (Strategy)	December 2020
OJEU notice	January 2021
Invitation to Tender - Issue (All procurement)	March 2021
Invitation to Tender - Return	June 2021
Evaluation Period	July – August 2021
DPR Approval (Award)	September 2021
Contract Award	October 2021
Mobilisation period (3 months)	December 2021 – February 2022
Contract Start	1 st March 2022

7.5 Human Resources Implications

7.5.1 No Birmingham City Council staff are affected. There are likely to be redundancies of CGL staff due to the 5% contract reduction.

7.6 Public Sector Equality Duty

7.6.1 CGL is compliant with the public sector Equality Duty.

8. Background Document

8.1 None