

Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting

BIRMINGHAM CITY COUNCIL

CABINET

TUESDAY, 20 SEPTEMBER 2016 AT 10:00 HOURS
IN COMMITTEE ROOMS 3 & 4, COUNCIL HOUSE, VICTORIA
SQUARE, BIRMINGHAM, B1 1BB

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chairman to advise the meeting to note that this meeting will be webcast for live and subsequent broadcast via the Council's Internet site (www.birminghamnewsroom.com) and that members of the press/public may record and take photographs. The whole of the meeting will be filmed except where there are confidential or exempt items.

2 APOLOGIES

To receive any apologies.

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- Report of the Assistant Director, Corporate Procurement.
- 621 - 626** 25 **APPOINTMENTS TO OUTSIDE BODIES AND OTHER BODIES**
- Report of the City Solicitor.
- 26 **OTHER URGENT BUSINESS**
- To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.
- 27 **EXCLUSION OF THE PUBLIC**
- That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-
- Exempt Paragraph 3

PRIVATE AGENDA

28 **DISPOSAL OF LAND AT STATION ROAD/FLAXLEY ROAD,
STECHFORD (PRIVATE)**

Item Description

29 **COUNCIL PRINT STRATEGY AND ASSOCIATED PROCUREMENT
STRATEGY (CONTRACT REF: F0248) - PRIVATE**

Item Description

30 **CONSTRUCTING WEST MIDLANDS FRAMEWORK EXTENSION -
PRIVATE**

Item Description

31 **BROADWAY ACADEMY BUILDING SCHOOLS FOR THE FUTURE
SAVINGS REVIEW (PRIVATE)**

Item Description

32 **PLANNED PROCUREMENT ACTIVITIES (OCTOBER 2016 – DECEMBER
2016) – PRIVATE**

Item Description

33 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET	
Report of:	THE CHIEF EXECUTIVE AND THE STRATEGIC DIRECTOR FINANCE & LEGAL	
Date of Decision:	20th SEPTEMBER 2016	
SUBJECT:	CORPORATE REVENUE BUDGET MONITORING AND MID YEAR REVIEW 2016/17 - MONTH 4	
Key Decision: Yes	Relevant Forward Plan Ref: 001928/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive and Director of Economy approved O&S Chairman approved X	
Relevant Cabinet Member(s):	Councillor Ian Ward	
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq	
Wards affected:	All	

1. Purpose of report:
<p>1.1 This report forms part of the City Council's robust arrangements for controlling its revenue expenditure.</p> <p>1.2 Each Directorate's financial performance to date in respect of the Business Plan 2016+ is shown, together with the issues identified to date and proposed mitigations in the Corporate Revenue Budget Monitoring Month 4 and Mid-Year Review document, which is appended to this report.</p>

2. Decision(s) recommended:
<p>2.1 Note the latest monitoring position in respect of the City Council's savings programme and the financial performance identified in its delivery.</p> <p>2.2 Endorse the new savings proposals identified in Section 1.3 and detailed in Appendix 2 of the report and note that these proposals are subject to consultation in accordance with paragraph 4.4 overleaf.</p> <p>2.3 Note that these proposals are revisions to those proposals set out in the Business Plan 2016+ approved by Full Council on 1st March 2016, and that the Net Budget remains as approved on 1st March 2016.</p> <p>2.4 Approve the writing off of debts over £0.025m as summarised in Appendix 7 of the report.</p>

Lead Contact Officer(s):	Jon Warlow, Strategic Director Finance and Legal
Telephone No:	0121-303-2950
E-mail address:	jon.warlow@birmingham.gov.uk

3.	Consultation
	Consultation should include those that have an interest in the decisions recommended.
3.1	<u>Internal</u> Cabinet Members, Strategic Directors, the Acting City Solicitor and Assistant Directors of Finance have been consulted in the preparation of this report.
3.2	<u>External</u> To the extent that the proposals identified in Appendix 2 of this report require public or staff consultation, this will be led by the relevant Directorate and duly undertaken.
4.	Compliance Issues:
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u> The budget is integrated with the Council Business Plan 2016+, and resource allocation is directed towards policy priorities.
4.2	<u>Financial Implications</u> <u>(Will decisions be carried out within existing finances and Resources?)</u> The Corporate Revenue Budget Monitoring and Mid-Year Review document attached gives details of monitoring of service delivery within available financial resources.
4.3	<u>Legal Implications</u> Section 151 of the 1972 Local Government Act requires the Strategic Director of Finance & Legal (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Leadership Team by the City Council in discharging the statutory responsibility. A Council Business Plan is an important element in the Council's Policy Framework, as set out in the Local Government Act 2000.

The Council must set a balanced revenue budget and Council Tax in accordance with the requirements of the Local Government Finance Act 1992, as amended by the Localism Act 2011. These, together with the Capital Programme and Treasury Management Strategy and Policy, are key components of the Policy Framework which must be approved by the Council. These then set the resource framework and limits within which services must be delivered.

The proposals set out in Appendix 2, are proposals as to how or if services will be delivered so that the overall Budget and Directorate finance allocation, as set out in the Business Plan and Budget 2016+, remain the same.

4.4 Public Sector Equality Duty

An Equality Analysis (EA) of the savings proposals set out in the Business Plan and Budget 2016+ has been undertaken where appropriate, and in respect of those planned savings yet to be implemented, is still ongoing.

The Business Plan and Budget 2016+ sets out an overview of the processes and initial assessments which the Council has put in place.

Where necessary, consultation in respect of those proposals set out in Appendix 2 is planned and will be undertaken by Directorates and the full EA for service specific proposals will be considered by individual Cabinet Members / Cabinet (as appropriate) before decisions are implemented.

Where necessary, mitigations and the availability of alternatives have been and will be evaluated in order that the Council can fulfil its Public Sector Duty Equality.

5. Relevant background/chronology of key events:

- 5.1 At the Full Council meeting on 1st March 2016, the Council agreed a Net Revenue Budget for 2016/17 of £835.281m to be met by government grants and council tax payers. The proposals in this report, at Appendix 2, do not change this Net Revenue Budget.
- 5.2 The Month 2 Report presented to Cabinet on 26th July 2016 identified an exceptional level of financial pressures and non-deliverable savings at Month 2 and as a result of this it was agreed to carry out a mid-year review at Month 4. This review identifies the extent to which Directorates can mitigate these non-deliverables and pressures through delivery of existing savings, one off mitigations and, where necessary, the identification of new savings proposals.
- 5.3 The base budget forecast variations in each Directorate are detailed in Section 2 of the Corporate Revenue Budget Monitoring document, together with the actions presently proposed to contain spending within cash limits. The position is summarised in tabular form in Section 1 and also in Appendices 3 and 4 which incorporates the forecast year end pressures by Directorate and new savings proposals.
- 5.4 Directorate issues relating to the Savings Programme are detailed in Section 2 of the attached report. The position is summarised in tabular form in Appendix 5.

6.	Evaluation of alternative option(s):
6.1	Strategic Directors, in striving to manage their 2016/17 budgets, have evaluated the possible options available to them to maintain balance between service delivery and a balanced budget.

7.	Reasons for Decision(s):
7.1	<p><u>To inform Cabinet of:</u> The City Council's 2016/17 budget position, the level of gross pressures and new savings proposals identified as at 31st July 2016.</p> <p>The latest position in respect of the City Council's Savings Programme and the present financial performance identified in its delivery.</p> <p><u>To endorse:</u> The new savings proposals identified in Section 1.3 and detailed in Appendix 2 of the report, subject to the necessary public sector equality consultation.</p> <p>The writing off of debts over £0.025m as summarised in Appendix 7 of the report.</p>

Signatures	Date
Strategic Director Finance & Legal
Chief Executive
Deputy Leader

List of Background Documents used to compile this Report:
<p>City Council Business Plan 2016+ approved at Council (1st March 2016). Month 2 Revenue Monitoring Report approved at Cabinet (26th July 2016)</p>

List of Appendices accompanying this Report (if any):
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- | | |
|----|--|
| 1. | Corporate Revenue Budget Monitoring Document – Month 4 |
| 2. | |
| 3. | |
| 4. | |
| 5. | |

Report Version	V1.0	Dated	8 th September 2016
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**CORPORATE REVENUE BUDGET
MONITORING REPORT AND MID
YEAR REVIEW 2016/17
MONTH 4**

(up to 31st July 2016)

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1. Executive Summary

- 1.1 At the meeting on 1st March 2016, the Council agreed a Net revenue budget for 2016/17 of £835.281m to be met by business rates income, government grants and council tax payers. The Council Business Plan and Budget 2016+ is available via the Birmingham City Council website.
- 1.2 Due to the exceptional level of financial pressures identified at Month 2, a mid-year review has been undertaken based on the latest position at Month 4. This review identifies the extent to which Directorates can mitigate these pressures through delivery of existing savings, one-off mitigations and, where necessary, the identification of new savings proposals for approval by Cabinet.
- 1.3 Latest projections (as summarised in Table 1 below) indicate pressures of £9.692m in the base budget delivery at year-end and £40.857m within the savings programme which are now not considered to be deliverable, giving a combined total of £50.549m as the year end projection. As part of the mid-year review, Directorates have identified new savings proposals of £4.171m. There are also corporate mitigations of £8.796m. The total revised forecast after mitigations at Month 4 is £37.582m. This is summarised in Table 1 below and discussed in further detail in Sections 2 and 3 of this report.

Table 1 – Total Forecast at Month 4 after New Savings Proposals

Directorate	Net base budget pressures £m	Savings programme – Not Deliverable £m	New Savings Proposals £m	Total Forecast at Month 4 £m
People	6.880	32.103	(3.771)	35.212
Place	4.312	8.464	(0.400)	12.376
Economy	0.000	1.250	0.000	1.250
Corporate Resources	0.000	0.290	0.000	0.290
Sub-total Directorates	11.192	42.107	(4.171)	49.128
Corporate Mitigations	(1.500)	(1.250)	(8.796)	(11.546)
Total	9.692	40.857	(12.967)	37.582

- 1.4 The above position assumes that £13m will be received from Health as a result of NHS bodies collectively being able to operate within their control totals and release the 1% non-recurrent contingency CCGs are required to hold for BCC care costs.

- 1.5 The delivery of the 2016+ savings programme was recognised in the Business Plan 2016+ as being extremely challenging. As part of the mid-year review, a pragmatic assessment has been made of the extent to which savings can still be achieved. It has now been concluded that some elements of the programme are not deliverable, in whole or in part, although efforts will continue to be made to maximise the delivery of savings wherever possible. Those savings which are not now considered to be deliverable are listed in Appendix 1.
- 1.6 However, Directorates have been able to identify some new savings opportunities; these are set out in Appendix 2. Where these proposals require public or staff consultation, this will be led by the appropriate Directorate and implementation will be subject to these consultation processes and the necessary formal approval. The impact in future years will be dealt with as part of the 2017+ budget process.
- 1.7 Work will continue to further reduce the projected overspend, with a strong management emphasis on controlling and avoiding expenditure. Progress will be reported on in future months. The overall Net budget agreed by Council as part of the Business Plan 2016+ is not being amended as a result of the mid-year review. Despite the actions being put in place, it must be recognised that the risk of a 'Council-wide' overspend at year end is substantially higher than in recent years. The Council's financial planning has anticipated the possibility of such circumstances, via the maintenance of the Organisational Transition Reserve. After existing planned commitment this contains an unallocated balance of £60m, "available as a contingency to provide a level of safeguard." This unallocated balance is available, if necessary, to address any residual year end overspend. The potential impact on this reserve will be taken into account in the preparation of the 2017+ Business Plan.
- 1.8 Cabinet are also requested to approve the writing off of Business Rate income as identified in Appendix 7 of this report.

2. Detailed Revenue Commentaries by Directorate

The following paragraphs comment on the major financial issues identified at this point in the year. Detailed figures for each Directorate are shown in Appendix 3.

2.1 People Directorate

The Directorate is forecasting a variation of £35.212m after proposed new savings (Month 2 £50.867m). This is made up of pressures of £6.880m (Month 2 £6.134m) on the base budget and net £28.332m (Month 2 £44.733m) of savings deemed to be not deliverable in 2016/17.

The reduction of £15.655m since Month 2 primarily relates to proposed new savings of £3.771m and the assumed receipt of £13.000m from Health offset by growth in the number of agreed Adults Care Packages.

Base Budget

The base budget pressure of £6.880m forecast at Month 4 relates to the following:

Adults - £8.045m pressure

- **Adult Social Care Packages - £2.144m pressure**

This represents the gap between the estimated budget requirements for packages of care and the forecast commitment based on current packages of care. The position has increased by £0.556m since Month 2 as a result of new placements and a net increase in new Home Support packages.

Additional funding was included in the Business Plan and Budget 2016+ for demographic growth. However, the numbers of funded adults receiving care services has increased by 14% overall over the last three years. The increase in numbers and hence costs of both Younger Adult packages, particularly Adults with Learning Disabilities, and Older Adults has increased over the first four months, resulting in an additional pressure from demographic increase. In 2016/17 it is projected that this increase will continue to be above the level of additional funding.

Forecast expenditure includes the impact of the Living Wage for some types of care packages. Other pressures are also building – including care home viability, the transfer of the Independent Living Fund, and more generally the combined effects of welfare benefits changes and a number of migration issues.

The Directorate is implementing a number of actions to mitigate the pressures, including:

- reviewing the use of additional resources made available for new Care Act responsibilities
- ensuring that the budget correctly reflects all available income to the service and data cleansing the information in Care First to ensure that the

commitment on which the projected spend is based is as accurate as possible

- holding back on avoidable commitments and review of workforce commitments

The forecast figures take the first two points into account. The impact of the last point will be included in future reports as the position becomes clearer.

- **Assessment and Support Planning - Deprivation of Liberty Standards - £1.500m pressure**

‘The Cheshire West Judgement’ increased considerably the number of people who may be deprived of their liberty and therefore subject to the statutory scheme contained in the Mental Health Act 2005.

The Government provided a one-off grant of £0.597m in 2015/16 to cover the initial cost implications of this action. The number of cases meant that costs quickly exceeded this amount. The Directorate’s budget was increased by £0.625m in 2016/17 to assist in mitigating these pressures. No additional funding has been made available from Government.

The Directorate has trained and recruited additional Best Interest Assessors for this work and has commissioned additional resource to support the in-house provision. Progress is reported on a monthly basis to the Cabinet Member.

This is a significant national issue and lobbying continues through the Association of Directors of Social Services. A class action against the Government has been raised by four local authorities arguing that there has been a failure to fund the new burden and that this has caused thousands of people to be unlawfully detained. Other current and potential legal cases may extend this issue to include a wider range of cases, including in Children’s services, and may result in a further increase in the projected overspend in this area.

To the extent that there is a base budget pressure in 2016/17, it has already been agreed as part of the Month 2 Corporate Revenue Monitoring report that this will be dealt with corporately. This has been reflected within Corporate Mitigations in Table 1.

- **Homelessness - £2.815m pressure**

The projected pressure includes additional Temporary Accommodation costs of £2.135m. There is also a fundamental review underway of the provision for bad debts and early indications show an in-year increase of £0.680m in bad debts in 2016/17.

The Council has a statutory duty to homeless people which includes a duty to provide temporary accommodation. The Council meets this duty through providing a range of different temporary accommodation options for households including hostels, bed and breakfast accommodation (B&B), Council housing stock and properties procured from the private rented sector. The number of people presenting to the Council as homeless has increased significantly during

the past 12 months and the availability of suitable property has become scarce and more expensive. Indications are that this is a national problem and may continue to increase in the foreseeable future.

A further consequence relating to the lack of supply of suitable housing is an increase in the rate paid to procure the required accommodation. The payment levels are now above the benefit rates and this has resulted in additional cost for the Council. The People Directorate is required to meet the shortfall between the subsidy cap and the rental levels. The Directorate is reviewing options to address this ongoing pressure. A business case is being developed to explore usage of redeveloping HRA properties to house homeless citizens. However, this does have capital cost implications. Relationships are being brokered with third sector housing providers to explore mutual benefits to maximising this market for the use of homelessness services.

- **Other net variations - £1.586m pressure**

These arise mainly from the costs of early retirements and other employee and agency expenditure.

Children - £1.165m underspend

- **Education Service Grant (ESG) - £0.681m pressure**

Reductions of £2.400m were required in 2016/17 to offset the impact of changes in ESG grant. Various mitigations have been identified and applied but there is still a residual amount of £0.681m for which mitigations have not been identified.

- **Early Help & Children's Social Care - £2.259m underspend**

There is a projected £1.460m underspend in internal foster care. The service has undertaken a review of current internal foster care capacity in readiness for implementation of the next phase of the improvement plan to grow the in house service. This has resulted in fewer higher cost external fostering and residential placements.

There is a projected underspend of £1.200m due to a longer mobilisation period on the phased go live of the residential block contract due to securing planning permission and OFSTED registration for individual properties.

The reduction in the number of externally commissioned residential and community based assessment has resulted in a further underspend of £0.370m. This is due to more direct social work with families which mitigates court requests for separate independent assessments.

In addition there are other net underspends of £0.099m.

These have been offset by a pressure of £0.350m relating to Secure Remand beds costs as a result of decrease in the Youth Justice Board Secure Grant and an increase in bed nights at Secure Training Centres and Secure Children's homes.

There is also a pressure of £0.520m due to budgets being inadequate to cover costs of legal disbursements. This may become a more concerning issue in the event of an increase in cases being issued – nationally there is an increase.

- **Travel Assist - £0.500m pressure**

A forecast budget pressure of £0.500m is reported on pupil guides arising from factors such as increased demand for Guiding hours and increase of casual cover for additional routes not covered by permanent Guides. These are expected to create an overspend of £0.839m. However it is anticipated that this will be mitigated by reductions from September to reflect actions to achieve travel assist savings and, therefore, an overall pressure of £0.500m is forecast. Further work is required by the service to better understand and explain the factors at work and improve the overall level of monitoring and management information which in turn may require major system and process changes.

- **Other net variations- £0.087 underspend**

These mainly relate to a £0.243m pressure on Other Education and £0.162m on Unattached Playing Fields offset by £0.492m underspend on Disabled Children Social Care as a result of fewer placements than budgeted.

The Directorate will continue to work to identify other appropriate actions that can be taken.

Savings Programme

Following the mid-year review, an assessment has been undertaken of those savings that are no longer deemed to be achievable in 2016/17. Details of these are shown in Appendix 1.

People Directorate are forecasting savings not deliverable of a net £28.332m.

Following on from the Future Council programme, initiatives in the Maximising Independence of Adults (MIA) work-stream have been brought together as an overall change programme. This will have connections with the Better Care Fund (BCF) and the Sustainability and Transformation Plan (STP). The Programme will work to deliver key offers to support vulnerable adults by helping them to help themselves, offering help when it is needed, and providing ongoing support for those who need it. It has three Sub-Programmes: Assessment and Support Planning Customer Journey, Market Shaping, and Prevention. The Programme is responsible for delivering a number of savings initiatives. However, it is now clear that not all original planned savings are deliverable.

The explanations are as follows:

Adults - £15.147m

- **Adult Care Packages - £13.133m**

The Adult Social Care Service has delivered significant savings in recent years whilst tackling the continued increases in demand. Savings were achieved against the Younger Adults re-provisioning programme up to the end of 2015/16

through re-assessments of younger adult clients and moves to more appropriate care settings or through changes to the arrangements commissioned from some providers. However, the scale and pace of the savings targets have proved to be very challenging and there continues to be a shortfall against the figures included in the budget.

The People Directorate Leadership Team is actively looking at how best to implement further savings and, where necessary, is considering appropriate alternative activities to mitigate this shortfall. The Operations Board approved a revised set of projects which reflect the activity in the Programme that is working towards the overall savings targets in this area of the Directorate's services.

- **Supporting People (SP)- balanced position**

The commissioning of new SP contracts for Disabilities was delayed by three to four months due to the complexity of introducing new arrangements together with the commissioned services from the Third Sector. It has been agreed that this pressure of £1.054m will be covered in 2016/17 by a transfer from the Supporting People reserve.

- **Specialist Care Services - £2.014m**

- Enablement £1.500m: A review of the enablement service is being undertaken. Specific plans are currently being evaluated to change the way the service operates.
- Care Centres £0.514m: Cabinet on 26th July 2016 agreed to consult on changes in the use of two of the four Care Centres. The outline Business Case identified that the preferred option would not deliver the savings target of £0.300m in 2016/17 and that there are likely to be one-off costs which would lead to a higher overall pressure.

Health - £15.400m

- **Better Care Fund (BCF) - balanced position**

In early 2016, the Council and health partners submitted a Better Care Fund Plan in line with Government Guidance. The BCF contained funding transferred from the Department of Health's NHS budget through the Department of Communities and Local Government (DCLG) to local government to allow local care and health communities to share investment in sustaining and improving their local system. The Plan included a collective vision for the Birmingham health and care system by 2019.

The priorities set out in the Better Care Fund Plan and a wide range of work supporting this aimed to produce cost savings. As part of the BCF Plan it was originally assumed that the City Council will receive £8.400m in 2016/17. Due to a revision by Government of the performance element of the BCF these savings will not be delivered in the way originally envisaged in the Plan. We are therefore working closely with health colleagues to develop detailed plans to mitigate this change and this will form part of the wider discussions referred to in the Sustainability and Transformation Plan mentioned overleaf.

The position assumes that £13m will be received from Health as a result of NHS bodies collectively being able to operate within their control totals and release the 1% non-recurrent contingency CCGs are required to hold for BCC care costs. This represents the £8.400m referred to above and a further contribution of £4.600m towards the £20m set out in the paragraph below.

- **Sustainability and Transformation Plan (STP) - £15.400m**

The STP is a Government requirement to make wide reaching changes to the national health and social care system. Sustainability and Transformation Plans are being prepared by 44 areas across the country including the Birmingham and Solihull area. This offers the opportunity to build a place based collaborative care and health system that moulds itself around the needs of local people. A System Board has been established in order to oversee the preparation of the STP, and manage its subsequent delivery. The City Council's Business Plan 2016+ has assumed £20m of efficiency savings resulting from whole system change on adult social care and NHS spend. This and later year assumptions, combined with the BCF savings described above, have been incorporated into the STP gap analysis. An updated position will be reported in due course as part of future monitoring reports.

Children - £1.556m

- **Travel Assist - £1.388m**

The service has a £2.463m savings target for 2016/17. A plan has been developed and this covers a number of areas including programme engagement; consultation and development of policy change; implementation of policy change; team redesign and infrastructure improvement. The project expects to deliver a total saving of £2.463m on an ongoing basis. However, due to delays in implementation, deliverable savings for 2016/17 are projected at £1.075m in year. This has resulted in a projected in year savings shortfall of £1.388m.

- **Unattached Playing Fields - £0.168m**

The total saving of £0.268m has been brought forward from 2015/16 as the action plan for savings progressed slowly during last year due to complex legal issues. This covers 31 unattached playing fields with a number of different solutions. Options are being considered ranging from transfer to schools, renegotiation of leases and disposal of sites. There is expected to be an in year shortfall against delivery of £0.168m due to the complexities around delivery of the saving.

- **Private Finance Initiative (PFI) / Building Schools for the Future (BSF) - balanced position**

Work has been undertaken by the service to reduce the costs and affordability gap associated with the PFI / BSF contracts. For 2016/17 this is expected to yield total savings of £1.863m, of which approximately £1.000m is non recurrent. This will be used to fully meet the savings target of £0.700m in year

and the balance of £1.163m will be used to offset the ongoing PFI pressure from 2015/16 and Education Services Grant base budget shortfall.

New Savings Proposals – (£3.771m)

People Directorate has identified £3.771m of new saving proposals. These relate primarily to additional element of the Maximising Independence of Adults programme and a review of legacy and third party contracts held within People Directorate. A detailed list of the new savings proposals which represent new policy decisions is available in Appendix 2 of this report.

2.2 Place Directorate (excluding Housing Revenue Account)

The Directorate is reporting a forecast variation of £12.376m after mitigations (Month 2 £8.195m), made up of pressures of £4.312m (Month 2 £4.566m) on the base budget and a net £8.064m (Month 2 £3.629m) of Savings Programme deemed to be not deliverable in 2016/17.

The increase of £4.181m since Month 2 is mainly due to savings identified as at risk in Month 2 for Waste Management Services and Neighbourhood Services being reviewed for deliverability and re-categorised as savings not deliverable. This has been offset by proposed new savings of £0.400m.

Base Budget

A base budget pressure of £4.312m is forecast at Month 4 relating to the following:

- **Waste Management Services - £2.634m pressure**
A Service Improvement Plan has been developed and is being implemented to stabilise the service following the completion of the roll out of the wheeled bins. A number of projects and management actions are being implemented including: performance management framework, optimising the route planning, reducing missed collections, waste prevention and enforcement, rebalancing the workforce and reducing agency staff and completing the restructuring of the back office support. This base budget pressure relates primarily to employees and other operational costs in the delivery of the new service and this is expected to reduce as the Service Improvement Plan continues to be implemented.
- **Sport and Events - £1.000m pressure**
This represents the new strategy relating to the externalisation of Alexander Stadium. The initial strategy is not considered feasible following consultation with the market and a new procurement strategy is now planned (a separate report is being taken to Cabinet on 20th September 2016). This will result in an additional pressure (representing the net operating costs of the service that were planned to be mitigated through the externalisation of the Service).

- **Other Services - £0.678m pressure**

This relates to:

- £0.150m for Markets, due in part to the on-going legal lease negotiations and the impact from the relocation of the existing traders to the new Wholesale Market in Witton. This is the net pressure after mitigations from the resources set out to develop the new Wholesale Market
- Regulatory Services of £0.352m. These relate to a range of services including Registrars (lower income than expected), Coroners (greater external autopsy fees) and Licensing
- Other minor pressures of £0.176m

Savings Programme

Following the mid-year review an assessment has been undertaken of those savings that are no longer deemed to be achievable detail of these are shown in Appendix 1.

Place Directorate is forecasting savings not deliverable of a net £8.064m. This is as follows:

- **Community Safety and Equalities - £1.122m**

The saving was largely predicated on securing some potential funding for the Safer Places Team and the CCTV Network from the Local Police and Crime Panel (PCC) (it is important that our work with the PCC continues effectively and alternative City Council proposals will be developed for future years to mitigate this pressure). There was also an element relating to the development of the future operating model for the Equalities Team and a new operating model is now being developed in consultation with staff. This will be implemented by March 2017.

- **Neighbourhood and Community Services - £2.166m**

This relates primarily to the Community Libraries Services (due to delays in the development of a new operational model). There are also delays in the decommissioning of the Community Play and Development Service and the programme to redesign and rationalise local assets to deliver services in the future with fewer separate buildings.

- **Waste Management Services - £4.366m**

The major savings not deliverable include the transfer of the Queslett Site to private ownership, the partial delivery of the three R's project to Reduce, Reuse and Recycle waste, the redesign of street cleaning and the proposal to pass on cost new bins on to the developers of new estates. It is proposed to offset this by £1m through improving the waste collection service performance from January 2017. The actions that have been identified in the Service Improvement Plan to deal with the base budget pressures will also assist in the management of the savings programme.

- **Other Services - £0.810m**

This relates to a range of services including Licensing, Coroner and Mortuary, Markets and unachieved income / reduction in Parks costs. This has been offset by use of reserves (mainly underspend balances from 2015/16) and other technical adjustments including capitalisation of maintenance.

- **New Savings Proposals - (£0.400m)**

Additional work continues to be undertaken by the Directorate to identify further necessary management actions and mitigations needed to be implemented to improve the position.

A number of new savings proposals in 2016/17 which represent new policy decisions are included within Appendix 2 of this report

2.3 **Economy**

Economy is reporting a forecast variation of £1.250m (no movement from Month 2) relating to the Savings Programme deemed to be not deliverable in 2016/17.

Base Budget

There are no base budget pressures being forecast within Economy.

Savings Programme

Following the mid-year review an assessment has been undertaken of those savings that are no longer deemed to be achievable in 2016/17.

Economy is reporting £1.250m of savings not deliverable at Month 4.

- **Reduce the Council's energy bill - £0.600m**

The Council plans to put in place significantly tighter management of its energy bill and carbon liabilities via a number of initiatives. The implementation of these initiatives is highly complex and cuts across Directorates. It has already been agreed as part of the Month 2 Corporate Revenue Monitoring report that the extent to which there is non-delivery of the saving will be mitigated corporately. This has been reflected within Corporate Mitigations in Table 1.

- **Establish an Energy Services Company - £0.650m**

This relates to the establishment of an Energy Services Company providing cheaper, greener energy to people in Birmingham in conjunction with delivering an income stream for the Council. Implementation is highly complex and a briefing paper is being prepared exploring options, with a report to Cabinet

planned for the end of the financial year. It has already been agreed as part of the Month 2 Corporate Revenue Monitoring report that the extent to which there is non-delivery of the saving will be mitigated corporately. This has been reflected within Corporate Mitigations in Table 1.

2.4 Corporate Resources

Corporate Resources is reporting an overspend position of £0.290m after mitigations (Month 2 £2.914m). This relates to an assessment of the deliverability of the Savings Programme.

The decrease in pressures since Month 2 is mainly as a result of additional savings from the investment costs of the B1 move and savings being achieved in year from reserves and balances, offset by an assessment of the deliverability of the saving relating to paying suppliers faster in exchange for discounts.

Base Budget

There is a forecast break-even position at Month 4. This includes £0.617m for pension costs relating to staff seconded to Service Birmingham offset by additional savings of £0.385m from the investment cost of the B1 move and other minor net reductions of £0.062m.

It is anticipated that the remaining pressure of £0.170m will be mitigated by the Directorate.

Savings Programme

Following the mid-year review an assessment has been undertaken of those savings that are no longer deemed to be achievable in 2016/17.

At Month 4 the Savings Programme is forecasting savings not deliverable of £0.290m. This relates to a new supplier finance scheme which is being introduced across the supplier base and is dependent upon both demand and timing of council approval processes. Work is underway on both of these aspects and although a small element of around £0.010m will be delivered in year, the majority of the saving is considered not deliverable.

The Integrated Support Services (ISS) initiative is now well advanced, with the design phase completed and consultation having started in June 2016. The 2016/17 savings target of £9.500m will be partly met by the in-year effect of the implementation of structure changes and service re-design, and partly from the application of Directorate reserves and balances.

2.5 Housing Revenue Account

A balanced HRA Budget was approved for 2016/17 (expenditure of £283.4m funded by equivalent income). The budget was based on the new national rent policy of -1% that will be implemented in each year from 2016/17 to 2019/20.

A balanced year-end position is projected. The current budgets and the forecast year-end financial position are summarised in the table below:

Service	Current Budget £m	Year End Variation Projection £m
Rent/Service Charges (net of Voids)	(283.4)	1.5
Repairs and Maintenance	65.6	0.0
Contributions for Capital Investment	75.2	-
Capital Financing Costs	54.8	1.4
Local Office / Estate Services / Equal Pay	87.8	(2.9)
Net Position	-	-

The strategy of utilising any underspends for the repayment of debt is prudent and considered value for money (as interest payments on debt outstanding are greater than interest received on balances). It is also in line with the HRA Self Financing Business Plan for the repayment of debt (the debt re-payment has already been re-profiled to take into account the new national rent policy and as reported to City Council on 1st March 2016 as part of the City Council Business Plan 2016+).

2.6 Collection Fund

The monitoring arrangements for the Collection Fund include reporting on the in-year position for Council Tax and Business Rates. However, for the most part, the impact on the budget is as set out in the Council Business Plan and Budget 2016+, with any surplus or deficit being required to be carried forward and taken into account as part of the 2017/18 budget setting process.

Council Tax

The overall net budget for Council Tax is £289.8m in 2016/17. In addition, the Council collects the precepts on behalf of the Fire and Police Authorities. An in-year surplus is forecast, of which the Council's share is expected to be £3.716m. The main reasons for this are a decrease in the forecast of Council Tax Support Discounts of £1.366m compared with the budget, a decrease in other reliefs awarded (mainly single person discounts) of £0.436m, an increase in the net growth forecast £1.440m due to additional new properties, plus an anticipated net reduction in prior years adjustments of £0.474m compared with the budget. In addition, a cumulative surplus brought

forward from 2015/16 (over and above that budgeted for) has previously been reported in the 2015/16 Outturn Report, of which the Council's share is £1.335m.

The Council's share of the forecast total surplus is therefore £5.051m (£3.716m in year plus £1.335m brought forward), which is expected to be carried forward and taken into account in the 2017/18 budget setting process.

Business Rates

Currently the Council retains just under half of all business rates collected under the Business Rates Retention Scheme. The overall budgeted level of Business Rates in 2016/17 is £420.1m (excluding Enterprise Zone growth), of which the Council's retained share is £205.8m. An in-year deficit is forecast of which the Council's share is expected to be £1.626m. The main reasons for this are an increase required for the provision for bad and doubtful debts of £0.558m, a further contribution required for valuation appeals of £0.980m, plus an increase in other reliefs of £0.088m.

The increase in the doubtful debt provision is due to the progression of older debtors through the enforcement process coupled with the increasing age of these outstanding liabilities. The Council are working with Service Birmingham in order to ensure that the collection of more recent debt is in line with budgeted expectations as part of the Revenues Contract.

The latest information from the valuation office indicates a further increase in expected losses as a result of rating appeals due mainly to additional unexpected reductions for GP surgeries over and above those previously anticipated, plus the impact of additional backdated settlements as a consequence of the Metro works in the City Centre. The Council are working closely with Central Government as part of the wider reforms to Business Rates retention including a review of the appeals process and the impact it has had on local government finances.

In addition to the in-year position, a cumulative deficit brought forward from 2015/16 (over and above that budgeted for) has previously been reported in the 2015/16 Outturn Report, of which the Council's share is £2.710m.

An overall forecast deficit of £4.336m (£1.626m in year plus £2.710m brought forward) relating to the Council's share is therefore anticipated to be taken into account in the budget setting process for 2017/18.

Taking the position on Council Tax and Business Rates together a total surplus of £0.715m (£5.051m Council Tax Surplus less £4.336m Business Rates Deficit) relating to the Council's share is anticipated to be carried forward and taken into account in the 2017/18 budget setting process.

In addition, aspects of the Business Rates regime also impact on the General Fund in the form of grants for specific types of reliefs awarded. There is a forecast increase in income of £0.186m anticipated for the General Fund relating to Business Rates that will impact upon the current year. This is mainly due to additional government funded reliefs awarded for small businesses plus backdated relief awards for some retail premises.

3.0 Other Corporate Items

Corporate Mitigations

As part of the Month 2 Revenue Monitoring report to Cabinet on 26th July 2016, corporate mitigations of up to £2.750m were approved. These covered mitigations for Deprivation of Liberty Safeguards of £1.500m, reducing the Council's energy bill of £0.600m and establishment of an energy company of £0.650m to the extent that there is a pressure or non-delivery of the saving by the year end.

A further mitigation of £8.796m has been identified as part of this report and relates to Treasury Management. This is as a result of interest savings arising from lower than budgeted interest rates, plus the benefit of a short term borrowing strategy to fund the Council's new prudential borrowing agreed since the budget.

Further work is ongoing relating to the relaxation of the application of capital receipts and the Council's Efficiency Strategy as described in the Business Plan.

General Policy Contingency

It is proposed to allocate £0.075m from General Policy Contingency to support the initial start-up costs of the Youth Active Trust.

If approved, this would leave a balance on General Policy Contingency of £2.969m.

Savings Programme not Deliverable by Directorate

Directorate	Description	Total Savings Programme 2016/17	Savings not Deliverable 2016/17	Balance 2016/17	Non-Delivered in Part (P) / Full (F)
		£m	£m	£m	P/F
CORP RESOURCES	CC22 Pay suppliers faster in exchange for discounts	0.300	(0.290)	0.010	P
CORP RESOURCES	TOTAL	0.300	(0.290)	0.010	
ECONOMY	E2 Reduce the Council's energy bill	0.400	(0.400)	0.000	F
ECONOMY	Reduce the Council's energy bill - unachieved savings from 15/16	0.200	(0.200)	0.000	F
ECONOMY	E19 Establish an Energy Services Company	0.650	(0.650)	0.000	F
ECONOMY	TOTAL	1.250	(1.250)	0.000	
PEOPLE	MIA5 Internal Care Services - Younger Adults Day Care	0.702	(0.702)	0.000	P
PEOPLE	MIA14 Introduce charges for Telecare and reducing spend on joint equipment contracts	1.600	(0.800)	0.800	P
PEOPLE	MIA16 Internal Care Review - Occupational Therapy	0.020	(0.020)	0.000	F
PEOPLE	P2-P9 Younger Adult Savings	3.819	(2.819)	1.000	P
PEOPLE	P2- Adults- Business Transformation- undelivered savings from 15/16	4.688	(4.688)	0.000	F
PEOPLE	P4-Changes in internal services – Older Adult Day Care & Elder Group unachieved in 15/16	0.097	(0.097)	0.000	F
PEOPLE	P5-Changes to internal services – Learning Disability Day Care - unachieved in 15/16	0.250	(0.250)	0.000	F
PEOPLE	P6-Expansion of internal services – Shared Lives - unachieved in 15/16	1.707	(1.707)	0.000	F
PEOPLE	P7-Changes in internal services – Home Care Enablement - unachieved in 15/16	1.050	(1.050)	0.000	F
PEOPLE	P9-Joint Adults and Children's approach to transitions - unachieved in 15/16	1.000	(1.000)	0.000	F
	Adult Care Packages	14.933	(13.133)	1.800	
PEOPLE	MIA17 Internal Care Review - Home Care Enablement	1.500	(1.500)	0.000	F
PEOPLE	MIA18 Internal Care Review - Care Centres	0.300	(0.514)	(0.214)	P
	Specialist Care Services	1.800	(2.014)	(0.214)	
	ADULTS SUBTOTAL	16.733	(15.147)	1.586	
PEOPLE	MIA3 Promote independent travel and reduce reliance on council funded transport, underpinned by clear policy	2.463	(1.388)	1.075	P
PEOPLE	P24 - Unattached playing fields - Unachieved savings from 15/16	0.268	(0.168)	0.100	P
PEOPLE	CHILDREN'S SUBTOTAL	2.731	(1.556)	1.175	
PEOPLE	MIA10 Redesign and integrate services at scale across the health and social care economy	20.000	(15.400)	4.600	P
	HEALTH SUBTOTAL	20.000	(15.400)	4.600	
PEOPLE	TOTAL	39.464	(32.103)	7.361	
PLACE	PL30-Community Safety and Equalities	0.322	(0.322)	0.000	P
PLACE	SN50 Community Safety	0.800	(0.800)	0.000	F
PLACE	Community Safety and Equalities	1.122	(1.122)	0.000	
PLACE	CC27 Open for Learning - Community Libraries element only	0.300	(0.300)	0.000	P
PLACE	EGJ7 Create a commercial model for business support	0.028	(0.014)	0.014	P
PLACE	PL20-Birmingham Careers Service (Connexions)	0.131	(0.105)	0.026	P
PLACE	PL40c-Community Development	0.248	(0.248)	0.000	P
PLACE	PL40e-Neighbourhood Advice	0.216	(0.216)	0.000	P
PLACE	SN13 Reduce number of play areas	(0.020)	0.020	0.000	P
PLACE	Community Libraries - Unachieved savings from 15/16	0.759	(0.759)	0.000	P
PLACE	PL4 Review of property portfolio Community Development (undelivered from 15/16)	0.181	(0.181)	0.000	P
PLACE	PL6 Neighbourhood Advice (undelivered from 15/16)	0.290	(0.200)	0.090	P
PLACE	PL40a Community Play (undelivered from 15/16)	0.174	(0.163)	0.011	P
	Neighbourhood and Community Services	2.307	(2.166)	0.141	
PLACE	SN7 Reduce Reuse Recycle - Reduce failures/failed waste collections	3.082	(1.682)	1.400	P
PLACE	SN16 Reduce Reuse Recycle - Discourage traders from illegal use of the council's household recycling centres (HRCs)	0.094	(0.094)	0.000	P
PLACE	SN17 Reduce Reuse Recycle - Reduce imported waste costs	0.391	(0.391)	0.000	P
PLACE	SN18 Reduce Reuse Recycle - Passing initial cost of bins, waste collection and recycling onto the developers of new estates/house builders	0.180	(0.180)	0.000	P
PLACE	SN19 Transfer Queslett landfill site to alternative ownership	0.269	(0.269)	0.000	P
PLACE	SN20 Redesign street cleansing and a combination of enforcement, education and community marketing to encourage residents and businesses to keep streets/footpaths tidy	1.500	(1.500)	0.000	P
PLACE	Refuse & Waste Disposal - Unachieved savings from 15/16	0.700	(0.250)	0.450	P
	Waste Management Services	6.216	(4.366)	1.850	
PLACE	PL17-Coroner and Mortuary	0.095	(0.095)	0.000	P
PLACE	SN4 Extend parking charges at parks	0.020	(0.020)	0.000	P
PLACE	SN26 Discontinue Non Framework Contract at Health and Wellbeing Centres	1.410	(0.400)	1.010	P
PLACE	SN28 Reduction in costs (Parks)	0.300	(0.300)	0.000	P
PLACE	SN32 Income Generation from Cofton Nursery	0.306	(0.306)	0.000	P
PLACE	SN45 Disposal of unwanted/under utilised parks land (8 acres per year)	0.200	(0.200)	0.000	P
PLACE	Licensing - Unachieved savings from 15/16	0.339	(0.339)	0.000	P
PLACE	Markets - Unachieved savings from 15/16	1.000	(0.150)	0.850	P
	Technical Mitigations	0.000	1.000	1.000	P
	Other Services	3.670	(0.810)	2.860	
PLACE	TOTAL	13.315	(8.464)	4.851	
DIRECTORATE	GRAND TOTAL	54.329	(42.107)	12.222	

Notes: The appendix reflects variations to existing savings based on the position in the Business Plan 2016+ and undeliverable savings carried forward from 2015/16, the latter being shown in the table above by *.

Appendix 2

NEW SAVINGS PROPOSALS

Directorate	Description
PLACE	Review of all Operational Service 'Back Office' Business Support
PLACE	Review & Revision of Service Standards for Grounds Maintenance in Parks
PLACE	SUBTOTAL
	Contract Review
PEOPLE	Trident - Payment By Results
PEOPLE	Gateway service
PEOPLE	Carers small grant
PEOPLE	Substance Misuse service user quality assurance
PEOPLE	Third Sector - Mental Health and Employment
PEOPLE	Review payments for out of contract services
	Opportunities for Adult Care
PEOPLE	Review and audit of Care First payments system
	Health Opportunities
PEOPLE	MIA104 Integrated Community Social Work - The Offer - NEW
PEOPLE	SUBTOTAL
	GRAND TOTAL

2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
(0.200)	(0.800)	(0.800)	(0.800)	(0.800)
(0.200)	(0.600)	(0.600)	(0.600)	(0.600)
(0.400)	(1.400)	(1.400)	(1.400)	(1.400)
(0.382)				
(0.152)	(0.253)	(0.253)	(0.253)	(0.253)
(0.200)	TBD	TBD	TBD	TBD
(0.022)	(0.087)	(0.087)	(0.087)	(0.087)
(0.110)	(0.440)	(0.440)	(0.440)	(0.440)
(0.078)	TBD	TBD	TBD	TBD
(0.100)	(0.500)	(0.500)	(0.500)	(0.500)
(2.727)	(4.700)	(5.700)	(5.700)	(5.700)
(3.771)	(5.980)	(6.980)	(6.980)	(6.980)
(4.171)	(7.380)	(8.380)	(8.380)	(8.380)

Notes:

The appendix reflects variations to existing savings based on the position in the Business Plan 2016+. Further details will be available via the Birmingham City Council website.

Table 1 - Summary forecast position of base budget pressures and savings programme not deliverable

Directorate	Current Budget	Net Base Budget Pressures			Savings Programme not Deliverable			New Savings Proposals	TOTAL			
		as at			as at				as at			
		Month 2	Month 4	Movement	Month 2	Month 4	Movement		Month 4	Month 2	Month 4	Movement
		£m	£m	£m	£m	£m	£m		£m	£m	£m	£m
People Directorate	473.644	6.134	6.880	0.746	44.733	32.103	(12.630)	(3.771)	50.867	35.212	(15.655)	
Place Directorate	134.663	4.566	4.312	(0.254)	3.629	8.464	4.835	(0.400)	8.195	12.376	4.181	
Economy Directorate	67.988	0.000	0.000	0.000	1.250	1.250	0.000	0.000	1.250	1.250	0.000	
Corporate Resources	36.539	0.914	0.000	(0.914)	2.000	0.290	(1.710)	0.000	2.914	0.290	(2.624)	
Sub-total Directorates	712.834	11.614	11.192	(0.422)	51.612	42.107	(9.505)	(4.171)	63.226	49.128	(14.098)	
Policy Contingency	36.449	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Other Corporate Items	85.998	0.000	(1.500)	(1.500)	0.000	(1.250)	(1.250)	(8.796)	0.000	(11.546)	(11.546)	
City Council General Fund	835.281	11.614	9.692	(1.922)	51.612	40.857	(10.755)	(12.967)	63.226	37.582	(25.644)	
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Financial Position analysed by Directorate - budget pressures (including budget savings)

Division of Service Area	FULL YEAR BUDGET			YEAR END		
	Original Budget	M'ments	Revised Budget	Base Budget Pressures / (Savings)	Savings Programme not Deliverable	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Adults with Mental Health Needs	14.588	(0.144)	14.444	0.757	0.895	1.652
Older Peoples Services	83.600	13.888	97.487	(3.476)	4.981	1.505
Persons with No Recourse to Public Funds	0.104	0.000	0.104	0.021	0.000	0.021
Homelessness	2.877	(0.060)	2.817	2.815	0.000	2.815
Adults with a Physical Disability	22.613	0.878	23.491	1.516	1.537	3.053
Service Strategy	55.213	(12.957)	42.256	3.463	0.000	3.463
Adults with a Learning Disability	90.765	(2.156)	88.609	2.570	5.835	8.405
Housing Strategy	1.952	(0.100)	1.852	(0.581)	0.000	(0.581)
Other Adult Services	3.755	2.269	6.023	1.478	(0.872)	0.606
Supporting People	24.666	0.000	24.666	(0.519)	0.000	(0.519)
Public Health	(0.006)	0.006	0.000	(0.000)	(1.000)	(1.000)
Subtotal Adults	300.126	1.623	301.749	8.045	11.376	19.421
Education and Skills	53.962	11.189	65.151	1.181	0.000	1.181
Schools Budgets	(143.014)	(12.926)	(155.940)	0.000	0.000	0.000
Commissioning & Performance	17.304	(0.074)	17.230	(0.896)	0.000	(0.896)
Children With Complex Needs	104.497	1.866	106.363	0.082	1.388	1.470
Early Help & Childrens Soc Care	152.064	0.421	152.485	(2.260)	0.000	(2.260)
Business Support	21.065	0.571	21.635	0.730	0.168	0.898
Accounting Adjustment/MRP Component of Contract Payments	(6.491)	0.000	(6.491)	0.000	0.000	0.000
Subtotal Children	199.387	1.046	200.434	(1.165)	1.556	0.392
Health	(28.539)	0.000	(28.539)	0.000	15.400	15.400
Subtotal Health	(28.539)	0.000	(28.539)	0.000	15.400	15.400
People Directorate Total	470.974	2.669	473.643	6.880	28.332	35.212
Community Sports & Events	6.916	(0.070)	6.846	1.000	0.400	1.400
Fleet and Waste Management	52.041	1.040	53.081	2.634	4.366	7.000
Parks and Nature Conservation	14.424	(0.253)	14.171	0.000	0.626	0.626
Bereavement Services	(2.626)	(0.071)	(2.697)	0.000	0.000	0.000
Markets	(2.064)	(0.042)	(2.106)	0.150	0.150	0.300
Business Support	2.479	(0.029)	2.450	0.000	(0.200)	(0.200)
Equalities, Cohesion & Safety	0.217	0.481	0.698	0.078	1.122	1.200
Engineering & Resilience Services	0.451	0.108	0.559	0.000	0.000	0.000
Regulatory Services	5.393	(0.179)	5.214	0.352	0.434	0.786
Private Sector Housing	0.098	(0.543)	(0.445)	0.000	0.000	0.000
Neighbourhood Community Services	11.975	1.234	13.208	0.098	1.166	1.264
Birmingham Adult Education	0.227	(0.213)	0.014	0.000	0.000	0.000
Central Support Costs	11.210	2.035	13.245	0.000	0.000	0.000
Culture & Visitor Economy	33.099	(0.050)	33.049	0.000	0.000	0.000
City Centre Management	0.007	(0.005)	0.002	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(2.625)	0.000	(2.625)	0.000	0.000	0.000
Place Directorate Total	131.219	3.443	134.663	4.312	8.064	12.376
Development Management Services	4.250	4.002	8.252	0.000	0.000	0.000
Planning & Regeneration	4.588	(0.243)	4.344	0.000	0.000	0.000
Highways Services	33.041	(0.212)	32.829	0.000	0.000	0.000
Transportation and Connectivity	49.146	0.233	49.379	0.000	1.250	1.250
Shelforce	(0.101)	0.000	(0.101)	0.000	0.000	0.000
Employment Services	1.117	4.260	5.377	0.000	0.000	0.000
GBSLEP Executive	0.226	0.000	0.226	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(32.319)	0.000	(32.319)	0.000	0.000	0.000
Economy Directorate Total	59.947	8.040	67.988	0.000	1.250	1.250

Appendix 4

Division of Service Area	FULL YEAR BUDGET			YEAR END		
	Original Budget	M'ments	Revised Budget	Base Budget Pressures / (Savings)	Savings Programme not Deliverable	Total
	£'m	£'m	£'m	£'m	£'m	£'m
City Finance	6.833	1.313	8.146	0.000	0.000	0.000
Birmingham Audit	2.377	0.000	2.377	0.000	0.000	0.000
Elections Office	1.732	0.000	1.732	0.000	0.000	0.000
Legal & Democratic Services	5.822	0.010	5.831	0.000	0.000	0.000
Shared Services Centre	2.198	0.000	2.198	0.000	0.290	0.290
Business Transformation Legacy Costs	39.267	0.000	39.267	0.000	0.000	0.000
Charities & Trusts - Support	0.050	0.045	0.095	0.000	0.000	0.000
Directorate Wide Recharges	(28.346)	(0.460)	(28.806)	0.000	0.000	0.000
Insurance	0.014	(0.013)	0.000	0.000	0.000	0.000
Corporate Resources Other Services	1.708	0.052	1.760	0.000	0.000	0.000
Building Consultancy	1.164	0.001	1.165	0.000	0.000	0.000
Urban Design	(0.533)	0.000	(0.533)	0.000	0.000	0.000
Catering & Building Cleaning	(0.100)	0.000	(0.100)	0.000	0.000	0.000
Facilities Management	(0.631)	0.000	(0.631)	0.000	0.000	0.000
Business Loans & Other Investments	(0.727)	0.976	0.249	0.000	0.000	0.000
Subtotal Finance & Legal	30.829	1.922	32.751	0.000	0.290	0.290
Corporate Strategy	(0.096)	(0.053)	(0.149)	0.000	0.000	0.000
Procurement	(0.338)	0.000	(0.338)	0.000	0.000	0.000
Human Resources	7.437	1.407	8.844	0.000	0.000	0.000
Revenues & Benefits Division	(2.548)	0.048	(2.500)	0.000	0.000	0.000
Core ICT	(10.132)	0.000	(10.132)	0.000	0.000	0.000
Customer Services	8.629	0.000	8.629	0.000	0.000	0.000
Subtotal Integrated Support Services and Change	2.952	1.402	4.354	0.000	0.000	0.000
Birmingham Property Services	(1.337)	0.719	(0.618)	0.000	0.000	0.000
Major Projects	0.000	0.053	0.053	0.000	0.000	0.000
Subtotal Major Projects	(1.337)	0.772	(0.565)	0.000	0.000	0.000
Corporate Resources Total	32.443	4.096	36.539	0.000	0.290	0.290
Total Directorate Spending	694.584	18.249	712.833	11.192	37.936	49.128
Policy Contingency	54.469	(10.950)	43.519	0.000	0.000	0.000
Other Corporate Items	86.228	(8.300)	77.928	(1.500)	(10.046)	(11.546)
Centrally Held Total	140.696	(19.249)	121.447	(1.500)	(10.046)	(11.546)
Proposed Transfers to / (from) reserves				0.000	0.000	0.000
Net Budget Requirement	835.281	0.000	835.281	9.692	27.890	37.582
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000

Savings Programme – Position at Month 4

Directorate	Description	Savings 2016/17 £m	Actions in place to fully achieve Savings (in line with Policy Decision) £m	Actions in place to fully achieve Savings (new Policy Decision required) £m	Actions in place to achieve savings in year only £m	Actions in place but some risk to delivery £m	Savings not Deliverable £m	Savings not deliverable - last month £m
People	Improving efficiencies. We want to make sure that all services have clear plans regarding how they spend money on workforce costs.	5.209	5.209	0.000	0.000	0.000	0.000	2.327
	Reduction in Adult Running Costs.	1.111	1.111	0.000	0.000	0.000	0.000	0.000
	Step up of savings re: Third Sector Commissioning and Supporting People.	3.400	2.346	0.000	1.054	0.000	0.000	0.000
	Adults and Communities Transformation programme.	12.381	0.000	0.000	0.000	0.000	11.381	10.454
	Joint Adults and Children's approach to transitions	1.000	0.000	0.000	0.000	0.000	1.000	1.000
	Redesign and integrate services at scale across the health and social care economy.	20.000	0.000	0.000	0.000	4.600	15.400	20.000
	Better Care Fund	8.400	0.000	0.000	0.000	8.400	0.000	8.400
	Public Health – Commissioning.	1.250	1.250	0.000	0.000	0.000	0.000	0.000
	Public Health – Decommissioning.	3.315	3.315	0.000	0.000	0.000	0.000	0.000
	Public Health. Recommission of contracts and change of specifications for 'lifestyle services'.	1.200	0.000	0.000	0.000	1.200	0.000	0.000
	Step up of previous Early Years savings.	1.000	0.000	0.000	0.000	1.000	0.000	0.000
	Promote independent travel and reduce reliance on council funded transport, underpinned by clear policy.	2.463	0.000	0.000	0.000	1.075	1.388	1.388
	Other	0.933	(5.411)	0.000	0.100	3.310	2.934	2.284
People Total		61.662	7.820	0.000	1.154	19.585	32.103	45.853
Place	Discontinue subsidies Non Framework Contract at Health and Wellbeing Centres.	1.410	1.010	0.000	0.000	0.000	0.400	0.200
	Improving efficiencies. We want to make sure that all services have clear plans regarding how they spend money on workforce costs.	2.320	2.320	0.000	0.000	0.000	0.000	0.000
	Library of Birmingham/ Strategic Library Services. This is the full year effect of a saving identified in 2015/16	1.800	1.800	0.000	0.000	0.000	0.000	0.000
	Markets	1.000	0.850	0.000	0.000	0.000	0.150	0.150
	Pest Control	1.300	1.300	0.000	0.000	0.000	0.000	0.000
	Redesign street cleansing and a combination of enforcement, education and community marketing to encourage residents and businesses to keep streets/footpaths tidy.	1.500	0.000	0.000	0.000	0.000	1.500	0.000
	SN7 Reduce Reuse Recycle - Reduce failures/failed waste collections.	3.082	1.400	0.000	0.000	0.000	1.682	0.000
	Other	12.916	8.560	0.024	0.000	0.000	4.732	3.880
Place Total		25.328	17.240	0.024	0.000	0.000	8.464	4.230

Directorate	Description	Savings 2016/17 £m	Actions in place to fully achieve Savings (in line with Policy Decision) £m	Actions in place to fully achieve Savings (new Policy Decision required) £m	Actions in place to achieve savings in year only £m	Actions in place but some risk to delivery £m	Savings not Deliverable £m	Savings not deliverable - last month £m
Economy	Highways Maintenance. Refinance of the PFI contract, review capital expenditure, review routine and reactive maintenance.	1.500	0.000	0.000	1.500	0.000	0.000	0.000
	Highway Maintenance & Management Services (Private Finance Initiative)	1.000	0.000	0.000	1.000	0.000	0.000	0.000
	Other	5.166	1.563	0.000	1.689	0.664	1.250	1.250
Economy Total		7.666	1.563	0.000	4.189	0.664	1.250	1.250
Corporate Resources	Improving efficiencies. We want to make sure that all services have clear plans regarding how they spend money on workforce costs.	2.360	0.000	0.000	2.187	0.173	0.000	0.000
	Reduce Local Welfare Assistance Provision Scheme.	1.600	1.600	0.000	0.000	0.000	0.000	0.000
	Service Birmingham	6.800	0.500	0.000	6.300	0.000	0.000	0.000
	Service Birmingham. We are proposing to reduce our ICT costs.	2.800	0.000	0.000	2.800	0.000	0.000	0.000
	Targeted net improvement in the housing benefit subsidy by reclaiming Housing Benefit Grant overpayments.	2.000	2.000	0.000	0.000	0.000	0.000	0.000
	To reduce the amount the Council spends on Information and Communication Technology (ICT) over the next few years.	2.500	2.500	0.000	0.000	0.000	0.000	0.000
	Human Resources	1.200	0.000	0.000	0.000	1.200	0.000	0.000
	Integrated Support Services restructure	3.200	0.000	0.000	3.200	0.000	0.000	2.000
	Acceleration of savings.	1.500	1.500	0.000	0.000	0.000	0.000	0.000
	Other	4.476	1.607	0.000	0.584	1.995	0.290	0.000
Corporate Resources Total		28.436	9.707	0.000	15.071	3.368	0.290	2.000
Cross Cutting	Other	0.146	0.146	0.000	0.000	0.000	0.000	0.000
Cross Cutting Total		0.146	0.146	0.000	0.000	0.000	0.000	0.000
Grand Total		123.238	36.476	0.024	20.414	23.617	42.107	53.333

Month 2

123.024

30.145

0.456

17.913

22.898

51.612

Notes:

The City Council Business Plan 2016+ recognised that in order to accommodate resource losses and fund budget pressures, savings of £88.210m would be required from Directorates in 2016/17. In addition, there are savings from 2015/16 of £34.814m, where delivery still needs to be monitored, including where they were met on a one-off basis. There is also a further £0.214m of costs identified relating to the implementation of savings relating to care centres. Total savings to be met in 2016/17 are therefore £123.238m.

A review of the position on each of the savings initiatives is undertaken each month, and the position at Month 4 is summarised above. This shows that £81.221m (65.9%) of the required savings of £123.238m are on course to be delivered. Work continues to identify ways of achieving the delivery of the remaining £42.107m of the overall savings target, including new savings proposals of £4.171m as identified within this report.

Policy Contingency Month 4 Monitoring to 31st July 2016

	Original Budget 2016/17	Approvals / Adjustments in Voyager	Revised Budget 2016/17	Approvals / Allocations not yet in Voyager as at 31st July	Proposals awaiting approval at 31st July	Remaining Contingency if proposals approved
	£'000	£'000	£'000	£'000	£'000	£'000
Redundancy Costs			0			0
Car Park Closure Resources	350	(98)	252	(252)		0
Carbon Reduction	1,020		1,020			1,020
Inflation Allowance	15,641		15,641			15,641
Highways Maintenance	750		750			750
Provision for unachievement of savings	10,750		10,750	(750)		10,000
Youth Strategy	1,000	(1,000)	0			0
Birmingham Jobs Fund	2,000	(2,000)	0			0
Business Charter for Social Responsibility	6,539		6,539			6,539
Improvement Expenditure	11,395	(6,980)	4,415	(220)		4,195
Combined Authority	500		500			500
Subtotal Specific Contingency	49,945	(10,078)	39,867	(1,222)	0	38,645
General Contingency	4,524	(872)	3,652	(522)	(161)	2,969
Total Contingency	54,469	(10,950)	43,519	(1,744)	(161)	41,614

Write-off of Irrecoverable Housing Benefit, Council Tax and Business Rates

a. Irrecoverable Housing Benefit

In circumstances where Housing Benefit overpayments are identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for these overpayments and income to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or returned to the city.

The cost to the Council of writing off these irrecoverable sums will be charged to the City Council's provision set up for this purpose, which includes sums set aside in previous years to meet this need. There is no direct effect on the revenue account.

In 2016/17, from 1st June 2016 to 31st July 2016, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £0.435m, which Members are asked to note.

Age analysis	Up to 2009/10	2010/11 – 12/13	2013/14 -15/16	Total
	£m	£m	£m	£m
Benefit Overpayments	0.025	0.126	0.284	0.435
Total				0.435

Section (d) of this Appendix gives a more detailed age analysis of overpayments and income written off.

b. Irrecoverable Council Tax & Business Rates

All Council Tax and Business Rates are due and payable. However, there are certain instances where the amount of the bill needs to be either written off or reduced (e.g. where people have absconded, have died, have become insolvent or it is uneconomical to recover the debt).

If an account case is subject to this, then consideration is given to write the debt off subject to the requirement for Service Birmingham Revenues to consider all options to recover the debt, prior to submitting for write off. However, once an account has been written off, if the debtor becomes known to the Revenues Service at a later date, then the previously written off amount will be reinstated and pursued.

In respect of Business Rates, where a liquidator is appointed, a significant period of time is taken to allow for the company's affairs to be finalised by and to subsequently determine if any monies are available to be paid to creditors. Once it is established this is not to happen, a final search of Companies House is undertaken to confirm the company has been dissolved.

Cabinet are requested to approve the writing off of business rates debts to the Council which are greater than £0.025m, totalling £0.676m as detailed in Section (c) of this Appendix. Further information in respect of these is available on request.

In 2016/17, from 1st June 2016 to 31st July 2016, further items falling under this description in relation to Council Tax have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £3.566m, which Members are asked to note.

Age analysis	Up to 2010/11	2011/12 - 13/14	2014/15 -16/17	Total
	£m	£m	£m	£m
Council tax	1.850	-	-	1.850
Business rates	1.716	-	-	1.716
TOTAL	3.566	-	-	3.566

Section (e) of this Appendix gives a more detailed age analysis of overpayments and income written off.

c. **Business Rates Write Offs**i) **Business Rates**

Case No.	Supporting Information	Total Debt
	Further information in respect of the Business Rates Write Offs listed below is available on request.	
1.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/12/2005 to 09/07/2006 – (6004022262)	£52,305.26
2.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/04/2006 to 31/03/2007 – (6003378952)	£37,009.24
3.	Liability Period(s)/Account Ref Number(s) Property 1 - Business Rates due for period 01/11/2008 to 26/02/2009 - (6004389091) - £1,023.36 Property 2 - Business Rates due for period 16/07/2008 to 26/02/2009 - (6004645736) - £4,240.28 Property 3 - Business Rates due for period 24/05/2008 to 26/02/2009 - (6004324489) - £5,354.48 Property 4 - Business Rates due for period 01/05/2008 to 26/02/2009 - (6004336218) - £1,394.73 Property 5 - Business Rates due for period 25/03/2008 to 26/02/2009 - (6004346096) - £4,611.45 Property 6 - Business Rates due for period 23/03/2008 to 26/02/2009 - (6004334381) - £8,691.93 Property 7 - Business Rates due for period 21/03/2008 to 26/02/2009 - (6004429741) - £2,541.63 Property 8 - Business Rates due for period 01/03/2008 to 26/02/2009 - (6004351244) - £3,929.42 Property 9 - Business Rates due for period 25/03/2008 to 26/02/2009 - (6004419838) - £5,568.05	£37,355.33
4.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/04/2007 to 31/03/2009 - (6004200064)	£113,771.38
5.	Liability Period(s)/Account Ref Number(s) Property 1 - Business Rates due for period 24/06/2008 to 18/11/2008 - (6004363277) - £28,455.54 Property 2 - Business Rates due for period 24/06/2008 to 18/11/2008 - (6004361351) - £21,614.13	£50,069.67
6.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 17/10/2007 to 30/03/2009 - (6004322325)	£65,425.45

Appendix 7

7.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/10/2007 to 31/03/2010 - (6004311055)	£42,160.50
8.	Liability Period(s)/Account Ref Number(s) Property 1 - Business Rates due for period 01/04/2008 to 26/03/2009 – (6003152296) - £7,714.31 Property 2 - Business Rates due for period 01/04/2008 to 26/03/2009 – (6003647372) - £15,073.27 Property 3 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6004251943) - £10,665.41 Property 4 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6004077029) - £2,653.96 Property 5 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6004077030) - £9,212.98 Property 6 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6003680220) - £15,696.88 Property 7 - Business Rates due for period 01/04/2008 to 02/03/2009 – (6003662853) - £3,841.39	£64,858.20
9.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 23/07/2007 to 06/04/2009 – (6004216135)	£32,079.55
10.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/04/2008 to 14/06/2009 - (6004328356)	£74,870.38
11.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 29/07/2008 to 15/10/2009 - (6004359986) - £34,920.36	£34,920.36
12.	Liability Period(s)/Account Ref Number(s) Business Rates due for period 28/07/2008 to 27/11/2009 – (6004365364)	£70,974.88
	Total Debt	£675,790.20

d. Age analysis of Overpayments and Debts written off under delegated authority by Revenues and Benefits Division

Detail	2003-2005/6	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total	No of Debtors
Housing Benefit debts written off under delegated authority	£233.20	£3,640.94	£1,974.35	£556.26	£3,192.30	£15,768.45	£13,945.13	£48,942.54	£62,921.41	£82,112.91	£127,378.60	£74,303.17	£434,969.26	785
TOTAL	£233.20	£3,640.94	£1,974.35	£556.26	£3,192.30	£15,768.45	£13,945.13	£48,942.54	£62,921.41	£82,112.91	£127,378.60	£74,303.17	£434,969.26	785

Debt Size	Small		Medium		Large	Total	
Cases	>£1,000	Cases	£1,001-£5,000	Cases	£5,000-£25,000	Cases	
679	£159,629.84	95	£174,356.81	11	£100,982.61	785	£434,969.26

e. Age analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division

Detail	1997-2006/7	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Council tax written off under delegated authority	1,849,825	-	-	-	-	-	-	-	-	-	-	1,849,825
Business rates written off under delegated authority	322,447	284,996	390,088	361,944	357,117	-	-	-	-	-	-	1,716,592
TOTAL	2,172,272	284,996	390,088	361,944	357,117	-	-	-	-	-	-	3,566,417

Total number of council tax debts: 5,212

Total number of business rates debts: 712

Debt size analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division

Grouped by value	Small (<£1,000)		Medium (£1,000 - £5,000)		Large (>£5,000)		TOTAL	
	Value	Cases	Value	Cases	Value	Cases	Value	Cases
Council tax written off under delegated authority	1,566,436	4,751	283,389	212	0.00	0	1,849,825	4963
Business rates written off under delegated authority	79,192	200	471,548	189	1,165,852	103	1,716,592	492
TOTAL	1,645,628	4,951	754,937	401	1,165,852	103	3,566,417	5,455

Report to:	CABINET
Report of:	Director of Finance
Date of Decision:	20th September 2016
SUBJECT:	CAPITAL AND TREASURY MANAGEMENT MONITORING QUARTER 1 (APRIL TO JUNE 2016)
Key Decision: Yes	Relevant Forward Plan Ref: 001925/2016
If not in the Forward Plan: (please "tick" box)	Complied with Rule 15 <input type="checkbox"/>
	Complied with Rule 16 <input type="checkbox"/>
Type of decision:	Executive
Relevant Cabinet Member:	Councillor Ian Ward
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq
Wards affected:	All

1. Purpose of report:
<p>1.1 The report notes developments in relation to Birmingham City Council's medium term capital programme up to 30th June 2016, and recommends the release of development funding.</p> <p>1.2 The report also monitors the treasury management portfolio and actions taken during the quarter under delegations.</p>

2. Decision(s) recommended:
<p>2.1 Cabinet is requested to:</p> <ul style="list-style-type: none"> (i) Approve the revised multi-year capital programme of £1,186.609m. (ii) Subject to the approval of the Enterprise Zone Board, approve the release of development funding of £0.415m funded from prudential borrowing, to progress the preferred option for the Southside Link to Full Business Case, as detailed in Appendix 11. <p>2.2 Cabinet is requested to note that:</p> <ul style="list-style-type: none"> (i) Forecast capital expenditure in 2016/17 is £461.228m. (ii) Actual capital expenditure as at 30th June 2016 was £37.369m, representing 8.1% of the forecast outturn for 2016/17.

Lead Contact Officer(s):	Steve Powell, Assistant Director of Finance (Financial Strategy)
Telephone No: E-mail address:	0121 303 4087 steve_powell@birmingham.gov.uk

<p>3. Consultation</p> <p>Consultation should include those that have an interest in the decisions recommended.</p> <p>3.1 <u>Internal</u></p> <p>Relevant Members and officers have been consulted in the preparation of this report.</p> <p>3.2 <u>External</u></p> <p>There are no additional issues beyond consultations carried out as part of the budget setting process for 2016/17.</p>	
<p>4. Compliance Issues:</p> <p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The capital expenditure programme and the treasury management policy and strategy are part of the Council Business Plan and Budget 2017+, and resource allocation is directed towards Council priorities.</p> <p>4.2 <u>Financial Implications.</u> <u>(Will decisions be carried out within existing finances and Resources?)</u></p> <p>The corporate capital budget monitoring documents attached give details of service delivery within available resources.</p> <p>The capital budget is a resource and expenditure planning tool and does not confer approval for individual budget items to proceed. Individual approvals are sought through the Business Case reports under the 'Gateway' Process.</p> <p>Appendix 11 sets out the financial implications of the Southside development funding proposal.</p> <p>4.3 <u>Legal Implications</u></p> <p>Section 151 of the 1972 Local Government Act requires the Director of Finance (as the responsible officer) to ensure proper administration of the City Council's financial affairs. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on directorates and members of Corporate Management Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on control of the capital budget. It also reports on the exercise of treasury management delegations and the management of treasury risks in accordance with the Council's treasury management policy and strategy.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>There are no additional specific Equality Duty or Equality Analysis issues beyond any already assessed and detailed in the budget setting process and monitoring issues that have arisen in the year to date. Any specific assessments needed will be made by Directorates in the management of their services.</p>	

5. Relevant background/chronology of key events:

- 5.1 The City Council's Capital Programme and the Treasury Management Policy and Strategy for 2016/17 was approved by the City Council on 1st March 2016.
- 5.2 A Capital Programme of £965.848m was approved by the City Council on 1st March 2016.
- 5.3 During Quarter 1 the programme increased by a further £220.761m to £1,186.609m and this is summarised in the table below.

	2016/17	2017/18	2018/19	Later Years	Total
	£m	£m	£m	£m	£m
Approved Capital Budget	451.210	265.632	249.006	0.000	965.848
Add slippage from 2015/16	62.317	(0.008)	(0.148)	0.000	62.161
Addition or Reduction in Resources	14.156	11.469	38.677	94.298	158.600
Annual re-phasing of Capital Programme	(66.455)	22.286	(84.628)	128.797	0.000
Revised Capital Budget Quarter 1	461.228	299.379	202.907	223.095	1,186.609

- 5.4 The main variations for the increase in resources of £158.600m and the re-phasing of £(66.455)m from 2016/17 into future years are outlined in Appendix 1. The majority of the additional resources relate to the inclusion of later years budgets in the capital programme, including £94m of HRA resources in 2019/20 (see Appendix 1 pages 18-19) and £42m of CYPF grant funding in 2018/19 (see Appendix 1 pages 7-9). Narrative regarding all additions and/or reductions in resources is provided in Appendix 1. The slippage of £62.161m brought forward from 2015/16 has previously been explained in the Financial Outturn Report approved by Cabinet on 17th May 2016. The £(84.628)m re-phasing in 2018/19 in the table above largely represents a presentational change to separate out later years spend.
- 5.5 Appendix 1 reviews the major budget and forecast variations arising during Quarter 1.

5.6 **Expenditure to Date**

Actual expenditure on Voyager for the quarter ending 30th June is £37.369m. This represents 8.1% of the forecast outturn for 2016/17 and compares with 13% in 2015/16 financial year.

Capital expenditure on a scheme by scheme basis is detailed in Appendix 2.

5.7 **Treasury Management Monitoring**

Summaries of the City Council's borrowing and treasury investment are contained within Appendices 5 to 10.

5.8 **Release of development funding for the Southside Link of the Enterprise Zone**

Appendix 11 recommends the release of £0.415m of development funding to progress the Enterprise Zone's Southside Link project to Full Business Case. This approval is sought in order to enable the project to progress in co-ordination with related Southside developments.

6. Evaluation of alternative option(s):

- 6.1 No alternative options are relevant for the purposes of this monitoring report. The evaluation of options is contained in individual investment proposals.

7. Reasons for Decision(s):

- 7.1 To inform Cabinet of the latest projected position on the City Council's capital programme against the approved budget, and to monitor treasury management activity and risks.
- 7.2 To seek approval to the revised capital budget at 30th June 2016.

Signatures (or relevant Cabinet Member approval to adopt the Decisions recommended):

Chief Officer(s):

Cabinet Member:

Dated:

List of Background Documents used to compile this Report:

1st March 2016 Council Report – Council Business Plan 2016+
Financial Outturn Report – 17 May 2016

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List of Appendices accompanying this Report:

1. Appendix 1 – Review of major capital monitoring variations
2. Appendix 2 – High level summary of the Capital Programme
3. Appendix 3 – Development and Funding of the Capital Programme
4. Appendix 4 – New Prudential Borrowing Capital Schemes in Quarter 1 2016/17
5. Appendix 5 - Summary Debt and Investment Portfolio
6. Appendix 6 - Long Term Transactions in the Quarter
7. Appendix 7 - Treasury Investments Outstanding at 30th June 2016
8. Appendix 8 - Treasury Investments made in April to June 2016
9. Appendix 9 - Accountable Body Investments
10. Appendix 10 - Prudential Indicators
11. Appendix 11- Release of development funding for Southside Link of the Enterprise Zone

PEOPLE DIRECTORATE - ADULTS & COMMUNITIES		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Personalisation, Reform & Efficiency of Adults Social Care	Original Budget	300	1,659	Initiatives to transform and improve the commissioning and delivery of Adult Care Services.
	Slippage/(acceleration) from 2015/16	120	120	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(271)	(1,537)	Transfer of grant to the Better Care Fund project - see below.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	149	242	
	On Target?			Yes
Programme of Minor Works	Original Budget	514	814	Improvements to Specialist Care Service property to improve the delivery of Adult Social Care.
	Slippage/(acceleration) from 2015/16	96	96	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(29)	(29)	
	Rephasing	(300)	0	Slippage of £0.300m due to capital investment proposals being postponed pending a review of service provision. The outcome will be reported to Cabinet during 2016/17.
	(Under) / Overspend	0	0	
	Total Revised Budget	281	881	
	On Target?			No as above.
IT Schemes	Original Budget	1,692	2,742	New and enhanced IT systems to support the delivery of Adults & Communities Services.
	Slippage/(acceleration) from 2015/16	32	32	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	(750)	£0.750m - transfer of Grant to Better Care Fund project - see below.
	Rephasing	(979)	0	Slippage of £0.979m into future years pending completion of the Full Business Case for the Replacement of the Carefirst System which is expected towards the end of 2016. However, there may be acceleration of spend as year end approaches should a suitable ICT solution be chosen and contracts agreed with vendors. The current funding source for all years spend is capital grants held in reserves and there is no risk to this funding from delayed spend.
	(Under) / Overspend	0	0	
	Total Revised Budget	745	2,024	
	On Target?			Yes subject to the above.
Homeless Centres	Original Budget	1,117	1,117	Programme for the refurbishment of Homeless Hostels to improve services for the homeless.
	Slippage/(acceleration) from 2015/16	318	318	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,435	1,435	
	On Target?			Yes.

LD Day Centres	Original Budget	500	500	Programme for the refurbishment of Day Centre facilities for the Learning Disabilities Service.
	Slippage/(acceleration) from 2015/16	332	332	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	(700)	0	Slippage of £0.700m pending the outcome of a service review of Younger Adults Day Services. A report will be presented to Cabinet during 2016/17.
	(Under) / Overspend	0	0	
	Total Revised Budget	132	832	
	On Target?			.
Better Care	Original Budget	3,118	3,118	The Better Care Fund provides funding to local services for the provision of an improved health and social care service for elderly and vulnerable adults.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	3,020	3,020	£1.537m grant funding has been transferred from the Personalisation, Reform and Efficiency of Adults Social Care to the Better Care Fund; £0.750m grant funding transferred from IT Schemes to the Better Care Fund; £0.733m is the balance of grant funding received for 2016/17.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	6,138	6,138	
	On Target?			Yes
Independent Living	Original Budget	4,600	13,800	Delivery of major adaptation schemes funded from the Disabled Facilities Grant.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	4,600	13,800	
	On Target?			Yes.
TOTAL ADULTS & COMMUNITIES	Original Budget	11,841	23,750	
	Slippage/(acceleration) from 2015/16	898	898	
	Additional / (Reduced) Resources	2,720	704	
	Rephasing	(1,979)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	13,480	25,352	

PEOPLE DIRECTORATE - CHILDREN, YOUNG PEOPLE AND FAMILIES		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Aiming Higher for Disabled Children	Original Budget	0	451	Scheme to provide better access to short breaks provision by providing equipment, adaptations and facilities for disabled children and young people.
	Slippage/(acceleration) from 2015/16	7	7	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	29	
	Rephasing	293	0	Acceleration of budget from 2017/18 to meet planned spend in 2016/17. The residual budget of £0.187m in 2017/18 represents the remaining funding. There is no planned spend beyond 2017/18.
	(Under) / Overspend	0	0	
	Total Revised Budget	300	487	
	On Target?			Yes
Devolved Capital	Original Budget	0	2,832	Allocated to Maintained Schools to fund capital works.
	Slippage/(acceleration) from 2015/16	446	446	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	2,091	Additional allocation of grant funding from the Education Funding Agency (EFA).
	Rephasing	2,079	0	£2.079m of the £2.091m funding originally allocated to future years by BCC has been accelerated into 2016/17 to increase this budget in line with previous years profiles of spend (see above).
	(Under) / Overspend	0	0	
	Total Revised Budget	2,525	5,369	
	On Target?			This budget is managed and delivered by the individual schools.
School Condition Allowance	Original Budget	18,521	32,233	School Condition Allowance programme covering programmed capital works, dual funded schemes, improvements to access and kitchen works.
	Slippage/(acceleration) from 2015/16	(137)	(137)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	3,342	Additional grant funding received from Education Funding Agency following the confirmation of future years allocations.
	Rephasing	(2,430)	0	Slippage into future years to align the Quarter 1 budget figures with those approved by Cabinet in June 2016.
	(Under) / Overspend	0	0	
	Total Revised Budget	15,954	35,438	
	On Target?			Yes subject to the above.
Basic Need/Additional Primary Places	Original Budget	63,277	83,042	Building programme aimed at expanding school provision in order to meet pupil place requirements.
	Slippage/(acceleration) from 2015/16	2,407	2,407	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	35,481	Additional grant funding received from Education Funding Agency following the confirmation of future years allocations.
	Rephasing	(15,916)	0	Slippage into future years to align the Quarter 1 budget figures with those approved by Cabinet in June 2016.
	(Under) / Overspend	0	0	
	Total Revised Budget	49,768	120,930	
	On Target?			Yes subject to the above.

Victoria Special School	Original Budget	0	0	Demographic Growth capital funding to support the major refurbishment of former 6th form centre to 16 Post 16-19 students with complex needs
	Slippage/(acceleration) from 2015/16	74	74	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(60)	(60)	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	14	14	
	On Target?			Yes
Early Years Schemes	Original Budget	0	2,000	Funding for additional places in the nursery sector - mainly based at primary schools.
	Slippage/(acceleration) from 2015/16	590	590	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	34	
	Rephasing	2,000	0	Acceleration of future years funding to align the Qtr 1 budget figures with those approved by Cabinet in June 2016.
	(Under) / Overspend	0	0	
	Total Revised Budget	2,590	2,624	
	On Target?			Yes
Other Minor Schemes	Original Budget	0	0	Minor value schemes such as All Saints and Burford Community Development projects.
	Slippage/(acceleration) from 2015/16	14	14	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	14	14	
	On Target?			Yes
Business Transformation - Children's	Original Budget	1,000	4,183	IT Investment in Children's Services.
	Slippage/(acceleration) from 2015/16	(50)	(50)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	(750)	0	Slippage of £0.750m into future years pending completion of the Full Business Case for the Replacement of the Carefirst System which is expected towards the end of 2016. However, there may be acceleration of spend as year end approaches should a suitable ICT solution be chosen and contracts are agreed with vendors. The current funding source for all years spend is capital grants held in reserves and there is no risk to this funding.
	(Under) / Overspend	0	0	
	Total Revised Budget	200	4,133	
	On Target?			Yes subject to the above.
Section 106 schemes	Original Budget	0	0	Funding allocated to supplement the St. Barnabas Basic Needs Scheme and St John Willmott Capital Maintenance scheme.
	Slippage/(acceleration) from 2015/16	(8)	(8)	As reported in the 2015/16 Outturn Report,
	Additional / (Reduced) Resources	342	342	The Qtr 1 budget figures represent those approved by Cabinet in June 2016. Funding, previously held in Section 106 reserves has now been allocated to individual projects.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	334	334	
	On Target?			Yes

Universal Free School Meals	Original Budget	0	0	Capital funding to support the introduction of free school meals for reception years 1 and 2 children from September 2014.
	Slippage/(acceleration) from 2015/16	114	114	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	114	114	
	On Target?			Yes
Uffculme, Russell Road	Original Budget	0	0	Demographic Growth capital funding to support the purchase and refurbishment of 40 Russell Road for 30 post 16-19 students with complex needs.
	Slippage/(acceleration) from 2015/16	(60)	(60)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	60	60	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	0	0	
	On Target?			Yes
TOTAL CHILDREN, YOUNG PEOPLE & FAMILIES	Opening Budget	82,798	124,741	
	slippage/(acceleration) from 2015/16	3,397	3,397	
	Additional / (Reduced) Resources	342	41,319	
	rephased (slippage)	(14,724)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	71,813	169,457	
PEOPLE DIRECTORATE - OVERALL MOVEMENTS	Opening Budget	94,639	148,491	
	slippage/(acceleration) from 2015/16	4,295	4,295	
	Additional / (Reduced) Resources	3,062	42,023	
	rephased (slippage)	(16,703)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	85,293	194,809	

PLACE DIRECTORATE - HIGHWAYS GENERAL FUND		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Safer Routes to Schools	Original Budget	569	569	Highway engineering schemes to improve safety and sustainable access in the vicinity of schools across the City.
	Slippage/(acceleration) from 2015/16	14	14	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	24	624	£0.624m of Intergrated Transport Block (ITB) Grant allocated to Safer Routes to Schools as per the Transportation and Highways Capital Programme Report 2015/16 to 2020/21 approved by Cabinet in February 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	607	1,207	
	On Target?			Yes
Ward Minor Transport Measures	Original Budget	21	21	Projects across all wards to deliver reactive high priority highways services to improve highways infrastructure. Works can include provision of parking bays for people with disabilities, speed humps, and pedestrian crossings.
	Slippage/(acceleration) from 2015/16	94	94	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	143	143	£0.143m of Intergrated Transport Block Grant allocated to Ward Minor Transport Measures as per the Transportation and Highways Capital Programme Report 2015/16 to 2020/21 approved by Cabinet in February 2016 (see Network Integrity programme below).
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	258	258	
	On Target?			Yes
Minworth A38 Improvements	Original Budget	3,084	3,247	Major project in conjunction with Transportation to improve traffic management also safety and accessibility for pedestrians and cyclists.
	Slippage/(acceleration) from 2015/16	(15)	(15)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	3,069	3,232	
	On Target?			Yes
Network Integrity	Original Budget	846	846	The Network Integrity and Efficiency programme will enhance and protect the highway network and support the localism agenda through measures to address local transport issues identified at ward level.
	Slippage/(acceleration) from 2015/16	92	92	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	(173)	1,037	In 2016/17 £0.143m has been allocated to the Ward Minor Transport Measures programme (see above) and £0.030m relates to other minor adjustments. £1.037m of Integrated Transport Block Grant has been allocated to future years of the Network Integrity programme as per the Transportation and Highways Capital Programme Report 2015/16 to 2020/21 approved by Cabinet in February 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	765	1,975	
	On Target?			Yes

Road Safety	Original Budget	498	498	Road Safety schemes to reduce accidents across the City by the redesigning of roads or implementation of safety measures.
	Slippage/(acceleration) from 2015/16	(7)	(7)	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	133	733	£0.733m of Intergrated Transport Block Grant allocated to Road Safety as per the Transportation and Highways Capital Programme Report 2015/16 to 2020/21 approved by Cabinet in February 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	624	1,224	
	On Target?			Yes
Highways Structures	Original Budget	224	224	Phase 2 and 3 of the A38 (M) Tame Valley Viaduct Management Strategy
	Slippage/(acceleration) from 2015/16	339	339	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	563	563	
	On Target?			Yes
Land Drainage & Flood Defences	Original Budget	1,115	1,115	River Tame Flood Defence Scheme.
	Slippage/(acceleration) from 2015/16	(59)	(59)	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	167	167	£0.167m of Environment Agency funding for Flood Defences at a mixture of HRA and Owner Occupied premises. Delegated authority approval was received in quarter 4 2015/16.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,223	1,223	
	On Target?			Yes
Other Minor Schemes	Original Budget	149	149	Minor schemes
	Slippage/(acceleration) from 2015/16	7	7	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	414	414	£0.085m Intergrated Transport Block Funding for the Olton Boulevard scheme as per Delegated Authority 19.05.2016. £0.278m S278 funding for traffic calming works at Perry Beeches school and £0.051m for other minor scheme adjustments.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	570	570	
	On Target?			Yes
TOTAL HIGHWAYS	Original Budget	6,506	6,669	
	Slippage/(acceleration) from 2015/16	465	465	
	Additional / (Reduced) Resources	708	3,118	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	7,679	10,252	

PLACE DIRECTORATE - HOUSING PRIVATE SECTOR GENERAL FUND		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Affordable Housing	Original Budget	350	1,050	Expenditure to bring privately owned long term void properties back into use through compulsory acquisition, together with works funded from earmarked capital receipts on land not owned by BCC.
	Slippage/(acceleration) from 2015/16	200	200	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	550	1,250	
	On Target?			Yes
In Reach	Original Budget	8,000	11,950	InReach - a Wholly Owned Company of BCC which has been set up to develop a site in Ladywood for market rent accommodation.
	Slippage/(acceleration) from 2015/16	50	50	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	0	0	
	Rephasing	(2,047)	0	There is slippage on the InReach Private Rented Sector development due to delays in finalising this complex scheme. The procurement of the development is complete and the contract will be awarded as soon as the loan finance agreement has been completed and signed off
	(Under) / Overspend	0	0	
	Total Revised Budget	6,003	12,000	
	On Target?			No as per reasons above.
Other Programmes	Original Budget	160	160	Fees relating to delivery of major adaptations schemes.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	160	160	
	On Target?			Yes
TOTAL HOUSING PRIVATE SECTOR	Original Budget	8,510	13,160	
	Slippage/(acceleration) from 2015/16	250	250	
	Additional / (Reduced) Resources	0	0	
	Rephasing	(2,047)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	6,713	13,410	

PLACE DIRECTORATE - OTHER GENERAL FUND		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Swimming Pool Facilities	Original Budget	30,025	38,412	Sport and physical activity review programme for the new build of Sparkhill Pool, Stechford Leisure Centre, Icknield Port Loop, Erdington Pool and Northfield Pool and the refurbishment of Wyndley Leisure Centre, Beeches Pool, Fox Hollies Leisure Centre, Billesley ITC and Cocks Moor Wood Leisure Centre.
	Slippage/(acceleration) from 2015/16	2,114	1,958	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	21	21	
	Rephasing	(4,131)	0	£4.131m slippage - the site at Icknield Port Loop is part of a large regeneration project of the whole area governed by a masterplan which has outline planning approval. Due to the relocation of the site for the Leisure Centre a Section 73 planning application has been submitted to alter the masterplan & full planning approval is not expected until April 2017.
	(Under) / Overspend	0	0	
	Total Revised Budget	28,029	40,391	
	On Target?			No as per reasons above.
Fleet & Waste Management	Original Budget	8,292	8,607	Waste Depot Modernisation Programme.
	Slippage/(acceleration) from 2015/16	857	857	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	(6,736)	0	£6.736m of slippage against Waste Depot Modernisation Programme Phase 1 - This project has undergone a major review of the scope of the works to meet current operational requirements and budget availability. As a consequence the works and budget have been re-phased and a revised PDD was approved by Cabinet in May 2016. A Construction West Midlands (CWM) contractor has now been appointed for Phase 1 works.
	(Under) / Overspend	0	0	
	Total Revised Budget	2,413	9,464	
	On Target?			No as per reasons above.
Parks	Original Budget	3,115	3,168	Various schemes including - Cofton Nurseries replacement glasshouses £1.833m; Works at Trittiford Park £0.540m ; works at Kings Heath Park £0.139m; £0.387m at Wishaw Lane Playing Fields and other minor schemes totalling £0.269m.
	Slippage/(acceleration) from 2015/16	298	298	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	470	470	£0.348m has been added to the capital budget for a new changing facility at Cofton Park Pavillion. It is funded by a mix of S106 receipts and Lottery Capital Grant. A full business case entitled New Changing Pavillion at Cofton Park Phase 2 Full Business Case and Contract Award was approved by the Deputy Leader and the Cabinet Member for Commissioning, Contracting and Improvement jointly with the Strategic Director of Place on 23rd February 2016. £0.127m other minor schemes additions approved by Delegated Authorities and funded by Section 106 receipts.
	Rephasing	(495)	0	£0.495m (£0.387m original budget plus £0.108m slippage from 2015/16) for the delivery of the Wishaw Lane Playing Fields project has been slipped into next financial year pending the outcome of the new Playing Pitch Strategy which is due in September 2016. This will give Strategic Sport a clear view of City priorities for sport which will be taken into account in this project.
	(Under) / Overspend	0	0	
	Total Revised Budget	3,388	3,936	
	On Target?			Some slippage but no overall impact on the programme

Bereavement Services	Original Budget	0	0	Development of the Cemetery at Sutton New Hall for provision of additional burial plots.
	Slippage/(acceleration) from 2015/16	(140)	(140)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	8,351	8,351	An £8.351m project has been added to the capital budget for development of the cemetery at Sutton New Hall to create additional burial plots. The project will be funded by Prudential Borrowing and is expected to complete by April 2017. A full business case entitled Sutton New Hall Cemetery Development was approved by Cabinet in March 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	8,211	8,211	
	On Target?			Yes
Markets	Original Budget	28,691	29,676	Relocation of Birmingham Wholesale Markets at Witton including purchase of land and building a new site.
	Slippage/(acceleration) from 2015/16	832	832	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	31	1	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	29,554	30,509	
	On Target?			Yes
Community Initiatives	Original Budget	457	457	Includes Handsworth Leisure Centre Refurbishment & Laurel Road Artificial Pitch Replacement.
	Slippage/(acceleration) from 2015/16	(34)	(34)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(20)	(20)	
	Rephasing	(147)	0	£0.147m has been slipped into future years pending the completion of a full business case for Handsworth Leisure Centre.
	(Under) / Overspend	0	0	
	Total Revised Budget	256	403	
	On Target?			No as per reasons above.
Regulation and Enforcement	Original Budget	372	372	Health & Safety Works to the mortuary ventilation system and flooring.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	372	372	
	On Target?			Yes
Brasshouse Relocation	Original Budget	1,902	1,902	Relocation of Brasshouse Adult Education Centre to the Library of Birmingham.
	Slippage/(acceleration) from 2015/16	179	179	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	2,081	2,081	
	On Target?			Yes

Civic House Refurbishment	Original Budget	0	0	Major refurbishment of Civic House to create a new Adult Education Learning Centre in the Erdington Ward.
	Slippage/(acceleration) from 2015/16	(8)	(8)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	1,572	1,572	A £1.572m project has been added to the capital budget for the reconfiguration and refurbishment of Civic House for the Birmingham Adult Education Service. The project will be funded by a mix of prudential borrowing and capital receipts and is expected to complete by August 2016. A full business case entitled Reconfiguration and Refurbishment of Civic House for the Birmingham Adult Education Service was approved in March 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,564	1,564	
	On Target?	0	0	Yes
Strategic Libraries	Original Budget	0	0	Residual budgets to complete the fit out of a wide variety of relatively small items and to complete works to doors and floors.
	Slippage/(acceleration) from 2015/16	742	742	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	742	742	
	On Target?			Complete.
Other Minor Schemes	Original Budget	0	0	Minor Schemes <£100k.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	80	80	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	80	80	
	On Target?	0	0	Yes
TOTAL OTHER GENERAL	Original Budget	72,854	82,594	
	Slippage/(acceleration) from 2015/16	4,840	4,684	
	Additional / (Reduced) Resources	10,505	10,475	
	Rephasing	(11,509)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	76,690	97,753	

PLACE DIRECTORATE - DISTRICT SERVICES		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Community Sport	Original Budget	23	23	Community Sports - minor schemes.
	Slippage/(acceleration) from 2015/16	101	101	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	124	124	
	On Target?			Yes
Community Libraries	Original Budget	497	497	£0.456m West Heath Library rebuild; £0.041m other minor schemes.
	Slippage/(acceleration) from 2015/16	77	77	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	2	2	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	576	576	
	On Target?			Yes
Community Development & Play	Original Budget	18	18	Minor Schemes.
	Slippage/(acceleration) from 2015/16	(3)	(3)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(11)	(11)	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	4	4	
	On Target?			Yes
Community Parks	Original Budget	42	42	Minor Schemes.
	Slippage/(acceleration) from 2015/16	129	129	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	1	1	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	172	172	
	On Target?			Yes
Community Chest	Original Budget	0	0	Minor Schemes.
	Slippage/(acceleration) from 2015/16	30	30	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	1	1	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	31	31	
	On Target?			Yes

Districts and Neighbourhoods	Original Budget	0	0	Minor Schemes.
	Slippage/(acceleration) from 2015/16	6	6	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	6	6	
	On Target?			Yes
TOTAL DISTRICT SERVICES	Original Budget	580	580	
	Slippage/(acceleration) from 2015/16	340	340	
	Additional / (Reduced) Resources	(7)	(7)	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	913	913	

PLACE DIRECTORATE - HOUSING REVENUE ACCOUNT		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Housing Improvement Programme	Original Budget	35,475	126,838	Capital Investment Programme - various projects to carry out improvements to stock including major structural works.
	Slippage/(acceleration) from 2015/16	(638)	(638)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	20,130	111,534	£56.004m of additional resources allocated to 2019/20 in line with the HRA Business Plan, funded from a combination of BMHT sales, prudential borrowing, RTB receipts and revenue contributions. £55.530m reflects the re-ordering of budget lines to reflect contractor delivery arrangements. Budgets have been reclassified from Other Essential Works and Other Programmes to the Housing Improvement Programme (see below).
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	54,967	237,734	
	On Target?			Yes
Other Essential Works	Original Budget	14,430	39,774	Various schemes to deliver improvements - e.g. door entry schemes, legionella testing, communal electrical works, fire protection and soil and vent pipes replacement.
	Slippage/(acceleration) from 2015/16	1,225	1,225	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(15,655)	(40,999)	Changes to reflect the re-ordering of budget lines to reflect contractor delivery arrangements. Budgets have been reclassified from Other Essential Works to the Housing Improvement Programme (see above).
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	0	0	
	On Target?			Yes
Redevelopment	Original Budget	74,355	151,647	Birmingham Municipal Housing Trust (BMHT) new build housing stock replacement, Affordable Rent Programmes (ARP) and related housing development including sales, plus clearance.
	Slippage/(acceleration) from 2015/16	702	702	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	33,283	Additional resources relate to 2019/20 BMHT schemes, including Meadway and Newtown, as well as future clearance of obsolete or defective properties. This is funded from a combination of BMHT sales, borrowing, RTB receipts and revenue contributions from the HRA.
	Rephasing	(19,011)	0	BMHT - Slippage due to delays to Construction West Midlands programme, due to increased costs from tenders above FBC approvals requiring value engineering, amended planning or re-tendering; together with delays to start on sites on major projects, e.g. Primrose and Perry Common, due to finalising of contracts. Clearance - Delay in demolition of Norfolk Tower and Sapphire Tower due to delays in achieving vacant possession and building replacement substation. Delays in clearance of properties at Newtown and Aston due to review of current plans.
	(Under) / Overspend	0	0	
	Total Revised Budget	56,046	185,632	
	On Target?			No as per reasons above.

Other Programmes	Original Budget	9,203	29,046	Mainly capital works to void properties and major adaptation works to HRA properties.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report
	Additional / (Reduced) Resources	(4,475)	(9,520)	£5.011m of additional resources allocated to 2019/20 in line with the HRA Business Plan, funded from a combination of BMHT sales, prudential borrowing, RTB receipts and revenue contributions. £(14.531)m reflects the realignment of reporting hierarchies. Budgets have been reclassified from Other Programmes to the Housing Improvement Programme (see above).
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	4,728	19,526	
	On Target?			Yes
TOTAL HRA	Original Budget	133,463	347,305	
	Slippage/(acceleration) from 2015/16	1,289	1,289	
	Additional / (Reduced) Resources	0	94,298	
	Rephasing	(19,011)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	115,741	442,892	
PLACE DIRECTORATE - OVERALL MOVEMENTS	Opening Budget	221,913	450,308	
	slippage/(acceleration) from 2015/16	7,184	7,028	
	Additional / (Reduced) Resources	11,206	107,884	
	rephased (slippage)	(32,567)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	207,736	565,220	

ECONOMY DIRECTORATE - REGENERATION		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
East Aston RIS	Original Budget	4,236	4,236	East Aston Regional Investment Site - Advanced Manufacturing Hub.
	Slippage/(acceleration) from 2015/16	620	620	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	4,856	4,856	
	On Target?			Yes
Life Sciences	Original Budget	0	0	Creation of a new Life Science Campus.
	Slippage/(acceleration) from 2015/16	7,192	7,192	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	7,192	7,192	
	On Target?			Yes
Women's Enterprise Centre	Original Budget	100	100	Redevelopment of the east wing of the Southside Business Centre, Sparkbrook into a Women's Enterprise Centre.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	100	100	
	On Target?			Yes
Paradise Circus Redevelopment	Original Budget	20,851	44,426	The major redevelopment of the Paradise Circus site. An investment plan resourced by the LEP for projects / programmes delivering development and long term growth.
	Slippage/(acceleration) from 2015/16	4,342	4,342	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	(1,835)	0	Slippage of £1.835m has occurred between years. This was due to delays in commencing the demolition programme which centred around the former Central Library and Paradise Forum structure and delays related to offsite highway works which are now nearing completion.
	(Under) / Overspend	0	0	
	Total Revised Budget	23,358	48,768	
	On Target?			The overall programme remains on target despite the slippage of £1.835m.

Site Development & Access	Original Budget	9,000	9,000	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This part of the scheme supports property development coming forward on EZ Sites (other than Paradise Circus).
	Slippage/(acceleration) from 2015/16	2,217	2,217	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(2,767)	(2,767)	£2.5m funding has been transferred to the Centenary Square project as per EZ approval (see below) and £0.267m of 2016/17 budgets were used to fund expenditure at 2015/16 outturn.
	Rephasing	(5,950)	0	£5.950m of the budget has been re-phased into future years as some sites who applied for funding changed their site requirements and therefore were no longer requiring/eligible for funding. A new 'call' for possible projects will be made in Autumn 2016.
	(Under) / Overspend	0	0	
	Total Revised Budget	2,500	8,450	
	On Target?			No, but no foreseen impact on the programme at this stage.
Connecting Economic Opportunities	Original Budget	0	13,301	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This scheme funds a range of projects to improve connectivity and create safe and attractive routes to EZ sites in the Snowhill, Digeth, Jewellery Quarter and Eastside Areas.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	75	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	75	13,301	
	On Target?			Yes
Southern Gateway Site	Original Budget	1,000	35,470	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. The Southern Gateway site supports the relocation of the Wholesale Markets to enable the redevelopment of this City Centre site.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,000	35,470	
	On Target?			Yes
LEP Investment Fund	Original Budget	0	20,000	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This funding has been made available to support the implementation of the Strategic Economic Plan and its four delivery programmes.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	0	20,000	
	On Target?			Yes

HS2 Curzon St	Original Budget	0	30,000	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This forms part of the Birmingham Curzon HS2 Masterplan which has been prepared to ensure the City makes the most of the investment into the proposed High Speed 2 Terminus.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	0	30,000	
	On Target?			Yes
HS2 Interchange	Original Budget	0	20,000	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This forms part of the Birmingham Curzon HS2 Masterplan which has been prepared to ensure the City makes the most of the investment into the proposed High Speed 2 Terminus.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	0	20,000	
	On Target?			Yes
Snow Hill Public Realm	Original Budget	275	275	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. Office development at Two Snowhill.
	Slippage/(acceleration) from 2015/16	326	326	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	601	601	
	On Target?			Yes
One Station	Original Budget	194	727	Enhancement of the areas linking New Street Station and Moor Street Station.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	(194)	0	The profile of the project has been changed due to the delays procuring structural survey work. It is anticipated that there will be no work carried out in 2016/17 and therefore the remaining funding has been slipped into future years.
	(Under) / Overspend	0	0	
	Total Revised Budget	0	727	
	On Target?			No - slippage is identified above but there is no foreseen impact on the programme.

Centenary Square	Original Budget	3,297	7,617	This project is complimentary to the Metro project and will enhance the public square in line with the new Paradise Circus and Arena Central developments. This budget relates to Phase 1 of the programme of works.
	Slippage/(acceleration) from 2015/16	(2)	(2)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	2,500	Funding has been transferred from Site Development and Access as approved by the Enterprise Zone board (see above).
	Rephasing	(1,056)	0	Re-phasing following the timetaken to gain approval for the addition of an international design competition, which was not originally programmed into the project.
	(Under) / Overspend	0	0	
	Total Revised Budget	2,239	10,115	
	On Target?			Scheme is still on target as above.
Site Development & Access (Garrison Lane)	Original Budget	0	0	Investment plan resourced by the LEP for projects / programmes delivering development and long term growth. This part of the scheme supports property development at various sites.
	Slippage/(acceleration) from 2015/16	385	385	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(385)	(385)	The slippage brought forward from 2015/16 has been removed as it was adjusted for in error.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	0	0	
	On Target?			Project complete.
Longbridge Regeneration	Original Budget	3,763	3,763	Regeneration of Longbridge and the former Rover sites.
	Slippage/(acceleration) from 2015/16	342	342	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(603)	(603)	S106 budgets have been removed until firm proposals have been developed. The funding is still available and held in S106 reserves.
	Rephasing	(2,630)	0	Slippage of £2.630m due to Network Rail's lengthy project governance procedures and securing station funding approval.
	(Under) / Overspend	0	0	
	Total Revised Budget	872	3,502	
	On Target?			No - slippage is identified above but there is no foreseen impact on the programme.
Local Centres	Original Budget	933	933	Improvements to Local Centres, including shop frontages.
	Slippage/(acceleration) from 2015/16	244	244	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	69	69	
	Rephasing	(276)	0	The slippage of £0.276m is funding that is ring fenced to a specific geographical area and therefore this constrains the flexibility to allocate it to a specific project. Work is progressing to bring forward a project proposal and therefore spend will take place starting from 2017/18.
	(Under) / Overspend	0	0	
	Total Revised Budget	970	1,246	
	On Target?			Some minor slippage due to proposals being sought. No overall impact on other elements of the project.

Big City Plan Initiative	Original Budget	0	0	Golden Square / Jewellery Quarter improvements.
	Slippage/(acceleration) from 2015/16	97	97	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	97	97	
	On Target?			Yes
Conservation	Original Budget	276	276	Improvements to Keyhill Cemetery and Warstone Lane Cemetery.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	276	276	
	On Target?			Yes
Business Growth Programme	Original Budget	0	0	ERDF Business Growth Programme to provide grant assistance targeted at up to 576 existing small and medium enterprises.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	375	8,865	An £8.865m project has been added for the ERDF Business Growth Programme. This is fully funded from ERDF and will deliver grant assistance to Small and Medium Enterprises. A full business case entitled ERDF Business Growth Programme was approved by Cabinet in May 2016
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	375	8,865	
	On Target?			Yes
Local Improvement Budget	Original Budget	44	44	Various minor projects.
	Slippage/(acceleration) from 2015/16	1	1	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	45	45	
	On Target?			Yes
Other City Centre Projects	Original Budget	161	161	Various minor City Centre projects.
	Slippage/(acceleration) from 2015/16	73	73	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(138)	(138)	S106 budgets have been removed until firm proposals have been developed. The funding is still available and held in S106 reserves.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	96	96	
	On Target?			Yes

Planning Other	Original Budget	50	151	Replacement of the Document Management System for the Planning & Regeneration service.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	50	151	
	On Target?			Yes
National College for High Speed Rail	Original Budget	21,453	23,589	Construction of a new building that will serve as the operational training headquarters for the High Speed Rail College in Birmingham.
	Slippage/(acceleration) from 2015/16	585	585	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	22,038	24,174	
	On Target?			Yes
Minor Schemes	Original Budget	0	0	£0.552m Making the Connection - Public Realm Enhancements around New Street, linking Paradise Circus, Arena Central and Southern Gateway. £0.060m minor projects.
	Slippage/(acceleration) from 2015/16	612	612	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	612	612	
	On Target?			Yes
TOTAL REGENERATION	Original Budget	65,633	214,069	
	Slippage/(acceleration) from 2015/16	17,034	17,034	
	Additional / (Reduced) Resources	(3,449)	7,541	
	Rephasing	(11,866)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	67,352	238,644	

ECONOMY DIRECTORATE - TRANSPORTATION		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Gateway/Grand Central residual budgets	Original Budget	5,148	5,148	Budget to support the residual costs of the Gateway and Grand Central schemes.
	Slippage/(acceleration) from 2015/16	7,664	7,664	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	433	433	Additional £0.433m budget funded by Capital Grants held in Reserves as approved by Cabinet in March 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	13,245	13,245	
	On Target?			Yes
Coventry Road A45	Original Budget	1,539	1,539	Upgrading of the A45.
	Slippage/(acceleration) from 2015/16	(1,450)	(1,450)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	89	89	
	On Target?			Yes
Local Growth - match funding	Original Budget	3,470	20,870	Holding pot of Integrated Transport Block (ITB) funding and other grants as match funding for schemes funded by Local Growth Grant. As schemes are approved this pot will reduce.
	Slippage/(acceleration) from 2015/16	825	825	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(2,059)	(10,734)	Reallocation of budget across various schemes within Economy Transportation and Place Highways programmes in accordance with the Transportation and Highways Capital Programme approved by Cabinet in February 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	2,236	10,961	
	On Target?			Yes - budgets here are held at a high level until business cases are approved.
Inner Ring Road schemes (1)	Original Budget	652	652	Iron Lane / Ashted Circus - projects to reduce congestion on the Inner Ring Road. Budgets are allocated for Development costs awaiting Full Business Cases which are in progress.
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	(31)	(31)	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	621	621	
	On Target?			Yes

Minworth A38 & Peddimore Access	Original Budget	1,930	1,930	Major project in conjunction with Highways to improve traffic management at Peddimore and also safety and accessibility for pedestrians and cyclists. Works are also being undertaken on the A38 Sutton Coldfield Bypass to repair and replace a number of life expired assets.
	Slippage/(acceleration) from 2015/16	(1)	(1)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,929	1,929	
	On Target?			Yes
Longbridge Connectivity	Original Budget	4,127	5,349	A number of schemes at Longbridge to improve traffic management and accessibility for pedestrians and cyclists.
	Slippage/(acceleration) from 2015/16	(115)	(115)	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	(3,642)	0	£3.642m rephasing into future years because of revisions to the delivery programme for this project. Additional public consultation was required as requested by members at two locations to address specific issues and the detailed design work of Longbridge Lane/Groveley Lane junction was also delayed due to further consideration of the impact on the trees in the area.
	(Under) / Overspend	0	0	
	Total Revised Budget	370	5,234	
	On Target?			Some slippage but no impact on overall project
Birmingham Cycle Revolution	Original Budget	1,910	1,940	A multi year, multi funded programme to support schemes to encourage cycling across Birmingham.
	Slippage/(acceleration) from 2015/16	277	277	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	277	277	£0.165m Head of Strategy and Transport approval for GPS units for bikes as part of the Big Bikes Project funded by BCR grant phase 2; £0.112m Delegated Authority approval 04.05.2016 for improvements to the Rea Valley Cycle Route funded by the Birmingham Cycle Revolution Grant.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	2,464	2,494	
	On Target?			Yes
Other Minor Local Growth Programme Schemes	Original Budget	621	621	Minor schemes being taken forward as part of the Local Growth Programme.
	Slippage/(acceleration) from 2015/16	140	140	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	635	635	£0.560m Cabinet Member approval 12.02.2016 for the A34 North Perry Barr Subways Project funded by a mixture of Intergrated Transport Block grant and Local Growth Fund grant. £0.075m Intergrated Transport Block Grant funding reallocation across a number of schemes as approved in the Transportation and Highways Capital Programme Report to Cabinet in February 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,396	1,396	
	On Target?			Yes

Selly Oak Relief Road - Improved Access at Birmingham & Worcester Canal	Original Budget	0	0	Project for improving cycling and pedestrian access at the Worcester & Birmingham Canal adjacent to the University Railway Station in Edgbaston.
	Slippage/(acceleration) from 2015/16	239	239	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	182	250	£0.250m Cabinet Member approval 23.04.2016 for Pedestrian and Cycle Access at Worcester and Birmingham Canal which is part of the overall Selly Oak New Road project. This is funded by a mixture of Integrated Transport Block grant and Birmingham Cycle Revolution Phase 3 Grant.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	421	489	
	On Target?			Yes
Chester Road	Original Budget	177	177	A452 Chester Road Improvements project.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(177)	(177)	Budget correction to reflect the level of spend in 2015/16.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	0	0	
	On Target?			Yes
Metro Extension	Original Budget	3,940	11,936	This is a multi year multi funded programme to build a metro system across the City Centre from New Street Station to Centenary Square. The major funding sources are Enterprise Zone and Local Growth Fund.
	Slippage/(acceleration) from 2015/16	3,621	3,621	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	42	48	
	Rephasing	1,531	0	This forecast is based on a revised schedule of works and budget for 2016/17, which includes the completion of utility works and start of construction in Jan 2017.
	(Under) / Overspend	0	0	
	Total Revised Budget	9,134	15,605	
	On Target?			Some slippage into future years but this does not impact on the overall programme.
Economic Growth Zone	Original Budget	0	1,449	Projects to take forward the Councils' 6 economic growth zones and other schemes to unlock growth and reduce congestion across the city.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	57	57	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	57	1,506	
	On Target?			Yes
Infrastructure Development	Original Budget	1,178	1,178	Projects and activities to develop future year programmes, including future major transport schemes to be funded by devolved Department for Transport resources provided to Local Transport Bodies.
	Slippage/(acceleration) from 2015/16	155	155	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(39)	1,161	£0.961m - Reallocation of Integrated Transport Block Grant to various schemes within Transportation and Highways as per the Transportation and Highways Capital Programme approved by Cabinet in February 2016. £0.200m grant funding for upgrading of the City Centre Traffic Model as approved via delegated authority 18/05/2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,294	2,494	
	On Target?			Yes

S106/278 Schemes	Original Budget	0	0	Projects funded from S106 and S278 funds.
	Slippage/(acceleration) from 2015/16	8	8	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	470	470	£0.285m Section 278 budgets as per various legal agreements between developers and Birmingham City Council and £0.185m various S106 scheme budgets.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	478	478	
	On Target?			Yes
Walking & Cycling	Original Budget	911	911	Projects to reduce congestion, improve air quality, improve access and improve health and physical fitness as part of a country-wide government initiative.
	Slippage/(acceleration) from 2015/16	938	938	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	1,561	5,567	£5.567m Integrated Transport Block Budget allocation to the Walking & Cycling Programme as per the Transportation and Highways Capital Programme approved by Cabinet in February 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	3,410	7,416	
	On Target?			Yes
Local Accessibility	Original Budget	674	674	Local Accessibility Schemes programme, which seek to improve accessibility for local people wishing to access education, employment, retail and leisure facilities in their local area. £0.469m Bike North Birmingham Projects; £0.527 ITB funding to support projects as allocated by the Transport and Highways Capital Programme approved by Cabinet in February 2016.
	Slippage/(acceleration) from 2015/16	822	822	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	(257)	(257)	(£0.146m) Integrated Transport Block reallocation from Local Accessibility to various schemes as per Transportation and Highways Capital Programme approved by Cabinet in February 2016. (£0.086) funding moved to Place - Highways for Olton Boulevard as per Delegated Authority Report 19.05.2016. (£0.025) other minor scheme movements.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,239	1,239	
	On Target?			Yes
Inner Ring Road schemes 2	Original Budget	2,052	2,252	Holloway Circus; Haden Circus; Curzon Circle - projects to reduce congestion on the Inner Ring Road.
	Slippage/(acceleration) from 2015/16	116	116	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	27	27	
	Rephasing	(1,166)	0	Slippage of £1.166m on the Holloway Circus project due to the need to undertake utility works within the Holloway Head Carriageway. This does not impact on the overall costs of the project.
	(Under) / Overspend	0	0	
	Total Revised Budget	1,029	2,395	
	On Target?			Some slippage into future years but this does not impact on the overall programme.

Enabling Growth & Tackling Congestion	Original Budget	669	669	ITB in year and future years funding to support projects comprising measures to address congestion and public transport issues as allocated by the Transport and Highways Capital Programme Report approved by Cabinet in February 2016.
	Slippage/(acceleration) from 2015/16	135	135	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	744	1,839	Reallocation of Integrated Transport Block Grant as approved by the Transportation and Highways Capital Programme approved by Cabinet in February 2016.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,548	2,643	
	On Target?			Yes
Road Safety	Original Budget	199	199	Road Safety schemes aimed at reducing the number of accidents across the City by the redesign of roads or implementation of safety measures.
	Slippage/(acceleration) from 2015/16	286	286	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	485	485	
	On Target?			Yes
Digital Districts	Original Budget	0	0	Delivery of Bham Connectivity voucher scheme to encourage the uptake of high speed broadband connectivity.
	Slippage/(acceleration) from 2015/16	3,551	3,551	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	3,551	3,551	
	On Target?			Yes
Other Minor Projects	Original Budget	47	47	Schemes nearing completion.
	Slippage/(acceleration) from 2015/16	177	177	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	86	86	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	310	310	
	On Target?			Yes

TOTAL TRANSPORTATION	Original Budget	29,244	57,541	
	Slippage/(acceleration) from 2015/16	17,388	17,388	
	Additional / (Reduced) Resources	1,951	(349)	
	Rephasing	(3,277)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	45,306	74,580	
ECONOMY DIRECTORATE - OVERALL MOVEMENTS	Original Budget	94,877	271,610	
	Slippage/(acceleration) from 2015/16	34,422	34,422	
	Additional / (Reduced) Resources	(1,498)	7,192	
	Rephasing	(15,143)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	112,658	313,224	

CORPORATE RESOURCES DIRECTORATE		2016/17 £'000	All Years £'000	PROJECT OFFICER NARRATIVES
Revenue Reform Projects	Original Budget	17,000	38,000	Costs of redundancy funded by capital receipts as part of the Government's capital receipts flexibility scheme.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	750	0	The budget has been rephased in light of the latest forecast of the number and cost of redundancies that would be required to meet the Council's savings targets and anticipated redundancies from schools.
	(Under) / Overspend	0	0	
	Total Revised Budget	17,750	38,000	
	On Target?			Yes, accelerated spend does not impact on the overall programme.
IT Projects	Original Budget	200	200	Various IT projects to support and update the Council's IT Infrastructure.
	Slippage/(acceleration) from 2015/16	529	529	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	1,119	1,119	£1.168m Cabinet Approval 22/3/16 for the Server Relocation Project funded by Service Prudential Borrowing. (£0.049m) other minor adjustments.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	1,848	1,848	
	On Target?			Yes
Birmingham Property Projects	Original Budget	1,088	1,128	Projects as part of the Attwood Green area redevelopment (£1.145m); Arena Central works (£1.676m); Red Rose Shopping Centre redevelopment (£11.493m); Access to Buildings (£0.478m); Other Minor schemes (£0.017m).
	Slippage/(acceleration) from 2015/16	13,721	13,721	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	(560)	0	£0.428m Access Budgets has been ring fenced to meet equality legislation and has been reprofiled to ensure that funding is available in future years. £0.132m slippage on the Holloway Head project is due to asbestos being found unexpectedly at the site. The additional cost has impacted on the project in that there is now insufficient funding for building the changing rooms. Additional external funding is being sought but it is more likely that this will be in 2017/18 hence the slippage into future years.
	(Under) / Overspend	0	0	
	Total Revised Budget	14,249	14,849	
	On Target?			Access budgets are on target, however Holloway Head has been affected by the discovery of asbestos.
Corporate Resources - Software	Original Budget	0	0	Software developments in Corporate Resources Directorate due to legislative or increased capacity requirements.
	Slippage/(acceleration) from 2015/16	0	0	As reported in the 2015/16 Outturn Report. #
	Additional / (Reduced) Resources	267	267	Revenues & Benefits and Shared Services IT Hardware/Software small value upgrades funded by Direct Revenue Financing and approved by the IT Strategy Group.
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	267	267	
	On Target?			Yes

ICentrum	Original Budget	0	0	Loan of £7.5m to Birmingham Technology (Property) Ltd for the Innovation Birmingham ICentrum Building.
	Slippage/(acceleration) from 2015/16	519	519	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	519	519	
	On Target?			Yes
Capital Loans & Equity	Original Budget	9,067	9,067	Capital Equity Investments.
	Slippage/(acceleration) from 2015/16	539	539	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	9,606	9,606	
	On Target?			Yes
ICT Infrastructure	Original Budget	8,231	41,549	A ten year programme for Enhancements to Core ICT across Birmingham City Council made up of various projects including replacement servers, infrastructure and enhancements to software.
	Slippage/(acceleration) from 2015/16	297	297	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	0	
	Rephasing	(7)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	8,521	41,846	
	On Target?			Yes
SAP New Developments	Original Budget	4,195	5,495	New Developments to SAP software.
	Slippage/(acceleration) from 2015/16	811	811	As reported in the 2015/16 Outturn Report.
	Additional / (Reduced) Resources	0	115	
	Rephasing	(2,225)	0	Due to technical delays with implementing a major SAP upgrade across the Council, the budget for the overall SAP investment plan has had to be re-phased into later years. The delivery of this plan is underpinned by the SAP upgrade which provides the platform and technical capability for implementing a number of other SAP and associated ICT developments. Following the successful implementation of the SAP upgrade in May 2016 a number of these other developments can now be progressed.
	(Under) / Overspend	0	0	
	Total Revised Budget	2,781	6,421	
	On Target?			No - slippage on the scheme as above but no impact on the overall programme.

Other Minor Projects	Original Budget	0	0	
	Slippage/(acceleration) from 2015/16	0	0	
	Additional / (Reduced) Resources	0	0	
	Rephasing	0	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	0	0	
	On Target?			
TOTAL CORPORATE RESOURCES DIRECTORATE	Original Budget	39,781	95,439	
	Slippage/(acceleration) from 2015/16	16,416	16,416	
	Additional / (Reduced) Resources	1,386	1,501	
	Rephasing	(2,042)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	55,541	113,356	
OVERALL MOVEMENTS	Original Budget	451,210	965,848	
	Slippage/(acceleration) from 2015/16	62,317	62,161	
	Additional / (Reduced) Resources	14,156	158,600	
	Rephasing	(66,455)	0	
	(Under) / Overspend	0	0	
	Total Revised Budget	461,228	1,186,609	

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2016/17 QUARTER 1									Appendix 2				
	2016/17								All Years - 2017-2020				
	Original Budget 2016/17 £'000's	Slippage b/f from 2015/16 £'000's	Qtr 1 New Schemes £'000's	Re-profiling of Budgets at Qtr 1 £'000's	Revised Quarter 1 Budget £'000's	Year End Forecast at Quarter 1 £'000's	Actual Spend at Quarter 1 £'000's	Actual to Date as % of Forecast %	All Years Original Budget £'000's	All Years Slippage from 2015/16 £'000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All years Quarter 1 Forecast £'000's
PEOPLE DIRECTORATE													
Adults & Communities													
Telehealthcare	0	0	0	0	0	0	344	#DIV/0!	0	0	0	0	0
Personalisation, Reform & Efficiency of Adult Social Care	300	120	(271)		149	149	0	0.0	1,659	120	(1,537)	0	242
Programme of Minor Works	514	96	(29)	(300)	281	281	0	0.0	814	96	(29)	0	881
IT Schemes	1,692	32		(979)	745	745	(208)	(27.9)	2,742	32	(750)	0	2,024
Homeless Centres	1,117	318			1,435	1,435	447	31.1	1,117	318	0	0	1,435
LD Day Centres	500	332		(700)	132	132	0	0.0	500	332	0	0	832
Better Care Fund	3,118	0	3,020		6,138	6,138	0	0.0	3,118	0	3,020	0	6,138
Independent Living	4,600	0			4,600	4,600	1,508	32.8	13,800	0	0	0	13,800
Total Adults & Communities	11,841	898	2,720	(1,979)	13,480	13,480	2,091	15.5	23,750	898	704	0	25,352
Children, Young People & Families													
Aiming Higher for Disabled Children	0	7		293	300	300	300	100.0	451	7	29	0	487
Devolved Capital Allocation to Schools	0	446		2,079	2,525	2,525	769	30.5	2,832	446	2,091	0	5,369
Capital Maintenance	18,521	(137)		(2,430)	15,954	15,954	178	1.1	32,233	(137)	3,342	0	35,438
Basic Needs / Additional Primary Places	63,277	2,407		(15,916)	49,768	49,768	464	0.9	83,042	2,407	35,481	0	120,930
Victoria Special School	0	74		(60)	14	14	25	178.6	0	74	0	(60)	14
Early Years	0	590		2,000	2,590	2,590	0	0.0	2,000	590	34	0	2,624
Other Minor Schemes	0	14			14	14	2	14.3	0	14	0	0	14
IT Investment - Children's Services	1,000	(50)		(750)	200	200	86	43.0	4,183	(50)	0	0	4,133
Section 106	0	(8)	342		334	334	3	0.9	0	(8)	342	0	334
Universal Infant Free School Meals	0	114			114	114	17	14.9	0	114	0	0	114
Uffculme, Russell Road	0	(60)		60	0	0	0	#DIV/0!	0	(60)	0	60	0
Total Children, Young People & Families	82,798	3,397	342	(14,724)	71,813	71,813	1,844	2.6	124,741	3,397	41,319	0	169,457
TOTAL CAPITAL - PEOPLE DIRECTORATE	94,639	4,295	3,062	(16,703)	85,293	85,293	3,935	4.6	148,491	4,295	42,023	0	194,809

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2016/17 QUARTER 1

Appendix 2

	2016/17								All Years - 2017-2020				
	Original Budget 2016/17 £'000's	Slippage b/f from 2015/16 £'000's	Qtr 1 New Schemes £'000's	Re-profiling of Budgets at Qtr 1 £'000's	Revised Quarter 1 Budget £'000's	Year End Forecast at Quarter 1 £'000's	Actual Spend at Quarter 1 £'000's	Actual to Date as % of Forecast %	All Years Original Budget £'000's	All Years Slippage from 2015/16 £000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All years Quarter 1 Forecast £'000's
PLACE DIRECTORATE													
General Fund													
Highways - General Fund													
Safer Routes to Schools	569	14	24		607	607	49	8.1	569	14	624	0	1,207
Ward Minor Transport Measures	21	94	143		258	258	158	61.2	21	94	143		258
Minworth A38 Improvements	3,084	(15)	0		3,069	3,069	0	0.0	3,247	(15)	0	0	3,232
Network Integrity - Other Schemes	846	92	(173)		765	765	0	0.0	846	92	1,037	0	1,975
Road Safety	498	(7)	133		624	624	101	16.2	498	(7)	733	0	1,224
Highway Structures	224	339	0		563	563	43	7.6	224	339	0	0	563
Land Drainage and Flood Defences	1,115	(59)	167		1,223	1,223	0	0.0	1,115	(59)	167	0	1,223
District Schemes	149	7	414		570	570	10	1.8	149	7	414	0	570
Total Highways GF	6,506	465	708	0	7,679	7,679	361	4.7	6,669	465	3,118	0	10,252
Affordable Housing	350	200	0		550	550	0	0.0	1,050	200	0	0	1,250
In Reach (St Vincents)	8,000	50	0	(2,047)	6,003	6,003	0	0.0	11,950	50	0	0	12,000
Other Programmes	160	0	0		160	160	0	0.0	160	0	0	0	160
Total Private Sector Housing GF	8,510	250	0	(2,047)	6,713	6,713	0	0.0	13,160	250	0	0	13,410
Other - General Fund													
Swimming Pool Facilities	5,975	765	0		6,740	6,740	1,329	19.7	5,975	765	0	0	6,740
Small Heath Leisure Centre	0	(21)	21		0	0	0	0.0	0	(21)	21		0
Sport & Physical Activity Review	24,050	1,370		(4,131)	21,289	21,289	0	0.0	32,437	1,214	0	0	33,651
Fleet & Waste Management	8,292	857		(6,736)	2,413	2,413	(6)	(0.2)	8,607	857	0	0	9,464
Parks	3,115	298	470	(495)	3,388	3,388	571	16.9	3,168	298	470	0	3,936
Bereavement Services	0	(140)	8,351		8,211	8,211	12	0.1	0	(140)	8,351	0	8,211
New Wholesale Market	28,691	832	31		29,554	29,554	10,246	34.7	29,676	832	1	0	30,509
Community Initiatives	457	(34)	(20)	(147)	256	256	0	0.0	457	(34)	(20)	0	403
Regulation and Enforcement	372	0	0		372	372	0	0.0	372	0	0	0	372
Adult Education - Brasshouse Relocation	1,902	179	0		2,081	2,081	564	27.1	1,902	179	0	0	2,081
Adult Education - Civic House	0	(8)	1,572		1,564	1,564	213	13.6	0	(8)	1,572	0	1,564
Strategic Libraries	0	742	0		742	742	(230)	(31.0)	0	742	0	0	742
Museums & Arts	0	0	80		80	80	68	85.0	0	0	80	0	80
Other Services	0	0	0		0	0	0	#DIV/0!	0	0	0	0	0
Total Place Other GF	72,854	4,840	10,505	(11,509)	76,690	76,690	12,767	16.6	82,594	4,684	10,475	0	97,753
Total General Fund	87,870	5,555	11,213	(13,556)	91,082	91,082	13,128	14.4	102,423	5,399	13,593	0	121,415
Community Sport	23	101	0		124	124	0	0.0	23	101	0	0	124
Community Libraries	497	77	2		576	576	(40)	(6.9)	497	77	2	0	576
Community Development & Play	18	(3)	(11)		4	4	1	25.0	18	(3)	(11)	0	4
Community Parks	42	129	1		172	172	2	1.2	42	129	1	0	172
Community Chest	0	30	1		31	31	4	12.9	0	30	1	0	31
Districts and Neighbourhoods	0	6	0		6	6	(88)	(1,466.7)	0	6	0	0	6
Total District Services	580	340	(7)	0	913	913	(121)	(13.3)	580	340	(7)	0	913
HRA													
Housing Improvement Programme	35,475	(638)	20,130		54,967	54,967	4,088	7.4	126,838	(638)	111,534	0	237,734
Other Essential Works	14,430	1,225	(15,655)		0	0	0	0.0	39,774	1,225	(40,999)		0
Redevelopment	74,355	702		(19,011)	56,046	56,046	6,433	11.5	151,647	702	33,283	0	185,632
Other Programmes	9,203	0	(4,475)		4,728	4,728	(665)	(14.1)	29,046	0	(9,520)	0	19,526
Total HRA	133,463	1,289	0	(19,011)	115,741	115,741	9,856	8.5	347,305	1,289	94,298	0	442,892
TOTAL CAPITAL - PLACE DIRECTORATE	221,913	7,184	11,206	(32,567)	207,736	207,736	22,863	11.0	450,308	7,028	107,884	0	565,220

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2016/17 QUARTER 1

Appendix 2

	2016/17								All Years - 2017-2020				
	Original Budget 2016/17 £'000's	Slippage b/f from 2015/16 £'000's	Qtr 1 New Schemes £'000's	Re-profiling of Budgets at Qtr 1 £'000's	Revised Quarter 1 Budget £'000's	Year End Forecast at Quarter 1 £'000's	Actual Spend at Quarter 1 £'000's	Actual to Date as % of Forecast %	All Years Original Budget £'000's	All Years Slippage from 2015/16 £000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All years Quarter 1 Forecast £'000's
ECONOMY DIRECTORATE													
Enterprise Zone - Paradise Circus	20,851	4,342	0	(1,835)	23,358	23,358	(4,712)	(20.2)	44,426	4,342	0	0	48,768
Enterprise Zone - Site Development & Access	9,000	2,217	(2,767)	(5,950)	2,500	2,500	0	0.0	9,000	2,217	(2,767)	0	8,450
Enterprise Zone - Connect Economic Opportunities	0	0	0	75	75	75	0	0.0	13,301	0	0	0	13,301
Enterprise Zone - Southern Gateway Site	1,000	0	0		1,000	1,000	0	0.0	35,470	0	0	0	35,470
Enterprise Zone - LEP Investment Fund	0	0	0	0	0	0	0	0.0	20,000	0	0	0	20,000
Enterprise Zone - HS2 Curzon St Site	0	0	0	0	0	0	0	0.0	30,000	0	0	0	30,000
Enterprise Zone - HS2 Interchange Site	0	0	0	0	0	0	0	0.0	20,000	0	0	0	20,000
Enterprise Zone - Snow Hill Public Realm	275	326	0		601	601	47	7.8	275	326	0	0	601
Enterprise Zone - Metro Centenary Square	3,297	(2)	0	(1,056)	2,239	2,239	0	0.0	7,617	(2)	2,500	0	10,115
Enterprise Zone - City Centre Links	0	0	0	0	0	0	0	0.0	0	0	0	0	0
Enterprise Zone - One Station	194	0	0	(194)	0	0	5	0.0	727	0	0	0	727
Enterprise Zone - Junction Works Fazely Street	0	385	(385)		0	0	0	0.0	0	385	(385)	0	0
Total Enterprise Zone	34,617	7,268	(3,152)	(8,960)	29,773	29,773	(4,660)	(15.7)	180,816	7,268	(652)	0	187,432
Regeneration													
East Aston RIS	4,236	620	0		4,856	4,856	1,150	23.7	4,236	620	0	0	4,856
Life Sciences	0	7,192	0		7,192	7,192	7,572	105.3	0	7,192	0	0	7,192
Women's Enterprise	100	0	0		100	100	0	0.0	100	0	0	0	100
Longbridge Regen	3,763	342	(603)	(2,630)	872	872	0	0.0	3,763	342	(603)	0	3,502
Local Centres	933	244	69	(276)	970	970	90	9.3	933	244	69	0	1,246
ERDF Land & Property	0	0	0	0	0	0	(406)	#DIV/0!	0	0	0	0	0
Big City Plan	0	97	0		97	97	65	67.0	0	97	0	0	97
Conservation	276	0	0		276	276	0	0.0	276	0	0	0	276
Business Support Programme	0	0	375		375	375	0	0.0	0	0	8,865	0	8,865
Local Improvement Budget	44	1	0		45	45	0	0.0	44	1	0	0	45
Other City Centre Projects	161	73	(138)		96	96	18	18.8	161	73	(138)	0	96
Planning - Other	50	0	0		50	50	0	0.0	151	0	0	0	151
Local Growth Fund	0	612	0		612	612	77	12.6	0	612	0	0	612
National College for HS2	21,453	585	0		22,038	22,038	527	2.4	23,589	585	0	0	24,174
Total Other Planning & Regeneration Projects	31,016	9,766	(297)	(2,906)	37,579	37,579	9,093	24.2	33,253	9,766	8,193	0	51,212
Total Planning & Regeneration	65,633	17,034	(3,449)	(11,866)	67,352	67,352	4,433	6.6	214,069	17,034	7,541	0	238,644
Transportation													
New Street Station (Gateway)	5,148	(5,148)	0	0	0	0	0	0.0	5,148	(5,148)	0	0	0
Grand Central	0	12,812	433	0	13,245	13,245	286	2.2	0	12,812	433	0	13,245
Coventry Road A45	1,539	(1,450)	0	0	89	89	0	0.0	1,539	(1,450)	0	0	89
Local Growth Fund Match	3,470	825	(2,059)	0	2,236	2,236	0	0.0	20,870	825	(10,734)	0	10,961
Inner Ring Road - Local Growth	652	0	(31)	0	621	621	97	15.6	652	0	(31)	0	621
Minworth & Peddimore Access	1,930	(1)	0	0	1,929	1,929	25	1.3	1,930	(1)	0	0	1,929
Longbridge Connectivity	4,127	(115)	0	(3,642)	370	370	431	116.5	5,349	(115)	0	0	5,234
Birmingham Cycle Revolution	1,910	277	277	0	2,464	2,464	335	13.6	1,940	277	277	0	2,494
Other Minor Local Growth Fund Schemes	621	140	635	0	1,396	1,396	271	19.4	621	140	635	0	1,396
Selly Oak Relief Road	0	239	182	0	421	421	1	0.2	0	239	250	0	489
Chester Road	177	0	(177)	0	0	0	223	0.0	177	0	(177)	0	0
Metro Extension	3,940	3,621	42	1,531	9,134	9,134	23	0.3	11,936	3,621	48	0	15,605
Infrastructure Development	1,178	155	(39)	0	1,294	1,294	294	22.7	1,178	155	1,161	0	2,494
Section 106/278 Schemes	0	8	470	0	478	478	71	14.9	0	8	470	0	478
Walking & Cycling	911	938	1,561	0	3,410	3,410	1,615	47.4	911	938	5,567	0	7,416
Local Accessibility	674	822	(257)	0	1,239	1,239	60	0.0	674	822	(257)	0	1,239
Economic Growth Zone	0	0	57	0	57	57	67	117.5	1,449	0	57	0	1,506
Inner Ring Road 2	2,052	116	27	(1,166)	1,029	1,029	0	0.0	2,252	116	27	0	2,395
Enabling Growth & Tackling Congestion	669	135	744	0	1,548	1,548	17	0.0	669	135	1,839	0	2,643
Road Safety	199	286	0	0	485	485	12	2.5	199	286	0	0	485
Digital Districts	0	3,551	0	0	3,551	3,551	264	7.4	0	3,551	0	0	3,551
Minor Schemes	47	177	86	0	310	310	0	0.0	47	177	86	0	310
Total Transportation	29,244	17,388	1,951	(3,277)	45,306	45,306	4,092	9.0	57,541	17,388	(349)	0	74,580
TOTAL CAPITAL - ECONOMY DIRECTORATE	94,877	34,422	(1,498)	(15,143)	112,658	112,658	8,525	16	271,610	34,422	7,192	0	313,224

CAPITAL - CAPITAL EXPENDITURE PLAN - FORECAST 2016/17 QUARTER 1									Appendix 2				
	2016/17								All Years - 2017-2020				
	Original Budget 2016/17 £'000's	Slippage b/f from 2015/16 £'000's	Qtr 1 New Schemes £'000's	Re-profiling of Budgets at Qtr 1 £'000's	Revised Quarter 1 Budget £'000's	Year End Forecast at Quarter 1 £'000's	Actual Spend at Quarter 1 £'000's	Actual to Date as % of Forecast %	All Years Original Budget £'000's	All Years Slippage from 2015/16 £000's	New Schemes All Years £'000's	Over/under spend All Years £'000's	All years Quarter 1 Forecast £'000's
CORPORATE RESOURCES DIRECTORATE													
Birmingham Property Services:													
Access to Buildings	438	40	0	(428)	50	50	0	0.0	438	40	0	0	478
Business Transformation - Working for the Future	0	17	0	0	17	17	(611)	(3,594.1)	0	17	0	0	17
Attwood Green Park	30	29	0	0	59	59	0	0.0	30	29	0	0	59
Attwood Green - Holloway Head	620	374	0	(132)	862	862	130	15.1	660	374	0	0	1,034
Attwood Green - Woodview CC	0	92	0	0	92	92	0	0.0	0	92	0	0	92
Red Rose Shopping Centre	0	11,493	0	0	11,493	11,493	520	4.5	0	11,493	0	0	11,493
Arena Central	0	1,676	0	0	1,676	1,676	55	3.3	0	1,676	0	0	1,676
Total Birmingham Property Services Projects	1,088	13,721	0	(560)	14,249	14,249	94	0.7	1,128	13,721	0	0	14,849
Revenue Reform Projects	17,000	0	0	750	17,750	17,750	336	0.0	38,000	0	0	0	38,000
Corporate Resources	0	0	267	0	267	267	0	0.0	0	0	267	0	267
IT Projects	200	529	1,119	0	1,848	1,848	984	53.2	200	529	1,119	0	1,848
ICentrum	0	519	0	0	519	519	209	40.3	0	519	0	0	519
Capital Loans & Equity Funds	9,067	539	0	0	9,606	9,606	50	0.5	9,067	539	0	0	9,606
Corporate ICT Investment	8,231	297	0	(7)	8,521	8,521	180	2.1	41,549	297	0	0	41,846
SAP New Developments	4,195	811	0	(2,225)	2,781	2,781	193	0.0	5,495	811	115	0	6,421
Total Other Corporate Resources	38,693	2,695	1,386	(1,482)	41,292	41,292	1,952	4.7	94,311	2,695	1,501	0	98,507
TOTAL CAPITAL - CORPORATE RESOURCES DIRECTORATE	39,781	16,416	1,386	(2,042)	55,541	55,541	2,046	3.7	95,439	16,416	1,501	0	113,356
TOTAL CAPITAL PROGRAMME	451,210	62,317	14,156	(66,455)	461,228	461,228	37,369	8.10	965,848	62,161	158,600	0	1,186,609

Capital Monitoring as at 30th June 2016						Appendix 3
		2016/17	2017/18	2018/19	Later Years	Total Plan
Expenditure		£'000's	£'000's	£'000's	£'000's	£'000's
Approved Budget February 2016		451,210	265,632	249,006	0	965,848
New Resources		14,156	11,469	38,677	94,298	158,600
Slippage b/fwd from 2015/16		62,317	(8)	(148)	0	62,161
Re-phasing of Capital Programme		(66,455)	22,286	(84,628)	128,797	0
Revised Budget Quarter 1		461,228	299,379	202,907	223,095	1,186,609
Forecast Slippage - Quarter 1		0	0	0	0	0
Forecast Overspend (Underspend)		0	0	0	0	0
Forecast Outturn at Quarter 1		461,228	299,379	202,907	223,095	1,186,609
Resources						
Use of Specific Resources:						
Grants & Contributions		155,508	106,058	75,547	3,843	340,956
Earmarked Capital Receipts - RTB		23,400	34,663	16,297	0	74,360
Revenue Contributions - Departmental		2,878	3,233	190	0	6,301
Revenue Contributions - HRA		75,143	69,415	69,511	72,616	286,685
Revenue Contributions - Income Generation		0	0	0	0	0
		256,929	213,369	161,545	76,459	708,302
Use of Corporate or General Resources:						
Unsupported Prudential Borrowing - General*		10,757	9,642	3,863	12,839	37,101
Unsupported Prudential Borrowing - Corporate		13,837	0	0	0	13,837
Unsupported Prudential Borrowing - Directorate		179,705	76,368	37,499	133,797	427,369
Forecast Use of Resources		461,228	299,379	202,907	223,095	1,186,609
* General Prudential Borrowing to replace the use of receipts, revenue contributions and corporate resources to fund Equal Pay.						

Additions or Reductions in Prudential Borrowing for Capital Schemes April to June 2016

	#	2016/17 £'000	2017/18 £'000	2018/19 £'000	Later Years £'000	Total £'000
Service Prudential Borrowing:						
People Directorate:						
		0	0	0	0	0
TOTAL PEOPLE DIRECTORATE		0	0	0	0	0
Place Directorate						
Sport & Physical Activity	A	(1,131)	1,131	0	0	0
Fleet & Waste Management	A	(6,736)	6,736	0	0	0
Sutton New Hall Cemetery	N	8,351	0	0	0	8,351
New Wholesale Market	A	30	(30)	0	0	0
Private Sector Housing	A	(2,047)	1,978	69	0	0
Housing - HRA	N	0	0	0	5,000	5,000
Adult Education - Erdington Civic House	A	1,528	0	0	0	1,528
TOTAL PLACE DIRECTORATE		(5)	9,815	69	5,000	14,879
Economy Directorate:						
Leaders Economic Zone	A	(11,722)	8,779	(121,457)	123,747	(653)
Metro Extension	A	1,532	(1,532)	0	0	0
Economic Growth & Congestion	A	(392)	392	0	0	0
TOTAL ECONOMY DIRECTORATE		(10,582)	7,639	(121,457)	123,747	(653)
Corporate Resources Directorate:						
IT - Back-up Infrastructure	A	(48)	0	0	0	(48)
IT - SAP SRM Upgrade	A	(13)	0	0	0	(13)
IT - Server Relocation	N	1,168	0	0	0	1,168
IT - Corporate ICT Investment	A	(42)	(26,468)	21,475	5,000	(35)
IT - SAP Investment	A	(2,224)	1,470	820	50	116
TOTAL CORPORATE RESOURCES DIRECTORATE		(1,159)	(24,998)	22,295	5,050	1,188
TOTAL SERVICE PRUDENTIAL BORROWING		(11,746)	(7,544)	(99,093)	133,797	15,414
TOTAL ADDITION (REDUCTION) IN PRUDENTIAL BORROWING		(11,746)	(7,544)	(99,093)	133,797	15,414
Note: this includes some re-phasing between years.						
# A - Amendment						
N - New						
The £99.1m reduction in 2018/19 and £133.8m increase in later years is largely a presentational change due to identifying 2018/19 figures separately from later years.						

Treasury Portfolio Summary

Appendix 5

	15/16 Q1 30-Jun-15		15/16 Q2 30-Sep-15		15/16 Q3 31-Dec-15		15/16 Q4 31-Mar-16		16/17 Q1 30-Jun-16	
PWLB	2,255,497,000	77.1%	2,250,922,000	77.4%	2,250,922,000	75.7%	2,275,922,000	76.2%	2,290,922,000	76.8%
Bonds	295,630,344	10.1%	295,630,344	10.2%	295,630,344	9.9%	295,630,344	9.9%	295,630,344	9.9%
LOBO's (note 1)	206,850,000	7.1%	206,850,000	7.1%	206,350,000	6.9%	206,350,000	6.9%	206,350,000	6.9%
Long Term Other	1,325	0.0%	1,325	0.0%	1,325	0.0%	1,179	0.0%	1,179	0.0%
Quasi Loan (Salix loans)	311,566	0.0%	287,531	0.0%	287,531	0.0%	263,495	0.0%	263,495	0.0%
Short Term	225,612,074	7.7%	228,448,596	7.9%	280,435,536	9.4%	267,333,639	9.0%	321,831,883	10.8%
Gross Debt	2,983,902,310	102.0%	2,982,139,795	102.5%	3,033,626,735	102.0%	3,045,500,657	102.0%	3,114,998,901	104.4%
Less Investments	(58,250,159)	-2.0%	(73,539,852)	-2.5%	(60,779,700)	-2.0%	(58,725,092)	-2.0%	(132,172,829)	-4.4%
Net Debt	2,925,652,151	100.0%	2,908,599,943	100.0%	2,972,847,035	100.0%	2,986,775,565	100.0%	2,982,826,072	100.0%
Year-End Budgeted Net Debt	3,279,000,000	89.2%	3,279,000,000	88.7%	3,279,000,000	90.7%	3,279,000,000	91.1%	3,450,000,000	86.5%
Prudential Borrowing Limit	3,740,000,000		3,740,000,000		3,740,000,000		3,740,000,000		3,780,000,000	

Notes

LOBO Loan

1. A Lender's Option Borrower's Option loan (LOBO) is a market loan in which typically the lender has a periodic opportunity to offer and adjust rate, and the borrower has the option to either accept this rate or repay the loan in full at par.

Appendix 6

1st April 2016 - 30th June 2016

New Long Term Loans

Date of loan	Loan	Counter Party	Interest Rate	Maturity Date
16 June 2016	£40,000,000	PWLB	2.56%	16 June 2059

Long Term Loans prematurely repaid during the quarter.

Date of repayment	Loan/ (Repayment)	Counter Party	Interest Rate	Maturity Date	Premia/ (Discounts)
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No long term loans were prematurely repaid during the quarter.

Short term loan debt outstanding at 30 June 2016

Institution	Average Rate %	Amount £
local authorities	0.56%	320,472,804
other lenders	0.44%	1,359,080
total short term loan debt outstanding	0.56%	321,831,883

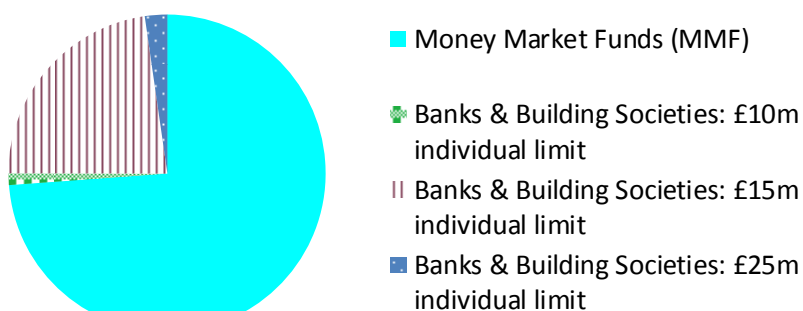
Short term loans are borrowed for a period of less than 12 months. The interest rate is likely to be close to bank base and will change broadly in line with base rate changes.

Treasury Investments Outstanding at 30 June 2016

Investments by Institution:	Fitch Rating Short Term / Long Term	End Date	Rate %	Amount £
CCLA Public Sector Deposit MMF	AAAmf	01/07/16	0.47%	5,000,000
LGIM MMF	AAAmf	01/07/16	0.52%	29,700,000
Federated Prime Rate MMF	AAAmf	01/07/16	0.54%	22,833,000
Aberdeen SWIP MMF	AAAmf	01/07/16	0.43%	40,000,000
Svenska Handelsbanken	F1+/AA	01/07/16	0.45%	3,000,000
Barclays Bank	F1/A	01/07/16	0.50%	1,540,000
Goldman Sachs International Bank	F1/A	01/07/16	0.57%	15,000,000
Lloyds Bank Plc	F1/A+	01/07/16	0.65%	15,000,000
Total				132,073,000

Investments by type:

	Previous Quarter £	%	Current Quarter £	%
Money Market Funds (MMF)	97,533,000	95.6	97,533,000	73.8
Banks & Building Societies: £10m individual limit	1,540,000	1.5	1,540,000	1.2
Banks & Building Societies: £15m individual limit	0	0.0	30,000,000	22.7
Banks & Building Societies: £25m individual limit	3,000,000	2.9	3,000,000	2.3
Total	102,073,000	100.0	132,073,000	100.0

Investments as at 30 June 2016

Treasury Management Investments
1st April 2016 to 30th June 2016

New Investments Market Fixed Term Deposits

Date Out	Date In	Borrower	Amount £	Interest Rate
15/06/2016	15-Sep-16	Goldman Sachs International Bank	15,000,000	0.57%
16/06/2016	16-Sep-16	Lloyds Bank PLC	15,000,000	0.65%

In addition to the above deposits with individual institutions the Council uses money market funds and other call accounts where money may be added or withdrawn usually without notice. A summary of transactions for the quarter is as follows:

New Investments Call Accounts

	<u>No of Transactions</u>		Average Balance £	Average Rate Earned
	Investments	Withdrawals		
Barclays Bank PLC FIBCA A/C	24	25	4,416,313	0.50%
Svenska Handelsbanken	11	5	2,565,934	0.45%
HSBC	5	4	201,106	0.30%

New Investments Money Market Funds

	<u>No of Transactions</u>		Average Balance £	Average Rate Earned
	Investments	Withdrawals		
Aberdeen (SWIP)	4	3	38,090,659	0.53%
Amundi Money Market Fund	4	5	8,142,857	0.52%
Blackrock	10	15	7,398,077	0.34%
CCLA Public Sector Deposit Fund	0	0	5,000,000	0.47%
Deutsche Managed Sterling Fund	8	5	11,438,462	0.51%
Federated Money Market Fund	12	10	29,699,615	0.52%
LGIM	4	3	7,883,516	0.50%
Morgan Stanley	0	0	388	0.49%
Standard Life (Ignis) Sterling Liquidity	11	11	7,805,495	0.51%

Accountable Body Investments - 30th June 2016

	Growing Places Fund	Advanced Manufacturing Supply Chain Initiative	Regional Growth Fund	Total
	£000	£000	£000	£000
Goldman Sachs Money Market Fund	2,845	6,095		8,940
JP Morgan Money Market Fund			12,631	12,631
Total Money Market Funds	2,845	6,095	12,631	21,571
Debt Management Office	6,000			6,000
Treasury Bills	6,394	49,987		56,381
Total Accountable Body investments	15,239	56,082	12,631	83,952

Note

This appendix shows amounts invested externally by the City Council as Accountable Body. These are separate from the Council's own investments.

DEBT AND PRUDENTIAL INDICATORS

Appendix 10a

WHOLE COUNCIL

	16/17 Indicators £m	16/17 Forecast £m	17/18 Indicators £m	17/18 Forecast £m	18/19 Indicators £m	18/19 Forecast £m
Capital Finance						
1 Capital Expenditure - Capital Programme	451.2	461.2	265.7	299.4	249.0	202.9
2 Capital Expenditure - other long term liabilities	27.4	27.0	28.3	27.9	30.9	30.4
3 Capital expenditure	478.6	488.3	294.0	327.3	279.9	233.3
4 Capital Financing Requirement (CFR)	4,682.6	4,633.9	4,604.0	4,562.6	4,519.1	4,472.1
Planned Debt						
5 Peak loan debt in year	3,490.5	3,388.7	3,566.1	3,471.8	3,621.2	3,540.3
6 + Other long term liabilities (peak in year)	492.9	493.7	470.5	471.0	448.5	448.8
7 = Peak debt in year	3,983.4	3,882.4	4,036.6	3,942.8	4,069.7	3,989.1
8 does peak debt exceed year 3 CFR?	no	yes	no	yes	no	yes
Prudential limit for debt						
9 Gross loan debt	3,780.0	3,388.7	3,780.0	3,471.8	3,780.0	3,540.3
10 + other long term liabilities	520.0	493.7	520.0	471.0	520.0	448.8
11 = Total debt	4,300.0	3,882.4	4,300.0	3,942.8	4,300.0	3,989.1

Notes

- 4 The Capital Financing Requirement represents the underlying level of borrowing needed to finance historic capital expenditure (after deducting debt repayment charges). This includes all elements of CFR including Transferred Debt.
- 5-7 These figures represent the forecast peak debt (which may not occur at the year end). The Prudential Code calls these indicators the Operational Boundary.
- 8 It would be a cause for concern if the Council's loan debt exceeded the CFR, but this is not the case due to positive cashflows, reserves and balances. The Prudential Code calls this Borrowing and the capital financing requirement.
- 11 The Authorised limit for debt is the statutory debt limit. The City Council may not breach the limit it has set, so it includes allowance for uncertain cashflow movements and potential borrowing in advance for future needs.

DEBT AND PRUDENTIAL INDICATORS

Appendix 10b

HOUSING REVENUE ACCOUNT		16/17	16/17	17/18	17/18	18/19	18/19
		Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
		£m	£m	£m	£m	£m	£m
Capital Finance							
1	Capital expenditure	133.5	115.7	115.3	127.2	98.5	105.7
HRA Debt							
2	Capital Financing Requirement (CFR)	1,129.3	1,118.3	1,124.4	1,102.7	1,113.0	1,082.5
3	Statutory cap on HRA debt	1,150.4	1,150.4	1,150.4	1,150.4	1,150.4	1,150.4
Affordability							
4	HRA financing costs	97.5	91.6	97.9	91.0	98.2	90.1
5	HRA revenues	287.0	287.0	284.5	284.5	281.3	281.3
6	HRA financing costs as % of revenues	34.0%	31.9%	34.4%	32.0%	34.9%	32.0%
7	HRA debt : revenues	3.9	3.9	4.0	3.9	4.0	3.8
8	Forecast Housing debt per dwelling	£18,056	£17,880	£18,026	£17,679	£17,926	£17,434
9	Estimate of the incremental impact of new capital investment decisions on housing rents.	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
(expressed in terms of ave. weekly housing rent)							

Notes

- 2-3 The HRA Capital Financing Requirement (CFR) is being used by the Government as the measure of HRA debt for the purposes of establishing a cap on HRA borrowing for each English Housing authority.
- 4 Financing costs include interest and MRP (or depreciation in the HRA)
- 7 This indicator is not in the Prudential Code but is a key measure of long term sustainability. This measure is forecast to fall below 2.0 by 2026/27, which is two years later than previously forecast.
- 8 This indicator is not in the Prudential Code but is a key measure of affordability: the HRA debt per dwelling should not rise significantly over time
- 9 The cost of borrowing for the Capital Programme represents the interest and repayment costs arising from any new prudential borrowing introduced in the capital programme since the last revision at Quarter 2, expressed in terms of an average weekly rent. The calculation excludes the cost of borrowing which is funded from additional income or savings. As all planned HRA borrowing is funded from additional income in this way, the impact is zero. The Prudential Code calls this the Estimate of the incremental impact of capital investment decisions on housing rents.

DEBT AND PRUDENTIAL INDICATORS

Appendix 10c

GENERAL FUND

	16/17 Indicators £m	16/17 Forecast £m	17/18 Indicators £m	17/18 Forecast £m	18/19 Indicators £m	18/19 Forecast £m
Capital Finance						
1 Capital expenditure (including other long term liabilities)	345.1	372.5	178.7	200.1	181.4	127.6
2 Capital Financing Requirement (CFR)	3,553.3	3,515.7	3,479.7	3,459.9	3,406.1	3,389.6
General Fund debt						
3 Peak loan debt in year	2,361.2	2,270.4	2,441.7	2,369.1	2,508.2	2,457.8
4 + Other long term liabilities (peak in year)	492.9	493.7	470.5	471.0	448.5	448.8
5 = Peak General Fund debt in year	2,854.1	2,764.1	2,912.2	2,840.1	2,956.7	2,906.6
General Fund Affordability						
6 Total General Fund financing costs	261.9	260.9	272.4	274.1	274.6	277.3
7 General Fund net revenues	835.3	835.3	813.9	813.9	808.5	808.5
8 General Fund financing costs (% of net revenues)	31.4%	31.2%	33.5%	33.7%	34.0%	34.3%
9 Estimate of the incremental impact of new capital investment decisions on Council Tax.	N/A	£0.00	N/A	£0.00	N/A	£0.00

Expressed in terms of Council Tax (Band D equiv)
(impact already included in Council Tax increases assur

Note

- 4 Other long term liabilities include PFI, finance lease liabilities, and transferred debt liabilities
- 6 Financing costs include interest and MRP (in the General Fund), for loan debt, transferred debt, PFI and finance leases
- 8 This indicator includes the gross revenue cost of borrowing and other finance, including borrowing for the Enterprise Zone and other self-supported borrowing.
- 9 The incremental impact of new capital investment decisions represents the interest and repayment implications arising from any changes in forecast prudential borrowing in the capital programme since the last quarter, expressed in terms of Council Tax at Band D. Any implications are cumulative in later years as successive years' borrowing is added. Any impact has been funded within the Long Term Financial Plan and assumed Council Tax charges up to 2017/18. The calculation excludes the cost of borrowing which is funded from additional income or savings. At Quarter 1, all the changes in forecast prudential borrowing relate to self-funding projects, so there is no net incremental impact on Council Tax.

PRUDENTIAL INDICATORS

Appendix 10d

TREASURY MANAGEMENT

	16/17	16/17	17/18	17/18	18/19	18/19
	Indicators	Forecast	Indicators	Forecast	Indicators	Forecast
CIPFA Treasury Management Code						
1 Has the authority adopted the TM Code?	Yes	Yes	Yes	Yes	Yes	Yes
Interest rate exposures						
	Limit	Forecast Maximum	Limit	Forecast Maximum	Limit	Forecast Maximum
2 upper limit on fixed rate exposures	130%	96%	130%	87%	130%	85%
3 upper limit on variable rate exposures	30%	16%	30%	18%	30%	21%
Maturity structure of borrowing						
(lower limit and upper limit)	Limit	Forecast Year End	Limit	Forecast Year End	Limit	Forecast Year End
4 under 12 months	0% to 30%	16%	0% to 30%	17%	0% to 30%	19%
5 12 months to within 24 months	0% to 30%	2%	0% to 30%	4%	0% to 30%	1%
6 24 months to within 5 years	0% to 30%	6%	0% to 30%	3%	0% to 30%	4%
7 5 years to within 10 years	0% to 30%	13%	0% to 30%	15%	0% to 30%	16%
8 10 years to within 20 years	5% to 40%	20%	5% to 40%	17%	5% to 40%	19%
9 20 years to within 40 years	10% to 60%	34%	10% to 60%	36%	10% to 60%	36%
10 40 years and above	0% to 40%	10%	0% to 40%	8%	0% to 40%	6%
Investments longer than 364 days						
upper limit on amounts maturing in:	Limit	Forecast	Limit	Forecast	Limit	Forecast
11 1-2 years	200	-	200	-	200	-
12 2-3 years	100	-	100	-	100	-
13 3-5 years	100	-	100	-	100	-
14 later	0	-	0	-	0	-

Note

2-10 These indicators assume that LOBO loan options are exercised at the earliest possibility, and are calculated as a % of net loan debt.

RELEASE OF DEVELOPMENT FUNDING FOR THE SOUTHSIDE LINK OF THE ENTERPRISE ZONE CONNECTING ECONOMIC OPPORTUNITIES PROGRAMME (EZCOP)

1. Background

The Southside Link is a key project of the Enterprise Zone Connecting Economic Opportunities Programme (EZCOP). The EZCOP was established in the Enterprise Zone Investment Plan approved by Cabinet in July 2014. This programme has a total value of £17.7m with the proposed Southside Link currently estimated at £7.74m based on costs prepared by the design and cost management consultant, Atkins Ltd. The proposal is to accelerate the delivery of the Southside Link, ahead of the other streets in EZCOP, for the reasons set out below.

The strategy for the Enterprise Zone and its associated Investment Plans were first established in the Big City Plan, adopted by the City Council in 2011. The Big City Plan sets out a strategic framework for the growth of the city centre which is underpinned by a series of development principles. One of these principles includes connectivity and improving the walkability of the city centre with a network of streets and spaces that, through public realm improvements, will contribute to the creation of a high quality environment attracting investors, visitors, businesses and residents to the centre. High quality connections and public realm have been recognised as important factors in contributing to the economic performance and success of an area and maintaining a competitive edge that is fundamental to the ability of centre place to compete against other major cities for private sector investment.

The EZCOP will improve the quality of the public realm including the walking and cycling connections along key city centre streets radiating out from New Street Station, identified as the principle arrival point for the city centre, towards a number of the Enterprise Zone sites.

The programme initially identified the following links for feasibility stage and development of design options:

- the Southside link - Upper Hurst St, Ladywell Walk and Dudley St,
- the Retail Link – New Street, Bennetts Hill and Ethel St.,
- the Jewellery Quarter – Newhall St, Charlotte St junction
- the Snow Hill link – Colmore Row, Church Street

Following a tender process, Atkins Ltd were appointed to carry out the development of design options for the EZCOP. This included cost estimating on the programme.

Following the completion of the design options appraisal stage in April 2016, a number of presentations were made to the City Council's Public Realm Project Board and Greater Birmingham and Solihull Local Enterprise Partnership (LEP) EZ Executive Board with a recommendation to pursue the Southside Link as a priority project. The LEP have the strategic leadership role for the EZ with authority for investment decisions delegated to the EZ Executive Board. The basis for the decision to accelerate the Southside Link is set out in the "options appraisal" section below. The other routes identified as part of the EZCOP have been put on hold for the following reasons:

The Retail Link will be considered as part of a wider exercise with partners in the Retail BID area focusing on the future role of New Street and potential development opportunities. In the absence of this wider partnership exercise any further design work on the Retail Link would not at this stage be an efficient use of resources. The work with the Retail BID will progress in late 2016.

The Jewellery Quarter area is currently being considered as part of a Neighbourhood Plan process led by the local community. Any plans for public realm improvements on those routes should not be done in isolation and therefore any further design work on the Jewellery Link would not at this stage be an efficient use of resources. The timescale for the Neighbourhood Plan is uncertain at this stage.

In 2015 The Snow Hill link was omitted from EZCOP and included in the Snow Hill public realm programme which consists of funding from the Local Growth Fund and Colmore BID. Separate design work and business cases will be developed for this programme with some EZ funding allocated.

2. Options Appraisal

The reasons for accelerating the work on the Southside Link are as follows:

The Southside link was introduced to reflect its important role in creating a high quality pedestrian link from the newly opened southern portal to New Street Station to one of the largest Enterprise Zone sites at Birmingham Smithfield. The City Council has recently launched a masterplan for Birmingham Smithfield setting out a vision for major redevelopment. Investment in infrastructure is a key factor in supporting redevelopment and the opportunity to bring about early improvements in an important route to this strategic EZ site is available through the Southside Link project.

A planned permanent highway closure of Ladywell Walk to “through traffic” is due to start in mid-2017, with completion planned January 2018. There is the opportunity to build upon the pedestrianisation and introduce improved public realm to capitalise on the traffic free environment on part of this route. The Southside Link designs could be run in parallel and costs potentially shared for certain works.

Local partners including the Southside BID and Hippodrome Theatre have been exploring the opportunity to create an improved public realm in the area including a new Hippodrome Plaza in front of the theatre. Funding has been offered from these partners to support the delivery of the Southside Link.

With the opening of the new southern portal to New Street Station there has been significant interest from private sector developers seeking to bring forward regeneration schemes in the area. In particular there are a number of schemes that abut the Southside Link and Section 106/Section 278 agreements are being offered to fund some public realm improvements. There is therefore the opportunity to leverage in other funding to support the delivery of the Southside Link. This funding is however time sensitive and negotiations are currently underway to secure the contributions.

In addition there is the opportunity to tie into the planned investment, via the Making the Connections project, on those streets immediately around New Street Station. The Southside Link will ensure a seamless public realm from Birmingham Smithfield to New Street Station and onto the Mailbox and Paradise Development. There is the opportunity to progress a more comprehensive public realm improvement programme with shared costs and construction programmes aligned.

The investment in the Southside Link would also help to address some deficiencies in the public realm and environment in this area including the lack of priority for pedestrians and cyclists, alignment of pedestrian crossings, dominance of traffic, poor quality of the landscape and lack of public space.

Having established the reasons why the Southside Link should be progressed the options that are available for the Southside Link are as follows:

1. Do not progress any improvements
2. Minor refurbishment of the streets
3. Transformed public realm

The principle of EZCOP is to radically transform the connections and public realm to key Enterprise Zone sites and therefore for this reason and those set out above and in the “benefits” section, option 3 is being proposed for progression. The final design will be subject to a number of dependencies, listed in section 5 below.

3. Benefits

This project will deliver a high quality pedestrian environment including a number of transition spaces leading from the new southern portal of New Street Station into a key commercial, retail and entertainment area which includes the Birmingham Smithfield Enterprise Zone site. These transition spaces have been highlighted as principle pedestrian corridors whose vibrancy and quality is central to economic success. Creating a high quality link from the City’s principle train station to Birmingham Smithfield will provide an important catalyst for the regeneration, drawing people to the site and improving access. In particular the Birmingham Smithfield site is planned to deliver over 300,000 sq. m. floorspace, 2,000 homes and generate over 3,000 jobs. Realising this vision will require investment in infrastructure and creating the conditions and environment as outlined in the Big City Plan and EZ Investment Plan. Southside Link can play a key part.

The creation of the Hippodrome Plaza on the Southern Link will bring new opportunities for entertainment events and street markets to the area.

It is anticipated that the proposed high quality public realm will bring added value to the existing private sector properties, encourage further private sector investment and prime an increase in visitors to this part of the city centre. There is the opportunity to leverage private sector funding for this project and maximise the potential transformation of this area.

These benefits will be comprehensively explained in the reports that will be an output of the development phase supporting the FBC.

4. Deliverables

The key deliverables of the Southside Link project will be the creation of a high quality pedestrian prioritised link including:

- Replacement of tarmac and low grade concrete block/brick paver footway surfaces with natural stone or similar paving units

- Replacement of street lighting with new standard model where applicable;
- Provision of pedestrian and cycle friendly crossing points on carriageways;
- Provision of suitable trees where appropriate and possible;
- Provision of public art where appropriate (subject to consultation and securing potential private sector funding);
- Improvements to capacity and efficiency of the pedestrian and cyclist infrastructure.
- Creation of public space and local event space complementing the existing entertainment activity

5. Dependencies and Activities

An application to the EZ Executive Board will be required to release funding of up to £0.415m to develop the project up to FBC. It is anticipated that the application will be made in September 2016.

In addition further dependencies will include:

- The delivery of the highway project to close Ladywell Walk to through traffic.
- The developed design will have to be submitted to the Highways Authority and approved prior to Full Business Case.
- The developed design will require consultation with and/or approval by the private landlords and those principal stakeholders who have an interest in the project. Note that all of the land within the project scope is owned by the Highway Authority.
- The development phase will include for desktop and site investigations into any underground services prior to the full business case being submitted for assessment, a robust funding package will need to have been secured with adequate contingency funds for identified and unidentified risks.
- The FBC will make reference to the relevant legal/funding agreements that will have to be secured prior to any works contract being let.
- An agreed delivery programme on the highway with network management.
- Design alignment and programming with other highway and private sector projects in the area.
- Final application to the EZ Executive Board to release the EZ funding for the project.
- Securing private sector funding

6. Procurement

In relation to works it is proposed to implement an “Early Contractor Involvement” (ECI) strategy to bring added value to the detailed design stage and the FBC.

ECI has the advantage of providing an efficient means of designing and planning in a cost and time effective environment reducing risk and is less adversarial than traditional infrastructure procurement processes. Early collaboration with the contractor allows the client/design team to make timely and more informed decisions in advance of the delivery phase based on the contractor's experience and proposed construction methodology.

ECI will provide the facility for trial holes to be excavated in key areas providing detailed information on existing construction materials and depths together with information about known and unknown services. This information allows areas of the project to be de-risked prior to FBC.

Finally, ECI lends itself to a "Target Cost" form of contract where the cost managers of both parties agree what the final cost of the project should be with an agreement that relates to how additional costs or savings are apportioned between the client and the contractor.

The selection of the contractor will utilise Lot 4 of Birmingham City Council's Highways and Infrastructure Framework which is OJEU compliant. The contractors will be assessed on a price/quality/social value formula (60%/30%/10%).

7. Costs and Funding

The current total estimated capital cost of the proposed scheme is £7.74m. Whilst opportunities will be explored to identify other sources of funding, it is currently assumed that the scheme, including the development funding of £0.415m requested at this stage, will be primarily funded from EZ prudential borrowing, following further appropriate approvals. The associated revenue costs, based on similar schemes, is currently estimated at between £10k and £15k per annum. Options to reduce these costs will be explored during detailed design. These costs will be funded from the provision for Highways maintenance held within the Corporate Policy Contingency.

PROJECT: EZCOP - SOUTHSIDE LINK	2016/17	2017/18	2018/19	2019/20	TOTAL
CAPITAL COSTS AND FUNDING	£000's	£000's	£000's	£000's	£000's
Development Fees to Full Business Case	175	240	0	0	415
Total	175	240	0	0	415
Enterprise Zone	175	240	0	0	415
Total	175	240	0	0	415
Implementation Fees and Works Post FBC to Closedown					
Professional fees	0	55	105	45	205
Works Indicative Costs inc Contingency	0	200	6,635	280	7,115
Total	0	255	6,740	325	7,320
Funding					
Enterprise Zone	0	255	6,740	325	7,320
Other sources (to be explored)	0	0	0	0	0
Total	0	255	6,740	325	7,320
Scheme Total	175	495	6,740	325	7,735

Recommendation

Subject to the approval of the EZ Executive Board, approve the release of development funding of £0.415m, funded from prudential borrowing, to progress the preferred option for the Southside Link, to Full Business Case stage.

Report to:	CABINET	<i>Exempt information paragraph number – if private report:</i>
Report of:	CHIEF EXECUTIVE	
Date of Decision:	20 September 2016	
SUBJECT:	2016/17 COUNCIL BUSINESS PLAN MEASURES – APRIL TO JUNE 2016 PERFORMANCE MONITORING	
Key Decision: Yes / No	Yes	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s):	Deputy Leader /ALL	
Relevant O&S Chairman:	ALL	
Wards affected:	ALL	

1. Purpose of report:
1.1 To provide a summary of progress against our Birmingham Promise measures and Business Plan targets, for the period April to June 2016 (unless otherwise stated), issues requiring attention, and remedial activity in place to deal with these.

2. Decision(s) recommended:
2.1 That Cabinet notes the progress to date and the issues requiring attention.

Lead Contact Officer(s):	Angela Probert	Lourell Harris
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3. Consultation
<p>3.1 <u>Internal</u></p> <p>Cabinet Members, Strategic Directors and directorate staff have been involved in discussions around the performance against the targets of the Council Business Plan and Birmingham Promise measures contained in this report. Otherwise this paper is a factual report on progress and therefore, no other consultation has been required.</p> <p>3.2 <u>External</u></p> <p>No external consultation required.</p>
4. Compliance Issues:
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>This report shows whether strategic and operational outcomes and policy priorities are on track and it shows our targets for 2016/17 for tracking progress against our strategic outcomes and policy priorities.</p> <p>4.2 <u>Financial Implications.</u></p> <p>The Council Business Plan forms a key part of the budgeting and service planning process for the City Council that takes account of existing finances and resources and sets out the key strategic and operational outcomes that the City Council wish to achieve. Any decisions highlighted will be carried out within existing finances and resources unless otherwise stated.</p> <p>4.3 <u>Legal Implications</u></p> <p>Not applicable.</p> <p>4.4 <u>Public Sector Equality Duty. (see separate guidance note)</u></p> <p>The Council Business Plan (CBP) Measures, and Birmingham Promise, are designed to ensure significant improvement in service quality and outcomes for the people of Birmingham – some have a particular focus on disadvantaged groups. Non-achievement may have a negative impact on external assessments of the City Council and could put relevant funding opportunities at risk.</p>

5. Relevant background/chronology of key events:

5.1 Overall Context

The Council continues to operate in a tough financially challenged environment with some of our poorest and most vulnerable citizens continuing to be adversely affected by the Welfare Reforms and the ending of key Government funding streams.

Nevertheless, our work in prioritising and determining different ways for the Council to deliver services continues, has now moved into delivery phase as we enter Phase 2 of our Future Council programme, and our intention to develop new ways of working with partners and on a sub-regional basis, using more cost effective/ innovative delivery models and seeking out funding opportunities, continues.

As part of our strategic performance monitoring process, we committed to keep Cabinet, and our public, informed on progress against delivery of our key Council Business Plan measures. This report summarises our key performance success and progress against our key targets (for those areas where we have either performed exceptionally well above our targets, or where we have not quite got there yet) for the period April to June 2016, with a summary of reasons for performance and any actions being taken to bring performance back on track.

The report is supported by an exception-based appendix providing more details of the actions taken by the Council, and partners where relevant, to ensure any underperformance is being tackled efficiently and measures are in place to bring performance back on track as soon as it practicably possible.

5.2 Council Business Plan and Birmingham Promise Measures

The Council Business Plan sets out the council's strategic outcomes, priorities and key actions to be achieved in the short, medium and long-term and our Council Business Plan measures for 2016/17 include the key targets for measuring success against our outcomes, priorities and key actions.

Our Birmingham Promises relate to a set of specific standards that our citizens could expect in relation to the seven most frequently requested services in the council and for this year, focus on:

- Customer services complaints.
- Claims for housing benefit or council tax support.
- Highways management – fixing dangerous potholes within defined timescales; repairing street lights.
- Responding to or resolving housing emergency repairs within specific timescales.
- Attending to trees considered dangerous by our qualified tree officers within a defined timescale.
- School admission appeals.

The set of Council Business Plan and Birmingham Promises measures, against which we said we would track our progress against our priorities for this year (April 1st 2016 to March 31st 2017), and report progress against, was presented to and approved by Cabinet in March 2016. Targets, some of which are aligned to seasonal and other anticipated variations, allowing us to monitor step progress towards achieving the overall year-end target, were ratified at Cabinet in June 2016.

5.3 Performance against our Quarter One (April to June 2016) targets

5.3.1 Birmingham Promises

We have agreed to monitor and measure how well we perform against our Promises and report overall progress against achieving them, every three months.

At the end of this first quarter (April to June 2016), results were available for 13 of the 14 Birmingham Promises. A result is not yet available for the Birmingham Promise to respond to housing emergency repairs within 2 hours. Due to the transition to the new contract, some interface issues have been experienced in relation to the quality and accuracy of the reporting data. These have now been resolved and reporting will be available from July's performance reporting period.

Of the 13 available results, **10 (77%) performed well (over 97%), 9 of which fully upheld the Promise** (the same as that achieved for the same period last year). Compared to the previous quarter's performance (January to March 2016), 8 (62%) either maintained or improved performance.

5.3.2 Council Business Plan Measures Performance Update

For our Council Business Plan measures, overall, strategic performance analysis is made up of 47 key performance indicators of which performance **results were available for 34 measures**. Results for 14 Business Plan measures are not yet due as they are reported on a half yearly or annual basis and will therefore be provided to Cabinet at a later date as when available.

Of the 34 available results, 5 are trend measures that do not have a target and for the purpose of this first report, have been included within the overall result for those measures deemed as within achieving target/within acceptable tolerance levels. This allows the first result for these 5 measures to act as a baseline against which future performance can be tracked.

Taking the above into account, of the remaining 34 measures **23 (68%) met, exceeded, or were within acceptable tolerance levels of their target**. This is an improvement of 16 percentage points compared to the same period last year.

Against our strategic outcomes, the performance position at the end of June 2016 is summarised below:

Primary Goals and Outcomes	Total Number of Council Business Plan Measures	Number of Results Available	% Targets Available on Track/ Better
A Fair City <ul style="list-style-type: none"><i>Safety, Health and Wellbeing; Children, Young People and Families; Tackling Poverty.</i>	23	20	14 (70%)
A Prosperous City <ul style="list-style-type: none"><i>Learning Skills and Local Employment; Enterprise; Infrastructure, Development and Smart; Green and Sustainable; Regional Capital and Reputation.</i>	19	12	8 (67%)
A Democratic City	2	2	1 (50%)

- *Engagement, Influence and Contribution; a New Model of City Government; Modern Services that Service our Citizens.*

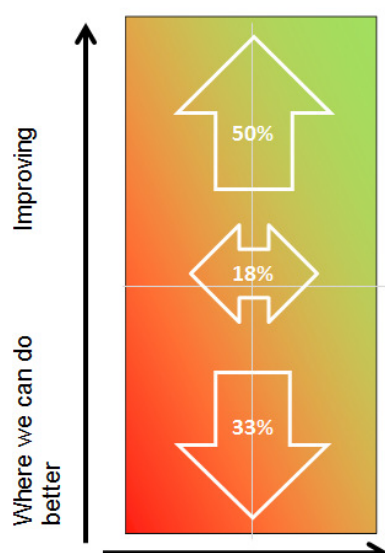
For 12 of the 34 available measures, we are able to provide a direction of travel against the previous quarter. We are not able to provide a direction of travel for the others as they are either new or amended measures and previous comparable results are not available at this stage in the year.

Of the 12 comparable measures, performance against:

- 6 (50%), we improved,
- 4 (33%), needed to do better, and
- 2 (17%), stayed at the same as the previous quarter result.

This performance is also shown in the graph below:

Direction of travel against - June 2016 compared to March 2016



Direction of travel breakdown:	June	
Improving or increasing trend	6	50%
No Change	2	17%
Where we need to improve or where there is a decreasing trend	4	33%
Not comparable/available to report:	35	
TOTAL measures comparable to previous result	12	100%

Note: The above row, shaded in yellow, is not included within the graph due to insufficient information to report the direction of travel against the previous quarter, at this point in the year.

5.3.3 Successes

Listed below are our significant Council Business Plan successes for the first quarter of this year – where we performed better than where we planned to be by the end of June 2016.

a) Corporate Resources Directorate - Council Business Plan (Council-wide) Successes

- **The percentage increase in the volume of online transactions for our four key services (Benefits, Council Tax, Housing and Waste Management):** All services outperformed their targets this month with an overall performance of 23% against our target of 19%.

b) Economy Directorate

Significant successes

- Supporting Birmingham's ambitious agenda for economic growth, the Advanced Manufacturing Hub (our joint venture with the Homes and Communities Agency)

regeneration programme has attracted two world class engineering companies, Hydraforce and Guhring, creating 600+ jobs, (when fully operational) securing £30m+ of private sector investment .

- Latest data from the Government shows we reduced Birmingham's Carbon emissions by 33% in the period 1990 to 2014 and we are on track to achieve the 60% target set for 2037.

c) **Directorate for People – Council Business Plan Successes**

- **Number of unallocated cases open for more than 7 days:** This new Council Business Plan measure seeks to determine how well we are doing to promptly allocate cases to ensure that families receive timely help and intervention. It does this by identifying where there is no allocated social worker 7 or more days after referral, which will then allow for actions to be taken to further improve performance in the future. Against our target of 20, 8 cases were still open after 7 days (reported as a tiny percentage of all open cases). Our managers continue to monitor progress on a weekly basis with the view of keeping this performance below 20 at any given time.
- **Percentage of referrals that are re-referrals:** Our result of 21.00% is 4.00% better than last year (26.00%), and is better than the All England average of 24.00%, Core Cities at 25.00%, West Midlands at 23.00%, and, we are just above the average for our Statistical Neighbours of 20.56%. Since the introduction of the Multi-Agency Safeguarding Hub (MASH) and Assessment and Short-term interventions Teams (ASTI) we have seen a slight downward trend in re-referrals. This will continue to be monitored to see if this is a change rather than a variation.
- **Percentage of family assessments completed in timescale:** Focussing on the timeliness of a social worker assessing the needs of the child and family, 90% of assessments were completed in timescale, exceeding our target of 82%. Whilst we are doing well against the 45 day deadline, we want to see more assessments completed by the Assessment and Short-term Intervention Teams, within 20 days with a greater focus on short term interventions.
- **The percentage of children identified as at risk of harm, seen at assessment,** within a timely manner after the referrals and during the assessment period - this is a good proxy measure for the quality of assessment and at 87% we exceeded our target of 68% by 19 percentage points. This success has been attributed to recent staff guidance and changes to our CareFirst system (our social care case management system for adult and children's services) which has led to improved performance.

Other significant successes

- **Contract Framework Engagement:** Two care provider engagement forums have taken place and we are now working on three key areas jointly with the providers to ensure improved quality, fairness of price and better allocation of contacts are improved going forward.
- In relation to our proposed **Children's Trust Model**, an initial draft setting out the scope of the model has been developed for consultation. In addition, extensive work is underway with front line staff to prepare them for the upcoming Ofsted inspection of Children's services. Two briefings have been held specifically with affected children's staff and a number of additional face to face visits have taken place to provide reassurance and support to the front line service teams.
- The **Communities and Local Government Select Committee review of homelessness** has concluded and published its findings. The report draws attention to examples of good practice in Birmingham including a positive example of

partnership working between the local authority and the charity St Basils and together developing and implementing the Positive Pathways programme to tackle youth homelessness.

d) **Place Directorate – Council Business Plan Successes**

- **Empty Properties brought back into use:** At 101 properties brought back into use we are exceeding our target by 20 properties. This success is attributed to the commitment through the work of the team and others to educate, encourage and enforce action, ensuring that where possible, we continue support our citizens in having access to decent homes. In June Cabinet approved a report on the proposed Compulsory Purchase of up to 40 long term private empty properties which are blighting local neighbourhoods. This demonstrates the Council's commitment to tackle this wasted resource and to use powers to help meet housing need in the city
- **Properties improved in the private rented sector as a result of local authority intervention:** At 93 properties, we are exceeding our target by 21 properties. A new indicator for this year, this success is attributed to the interventions put in place by our Private Rented Sector Team, e.g., targeting houses in multiple occupation (HMO's) that are unlicensed through Government funding under Rogue Landlord Fund. The Council was successful in obtaining a Government grant of £110k from the Rogue Landlord Fund and the extra resources has allowed the targeted inspection of high risk HMOs and faster response to requests from tenants about lack of repairs. This has helped improve properties and resulted in approximately 25 cases being investigated with a view to legal proceedings for failure to meet safe minimum standards and respect tenants' rights.
- The percentage of **available Council Homes as a percentage of total stock** – where performance at 99.55% exceeds the target of 98.8%. This equates to around 62,218 available council homes out of the 62,500 stock.

Other significant successes

- Our clamp down on waste which saw action taken against over 3,500 people and businesses for dumping or failing to dispose of their rubbish responsibly last year. In addition, our Garden Waste service has been taken up by 15% more people this year achieving £62k in sales. Our Waste Strategy was re- launched via a 'hot seat' with BBC Radio West Midlands, a briefing with the Birmingham Evening Mail and through social media, and will form part of our comprehensive communications strategy regarding the behaviour changes necessary to improve our recycling performance.
- Our licensing team were involved in two court cases one involving a city night club accused of 'abandoning' a student, and the other where a landlord was fined £4k for failing to apply for a House in Multiple Occupation (HMO) licence.
- Following complaints to Trading Standards a faith healer was jailed for 7 years following investigation into a £145k fraud.

5.4 **Other notable achievements include:**

- An award from British Cycling for '**Partnership Working**' for our Big Birmingham Bikes initiative, for the new 'Ride Active Programme' aimed at providing fun and social cycling opportunities, operating from 6 Birmingham Wellbeing Centres. The team also received a second award at the 'Making Birmingham Greener and Healthier Awards for their **work with the community** as part of the Birmingham Cycle Revolution.
- '**Social Housing Provider of the Year**' at the Insider Residential Property Awards

2016. The award highlighted the work of the Birmingham Municipal Housing Trust (BMHT) programme, which is currently the largest provider of affordable homes per annum in the Midlands, and showcased recent BMHT projects in Nechells, Sutton Coldfield and Ladywood.

- **Stonewall**, Britain's leading lesbian, gay, bisexual and transgender equality charity, named Birmingham City Council as **one of the best local authorities in Britain for tackling homophobic, biphobic and transphobic bullying and celebrating difference in its schools**. Birmingham was ranked **eighth in their annual Equality index**.
- For the fifth year running Birmingham received a **gold award at the Chelsea Flower Show** with a display celebrating the work of local artist Willard Wigan and grass root sport.
- Birmingham continues to be a venue for major national sporting events, hosting a successful round of the International Athletic Federation **Athletics Diamond League** in June.
- The **Library of Birmingham** had Shakespeare's 400th Birthday exhibition and the library was named as the **most visited attraction outside of London**.

Funding

- A **£14 million** partnership project (working with the Canal and River Trust) to improve 54km of canal towpath in and around the city centre.
- Grant funding of **£250,000** from the the Wolfson Foundation to update five of the City's children's libraries with new equipment and furniture. An independent charity that supports and promotes excellence in a wide range of fields, including education and the arts, this funding boost, has enabled libraries in Balsall Heath, Druids Heath, Kings Norton, Kingstanding and Small Heath to make improvements and fund educational projects.
- A grant of **£1.38 million** from the Heritage Lottery Fund towards the £2.13 million cost of renovating two Jewellery Quarter cemeteries at Key Hill and Warstone Lane, both of which are on the register of Historic Parks and Gardens.
- **Ongoing funding** for the England Illegal Money Lending Team to help to tackle loan sharks on behalf of 168 Councils.
- **£3 million** awarded to the city-council led partnership project by the Department for Transport and the Office for Low Emissions Vehicles, towards ensuring our buses and cleaner and greener.

5.5 Business Plan Measures – areas where we need to do better

Listed below are those measures where we are not yet on track:

a) Corporate Resources Directorate - Council-wide

- **Sickness absence:** Although the result of 10.31days is above our target of 9.25 days (per full time equivalent member of staff), absence levels continues to reduce compared to the previous month, quarter and year. Sickness absence for the same period last year was 10.37 days. Significant effort continues to be put into reducing sickness absence through attendance panels, closer management attention, guidance on managing health and well-being issues and securing earlier focussed intervention from Occupational Health. Compared with other Local Authorities the All England average sickness absence is 8.5 days, and the average for our Statistical Neighbours is 9.5 days.

b) Economy Directorate

- **Jobs created through the Business Growth programme and Finance**

Birmingham: 14 jobs were created during the quarter (below our target of 45). Whilst disappointing, it should be noted we are still waiting for data from two programmes - both of which provide help to small and medium sized enterprises (SME's) within the automotive and aerospace sectors. Data from these programmes will be included in the Quarter Two to Cabinet in November.

c) **Directorate for People**

- **Percentage of births that receive a face to face new baby visit from a health visitor within 14 days:** 78% of visits were completed in timescale which is 7 percentage points below our target. Service delivery arrangements are currently under review. Ongoing discussions around this measure are taking place with the provider. It may be necessary to recalibrate this measure as it is clear that the cohort may need to be more clearly defined. At the moment the 78% refers to ALL births. However, there are a certain number of cases where it is not possible or appropriate to do a home visit (e.g. when mother and baby are still in hospital). The first return, excluding exceptions, indicates that the proportion would rise to around 90%. However, we are not in a position to change this at the moment as discussions are still ongoing. In the meantime, relevant contractual levers will be utilised to continue to strive for an improvement in performance – this includes asking providers to develop an improvement plan or applying financial penalties if necessary.
- **The proportion of clients receiving residential, nursing or home care from a provider that is rated as 'good':** This quarter, we have achieved 62.30% against a target of 72.00%. Whilst this performance is 2.8% lower than at the same time last year, we have improved compared to the end of year position (March 2016) of 59.9%. This increase is attributed to both home support and bed based clients. There has been a 1 percentage point decrease in the proportion of clients at providers rated as inadequate (compared to last quarter) for both home support and bed-based clients.
- **Preventing or relieving homelessness:** At 1,660, we are below target by 90 (although we still awaiting results from one Provider). There has been a change of provider for the Homeless Prevention and Welfare Service and the new provider has experienced some initial start-up issues. 658 preventions enabled households to remain living in their existing home whilst 1002 households were assisted to obtain alternative accommodation.
- **Percentage of Pupils Not in Education, Employment or Training (NEET):** At 5.3%, whilst not yet where we would like to be, performance is an improvement on this time last year (7.1%). Commissioning activity is underway for the Youth Employment Initiative, which will help to provide further intervention workers to engage NEET young people into education, employment or training. The way that NEETs are calculated is changing this year which means that there will no longer be a requirement to report on those in academic year 14 (19 year olds). The NEET and Not Known cohorts will be combined into a "Not Participating" count. The first set of data is expected from the Department for Education in September and any reporting implications associated with this, will be reported in the Quarter Two performance monitoring report to Cabinet (November 2016).
- **Schools inspected as good or outstanding:** The result for all schools (academies and local authority), at 79% is below target (81%) by 3 percentage points, and is based on a snapshot of overall published Ofsted Judgements (and therefore may not reflect the latest Ofsted announcements). and includes . Where there is a recently converted academy and no existing inspection, a judgement is obtained from the previous establishment. The proportion of local authority maintained schools that are Good/Outstanding is currently at 84.00% and 7 local authority schools are identified as in special measures. Our school improvement partners Birmingham Education Partnership (BEP) have rated schools they are working with as part of their school

improvement work and will continue to provide an appropriate level of support in line with the needs of the schools.

- **Excluded children without a school place after 6 days:** At the end of June there were 45 children without a school place. Whilst this is a significant improvement on the previous month result of 78 children, even though during the last week of term in July, significant effort was put into ensuring pupils had school places for the new term, 21 excluded children will still be without a school place when school starts in September. Of the 21, 6 pupils were excluded during the last week of term, and another 7 were only permanently excluded during the penultimate week of term. More detailed information is provided in the attached Appendix A. A number of strategies are being developed to ensure a system-wide approach to reducing exclusions. These include engaging with Head Teachers and Governors, and developing models and protocols across Education and Health, to ensure pupils have appropriate educational pathways.
- **Percentage of Care Leavers in Education, Employment or Training:** Our result of 39% is below our target of 60%. Although an improvement on the same position last year (33%), our performance is also below that of the All England average - 48%, Core Cities 40%, West Midlands 41% and Statistical Neighbours 52%. There has been a recent peer review of our care leaver service and the resulting action plan is being implemented.
- **Average length of time from admission to care to being placed with a family:** At 641 days we missed our target by 51 days. Performance is, however, a 10 day improvement on the end of year result and has reduced steadily since April this year. Compared to other authorities the average length of time is All England 593 days, Core Cities 618 days, West Midlands 612 days and Statistical Neighbours 652 days.
- **Percentage of agency social workers including team managers:** We are currently around 9 percentage points away from our target to reduce agency staff to 15% by March 2017 - currently we are at 23.60%. We are tackling this through our recruitment plan, and the percentage of agency staff is gradually reducing - 95 new posts, mainly social work qualified, have been established in the past 15 months. Compared to other authorities the percentage of agency staff is All England 16%, West Midlands 16% and Statistical Neighbours 22.89%.

d) **Place Directorate**

- An average of 175.22 kilogrammes (kgs) of **residual waste per household** was collected between April and June this year, missing our target (150 kgs) by 25.22 kgs. A ward-based waste composition analysis has been undertaken to provide an understanding of the make-up of waste in different wards and help to steer the waste disposal strategy. A comprehensive communications strategy is being developed to focus on the behaviour changes needed to reduce residual waste and increase recycling. In addition to this, there are a number of proposals being developed to look at other measures which should result in a positive impact on this target. These proposals include restricting access to Household Recycling Centres to Birmingham residents only and measures to prevent trade/commercial waste from entering the domestic waste stream.

5.6 The attached Performance Monitoring Exception Report (**Appendix A**) gives a more detailed breakdown of performance, focusing on where we were well 'ahead of', or have 'missed', our target. Commentary is also provided which summarises any remedial actions taken or planned, to bring performance on track. The four symbol style for monitoring progress reflects the 'as at position' against targets. A 'Star' means performance was significantly exceeding the target, the 'Tick' indicates performance was on, or above target (but not significantly above), the 'Circle' shows performance was below target, but within an acceptable tolerance level, and the 'Triangle' tells us that performance is off target and

worse than agreed tolerances. This style of reporting will enable services to better manage measures at lower risk and Members to focus on those areas that require particular attention.

5.8 **General**

Once approved by Cabinet, information of progress against all targets in this report will be published on the Council website: www.birmingham.gov.uk/performance in line with previous practice.

6. Evaluation of alternative option(s):

This report provides progress against the council's strategic outcomes, and the measures in place to achieve them. If this report was not provided Cabinet, in its entirety, would not have an overview of progress against the key Council Business Plan measures, or actions being taken to bring performance back on track. Nor would Cabinet have an update on the Birmingham Promises made to our citizens.

7. Reasons for Decision(s):

To advise Members of progress against outcomes, including, any actions being taken, or planned, to bring performance on track.

Signatures	<u>Date</u>
Cabinet Member:
Chief Officer:

List of Background Documents used to compile this Report:

- 2015/16 Council Business Plan Measures – April 2015 to March 2016 Performance Monitoring
- 2015/16 Council Business Plan Measures – End of Year Performance Monitoring (April 2015 to March 2016) and 2016/17 Council Business Plan Targets

List of Appendices accompanying this Report (if any):

1. **Appendix A – Performance Monitoring – April to June 2016 Exception Report**

Report Version		Dated	
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PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - The equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:





1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) Promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation

Appendix A
Performance Monitoring - April to June 2016
Exception Report





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Place Directorate.....	20

Corporate Resources - (Council Wide)

Total by measure status							
	1		0		0		1

Key

	: Target exceeded/ahead of schedule
	: Performance on track
	: Off target, but, within acceptable tolerance
	: Target below allowable tolerance/behind schedule

There are seven measures within this directorate, for which results were available for two.

Results for five measures are reported annually or half yearly, and will be made available at a later date.

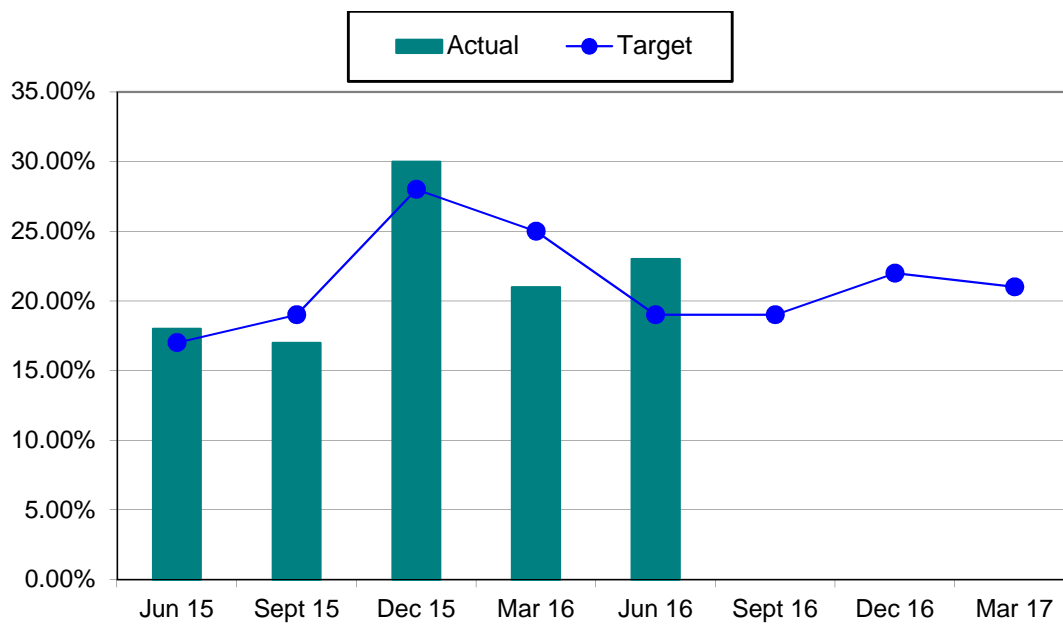
The following pages detail the one measure where we have performed particularly well (i.e. where we have exceeded our target), and, the one measure that requires special management and Member attention (i.e. where we have not met our target).

Percentage channel shift for our four key services (Benefits, Council Tax, Housing, Waste Management) - on-line

Continue to improve the customer journey within the Contact Centre and thus improve overall citizen satisfaction for the Council.

Working with service areas to reduce avoidable contact to the Council and redirect where appropriate to the digital channels.

Bigger is better



	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	Mar 17
Actual	18.00%	17.00%	30.00%	21.00%	23.00%			
Target	17.00%	19.00%	28.00%	25.00%	19.00%	19.00%	22.00%	21.00%
Performance	✓	●	✓	▲	★			

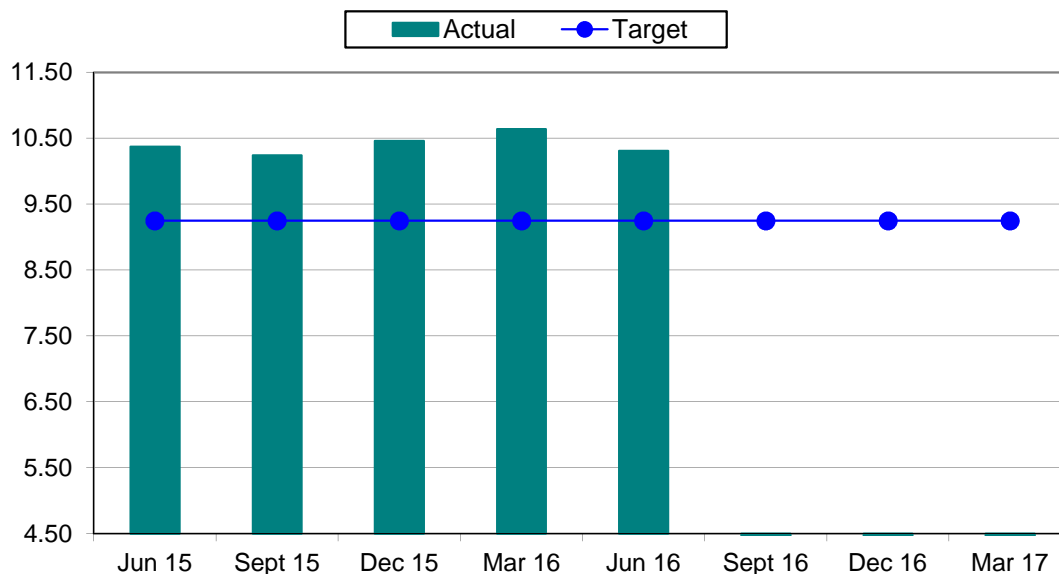
Commentary

All services outperformed their Channel Shift targets this month, with overall performance coming in at 23% against the target of 19%.

Average sick days per full-time equivalent employee (excluding schools staff)

The number of working days lost due to sickness, per full-time equivalent member of staff.

Smaller is better



Number per full-time equivalent member of staff

	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	Mar 17
Actual	10.37	10.24	10.46	10.64	10.31			
Target	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25
Performance	▲	▲	▲	▲	▲			

Commentary

At this point in time in the current year, there has been a slight improvement on the average number of sickness days per employee when compared to last year (10.37 days in 2015/16). Rates of sickness absence have been falling consecutively over the first 3 months of this year, with June alone being 9.98 days.

Place Directorate are currently performing better than last year, based on year-to-date values. The People directorate still has the highest absence rate at 11.67 days (Year To Date)

Significant effort continues to be put into reducing the absence rates through attendance panels, closer management attention, guidance on managing health and well-being issues, and securing earlier focused intervention from Occupational Health

Roles and responsibilities of managers continue to be redefined as part of the cultural change within Future Council, of which critical responsibility for managing absence is a key component. Human Resources continue to provide tools, support and training for managers to support them in this work.

Economy Directorate

Total by measure status							
★	0	✓	0	●	3	▲	1

Key

★	: Target exceeded/ahead of schedule
✓	: Performance on track
●	: Off target, but, within acceptable tolerance
▲	: Target below allowable tolerance/behind schedule

There are seven measures within this directorate, for which results were available for four.

Results for three measures are reported annually or half yearly, and will be made available at a later date.

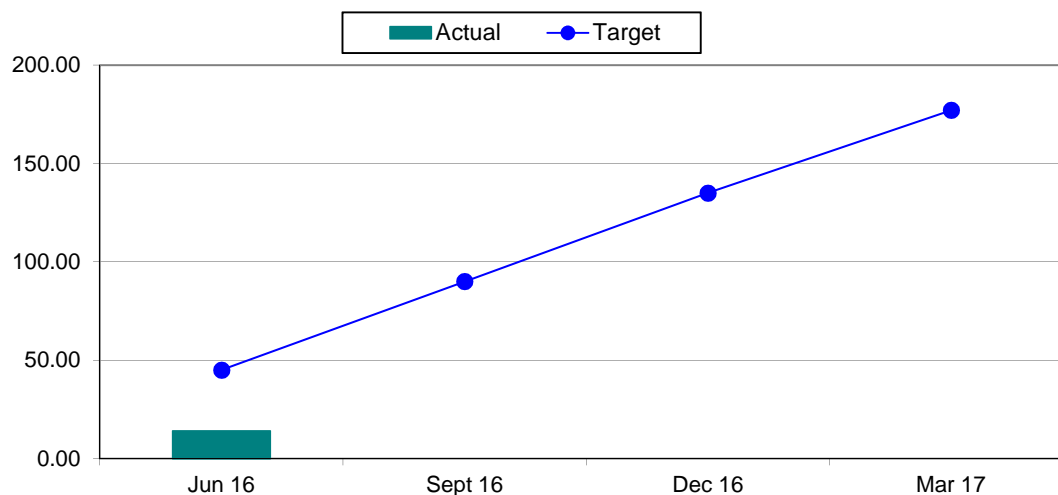
Three of the available measures within this Directorate are performing within acceptable tolerance levels.

The following page details the one measure that requires special management and Member attention (i.e. where we have not met our target).

Number of jobs created through the Business Growth programme and Finance Birmingham

To measure the number of jobs created through the activities of the Business Growth Programme and Finance Birmingham.

Bigger is better



New Council Business Plan Measure for 2016/17

	Jun 16	Sept 16	Dec 16	Mar 17
Actual	14.00			
Target	45.00	90.00	135.00	177.00
Performance	▲			

Commentary

The reported result for the period April to June 2016 does not include data from two programmes as these are not yet available and will be included in the next quarterly report to Cabinet. Both programmes provide help to Small and Medium sized Enterprises (SME's) within the automotive and aerospace sectors; Advanced Manufacturing Supply Chain Initiative (AMSCI) is an investment fund and the Regional Growth Fund 'Tooling' programme assists with the replacement of ageing equipment to improve competitiveness.

People Directorate

Total by measure status							
★	4	✓	9	●	2	▲	8

Key

★	: Target exceeded/ahead of schedule
✓	: Performance on track
●	: Off target, but, within acceptable tolerance
▲	: Target below allowable tolerance/behind schedule

There are twenty eight measures within this directorate, for which results were available for twenty three.

Results for five measures are reported annually or half yearly, and will be made available at a later date.

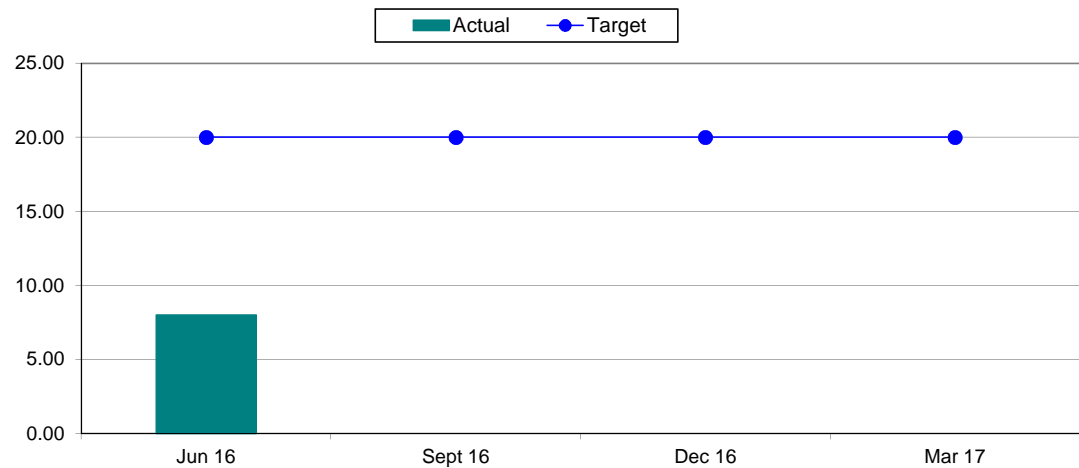
Eleven of the available measures within this Directorate are performing as expected, or are within acceptable tolerance levels.

The following pages detail the four measures where we have performed particularly well (i.e. where we have exceeded our target), and, the nine measures that require special management and Member attention (i.e. where we have not met our target).

Number of Unallocated cases open for more than 7 days

Prompt case allocation is essential to ensure that families receive timely help and intervention

Smaller is better



	Jun 16	Sept 16	Dec 16	Mar 17
Actual	8.00			
Target	20.00	20.00	20.00	20.00
Performance	★			

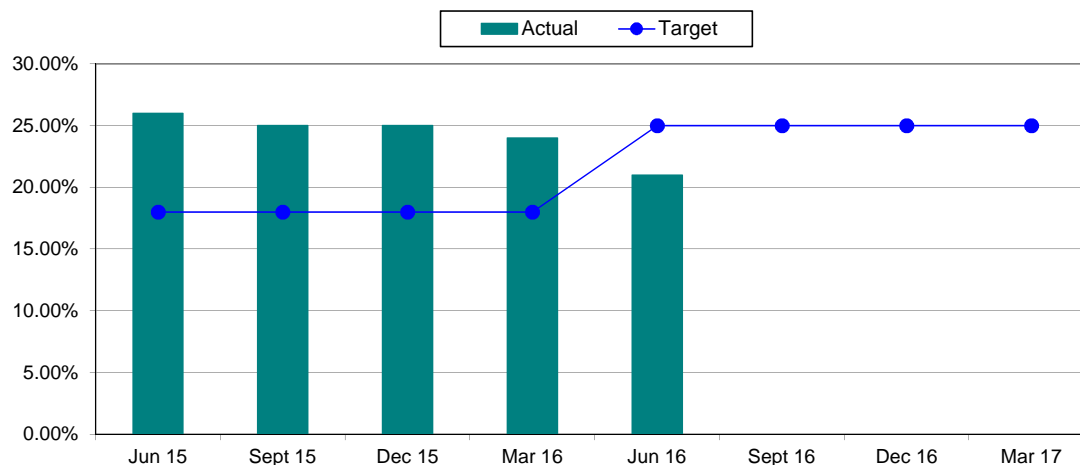
Commentary

This new indicator is of open cases post Multi-Agency Safeguarding Hub (MASH) where there is no allocated social worker 7 or more days after referral. A report is sent to heads of service each week, so the cases are ever changing. We have set a target of keeping this number under 20 at any given time. This is a tiny percentage of all open cases.

Percentage of referrals that are re-referrals within 12 months

To ensure that thresholds are appropriate for the service and the child's needs are being met.

Smaller is better



	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	Mar 17
Actual	26.00%	25.00%	25.00%	24.00%	21.00%			
Target	18.00%	18.00%	18.00%	18.00%	25.00%	25.00%	25.00%	25.00%
Performance	▲	✓	✓	✓	★			

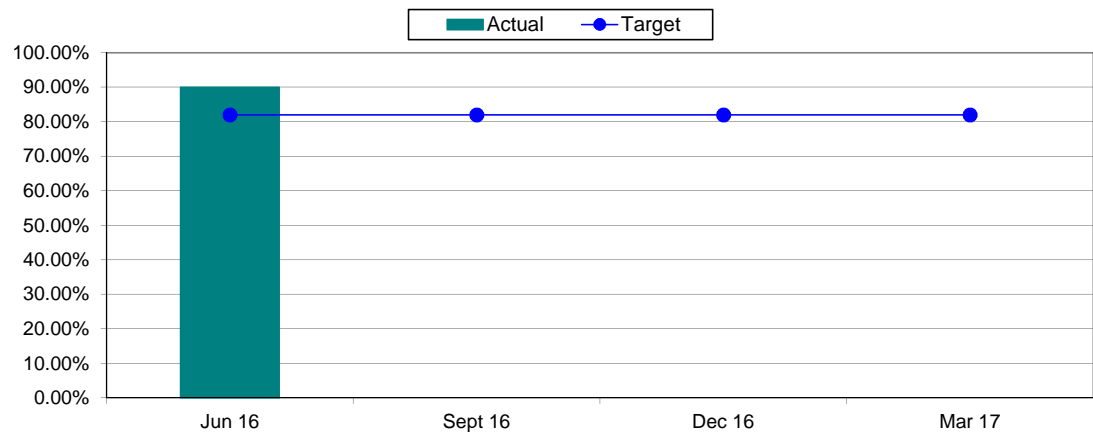
Commentary

Since the Multi-Agency Safeguarding Hub (MASH) and Assessment & Short-term Intervention Teams (ASTI) changes early this year we have seen a slight downward trend in re-referrals. It is probably too early to say this is a change rather than a variation.

Percentage of Family Assessments completed in timescale.

The timeliness of a Social Worker assessing the needs of the child and family.

Bigger is better



New Council Business Plan Measure for 2016/17				
	Jun 16	Sept 16	Dec 16	Mar 17
Actual	90.00%			
Target	82.00%	82.00%	82.00%	82.00%
Performance	★			

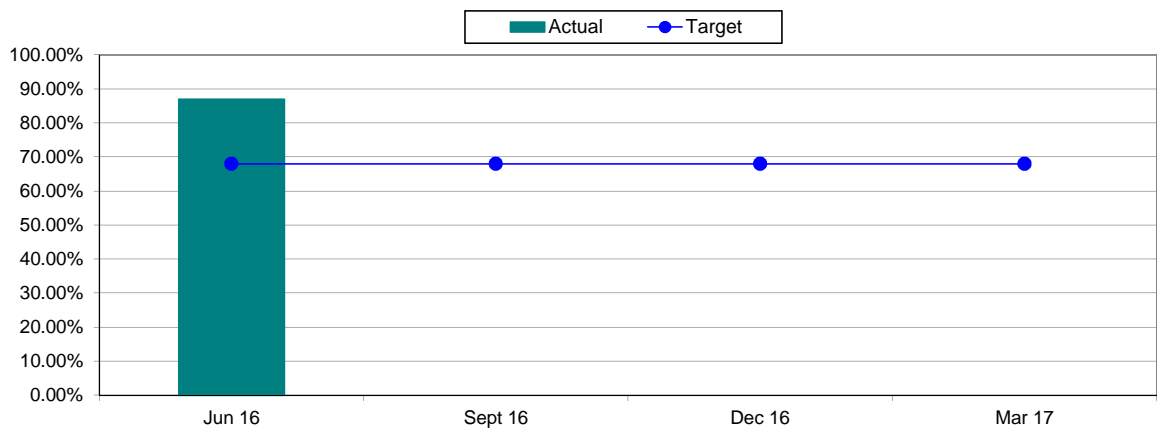
Commentary

The timeliness of assessments is important to prevent drift and we are doing well in relation to the 45 days. deadline. We want to see more assessments completed within 20 days in Assessment & Short-term Intervention Teams (ASTI) and a greater focus on short-term interventions..

Percentage of children seen at assessment (S17 and S47 of the Children Act 1989 only which places a duty on a social worker to investigate when it is believed that a child is at risk of harm)

Children are seen within a timely manner after the referrals and during the assessment period.

Bigger is better



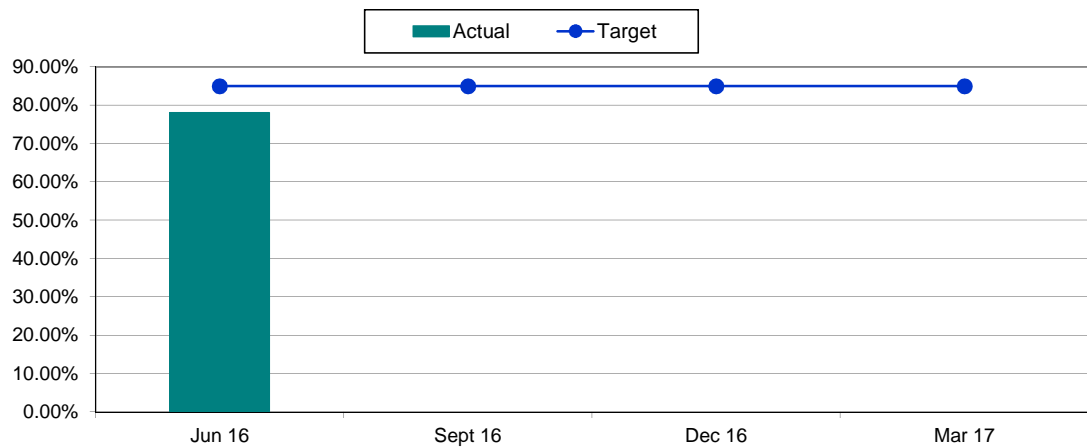
New Council Business Plan Measure for 2016/17				
	Jun 16	Sept 16	Dec 16	Mar 17
Actual	87.00%			
Target	68.00%	68.00%	68.00%	68.00%
Performance	★			

Commentary

Children seen is a good proxy measure for quality of assessment. Recent staff guidance and changes to CareFirst have led to improved performance here.

Percentage of births that receive a face to face new baby visit from a health visitor within 14 days

Bigger is better



New Council Business Plan Measure for 2016/17

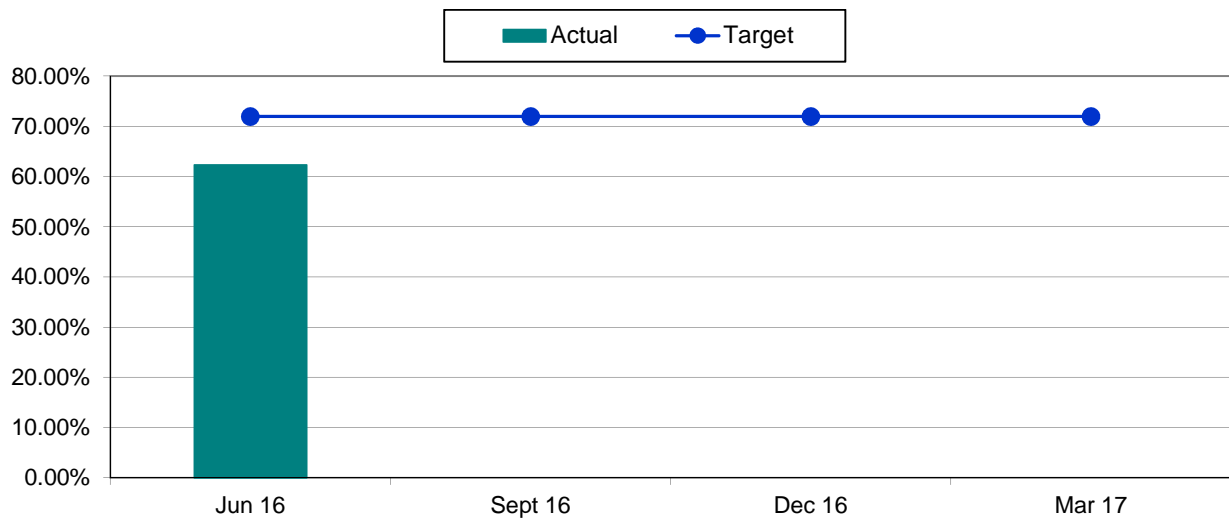
	Jun 16	Sept 16	Dec 16	Mar 17
Actual	78.00%			
Target	85.00%	85.00%	85.00%	85.00%
Performance	▲			

Commentary

Performance for the period ending June 2016 is slightly under target. Service delivery arrangements are currently under review. The relevant contractual levers will be utilised to continue to strive for an improvement in performance.

The proportion of clients receiving Residential, Nursing or Home Care from a provider that is rated as 'Good'.

Bigger is better



New Council Business Plan Measure for 2016/17

	Jun 16	Sept 16	Dec 16	Mar 17
Actual	62.30%			
Target	72.00%	72.00%	72.00%	72.00%
Performance	▲			

Commentary

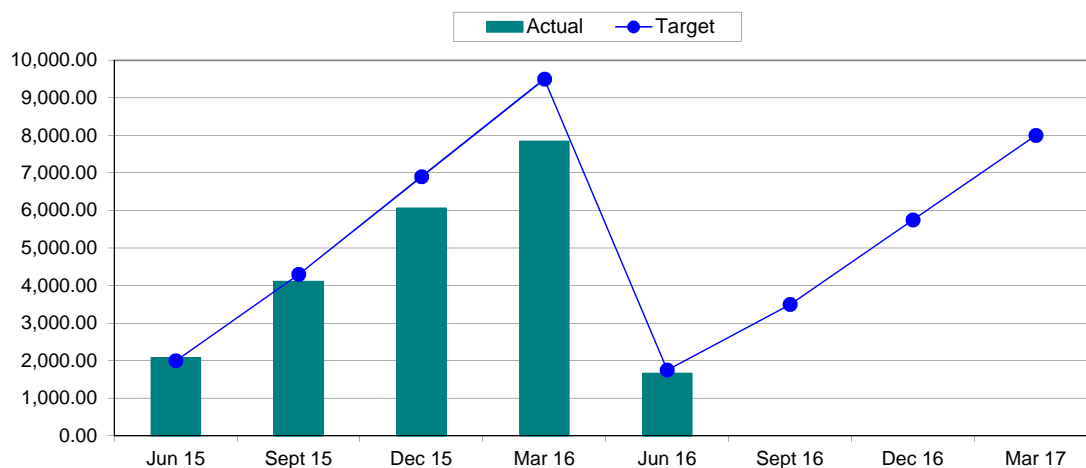
62.30% of clients during quarter 1 of 2016/17 are placed at providers rated good by the Self-Assessment Questionnaire process compared to 65.10% in 2015/16. Although this is an decrease compared to last year's performance, there has been an improvement since quarter 4 of 2015/16 when 59.90% of clients were placed at providers rated good. This increase compared to the last quarter applies to both home support and bed based clients. There has also been a decrease in the proportion of clients at providers rates as inadequate from the last quarter at for both service types (4.40% in home support compared to 5.10% last quarter, 14.60% in bed based compared to 15.70% last quarter).

When broken down by client group there is a significant difference in the proportion of home support and bed based clients based at providers rated as good, 70.1% compared to 48.4% respectively in quarter 1 2016/17.

Homelessness prevented or relieved

Increase in the number of cases where homelessness is prevented or relieved

Bigger is better



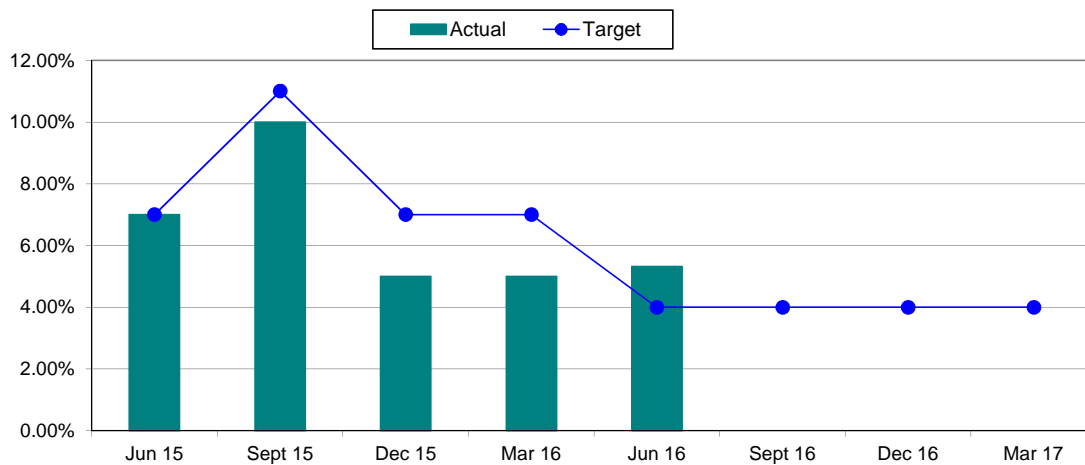
	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	Mar 17
Actual	2,081.00	4,112.00	6,057.00	7,843.00	1,660.00			
Target	2,000.00	4,300.00	6,900.00	9,500.00	1,750.00	3,500.00	5,750.00	8,000.00
Performance	✓	●	▲	▲	▲			

Commentary

Performance for the period ending June 2016 is below the forecast target with one provider return remaining. This is in part due to a change of provider for the Homeless Prevention and Welfare Service. This is one of the major programmes that contributes to this outcome (683 preventions this quarter). The new provider has experienced some initial start-up issues. In summary, 658 preventions enabled households to remain living in their existing home whilst 1002 households were assisted to obtain alternative accommodation.

Percentage of pupils Not in Education, Employment or Training

Smaller is better



	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	Mar 17
Actual	7.00%	10.00%	5.00%	5.00%	5.32%			
Target	7.00%	11.00%	7.00%	7.00%	4.00%	4.00%	4.00%	4.00%
Performance	✓	✓	★	★	▲			

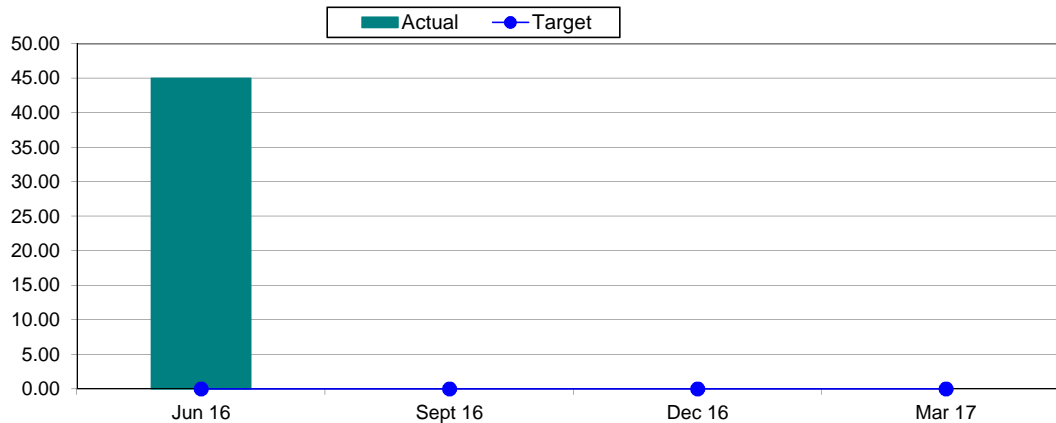
Commentary

The Not in Education, Employment or Training (NEET) figure has stable at around 5.3% to 5.5% taking into account inflows and outflows of young people on the NEET register. This is an improvement compared to the same period last year, when NEET was 7.1%. Commissioning activity is underway for the Youth Employment Initiative, which will help to provide further intervention workers to engage NEET young people into education, employment or training. The way that NEETs are calculated is changing this year. There will no longer be a requirement to report on those in academic year 14 (19 year olds) and the NEET and Not Known cohorts are being combined to a "Not Participating" count. Until the Department for Education (DfE) publish the first set of data in September it is currently unclear exactly how data will be broken down and whether "NEET" figures directly comparable with previous years methodology.

Excluded children without a school place after 6 days

"No. of children of school age without a school place for more than 6 days (either failed in sufficiency or schools have excluded them)"

Smaller is better



New Council Business Plan Measure for 2016/17

	Jun 16	Sept 16	Dec 16	Mar 17
Actual	45.00			
Target	0.00	0.00	0.00	0.00
Performance	▲			

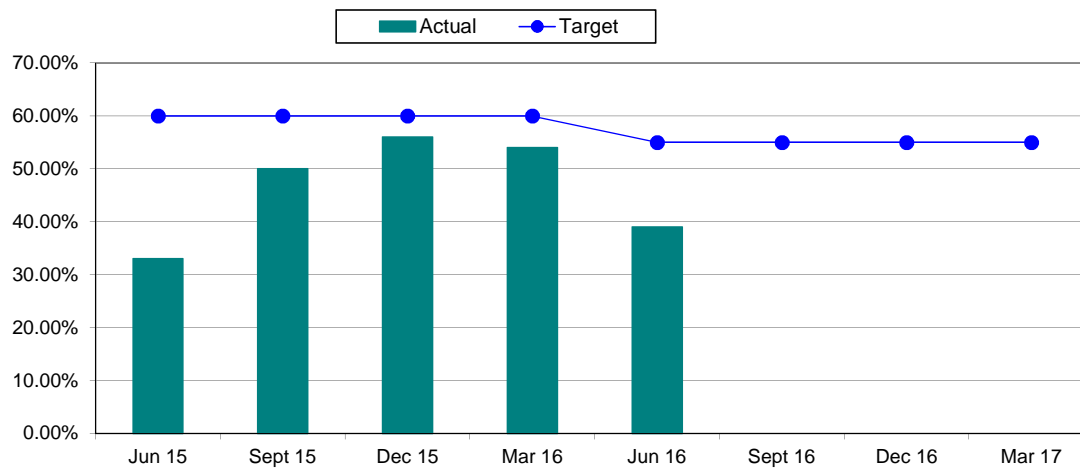
Commentary

As of 30th June there 45 children without a school place. This is a significant improvement on the position last month and lower than the result reported in April. However the situation is very flexible, and places are offered on a daily basis. Bringing this up to date during the last week of term in July there was a great deal of activity in placing pupils in readiness for the new term. As things stand there are 21 excluded children who are without a school place when the new school year begins again in September. 2 have been offered places at City of Birmingham School but there are transport difficulties getting to the centre. 1 is a statemented/educational and health care plan pupil who is 19 years old – the Special Educational Need and Review service are dealing with this placement. 6 of the 21 were only permanently excluded during the last week of term - the city is responsible for education from the 6th school day of exclusion so we are not failing to meet our legal obligation regarding provision until the first week of the new academic year. A further 7 of the 21 were only permanently excluded during the penultimate week of term.

Percentage of Care leavers in Education, Employment or Training

To measure success in terms of outcomes for our Young People who were previously in Care.

Bigger is better



	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	Mar 17
Actual	33.00%	50.00%	56.00%	54.00%	39.00%			
Target	60.00%	60.00%	60.00%	60.00%	55.00%	55.00%	55.00%	55.00%
Performance	▲	▲	▲	▲	▲			

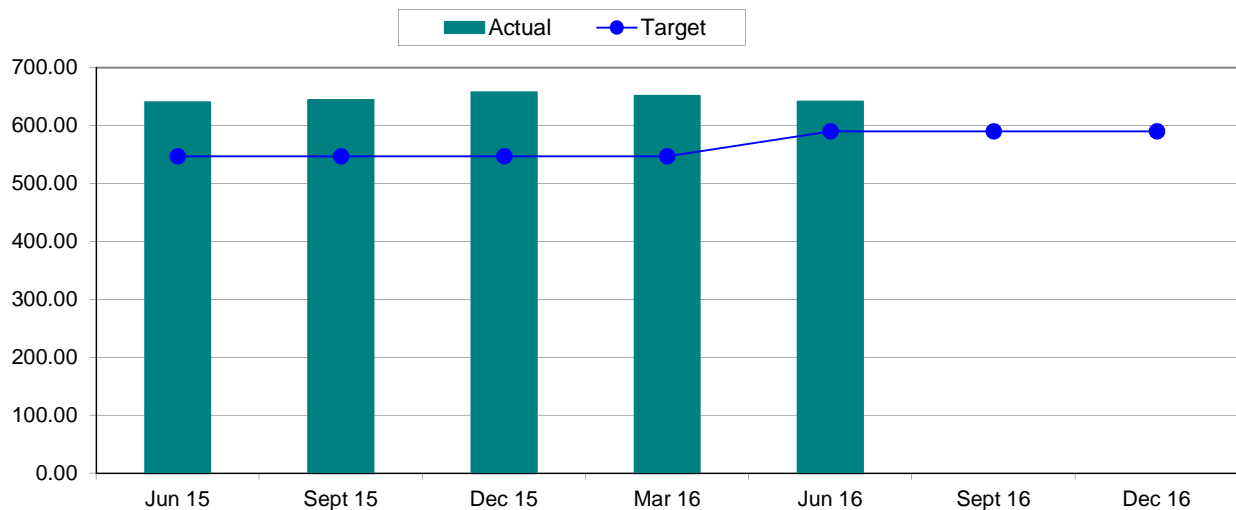
Commentary

This indicator is looking at the employment/education position of care-leavers at 19, 20, and 21. We have had a recent peer review of our care leaver service and are implementing the resulting action plan.

Average length of time from admission to Care to being placed with a family - (No of days)

Rolling 12 months. For those children who have been adopted, the average length of time in care from admission to being placed for adoption. We have a duty to promote stability for children in care and being placed for adoption is the beginning of a permanent arrangement for our children and young people.

Stabilise



	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16
Actual	640.00	644.00	657.00	651.00	641.00		
Target	547.00	547.00	547.00	547.00	590.00	590.00	590.00
Performance	▲	▲	▲	▲	▲		

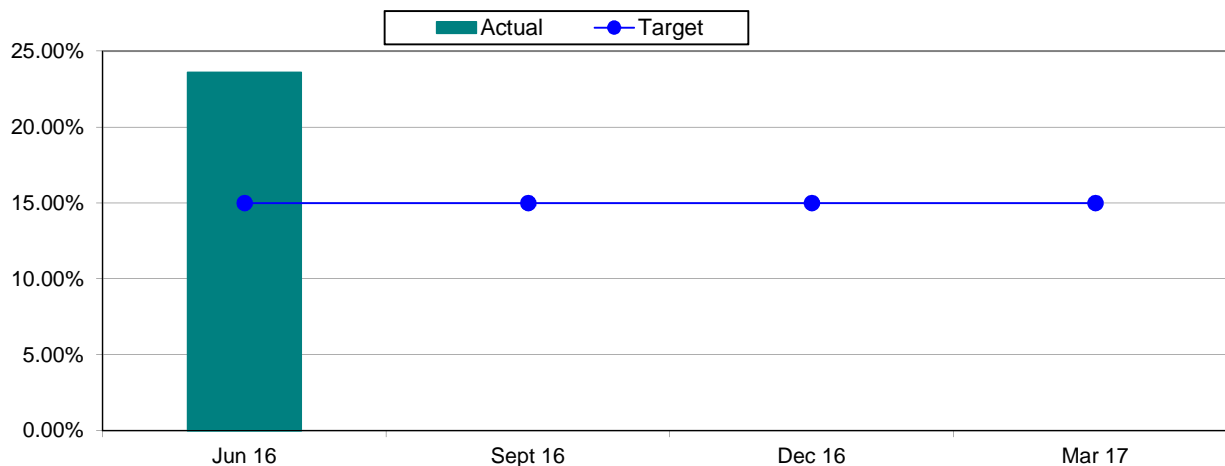
Commentary

This national indicator looks back over three years and is therefore difficult to improve quickly. Also if we successfully place an older child who has been waiting a long time, it pushes our average up. In general the number of days from entry to care to adoptive placement is reducing.

Percentage of agency social workers including team managers

Measure the proportion of agency workers in Social Care to support workforce stability.

Smaller is better



New Council Business Plan Measure for 2016/17

	Jun 16	Sept 16	Dec 16	Mar 17
Actual	23.60%			
Target	15.00%	15.00%	15.00%	15.00%
Performance	▲			

Commentary

The target set by Lord Warner, in the early help and children's social care improvement plan, is to reduce agency staff to 15% by March 2017 currently we are at 23.60%. We have a recruitment plan and the percentage of agency staff is gradually reducing, and 95 new posts mainly social work qualified have been established in the past 15 months however this target remains at risk Compared to other authorities the percentage of agency staff is All England 16%, West Midlands 16% and Statistical Neighbours 22.89%.

Place Directorate

Total by measure status							
★	3	✓	1	●	0	▲	1

Key

★	: Target exceeded/ahead of schedule
✓	: Performance on track
●	: Off target, but, within acceptable tolerance
▲	: Target below allowable tolerance/behind schedule

There are five measures within this directorate.

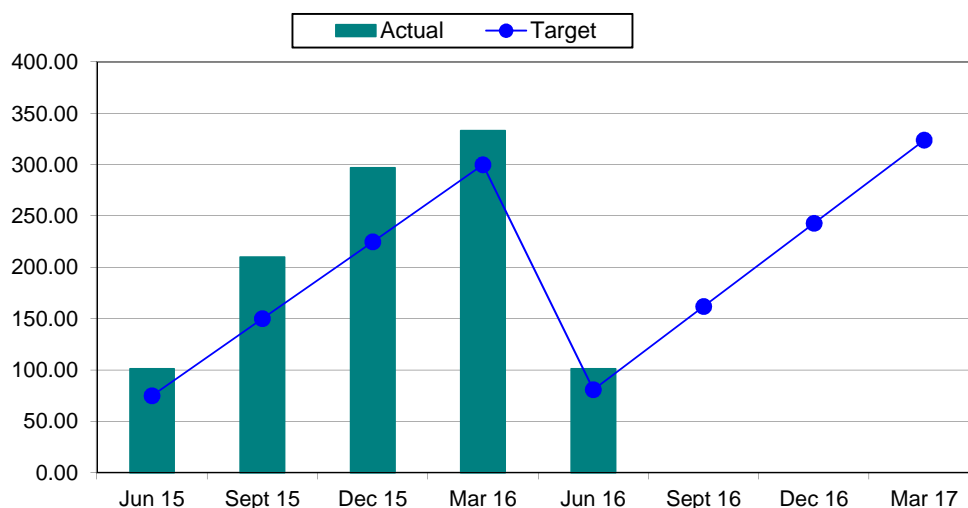
One of the available measures within this Directorate are performing as expected.

The following pages detail the three measures where we have performed particularly well (i.e. where we have exceeded our target), and, the one measure that require special management and Member attention (i.e. where we have not met our target).

Empty properties brought back into use

Number of privately owned empty properties brought back into use through the teams intervention.

Bigger is better



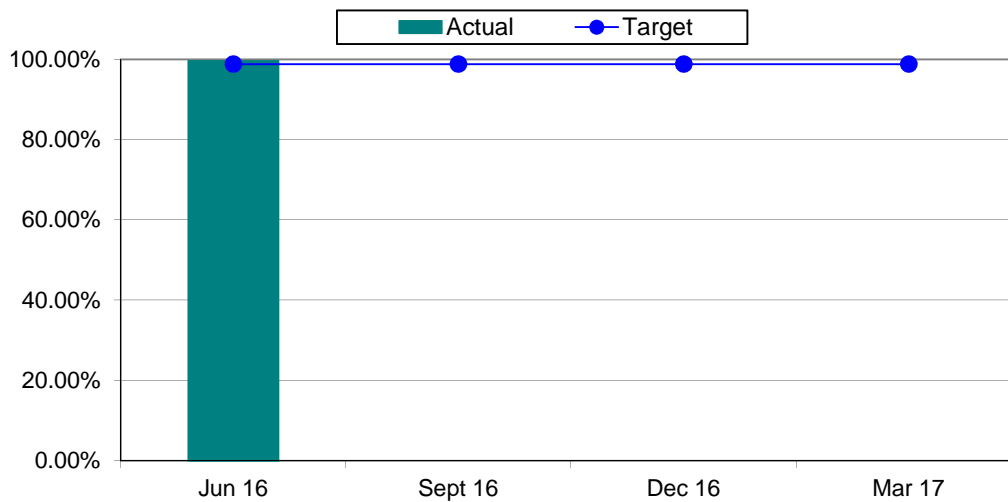
	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	Mar 17
Actual	101.00	210.00	297.00	333.00	101.00			
Target	75.00	150.00	225.00	300.00	81.00	162.00	243.00	324.00
Performance	★	★	★	★	★			

Commentary

Target exceeded, with 101 properties brought back into use against our target of 81 demonstrating the concerted efforts to reduce the number of empty properties throughout Birmingham. The empty property strategy is designed to bring back into use long term empty properties, the team achieved this through Education, Encouragement and Enforcement. These 3 together, enable the team to achieve its goal, and being true to our word, we have performed very well.

Available Council Homes as a percentage of total stock

Bigger is better



New Council Business Plan Measure for 2016/17

	Jun 16	Sept 16	Dec 16	Mar 17
Actual	99.55%			
Target	98.80%	98.80%	98.80%	98.80%
Performance	★			

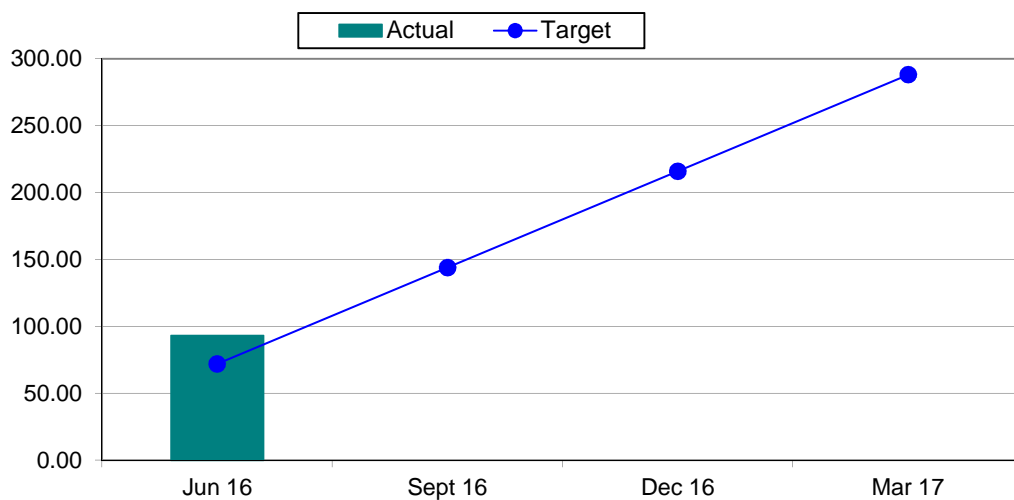
Commentary

We are currently performing above the June target of 98.80% Performance is now being assisted by quicker turnaround of void property repairs as a result of the challenging targets introduced as part of the new Housing Repairs, Maintenance and Improvement contracts which commenced in April 2016.

Number of properties improved in the private rented sector as a result of local authority intervention

To measure the number of private rented properties improved as a result of intervention by the Council.

Bigger is better



New Council Business Plan Measure for 2016/17

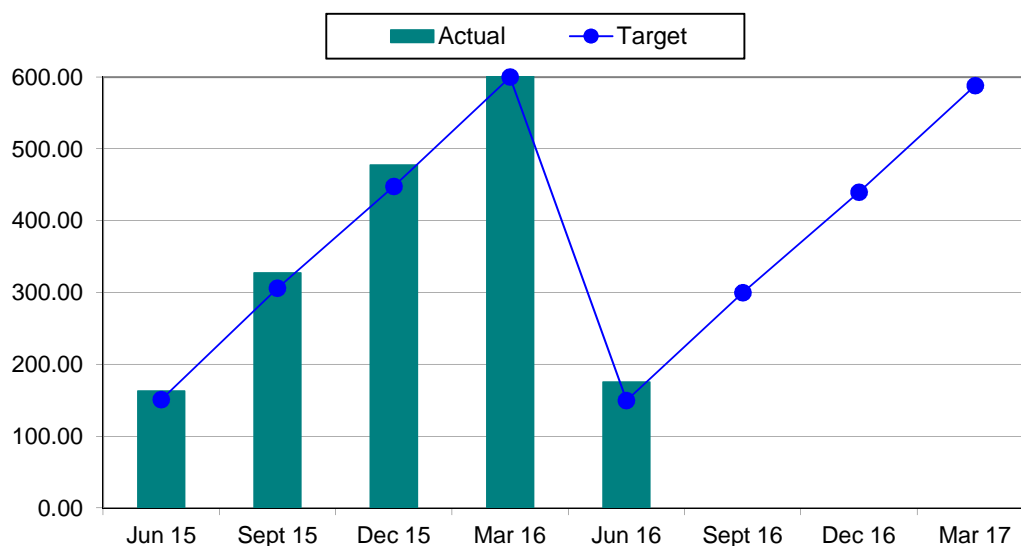
	Jun 16	Sept 16	Dec 16	Mar 17
Actual	93.00			
Target	72.00	144.00	216.00	288.00
Performance	★			

Commentary

Target exceeded, with 93 properties improved against our target of 72. The Private Rented Sector Team continue to improve the lives of Private Sector Tenants across Birmingham. Positive interventions that have been particularly successful include:- targeting Houses in Multiple Occupation (HMO's) that are unlicensed through Government funding under Rogue Landlord Fund.

Reduce residual household waste.

Smaller is better



Number of kilogrammes

	Jun 15	Sept 15	Dec 15	Mar 16	Jun 16	Sept 16	Dec 16	Mar 17
Actual	162.67	327.21	477.09	685.99	175.22			
Target	151.00	306.00	448.00	600.00	150.00	300.00	440.00	588.00
Performance	✓	●	✓	▲	▲			

Commentary

The actual profiled year to date result of 175.22 kg means that we are above our profiled target of 150 kg. This continues the trend reported in 2015/16. A comprehensive communications strategy is nearing completion. This will pick up the behaviour changes required to address this and the poor recycling performance.

The following actions are also progressing to improve this measure:

Plans are in development to restrict access to the City's 5 HRCs (Household Recycling Centre's) to Birmingham City residents only. Measures are also being developed to prevent Trade/Commercial waste from entering the domestic waste stream.

A one-off ward based waste composition analysis was completed in June 2016 and we are now using the results to influence our decisions/actions. This will help steer the waste disposal strategy and will provide crucial information for targeted communications about reducing waste and increasing reuse and recycling.

Action continues to support the garden waste service, sales of green waste bins is now circa 62,000, exceeding target.

Report to:	Cabinet
Report of:	Director of Property
Date of Decision:	20 September 2016
SUBJECT:	SALE OF FORMER ALLOTMENTS STATION ROAD/FLAXLEY ROAD STECHFORD BIRMINGHAM
Key Decision: Yes	Relevant Forward Plan Ref: 002263 (2016)
If not in the Forward Plan: (please "tick" box)	Chief Executive Approved <input type="checkbox"/> O & S Approved <input type="checkbox"/>
Relevant Cabinet Member:	Councillor John Clancy - Leader of the Council
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq
Wards affected:	Stechford and Yardley North

1. Purpose of report:

- 1.1 To note the outcome of an informal tender for the sale of surplus Council owned land at Station Road/Flaxley Road, Stechford extending to 3.47 acres as shown edged black on the plan attached at Appendix 1 (the Site)
- 1.2 The private report contains commercially confidential details of this transaction.

2. Decision(s) recommended:

- 2.1 That Cabinet note this report.

Lead Contact Officer:	Lucy Berry Birmingham Property Services
Telephone No:	0121 303 3777
E-mail address:	lucy.berry@birmingham.gov.uk

3. Consultation

3.1 Internal

Leisure Services declared the Site, formerly used for allotments, surplus on the 31st March 2000. The Secretary of State granted Section 8 Consent to release the Site from allotment status on the 28th August 2000

The report was subject to the relevant Chief Officer consultation, including the Cabinet Member for Leisure Services, with no adverse comments received.

3.2 External

No external consultation has been undertaken

4. Compliance Issues:

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

The development of new homes for a growing city is a key objective of the Leader's Policy Statement. The sale will facilitate the delivery of new quality housing within the City and is in accordance with the objectives of Business Plan 2016+. The sale will enhance the development of strong neighbourhoods and help to meet population and economic growth.

4.2 Financial Implications

The disposal of this surplus asset will generate capital receipts for the Council to help support the Council Business Plan and Budget 2016+, and contribute to key business priorities.

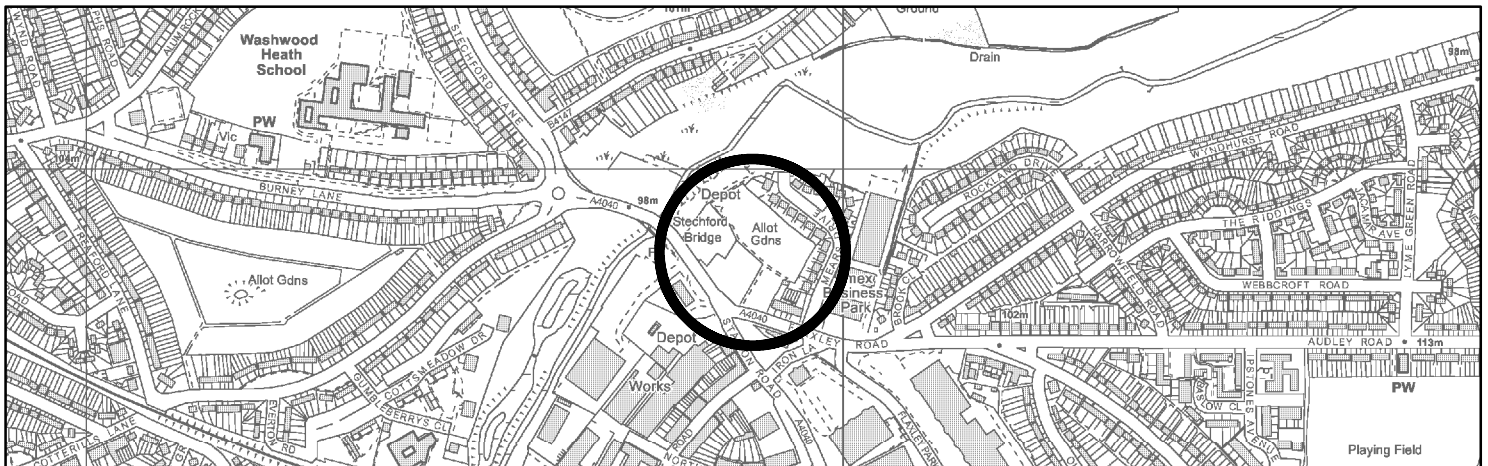
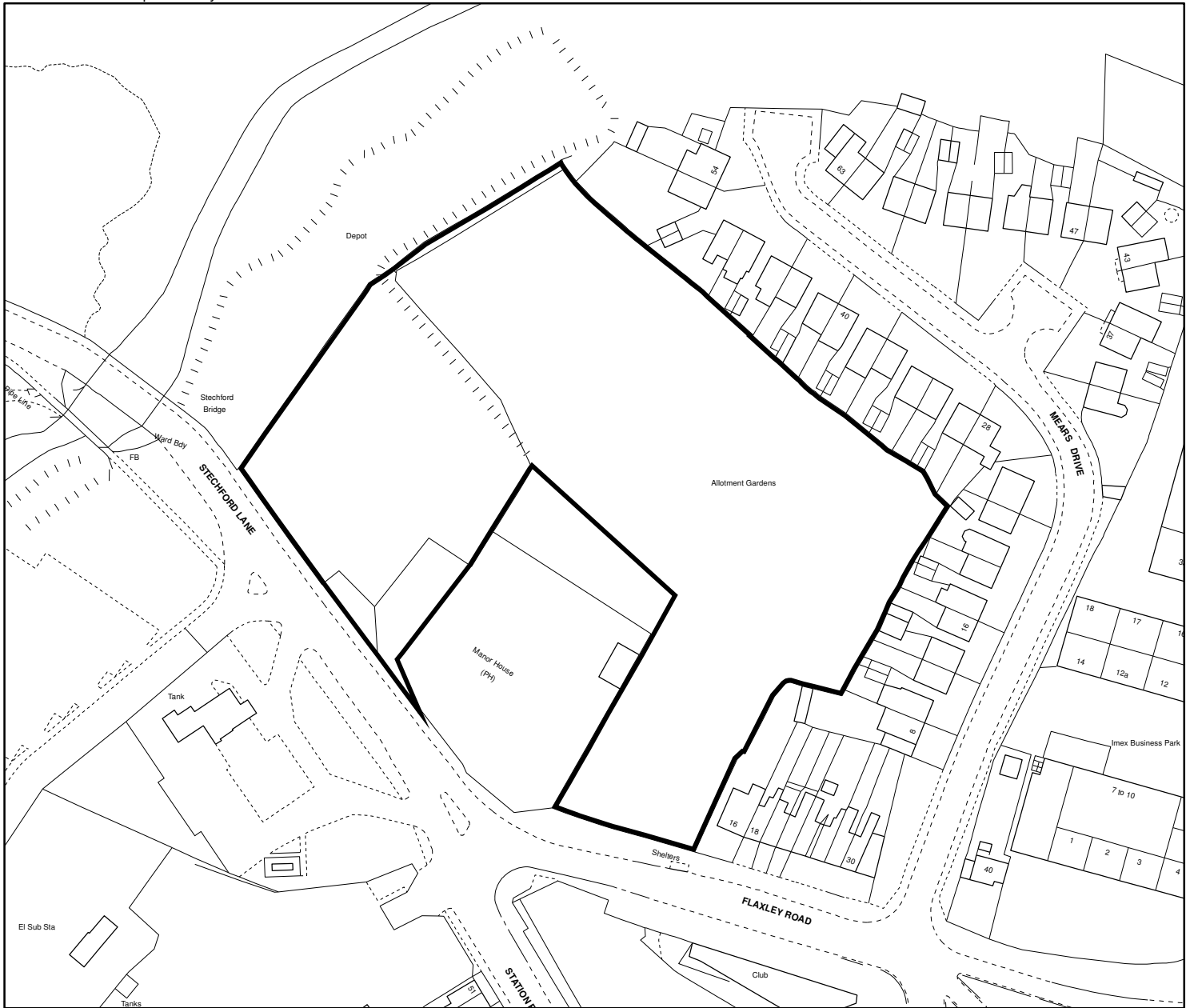
4.3 Legal Implications

The power to acquire, dispose and manage assets in land and property is contained in Sections 120 and 123 of the Local Government Act 1972.

4.4 Public Sector Equality Duty

Having carried out an initial screening, there is no requirement to undertake a full equality analysis.

5. Relevant background/chronology of key events:							
5.1	The Site comprises former allotment land.						
5.2	At its meeting on the 31 st March 2000 Leisure Services declared the Site surplus to requirements.						
5.3	The Site has been offered for sale on the open unrestricted market. A tender report detailing the outcome of the tender process is appended to the report on the private agenda.						
6. Evaluation of alternative option(s):							
6.1	Not to proceed with the sale would mean that the Site would remain undeveloped.						
6.2	The Site could potentially be combined with the adjacent land to provide a more comprehensive housing development scheme fronting onto Flaxley Road, however the adjoining land is currently within private ownership and it has not been possible to agree terms with the owner.						
7. Reasons for Decision(s):							
7.1	The sale will generate a capital receipt that can be reinvested by the City.						
7.2	The sale will provide much needed new homes.						
<table border="0"> <tr> <td>Signatures</td> <td><u>Date</u></td> </tr> <tr> <td> <p> Cllr John Clancy Leader of the Council </p> <p> Peter Jones Director of Property </p> </td> <td> </td> </tr> </table>				Signatures	<u>Date</u>	<p> Cllr John Clancy Leader of the Council </p> <p> Peter Jones Director of Property </p>	
Signatures	<u>Date</u>						
<p> Cllr John Clancy Leader of the Council </p> <p> Peter Jones Director of Property </p>							
List of Background Documents used to compile this Report:							
Surplus Report 31 st March 2000 Section 8 Consent 28 th August 2000							
List of Appendices accompanying this Report (if any):							
1. Appendix 1 – Site Plan							
Report Version	1	Dated	September 2016				



Birmingham City Council

Flaxley Road Allotments (Former)
Flaxley Road
Stechford



Drawn
MI

Date
18/08/2016

O.S. Sheet: SP1287NE

Report to:	CABINET
Report of:	Head of Procurement, Corporate Procurement Services
Date of Decision:	20 September 2016
SUBJECT:	Council print strategy and associated procurement strategy (contract ref: P0358)
Key Decision: Yes	Relevant Forward Plan Ref: 002181/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Majid Mahmood, Cabinet Member, Value for Money and Efficiency
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, O & S Chairman for Corporate Resources and Governance
Wards affected:	ALL

1. Purpose of report:

- 1.1 To set out the results of the options appraisal and the proposed procurement strategy for the future delivery of the Council's Print Services. The accompanying report on the private agenda contains commercially confidential information that cannot be disclosed on the public agenda.

2. Decision(s) recommended

That Cabinet:

- 2.1 Notes the contents of this report.

Lead Contact Officer(s):	
	Andrea Webster, Category Manager (Procurement) 0121 464 4726. Andrea.webster@birmingham.gov.uk Stephen Arnold, Head of Marketing. 0121 303 2923. stephen.arnold@birmingham.gov.uk

3. Consultation

3.1 Internal

Officers from Finance, Legal and Democratic Services, Electoral Services, Shared Services, Communications and Procurement have been involved in the option appraisal process and preparation of this report.

External

Informal market sounding has been undertaken with the key suppliers in the print market to assess the market's ability to respond to the Council's high level requirements. The results of this consultation have been used to shape the procurement strategy

4. Compliance Issues:

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

4.1.1 The proposals will contribute to the Council's Business Plan and Budget 2016+ as follows:

- **A strong economy:**

- There is an opportunity for the Council to leverage greater value by (a) consolidating demand under one contract and (b) improved contract management.
- Greater visibility of printed material leading to rationalisation and implementation of a 'print by exception policy' which will lead to making information clearer and more accessible to citizens of Birmingham e.g. channel shift and an increased use of electronic media. The 'Print by exception policy' (to be developed as part of contract implementation) will be a means of considering the best method of communication for a message; this may be print or the use of non-traditional media such as social media or other online solutions.
- By centralising the control and management of the process the Council will achieve improved brand consistency. This will lead to a move to more targeted and focused messages

4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Future Tender

Compliance with the BBC4SR will be a mandatory requirement for tenderers and will also form part of the conditions of contract. Tenderers will submit an action plan which will support the local economy and create much needed jobs and apprenticeships with their tender submissions that will be evaluated in accordance with 5.8. The action plan of the successful tenderer will be implemented and monitored during the contract period.

4.2 Financial Implications

The estimated spend through the proposed contracts is contained in the private report.

This proposed framework contract will not commit the Council to any particular level of spend. Spend on items identified within this contract will be met from existing approved

budgets.

Any savings arising from this contract award will be used by all directorates to contribute to the overall budget reduction agenda

Prices under this contract will be fixed for the first 12 months and will be reviewed annually thereafter. Any increases will not be permitted unless agreed by Strategic Contracts Manager within Corporate Procurement in conjunction with relevant stakeholders.

The Council will receive an income on all spend through the new Framework Agreement by other Councils and public sector organisations within the West Midlands. The rebate will be set at 1% of total spend and any income will be retained by Corporate Procurement Services to offset the cost of running the procurement. At this stage it is not possible to estimate what level of spend or rebate there will be from other Councils and public sector organisations within the West Midlands

Single Contractor Negotiations

Due to the need to make existing contracts coterminous, single contractor negotiations will be held with two of the existing providers in order to maintain service delivery

4.3 Legal Implications

The procurement is designed to enable the Council to deliver services under a wide range of primary legislation

4.3.1 Information Management

Through the procurement process prospective suppliers will be required to demonstrate that they have security policies in place to ensure that they handle any data for any Council mailing activity in a safe and secure manner.

4.3.2 Pre-Procurement Duty under the Public Service (Social Value) Act 2012

Consideration of how this procurement might contribute to achieving the Council's priorities and improve the economic, social and environmental well-being of Birmingham was discussed with key stakeholders (Corporate Communications and Elections Office) and this is reflected in the requirements, whilst being relevant and proportionate to the overall contract. Additional stakeholder consultation was not required to achieve this as sufficient information on how social value could be achieved was available to key stakeholders.

The process for securing this social value during the procurement will be through the Birmingham Business Charter for Social Responsibility.

4.4 Public Sector Equality Duty

A relevance test to decide whether the planned procurement for the contract has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 of eliminating unfair/unlawful discrimination and to promoting equality and human rights was conducted on 7th December 2015. The screening identified there was no requirement to assess it further and completion of an Equality Assessment form was not required.

5. Relevant background / chronology of key events:

5. Background

5.1.1. The Council's Print Services are currently delivered through a number of contracts/arrangements with differing contract expiry dates (see table below in para

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5.1.3). With the exception the operation of the hybrid mail service and design services none of the services included in this future procurement are currently delivered by Council employees.

5.1.2. Much work has been done over recent years within the relevant categories of print spend to address disparities such as multiple suppliers, inconsistent costs, invoicing, diverse contract management and charging etc in order to adopt a more consolidated corporate approach. This approach also provides opportunities to address the financial challenges facing the Council. One of the area's that has been identified is to explore the feasibility of a total print management solution. As a number of the Council's existing print contracts are due to expire in the next 2 years this presents a timely opportunity to do this.

5.1.3. Informal market consultation has indicated that there are a number of Framework Agreements (FA) that are currently managed in isolation that could practically be consolidated under a single contract to reduce overall costs. These contracts will expire at various times between now and 31st March 2018 and are summarised in the table below.

FA / purchasing category	Transactional Print and eComms (F0204)	Shredding & confidential waste (F0223)	Multifunctional devices (F0139)	Printed Material for elections office (F0210)	Postal ballot pack production (F0168)
Contractor	Corporate Document Services Ltd (CDS).	P W Commercial Company Ltd t/a Printwaste Recycling and Shredding (Printwaste).	1. Océ (UK) Limited * 2. Altodigital Networks Ltd 3. Office Depot UK Ltd*	Facilities & Corporate Solutions Ltd (FCS) t/a FCS Laser Mail	Opt2Vote Ltd (Name subsequently changed to IDOX Software Ltd)
Contract start	01/04/2014	03/06/2013	01/12/2011	15/05/2013	01/10/2011
Original Contract Completion	31/03/2018	02/06/2017	30/11/2015	14/05/2017	30/09/2016
Current / planned contract Expiry date	n/a	31/03/2018	31/03/2017	30/05/2018**	30/05/2018 **
Est. spend per annum ex schools	£1m	£99k	£1.036m	£124k	£400k
Specific framework call offs (if applicable & annual spend included above for call off 1 only - MFD's in Council Buildings)					
Description	n/a	n/a	1. MFDs in the Council building 2. Hybrid Mail 3. Individual school call offs	n/a	n/a
Contractor			1. Altodigital Networks Ltd 2. Altodigital Networks Ltd 3. Altodigital Networks Ltd & Canon UK Limited		
Contract start			1. 01/03/2015 2. 01/01/2016 3. Various		
Current contract expiry date			1. 30/03/2019 2. 31/12/2020 3. Various		
Est. spend per annum			1. £570k 2. £445k 3. £1.2m (Alto) & £146k (Cannon)		
* Office Depot UK Ltd subsequently withdrew from the FA in May 2013 and Océ (UK) Limited transferred to Canon UK Limited also in May 2013.					
** extended beyond 31 March 2018 due to May elections being close to contract commencement leaving insufficient time for mobilisation					

5.1.4 Computer output print services provided under the existing Service Birmingham contract is out of scope of this strategy given the duration of the contract remaining as is design services, where in-house capability/resources exists.

5.1.5 The hybrid mail solution referred to in Table 6 above is operated by Birmingham Venture Capital (BVC) a wholly owned company of the council. This solution, as set out

in the business case approved by Cabinet on 22nd September 2015, was implemented in order to retain existing external postal customers at risk of migrating to a hybrid mail provider. A hybrid mail solution receives an electronic file of postal items, it prints the items, packages them and adds them to the Royal Mail network removing the need to collect postal items from customer locations around the Midlands and deliver to Dollman Street. The recommendations included here do not affect the financial viability of that service as set out in the business case approved by Cabinet in September 2015

- 5.1.6 In addition to the above there is also c £1m of school MFD spend with non-contracted suppliers, predominantly with Ricoh UK Ltd. It is hoped, through any new framework, to migrate this spend to a contracted supplier.

5.2 Service Delivery Options Appraisal

- 5.2.1 A preliminary appraisal was undertaken by Corporate Procurement Services to identify which of the 13 Service Delivery Options (set out in Appendix 1), using the model developed by the Joint Commissioning network, should be assessed in greater detail. The preliminary options appraisal determined that market engagement through tendering would provide the greater opportunity to deliver the benefits associated with a corporate procurement approach and delivery of the outcomes listed in 5.4. This recommended method of service delivery is explored in more detail in Appendix 1 along with rationale for the exclusion of the remaining 12 options.
- 5.2.2 The results of the preliminary assessment indicated that there was no need to undertake a full options appraisal due to the unsuitability of the alternative models. The future strategy set out below will therefore be delivered via a standard procurement route.

5.3 Service Requirements

- 5.3.1 The Council has a requirement for the following print and print related services/products;
- Reprographic services, Multi Function Devices (MFDs) and shredding/confidential waste;
 - The production/printing of internal and external communications providing information for residents, staff and stakeholders;
 - eCommunication services; and
 - electoral registration and administering all elections within the City

5.4 Outcomes required

- 5.4.1 The required outcomes from this procurement process are:

- Create a single point of ownership for all in scope print meaning that print can be diverted to one cost effective source
- Contractual alignment of all in scope services
- Central control of brand/message
- Channel shift Council publications away from printed formats and introduce a digital by default policy i.e. print by exception where for example there is strong evidence that the audience has no internet access or where there is a statutory obligation to produce publications in print format
- Where print is required use the correct channel to deliver accurate and up to date information whilst ensuring value for money
- Economies of scale in terms of price and process efficiencies

- 5.4.2 Changing current printing processes

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Currently Corporate Communications undertake a gate keeper role for all work ordered via CDS under the transactional Print and eComms contract. Where graphic design services are required this is mostly provided by the in house team within Corporate Communications ensuring that there is central control of the brand and message and that communications are directed to electronic solution where appropriate.

It is the intention through any new framework agreement to extend this further and capture all printed messages. For example larger print runs are often produced on MFDs, when it is more cost effective for this to be produced externally. In addition some externally facing publications are produced by Council Officers outside of the in-house graphic design team and then printed on an MFD. Corporate Communications currently have no visibility of either of these. The detail of how this change will be delivered will be explored through discussion with prospective suppliers as part of the procurement process (via mid tender interviews for example) however one example of how this may be delivered is through print re-direction software on an MFD. Such software would prevent jobs of a set quantity being produced on an MFD and would automatically direct this work to an external source and flag the need for possible design input. In addition the management information captured via this software would assist in identifying any other work where efficiencies maybe made say for example where eCommunication channels would be more appropriate e.g. SMS messaging, email etc.

5.5 Market Analysis

5.5.1 Informal market consultation has been undertaken with key suppliers in the print market on this proposed strategy and the following points resulted:

- **Aggregation of services** – the products / services in scope here are complimentary and when aggregated can deliver the change in behaviour that the Council is seeking e.g. using the best method of communication for a message, this may be print or could be non-traditional media. This is best managed by one supplier rather multiple suppliers/contracts. There are examples of other Local Authorities that have adopted this approach and delivered savings.
- **Optimisation of the Contract Period** – the proposed contract of five years will enable a return on investment for the MFD machines (see para 5.7.1.1 below)
- **Digital by default** - consider reduction in print volumes to allow for greater use of electronic delivery

5.6 Procurement Options

5.6.1 The following procurement options were considered :

5.6.1.1 Tender as a Birmingham Framework Agreement available for use by other Councils and public sector and charitable organisations in the West Midlands

This is the preferred option for the Council as this would allow other Council's, public sector bodies and organisations in the West Midlands access to a framework agreement. The Council would be in a position to benefit from rebates. Also, in utilising this option the Council's core costs would not increase in terms of procurement costs and in the management of the resulting framework as other Council's, public sector bodies etc will be responsible for managing there own call off contracts under the framework.

5.6.1.2 Use of a Collaborative Framework Agreements

There is one collaborative framework agreement in place for Print Services as follows:

- Crown Commercial Service / YPO/ ESPO - Multifunctional Devices, Managed Print and Content Services and Records and Information Management (RM3781)

This framework agreement will be awarded in Sept / Oct 2017. This option was discounted as it does not include provision for all of the service requirements set out above and is to be awarded in distinct lots to multiple suppliers.

5.7 **Procurement Approach**

5.7.1 **Contract Duration and Advertising Route**

5.7.1.1 The duration of the proposed Framework Agreement will be for a period of five years. A shorter contract period would inhibit best value as MFDs typically operated under five year lease or rental arrangements and offering a shorter contract duration a contractor would not be able obtain sufficient return on their investment if the contract period is less than 5 years

5.7.1.2 The tender opportunity will be advertised via www.finditinbirmingham.com, Contracts Finder and the Official Journal of the European Union (OJEU).

5.7.2 **Procurement Route**

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

- The service can be clearly defined
- There are a number of organisations who may express an interest in this Framework Agreement. Therefore, carrying out the pre-qualification process will ensure the shortlisted organisations meet the Council's requirements.

5.7.3 **Scope and Specification**

5.7.3.1 The following services and equipment will be included in the future Framework Agreement:

- Transactional print and associated services- e.g. leaflets, posters, mailing, bulk photocopying, and other printed material produced in small quantities;
- eCommunication services enabling online publishing of materials and other eCommunication channels. The aim is to support the migration from traditional printed formats to more cost effective online and eCommunication channels
- Multi Functional / print devices and associated software (MFDs) to include a separate solution for schools;
- Shredding/confidential waste;
- Postal voting ballot pack production and electronic verification of returned postal votes and;
- Elections print services – the printing of registration forms for the purpose of updating the Register of Electors and printing ballot papers and poll cards for elections.
- Any mailing work generated as a result of the above will utilise the Council's Royal Mail contract.

5.7.3.2 The Framework Agreement(s) will be tendered as two lots, with the option of a separate award for postal voting and elections print services. Further justifications for this approach are set out in the table below. Applicants may bid for one or both lots.

Lots	Services	No. of suppliers	Justification for the approach
1	(i) All of the above	Max	1 supplier - where an award

	services, with the option of making separate awards for postal voting and elections print services	Three	offers economies of scale. In this scenario it is possible that the successful suppliers will act as a managed service provider & subcontract parts of the service that cannot be self-delivered. 2 - 3 suppliers - where the Returning Officer deems a separate award more appropriate in the discharge of their statutory function for postal voting and elections print services
2	(ii) MFD provision for schools*	Max Three	Recognises the school's need for choice

5.8 Tender Structure (including Evaluation and Selection Criteria)

5.8.1 The evaluation of applications will be conducted in two stages:

5.8.1.1 Pre-Qualification Questionnaire (PQQ) Stage (pass / fail)

- Supplier Information
- Grounds for Mandatory Exclusion
- Grounds for Discretionary Exclusion – Part 1 and 2
- Economic and Financial Standing
- Technical and Professional Ability
- Environmental Management
- Insurances
- Compliance with Equalities Duties
- Health and Safety
- Quality Management
- Compliance with the BC4SR and the Living Wage
- Declaration
- Technical Experience and Competence
- References

The Council expects to invite no more than the top 5 ranked organisations, per lot to the Invitation to Tender stage, however it may invite more organisations where there is a negligible difference in the scores between the 5th applicant and the next placed applicant(s).

5.8.1.2 Invitation to Tender (ITT) Stage

The organisations shortlisted at PQQ stage will be invited to tender and sent the tender documentation for completion and return.

The ITT will be evaluated using the quality / social value and price criteria below that were established having due regard to the corporate document Evaluating Tender 'Guidance' which considers the complexity of the services to be provided.

Tenders will be evaluated against the specification in accordance with a pre-determined evaluation model using a quality / social value / price in accordance

with the % breakdowns set out below.

The evaluation of tenders for each lot will be divided into Assessment A, B and C as detailed below:

Lot 1 – all Services (inc where there is a separate award for postal voting and elections print services)

Assessment A – Quality (Written Proposals) – 40%

Written Proposals	Overall Weighting	Sub-Weighting
Service Delivery	100%	70%
Mobilisation		10%
Contract Management and Customer Care		20%

Tenderers who score more than the total quality score threshold of 60% ie a score of more than 300 out of a maximum quality score of 500 will proceed to assessment B – Social Value Proposals.

Assessment B – Social Value Proposals – 10%

Social Value Proposals	Overall Weighting	Sub-Weighting
Local Employment	100%	30%
Buy Birmingham First		20%
Partners in Communities		20%
Good Employer		10%
Green and Sustainable		10%
Ethical Procurement		10%

Tenderers who score more than the total social value score threshold of 50% ie a score of more than 250 out of a maximum social value score of 500 will proceed to assessment C – Price.

Assessment C - Price (50% Weighting)

The cost models used will be based on the Council's existing spend profile from the historic data available. This enables each tender to be assessed in a way which reflects the actual requirements to date to enable cost comparisons to be made.

Prices will be fixed for a period of 12 months from the date of award. Any increases after this date will not be permitted unless agreed by Corporate Procurement.

Lot 2 – MFD provision for schools

Assessment A – Quality (Written Proposals) – 20%

Written Proposals	Overall Weighting	Sub-Weighting
Service Delivery	100%	60%
Mobilisation		10%
Contract Management and Customer Care		30%

Tenderers who score more than the total quality score threshold of 60% ie a score of more than 300 out of a maximum quality score of 500 will proceed to assessment B – Social Value Proposals.

Assessment B – Social Value Proposals – 10%

Social Value Proposals	Overall Weighting	Sub-Weighting
Local Employment	100%	30%
Buy Birmingham First		20%
Partners in Communities		20%
Good Employer		10%
Green and Sustainable		10%
Ethical Procurement		10%

Tenderers who score more than the total social value score threshold of 50% ie a score of more than 250 out of a maximum social value score of 500 will proceed to assessment C – Price.

Assessment C - Price (70% Weighting)

The cost models used will be based on the School's existing spend profile from the historic data available. This enables each tender to be assessed in a way which reflects the actual requirements to date to enable cost comparisons to be made.

Prices will be fixed for a period of 12 months from the date of award. Any increases after this date will not be permitted unless agreed by Corporate Procurement.

5.8.1.3 Overall Evaluation

The evaluation process will result in comparative quality, social value and price scores for each tenderer. For each element (quality, social value, price), the tender obtaining the highest marks will be awarded the maximum score for that element, with other tenders being allocated scores on a pro-rata basis.

5.8.1.4 Contracts under any framework agreement will be awarded in the following ways (lot 2 only)

- **Direct Award** – using the rates quoted by the successful service provider the customer will be able to identify the Supplier who provides the most economically advantageous offer an order will then be raised. If this service provider is unable to fulfil the order the second supplier will be approached and so forth.; or
- **Further Competition Exercise** –when a Customer is not able to identify the Supplier who provides the most economically advantageous offer a mini competition involving all those Suppliers who have demonstrated that they are capable of performing the Order will be conducted. The evaluation criteria to be used for a further competition exercise will be quality 0-10%, social value 10-20% and price 70-90%. The evaluation criteria will be decided by the officer that commissioned the further competition exercise who will also carry out the evaluation.

5.8.2 Evaluation Team

The evaluation of tenders will be undertaken by officers from:

- Communications
- Elections Office
- Records Management service
- Birmingham Property Services

supported by Corporate Procurement Services

5.9 **Indicative Implementation Plan**

Cabinet Approval (Strategy)	20 Sept 2016
OJEU Notice Issued	January 2017
Clarification Period	January 2017
PQQ Deadline Submission	February 2017
Evaluation Period	March 2017
Issue Tender	April 2017
Clarification Period	April – June 2017
ITT Return Date	July 2017
ITT Evaluations	Aug-Sept 2017
Delegated Contract Award	Oct 2017
Mobilisation period (if applicable)	Nov 17 – Mar 2018
Contract Start	1 st April 2018

5.10 **Service Delivery Management**

5.10.1 Contract management

The Council's contract(s) and framework arrangements will be managed by the Contract Manager, Contract Management team in Corporate Procurement Services.

5.10.2 Performance Monitoring

Day to day performance of the contract will be measured through a set of key performance indicators (KPI's). The KPI's will measure the delivery of the following key objectives.

- a) Financial - changing behaviours and improving efficiency should make a contribution to the financial challenge of the Council
- b) Customer/Citizen satisfaction - message is accurate and delivered on time
- c) Control of the Council brand and message
- d) Supporting delivery of Council policy
- e) Contract Management

6. **Evaluation of alternative option(s):**

- 6.1 **To do nothing** – this option was rejected as the Council would not be able to optimise corporate efficiencies and potential cost savings that a managed contract could create. In addition this would also mean that there would be no print or MFD contracts in place.
- 6.2 **Continue to operate a series of individual service specific contracts** – this option was rejected as it will not offer best value and opportunities for increased control and governance will be lost. In addition managing one or a smaller number of contracts will be a more effective use of officer time.
- 6.3 The alternative procurement options are detailed in 5.6.

7. Reasons for Decisions (s):

- 7.1 To enable the Assistant Director of Procurement to commence tendering activity for print services.

Signatures

Date

.....
Angela Probert
Strategic Director, Change & Support Services

.....
Cllr Majid Mahmood,
Cabinet Member, Value for Money and Efficiency

List of Background Documents used to compile this Report:

1. Report to Cabinet Member For Commissioning, Contracting And Improvement Jointly With The Deputy Chief Executive dated 20 March 2014 - Contract Award for Transactional Printed Material (F0204)
2. Report to Director of Legal & Democratic Services dated 16th April 2013 - Contract Award for Printed Material for the Elections office (Contract Ref: F0210)
3. Report to Cabinet Committee (Procurement) dated 8th September 2011 - F0168 - Contract Award for the Postal Ballot Pack Production and Electronic Verification of Returned Postal Votes.
4. Report to Assistant Director – Procurement dated 26th March 2013 - Contract Award for the provision of on-site and off-site shredding of confidential waste services.
5. Report to Assistant Director – Procurement dated 25th October 2011 - Contract for the award of a framework agreement for the Provision of Multifunctional Devices and Print Room Devices (F0139)
6. Report to Assistant Director – Procurement dated 12th February 2015 - Call off contract award, under Lot 1 of the framework agreement F0139 (Provision of Multifunctional Devices (MFDs) and Print Room Devices)
7. Report to Assistant Director – Procurement dated 11th November 2015 - F139 MFDs, Print Room Devices and Print Management Software (SCN – framework extension)
8. Report to Assistant Director – Procurement dated 14th January 2016 - Contract Award for Provision of MFDs, Print Room Devices and Print Management Software
9. Report to Cabinet dated 22nd September 2015 - Hybrid Mail Solution

List of Appendices accompanying this Report (if any):

1. Service Delivery Options appraisal

Appendix 1

Service Delivery Options Appraisal

No.	Option	Can address the service outcomes (Yes / No / Maybe)	Comments / reason for exclusion
1	Decommission the Service: The cessation of the service whole or in part	No	Not applicable - there will always be a need for some print. Possibly revisit the specification for reduced service, as some elements of Service may be digitised. In addition for some elements there may be a statutory requirement to produce in the printed form.
2	Continue to provide the service in-house	No	N/A as the service is not currently provided in-house in addition the Council does not have the skills and resources necessary to undertake all of the activities. The potential opportunities identified are predicated on a single point of contact for the print services identified here
3	Setting up a new function or unit to deliver a particular service	No	Develop a Council DLO Service. Discounted due to the transfer of risk back to the Council given that the in house services were decommissioned, the existence of a vibrant market able to undertake the service and the service is not viewed as core Council business.
4	Support contracts/term contract framework agreements	No	N/A as there is no in-house service to supplement.
5	Commission the market to deliver service outcomes		
5i	- Contracts	Yes	As per existing service provision, although there will be some aggregation, as this is likely to deliver best value for money and required outcomes.
5ii	- Grants	No	N/A. No grants exist for this service.

6	Transfer some or all of an asset to the community, trust, charity, service user group or other body (including Social Enterprises).	No	N/A. No assets will be transferred.
7	Market Shaping to establish quality and adequacy of supply to meet a range of needs from individuals purchasers	No	N/A a vibrant market able to undertake the service already exists.
8	The re-negotiation of existing arrangements with current providers	No	N/A. Extension options in the existing contracts have already been taken up.
9i	The transfer of a function to another entity where there is to be a major transfer of assets.	No	N/A. There will not be a major transfer of assets.
9ii	The transfer of a function to another entity Transfer of a function to wholly owned company	No	N/A. No relevant wholly owned company exists.
10	The creation of a public-private partnership, through a strategic contract or joint venture company.	No	N/A. Discounted as significant investment in legal, finance, and technical advice is required
11	Use of established service delivery vehicle.	No	N/A no established service delivery vehicle exists.

12	The Joint Commissioning or delivery of the service outcomes (Collaboration)	Maybe	In Partnership with other Local Authorities. Discounted other local authorities either have in house print services or have pre-existing arrangements. In addition the framework agreement(s) will be let as collaborative arrangements that other public sector bodies can access. This will also be an income opportunity for the Council in the form of a rebate for all external spend.
13	Use a mixture or combination of options	No	N/A

Report to:	CABINET	
Report of: Date of Decision:	ASSISTANT DIRECTOR CORPORATE PROCUREMENT 20 th September 2016	
SUBJECT:	CONSTRUCTING WEST MIDLANDS FRAMEWORK EXTENSION	
Key Decision: Yes	Relevant Forward Plan Ref: 002027/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>	
Relevant Cabinet Member(s):	Cllr Majid Mahmood, Cabinet Member, Value for Money & Efficiency	
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance	
Wards affected:	All Wards	

1. Purpose of report:	
1.1	To seek approval to the proposal to extend Lots 1-4 & 7 within the CWM framework agreement with effect from 1 st October 2017 for a period of 24 months.
1.2	The report on the private agenda contains confidential information in relation to the proposal.

2. Decision(s) recommended:	
That Cabinet:	
2.1	Notes the contents of the report
Lead Contact Officer(s):	Richard Tibbatts
Telephone No: E-mail address:	Head of Contract Management Corporate Procurement Services Economy Directorate 07827 367245 richard.tibbatts@birmingham.gov.uk

3. Consultation	
3.1 <u>Internal</u>	Acivico Ltd has been involved in the preparation of and supports the content and recommendations within this report. Education and Skills Infrastructure (EDSi), Birmingham Property Services, City Finance, Corporate Procurement Services, and Legal and Democratic Services have been involved in the preparation of this report.
3.2 <u>External</u>	Officers from Corporate Procurement Services and Acivico Ltd have held a series of dialogue meetings with Contractors and Council Clients on the CWM Framework in order to determine the benefits or otherwise of extending these agreements.

4. Compliance Issues:

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

4.1.1 This consideration will support the Council Business Plan and Budget 2016+ priorities to create a fair, prosperous and democratic city. This arrangement will support the primary objective of a Strong Economy and more specifically the following sub-outcomes;

- An enterprising, innovative green city delivering sustainable growth, meeting the needs of the population and strengthening Birmingham's global standing.
- A living wage that generates value locally, prosperity shared and the distinct and different strengths of our communities harnessed.
- Working in partnership with our neighbouring councils.

In addition, all CWM Contractors on Lots 1-4 and 7 have submitted their detailed action plans to deliver the Birmingham Business Charter for Social Responsibility and these have been appraised and approved by Acivico and Corporate Procurement Services.

4.2 Financial Implications

This contract extension does not commit the Council to any particular level of spend. The cost of works delivered under this extension will be met from directorates' and schools revenue service budgets for repairs and maintenance and capital budgets for construction projects.

As part of an offer to support the remaining 2 year extension option, all Contractors have agreed to hold their 2011 tendered rates (plus agreed RPI) against a rising market for the duration of the proposed extension through to 30th September 2019.

This will further support the mitigation of upward movement in costs within the Hard FM & Construction Industry which is extremely buoyant at this moment in time and contributing to increased costs from both Principal Tier 1 Contractors and their Tier 2/3 supply chains.

There would also be an internal cost to re-procure now should the Council decide not to extend and choose to go out to tender.

As part of the first contract extension approved by Cabinet on 16th February Contractors presented and agreed a suite of efficiency measures that would be implemented between April 2015 and 30th September 2017. Throughout the term of the extension to date CWM Lots 1-4 & 7 Contractors have continued working collaboratively with the Council to deliver the agreed 2015-2017 Efficiency Delivery Programme as well as improve current operational processes via a streamlined 'Lean' approach. All Contractors are also performing to an acceptable standard against their contractual commercial & operational KPI's. This partnering approach has supported the successful ongoing delivery of the agreed efficiencies (where practical) which will continue through to 30th September 2017. These are detailed further in Appendix 1.

Exercising the option of a second extension will provide the opportunity to embed the benefits and efficiencies set out as part of the initial extension period, undertake further leaning of the processes and exploration of new and additional opportunities to deliver benefit, for example through Early Contractor Involvement (ECI) and better works scheduling / transparency.

4.3 Legal Implications

The works and services carried out under this framework extension will be in relation to Council owned buildings and schools across the Council's area. Because of the numerous Council services and functions carried out from such buildings it is not practical to include, in this report, details of all relevant legislation enabling those services and functions to be carried out. Subsequent reports seeking approval to specific projects called-off under the framework will list the relevant legal powers in relation to that particular project / building.

4.4 Public Sector Equality Duty

The stage 1 assessment which was undertaken on 13th December 2010, did not highlight the need to undertake a stage 2 assessment on the basis that an EINA was undertaken as part of the original Constructing West Midlands (CWM) tender. This EINA was reviewed on 10th August 2016 and was still considered appropriate and relevant. All Public Sector Equalities duties are embedded within this Framework and the actions and principles will continue to be applied throughout the extension period.

5. **Relevant background/chronology of key events:**

- 5.1 On 25th July 2011 Cabinet approved the appointment of contractors to the framework contracts, commonly referred to as Constructing West Midlands (CWM). These frameworks commenced on 1st October 2011, as 4-year contracts with 2 options to extend exercisable by the Council for up to 2 years in both cases.
- 5.2 On 26th February 2015 Cabinet gave approval to extend CWM Frameworks Lots 1-4 and Lot 7. The report set out the potential efficiencies that could be delivered by the Council and Contractors throughout this initial 2 year extension period until September 2017.
- 5.3 The CWM Agreements require that Contractors are provided with 12 months prior notice on any decision to take up the contract extension options. As such the Council must advise Contractors on the decision to take up the 2nd extension period (2017-2019) by 30th September 2016.
- 5.4 In considering whether to extend for the remaining 2 year option, officers from the Council and Acivico Ltd also undertook a review of Contractor performance over the last 12 month period. The outcome of this review is set out in Appendix 1.

5.5 Rationale for Extending

Extending the framework provides the Council with a consistent DCFM delivery vehicle for Lots 1-4 & 7 thus enabling the Council & Acivico to fully explore and determine the procurement strategy for the CWM Future Operating Model (FOM) which needs to be fully operational by Sept 2019 latest.

There is zero risk in extending Lots 1-4 & 7 as the CWM Framework Agreement is non-exclusive with zero commitment to volume or spend.

The extension will provide operational cover and consistency of approach in this area whilst the Council develops its alternative delivery vehicle(s) for its DCFM services the process for which is outlined in Appendix 2. If the FOM in full or in part is delivered prior

to September 2019 the Council may elect to migrate from the extended CWM arrangements (in its entirety or by Lot) without any operational or commercial risk to the Council.

Extending will allow the Council to continue with a robust evaluation of all FOM options including the following as a minimum:

- A full review of all alternative delivery options in this category area (internal & external)
- A detailed Options Appraisal approach based on selected key delivery criteria from the BCC Commissioning '13 Service Delivery Options'.
- End User Consultation – Including BCC Clients & other Local Authorities / Public & Private Sector Bodies
- Engage in profiling of the Councils requirements over the next 2-3 years through pipeline / programme transparency from Clients to support market engagement activity as required
- Market Engagement /Testing & Industry Best Practice Evaluation – Who is doing what and why.
- Completion of a full review of all Specification, Scope, Commercial & Operational Deliverables.

- 5.6 The proposed 2 year extension agreement with each Contractor will require them to support a structured continuous improvement programme through ongoing contract review meetings which allows for additional efficiencies and client expectations to be agreed, identified and implemented. Delivery of these improvements will also be monitored in accordance with their contractual terms and conditions. This learning / industry best practice approach will then be carried forward into the development of the Future Operating Model (FOM) as required.
- 5.7 A Cabinet report setting out the FOM Procurement Strategy will be presented to Cabinet in spring 2017. The plan setting out the development of this strategy is set out in Appendix 2.

6. Evaluation of alternative option(s):

- 6.1 The Council could elect not to extend these Frameworks and explore the possibility of accessing another nationally available framework. This option was rejected for the following reasons;
- Officers are currently developing the CWM FOM and as such the time and effort required to mobilise a new contract for a relatively short period would not be beneficial.
 - The income Acivico and the Council currently receives from external clients in the form of the CWM Framework access fee would be lost.

7. Reasons for Decision(s):

- 7.1 To enable the Council to extend the agreements with contractors on the CWM framework from 1st October 2017 – 30th September 2019.

Signatures**Date**

Nigel Kletz: Date.....
Assistant Director - Procurement

Cllr Majid Mahmood..... Date.....
Cabinet Member, Value for Money & Efficiency

List of Background Documents used to compile this Report:

- Public Cabinet Report of 25th July 2011 entitled Appointment of Contractors to the 'Constructing West Midlands' Construction Framework.
- Cabinet Report 16th February 2015 entitled Constructing West Midlands Framework Extension

List of Appendices accompanying this Report (if any):

Appendix 1 CWM Contract Efficiency Delivery Status Report – July 2016
Appendix 2 – FOM Development Plan

Appendix 1 CWM Contract Efficiency Delivery Status Report – July 2016

1. EXECUTIVE SUMMARY:

The current contract term for Lots 1-4 & 7 within the Constructing West Midlands (CWM) Framework Agreement expires in September 2017. The Council has one remaining option to extend for a further 2 year period through to September 2019.

For information Lots 5&6 (Minor Works <£500k) were not extended in 2015 and therefore, no longer operate as part of the CWM Framework.

2. EFFICIENCY STATUS OVERVIEW:

Tangible and positive progress is being made in this area as outlined below which demonstrates the value of this ongoing work to date. In addition, all CWM Contractors are performing consistently and meeting their operational KPI delivery targets.

The CWM Extension approval timelines are driven by the Council's contractual obligation to inform the CWM Contractors of the Council's decision relating to the 2nd extension period by 30th September 2016 (12 months prior to the expiry of the 1st extension).

3. BACKGROUND:

Lots 1-4 & 7 consist of the following Contractors and scope:

Lot No	Scope of works	Area of City	Contractor
1	Legionella Inspection and Servicing	North	Integrated Water Services
2	Legionella Inspection and Servicing	South	Carillion
3	Reactive/Planned Repair and Maintenance (Electrical & Mechanical)	North	Carillion
4	Reactive/Planned Repair and Maintenance (Electrical & Mechanical)	South	Trios*
7	Capital Projects Framework, Major Construction Projects and Major Programmes of Work of £500k upwards	North & South	Willmott Dixon Community Solutions West Midlands Balfour Beatty Regional Construction Limited** Thomas Vale Construction PLC

**Middleton Maintenance Services Ltd was appointed to the Lot 4 framework; subsequently the name of this company was changed to Trios.*

***Mansell Construction Services Ltd was appointed to the Lot 7 framework; subsequently the name of this company was changed to Balfour Beatty Regional Construction Limited.*

The extension review process undertaken by the Council and Acivico for both the 1st and 2nd extension options has been welcomed as a truly collaborative Contract Management approach by all parties involved. This has resulted in the staged and ongoing delivery / implementation of the efficiencies agreed as part of the first extension period underlining the Council's, Contractors and Acivico's commitment to this process.

It should be noted at this point that the identified efficiency savings were not as a result of a reduction in the Contractors' Schedule of Rates items and/or fees but are being achieved via the introduction of smarter 'leaner' processes, working methods and practices which drive out unnecessary costs and operational waste. The benefit to the Council is the ability to re-shape the current CWM model to deliver these services more effectively.

This 'LEAN' approach is also enabling the ongoing re-alignment of the current CWM framework with current market best practice i.e. Central Government Construction Strategies 2016 - 2020 endorsed by Lord Bridges (Parliamentary Secretary) and Central Governments Construction 2025 Strategy which sets out a clear mandate by working in a collaborative partnership and adopts a fresh approach to delivery of works in this area. This style of approach is outlined in more detail within this report and will also support the development of the Councils FOM for this area.

The successful implementation of achievable efficiencies does require changes in behaviour, approaches to internal governance and culture across the Council at all levels, as well as with Acivico, CWM Contracting Partners and their respective supply chains. Activity to support delivery of improvements in these areas is currently ongoing.

4. EFFICIENCY STATUS OVERVIEW:

Lots 1&2 – Legionella

Operational efficiencies & improvements implemented to date include:

- Implementing a reduced testing regime at some low risk sites in line with Legionella guidance (ACOP LO8) and Council Client approval, i.e. based on asset complexity and user vulnerability
- Reduced service-specific testing at some low risk sites in line with Legionella guidance (ACOP LO8)
- Increased 'in-house' testing where possible on some low risk sites.
- Contractor training and risk assessments along with Acivico audits have and will continue to facilitate more in-house self-testing and reduce costs where possible.

In addition to the above, CPS has sought buy-in from all stakeholders through a formal Legionella Working Group including CPS, Clients, Acivico, Contractors, Water Hygiene Specialists and BCC Health and Safety and will continue to pursue additional potential efficiencies through the following measures;

- Legionella Working Group to conduct a full review of Corporate estate to allocate the following risk bandings:
 - A: High Risk Sites – Existing testing regime will remain as current frequency.
 - B: Medium Risk Sites – Review further to assess potential to adopt a reduced testing regime following this exercise.
 - C: Low Risk Sites - Adopt a reduced testing regime following this exercise
- Legionella Working Group to review and where necessary enhance existing risk management processes to ensure that any reduced testing complies with Legionella guidance and changes in testing regime reflected in all BCC Risk Assessment documentation and Duty Holder Log Books. This in itself will be a major operational win and drive further compliance across all identified sites.
- Order batching via the Council's Facilities Management database, (CAFM) system will create significant efficiencies in transaction and overhead costs (this follows best practice demonstrated by Housing – a single annual order is provided to the Contractor) and has been endorsed by Contractors.

Lots 3&4 – Mechanical & Engineering

Operational efficiencies & improvements implemented to date include:

- The Universal Infant Free School Meals (UIFSM) programme where 51 new Cooking Centre's (combination ovens) were required. Lean approach adopted including order batching through pipeline visibility enabling the Contractor to drive VFM through bulk and planned purchasing and works scheduling and streamlined operational installs.
- Benefits by obtaining agreement to work to Contract Instruction 'Briefing Note' issued by Contract Management and Performance (CMAP) and Acivico are now being realised.
- Reducing emergency call-outs through client education and improved communication flow via Acivico & Contractors Help Desks. Use of structured scripting has supported this area.
- Both Lot 3&4 contractors continue to support the development of the CAFM system and the accuracy of the data within it.
- Both Lot 3&4 contractors continue to support the asset verification process to ensure the property portfolio and equipment installed remains up to date.

In addition to the above, CPS has sought buy-in from all stakeholders through a formal M&E Working Group including CPS, Clients, Acivico and Contractors and will continue to pursue additional potential efficiencies through the following measures;

- Reduction of test-specific planned services (keeping an ad hoc reactive service only)
- Order batching/stacking of similar tests / skill sets and identical non-emergency orders across the Council, leading to possible reduction in transactional and overhead costs (order & invoicing processing costs, BACs payments etc.). Proposed benefits realisation in this space still to be verified by Acivico, BPS and CAFM Teams
- Increased visibility of the works pipeline to drive greater efficiencies in scheduling and planning of works (key issue). This is WIP and drives the batching and stacking of orders.

Lot 7 – Capital Projects, Major Construction & Work Programmes > £500k

Due to delays completing the externally commissioned Lean review conducted by C.W.Group coupled with tight EDSi project delivery deadlines, the identified efficiency opportunities could only be applied in part, resulting in a lower than initially anticipated % saving. However, all future Lot 7 projects, where appropriate, will embrace a fully leanned Early Contractor Involvement (ECI) approach with scheduled governance and progress gate reviews at various stages to ensure a true VFM and market leading lean best practice approach is implemented through to Sept 2017 and beyond.

Operational efficiencies and improvements contributing to the delivery of the above by all parties (BCC, Acivico & Contractors) working collaboratively includes:

- Successfully managing to secure an agreed 'leaned' target cost for the 7 pilot projects (due to be completed Sept 2017) in line with Education Funding Agency industry benchmark rates of £1860 PM2 – 10% below the original target cost calculation. This methodology will be applied to all future Lot 7 projects where practical.
- EDSi has now approved the three Standardised EFA Specifications and consolidation of product ranges for Council owned / maintained schools, Academies & Special Schools as appropriate.
- Continued support to the BBC4SR through submitted action plans for each Contractor by project/programme and by doing so deliver employment opportunities through sponsored apprenticeship schemes which have been successfully supported and delivered throughout the CWM Framework since the launch of BBC4SR.

- Lot 7 Contractors have engaged and supported the efficiencies subsequently approved and validated by the independent Lean review by CW Group sanctioned by the Council. These

proposed changes to existing processes and associated governance will eventually remove the identified operational and commercial waste to deliver projects whilst controlling time, cost and quality elements.

- EDSi have now started to provide greater pipeline visibility resulting in projects being more collaboratively planned by the Client, Acivico & Contractors resulting in commercial & operational programme expectations being met.
- Implementation of the EFA benchmark rate of £1,860m2, further pipeline process developments along with additional ECI / lean methodology will increase the 10% savings figure, indicated for the pilot projects, nearer to identified market leaders delivering true VFM in this space.
- Gaining Cabinet approval to Programme Business cases i.e. batches of EDSi projects rather than one for each individual projects. Where implemented, the leaned ECI process has enabled EDSi, Acivico, Lot 7 Contractors and their 2nd / 3rd tier supply chains to drive VFM by moving from a piecemeal to a pro-active 'planned' environment reducing costs through de-risking.

Additional Operational efficiencies and improvements identified:

- BCC, Acivico and Contractors engaged in a continuous improvement process around project delivery streamlining, governance reviews (whilst still maintaining required levels of control) and behavioural change to further improve VFM delivery in this area.
- Contractors have offered additional funding to support marketing of CWM which will generate additional 3rd party income for BCC.
- Employing a Total Asset Management Approach and support whole life costing models i.e. taking a strategic view of the assets current and future requirements = reduced strain on maintenance budgets through other CWM lots and BCC delivery models for R&M etc.
- Improved end user engagement and satisfaction.
- Continued market testing / benchmarking to ensure all projects deliver a true VFM approach to the Council and remains competitive against external competition for Academies / non-funded BCC schools etc.

5. CONTRACTORS PERFORMANCE 2015 – 2016

Lots 1&2 – Legionella (Lot 1: IWS – North & Lot 2: Carillion – South)

		MONTH		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
L02 LEGIONELLA	CARILLION	VISITS DUE		66	62	55	67	54	60	72	55	56	68	59	55
		VISITS COMPLETED		66	60	53	64	52	60	72	55	56	68	58	53
		%COMPLETED		100.0%	96.8%	96.4%	95.5%	96.3%	100.0%	100.0%	100.0%	100.0%	100.0%	98.3%	96.4%
		TARGET		96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%
	IWS	VISITS DUE		103	107	100	101	98	97	110	138	97	98	102	104
		VISITS COMPLETED		100	103	99	101	94	97	107	134	94	98	101	101
		%COMPLETED		97.1%	96.3%	99.0%	100.0%	95.9%	100.0%	97.3%	97.1%	96.9%	100.0%	99.0%	97.1%
		TARGET		96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%	96.0%

Both Carillion and IWS are meeting / exceeding their contractual targets for Visits due and % completed. Both Contractors are also engaged in ongoing workshops / efficiency forums with BCC Clients, BCC H&S, CPS and Acivico to further improve delivery to BCC whilst implementing industry best practice by ensuring at all times that mandatory H&S guidelines are adhered to and followed as mentioned earlier in this report.

PLEASE NOTE: – No Legionella incidents reported to date through the lifetime of the contract.

Lots 3&4 – M&E (Lot 3: Carillion – North & Lot 4: Trios – South)

Repairs & Maintenance (M&E's)	Carillion Score without Invoice within timescale	Trios Score without Invoice within timescale	Pass required
Apr-15	98.92	98.4	95%
May-15	98.78	98.05	95%
Jun-15	99.25	98.46	95%
Jul-15	99.3	99.58	95%
Aug-15	99.68	99.69	95%
Sep-15	99.64	99.52	95%
Oct-15	99.73	99.79	95%
Nov-15	100	99.94	95%
Dec-15	99.84	99.81	95%
Jan-16	99.89	99.61	95%
Feb-16	99.87	100	95%
Mar-16	99.44	99.29	95%

Both Contractors are performing to the agreed operational 'on site' standards required and as such are meeting their contractual KPI targets.

Lot 7 – Capital Projects Framework, Major Construction Projects & Major Work Programmes > £500k

BCC Benchmark Quality Score	Contracting Partner	Overall Performance Score
Performance Score Benchmark: 70.00	Balfour Beatty	84.00
	Willmott Dixon	73.90
	Thomas Vale	84.40
	Community Solutions	87.30

Please note that the KPIs measured are aligned to industry standard national KPI's utilised by Constructing Excellence. The score is out of 100 and the minimum benchmark pass threshold is 70. This performance monitoring process undertaken by Acivico as part of their Contract Management activity, uses the performance data as part of the allocation process when awarding works via CWM through its Direct or Mini Comp processes. These KPIs in the main measure delivery in respect of the following:

- Project Cost Predictability
- Time Predictability
- Project Quality
- Health & Safety (i.e. RIDDOR etc.)
- Partnership Working
- BBC4SR

All Lot 7 Contractors will continue to support BBC4SR through submitted action plans for each individual project/programme awarded and by doing so deliver employment opportunities through sponsored apprenticeship schemes which have been successfully supported and delivered by all CWM Contractors since the launch of the BBC4SR.

6. Key Points / Considerations:

It should be noted that this paper provides an overview on current Contractor performance in order to support the decision making process around the approval of a second 2 year extension from September 2017 - 2019.

The following key points should also be considered:

- There is no risk in extending all remaining Lots as the CWM Framework Agreement is not exclusive with zero commitment to volume or spend. Therefore, the City Council can stop awarding work on any lot as required (through a managed process) throughout the extension period.
- Extending will not prevent the Council and Acivico from developing a CWM replacement FOM (this needs to happen by Sept 2019 as detailed in Appendix 2). If this replacement is in place before September 2019 the Council can switch without any operational or commercial risk.
- The Council still is also required to undertake an agreed and measured level of business change to enable the successful implementation of all of the efficiencies identified and this in part has delayed / reduced the level of commercial and operational benefits proposed to date. Many are still WIP but still achievable if all parties embrace the leaned / streamlined processes outlined.
- The rationale as to why some efficiencies have not / cannot be delivered is in the main down to the length of time it has taken to either;
 - Remove commercial & operational waste and specifically the streamlining and earlier allocation of the contractor via the ECI process and the discussion around allocation approvals process prior to contractor project engagement.
 - Adapt current systems / IT platforms to support recommendations. Acivico has put forward outline investment proposals aimed at addressing this issue in connection with its contract renewal / extension.
- The benefits of pipeline and programme transparency across all Lots (where applicable) should be acknowledged at all levels enabling both Acivico and Council to move from a reactive to a pro-active environment.
- The current rate cards for Lots 1-4&7 currently remain at 2011 levels (plus agreed RPI) and are considered to be extremely competitive in today's market. Therefore, there may well be a risk of not extending and going out to tender sooner in a volatile / upward facing market which may result in increased costs. This may well be mitigated by re-modelling under a revised 'leaner' delivery mechanism and/or pooling of multiple-buyer spending to benefit from economies of scale but in the short term this may be an issue.
- The extension period allows for additional efficiencies identified to be implemented and this learning / industry best practice can be carried forward into the FOM.

Conclusion:

This paper demonstrates that Contractors within CWM Lots 1-4&7 are continuing to support the delivery of the identified efficiencies / lean VFM processes as well as performing to an acceptable standard against their contractual commercial & operational KPI's.

Appendix 2 – FOM Development Plan

CWM Future Operating Model				2016 (Jan-Dec)				2017 (Jan-Dec)				2018 (Jan-Dec)				2019 (Jan-Dec)				
CWM Lots 1-7																				
ACTION	INFORMATION REQUIREMENTS	DEADLINE	OWNER	% Complete / N/A	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	DE & RT to agree key stakeholders to be involved in CWM review workshop sessions	May-16	CPS	100%																
2	Kick off workshop with all identified key stakeholders	Jun-16	CPS	100%																
3	Data gathering on historic / forward looking budget and pipeline	Sep-16	FW & Activoo / Clients	40%																
4	Assessment and investigation of other existing frameworks	Aug-16	CPS	100%																
5	Develop Market Consultation Document	Sep-16	CPS	0%																
6	Issue Market Consultation Document	Sep-16	CPS	0%																
7	Market Consultation Responses Received and Assessed	Oct-16	AI	0%																
8	Engagement with other UK's to determine current contracting arrangements, future budget and strategic input for these services possibly via Questionnaire / meetings	Sep-16	CPS / Activoo	20%																
9	Client / Stakeholder discussion to agree output KPI's from the Service	Sep-16	AI	0%																
10	Undertake detailed options appraisal with stakeholders	Dec-16	AI	0%																
11	Develop future business case and strategy	Jan-17	CPS / Activoo	0%																
12	Cabinet Meeting - Final Approval & Sign CP	Jun-17	Cabinet	0%																
13	Tender Process	Mar-19	BCC / Activoo	0%																
14	Contract Award	Jun-19	Cabinet / Activoo Board	0%																
15	Mobilisation	Sep-19	Activoo	0%																

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET	
Report of:	Strategic Director – Finance & Legal and Strategic Director Change & Support Services	
Date of Decision:	20 September 2016	
SUBJECT:	INTEGRATED SUPPORT SERVICES – PHASE 1 IMPLEMENTATION	
Key Decision: Yes	Relevant Forward Plan Ref: 002282/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>	O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor Ian Ward, Deputy Leader	
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq, Corporate Resources and Governance.	
Wards affected:	All	

1. Purpose of report:
<p>1.1 The Integrated Support Services work-stream of the Future Council Programme has reached the end of the design phase and this report sets out the major changes to the operation of support services</p> <p>1.2 A decision point in terms of structural and technology proposals has been reached. The project can make significant progress by phasing in elements of the new design based on accepted design principles. A second phase will build on the most successful elements, including a wider roll-out of IT solutions and structural changes.</p> <p>1.3 This report seeks authority to progress with Phase 1 implementation while developing further proposals to complete the transformation of support services.</p>

2. Decision(s) recommended:
<p>That Cabinet :-</p> <p>2.1 Notes the overall design principles and structure of Integrated Support Services.</p> <p>2.2 Approves the investment in technology detailed in the Full Business Case at appendix 2 at an estimated cost of £1.62m with on-going costs of £0.25m.</p> <p>2.3 Authorises the Strategic Director of Change and Support Services to place orders up to the value of £1.62m with Service Birmingham to implement the proposed IT solutions.</p> <p>2.4 Authorises the Acting City Solicitor to negotiate, execute, seal and complete all necessary agreements and documentation to give effect to the above recommendations.</p>
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E-mail address:	mandy.quayle@birmingham.gov.uk

3. Consultation	
3.1	<p><u>Internal</u></p> <p>The Deputy Leader has been consulted on the content of the report and is supportive of its proposals. The detailed proposals for ISS have been discussed with all Strategic Directors at various stages of development. The Heads of Service for all in-scope support services have been involved in detailed design of the future service offers. The Strategic Director of Finance & Legal, The Strategic Director of Change & Support Services, officers from City Finance and Legal and Democratic Services have been involved in the preparation of this report.</p>
3.2	<p><u>External</u></p> <p>No external consultation has taken place as this decision involves internal service redesign only. Service Birmingham has been involved in the development of the IT strategy.</p>
4. Compliance Issues:	
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The ISS work-stream is part of the Future Council Programme which supports the Council Business Plan and Budget 2016+ key priority of a modern council by increased efficiency and modernisation of support services.</p>
4.2	<p><u>Financial Implications</u></p> <p><u>(Will decisions be carried out within existing finance and Resources?)</u></p> <p>The services in scope for ISS have a total savings requirement of £20.1m per annum by 2019/20. Savings in 2015/16 and this financial year have been achieved by restructuring of in-scope services and use of one-off resources.</p> <p>This proposed first implementation phase of the ISS programme will deliver £11.2m per annum of the total target through a combination of service redesigns and operational efficiencies by supporting the in-scope support services to reduce further while maintaining a high quality service to managers across the council as a whole.</p>

New technology such as telephony solutions, service ticketing and an Employee Portal will be introduced during phase 1 implementation and will provide a platform for further efficiencies when they are fully operational and providing the basis for the remaining savings target.

Investment in IT for Phase 1 is estimated at £1,620,000 upfront costs and £250,000 annual on-going support charges. These costs can be accommodated from within existing investment programmes for corporate systems, which are part of the approved capital programme, funded from prudential borrowing that has already been approved to underpin the investment.

Future Council one-off resources have already been allocated for Lean reviews, Project Management of the Employee Portal and programme management from the Specific Policy Contingency budget.

4.3 Legal Implications

The ISS programme is designed to facilitate the discharge of the Council's best value duty under the Local Government Act 1999.

4.4 Public Sector Equality Duty

The equalities analysis is attached at appendix 1. Further analysis will be required for the impact of specific service redesigns.

5. Relevant background/chronology of key events:

- 5.1 The services in scope for ISS include Human Resources, Corporate and Directorate Finance, Birmingham Audit, Corporate Procurement Services, Corporate Strategy, Legal and Democratic Services, Shared Services Centre and the back office function within Customer Services.
- 5.2 The Future Council Programme included as one of its work-streams the Integrated Support Services project. A Cabinet Report dated 08 December 2015 approved the commissioning of the ISS programme resources for the design stage of the sub programme as part of the wider Future Council Programme.
- 5.3 The benefits of the overall ISS programme will be to:
 - Create an integrated, appropriate, affordable and scalable support service for the organisation, based on customer requirements and to enable the delivery of outcomes for citizens. This will underpin and support the delivery of the wider organisation operating model.

- Provide the technology to drive increased self-service by employees, managers and officers including better information and advice, and more simple and intuitive online transactions (“the tools to do the job”)
- Provide the technology to automate more and make better use of the capacity available across support services.
- Better exploit existing technologies for telephony, and simplify access to support services.
- Create an internal capability in process redesign through a Lean Academy approach that enables officers to apply this methodology in their services and provides a centre of excellence for continuous improvement.
- Deliver a whole council programme office capability that will support the delivery of the major transformation programmes and ensure consistency of methodology for business change across the council. This will provide an overview of critical change initiatives, ensuring duplication is minimised and resources are efficiently allocated and leveraged across the organisation.

5.5 Following the Cabinet approval of resources to develop detailed design proposals in December 2015, a substantial series of workshops was held and data was collected and analysed to enable quantification of resources expended on individual processes by support service teams. Consultants made a number of recommendations to revise working practices for greater efficiency. The 9 design principles for a future Integrated Support Services model are set out in Appendix 3. Appendix 3 also sets out a high level future operating model which minimises hand-offs between support services by co-locating teams within a support services hub, improving the experience for customers by providing greater visibility of progress and reducing the number of interactions.

5.6 The savings targets associated with ISS started in 2015/16 and continue to increase with step-up targets until 2019/20. Services identified a set of savings proposals to cover the first financial year and have put actions in place to secure the majority of the 2016/17 savings, in advance of the new ways of working being in place and before the implementation of new technology. Further service redesigns to secure future savings are dependent on transformational activities underpinned by the technology proposed in this report.

5.7 Technology solutions have been worked up to increase efficiency, enable integration and enhance the user experience. Users of support services were consulted at an early stage of the design work to discover which processes caused the most effort or which were difficult to navigate. All solutions are based on systems already in use by the Council but are largely new to the in-scope support services e.g. telephony solutions currently used in the contact centre. The proposed investment in IT is detailed further in the FBC attached as appendix 2.

- 5.8 Some of the proposed systems lend themselves to a pilot approach. Licence costs are per head and therefore it needs to be demonstrated that the systems are capable of delivering the required benefits before a wider roll-out. The service ticketing solution and workforce optimisation tool will have limited implementations in Phase 1 and a full assessment of the system capabilities along with the potential efficiencies for a full implementation will be assessed before a Phase 2 Implementation business case is developed.
- 5.9 The work will be commissioned from Service Birmingham who have been involved in the design phase of the project. The individual IT implementations will be managed by project managers, reporting to the Senior Responsible Officer and overseen by a Project Board.
- 5.10 Phase 2 design will evaluate the impact of revised structures, access arrangements, self-service processes and IT across the wider support service community as well as on the central support services in scope for phase 1 implementation.
- 5.11 Following approval of this report, the existing People Solutions content will be migrated to the proposed Employee Portal and further content will be developed for all support services so that managers and employees have a single on-line resource to support them. A Support Services Hub will bring together transactional teams, some of which will pilot the service ticketing solution to track tasks and work. The Employee portal will be further developed to link to other systems, avoiding the need for managers to go through different log-ins for individual tasks.

6. Evaluation of alternative option(s):

- 6.1 Doing nothing is not an option as some Support Services will be unable to meet their savings targets without the implementation of the ISS transformation.
- 6.2 Doing the whole transformation as a single project would delay the start and there would be a potentially higher risk associated with a full IT implementation before a pilot establishes the level of associated benefits.

7. Reasons for Decision(s):

- 7.1 To note the overall design principles and progress the proposals for Phase 1 implementation of the ISS project.

Signatures	<u>Date</u>
Deputy Leader
Strategic Director – Finance & Legal
Strategic Director – Change and Support services

List of Background Documents used to compile this Report:
Programme costs for phase 2 of the integrated support services programme – Report to Cabinet 8 Dec 2015

List of Appendices accompanying this Report (if any):
1. Equalities Analysis
2. Full Business Case
3. Design Principles and Structural Proposal Block Diagram

Report Version	<u>3.0</u>	Dated	<u>25 Aug 2016</u>
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Equality Analysis

Birmingham City Council Analysis Report

EA Name	Support Services Redesign (ISS) - Future Council Programme
Directorate	Economy
Service Area	Corporate Strategy Team
Type	New/Proposed Function
EA Summary	The redesign of support services will require a number of new technologies, processes and self services tools that will be used by ISS staff and officers across the Council. The introduction of new technologies will need to accomodate the requirements of officers and staff who may have protected characteristics to ensure that they are able to work effectively and have access to the required services and support.
Reference Number	EA001062
Task Group Manager	Sarah.hinksman@birmingham.gov.uk
Task Group Member	
Senior Officer	jean.b.robb@birmingham.gov.uk
Quality Control Officer	Helen.Burnett@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Function.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Function and expected outcomes?	to create an integrated, efficient and effective support service for the council that is capable of supporting the Councils strategic centre and front line services
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
A Fair City	No
A Prosperous City	No
A Democratic City	No

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	Yes
Will the policy have an impact on wider community?	No

2.3 Analysis on Initial Assessment

The main change as a result of the support services redesign will be the use of greater automation, self service and more collaborative working across teams. the technology and processes put in place to support this will include an improved intranet, workflow, telephony and data analytics tools. we will need to make sure that such tools take into account the needs of any users or staff with protected characteristics but there will always be an option to divert to face to face support or telephone calls rather than on line services.

the use of work collaboration tools will however also make it easier to ensure all staff can access work or information wherever they are and wherever they sit in the organisation which will promote greater access and remove other barriers to joined up working.

The introduction of an improved insight and performance function through ISS programme will enhance the Councils ability to assess how future Council decisions, policies etc will impact groups with protected characteristics and mitigate any effects.

3.1 Disability

3.1.1 Disability - Differential Impact

Disability	Relevant
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3.1.2 Disability - Impact

Describe how the Function meets the needs of Individuals with a disability?	we will ensure that any new tools that are deployed and the new Intranet meet the requirements of staff and users with protected characteristics by applying national standards in terms of design and functionality
Do you have evidence to support the assessment?	Yes
Please record the type of evidence and where it is from?	there are set national standards for web tools and information and compliance tests for software
Have you received any other feedback about the Function in meeting the needs of Individuals with a disability?	No
You may have evidence from more than one source. If so, does it present a consistent view?	Yes
Is there anything about the Function and the way it affects Individuals with a disability which needs highlighting?	No

3.1.3 Disability - Consultation

Have you obtained the views of Individuals with a disability on the impact of the Function?	Yes
If so, how did you obtain these views?	discussion with service heads
Have you obtained the views of relevant stakeholders on the impact of the Function on Individuals with a disability?	Yes
If so, how did you obtain these views?	discussion with service heads
Is there anything about the Function and the way it affects Individuals with a disability which needs highlighting?	No

3.1.4 Disability - Additional Work

Do you need any more information to complete the assessment?	No
Please explain how individuals may be impacted.	through the greater use of technology and an increased reliance on self service and on line tools
Please explain how.	by putting in place tools that allow disparate groups and users to collaborate and work together regardless of location
Is there any more work you feel is necessary to complete the assessment?	Yes
Do you think that the Function has a role in preventing Individuals with a disability being treated differently, in an unfair or inappropriate way, just because of their disability?	Yes

Please explain what work needs to be done.	the detailed service design that will define the new service structure, size and how it should be organised
Do you think that the Function could help foster good relations between persons who share the relevant protected characteristic and persons who do not share it?	Yes
Do you think that the Function will take account of disabilities even if it means treating Individuals with a disability more favourably?	Yes
Do you think that the Function could assist Individuals with a disability to participate more?	Yes
Do you think that the Function could assist in promoting positive attitudes to Individuals with a disability?	Yes

3.2 Concluding Statement on Full Assessment

In reviewing the support services we have focused on how we can make the services more effective and provide the right tools and structures. At the next stage of the design we will look in more detail about how the services should be organised and run and this will include consideration of any staff or users with protected characteristics and we will engage in a co-design process to ensure that their needs are met

4 Review Date

31/03/16

5 Action Plan

There are no relevant issues, so no action plans are currently required.

Work In Progress

Full Business Case (FBC)			
1. General Information			
Directorate	Economy	Portfolio/Committee	Deputy Leader
Project Title	ISS Phase 1 Implementation	Project Code	
Project Description	<p>Background</p> <p>The Integrated Support Services (ISS) review was commissioned within the Future Council Programme in March 2015 and its terms of reference were to:</p> <ul style="list-style-type: none"> strengthen corporate governance through corporately managed support services, by developing an integrated support service operating model (Kerslake 2014). This means taking a whole Council approach to support services in order to maximise the capacity and impact of the Council for Citizens of Birmingham To identify how Support Services can be delivered for less in order to achieve the annual savings in the Council Business Plan and Budget 2016+. To ensure customers of support services receive a service that is easy to navigate, joined up and focused on supporting front line services. <p>The ISS review designed a new integrated model for support services, through a series of structured design workshops with the Heads of Support Services and their team leads. This concluded in a set of recommendations being made and subsequently agreed by the ISS Programme Board in April 2016, attached as Appendix 3. These were also later presented and agreed in principle by the Directorate Management Teams. It was also agreed by the ISS Project Board that the proposed implementation of the changes to structures, access arrangements and IT solutions should be split into two distinct phases to incrementally deliver the required changes for the overall redesign and recommendations.</p> <p>This FBC covers the first phase of implementation which involves the implementation of an Employee Portal, the formation of a Support Services Hub, deployment on a pilot basis of tools to increase efficiency i.e. service ticketing and workforce optimisation tools and process improvements to Freedom of Information requests, Starters and Leavers processes and invoicing. These areas were selected following consultation with the user community and the heads of in-scope support services.</p> <p>Financial Implications</p> <p>The services in scope for ISS have a total savings requirement of £20.1m by 2019/20. Savings in 2015/16 and this financial year have been achieved by restructuring of in-scope services and use of one-off resources.</p> <p>This proposed first implementation phase of the ISS programme will deliver £11.2m of the total target through a combination of service redesigns and operational efficiencies by supporting the in-scope</p>		

	<p>support services to reduce further while maintaining a high quality service to managers across the council as a whole.</p> <p>Investment in technology is required to support the transformational elements of the re-design. Up-front costs of £1.619m comprise of capital investment of £1.603m and training requirements of £0.016m.</p> <p>The challenge therefore for the redesign has been how to make Support Services yet more efficient at the same time as ensuring front line service priorities are supported. The programme Sponsors have been mindful at all stages of the risk associated with making cuts in the wrong places or undermining the ability of the Council to function and support front line service effectively. In other words, the challenge has been how to deliver the best operational performance and organisational value at the lowest cost possible. An intensive period of data gathering, data analysis, consultation event and workshops have identified a number of process efficiencies that can be delivered using the technology proposed under Project Deliverables.</p> <p>Service Birmingham have scoped the requirements for Phase 1 implementation and will deliver on a time and materials basis within a 12 month timescale.</p>		
Links to Corporate and Service Outcomes	<p>The project is indirectly supporting the delivery of BCC priorities and is critical to and underpins the financial management of the Council. It is fundamental to maintaining and improving the Council's financial processes and ICT systems that support Service Directorate's to achieve the strategic outcomes detailed in the Council Business Plan and Budget 2016+.</p> <p>The project is specifically being delivered by the:</p> <ul style="list-style-type: none"> Deputy Leaders Portfolio. Economy Directorate outcome – Improved Efficiency 		
Project Definition Document Approved by	Cabinet.	Date of Approval	8 Dec 2015
Benefits Quantification- Impact on Outcomes	Measure		Impact
	Increased efficiency of support services		FTE reductions
	Ease of access to information to support managers through the Employee Portal		Reduced demand
	Self-service tools are easy to use and intuitive		Take-up by managers
	Single visibility of all incoming work so managers and employees can track requests and processes are automated		Improved responses to requests, maximise use of reduced resources.
	Single and simplified points of access and getting the right query to the right person more effectively.		Easier navigation for users of the service
Project Deliverables	<p>The project deliverables are:</p> <p>Employee Portal</p> <p>A new managed web platform supporting the internal channel shift through provision of a single front door for all knowledge, and links</p>		

	<p>to relevant transactions for employees and managers to self-serve. Simplifying transactions will support the increase in self-service take-up, supported by silent single sign-on to People Solutions and Voyager. Includes the need for 'access for all' in extending portal and transaction access to non-networked employees and various SAP enhancements that will support the employee and manager self-serve experience.</p> <p>Ticketing and Workflow</p> <p>The provision of a ticketing solution will enable the capture of requests for support and work, their assignment, and tracking through to closure. A pilot would cover Shared Services existing shared mailboxes, and Legal for new internal instructions. Service ticketing could also provide the ability to manage the end-to-end SLAM processes and associated workflows from recruitment to exit. Benefits include automation of workflows and a reduction in the number of forms for managers to complete.</p> <p>Call Routing and Workforce Optimisation</p> <p>Workforce optimisation tools include Desktop Process Analytics which provides visibility of how staff use applications and processes to perform their tasks. A pilot will cover Payroll, Accounts Receivable and Legal teams. Workload Management would provide visibility of overall workload, identify demand and available resources, and enable trends to be identified. Activity could be forecasted and scheduled, providing the ability to understand utilisation of team members. A pilot would cover the Payroll team.</p> <p>Process Tools</p> <p>SAP enhancements, including a redesigned SAP Portal, HR Renewals and Fiori, would support self-service processes, whilst new SAP tools such as Personas would improve efficiencies across common tasks.</p> <p>Monitoring, Reporting and Hub Management</p> <p>The evolving ISS and Hub user community will be supported by a the development of a suite of reports including the import of data from the new workforce optimisation and service ticketing solutions.</p> <p>Non-IT solutions</p> <p>As well as the IT solutions listed above, the Integrated Support Services project has focussed on process redesign and new ways of working including a new relationship with customers, These are set out in the design principles attached as Appendix 3.</p> <p>In addition to the above, there will be the standard Project Management deliverables e.g. risk and issues logs, etc.</p> <p>The project will follow standard project governance.</p>
Scope	<p>This project will be led by the Council programme manager, reporting into a Project Board, supported by dedicated project managers for various work-streams and a Service Birmingham project manager. The Project Board will receive and update on the progress of delivery, monitor benefits realised, deal with escalations etc. An integrated programme management approach will be taken to deliver the project with a single</p>

	<p>project structure, a single requirements document, a consolidated project plan and a co-ordinated risks and issues register. BCC and Service Birmingham governance applied. This will require significant resources.</p> <p>The scope of the project will include:</p> <ul style="list-style-type: none"> • Addressing any training needs identified • Frequent engagement with future users of the self-service aspects e.g. Employee Portal • Council-wide consultation
Scope exclusions	<p>The following are excluded from the scope of the project.</p> <ul style="list-style-type: none"> • Further phases of system roll-outs following the pilots.
Dependencies on other projects or activities	<ul style="list-style-type: none"> • The project is dependent on the approval of this Full Business Case, and the placing of orders with Service Birmingham. • Due to the large scale number of changes required to processes, systems and documentation, the project is heavily dependent on the availability of staff and Service Birmingham to effect and test these changes. • Availability of SAP development and test environments. No hardware upgrades are expected as a result of Phase 1.
Achievability	<p>For a successful project delivery to be achieved the following is required:</p> <ul style="list-style-type: none"> • Detailed project plan • Communications Strategy • Implementation plan
Project Managers	<p>BCC – tbc</p> <p>Service Birmingham –tbc – SB Project Manager</p>
Budget Holder	<p>Sarah Dunlavey Assistant Director - Financial Services sarah.dunlavey@birmingham.gov.uk Andy Fullard Andy.fullard@birmingham.gov.uk</p>
Sponsors	<p>BCC Angela Probert and Jon Warlow Strategic Directors angela.probert@birmingham.gov.uk jon.warlow@birmingham.gov.uk</p>
Project Accountant	<p>Jayne Bench – Head of City Finance jayne.m.bench@birmingham.gov.uk 0121 675 5785</p>
Project Board Members	<p>Members of the ISS Project Board are as follows. Angela Probert Jon Warlow Mandy Quayle Sarah Dunlavey Andy Fullard Dawn Hewins Directorate Representatives</p>
Head of City Finance (HoCF)	<p>Jayne Bench</p>
	<p>Date of HoCF Approval:</p>
	<p>1 Sept 2016</p>

2. Budget Summary					
	Voyager Code	2016/17	2017/18	2018/19	Totals
Capital Expenditure & Funding		£	£	£	£
<u>Expenditure:</u>					
IT Development and Implementation	RBF24 L9Y0 A00	801,949	801,177		1,603,126
Totals		£801,949	£801,177		1,603,126
<u>Funding</u>					
1. SAP Investment Plan.	RBF24 L9Y0 A00	£347,878	£300,000		£647,878
2. Corporate IT systems Investment Plan		£414,112	£501,177		£915,289
3. Corporate Resources Reserves		£39,959			£39,959
Totals		£801,949	£ 801,177		£ 1,603,126
		2016/17	2017/18	2018/19	2019/20
Revenue Consequences (funded from existing Corporate IT and SAP investment plans)					
Prudential Borrowing			£164,018	£336,471	£336,471
Ongoing Support and maintenance		£250,000	£250,000	£250,000	£250,000
Training			16,100		
Totals		£250,000	£430,118	£586,471	£586,471
Planned Start date for delivery of the project	October 2016		Planned Date of Technical completion	September 2017	

3. Checklist of Documents Supporting the FBC		
Item	Mandatory attachment	Number attached
Financial Case and Plan		
• Detailed workings in support of the above Budget Summary	Mandatory	Appendix 2A
• Statement of required resource	Mandatory	Appendix 2A
• Whole Lifecycle Costing analysis	Mandatory	Appendix 2A
• Milestone Dates/ Project Critical Path	Mandatory	Appendix 2A
Project Development products		
• Populated Issues and Risks register	Mandatory	Appendix 2A
• Stakeholder Analysis	Mandatory	Appendix 2A

ISS Implementation Phase 1

1. Statement of required resource (people, equipment, accommodation)

A large proportion of required resources will be met from existing provision within both the Council and Service Birmingham. External project management capacity will support the Employee Portal and Hub implementations, LEAN reviews and overall programme management. Resources have been identified from the Specific Policy Contingency for improvement projects.

2. Whole Lifecycle Costing analysis

n/a.

3. Milestone Dates/ Project Critical Path

The project will commence in October 2016 and complete by the end of September 2017 at the latest.

Phases	Dates
Analysis and design	Completed (December 2015 – July 2016)
Implementation	October 2016 – September 2017

Populated Issues and Risks register

Risk information			Counter Measures		
No.	Description of Risk and Risk owner	Inherent Risk (Likelihood / Impact)	Description of current controls / mitigation in place	Residual Risk (Likelihood/ Impact)	Further actions proposed, and date for implementation
R01	The delivery of the project is heavily dependent on key Council and Service Birmingham resources being available throughout the period October 2016 – September 2017.	High / High	Detailed project planning identifying when the key resources will be required and thereby identifying any resource issues to be addressed / escalated	Medium / High	Resources issues and pressures will be managed through the agreed escalation process detailed in the PID i.e. through Project Board and BCC / SB senior managers.

Risk information			Counter Measures		
No.	Description of Risk and Risk owner	Inherent Risk (Likelihood / Impact)	Description of current controls / mitigation in place	Residual Risk (Likelihood/ Impact)	Further actions proposed, and date for implementation
R02	There are a lot of process, system and documentation changes that need to be effected across BCC Support Services to ensure that the efficiencies are maximised as expected.	Medium / High	<p>A set of detailed Initial Business Requirement documents have been compiled identifying as many of the required changes as possible.</p> <p>A list of all the key stakeholders within the Council and Service Birmingham has been compiled.</p>	Low / Medium	<p>A detailed project communications plan engaging all the project stakeholders will be developed to ensure buy-in and usage.</p> <p>By end of October 2016</p>
R03	The project benefits will be driven out as separate projects following the system implementations of e.g. service ticketing, workforce optimisation, Employee Portal and telephony.	High / High	There is an element of needing to wait and see but demonstrations of proposed systems indicate that the pilots will see improved efficiencies from all the proposed solutions Benefits are closely and regularly tracked by the Project Board	Low / Medium	Outcome of pilots to be analysed in developing Phase 2 implementation

Risk information			Counter Measures		
No.	Description of Risk and Risk owner	Inherent Risk (Likelihood / Impact)	Description of current controls / mitigation in place	Residual Risk (Likelihood/ Impact)	Further actions proposed, and date for implementation
R04	Availability of development and test environments (i.e. SAP Voyager) for processing and validating system changes due to numerous other changes due to take place e.g. system upgrades, monthly SAP updates, etc.	High / High	Detailed programme plan under development by Service Birmingham of all planned system changes / upgrades thereby identifying the demand on all system environments.	Medium / High	Any issues or conflicts will be identified in advance and managed through the SB / BCC existing processes.
R05	There is little time in the financial cycle when changes can be effectively managed in SAP. Closedown needs to be avoided as do budget-setting and payroll dates.	High / Medium	SAP dual environments have been installed to allow parallel developments	Low/ Low	Detailed project plan and management of costs. Project Plan by September 2016
R06	There are problems with implementation which causes unexpected downtime or loss of functionality	Medium / High	Thorough testing	Medium	Testing plan to be signed off by the Project Board. Resources to be built into work plans May 2017
R07	The project overruns in terms of cost or time	Medium / Medium	Flexibility within the implementation timetable and ability to reduce scope.	Low / Low	Detailed project plan and management of costs. Project Plan by September 2016

Stakeholder Analysis

The stakeholders involved in this project are:

- All support services in scope of ISS
- BCC staff , managers and budget holders
- Specific groups of external customers e.g. debtors, suppliers
- Service Birmingham
- Birmingham Audit

Due to the nature of the change an integrated project management approach will be taken to deliver this project. Resources from both BCC and SB will be combined to form a single project delivery team. There will be a single project structure, a consolidated project plan and a co-ordinated risks and issues log. The project will be led by a SB project manager. A Project Board will provide direction and key decision making for the project, underpinned by a Design Authority.

Degree of Influence

High Influence	Low Influence	Importance
Strategic Director of Finance and Legal, Strategic Director of Change & Support Services		High
Managers and staff in in-scope support services		High
Service Birmingham		High
Managers and staff across the Council		High

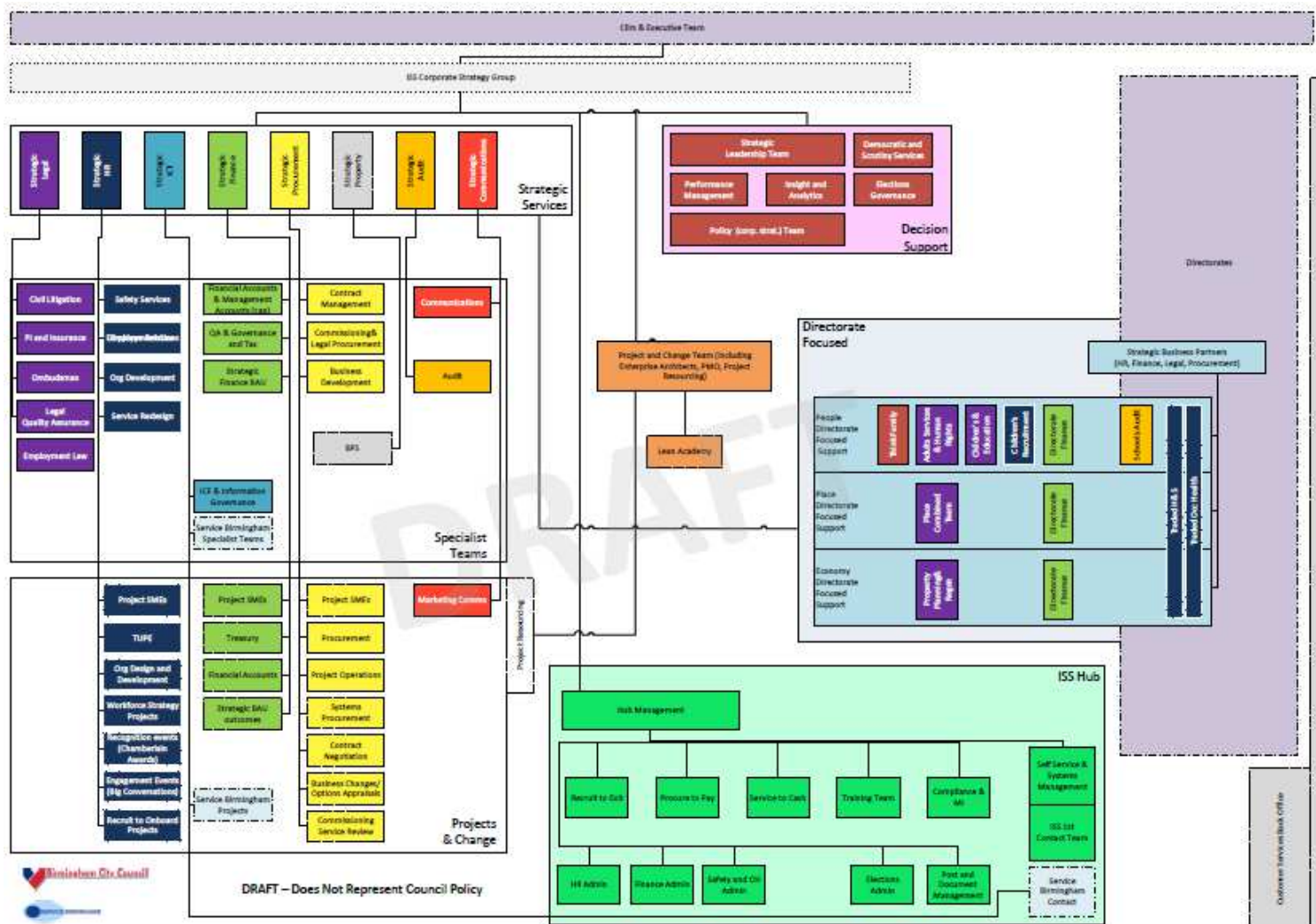
Stakeholder	Stake in Project	Potential Impact on Project	What does the Project expect from Stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsibility
Council Cabinet Members	Portfolio holder	High	Support for proposals	Financial constraints and timescales affecting delivery	Approve budget and project	Portfolio holder
Service Birmingham	Develop and deploy the system changes	High	Complete work to project specification	On time and to budget	Contract and project plan	Deliver to required standard
Finance, Shared Services, Procurement, Legal, Corporate Strategy, Birmingham Audit and HR teams	Adoption and Roll-Out	High	Testing, Training and Usage. Support to end users.	Additional workload initially. Change of processes.	On-going engagement	Deliver to required standard

Design Principles for Integrated Support Services

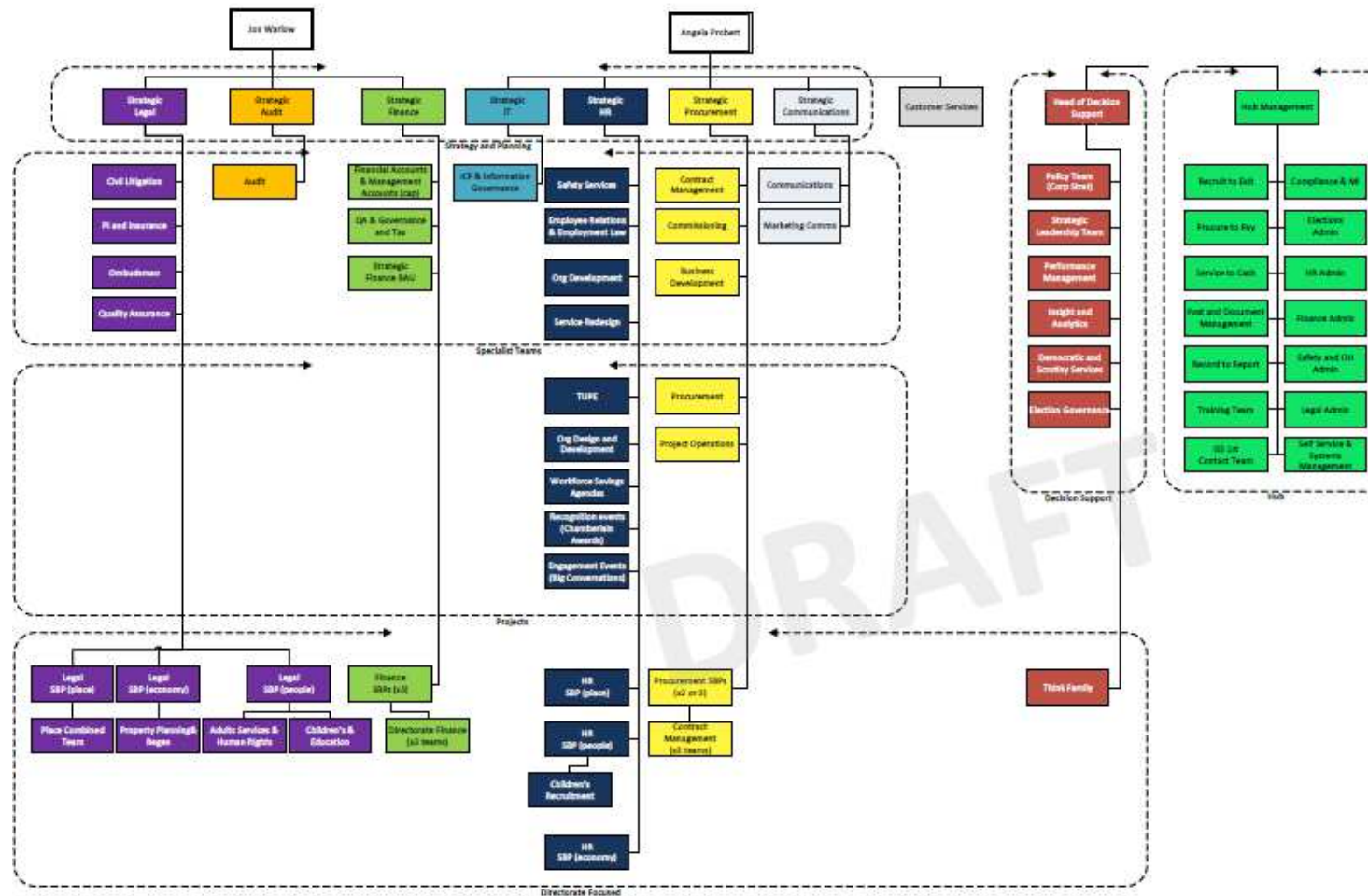
The 9 recommendations for a future Integrated Support Services model are:

- Clearly define and agree the core (centrally funded) and core+ (chosen and funded by Directorates) support services offer. This will enable Support Services to better plan for and meet the needs of the organisation, whilst providing the flexibility required to ensure the Directorates' priorities are met.
- Additional support will not be replicated outside of the defined support service offer. All support required above the core offer will be arranged and delivered through core+. In practice elements of support will be embedded and managed in directorates, but all support will be defined in the core and core + offer, and delivered with a consistent, Whole Council approach.
- Within each Directorate, each Support Service will be headed by a Strategic Business Partner, who will help the Directorate define the right support for them. The total directorate support offer will be defined in a Strategic Partnership Agreement, and be funded by the Directorate.
- An ISS Hub will be established with a single front door. It will deliver ISS transactional processes focusing on efficiency, maximising throughput, and simplifying the customer experience.
- ISS will prioritise what it does with its limited funds, to focus on essential and highest value services.
- Support Services specialist teams of professional expertise should sit within their professional disciplines, so that access can be simplified and requirements prioritised. Where synergies exist between teams, they should be integrated and report to the lead professional discipline. Matrix management will ensure that staff remain aligned to their professional discipline while working for their specialist team or project.
- The heads of each support service will form a Corporate Strategy Group, chaired by the Section 151 Officer. The Corporate Strategy Group will be responsible for defining the direction for support services and the production of the key corporate strategies.
- A Support Service projects and change capability will be established to improve planning, costing, and resource management, ensuring the Council understands the cost of change across the organisation.
- Governance boards will be established that support the ongoing development and implementation of the corporate strategies. This will form part of the delayering and de-cluttering review of governance.

ISS Structural Design (By Design Principle)



ISS Structural Design (By Function)



BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR FOR ECONOMY
Date of Decision:	20th September 2016
SUBJECT:	NATIONAL STANDARD BIKEABILITY SEPTEMBER 2016 TO MARCH 2020
Key Decision: Yes	Relevant Forward Plan Ref: 002336/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor Stewart Stacey – Cabinet Member for Transport and Roads Councillor Majid Mahmood – Cabinet Member for Value for Money and Efficiency
Relevant O&S Chairman:	Councillor Zafar Iqbal – Economy, Skills and Transport Councillor Mohammed Aikhlaq – Corporate Resources and Governance
Wards affected:	All

1.	Purpose of report:
1.1	National Standard (Bikeability) is the Government's flagship cycle training programme, which is designed to give children the skills and confidence to ride their bikes safely on the public highway. The Department for Transport (DfT) has traditionally provided the Council with an annual revenue grant to fund Bikeability, with the service currently managed in-house and delivered by freelance cycle instructors. For the period September 2016 to March 2020 the DfT has moved away from this traditional arrangement and provided a three and a half year settlement of £1,184,613 for which grant acceptance was required by the 19 th August 2016.
1.2	In the context of the above deadline Cabinet are asked to note grant acceptance by the Strategic Director Finance and Legal and approve Bikeability expenditure of £42,026 in 2016/17; £373,496 in 2017/18; £383,575 in 2018/19; and £386,516 in 2019/20, noting that further funding may become available during this period.
1.3	Between September 2016 and March 2020 grant will fund a total of 37,742 Bikeability training places in the city. Whilst Bikeability is a 'business as usual activity' it fully aligns with the Council's Birmingham Connected Transport Strategy, Birmingham Cycle Revolution and the new Road Safety Strategy set to be approved this autumn. Additionally Bikeability supports the Future Council Programme in respect of creating a modern transport network and young active travel.

2.	Decision(s) recommended:
2.1	That Cabinet: Notes acceptance of £1,184,613 of Bikeability revenue grant from the Department for Transport by the Strategic Director Finance and Legal so as to meet grant acceptance deadlines.
2.2	Authorises the Assistant Director Transportation and Connectivity to place orders up to £1,184,613 with approved cycle instructors during 2016/17 and a managed service provider from April 2017 to deliver Bikeability in accordance with Standing Orders and the Council's Procurement Governance Arrangements.
2.3	Authorises the Strategic Director for Economy to make additional bids for Bikeability funding during the period September 2016 to March 2020 and delegates resultant grant acceptance to the Strategic Director Finance and Legal in the eventuality of additional resources becoming available.
2.4	Authorises the Acting City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

Lead Contact Officer(s):	Phil Edwards – Head of Growth and Transportation
Telephone No:	0121 303 7409
E-mail address:	Philip.edwards@birmingham.gov.uk

3. Consultation	
3.1	<u>Internal</u> Consultation has been undertaken with the Deputy Leader, Cabinet Member for Children, Families and Schools, Cabinet Member for Clean Streets, Recycling and Environment, Strategic Director Finance and Legal and Assistant Director Transportation and Connectivity who support the proposals contained within this report.
3.2	Officers from City Finance and Legal and Democratic Services have been involved in the preparation of this report.
3.3	<u>External</u> Engagement with schools is an ongoing activity in respect of Bikeability and the Council's broader road safety and sustainability agendas. Further engagement has taken place with the Department for Transport (DfT), cycle instructors and Transport for West Midlands (TfWM) in respect of delivery models from April 2017.

4. Compliance Issues:	
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>
4.1.1	Bikeability fully aligns with the Council's Birmingham Connected transport strategy and will continue to encourage safe and active travel, with associated benefits of reducing road congestion, improving the environment and improving health and well-being. These objectives are embedded within the Council Business Plan and Budget 2016+ and support a number of cross Directorate projects identified in the Future Council Programme.
4.2	<u>Financial Implications (Will decisions be carried out within existing finance and Resources?)</u>
4.2.1	The Bikeability grant of £1,184,613 (revenue) is awarded to the Council under Section 31 of the Local Government Act 2003 for use between September 2016 and March 2020. Conditions of use are set out in the grant acceptance document. Annual expenditure will be £42,026 in 2016/17; £373,496 in 2017/18; £383,575 in 2018/19; and £386,516 in 2019/20.
4.2.2	The Council has committed a local contribution of £90,000 over the above period to support the delivery of Bikeability, which was a requirement set out by the DfT. This contribution consists of officer time, which is resourced from the Growth and Transportation revenue budget and established income generation targets for this service area.
4.2.3	There are no HR implications or ongoing revenue costs associated with this report other than those identified above.
4.3	<u>Legal Implications</u>
4.3.1	The arrangements set out in this report are in compliance with the powers of general competence as set out in Section 1 of the Localism Act 2011.
4.4	<u>Public Sector Equality Duty (see separate guidance note)</u>
4.4.1	An initial screening for an Equality Assessment (EA) has been undertaken and has concluded that a full EA is not required, with no adverse impacts on protected groups. The initial screening EA001396 is provided as Appendix A to this report.

5.	Relevant background/chronology of key events:
5.1	<p>Launched in 2006 National Standard (Bikeability) is the Government's flagship cycle training programme, which has been designed to give children the skills and confidence to ride their bikes on the public highway network. The Council have delivered Bikeability in schools since 2007, with training managed in-house and provided by freelance instructors procured via single contractor negotiations.</p>
5.2	<p>Most cycle training in the city is provided through the Bikeability programme to a national standard set out by the DfT. The standards and training are graded from Level One to Level Three: Level One covers basic bike handling skills; Level Two includes on-road training and simple manoeuvring; and Level Three covers more complex scenarios on more highly trafficked routes. Further training is offered in the form of 'Bikeability Plus', which offers a series of additional modules to ensure both children and parents are given the necessary skills to make cycling a part of everyday life. This includes the ability to conduct led rides and properly maintain cycle equipment.</p>
5.3	<p>Through the Bikeability programme the Council is seeking to encourage greater levels of safe and sustainable travel as set out in the Birmingham Connected Transport Strategy. The programme also supports capital infrastructure investment being made by the Birmingham Cycle Revolution, forms part of the new Road Safety Strategy set to be adopted this autumn and also aligns with key work packages in the Future Council Programme to create a modern transport network and enhance young active travel.</p>
5.4	<p>Traditionally local authorities have been invited to bid to the DfT for Bikeability funding on an annual basis, with the bid driven by the estimated number of children to be trained during a given financial year. Further to agreeing the quantum of grant with the DfT, grant is claimed by the Council in arrears based upon the actual number of children trained rather than the original estimate.</p>
5.5	<p>For the period September 2016 to March 2020 the DfT has moved away from this annual process and sought informal bids from local authorities to cover a three and a half year timescale, with a total of £50m (revenue) available nationally. In the context of Birmingham Connected, Birmingham Cycle Revolution, the new Road Safety Strategy and the Future Council Programme an ambitious funding bid to the DfT was made for £2,692,955, which would enable up to 86,475 children to be trained.</p>
5.6	<p>Further to receiving informal bids totalling £63m nationally, the DfT has undertaken an exercise to align requests with available funding. As a result of this exercise the Council was offered £1,184,613 in August 2016, which would enable up to 37,742 children to be trained over the next three and half years. While this is significantly less than the request made it should be recognised that this is still a major increase in the current levels of training being offered, with historical training averaging 2000-3000 children per annum. It should also be noted that while training is offered to schools on a 'first come first served basis', funding is anticipated to be sufficient to allow for all requests for training to be accommodated. Schools are contacted directly to make them aware of the training available.</p>
5.7	<p>To comply with DfT requirements to accept this grant by the 19th August 2016 it has been necessary for the Strategic Director Finance and Legal to accept this grant in advance of this report, thus avoiding the possibility of funding being withdrawn. It should also be noted that the Council have committed a local contribution of £90,000 towards the delivery of Bikeability up to March 2020, which was a DfT requirement. This is a contribution 'in kind' formulated from officer time, which is resourced from the Growth and Transportation revenue budget and established income generation targets for this service area.</p>
5.8	<p>At present Bikeability is managed in-house by the Growth and Transportation service, with training provided to children by freelance cycle instructors awarded contracts under delegated authority by the Assistant Director Transportation and Connectivity. Further to an options appraisal undertaken during summer 2015 this method of delivery was identified as inefficient both in terms of management and administration. It was also identified as a major limitation on the numbers of children trained and a barrier to growing numbers in the context of the Council's cycling ambition. As such, a preferred option to carry out a procurement process for a Managed Service Provider was included in the Planned Procurement Activities report approved by Cabinet on the 22nd September 2015. Use of a new framework to be awarded by Transport for West Midlands on behalf of the Combined Authority is now the procurement route and the award of the forthcoming contract will be completed under delegated authority in December 2016.</p>

5.9	In the above context and recognising Bikeability as a ‘business as usual’ activity for the Council, it is proposed that Cabinet approves expenditure of £1,184,613 between September 2016 and March 2020, with annual expenditure of £42,026 in 2016/17; £373,496 in 2017/18; £383,575 in 2018/19; and £386,516 in 2019/20. It is further proposed that the Assistant Director Transportation and Connectivity is authorised to place orders with cycle instructors during 2016/17 and a managed service provider from April 2017, subject to full compliance with Standing Orders and the Council’s Procurement Governance Arrangements.
5.10	Given that additional funding for Bikeability may become available at short notice from the DfT in the future, it is recommended that the Strategic Director for Economy is authorised is to make further bids during the period September 2016 to March 2020, with grant acceptance subsequently delegated to the Strategic Director Finance and Legal.
5.11	In the interests of improved customer service for all citizens, Bikeability is currently being evaluated as a customer journey within the Economy Directorate as part of Customer Service Excellence accreditation activities. It should also be noted that the Council is working with the DfT to evaluate the overall Bikeability product nationally so as to inform future improvements.
6. Evaluation of alternative option(s):	
6.1	Return grant resources and do not undertake Bikeability training. This option is not recommended as it is in direct conflict with the Council’s Birmingham Connected Transport Strategy, Birmingham Cycle Revolution, new Road Safety Strategy and key work packages within the Future Council Programme

7. Reasons for Decision(s):	
7.1	To note acceptance of £1,184,613 of Bikeability revenue grant from the Department for Transport by the Strategic Director Finance and Legal so as to meet grant acceptance deadlines.
7.2	To authorise the Assistant Director Transportation and Connectivity to place orders up to £1,184,613 with approved cycle instructors during 2016/17 and a managed service provider from April 2017 to deliver Bikeability in accordance with Standing Orders and the Council’s Procurement Governance Arrangements.
7.3	To authorise the Strategic Director for Economy to make additional bids for Bikeability funding during the period September 2016 to March 2020 and delegates resultant grant acceptance to the Strategic Director Finance and Legal in the eventuality of additional resources becoming available.
7.4	To authorise the Acting City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

Signatures	<u>Date</u>
Cllr Stewart Stacey – Cabinet Member for Transport and Roads
Cllr Majid Mahmood – Cabinet Member for Value for Money and Efficiency
Waheed Nazir Strategic Director for Economy

List of Background Documents used to compile this Report:	
1	Council Business Plan and Budget 2016+
2	Birmingham Connected Transport Strategy.
3.	Grant offer and acceptance document.

List of Appendices accompanying this Report (if any):	
1.	Equalities Assessment Initial Screening – Appendix A

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) Age (b) Disability (c) gender reassignment (d) pregnancy and maternity (e) Race (f) religion or belief (g) Sex (h) sexual orientation

Equality Analysis

Birmingham City Council Analysis Report

EA Name	Bikeability Grants 2016-20 - Moving Britain Ahead
Directorate	Economy
Service Area	Transportation Services Growth And Transportation
Type	New/Proposed Policy
EA Summary	<p>This Equalities Assessment reviews the request to obtain approval of the Cabinet in the bid for continued Bikeability grant funding. The EA also reviews the recommendation to authorise orders with approved cycle instructors during 2016/17 and a managed service provider from April 2017 to deliver Bikeability in accordance with Standing Orders and the Council's Procurement Governance Arrangements. Bikeability is the Government's flagship cycle training programme, and has been designed to give people the skills and confidence to ride their bikes on today's roads.</p> <p>Launched in 2006 National Standard (Bikeability) is the government's flagship cycle training programme, which has been designed to give people the skills and confidence to ride their bikes on today's roads. Birmingham has delivered Bikeability in schools since 2007 and currently this training is managed in-house by freelance cycle instructors.</p> <p>In summer 2015 the Council undertook an Options Appraisal on Bikeability delivery, as the existing arrangement of in-house delivery is resource-hungry with high staffing costs. As a consequence it was identified that the current model (in-house delivery) is not the most effective way to manage the delivery of cycle training, so existing and alternative delivery models were reviewed.</p> <p>The preferred option was to procure a managed cycle training service allowing Bikeability in Birmingham to grow to match the ambition of the City Council whilst improving the quality of delivery. This requirement was included in the Planned Procurement Activities Report approved by Cabinet as part of the sounding out process on September 22nd 2015.</p>
Reference Number	EA001396
Task Group Manager	Peter.A.Bethell@birmingham.gov.uk
Task Group Members	Andrea.Johnson@birmingham.gov.uk, Mel.Jones@birmingham.gov.uk, philip.edwards@birmingham.gov.uk, Hilary.Mills@birmingham.gov.uk, Peter.A.Bethell@birmingham.gov.uk
Date Approved	2016-09-01 01:00:00 +0100
Senior Officer	philip.edwards@birmingham.gov.uk
Quality Control Officer	Lesley.Edwards@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation

- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

<p>What is the purpose of this Policy and expected outcomes?</p>	<p>The purpose of this policy is to obtain the approval of the Cabinet in the bid for the Bikeability grant funding, and to authorise orders to place orders to deliver Bikeability from 2016 to 2020.</p> <p>The expected outcomes are that:</p> <p>Cabinets approval will be given, and note the acceptance of Revenue grant of 1,184,613 pounds of Bikeability funding from the Department for Transport by the Strategic Director Finance and Legal, so as to meet grant acceptance deadlines;</p> <p>The Assistant Director Transportation and Connectivity is authorised to place orders up to 1,184,613 pounds with approved cycle instructors during 2016/17 and a managed service provider from April 2017 to deliver Bikeability in accordance with Standing Orders and the Councils Procurement Governance Arrangements;</p> <p>The Strategic Director for Economy be authorised to make additional bids for Bikeability funding during the period September 2016 to March 2020 and delegates resultant grant acceptance to the Strategic Director Finance and Legal in the eventuality of additional resources becoming available; and .</p> <p>The Acting City Solicitor be authorised to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.</p> <p>Internally, consultation has been undertaken with the Deputy Leader, the Cabinet Member for Children, Families and Schools, the Cabinet Member for Clean Streets, Recycling and Environment, the Strategic Director Finance and Legal and the Assistant Director Transportation and Connectivity, who support the proposals. Officers from City Finance and Legal and Democratic Services have been involved in the preparation of these proposals.</p> <p>Externally, engagement with schools is an ongoing activity in respect of Bikeability, and the Councils broader road safety and sustainability agendas. Further engagement has taken place with the Department for Transport (DfT), cycle instructors and Transport for West Midlands (TfWM) in respect of delivery models from April 2017.</p> <p>Bikeability fully aligns with the Councils Birmingham Connected transport strategy and will continue to encourage safe and active travel, with associated benefits of reducing road congestion, improving the environment and improving health and well-being. These objectives are embedded within the Council Business Plan and Budget 2016+ and support a number of cross-Directorate projects identified in the Future Council Programme.</p> <p>The Council is continuing with the engagement of existing national standard instructors until the Framework is available (April 2017). Single contractor negotiations have been entered into with the instructors to support the continuation of service until the permanent process is completed.</p> <p>Currently each local authority is invited to bid for Bikeability grant each year from the DfT with the levels of grant sought based on the forecast number of children to be trained during the year. The level of grant is agreed with the DfT prior to the beginning of each financial year.</p> <p>The DfT has allocated 50m pounds to the Bikeability programme from 2016-17 to 2019-20 (of which 46.8m pounds is allocated to training grants). Through this process the DfT intend to award 3.5 year grant allocations to enable local authorities to plan their investment in cycle training over this period.</p> <p>The DfT has received bids totalling almost 63m, which was substantially more than the total funding currently available. They applied the sift criteria which was set out in the bidding guidance to align bids with the funding available. We have been allocated 37,742 training places with a grant funding of 1,184,613 pounds.</p>
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	No
A Fair City	Yes
A Prosperous City	Yes
A Democratic City	No

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	No
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes

2.3 Analysis on Initial Assessment

This EA is concerned solely with the approval of the bid for the Bikeability grant funding, in order to continue training children and adults to cycle safely and confidently and to improve road safety which is valued by children, their parents and schools; and the authorisation to procure managed cycle training service.

A Full Equalities Assessment is therefore not required.

3 Concluding Statement on Full Assessment

This EA is concerned solely with the approval of the bid for the Bikeability grant funding, in order to continue training children and adults to cycle safely and confidently and to improve road safety which is valued by children, their parents and schools; and the authorisation to procure managed cycle training service.

A Full Equalities Assessment is therefore not required.

4 Review Date

01/10/17

5 Action Plan

There are no relevant issues, so no action plans are currently required.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	Strategic Director for Economy
Date of Decision:	20th September 2016
SUBJECT:	BIRMINGHAM SMITHFIELD MASTERPLAN ADOPTION
Key Decision: No	Relevant Forward Plan Ref: N/A
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member:	Councillor John Clancy, Leader
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq, Corporate Resources and Governance
Wards affected:	Nechells

1. Purpose of report:
<p>1.1 To inform Cabinet of the outcome of public consultation on the Birmingham Smithfield Masterplan (the masterplan).</p> <p>1.2 To seek approval to the masterplan to be adopted as the City Council's vision and framework to guide the future redevelopment of Birmingham Smithfield.</p>

2. Decision(s) recommended:
<p>That Cabinet:-</p> <p>2.1 Approves the Birmingham Smithfield Masterplan (attached at Appendix 1) as the City Council's vision and framework to guide the future redevelopment of Birmingham Smithfield.</p>

Lead Contact Officer(s):	Josie Turner, Principal Development Planning Officer
Telephone No:	0121 303 3751
E-mail address:	josie.turner@birmingham.gov.uk

3.	Consultation
3.1	<p><u>Internal</u></p> <p>The Leader, Deputy Leader, Cabinet Member for Clean Streets, Recycling and Environment, Cabinet Member for Value for Money and Efficiency and Chief Executive have been consulted on the masterplan and are supportive of it. The masterplan has been presented for discussion at Economy, Skills and Transport Overview and Scrutiny Committee and Planning Committee. They widely supported the masterplan and emphasised the need for sustainability, heritage and connectivity and where relevant the document has been updated. Officers from Planning and Regeneration, Transportation, Highways, Birmingham Property Services, Markets, Sustainability, Ecology and Public Health have been involved in the production of the masterplan.</p>
3.2	<p><u>External</u></p> <p>The first stage in the masterplan's production was the Visioning Document which started with an 8 week public consultation in March 2015. This consultation commenced the debate on the future of Birmingham Smithfield, enabling ideas to evolve and the masterplan to develop. The resulting masterplan was launched in March 2016 accompanied by another 8 week public consultation. This consultation sought views on the masterplan's vision, development principles and delivery strategy. The masterplan received significant support for its vision and approach, with respondents agreeing with the Big Moves and the inclusion of the markets in a new facility at the heart of the site. The responses received have informed the preparation of the final version of the masterplan. A summary of the consultation and the responses is attached at Appendix 2.</p>
4.	Compliance Issues:
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The masterplan has been prepared in the context of the emerging Birmingham Development Plan (BDP), the Big City Plan (BCP), the Council Business Plan and Budget 2016+ specifically Outcome One "an enterprising, innovative and green city" through its promotion of development.</p>
4.2	<p><u>Financial Implications</u></p> <p>The masterplan has been prepared using existing Economy Directorate (Planning and Regeneration) staff resources. The adoption of the masterplan does not make any specific financial commitments for the Council at this stage. Capital projects emerging from the masterplan will be funded through a range of sources and will not necessarily require City Council investment. Where the City Council does propose to implement schemes these will be subject to separate approval through the Council's Gateway process</p>
4.3	<p><u>Legal Implications</u></p> <p>The Council has general power of Competence under Section 1 of the Localism Act 2011 and it is using this to undertake the production of the masterplan. The masterplan will provide further guidance to the BDP which is being prepared under the Planning and Compulsory Purchase Act 2004 and Localism Act 2011, following the detailed requirements and procedures set out in the Town and Country Planning (Local Planning) Regulations 2012. There are no further legal implications of undertaking consultation on the masterplan.</p>

4.4 Public Sector Equality Duty

An Equality Analysis screening assessment has been undertaken and is attached at Appendix 3. The assessment concludes that the masterplan will not disproportionately affect one protected group over another and it will contribute to equality of opportunity by providing a framework for growth and investment. Equality analysis will continue through successive stages of implementation and delivery of the masterplan. Separate Equality Analysis has been undertaken for the decision to relocate the wholesale market use.

5. **Relevant background/chronology of key events:**

- 5.1 Birmingham Smithfield covers 14 hectares of land in the heart of the city centre that brings together a comprehensive site including the wholesale markets, the Bull Ring Markets and Moat Lane gyratory. The City Council owns 8 hectares of the site. The wholesale markets will be relocated in April 2017 to new premises within the city at The Hub in Witton. This relocation provides the opportunity to comprehensively plan and redevelop this area and will create a once in a lifetime opportunity to create an exciting new destination for the city. Birmingham Smithfield is on the doorstep of many major assets including the Bullring, New Street Station, Grand Central, Digbeth Creative Quarter, Knowledge Hub, Southside and it is in close proximity to the future location of HS2 at Curzon. Its redevelopment will reconnect the area with its surrounding and create new activities and environments.
- 5.2 The first stage in realising the development opportunity was the production of the Visioning Document which was approved by the Cabinet Member for Development, Transport and the Economy jointly with the Deputy Chief Executive for consultation on the 17th March 2015. The document presented the development opportunity and set out concepts for how the area could be developed in future. Establishing the “Big Moves” (see para 5.5) and development principles that could be at the heart of any future redevelopment. The document underwent an 8 week public consultation in Spring 2015 which enabled ideas to evolve and develop. There was a positive response to the proposals with the main issues being a call for a park and the secured future of the retail markets. The Visioning Document and public consultation has informed the production of the masterplan.
- 5.3 The masterplan (Appendix 1) will be used to guide planning and delivery, inform procurement activity and market the site. In order to comprehensively develop the site the masterplan has been supported by a series of baseline and technical studies covering Highways, Infrastructure and market specification. The Masterplan sets out the following: (1) the vision for the area including details of the “Big Moves” to bring about major transformation; (2) principles for redevelopment that will be central to creating a high quality, sustainable place; and (3) a strategy for delivery.
- 5.4 The vision for Birmingham Smithfield will see the area radically transformed creating a major cultural and leisure destination that extends the city’s existing offer with new vibrant retail markets, family entertainment, museums and galleries. As an exemplar sustainable development it will create a distinctive place with high quality architecture, public spaces and squares and a dynamic mix of uses including a new residential offer. It will reconnect this part of the city centre through new streets, public transport accessibility and pedestrian and cycle priority.

- 5.5 The five “Big Moves” that will realise the vision and maximise the opportunity are: (1) vibrant market and leisure uses; (2) a major new public space; (3) a pedestrian boulevard to reconnect the area; (4) integrated public transport that will bring Metro into the area; and (5) an exemplar residential neighbourhood. The masterplan also highlights the need for sustainable and high quality development which is reflected in its core development principles: (1) connectivity; (2) uses; and (3) design. These core principles will help the area stand the test of time and become a successful place. The site is also one of the World Business Council for Sustainable Development’s Zero Emissions Cities which sets out to create a zero carbon development through the use of smart technology, efficient buildings and integrated waste and energy infrastructure.
- 5.6 The masterplan was launched at MIPIM, an annual international real estate convention held in Cannes, France, and locally in Birmingham. It was approved for consultation by the Cabinet Member for Development, Transport and the Economy jointly with the Strategic Director for Economy on the 17th March 2016. This consultation sought views on the masterplan’s vision, development principles and delivery strategy. The vision for Birmingham Smithfield as a major new sustainable and inclusive place, “Big Moves” and development principles received significant support from respondents. An overview of the consultation is included in section 3.2 of this report and a summary at Appendix 2.
- 5.7 Delivering Birmingham Smithfield will also be central to unlocking a much wider area for transformation along the River Rea corridor. Alongside the activity underway for Birmingham Smithfield, there is work to deliver new residential communities and employment opportunities along the river corridor, with masterplanning work commenced in partnership with the Environment Agency and Severn Trent Water for the 68 hectares termed the, ‘Southern Gateway’.

6. Evaluation of alternative option(s):

- 6.1 Option 1 – Do nothing. Should the Council decide not to adopt the masterplan as the vision and framework to guide the future redevelopment it will result in lack of clarity on how the site can be redeveloped and as a result its potential not being fully realised.
- 6.2 Option 2 – Reliance upon the BDP and BCP. These documents provide a very high level of policy guidance for Birmingham Smithfield and do not deal with the vision, development opportunities and principles for the site that will ultimately be needed to realise its potential. The masterplan provides a greater level of detail including principles to direct decisions and investment that neither the BDP nor the BCP can achieve.

7. Reasons for Decision(s):

- 7.1 To provide a vision and framework to guide the future redevelopment of Birmingham Smithfield.

Signatures	Date
Councillor John Clancy Leader
Waheed Nazir Strategic Director for Economy

List of Background Documents used to compile this Report:
Birmingham Development Plan pre-submission version (December 2013) Big City Plan (July 2011) Birmingham Smithfield Visioning Document Public Consultation – Joint Cabinet Member report dated 17 th March 2015

List of Appendices accompanying this Report (if any):
1. Birmingham Smithfield Masterplan 2. Consultation Summary and Responses 3. Equality Analysis

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

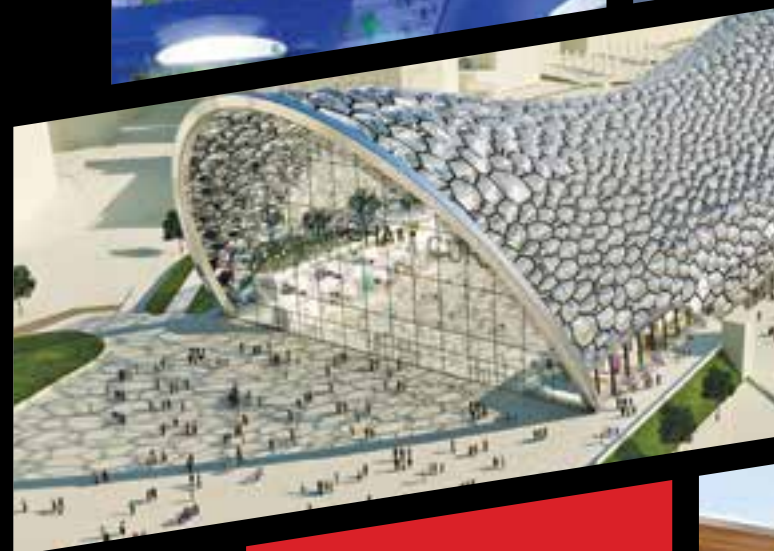
- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation



Birmingham Smithfield Masterplan

September 2016



live destination retail
location enjoy visit work markets
leisure relax shop celebrate vision
eat live visit entertain destination
play markets attraction drink festival
relax shop culture invest eat location
live destination enjoy visit culture
vision markets work entertain
entertain shop eat culture visit
live destination retail location
location leisure relax shop
attraction culture markets



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- Development principles
 - Connectivity
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 - Design

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Birmingham Smithfield is a once in a generation opportunity

Foreword

Birmingham is currently experiencing an unprecedented period of change as billions of pounds of investment transform the city's economy.

Over the next decade this will continue at a dramatic pace as new jobs, transport facilities and residential communities are delivered. The impact of this will see Birmingham realise its full potential, becoming a truly international city at the centre of a successful region and a driving force of the UK.

As one of the largest and most attractive city centre development sites in the country, Birmingham Smithfield will be a key part of this evolving growth story.

The site has all the ingredients to become a hugely successful and vibrant place. It will be able to capitalise on the rich history of the area; proximity to the major retail offer, the creative quarter and knowledge hub and the future city centre terminus for High Speed 2.

The future vision for Birmingham Smithfield includes new vibrant retail markets, exciting family leisure, cultural buildings, homes, public squares and transport facilities. Delivering 300,000sq.m of new floorspace, 2,000 new homes and an investment value of over £500 million.

But what will be truly transformational is the creation of a legacy for the city; a place for people that stands the test of time as an international exemplar of sustainable development.

As part of the World Business Council for Sustainable Development (WBCSD) Zero Emissions Cities programme Birmingham Smithfield is already at the forefront of this agenda. This masterplan is a statement of intent for the future. The city council is committed to delivering the transformational potential and realising the vision.

This masterplan sets out the vision and principles that will form the basis of the delivery of this unique opportunity for the city.

Councillor John Clancy

Leader
Birmingham City Council



introduction



8

Introduction

Birmingham Smithfield will be a once in a generation opportunity to create a truly transformational development that will drive the city's international standing and reputation. The opportunity to reimagine 14 hectares of land in the heart of the city is rare but one that this masterplan has been designed to maximise.

Delivering upon the overarching vision of the Big City Plan, the strategic city centre masterplan, Birmingham Smithfield will be the next phase of major investment in the centre that has seen the area become one of the UK's premium business, tourist and retail destinations.

As an Enterprise Zone site, located within close proximity of many of the city's major economic assets, the scene is set to bring forward the next phase of city centre growth.


At the forefront of realising the ambition the masterplan builds on the work of the Birmingham Smithfield Visioning Document launched in March 2015, and defines the big moves and principles that will deliver the highest quality sustainable place for the future.

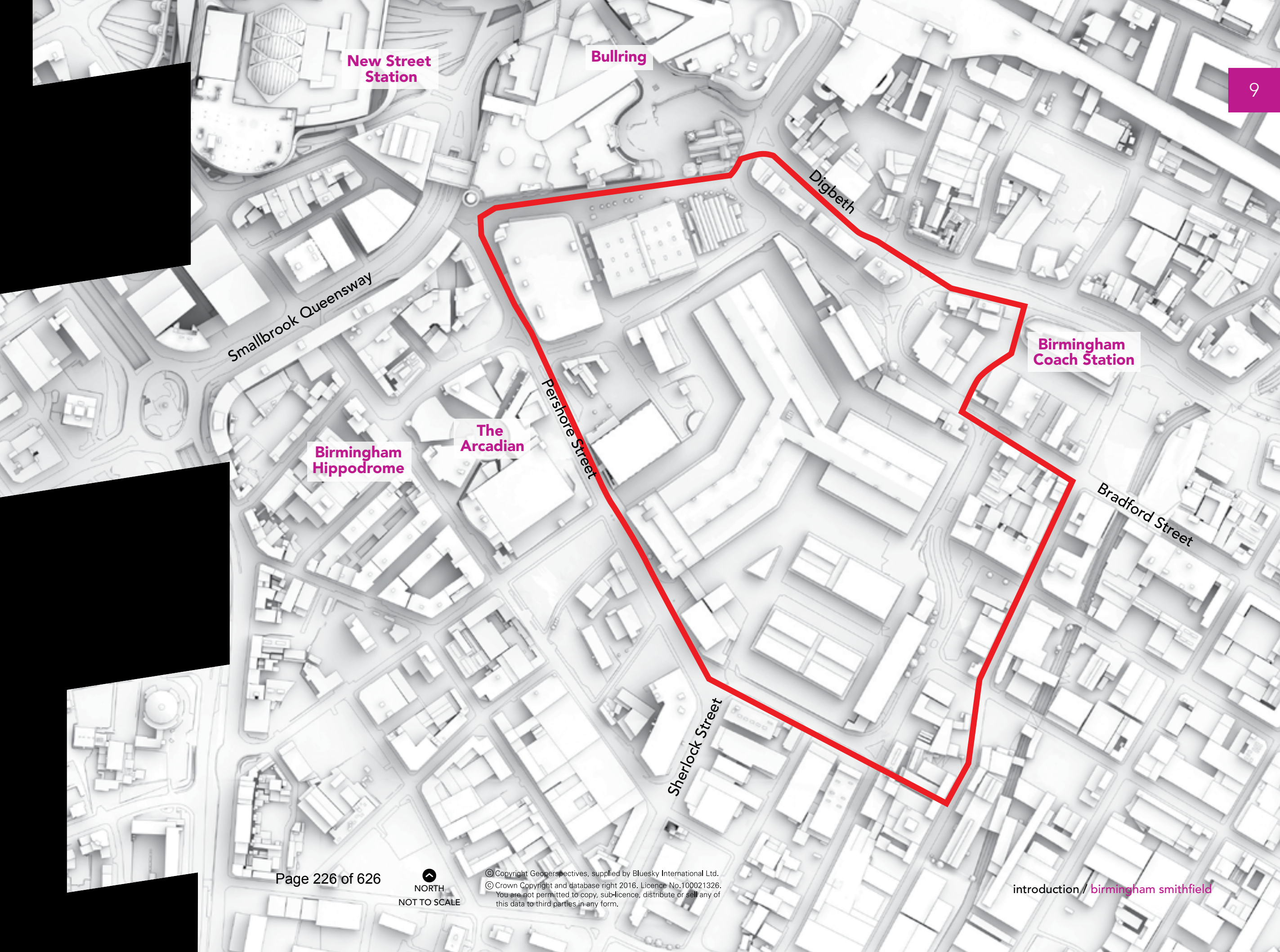
In creating this future the redevelopment will be able to call upon the area's unique heritage as the birthplace of the city and the establishment of markets in 1166. Throughout its history, the area has evolved but at its core is a place to meet, trade and share ideas and experiences.

The relocation of the wholesale markets from the area to new facilities within the city in 2017, marks the beginning of a new era and the opportunity to realise the transformational potential.

Following an international launch and extensive public consultation the masterplan sets the vision for the site that will form the basis for the procurement of a development partner and a guide for the detailed planning and delivery phases that follow.

Plan 1 Masterplan boundary

Key
 Area boundary





context



Birmingham Smithfield sits within a part of the city that has and will continue to experience huge transformation. Major developments, significant transport infrastructure and vibrant communities are all clustered within walking distance of the site. In creating Birmingham Smithfield, this vibrancy and growth will be capitalised on to deliver a dynamic, thriving and successful destination.

Birmingham Smithfield will become part of the city's exciting growth agenda that will see 51,000 new homes, 100,000 new jobs and billions of pounds worth of investment in infrastructure. This growth will continue to strengthen the city's national and international standing, placing it at the heart of an economic renaissance of the Midlands.

Unparalleled in its mix of uses, Birmingham Smithfield forms part of the city that is growing as a focus for culture, leisure and retail. Sitting alongside **Southside's** lively theatre, entertainment, and restaurant scene, Birmingham Smithfield will benefit from the tens of thousands of people that visit its attractions every year. As a cultural focus for the city's Chinese and LGBT community, **Southside** is seeing new investment and development that is bringing added vibrancy to the whole area.

Birmingham Smithfield's advantageous position adjacent to the city's highly successful **Retail Core** will further strengthen Birmingham's status as one of the UK's top shopping destinations, which currently attracts over £2 billion of expenditure and more than 40 million visitors a year. The Retail Core's premium offer at Grand Central Birmingham and The Mailbox anchored by the brand new John Lewis and Harvey Nichols department stores, high street

favourites at the Bullring with its iconic Selfridges building and clusters of exciting independent retailers are all part of what makes Birmingham a great place to visit.

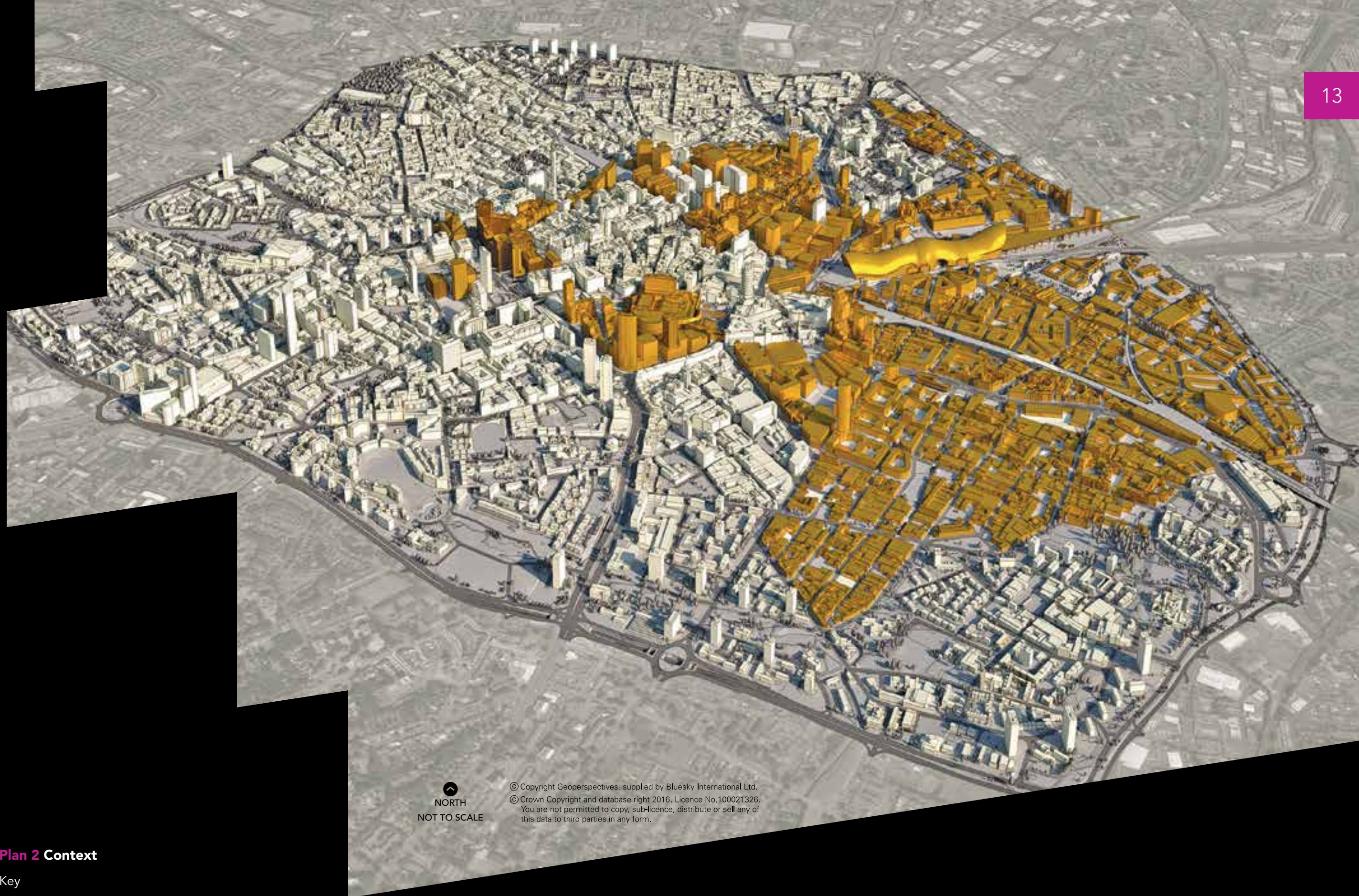
The future development can also tap into the exciting new creative quarter that is flourishing in **Digbeth**. Neighbouring Birmingham Smithfield, Digbeth is fast growing as a location for companies involved with digital technologies, design, media, TV production and arts. This economic activity is already clustered at The Custard Factory and Fazeley Studios which brings an innovative edge to the city.

The city's **Irish Quarter** has a strong history in the area. Home to a wealth of Irish based businesses and organisations centred on St Anne's Church. The quarter is yet another element of the area's distinctive character.

Plan 2 Context

Key

Areas of Transformation





With the **Knowledge Hub** at Birmingham Curzon there is a mass of talent, ideas and ambition that will drive the city's future economy and feed into the future vibrancy of the city centre. A hub for research, technology and education the Knowledge Hub is being boosted by continued investment totalling over £700m from its key institutions including Aston University, Birmingham Science Park Aston and Birmingham City University. The area is primed to attract new companies and investment to the city, with a strong pool of graduate talent, world class research and excellent connectivity.

Birmingham Smithfield will be able to capitalise on unrivalled transport accessibility provided by **Birmingham New Street Station** with direct rail connections across the UK. Birmingham is at the heart of the network and in easy reach of millions of people. The recent £600 million major redevelopment of the station has given the city a bright, modern transport hub. Five minutes' walk from Birmingham Smithfield, the vastly improved station and associated Grand Central Birmingham, is generating

and supporting greater visitor numbers, having a profound impact on the whole of the city and its economic success. New Street Station links the city centre to Birmingham Airport with a 9 minute journey time. Birmingham Airport provides connections to over 140 destinations worldwide.

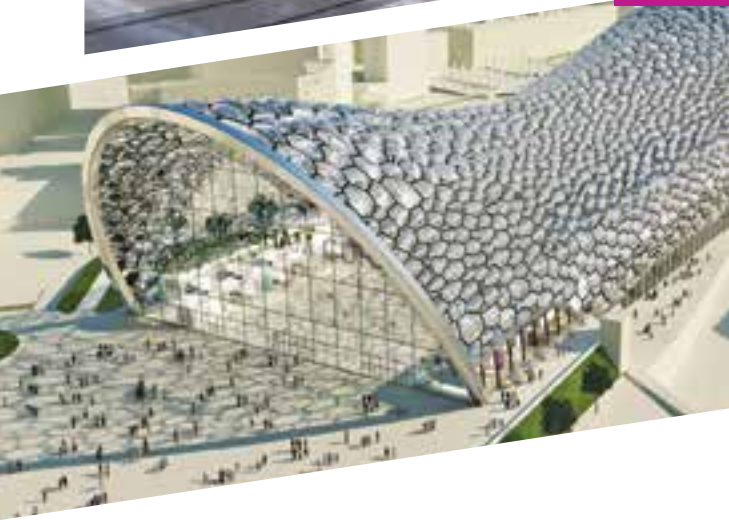
The proposed **High Speed 2 (HS2)** rail link, initially between Birmingham and London, will bring 21st century rail connections into the heart of the city centre when it opens in 2026. Within a 10 minute walk, or 2 minute tram ride of Birmingham Smithfield, the new terminus station at Birmingham Curzon will bring significant numbers of new jobs and visitors to the city and help promote investment and regeneration opportunities. Future phases of the high-speed network will strengthen Birmingham's role at the centre of the UK's rail system - and provide opportunities for direct high-speed rail connections into Europe.

Significant investment in **Midland Metro** is already delivering quick and efficient links throughout the city centre and into the

wider region. Upwards of £300 million is being invested in extending the network that will link key city centre destinations - New Street Station with HS2 at Birmingham Curzon, the business district at Snow Hill, the civic areas around Victoria Square and Centenary Square, Digbeth and Birmingham Smithfield. The line has potential to extend across a wider area running from Birmingham Smithfield to the south of the city to the University of Birmingham, Life Sciences Campus and Queen Elizabeth Hospital.

The successful redevelopment of Birmingham Smithfield will unlock the River Rea corridor and realise the opportunity of the whole **Southern Gateway**. The Southern Gateway is one of the area's of transformation identified in the Big City Plan with potential for over 4,000 new homes. Focused around the River Rea corridor the Southern Gateway is the next phase of major change in this part of the city centre extending out from the redevelopment of Birmingham Smithfield. A separate masterplanning exercise is currently underway which will establish how a series

of sustainable residential neighbourhoods can be created around the River Rea. The natural environment will be at the heart of this masterplan creating development that responds to the localised challenges of flood risk, water management and biodiversity as well as delivering the quality of place and community. The masterplan, which is being prepared in partnership with the Environment Agency and Severn Trent Water, for this 80 ha area will come forward in late 2016/early 2017 and build upon the vision for Birmingham Smithfield.



Timeline showing the area's evolution as the home of the markets to the launch of this masterplan





masterplan

Masterplan

Capitalising on the city's already established assets, the overarching vision for Birmingham Smithfield will be of a sustainable, green and inclusive place that has people at the heart of a zero carbon development. It will drive opportunities for the city's economy creating new cultural and leisure attractions, vibrant retail markets and space for start-ups, small businesses and entrepreneurs. It will be a distinctive place, that reflects the area's rich history with high quality architecture, a network of green infrastructure, public spaces and squares and a dynamic new residential neighbourhood, that is reconnected to the wider city through new streets, public transport and pedestrian and cycle routes.

This vision will be secured through the delivery of a series of big moves and underpinned by key development principles.

BIG MOVES

Vibrant markets and leisure

This will be at the heart of Birmingham Smithfield and see fantastic market shopping attracting new and existing customers and a range of leisure uses supported by cafes, independent shops, restaurants and hotels. The new home for the markets will become a destination in its own right, with a mix of activity across a multi-layered building bringing life throughout the day and night. The building will capture the markets' distinct character and reflect the rich history of its location, on which a market has been held since 1166. Innovative design and servicing will support its long term operation.

Festival Square

The square will be a major new public space for the city that is a lively hub for cultural, community and arts events, activities, festivals and an attractive place for people to meet and relax.

Pedestrian boulevard

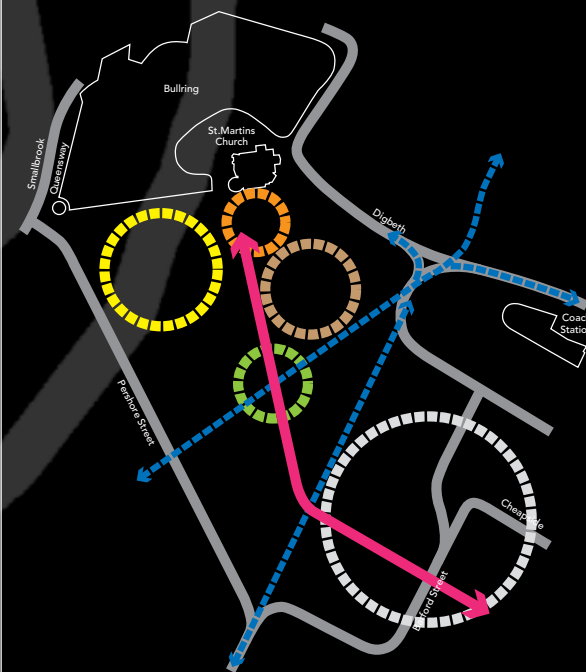
A wide, green pedestrian boulevard will transform pedestrian connections into the site allowing people to easily walk through the area along pleasant green streets and reach it from other parts of the city centre.

Integrated public transport

Metro, bus and sprint (rapid transit bus) will run through the site in dedicated greened public transport corridors providing people with a quick and efficient way of getting around the area and linking to the wider city and beyond.

Residential neighbourhood

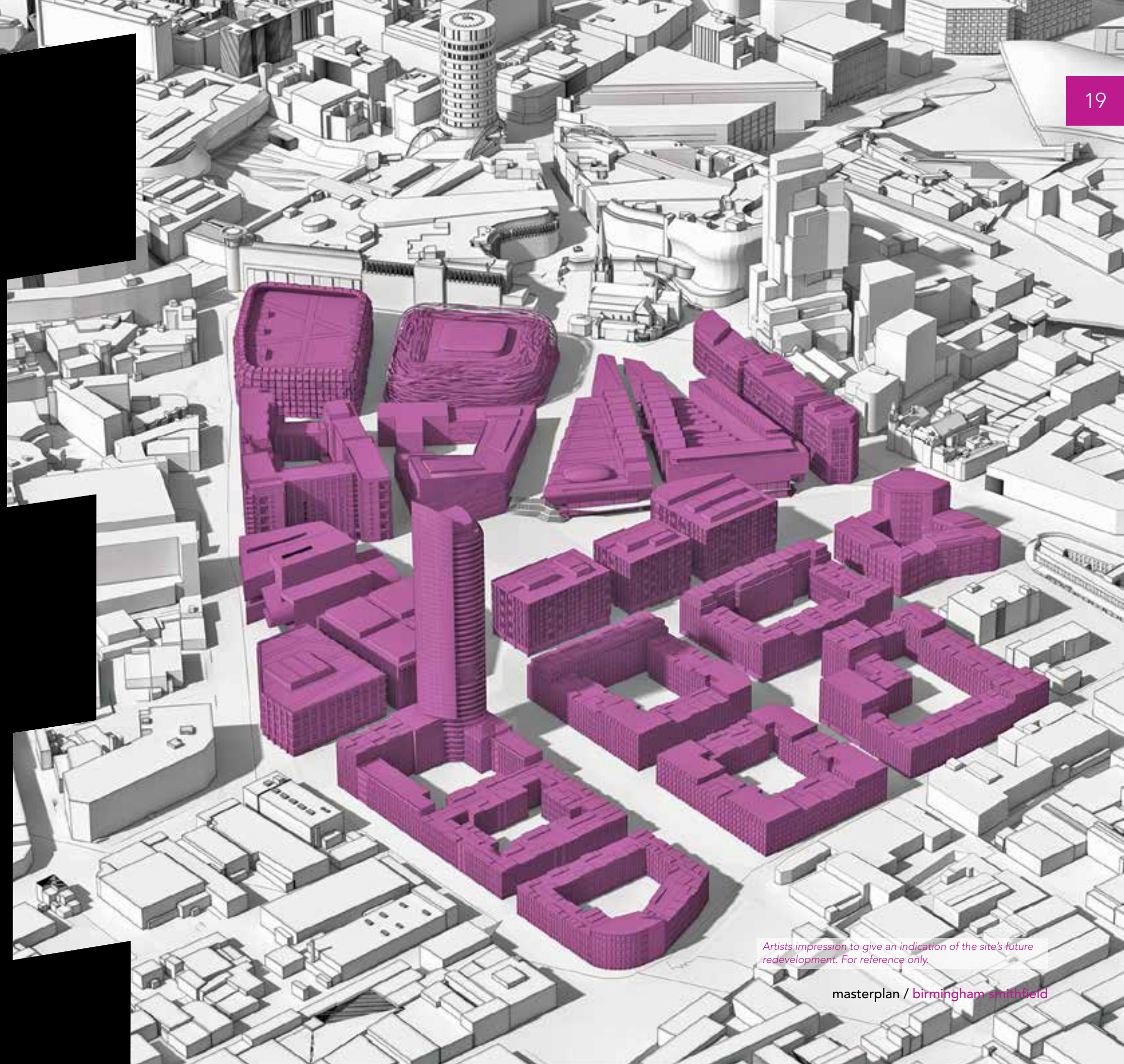
A mixture of new, modern sustainable homes in a green setting supported by a range of community facilities will create an exemplar residential neighbourhood that will be one of the most desirable places to live in the city centre. At the heart of the residential neighbourhood will be a major new park creating a setting and location for amenity assets for the whole area.



Plan 3 Big moves

Key

-  Retail Markets
-  Market Square
-  Leisure attractions
-  Festival Square
-  Pedestrian boulevard
-  Public transport routes
-  Residential neighbourhood



Artists impression to give an indication of the site's future redevelopment. For reference only.



Artists impression to give an indication of the site's future redevelopment. For reference only.

DEVELOPMENT PRINCIPLES

Three site-wide development principles will, alongside the big moves, be at the forefront of creating a sustainable, green and inclusive place. The delivery of these development principles will ensure that Birmingham Smithfield becomes an exemplar development and legacy for future generations, with a distinctive sense of place and identity.

The overriding development principles are set out over the following pages:

Connectivity

The development will deliver radical improvements to accessibility and reconnect the site to the wider city. The enhancement of walking, cycling and public transport, and the creation of a consistent, high quality public realm, that incorporates trees and other natural features will be central to the transformation of the area and the realisation of its huge potential.

Activity

Birmingham Smithfield will be defined by its dynamic mix of uses that create a major cultural and leisure destination, business space and new residential communities.

Design

The approach to the design of the site, its buildings and spaces will need to be focused on the delivery of the highest quality place set within a network of green infrastructure and the most sustainable form of development.

- 1 Bordeaux Tram, France.
- 2 Festival of lights Potsdamer Platz, Berlin, Germany.
- 3 Sheffield City Centre, United Kingdom.
- 4 Rotterdam Markethal, Netherlands.
- 5 Federation Square, Melbourne, Australia.
- 6 Millennium Park, Chicago, United States.
- 7 Marina Village, Barcelona, Spain.
- 8 Buenos Aires mixed use development, Argentina.
- 9 Example of city centre apartments.
- 10 Shoppers in the Rotterdam Markethal, Netherlands.
- 11 La Rambla, Barcelona, Spain.



Connectivity

The development will deliver radical improvements to accessibility and reconnect the site to the wider city. The enhancement of walking, cycling and public transport, and the creation of a consistent, high quality public realm, will be central to the transformation of the area and the realisation of its huge potential.

Streets, Squares and Spaces

New green streets will give priority to pedestrians and cyclists, linking together a series of landmark public spaces. This will provide amenity space and form attractive settings for new development. The north-south pedestrian boulevard will reconnect the area to the City Centre Core, Digbeth

and the wider Southern Gateway. The boulevard will be supported by a network of new streets and spaces, which incorporate trees and other natural features, allowing pedestrians and cyclists to move easily through the area in a pleasant setting.

The historic street grid will be recreated throughout the new residential neighbourhood increasing connectivity and permeability. This will deliver a truly walkable place. Dedicated cycle routes across the site will connect into the city's wider cycle network and link with public transport hubs, providing a safe, quick and active way to get around the city. Cycle parking will be integrated as part of the development utilising the level change for underground storage and services.

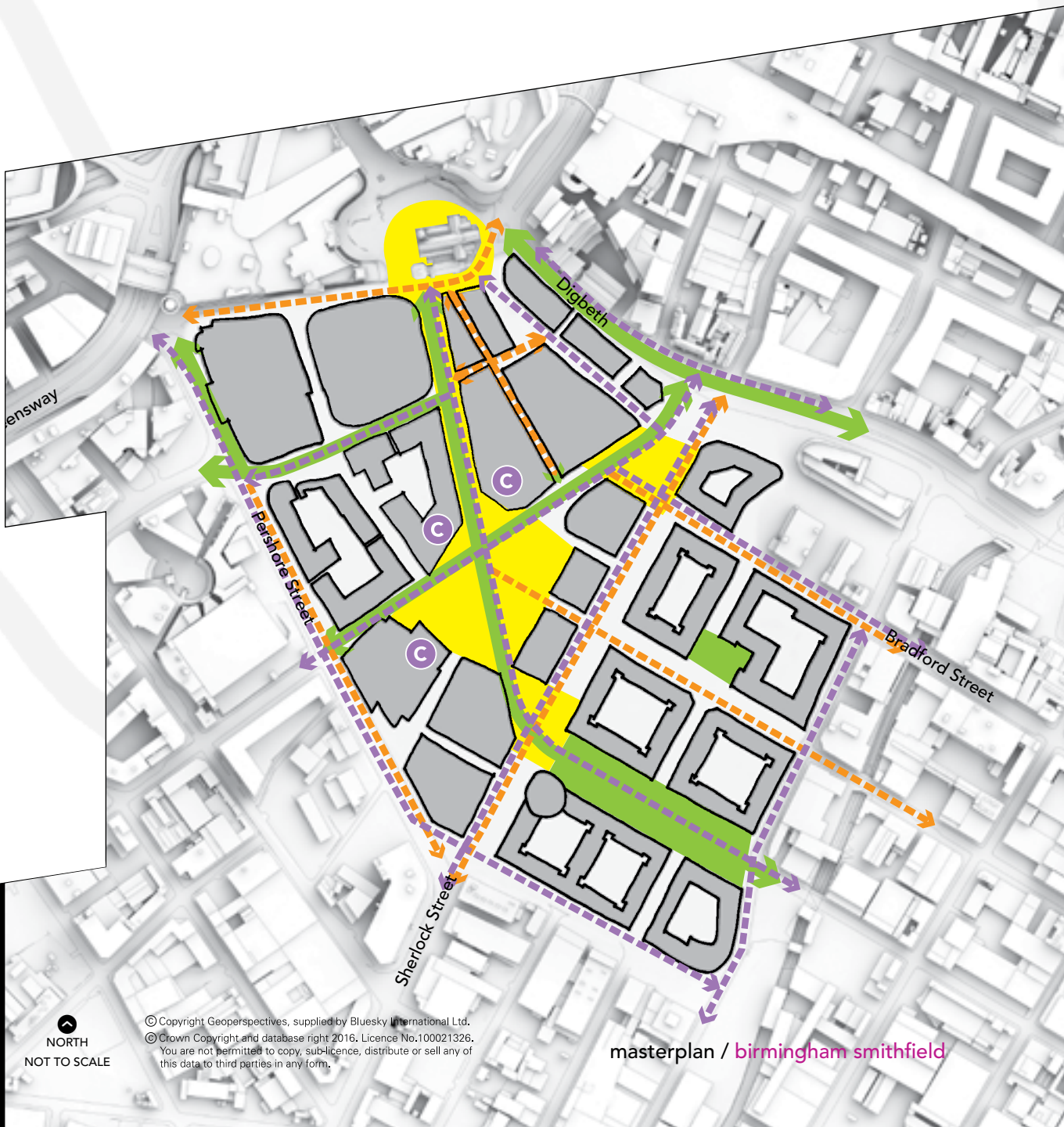
Festival Square will be a major new public space for the city and a focal point for the site. This high quality, multi-functional space will be a meeting place and an exciting hub for cultural, community and arts events, activities and festivals. It will be a centrepiece in a series of vibrant and welcoming public spaces across the area, with pedestrian routes converging on the square to create a space that is active and lively. Around it will sit the home of the markets, business space, cultural buildings, leisure attractions, hotel, independent shops, restaurants and cafes all bringing people into the square to shop, eat and meet. The integration of the public transport route along Bromsgrove Street will be vital to accessibility.



• View from Bradford Street looking towards Markets

Plan 4 Pedestrian and cycle connections

- Key
- New development blocks
 - Primary pedestrian route
 - Secondary pedestrian routes
 - Public space/square
 - Linear park/green space
 - Key cycle routes
 - Cycle parking



Festival Square will be supported by a network of other green squares and spaces such as Market Square. This square will provide an attractive setting for the markets and the church of St Martin-in-the-Bull Ring. Within the residential neighbourhood, a balance of public and private spaces will provide significant natural areas enhancing the appeal as a place to live. A major new park will be the focal point for the residential neighbourhood and wider community. It will provide a range of amenities including green space, play areas, allotments and habitats benefitting the site and the wider city. The new park will become part of the city's network of well-designed green

spaces. Walking and cycling routes, running along a network of attractive wide green streets, will converge on these squares and spaces ensuring that they are active and lively.

A distinctive high quality, appropriate palette of materials will be used on public realm throughout the site as set out in the city council's emerging Strategy for Streets, Squares and Spaces. A sustainable approach will be needed to the use of materials and resources that considers sourcing, conservation and re-use. Investment in the long term maintenance and management of public realm will be vital.

Integrated Public Transport

At the heart of creating one of the most accessible destinations in the city will be the integration of public transport. Radical improvements to local access will be made by re-connecting Bromsgrove Street across the area from east-west to provide a dedicated greened bus and sprint route serving the markets and leisure attractions and making them easily accessible to shoppers and visitors. The new route will need to be carefully planned in its interface with Festival Square to allow pedestrians and cyclists to move along the route in parallel and to ensure that it contributes to the creation of a place and destination. Bus stops, road materials and signage will all need to be carefully designed to integrate into the overall vision for the site and Festival Square.

Brand new mass rapid transport facilities will be brought into the site through the creation of a dedicated green route for the Midland Metro. This will run through the site along an extended Sherlock Street with a

• View from Digbeth High Street looking towards Rotunda

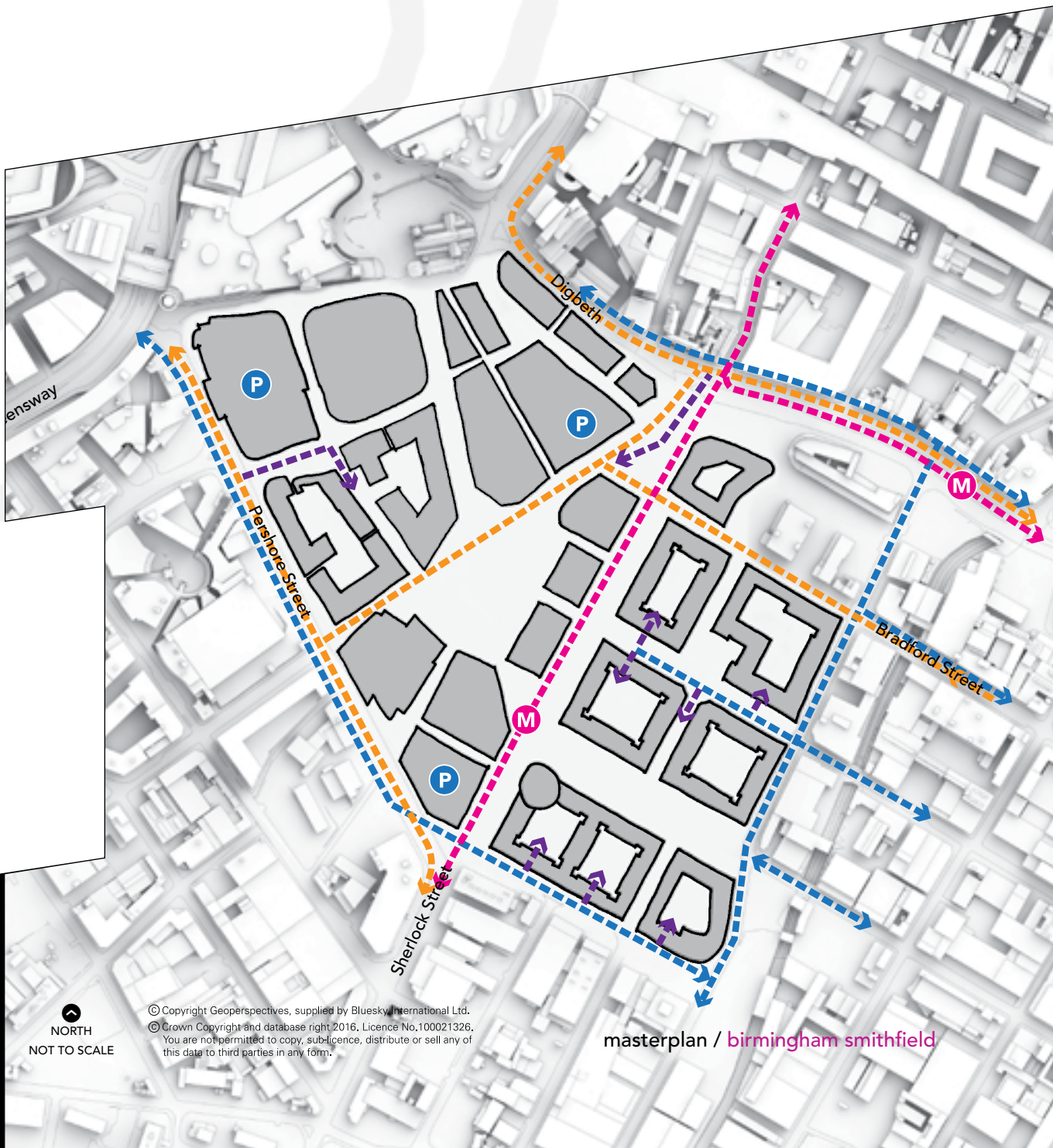


stop between Festival Square and the new residential community. It will provide quick and convenient connections to New Street Station, Moor Street Station, Birmingham Coach Station, the HS2 terminus at Birmingham Curzon and the wider city. It could form the first phase of a wider route into the south of the city.

A focus for interchange between public transport modes within the site will be important with bus/sprint stops at key and convenient points, and smart technology will be used to aid its efficient use. These improvements will reduce traffic congestion and carbon dioxide emissions as well as delivering improvements in air quality.

Plan 5 Public transport and access

- Key
- Two way vehicular movement
 - Vehicular access/servicing
 - Metro route/stop
 - Sprint/bus route
 - Car parking



Private cars will be moved around the edges of the area, with vehicle access for disabled users, taxis and servicing into the mixed use, leisure and markets areas only to make it a largely car free environment. Servicing will be underground, making use of the level change over the site.

A comprehensive access, servicing and management strategy will be required for the area. Parking for private cars will be rationalised with limited provision in a multi-storey and underground car park on

the edges to reflect the highly centralised and connected nature of the site. Park and ride facilities will also be available to serve the area utilising Metro connections.

The quality of the streets surrounding the site will be improved to create a street scene that is rationalised and effective in its movement of traffic, with active frontages and high quality public realm. This will ensure integration of the redevelopment with surroundings and support pedestrian movement.

With the closure of Moat Lane and Upper Dean Street to traffic, Digbeth High Street will be redesigned to provide two way movement of traffic allowing access into the Bullring car park and bus priority. Bradford Street will have an important role as a main transport corridor and route for vehicle access.

The closure of Park Street and Moor Street to private vehicles, as per plans associated with HS2, will change the feel and function of Digbeth High Street. Similarly, Pershore

Road will be greatly improved, with public realm and junction improvements forming part of a pleasant walking route between Birmingham Smithfield, Southside and Birmingham New Street that takes in Southside's newly pedestrianised Ladywell Walk and planned Theatre Square.

Digital technology will be an important tool in the future knowledge economy and the provision of infrastructure and new technologies which enhance digital connectivity will form a central part of the development. This will need to be designed into buildings and spaces upfront to ensure future resilience to emerging digital technological advances.

• View from Sherlock Street looking towards Festival Square



• View from Rea Street looking towards Cheapside





Artists impression to give an indication of the site's future redevelopment. For reference only.

Activity

Birmingham Smithfield will be defined by its dynamic mix of uses that create a major cultural and leisure destination, business space and new residential community.

Vibrant markets will be at the heart of Birmingham Smithfield and the destination for shoppers and visitors to the city. The city's existing Bull Ring Markets comprised of the Indoor, Outdoor and Rag Markets will be bought together in a brand new

landmark home that reflects their rich history. Positioned front and centre, the diverse markets will be re-established as a key anchor in the city. Building on their distinct character and existing quality offer, the market will provide a revitalised shopping and eating offer for the city that continues to be a good value and easily accessible source of fresh food and goods for residents.

Open throughout the day and well into the evening it will be a lively destination and hive of activity. As a multi-layered, adaptable environment it will encompass a mix of uses including eateries, restaurants, small retail outlets and business space for start-ups and small enterprises, offering real opportunities for growing independent businesses. This mix will create a distinctly Birmingham market and in turn encourage economic activity in and around.



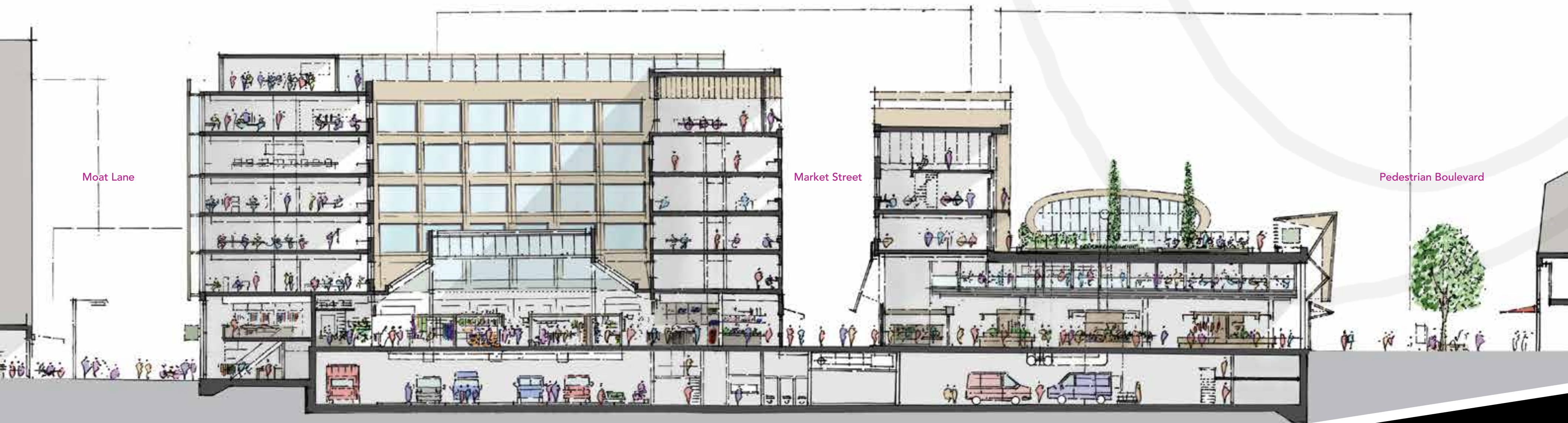
• View from Markets interior looking towards St Martin's Church

Plan 6 Activity and scale

Key

- Markets
- Cultural buildings
- Mixed use
- Leisure
- Residential
- Hotel
- Height/number of storeys
- Existing/approved blocks
- Active frontage
- Landmark building





• Section through Markets/Market Street
viewed from St Martin's Church

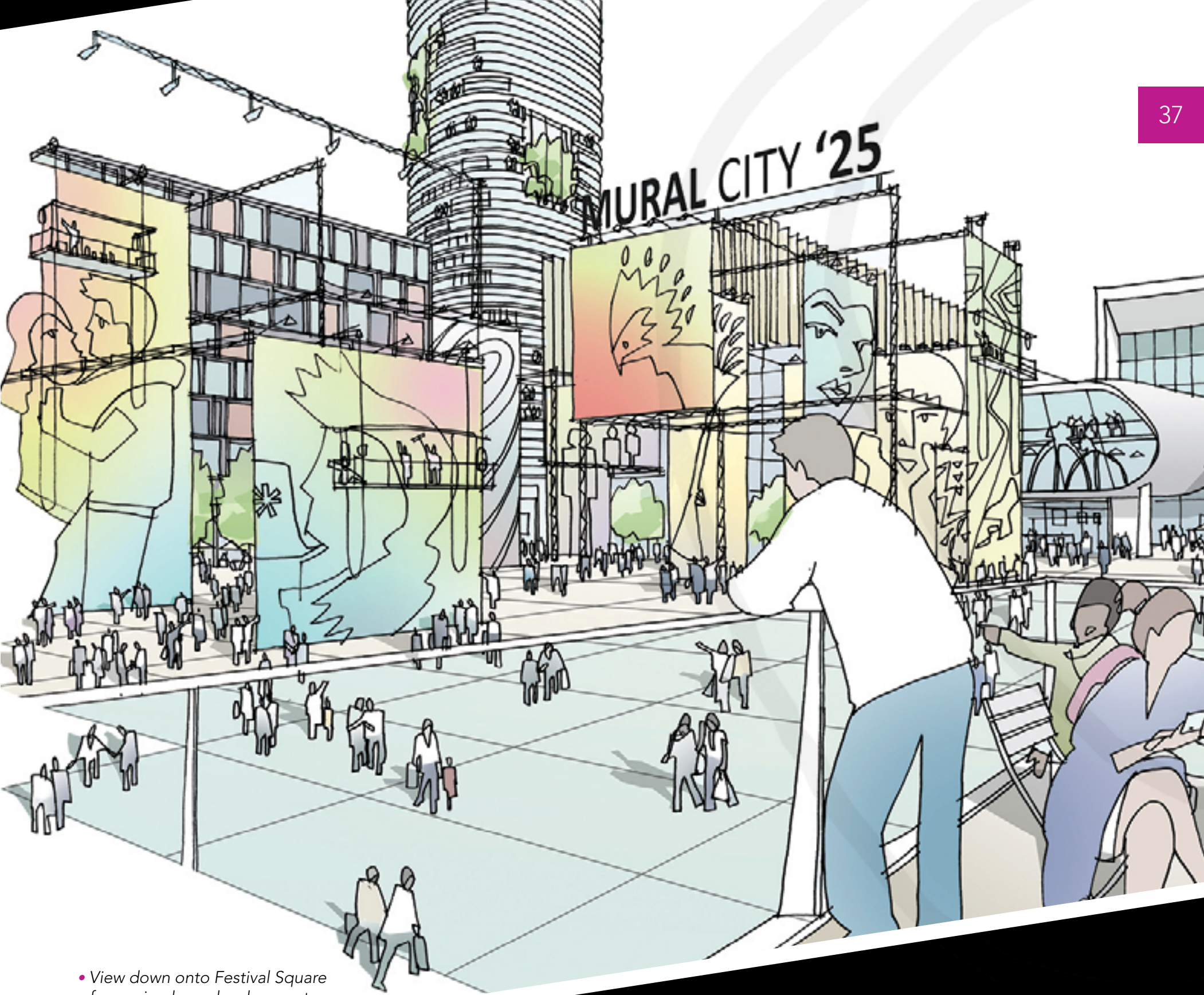
It will be served by a dedicated bus/sprint route and public transport interchange on Bromsgrove Street. New and improved pedestrian routes will converge on the markets bringing in shoppers.

This unrivalled opportunity for a new home for the retail markets will deliver a contemporary and innovative design that captures the distinct character of the markets and reflect the rich history of its location, on which a market has been held since 1166. The design of the building and

spaces should celebrate the historic moat and manor house which formed some of the earliest development on the site, this could be achieved through public art, public realm or exhibitions. The spaces will be adaptable with fit for purpose with modern stalls laid out around a central meeting point that allows shoppers to find their way around easily. This new Market Street will provide a central boulevard for the building and a vibrant street for the new community and customers.

Integrated servicing, waste, recycling, storage and preparation areas with capacity to service the operation will be vital to its success. The building will be skinned with small retail units and eateries to become a 360 degree place that is vibrant and accessible from the surrounding area with a series of clear, wide entrances.

• View from Market Street looking towards St Martin's Church



• View down onto Festival Square from mixed use development

A mix of family friendly leisure uses such as museums, cultural attractions, cinemas, bowling and recreation/sporting activities which have a national and international appeal will complement the markets, providing attractions and activities that will draw more people into the area throughout the day and evening. New uses will extend the city's existing leisure and visitor offer and will be supported by cafes, independent shops, restaurants and hotels.

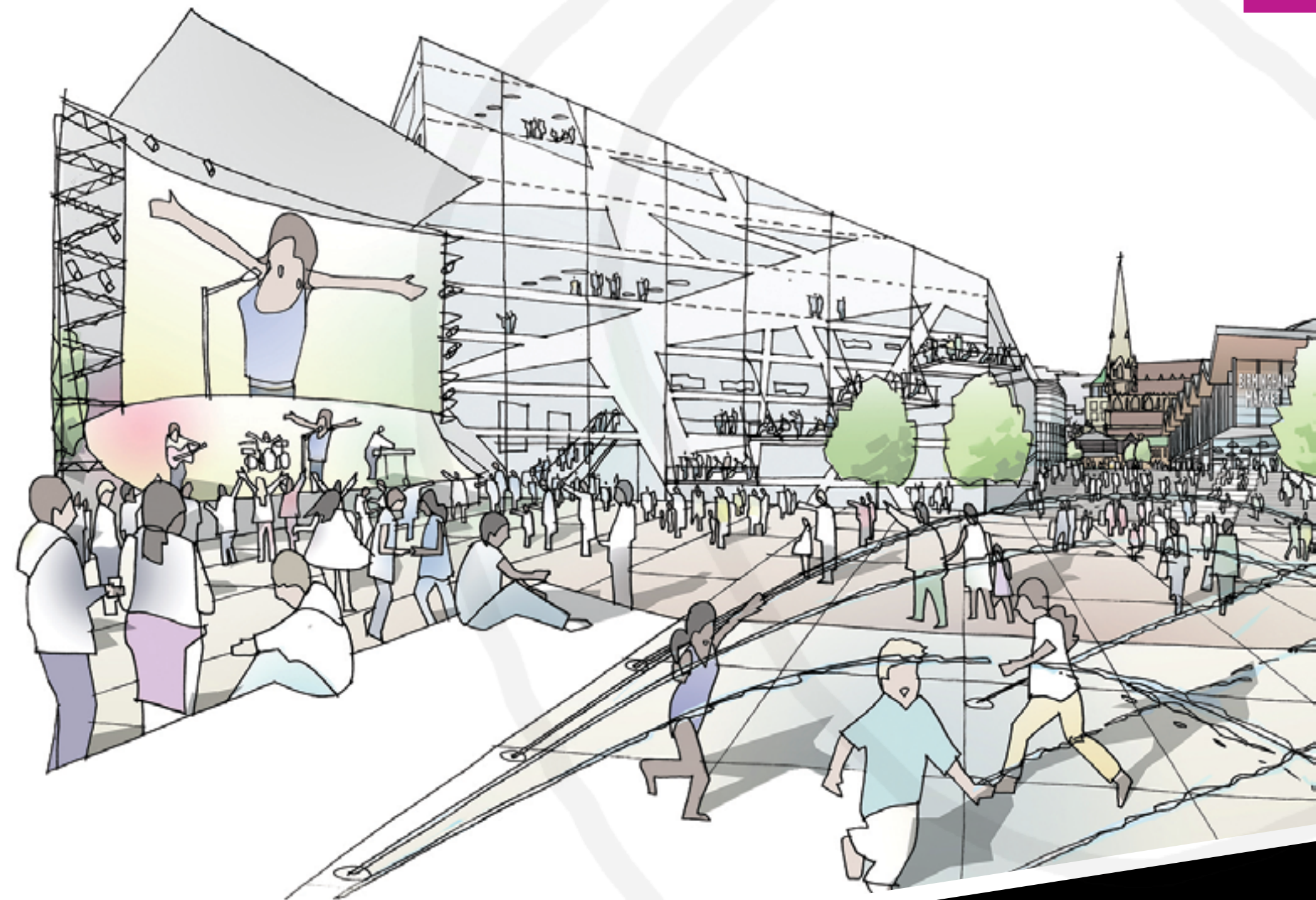
New, modern sustainable homes in a green setting will create a new residential neighbourhood that is an attractive place to live. It will be a neighbourhood with a mixture of 2,3,4 bed apartments, that includes affordable properties, which are at the forefront of sustainable residential design and modern living with the space for storage, bicycles, waste and recycling all integrated into the offer. It will be a neighbourhood that caters to its community,

with private and shared open and green spaces, leisure and community facilities such as a health centre and primary school all contributing to the creation of a great place to live.

In encouraging a mix of uses throughout the site, consideration will be given to the needs of both residents and businesses to allow them to sit side by side.



• View from linear park looking back towards St Martin's Church



• View from Festival Square looking towards St Martin's Church



Artists impression to give an indication of the site's future redevelopment. For reference only.



Design

The approach to the design of the site, its buildings and spaces will need to be focused on the delivery of the highest quality place for people and the most sustainable form of development set within a network of green infrastructure. Buildings, public spaces and infrastructure must be

designed to be adaptable to economic, social, technological and environmental change.

Sustainable building design and construction that considers whole life cost will be key, alongside creating a distinctive

character that forms part of the city reflecting its history as well as innovation and creativity. Design that responds to site conditions and uses appropriate and robust materials to create a consistent high level of quality throughout the area will be key.

Ensuring that development is constructed in the most sustainable way will need to include measures that reduce energy and water consumption, minimise waste and use sustainable building materials.

Minimising energy demand, while ensuring the community's needs are met over the long term, will be central to meeting this ambition. Harnessing opportunities to generate low and zero carbon heat and power locally will be important, as will exploring opportunities for its generation. Smart technology should be employed to help balance energy generation and demand, such as the use of Smart Grids. A Smart Grid delivers electricity from suppliers to consumers using digital technology to save energy and reduce costs.

Water and its management will become a central feature for the site. Forming part of the River Rea's catchment area there will need to be a careful approach to the management of on-site surface water, minimising flood risk, improving water quality and enhancing biodiversity. Sustainable Drainage Systems (SuDS) will form part of development throughout the site managing and treating surface water runoff. The reduction of potable water demand through the efficient use of water and wastewater will also contribute to the management and sustainable use of water.

Green infrastructure will need to feature as an integral and highly important part of the site through the use of green walls, green and brown roofs and the provision of habitat features. Green streets will be created through integration of trees and other features in highway design, enhancing air quality and reducing noise pollution. Productive landscapes will form part of the residential neighbourhood with community assets, such as urban orchards and city allotments, integrated into its network of street and spaces. Throughout the site roof space will be utilised for productive uses and amenity space with plant and equipment carefully managed.

The important heritage of the area will need to play a central role informing the future approach to design. The transformation of the area should tell the story of the city's history and celebrate its rich heritage. Reflecting the area's history and character in the development will create a strong sense of place with which people can identify, and feel pride in the area. The Grade II* church of St Martin-in-the-Bull Ring and historic buildings of Digbeth, Deritend

and Bordesley High Streets Conservation Area which neighbour the site contribute to local distinctiveness and sense of place. The existence of archaeological remains dating from the site's earliest development of a twelfth century manor house and moat provide a link to the past. Development will reinforce and reveal this historic environment by, for example, retaining key views to the church, reinforcing the historic grid pattern of streets, retaining existing buildings of merit and the inclusion of public art in squares, streets and spaces.

The layout of development will continue the existing scale and pattern of city blocks fitting within a logical and legible network of streets and spaces, reconnecting the site to the wider area. Development will bring life and activity to streets through the provision of active frontages. This will be particularly important along key routes and around public spaces. Alternative measures such as green or art walls will be encouraged.

• View along linear park looking towards Festival Square



The changes in level from the top of the site, into Festival Square and residential area will be utilised as part of development to provide, for example, underground servicing, cycle and car parking.

The new development will need to become inclusive and safe with security measures integrated and designed as part of the architecture and public realm.

The scale of development will be appropriate to the site's city centre location with building heights of between 6 and 12 storeys that are in keeping with the scale of existing buildings and of emerging schemes. Taller buildings will enclose major public spaces, mark corners and create landmarks. The opportunity for a landmark tower to mark the pedestrian boulevard will create an alternative focal point for the site and the wider area.

Within the residential area there will be a high density of development, in line with the urban setting, with building heights of 8 storeys along the metro route, dropping to 5 storeys on Rea Street retaining the grid character of the narrow, historic streets to create a human scale and liveable environment.



• View from Barford Street looking towards Cheapside



• View from Rea Street looking towards Bradford Street



Artists impression to give an indication of the site's future redevelopment. For reference only.



delivery



Delivering the vision and principles of this masterplan will require a comprehensive approach to the site's redevelopment and a management and ownership structure that ensures long term stewardship.

Due to the site's size a phased approach to development will occur with opportunities to bring forward different elements dependant on market conditions. It will be essential that the infrastructure, including pedestrian/cycle routes, public transport corridors and squares are delivered first. The new home for the markets will also form an early phase to bring life and vibrancy to the area and secure a long term future for this important asset.

As the phased development occurs temporary uses will need to bring the space to life and create activity. Such uses could include festivals, sporting events and temporary leisure attractions. With the wholesale markets relocating in 2017 a strategy for temporary uses will be produced along with an interim management plan for the site, to ensure the existing community is supported during the construction phase.

The designation as an Enterprise Zone site will in itself bring added impetus to the area, boosting economic activity and supporting delivery, particularly in the context of funding the provision of infrastructure.

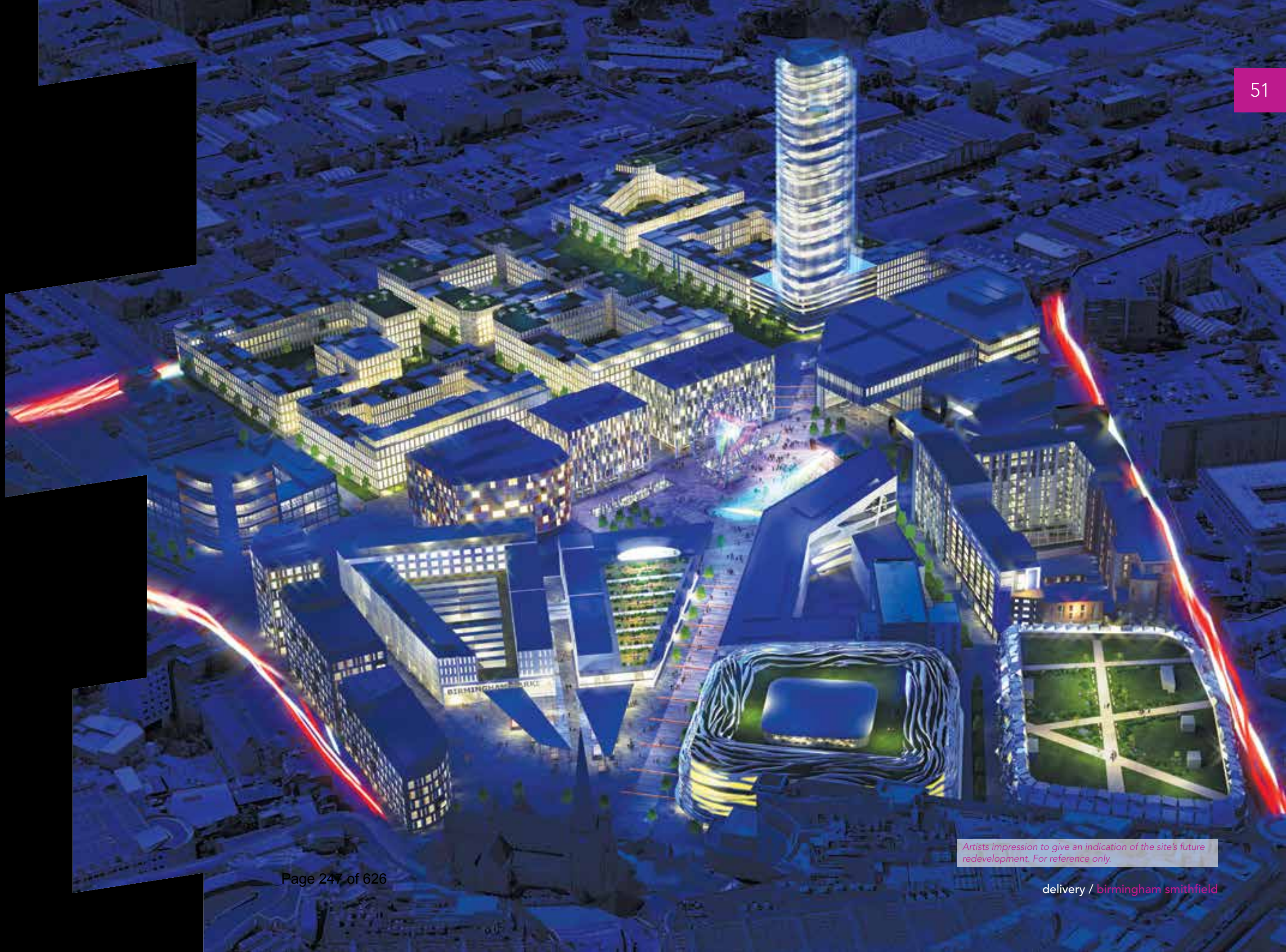
Enterprise Zone funding has already been secured to support the site's development. This demonstrates the commitment of the Greater Birmingham and Solihull LEP to driving economic growth and realising the full potential of the area.

Strong partnerships and the participation of stakeholders and the community will be key to the long term success of the site. The comprehensive approach to estate management and stewardship of the whole site will also be vital.

The procurement process that will follow on from the formal adoption of this masterplan will focus on the importance of delivering the city's vision for the highest quality sustainable development that creates a place for people.

The city council, as the owner of the wholesale markets site, the largest single piece of land, and will if appropriate, consider the use of compulsory purchase powers to assist the delivery of the masterplan. The city council will commence the process of procuring a development partner and securing the private investment to deliver Birmingham Smithfield.

Waheed Nazir
Strategic Director of Economy



Artists impression to give an indication of the site's future redevelopment. For reference only.

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with acknowledgement to
Blue Monday • Gensler • Greig & Stephenson • James Holyoak



Appendix 2: Consultation Summary and Responses

1. Introduction

- 1.1. The public consultation on the *Birmingham Smithfield Masterplan* ran for 8 weeks from the 21st March 2016 to 23rd May 2016. This built upon an 8 week public consultation held on the Visioning Document in Spring 2015 which enabled ideas for the future of Birmingham Smithfield to evolve and develop, informing the production of the masterplan. The document underwent an 8 week public consultation starting in March and ending in Early May 2015. The consultation invited a variety of groups and organisations to comment as well as market traders and the general public. There was a positive response to the proposal with the main issues being a call for a green park and the secured future of the retail markets. All comments helped informed the product of the masterplan.
- 1.2. The consultation on the masterplan began with a launch event at MIPIM 2016, an annually held international property conference. This was followed by a local launch (March 2016) in Birmingham to which a wide range of organisations and groups were invited and approximately 100 attended. Media coverage of the launch and masterplan was significant with extensive coverage on local television and radio channels. Local media attention around Birmingham Smithfield has been ongoing with images from the masterplan regularly used in the press when reporting on Birmingham's development and regeneration.
- 1.3. Consultation included a number of activities that sought to engage as wide a range of people, groups and organisation as possible. The wide publicity has garnered a good response from residents within the city and beyond. Specific consultation activities included:
 - 1.3.1. A range of individual meetings and drop-in events were held with a number of organisations including Bull Ring Market Traders and Committees, Southside BID, Digbeth Residents Association Committee, Birmingham Civic Society, Birmingham Uprising youth organisation, National Express West Midlands and the Impact Hub business community. There have also been ongoing discussions with market traders dating back to the summer of 2015 and continuing into 2016, where representative from Greig and Stephenson and Market Place Management were present.
 - 1.3.2. A public exhibition providing an overview of the masterplan went on display throughout the consultation period at the Library of Birmingham and St Martin's Church adjacent to Birmingham Smithfield. A series of eleven 'exhibition drop-in sessions' were held where officers were available to answer questions and gather feedback aurally. The sessions were advertised on the Council's website, on posters in and around the library and St Martins Church.

- 1.3.3. A video showcasing the opportunity at Birmingham Smithfield was shared across the City Council's social media channels raising awareness of the masterplan and consultation.
- 1.3.4. Letters/emails were sent to over 400 stakeholders including land owners, local residents, businesses and interest groups in and around the site as well as statutory bodies such as the Environment Agency and Historic England.
- 1.3.5. Copies of the masterplan were made available in local libraries, City Council customer service centres and neighbourhood offices across the city.
- 1.4. The main consultation interface was the City Council's BeHeard consultation website where a questionnaire sought views and comments on the masterplan. 95 individuals completed the questionnaire with many also leaving other comments. A further 93 individuals completed the paper questionnaires at the exhibitions. In addition, 25 detailed letters and emails were received. In total, 213 formal responses to the consultation were received.

2. Consultation feedback and responses

- 2.1. The consultation responses have been analysed for each section of the masterplan and any significant changes to the document described in bold italics below. The majority of comments involved minor changes to wording and plans to provide clarity and to ensure consistency or reflect changing factual circumstances. For example, correcting the name of Birmingham Coach Station, highlighting that Southside is a focus for the LGBT community and updating details of site's archaeology. Overall 20 individual meetings/sessions were held with a total of 80 people attending.

2.2. The Vision

- 2.2.1. The masterplan received the support of 60% of respondents for the vision and approach with the majority of the letters / emails received supporting the key principles of the masterplan and welcoming the site's transformation. There was strong feeling that the site's transformation should reflect the area's history and include more green infrastructure. Of the responses disagreeing with the masterplan's vision, these were on the basis that the site should be redeveloped in its entirety as a park and were accompanied by a 2,643 signature petition, which was originally submitted in response to the Visioning Document public consultation with a total of 2,010 signatures.
- 2.2.2. Specific points raised include:

- Respondents supporting the petition consider that the masterplan's vision for the site should see the site redeveloped in its entirety as a park.
- Many respondents strongly stated that the site should include more green spaces, trees and natural features. A number considered that this would be an alternative to seeing the whole site developed as a park.

Response:

Birmingham Smithfield is a key site in delivering the City's challenging growth agenda to deliver 89,000 new homes, 100,000 new jobs and the infrastructure by 2031. The city centre is central to this future growth agenda as the economic hub for the City and principle visitor and cultural destination.

The growth potential for Birmingham Smithfield was first established within the Big City Plan launched in 2010. As the strategic masterplan for the city centre the Big City Plan seeks to grow the city centre core and deliver improved connectivity, the strengthening of the centre's authentic character and the diversification of its economic and cultural base.

The principle of green space is acknowledged as being vital to successful city's. However a simple large space presents huge challenges not only to ongoing management etc. but loss of much needed area for homes. The masterplan seeks a balance to provide more usable and deliverable spaces.

The need for green spaces is embedded in the masterplan, with the combined offering of spaces equating to 27,000sq.m this includes public and semi-public spaces of a range of types and characters. In addition to this the masterplan is explicit about the utilisation of rooftop growing spaces and residential rooftop gardens with potential for 17,000 sqm of space.

In response to the feedback received, ***additional green infrastructure has been added to the masterplan.*** This is identified on plans throughout the masterplan and illustrated in the updated 3D images of the site. These additions emphasise the key principle that green infrastructure will be an integral part of the site, through the use of green walls, green and brown roofs and the provision of habitat features, supporting the network of squares and spaces. Throughout the site roof space will be utilised for productive uses and amenity space. Green streets will be created with trees and other features in highway design, enhancing air quality and reducing noise pollution.

New pedestrian and cycle routes throughout the site will connect into the city's wider network of existing open spaces including Eastside City Park and Highgate Park and those proposed such as Duddeston Viaduct Skypark forming part of the Curzon HS2 Masterplan.

Delivering Birmingham Smithfield will also be central to unlocking a much wider area for transformation along the River Rea corridor. Alongside the activity underway for Birmingham Smithfield, there is work underway to open up the river corridor to create a blue-green link that is a focus for new residential communities and employment opportunities in the area. Masterplanning work has commenced in partnership with the Environment Agency and Severn Trent Water for the 68 hectare area termed the Southern Gateway.

- **Respondents stated that the vision for the site should reflect the area's history.**
Response: Additional text has been added to the vision stating that Birmingham Smithfield should be a distinctive place, that reflects that area's rich history. Further text additions have been made throughout the masterplan to emphasise the importance of the area's transformation reflecting its history as detailed in section 3.2.2 of this document.

2.3. The "Big Moves"

2.3.1. The majority of respondents agreed with "Big Moves", with the inclusion of the markets in a new facility at the heart of the site strongly supported. Bringing public transport through the site and making the development pedestrian and cycle friendly, and providing a square for festivals and events received a positive reception. The development of a new residential neighbourhood received support; although it was considered by some that the park upon which it is focused should be bigger. It was suggested that this could be achieved by increasing the density of development.

2.3.2. Big Move – Vibrant Markets and Leisure

2.3.3. Over 80% of respondents supported the inclusion of Vibrant Markets at the heart of the site, with a market offer that attracts new and existing customers in a landmark building. The overwhelming majority of respondents felt strongly that the markets are an important part of Birmingham's shopping offer, character and history.

2.3.4. Specific concerns include:

- **Respondents felt strongly that a new markets building should reflect the character and history of the markets. Many stated that it should be an iconic, landmark building.**

Response: The masterplan states the new markets building should be a landmark building, with a contemporary and innovative design that captures the distinct character of the markets. *The importance of this building reflecting the markets' rich history has been added to the text. The text states that the design of the new markets building should reflect the rich history of its location, on which a market has been held since 1166. The design of the buildings and spaces should celebrate the historic moat and manor house which formed some of the earliest development of the site. This celebration could be achieved through public art, public realm or exhibitions.* Plan 6 'Activity and scale' identifies the building as a landmark building.

- Respondents sought more information on the mix of stalls and other market operational and management arrangements. The clear message received that a new building must be fit for purpose, easily accessible and offers an affordable mix of goods and services that attract new and existing customers. The markets must be well served by public transport.

Response: The masterplan provides the vision for the area. The markets will provide a revitalised shopping and eating offer that builds on existing quality and continues to be a good value and easily accessible source of fresh food and goods for residents. Integrated servicing, waste, recycling, storage and preparation areas with the capacity to service the operation will be vital to its success. The detailed mix of stalls and operational and servicing arrangements is a matter for future detailed designed.

2.3.5. Big Move – Festival Square

2.3.6. The majority of respondents (74%) supported the inclusion of a major new public space at the centre of the site that is a lively hub for cultural events, activities, festivals and an attractive place for people to meet and relax. Respondents suggested a range of activities that the square could accommodate, many focused on the community and arts as well as hosting existing festivals such as Birmingham Pride and SHOUT Festival. The provision of affordable, multi-functional events space for the community was seen as of great importance. *The importance of the square providing multifunctional spaces that can host cultural and community events has been added to the text.*

2.3.7. Specific concerns include:

- A respondent stated that the markets should be at the centre of the site rather than Festival Square. Instead, the square should be next to St Martin's Church.

Response: Festival Square's position at the centre of the site is designed to draw people into the area bringing life and activity throughout the day and into the evening. Its surrounding uses,

including the cultural building, markets, hotels, restaurants and cafes and the convergence of pedestrian routes will be central to this. The masterplan proposes a Market Square to provide an attractive setting to the markets and St Martin's Church. Market Square is identified on Plan 4 'Pedestrian and cycle connections'.

- **Concern was raised relating to the potential conflict between events being held in the square and surrounding residential uses.**

Response: The proposed mix of uses will make Birmingham Smithfield a vibrant and distinctive place. Careful management of the relationship between these uses will be key in ensuring the success of the area. ***Additional text has been included in the masterplan to emphasise this.*** The residential uses have been positioned in block away and screened by commercial/leisure uses.

- **The inclusion of public art in the square was stated as being important in capturing the area's character, history and diverse local communities, as well as providing opportunities for local artists.**

Response: The importance of the role of public art throughout the site in revealing its history and character is already embedded in the text.

- **Contrasting views were received regarding the square's size, with some respondents stating it is too big and would be empty and uninviting, and some stating it is too small and not big enough to hold major events.**

Response: The masterplan shows an indicative area for the square. The exact size and design of the square will be drawn up as part of any detailed plans for the site. The correct indicative designs reflect a suitable space for any types of events.

2.3.8. Big Move – Pedestrian Boulevard

2.3.9. The majority of respondents (86%) supported the inclusion of a wide Pedestrian Boulevard providing pedestrian connections into the site, allowing people to walk through the area easily and reach it from other parts of the city centre. There was a positive reception to proposals to give pedestrians and cyclists priority.

2.3.10. Specific concerns include:

- **A representation was received proposing a second boulevard to run through the site, providing connections to Eastside and HS2.**

Response: The creation of an east-west route for Midland Metro that will run across the site along an extended Sherlock Street will provide quick and convenient connections to New Street Station,

Moor Street Station, Birmingham Coach Station, the HS2 terminus at Birmingham Curzon and Eastside. This is identified on Plan 5 'Public transport and access'.

- **Representations called for the boulevard to be 'greener' with more street trees.**

Response: *The pedestrian boulevard has been 'greened' through the inclusion of street trees and green landscaping.* This is identified on Plan 4 'Pedestrian and cycle connections' and illustrated in the updated 3D images of the site. Additional text has been added to highlight this.

- **Support was received for the active frontages proposed along the length of the boulevard to make it a lively and well used space. However, concern was raised over the appropriate management of the boulevard to ensure that it does not become congested with, for example, street furniture, signage and charity fundraisers.**

Response: Embedded in the masterplan is the requirement for active frontages to bring life and activity to the development's streets and spaces. Plan 6 'Activity and scale' identifies the location of active frontages along the pedestrian boulevard and throughout the site. The importance of the long term maintenance and management of the public realm is identified in the text.

2.3.11. **Integrated Public Transport**

2.3.12. Over 75% of respondents agreed with the inclusion of Integrated Public Transport throughout the site in dedicated corridors providing people with a quick and efficient way of getting around the area. Particular support was received for extending Metro through the site. Respondents agreed with the closure of Upper Dean Street to private vehicles.

2.3.13. Specific concerns include:

- **A number of respondents considered that only Metro should run through the site, rather than Metro and Sprint buses as proposed. The noise, emissions and congestion associated with buses were cited as reasons for this.**

Response: The bus remains by far the most important mode of transport in Birmingham, it is of particular importance to shoppers visiting the markets. Sprint Buses, which are low-emissions vehicles, will run through the site along a dedicated corridor on Bromsgrove Street.

- **The conflict between pedestrians and public transport was raised as a concern by a number of respondents, who felt that public**

transport should not inhibit people's ability to easily and safely walk around the site.

Response: *Additional text has been included in the masterplan that emphasises the importance of creating streets and spaces that enable pedestrians, cyclist and public transport to move through the site in parallel.* Embedded in the masterplan is the importance of people being able to make efficient and convenient interchanges between different transport modes.

- **A representation called for a network of public transport to be provided throughout the wider area, in particular linking the site to Southside.**

Response: Public transport at Birmingham Smithfield will be part of a wider network of public transport that connects the whole city. The vision for Birmingham Smithfield sits within the context of the Birmingham Mobility Action Plan 'Birmingham Connected' which sets out the City's plans for a connected city.

- **The closure of Upper Dean Street to private traffic was well supported by respondents however concerns were raised in relation to access to the markets and existing commercial and residential properties.**

Response: Access to existing commercial and residential properties on Upper Dean Street will be retained and dedicated servicing arrangements for the markets established, as shown on Plan 5 'Public transport and access'. Within the masterplan text the need for a comprehensive access, servicing and management strategy for the whole site is identified. Access to the markets for shoppers will take the form of a dedicated bus/sprint route and public transport interchange on Bromsgrove Street. New and improved pedestrian routes will converge on the markets bringing in shoppers. These routes are shown on Plan 4 'Pedestrian and cycle connections'.

2.3.14. **Big Move – Residential Neighbourhood**

2.3.15. Over 70% of respondents agreed with the inclusion of a Residential Neighbourhood in the development, comprised of a mixture of new, modern sustainable homes set around a major new park.

2.3.16. Specific concerns include:

- **Providing affordable homes, in a mix of ownerships to address local needs, which are supported by community facilities and big enough to accommodate families, received strong support from many respondents.**

Response: *Central to the masterplan is the provision of a mixture of 2, 3 and 4 bed apartments, a proportion of which will be affordable homes in accordance with the City Council's policy and additional text has been included in the masterplan*

in this regard. The masterplan states that these homes will be at the forefront of sustainable residential design and modern living with integrated space for storage, bicycles, waste and recycling. These new homes will be supported by private and shared open and green spaces, leisure and community facilities such as a health centre and primary school all contributing to the creation of a great place to live.

- **Several respondents stated that more housing should be proposed to meet the city's housing needs, with the density of development increased to allow for a bigger park and more green spaces. Taller buildings were suggested as a way in which density could be increased.**

Response: The density of development has been increased, this is illustrated in the various plans included in the masterplan.

3. The Development Principles

3.1. A positive response was received to the approach taken for the Development Principles and the ambition to create a sustainable and inclusive development.

3.2. Specific concerns include:

3.2.1. Development Principle – Connectivity

- **A group of respondents stated that dedicated cycle lanes should be provided throughout the site to encourage cycling and minimise conflict with pedestrians and public transport. More cycle parking should also be provided.**

Response: A key principle has been included in the text for the design of streets and spaces throughout the site to include dedicated cycle lanes. Additional cycle parking locations have been added to Plan 4 'Pedestrian and cycle connections' and text stating that cycling parking should form a key part of the design of buildings and spaces.

- **Respondents stated that the accessibility of the site to all is important.**

Response: Agreed. A key principle has been included in the text emphasising the importance of a development that is accessible and inclusive for all.

3.2.2. Development Principle – Design

- **Respondents stated that the site's architecture should be high-quality, well designed and sustainable buildings that relate to the spaces around them well.**

Response: Embedded in the masterplan is the requirement for the approach to the design of the site, its buildings and spaces to be focused on the delivery of the highest quality place for people and the most sustainable form of development. Buildings, public spaces and infrastructure must be designed to be adaptable to economic, social, technological and environmental change. Development will bring life and activity to the streets through the provision of active frontages. This will be particularly important along key routes and around public spaces.

- **The importance of the site's history in informing the future design and development of the site was highlighted by respondents.**

Response: Embedded in the masterplan is the importance of the area's heritage informing the future approach to design. The Grade II* church of St Martin-in-the-Bull Ring and historic buildings of Digbeth, Deritend and Bordesley High Streets Conservation Area which neighbour the site contribute to local distinctiveness and sense of place. Development will reinforce and reveal this historic environment by, for example, retaining key views to the church, reinforcing the historic grid pattern of streets, retaining existing buildings of merit and the inclusion of public art. The layout of development will continue the existing scale and pattern of city blocks fitting within a logical and legible network of streets and spaces, reconnecting the site to the wider area. ***Additional text has been included in the masterplan to further emphasise the importance of the site's history informing the future design and development of the site. The text states that the important heritage of the area will need to play a central role in informing the future approach to design. The transformation of the area should tell the story of the city's history and celebrate its rich heritage. Reflecting the area's history and character in the development will create a strong sense of place with which people can identify, and feel pride in the area.***

- **Responses relating the site's archaeology state that archaeological remains including the manor house and moat are present on the site. Any development of the site needs to include archaeological survey and excavation. Festival Square should be located in the historical location of the manor house and moat to provide an opportunity to reveal the remains.**

Response: ***The masterplan text relating to the site's archaeology has been revised to reflect the responses received.*** The reasoning behind the location of Festival Square at the centre of the site is detailed in section 2.3.7. Market Square is proposed in the historical location of the manor house and moat. Development in this location and throughout the site will seek to reinforce and reveal the historic environment. The masterplan balances the desire to reflect heritage while ensuring a viable comprehensive scheme to be delivered.

- **Personal safety was considered to be a priority in the design of the site.**

Response: Agreed. Embedded in the masterplan is the requirement for new development to be inclusive and safe with security measures integrated and designed as part of the architecture and public realm.

- **A number of respondents felt that the masterplan could be more ambitious in terms of its sustainability credentials with a greater emphasis place on the inclusion of sustainable technology in the development, along with placing a greater emphasis on green space.**

Response: The masterplan already makes reference to the use of sustainable technology such as Sustainable Drainage Systems (SuDS) and Smart Grids. ***Additional text has been added that includes Combined Heat and Power as a possible sustainable technology that could be used on the site.*** The site is also part of the World Business Council for Sustainable Development (WBCSD) Zero Emissions Cities programme, which will create an internationally exemplar sustainable development.

- **The provision of green infrastructure throughout the site should be a key principle of the masterplan.**

Responses: Agreed. The need for green infrastructure to feature as an integral part of the site is embedded in the masterplan as a key principle. Green infrastructure will be delivered through the use of green walls, green and brown roofs and the provision of habitat features. Green streets will be created through integration of trees and other features in highway design, enhancing air quality and reducing noise pollution. Productive landscapes will form part of the residential neighbourhood with community assets, such as urban orchards and city allotments, integrated into its network of street and spaces. Throughout the site roof space will be utilised for productive uses and amenity space with plant and equipment carefully managed.

In response to the feedback received, ***additional green infrastructure has been added to the masterplan.*** This is identified on plans throughout the masterplan and illustrated in the updated 3D images of the site.

- **The design of development should link, complement and enhance the areas surrounding the site.**

Response: Agreed. Embedded in the masterplan is the improvements to the quality of streets surrounding the site to create a street scene that is rationalised and effective in its movement of traffic, with active frontages and high quality public realm. This will

ensure the integration of the redevelopment with surroundings and support pedestrian movement.

3.2.3. Development Principle – Activity

- **The inclusion of leisure and cultural attractions in the site was well supported. A number of responses stated that the masterplan should be more ambitious, with attractions that have a national and international draw.**

Response: Additional text has been added setting out the aspiration for leisure and cultural attractions that have a national and international draw. These attractions will be important in drawing more visitors to the area and wider city.

- **Concern was raised that the retail, food and beverage offer on the site would be high street chains, replicating the offer in the retail core. It was strongly stated that this area should be a focus for independent retailers and businesses.**

Response: Strongly embedded in the masterplan is the proposal for the new markets building that will be a multi-layered environment that will encompass a mix of uses including eateries, restaurants, small retail outlets and business space for start-ups and small enterprises, offering opportunities for growing independent businesses. This mix will create a distinctly Birmingham market and in turn encourage economic activity in and around it. Throughout the site new leisure, cultural and visitor attractions will be supported by cafes, independent shops, restaurants and hotels.

4. Delivery

4.1. A limited number of responses were received on the delivery of development. The appropriate phasing of development was considered critical in ensuring minimum disruption and allowing the markets to continue trading. A phased approach to development is embedded in the masterplan with opportunities to bring forward different elements depending on market conditions. It will be essential that the infrastructure, including pedestrian/cycle routes, public transport corridors and squares are delivered first. The new home for the markets will also form an early phase to bring life and vibrancy to the area and secure a long term future for this important asset. As the phased development occurs temporary uses will need to bring the space to life and create activity.

4.2. Questions were raised regarding the management and ownership of the site in future, the masterplan emphasises the need for a comprehensive approach to estate management and stewardship of the whole site. Strong partnerships and the participation of stakeholders and the community will be key to the long term success of the site.

Equality Analysis

Birmingham City Council Analysis Report

EA Name	Birmingham Smithfield Masterplan
Directorate	Economy
Service Area	P&R Planning And Development
Type	New/Proposed Policy
EA Summary	The Birmingham Smithfield Masterplan sets out a vision and development principles that will guide the future redevelopment of Birmingham Smithfield to deliver a new place for the City at the heart of the city centre. An 8 week public consultation was undertaken on the masterplan following which it is to be adopted by the City Council to guide future planning and investment decisions.
Reference Number	EA001372
Task Group Manager	Josie.Turner@birmingham.gov.uk
Task Group Member	
Date Approved	2016-08-31 01:00:00 +0100
Senior Officer	Richard.Cowell@birmingham.gov.uk
Quality Control Officer	Richard.Woodland@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

<p>What is the purpose of this Policy and expected outcomes?</p>	<p>Birmingham Smithfield covers 14 hectares of land in the heart of the city centre bringing together a comprehensive site including the wholesale markets, the Bull Ring Markets and Moat Lane gyratory. The city council owns the majority of the site. It is an Enterprise Zone site that is identified in the Big City Plan and the Birmingham Development Plan as a major location for growth in the city.</p> <p>The wholesale markets will be relocated in April 2017 to new premises within the city at The Hub, Witton. The relocation provides the opportunity to create an exciting new place for the city that will reconnect the area with its surroundings creating new activities and environments. A detailed masterplan has been prepared for the site to realise this opportunity which will be used to inform all future planning and investment decisions.</p> <p>The first stage in the masterplan's preparation was the launch of the Visioning Document in March 2015. The Visioning Document presented the development opportunity and set out concepts for how the area could be developed in the future. It proposed four 'Big Moves' that could be at the heart of any future redevelopment: (1) a vibrant market and family leisure quarter; (2) a market square; (3) a pedestrian spine; and (4) integrated public transport.</p> <p>The Visioning Document underwent an 8 week public consultation which enabled ideas to evolve and develop. There was a positive response to the proposals with the main issues being the call for a green park and the secured future of the retail markets. This consultation, along with a series of baseline and technical studies, has informed the production of the masterplan.</p> <p>The masterplan sets out the following: (1) the vision for the area including details of the five 'Big Moves' to bring about major transformation; (2) principles for redevelopment that will be central to creating a high quality, sustainable place; and (3) a strategy for delivery.</p> <p>Birmingham Smithfield will radically transform the City's visitor economy creating a major cultural and leisure destination that extends the existing offer with new vibrant retail markets, family entertainment, museums and galleries. As an exemplar sustainable development it will create a distinctive place with high quality architecture, public spaces and squares and a dynamic mix of uses including a new residential offer. It will reconnect this part of the city centre through new streets, public transport accessibility and pedestrian and cycle priority.</p> <p>The five Big Moves that will realise the vision and maximise this once in a lifetime opportunity: (1) vibrant markets and leisure; (2) Festival Square, a major public space; (3) a pedestrian boulevard to reconnect the area; (4) integrated public transport that will bring the Metro into the area and (5) an exemplar residential neighbourhood.</p> <p>The masterplan also highlights the need for sustainable and high quality development which is reflected in its core development principles; (1) sustainability; (2) connectivity; (3) uses and (4) design. These core principles will help Birmingham Smithfield stand the test of time and become a successful place. The site is also one of the World Business Council for Sustainable Developments (WBCSD) Zero Emissions Cities which sets out to create a zero carbon city through the use of smart technology, efficient buildings and integrated waste and energy infrastructure.</p> <p>It was launched at a globally held international property conference, and in Birmingham in March 2016 for an 8 week public consultation. There was a positive response to the proposals with the main issues being the call for a green park and the secured future of the retail markets. This consultation, along with a series of baseline and technical studies, has informed the production of the masterplan.</p>
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	No
A Fair City	No
A Prosperous City	Yes
A Democratic City	No

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes

2.3 Analysis on Initial Assessment

The Birmingham Smithfield Masterplan is primarily a strategic document which sets out proposals for the future development of the Birmingham Smithfield site. The overall purpose is to promote the regeneration of this area of the City Centre, increasing employment, providing housing and enhancing public transport and connectivity links. Additional benefits include public health and visitor satisfaction. These benefits are not specific to a particular group, and are unlikely to have a disproportionate impact on any of the protected groups.

The masterplan contains proposals to integrate the markets and improve access which would be expected to have a positive impact. However, the masterplan does not consider the detail of the future operation of the markets, the services it offers and access arrangements. The masterplan also contains proposals to enhance public transport and connectivity which would be expected to have a positive impact on disabled persons in particular. However, the masterplan does not consider the detail of these improvements and enhancements which will be brought forward as separate projects. As such it is neither possible or appropriate to assess their impact on the protected groups at this stage. It is proposed therefore that the equalities assessment will be reconsidered at each project's design stage.

In light of the above it is not considered that a Full Equality Assessment is required for the Birmingham Smithfield Masterplan. However, for consistency and to promote the consideration of equalities the masterplan will state that a key benefit of the site's redevelopment will be enhanced accessibility. This position has been reviewed and confirmed following the public consultation on the Visioning Document and the Masterplan.

3 Concluding Statement on Full Assessment

The analysis considered that the Birmingham Smithfield Masterplan is primarily a strategic document which sets out the vision and principles for the development of the site. The overall purpose is to promote the regeneration of the area, increasing employment providing housing and enhancing transport and connectivity links. Additional benefits include public health and visitor satisfaction.

These benefits are not specific to a particular group, and are unlikely to have a disproportionate impact on any of the protected groups. The masterplan's vision will be brought forward as separate projects and equalities assessment will be undertaken at the design stage of these projects.

In light of the above it was not considered that a Full Equality Assessment is required for the Birmingham Smithfield Masterplan. This position has been reviewed throughout the masterplan's preparation and following the two periods of public consultation. No additional equalities impacts were identified through consultation and as such it is not considered that a Full Assessment is required.

4 Review Date

22/09/17

5 Action Plan

There are no relevant issues, so no action plans are currently required.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR FOR ECONOMY
Date of Decision:	20th September 2016
SUBJECT:	LOCAL GROWTH FUND ROUND 3: UPDATE AND NEXT STEPS
Key Decision: Yes	Relevant Forward Plan Ref: 002348/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member(s):	Councillor John Clancy – Leader of the Council
Relevant O&S Chairman:	Councillor Zafar Iqbal – Economy, Skills and Transport Councillor Mohammed Aikhlaq – Corporate Resources and Governance
Wards affected:	ALL

1.	Purpose of report:
1.1	On the 12 th April 2016 the Secretary of State for Communities and Local Government invited Local Enterprise Partnerships across the country to bid for a share of £1.8bn of Local Growth Funding (LGF3). Bidding locally has been led by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), with a formal bid for LGF3 resources totalling £310m submitted to Government on the 28 th July 2016.
1.2	This report seeks Cabinet endorsement of a series of project proposals totalling circa £132m submitted by the Council to GBSLEP for future LGF3 funding consideration.
1.3	This report also sets out the next steps for LGF3 in terms of decision making at both a GBSLEP and Government level.

2.	Decision(s) recommended:
2.1	That Cabinet: Notes the bid for Local Growth Fund 3 resources submitted to Government by the Greater Birmingham and Solihull Local Enterprise Partnership on the 28 th July 2016, as provided as Appendix B to this report.
2.2	Endorses Council project proposals seeking circa £132m of Local Growth Fund 3 resources listed in Appendix A to this report.
2.3	Notes the next steps in terms of decision making for Local Growth Fund 3 resources set out in this report.
2.4	Endorses the Council's proposal to become the Accountable Body for any Local Growth Fund 3 resources awarded to the Greater Birmingham and Solihull Local Enterprise Partnership.

Lead Contact Officer(s):	Phil Edwards – Head of Growth and Transportation
Telephone No:	0121 303 7409
E-mail address:	Philip.edwards@birmingham.gov.uk
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3. Consultation	
3.1	<u>Internal</u> Consultation has been undertaken with the Deputy Leader, Cabinet Member for Transport and Roads, Cabinet Member for Value for Money and Efficiency, Cabinet Member for Clean Streets, Recycling and Environment, Cabinet Member for Skills and Learning, Assistant Director Development, Assistant Director Regeneration and Assistant Director Transportation and Connectivity who support the proposals contained within this report.
3.2	Officers from City Finance, Procurement, and Legal and Democratic Services have been involved in the preparation of this report.
3.3	<u>External</u> Council project proposals have been developed in consultation with the West Midlands Combined Authority (WMCA), Transport for the West Midlands (TfWM), Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), adjoining authorities and a range of public and private sector partners.

4. Compliance Issues:	
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>
4.1.1	Council project proposals fully align with the Birmingham Development Plan (BDP), Big City Plan, Birmingham Connected transport strategy and the vision and principles of the Council Business Plan and Budget 2016+, namely a strong economy, safety and opportunity for all children, a great future for young people, thriving local communities and a healthy, happy population. Proposals are also consistent with GBSLEP's Strategic Economic Plan and Strategy for Growth, the WMCA's Strategic Economic Plan and the West Midlands Strategic Transport Plan.
4.2	<u>Financial Implications (Will decisions be carried out within existing finance and Resources?)</u>
4.2.1	Project proposals submitted by the Council to GBSLEP in the form of 'expressions of interest' and totalling circa £132m have been developed using existing resources within the Economy Directorate. Summary details of the individual projects put forward are in Appendix 1.
4.2.2	Where project proposals are subsequently invited to submit full business cases to GBSLEP for formal funding approval, costs will again be contained within existing Economy Directorate resources or applications made to GBSLEP for development funding. Where the Council is delivering individual schemes approvals will be sought in the form of either programme or individual business case reports to Cabinet as appropriate. As each element progresses the actual match funding required will be fully identified, including the third party funding that the schemes will unlock.
4.2.3	There will be revenue implications arising from schemes delivered by the Council and these will be evaluated as part of the preparation of business cases.
4.3	<u>Legal Implications</u>
4.3.1	The arrangements set out in this report are in compliance with the powers of general competence as set out in Section 1 of the Localism Act 2011.
	<u>Public Services (Social Value) Act 2012</u>
4.3.2	Consideration of the economic, social and environmental benefits to be gained from the procurements that will follow will be addressed in the individual project reports and captured through the application of the Birmingham Business Charter for Social Responsibility.

4.4	<u>Public Sector Equality Duty (see separate guidance note)</u>
4.4.1	An initial screening for an Equality Assessment (EA) has been undertaken and has concluded that a full EA is not required, with no adverse impacts on protected groups. The initial screening reference EA001422 is provided as Appendix C to this report.
5.	Relevant background/chronology of key events:
5.1	In 2013 Government established a process known as 'Growth Deals' as a means for Local Enterprise Partnerships to bid for capital funding from a national pot called the Local Growth Fund, for projects aligned to their Strategic Economic Plans (SEP). So far there have been two rounds of Growth Deals, through which GBSLEP has been successful in securing a total of £379m. From these resources the Council has accessed £158m of funding to take forward a range of transportation, regeneration and skills related projects.
5.2	On the 12 th April 2016 the Secretary of State for Communities and Local Government invited LEPs across the country to bid for a share of £1.8bn of Local Growth Fund (LGF3). Bidding locally has been led by GBSLEP, with scheme promoters including the Council asked to provide expressions of interest (EOIs) for potential projects. This approach differs from earlier rounds of Growth Deals whereby promoters were required to submit either full or strategic outline business cases for funding consideration.
5.3	No formal guidance or eligibility criteria for projects was provided by GBSLEP, however, key sections of the EOI template included strategic fit with the GBSLEP Strategy for Growth and SEP, potential growth related outputs (jobs, new houses, new floorspace and leverage) and project deliverability. A schedule of EOIs submitted by the Council to GBSLEP is provided as Appendix A to this report, which also lists EOIs prepared by other public and private sector bodies for projects within the city boundary.
5.4	The bid for LGF3 resources entitled 'a Greater Birmingham for a Greater Britain' was submitted by GBSLEP to Government on the 28 th July 2016, with preparation of the document and submission responsibility delegated to the GBSLEP SEP Refresh Steering Group by the GBSLEP Board. The bid submitted was structured around three broad packages comprising 'Connecting Globally'; 'Leading the World' in Innovation and Creativity; and 'Breaking down the Barriers', with example projects from scheme promoters forming case studies within each of the packages. The bid also referenced a submission to the Department for Transport's Large Local Major Schemes Fund for development costs associated with major improvements to Bromford Gyratory in the east of the city. A separate report to September Cabinet has been prepared to cover the relevant detail and necessary approvals required for this specific bid submission.
5.5	In total the GBSLEP bid asked Government for £310m of Local Growth Fund resources for the period up to 2021. Whilst this ask was broken down by the above packages, it did not go into specific project detail, as Government will evaluate the bid on the strength of its strategic ambition rather than individual business case documents. It is expected that a funding decision will be made in November 2016 as part of the Autumn Statement.
5.6	In parallel to Government evaluating the bid on a strategic basis, GBSLEP are currently developing an assessment process for individual projects so as to be able to prioritise the EOIs submitted. Whilst this process is yet to be finalised it is likely that strategic fit with the GBSLEP's refreshed SEP will drive the assessment, with deliverability and value for money considered at a later stage given that the majority of LGF3 resources do not become available until 2019/20 and 2020/21. Site visits have also been conducted with GBSLEP officers to support their understanding of Council proposals. It should be noted that the GBSLEP's refreshed SEP was consulted upon between 29 th July and 9 th September 2016, with a Council response provided by the Economy Directorate.
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5.7	Further to funding announcements in the Autumn Statement it is envisaged that scheme promoters who have successfully negotiated the EOI assessment process will be formally invited by GBSLEP to submit Green Book compliant business cases so as to secure full approval to LGF3 resources. For those schemes to be delivered by the Council, programme or individual business cases will be prepared for Cabinet early in the new calendar year in this respect, with more detailed scheme information to be provided along with development funding requirements and procurement implications.
5.8	The bid submission proposes that the City Council will act as Accountable Body in relation to LGF3 resources received by the GBSLEP, as it has done so for previous stages of LGF. In this Accountable Body role the City Council will hold and account for monies on behalf of the GBSLEP, ensuring that funding is only released if it is used properly and in accordance with Assurance Framework procedures. This Assurance Framework sets out such requirements as to how scheme promoters secure full LGF funding approval from the GBSLEP and the requirement that Service Level Agreements are entered into with the relevant delivery partners. The formal approval of this Accountable Body role will be subject to a further Cabinet report when the outcome of the bidding process is known.

6. Evaluation of alternative option(s):	
6.1	Withdraw EOIs submitted to GBSLEP for LGF3 resources. This option is not recommended given that LGF3 represents the main source of capital grant funding for projects stimulating growth up until 2020/21.
6.2	Development of alternative EOIs for LGF3 resources. This option is not recommended given that the EOIs submitted align with the Council's policies, plans and strategies, including the (BDP) and Birmingham Connected and the GBSLEP's Strategic Economic Plan.

7. Reasons for Decision(s):	
7.1	To note the bid for Local Growth Fund 3 resources submitted to Government by the Greater Birmingham and Solihull Local Enterprise Partnership on the 28 th July 2016.
7.2	To endorse Council led project proposals.
7.3	To note the next steps in terms of decision making for Local Growth Fund 3 resources set out in this report and the subsequent preparation of either programme or individual business case reports for approval by Cabinet early in the new calendar year.

Signatures	<u>Date</u>
Cllr John Clancy – Leader of the Council
Waheed Nazir Strategic Director for Economy
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List of Background Documents used to compile this Report:	
1	Council Business Plan and Budget 2016+
2	Birmingham Connected Transport Strategy
3	Birmingham Development Plan
4	Big City Plan
5	HS2 Growth Strategy
6	GBSLEP Strategic Economic Plan
7	GBSLEP Refreshed Strategic Economic Plan – Consultation Version

List of Appendices accompanying this Report (if any):	
1.	Schedule of Council EOIs for LGF3 resources – Appendix A
2.	GBSLEP LGF3 Funding Bid – Appendix B
3.	Equalities Assessment Initial Screening – Appendix C

Report Version	<u>Final</u>	Dated	<u>7/9/2016</u>
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PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) Age (b) Disability (c) gender reassignment (d) pregnancy and maternity (e) Race (f) religion or belief (g) Sex (h) sexual orientation

APPENDIX A - Schedule of Council EOIs for LGF3 resources

Summary Table

Package	Programme	Expression of Interest	LGF £m
Connecting globally	Birmingham Curzon	Curzon Street Station Redevelopment	2
		Digbeth High Street Public Realm	10
		Moor St Queensway	6
	UK Central	NEC Masterplan Infrastructure Scheme	5
	HS2 Growth	HS2 Relocation Package	9
Leading the world	Energy Capital	Tyseley Access Road	1.25
		Tyseley Station Bridge	5
	Creative, Cultural and Digital	Southside Square	0.75
Breaking down barriers	Industrial Estate Renewal	Wheels Employment Site	10
	Town and local centres	Kings Heath	2
	Transport and Accessibility	A45 Cycle Route	2.7
		BCR 4 - A45 Coventry Road Corridor	0.9
		Clean Air Zone Measures	5
		Harborne Park Road Cycle Measures	0.5
		Hydrogen 22 Bus Project	2.2
		Langley and Peddimore New Access Junction	15
		Sutton Relief Road	12.5
		Traffic Signal Technology	4
	A38 Growth Corridor	One Campus Connectivity Package	1.5
		Selly Oak New Road Capacity Enhancements	6
		Selly Oak / Hospital area wide parking scheme	2
		A38 Cycle Route	4
		A38 Junction and Signal Upgrades	15
		University Station Interchange	10
Total			132.3

In addition, the LEP LGF3 referred to the following example projects within the city boundary but not led by the City Council.

Creative, Cultural and Digital

- Jewellery Quarter Design Centre
- Vintage Trains Expansion
- Birmingham Botanical Gardens Transformation
- Symphony Hall Extension
- National Dance Centre
- Birmingham Museum and Art Gallery Extension
- National Art Collection

- UK Digital Creative Capital
- Birmingham Hippodrome Public Realm Transformation

Medical and Life Sciences

- Aston Institute of Photonic Technologies – Impact Accelerator Centre
- Birmingham Precision Technologies Accelerator
- Centre for Next Generation Orthopaedics & Innovative Technologies
- Birmingham Medical Genomics Centre
- A Living Lab Care Home: The Facilitated Discharge Unit
- Birmingham Institute of Rehabilitation Sciences (BIRS)

Council EOI Submissions to GBSLEP for LGF3 Resources – Scheme Descriptions

Expression of Interest	LGF £m	Description
Curzon Street Station Redevelopment	2	There is an opportunity to refurbish the former Curzon Street Station building. The building could be used by Birmingham City University for their STEAMHouse project and HS2 Ltd to host a community visitor centre and design exhibitions.
Digbeth High Street Public Realm	10	The scheme will improve connectivity with key economic and cultural assets within the area and to the wider City Centre. It will deliver an integrated design with the Metro extension to enable the High Street to become an exemplar model of pedestrian and traffic movement in the heart of the city, which encourages new investment, businesses and visitors.
Moor St Queensway	6	A new “Station Square” would be created within the existing space of Moor Street Queensway and land up to the entrance of the Curzon HS2 new station. It will be closed to private vehicles, with general traffic re-routed away from the area to use the wider road network.
NEC Masterplan Infrastructure Scheme	5	Circa 24 ha of the prime land for available for development, adjacent to Pendigo Lake and the proposed Metro and Sprint routes are constrained by overhead power lines. However, HS2 are currently progressing plans with Western Power Distribution and National Grid to divert sections of their overhead lines to enable an Automated People Mover to connect HS2 Interchange Station to Birmingham International railway station. Our aspiration is to extend the length of these diversions to unlock these prime development sites. Timing is critical to enable this work to take place at the same time as HS2 programme.
HS2 Relocation Package	9	This project provides public sector funding to support earliest relocation of affected businesses in order to remove a material constraint by (a) Capital ‘gap’ funding to ensure appropriate sites are available and (b) Discretionary capital ‘gap’ funding to specific businesses to allow relocation without suffering financial distress.
Tyseley Access Road	1.25	The project will construct an access road and surface infrastructure route off the A45 through the Tyseley Energy Park (TEP). This will enable off road access to and support the low/zero carbon re-fuelling hub that will form part of the Phase 2 development
Tyseley Station Bridge	5	The project will widen the Tyseley Station Bridge. The bridge provides vital access across the railway on B4146 Wharfdale Road adjacent to Tyseley Station, off Warwick Road. The bridge widening will improve HGV access from Warwick Road both into and out of the Tyseley Environmental Enterprise District (TEED), increasing the loading capacity and signalling the junction this will provide greater control over vehicular access, enhancing connectivity and mobility. Network Rail has plans for the strengthening of the bridge and there is the opportunity to combine the projects.
Southside Square	0.75	The delivery of a new, enhanced and fully inclusive civic space between the Hippodrome Theatre and Arcadian Centre which will be enabled by the planned permanent closure of Ladywell walk to through-traffic in Autumn 2017 followed by the public realm works to Hurst Street, Ladywell Walk and Dudley Street through the Enterprise Zone Connecting Economic Opportunities Programme (EZCOP). The Southside Square will provide a bespoke event space for outdoor performances from the Hippodrome and cultural celebrations such as Chinese New Year and Birmingham Pride. This will significantly improve the visitor experience in Southside and enhance it as a destination.
Wheels Employment Site	10	The project has three main components: (a) acquisitions to assemble the site - the site is largely in the City Council’s freehold ownership but there are some third party interests that need to be acquired plus relocation costs; (b) access and connectivity enhancements into the site, including for HGV and associated traffic (c) site remediation and ground condition

Kings Heath	2	The project 'Kings Heath High Street/A435 Enhancement' will deliver a pilot scheme including; safety measures; public realm enhancements and car parking rationalisation. This will inform the development of a package of interventions to support local centres enhancing the LEP's quality of life offer.
A45 Cycle Route	2.7	Installation of a kerb-segregated cycle route along the existing verge of Small Heath Highway, including realignment of the carriageway at pinchpoints. This is to improve high-quality cycle links from Tyseley industrial area to the city centre, and to connect to other Birmingham Cycle Revolution schemes in the area particularly along A45 Coventry Road to the Airport.
BCR 4 - A45 Coventry Road Corridor	0.9	Improvements to existing informal unsurfaced off-road paths in the vicinity of A45 Coventry Road Corridor, to make them suitable for utility cycling and provide off-road cycling links in the vicinity of Birmingham Airport and Jaguar Land Rover (Solihull).
Clean Air Zone Measures	5	The specific additional measures that could be drawn upon include; improved signage and rerouting (including enhanced use of the M6 Toll), demand management, encouraging modal shift (e.g. new Rapid Transit services, Heavy Rail enhancements and Park and Ride expansion), road improvements (Birmingham Ring Road), support for Cycling & Walking (including further pedestrianisation of city centre and public realm improvement) and infrastructure for alternative fuels (for the introduction of Liquid Petroleum Gas (LPG).
Harborne Park Road Cycle Measures	0.5	Whole-corridor treatment along Harborne Park Road from junction with Vivian Road Harborne to Vincent Drive Selly Oak. This could include: • Road safety measures to reduce speeds and improve safety at junction • Addressing existing parking issues related to the proximity of the QE including formalising parking bays • Providing marked cycle facilities along the route to connect Harborne to QE and University and to link Birmingham Cycle Revolution routes • Improving bus stop facilities for passengers.
Hydrogen 22 Bus Project	2.2	The majority of the bus route is within Birmingham's AQMA (Air Quality Management Areas) and along the A41, a major road with heavy traffic and high levels of vehicle-based pollutants. The project will deploy 22 hydrogen fuel cell buses and associated refuelling infrastructure and monitor the technology over the initial 5 year period of the hydrogen bus lifecycle of 10 years for operational costs, performance on deployed routes, impact on air quality and driver and user feedback. The LGF funding request is for £2.156 m to contribute to the overall cost for the 22 Hydrogen Bus fleet at £11m (buses cost £500k each and LGF £98k per bus).
Langley and Peddimore New Access Junction	15	This will provide a new junction north of Minworth island which will provide direct access to the development sites and also provide both highway and sustainable modes with excellent linkages.
Sutton Relief Road	12.5	The Relief Road would link Brassington Avenue with Lichfield Road via King Edwards Square and a bridge over the Sutton Park Freight Line railway. This would provide relief to the High Street in the town's Conservation Area, open up access for growth, reduce congestion and provide capacity for additional trips to the centre.
Traffic Signal Technology	4	This project seeks to provide an upgrade to technology at existing sets of traffic signals, located on the strategic network. This project will cover signalised junctions on the 10 main strategic corridors, the ring road and the outer circle. Joint with Solihull.
One Campus Connectivity Package	1.5	The project will include improvements to the bus interchange at the hospital and provision of real time bus information; existing cycling and walking infrastructure will be upgraded and new routes introduced e.g. the pedestrian and walking environment on Vincent Drive will be prioritised for improvement. Navigation around the site will be improved by the provision of mapping and way finding totems at key locations.
Selly Oak New Road Capacity Enhancements	6	Required to allow the scheme to reach its full potential. Future development on the University/Hospitals and Life Sciences Campus may require increased capacity and traffic management on the S200 and surrounding junctions.

Selly Oak / Hospital area wide parking scheme	2	This scheme will develop and implement a comprehensive parking strategy for the site which will sit alongside the multimodal options to be set out in the Sustainable Access Strategy currently being produced as part of the Wider Hospitals and university of Birmingham Masterplan.
A38 Cycle Route	4	Birmingham Cycle revolution is currently delivering multi-million pound improvements to routes in Birmingham. Designs for a route along the A38 are being developed to link the central A38 cycle route (particularly south of Selly Oak) with the trip attractors in the wider area.
A38 Junction and Signal Upgrades	15	As one of the busiest arterial routes in Birmingham the A38 it is essential that it runs as efficiently as possible. Signals along the route are to be upgraded where necessary alongside targeted junction improvements. Junction improvements will largely be to facilitate development such as any which come out of the Uni/Hospitals Masterplan.
University Station Interchange	10	The University and Hospitals are some of the largest trip generators in the City and staff and visitor numbers have risen in excess of the transport network capacity. The project will deliver improvements to University Station, to provide significantly improved passenger experience over the current facilities. This is an ambitious project, providing a new gateway to the campus, including access to the world-leading physical, cultural and environmental assets that are located there.

A GREATER BIRMINGHAM FOR A GREATER BRITAIN





Greater Birmingham & Solihull has
an economy worth
£40bn

Greater Birmingham & Solihull has
a population of
2m

GREATER BIRMINGHAM & SOLIHULL LEP

Greater Birmingham & Solihull contains a population of nearly two million, and is home to a million jobs and an economy worth £40 billion. It enjoys a concentration of economic drivers second only to London, making its success key to the fortunes of the UK economy as a whole.

The LEP area constitutes a dynamic, functional economy. From travel to work patterns to shared economic assets and business linkages, the lives and fortunes of the people and institutions of the area are inextricably linked.

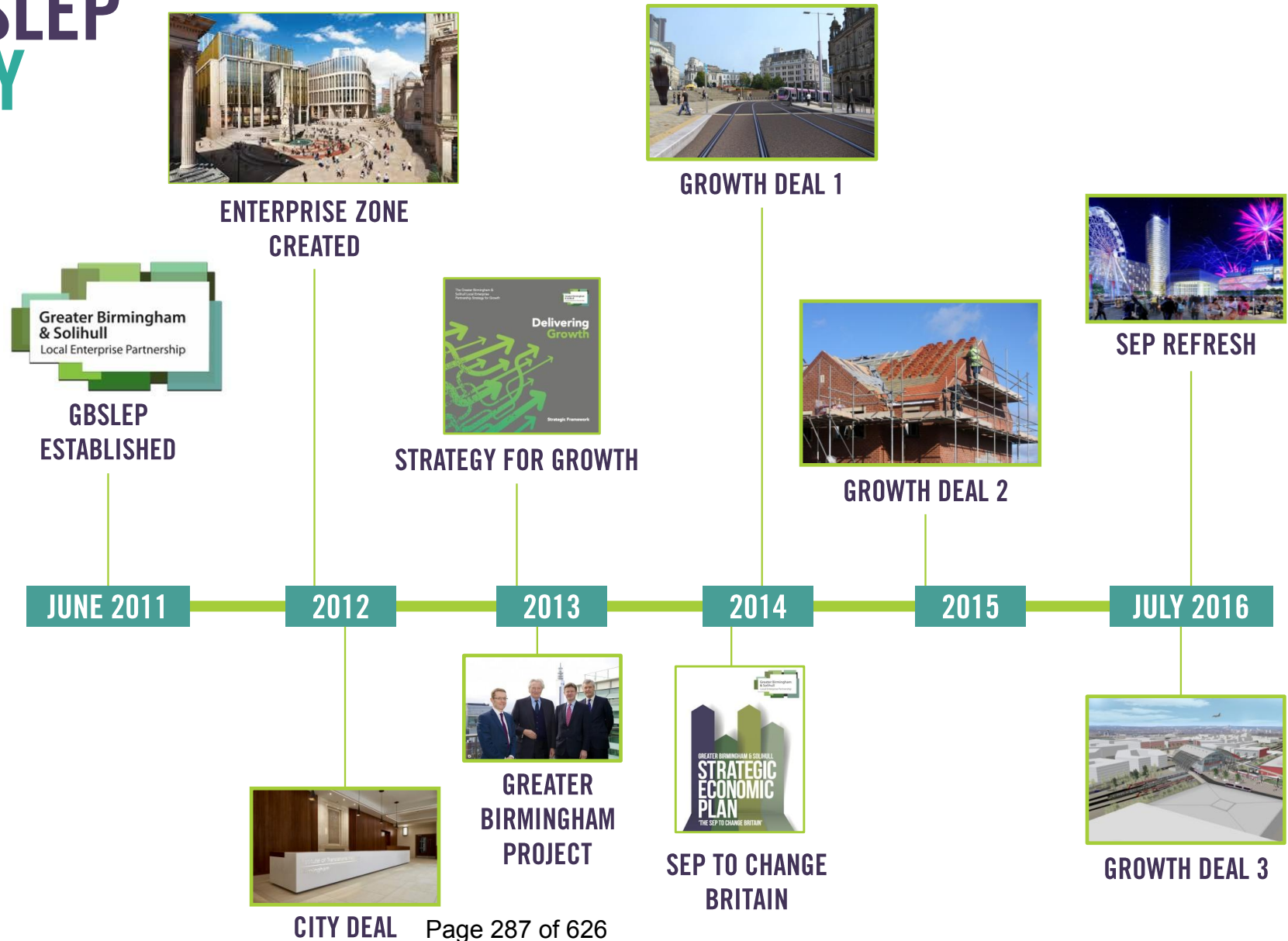
The core area of Birmingham and Solihull has a population of 1.3 million and contains many of the economic drivers of the conurbation such as the airport in Solihull, Birmingham city centre, a number of major universities and international meeting places.

Southern Staffordshire comprises four local authority areas to the north: Cannock Chase, Lichfield, Tamworth and East Staffordshire (based upon Burton and Uttoxeter). It has a population of 390,000 with considerable numbers commuting to and from Birmingham. There is an area of some 20–40km outside the urban conurbation, which has been identified as an area with significant potential for sustainable, knowledge-based economic growth.

North Worcestershire comprises three local authority areas to the south: Redditch, Bromsgrove and Wyre Forest (based upon Kidderminster). It has a population of over 275,000 and has a similar relationship to Birmingham and Solihull as that of Southern Staffordshire. There is considerable commuting into Birmingham and Solihull, but also commuting out from the core city.



THE GBSLEP JOURNEY



GBSLEP AREA ECONOMIC PERFORMANCE TO MARCH 2016

Attracted

73 NEW FDI
PROJECTS

9% more than any other LEPs



20,200
NEW BUSINESSES

born in the GBSLEP 2015



85,200
ADDITIONAL
PRIVATE SECTOR
JOB

since 2010 – outperforming
national growth rate



13.5%
ECONOMIC
GROWTH RATE

in the last five years



36.4k



Unemployment claimant
numbers reduced from 64.6k
in 2013 to 36.4k today (2016)

<1%

of people in
Tamworth and
Lichfield claim
unemployment
benefits



5,800

people moved from London to
Birmingham in 2014, the most
popular destination of any UK city

**TOP UK
REGIONAL
CITY**

Birmingham ranked
top UK regional city
for quality of life

(Mercer Living Index)



£29bn



West Midlands region exported
£29bn of goods in 2015, more
than any UK region outside
London and the South East

EXECUTIVE SUMMARY

The Greater Birmingham and Solihull LEP (GBSLEP) area has a track record of delivery, achieves a greater return on investment than other LEP areas and is the major driver of the UK economy outside of London.

We have unique advantages flowing from HS2, the West Midlands Combined Authority (WMCA) and Midlands Engine. Building on these strengths, GBSLEP aims to be a top global city-region – a major international gateway for the UK economy.

To support this ambition our Growth Deal 3 ask is £310 million. In return, we will deliver up to 28,000 jobs, 8,400 homes, 840,000 sq.m of commercial floorspace, £1.5 billion Gross Value Added and 3,200 learners assisted. Our key focus is leveraging investment. The development of Greater Birmingham as a place to do business enables us to insist on a greater return, potentially unlocking up to 5x our funding ask, bringing in over £1.5 billion in external investment.

In line with our refreshed Strategic Economic Plan (SEP), we have identified three packages of work to achieve GBSLEP's aims that, because of our size and scale, also drives growth across the UK and helps deliver a range of wider Government policy objectives in areas such as sustainable transport, skills, housing and estates regeneration.

The first package is Global Connectivity. HS2 will be the key infrastructure project that transforms the economic geography of the UK, rebalancing growth away from London and the South East – and Greater Birmingham is the first stop. Within the next decade, Birmingham Airport, the UK's seventh busiest, will become the UK's first and only high-speed rail connected airport and Birmingham City Centre will have been brought within 49 minutes of central London. We have identified four programmes designed to make the most of this unique opportunity: Birmingham Curzon; UK Central; East Birmingham and HS2 Growth. These are aligned with the wider WMCA SEP, and enable projects like the Centre for Excellence for Rail Systems Innovation and Integration, which exploit our world class academic excellence to accelerate new technology development and their integration into the rail supply chain. This will attract significant international investment, placing us at the global heart of rail transport innovation.

The second package is Leading the World in Innovation and Creativity. This makes the most of our world-leading capabilities, and our ability to innovate and commercialise cutting edge science, art and technology. There are seven programmes within this package, many of which are key WMCA priorities: New Manufacturing Economy; Energy Capital; Demand-led Innovation; Space to Innovate; Transport Innovation for a Low Carbon Future; Creative and Cultural and

Digital; and Medical and Life Sciences. This package will enable projects like the Precision Technologies Accelerator, which will attract significant foreign direct investment and help the UK capture a sizeable share of a market forecast to grow by £900 billion over the next ten years.

The third package is Breaking Down the Barriers. This unlocks economic growth and spreads its benefits across society. There are seven programmes within this package, including several priorities for the WMCA: Housing and Estate Regeneration; Future Skills; Industrial Estate Renewal; Town and Local Centres; Transport and Accessibility; A38 Corridor; and Business Support. This package will accelerate projects such as the regeneration of North Solihull. This scheme aims to transform a currently neglected housing estate, creating new homes and jobs and tackling issues of deprivation and social exclusion.

GBSLEP is a partnership of the private, public and educational sectors. We have excellent governance arrangements and a track record of delivery across a range of programmes. Working in partnership with Government, we are well-placed to deliver a Greater Birmingham for a Greater Britain.

“JLL has always firmly believed that the key to attracting investment is for Birmingham to think of itself as a top European city, not just as part of the UK.”

BEN KELLY

DIRECTOR OF CAPITAL MARKETS • JLL

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Appendices

- A. Programme level data
- B. Strategic Economic Plan to 2030 (consultation draft)



The Aviation Engineering Training Centre at Solihull College, supporting the skills provision for the advanced manufacturing sector.



Midland Metro Extension – Growth Deal part-funded the delivery of cutting-edge battery technology.

A GREATER BIRMINGHAM FOR A GREATER BRITAIN

The aspiration of the GBSLEP Board is to deliver a step-change in Greater Birmingham's importance in the international marketplace, and create a truly global city-region. Our ambition is founded on a track record of delivery, the ability to achieve a greater economic return on investment than other LEP areas and our position as the major driver of the UK economy outside of London.

Alongside this, we have a critical mass of genuinely transformational opportunities: the arrival of HS2 in Birmingham City Centre and Birmingham Airport, the redevelopment of UK Central and Curzon, the devolution of powers to the West Midlands Combined Authority, and the creation of the Midlands Engine for Growth. The size and scale of these opportunities means that, right now, the Greater Birmingham offer is unique in the UK.

Following the recent EU referendum result, we believe that, as a country, we will need to become more internationalist in our outlook. It will be even more important that we make the most of our assets, especially the skills and talents of our people, if we are to rise to the challenges Brexit presents. Building on our existing strengths and our unique opportunities, Greater Birmingham is in an excellent position to lead the way. This view has received unequivocal endorsement from local business leaders on the GBSLEP Board and the Birmingham Local Chamber

of Commerce, Federation of Small Businesses (FSB), Confederation of British Industry (CBI), Institute of Directors (IoD) and Engineering Employers Federation (EEF) who have worked with us on developing this bid. At a time of uncertainty, it is more important than ever that Government stands behind the ambitions of GBSLEP, as set out in this bid, and supports the delivery of projects that make it easier to do business and create wealth.

Since our formation in 2011, we have already made huge strides forward. Our track record shows we can be trusted to deliver what and when we say we will. The performance of our delivery partners across the LEP area, both private and public sector, has been second to none. Projects include real game changers, such as the £500 million Paradise scheme which is transforming Birmingham City Centre, through to innovative interventions such the Aviation Training Centre at Solihull College, which are making a huge difference to people's lives as well as tackling a national deficit in skills.

The new Growth Deal provides an opportunity to stretch ourselves even further. Over the last few years, Greater Birmingham has been developing its reputation as a place to do business. Major schemes have unlocked development and significantly raised land values. Consequently, we have been able to insist that projects seeking a place on our programme this time around deliver a greater return. This is particularly

the case with leveraging external investment. In the first round of the Growth Deal, we were able to achieve a return that matched Government's investment. This time around, we are looking to achieve at least three times that and, have set ourselves a target return of five times our bid. This is challenging but, with some of our projects offering a return of nine times their ask we believe it a realistic goal to aim for. Overall, we believe that if Government continues to invest in Greater Birmingham's success, we can substantially enhance our ability to make our city-region a place that:

- Is globally connected, home to major investors from the UK and abroad and a gateway to markets across the world
- Leads the world in innovation and creativity, commercialising the science, technology, engineering, art and design that forms the foundations of the economy of the future

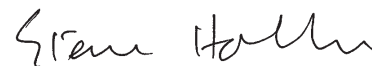


Andy Street
Chair
Greater Birmingham & Solihull
Local Enterprise Partnership

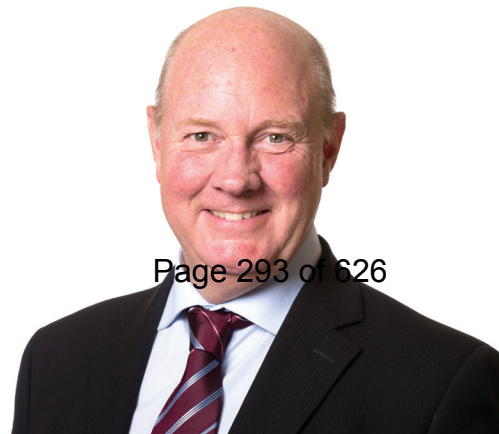


- Frees local companies to fulfil their potential by breaking down the barriers to their growth, supporting local people to fulfil their potential, building the infrastructure that makes us a great location for inward investment and an attractive destination for talented individuals

Achieving the Government's aim of rebalancing the UK economy requires our Core Cities and their hinterlands to continue to grow their role in the global marketplace. City-regions, such as Greater Birmingham, that have the size and scale to become global players and make a national impact are key areas for investment because they deliver a greater return than can be achieved in smaller or less well-connected locations. The rewards for taking the next steps along this road are potentially massive – for Greater Birmingham and for Great Britain as a whole. We are committed to making it happen. We invite Government to continue to invest in our journey.



Steve Hollis
Deputy Chair for Strategy
Greater Birmingham & Solihull
Local Enterprise Partnership



Birmingham's £500 million Paradise regeneration scheme.



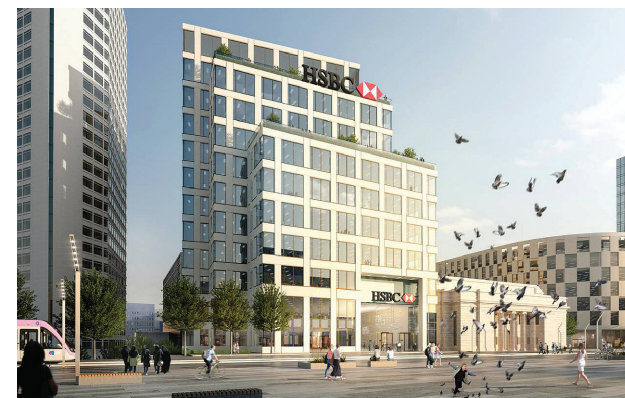
Chris Loughran
Deputy Chair for Delivery
Greater Birmingham & Solihull
Local Enterprise Partnership



“All options were on the table when we started thinking about the location of HSBC UK’s new head office but Birmingham emerged as our number one choice. The revitalisation of the UK’s second biggest city and its connectivity make it a really attractive home for UK businesses and their employees.”

NIGEL HINSELWOOD

HEAD OF UK AND DEPUTY CEO OF HSBC BANK PLC



CGI of HSBC's UK head office for personal and business banking in the Enterprise Zone.

INTRODUCTION

Greater Birmingham is young, diverse and dynamic. Our size and scale gives us a huge economic footprint that means investments in our area have an impact right across the UK.

We have ambitious civic leadership, excellent transport links and world class universities. HS2 is the key infrastructure project transforming the economic geography of the UK, rebalancing growth away from London and the South East – and Greater Birmingham is the first stop. Within the next decade, Birmingham Airport, the UK's seventh busiest, will become the UK's first and only high-speed rail connected airport and Birmingham City Centre will have been brought within 49 minutes of central London.

From 2009 to 2014 Greater Birmingham saw a 16.3% growth in its economy (GVA), the highest rate of growth of any UK city outside London. For the last two years the city has attracted more foreign direct investment than any other Local Enterprise Partnership area and in 2015 Greater Birmingham saw the largest number of new company start ups (14,152) of any Core City. Two thirds of all UK automotive research and development now takes place within the region. Our task is to build on these strengths and advantages to make Greater Birmingham one of the top global city-regions, providing an additional major gateway to world markets for British businesses. Delivering on this ambition is achievable, if we can take full advantage of our existing strengths and the once in a generation opportunities currently available only to Greater Birmingham.

Our refreshed SEP identifies three interconnected priorities to turn our aspirations into action. They underpin our investment packages, providing the strategic rationale for major change that unleashes Greater Birmingham's full potential, enabling us to play our part on the global stage for the benefit of the UK as a whole. Our packages support the delivery of wider Government policy priorities in areas such as sustainable transport, skills, housing and estates regeneration. This round of Growth Deal helps deliver these packages and, we are asking Government for a £310 million contribution. In return, we will deliver up to 28,000 jobs, 8,400 homes, 840,000 sq.m of commercial floorspace, £1.1 billion Gross Value Added and 3,200 learners assisted. Our key focus is leveraging investment. The development of Greater Birmingham as a place to do business enables us to insist on a greater return, potentially unlocking up to 5x our funding ask, bringing in over £1.5 billion in external investment.

Following the EU referendum, local business leaders from the Chamber, FSB, CBI, IOD and EEF, have made clear that investment through GBSLEP is more important than ever to maintain this confidence. Private investment in Greater Birmingham has been steadily growing, and is continuing to grow, but companies are looking for Government to show leadership in this time of uncertainty. Supporting GBSLEP's ambitions is seen as a key way in which this can be achieved. There is even a strong case to suggest that a greater fiscal stimulus than we have requested is required to demonstrate Government's commitment to Greater Birmingham's continued growth and development.

This document is divided into three sections:

Section 1 describes the three investment packages.

The first package takes advantage of our **Global Connectivity**, especially the new HS2, being the first

location for HS2. Birmingham Curzon station will place the city at the heart of the national high speed rail network, connecting us more firmly to European markets and increasing the national impact from our economic success. The combination of the new HS2 station at UK Central with Birmingham Airport extends that network across the globe. The second package is our contribution to the UK's emerging wider industrial strategy. It is about making the most of our **World-Leading** capabilities in innovation and creativity, in particular around our ability to commercialise that innovation, from cutting edge science and technology through to cultural heritage and our creative industries. This innovation will provide the foundations for the economy of the future. Our world class universities provide us with a competitive advantage in a range of sectors, including advanced manufacturing, sustainable transport, energy and low carbon technologies, and medical and life sciences. These advantages enable us to stake a claim to a whole host of high value growth opportunities, attracting major external investment. The third package sets out how we will **Break Down the Barriers** that constrain growth and prevent wealth spreading to all sections of society. These include skills shortages, underutilised land, and poor digital and physical connectivity.

Section 2 of the document describes the arrangements put in place to enable delivery, to ensure value for money is achieved, and to ensure that the principles of good governance are applied.

Section 3 summarises the key information about our packages, including our financial ask from the Local Growth Fund. More detailed information on the programmes and projects contained within the packages are set out in Appendix A.

Devolution Deal to bring an additional

£40m per year

£8bn

overall investment package

WEST MIDLANDS COMBINED AUTHORITY

The Devolution Deal and the formation of the West Midlands Combined Authority (WMCA) creates an unprecedented new opportunity to achieve our ambitions for Greater Birmingham and the wider West Midlands.

The new freedoms and flexibilities, together with the additional resources on offer, provides the delivery tools required to make more things happen - especially when it comes to major, complex projects. The Devolution Deal agreed with Government is expected to bring the equivalent of £40 million per year for the next thirty years to support an overall investment package that will unlock £8 billion and create an additional half a million jobs. To provide the framework for the economic growth of the West Midlands, a WMCA-wide SEP has been created to sit alongside the individual SEPs for the Black Country, Coventry & Warwickshire and GBS LEPs. At the heart of the WMCA SEP is the drive to accelerate an improvement in productivity and enable the West Midlands to become a net contributor to the UK exchequer – while improving the quality of life for everyone who lives and works in the area. The strategy will be delivered through:

- Strengthening local supply chains and re-shoring activity to the West Midlands

- Enabling more businesses to take advantage of the R&D and innovation infrastructure
- Improving road and rail infrastructure
- Boosting business birth, survival and growth rates in parts of the area
- Improving the skills base and ensuring that businesses have access to the skills they require
- Bringing forward land for housing and employment
- Accelerating the rate of house building to match aspirations for growth

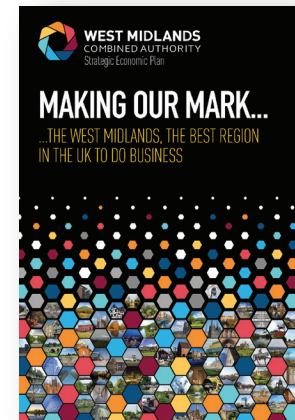
The economic geographies of the three LEP areas have many commonalities along with some areas of difference. The three LEPs have aligned relevant elements of their bids for Growth Deal funding. This is in recognition of the contribution individual SEPs make to delivery of the aspirations of the WMCA and, conversely, how delivery of the WMCA SEP contributes to the delivery of the ambition contained in the individual SEPs. Programmes such as HS2 are almost entirely integrated across the combined authority area, while others such as life sciences have their heart within GBSLEP but provide benefits across the wider West Midlands area.

The chairs and officers of the Black Country, Greater Birmingham and Solihull and Coventry and Warwickshire LEPs already meet as part of a well-established West Midlands LEP chairs forum. This shared agenda across LEPs has created a strong and confident foundation for WMCA development and has helped support close joint working between local authority and business leaders. It has already translated into specific actions and joint work on areas such as supply chain development and financing, transport, marketing and promotion and financial economic instruments (aligning EU funds). This experience,

knowledge and shared agenda provides a solid foundation for working across the combined authority. The WMCA SEP board, comprising LEP Chairs and Leaders is just one example of successful close joint working. To support and accelerate delivery of the WMCA SEP outcomes, a West Midlands wide growth company is also being considered to work with the private sector across the area.

Transport for the West Midlands (TfWM) is the transport body for the WMCA area. Movement for Growth is TfWM's plan to deliver the improved connectivity needed to enable economic development and unlock housing and employment growth. This will help unlock high value growth clusters across the West Midlands, widen labour markets and support regeneration and place making initiatives. As well as giving people access to skills, education and training, a balanced and effective transport system will enable agglomeration and reduce business overheads in accessing the supply chain and markets.

The Devolution Deal investment package will help TfWM unlock £8 billion of economic development. The transport programmes developed by the three West Midlands LEPs for the Growth Deal will complement this activity by promoting modal shift, increasing capacity on the network through smart improvements to the existing highway and enabling transport improvements. Increased sustainability is a key part of these transport programmes. This is in line with the Government's wider policy objectives, and will complement the forthcoming revenue element of the Access Fund to support sustainable travel solutions for new housing and business developments.



GBSLEP BID

CW & BC BIDS

THREE ALIGNED BIDS

MIDLANDS ENGINE FOR GROWTH

The Midlands Engine for Growth brings together eleven LEPs, including GBSLEP, who together with their Local Authorities, businesses and other partners, have come together to respond to the Government's economic and productivity challenges. Partners have agreed to collaborate around promotion, connectivity, innovation, finance for business and skills. The impact of this collaboration is to enable individual LEP programmes and projects to make a greater impact as part of the wider Midlands Engine plans. Where programmes and projects in our packages contribute to driving the wider Midlands Engine agenda, these have been flagged up in the text.

“Birmingham is number 1 in the UK for real estate investment prospects, and number 6 in Europe.”

PWC & URBAN LAND INSTITUTE

“EMERGING TRENDS IN REAL ESTATE: EUROPE 2016”

Home to over

**60,000
BUSINESSES**

and

1m JOBS

SECTION 1: PACKAGES

Greater Birmingham is already a major economy of national significance. It has an annual GVA of nearly £40bn and is home to over 60,000 businesses and one million jobs.

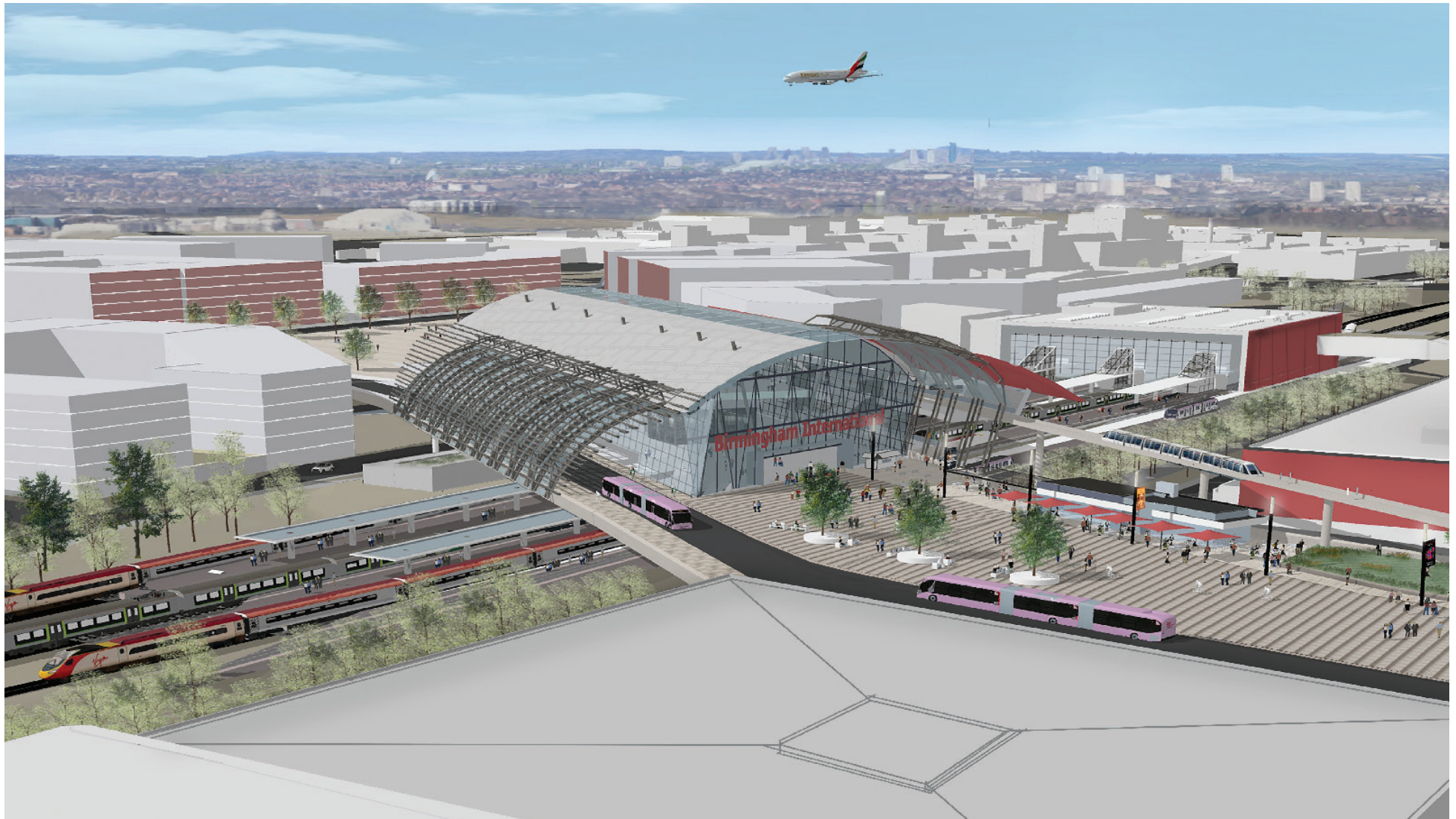
Our ambition is to continue the process of transformation into an economy of international significance, greatly increasing our contribution to UK PLC. Our investment packages are the mechanism through which we turn this ambition into reality. While set out individually, for ease of presentation, the packages are fundamentally interconnected. It is the combined scale of the opportunities they present, and the impact they will have across the UK as a whole, that differentiates Greater Birmingham from other areas.

The investment packages consist of a number of programmes and projects, each of which is a strategic intervention designed to make an impact in the most cost effective way. They consist of major, complex programmes that are game-changers in their own right, alongside smaller projects that break down the barriers to growth at ground level. As set out in Section 2, over the last few years we have demonstrated a strong track record in delivering these types of projects.

The size and scale of the packages reflect our ambitions. We are looking for a contribution of £310 million from the Growth Deal. In return, we envisage delivering the following outputs listed by

package in Section 3. Ahead of the detailed appraisals, these outputs are initial estimates based upon known information, previous experience and standard formulas. While they are likely to change, following detailed appraisal, we are confident that, based on our experience, they provide a robust indication of what will be achieved in practice across the three packages. Our key measure is the level of investment secured. Based upon the proposals we have received, we have set ourselves a stretching target of achieving a return five times the level of Government investment.

In the text below, we describe each package and include a detailed narrative on each programme contained within. We have also provided an example of the type of project we would be looking to deliver to achieve the package and programme aims. For the sake of brevity we have only used one project to illustrate each programme. However, these projects are indicative of a number of excellent proposals within our project pipeline. As part of our prioritisation process, projects will only be funded once they have been subject to a full Green Book appraisal in line with GBSLEP's assurance framework. Further details on the prioritisation process and the assurance framework are set out in Section 2.



Globally connected CGI of Interchange Station at UK Central in Solihull.

PACKAGE 1: CONNECTING GLOBALLY

This package is focused on exploiting the advantages from our increasing global connectivity, especially those conferred by the new HS2 network. Greater Birmingham will be first to connect to the new high speed rail system, opening up new international gateways for the UK at Birmingham City Centre and Airport.

This means that, at the current time, we are in a unique position to take advantage of both the connectivity benefits of the network, and its catalytic impact on the physical redevelopment of areas around the new stations and on local skills supply chains. We have identified four programmes of work to sit within this package. They are designed to make the most of our increased connectivity to global markets, attract investment and ensure that the benefits this creates radiate out throughout the Greater Birmingham area and drives growth across the rest of the Midlands and the UK as a whole. Three of the programmes are spatially based. The fourth is cross-cutting, enabling us to get exponentially more benefit from the other three programmes.

BIRMINGHAM CURZON is the arrival point for HS2 in the Midlands. Arriving in Birmingham City Centre in 2026, HS2 will bring upward of 25,000 passengers per day into the City. The Birmingham Curzon Masterplan sets out how the arrival of HS2 can be maximised and the growth and regeneration opportunities around the new terminus station unlocked. Its designation as part of the Enterprise Zone brings added impetus, boosting economic activity and supporting delivery. A regeneration company has been formed to guide delivery of a forecast £1.4 billion economic uplift. Working with the City Council and WMCA, we have identified a £724 million investment plan for the area. Our programme complements that plan and has two major aims. Firstly, to continue the transformation of Birmingham City Centre that has led to the area being rated one of the most attractive destinations in Europe for property investment. This will be achieved through the delivery of a range of public realm, environmental quality and highway improvements schemes that will further increase land values. The second aim is to take advantage of the economic development opportunities created by the integration of a new international rail terminus in the heart of the city centre. Projects will bring back into use under-utilised assets, and link the new terminus station to major development schemes such as the Knowledge Hub, Birmingham Smithfield and Typhoo Wharf.

MOOR STREET QUEENSWAY AND DIGBETH HIGH STREET

The Birmingham Curzon Masterplan identifies Moor Street Queensway and Digbeth as key locations for economic growth, essential to successfully integrate HS2 into the City and to maximise the potential for uplift in land-values. At Moor Street Queensway, a new "Station Square" would be created within the existing space of Moor Street Queensway and on land up to the entrance of the Curzon HS2 new station. The square will become a focus for wider pedestrian movement as it forms a pivotal point within the City Centre where Eastside and Digbeth shall be seamlessly connected into the existing retail and commercial City Core area. Enhancements to Digbeth High Street present a further opportunity to improve connectivity in the area. Improvements to the public realm will be integrated with the Metro extension to become an exemplar model of pedestrian and traffic movement, encouraging new investment, businesses and visitors.

**UK Central to achieve
an additional**

**20,000
JOBS**

and

**2,000
HOMES**

UK CENTRAL is a sub-regional network at the centre of the UK's high-skilled manufacturing heartland. It is already one of the strongest economic bases in the country with the potential to provide even more transformational growth. This will be based around the M42 corridor, the 140 hectare development site at Arden Cross, and the new connections between the proposed HS2 Interchange Station and the existing nationally significant assets of Birmingham Airport, the National Exhibition Centre and Jaguar Land Rover. The overall vision seeks to achieve an additional 20,000 jobs and 2,000 homes. The WMCA Devolution Deal has secured £350 million investment for the Interchange and 'People Mover'. Alongside this, Highways England are reconfiguring the existing motorway network to ensure the opportunity offered by growth in UK Central spreads across the entire LEP area and the wider Midlands. The Growth Deal helps to make the most of these investments by delivering complementary projects that, while more local in nature, are key to maximising growth potential. This includes projects such as the A45/Damson Parkway, which provides essential infrastructure to open up development sites, while others, such as the Birmingham Business Park Access Road, will link it into existing employment and housing areas.

A45/DAMSON PARKWAY JUNCTION IMPROVEMENT

The A45/Damson Parkway Junction is a key site for unlocking jobs and growth at UK Central, providing the main access to key parts of the Jaguar Land Rover complex and to the 40 hectare Elmdon development site at Birmingham Airport. It is also a key part of the local highway network. It provides the landing point for traffic from junction 6 the M42, currently being remodelled by Highways England, and is on the path of both the Sprint and cycle corridors from Birmingham. The Junction is already subject to significant levels of traffic demand and regularly suffers congestion. This means that without improvements, it will be a bottleneck constraining economic development and the delivery of sustainable transport solutions.

EAST BIRMINGHAM is currently an area that suffers from significant levels of deprivation. However, it is transforming itself into a top business location that links people to employment and training opportunities. Connected to HS2 at both Curzon and UK Central, it is a key location for jobs and housing growth that will greatly increase land values in the area. The extension of the Metro through East Birmingham links a number of important regeneration opportunities and major employers at Heartlands Hospital, the Meadway, the North Solihull regeneration area, Birmingham Business Park, and Bordesley Park, including the Wheels site. Opportunities are being identified for estate regeneration, bringing forward employment land and housing opportunities and increasing the density of development along the route of the Corridor, particularly at Metro stops. East Birmingham is a key WMCA priority and includes the Washwood Heath site. This is the location for HS2's Rolling Stock Maintenance Depot and the Network Integrated Control centre for the new high speed rail network, which will create 640 direct jobs in an area of high unemployment, and unlock a further 24 hectares of employment land for development.

BROMFORD GYRATORY

The Large Local Majors Fund supports exceptionally large, potentially transformative, local schemes that are too big to be taken forward within regular Growth Deal allocations and could not otherwise be funded. For GBSLEP, bids to the Large Local Majors are required to relate to projects with a capital cost in excess of £75 million. Bids can be for scheme development costs, or, if an Outline Business Case (OBC) is already complete, for funding to prepare and construct a scheme.

GBSLEP is bidding for £1.5 million of development costs for Bromford Gyratory (promoting authority Birmingham City Council). Bromford Gyratory has a key strategic role in both efficient access to the Washwood Heath site and enabling wider connectivity across the City and wider GBSLEP area. However, there is major congestion and delays for journeys at this point on the Outer Ring Road (A4040) impacting on both Heartland and Fort Parkway (A47) junctions. This project would form the second phase of a two-phase package looking to deliver improvements to Bromford Gyratory, including creating two smaller at grade roundabouts at either end of the gyratory. It is anticipated the cost of the project could be in the region of £80m, however, scheme development costs are needed to prepare the proposal.

HS2 Rolling Stock Depot will create

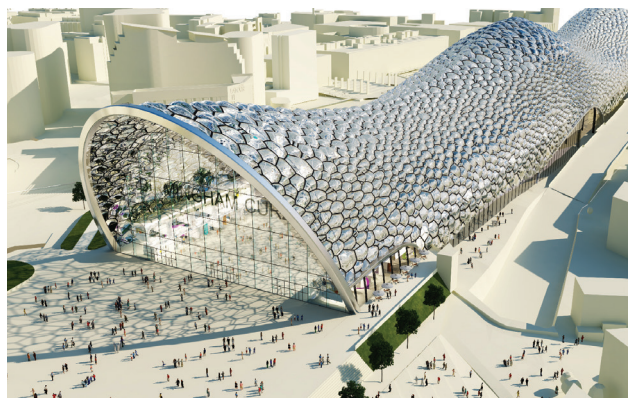
**640
DIRECT JOBS**

in an area of high unemployment

and unlock

24ha

of employment land for development



Curzon Street station in Birmingham city centre.

HS2 GROWTH will create an unprecedented number of new job and business opportunities in the Greater Birmingham area. We will need to take full advantage of these opportunities if we are to realise all the economic benefits of investment in HS2 and the consequent increase in Greater Birmingham's global connectivity. This means addressing the skills gap and ensuring local business can take advantage of HS2's supply chain. The WMCA and the Devolution Deal are focused on unlocking the opportunities from HS2, and the Growth Deal can play a key role in supporting complementary projects. We have already invested Growth Deal Funding in the new National College of High Speed Rail. Alongside this, our local colleges are looking to develop an engineering skills supply chain training support through investment in IT, small-scale demonstrator equipment and online learning. This will enable us to better meet current and future skills gaps, not only for HS2, but for all future major infrastructure projects.

Our Growth Hub has also started working with partners across the WMCA area to map the HS2 supply chain and ensure local companies are best placed to secure new business. Our aspirations are now to ensure that existing businesses are successfully relocated from the land required to build HS2, our educational institutions grasp the opportunity as feeder and progression routes to supply the necessary construction and engineering skills, as well as injecting innovation into the local rail supply chain, and global connectivity is extended from stations to all our local centres and, indeed across the wider West Midlands and beyond.

BIRMINGHAM CENTRE FOR EXCELLENCE FOR RAIL SYSTEMS INNOVATION

This project will create the first phase of a UK network of joint academic and industry Centres of Excellence for the rail sector. Based at the University of Birmingham, it will exploit our world class academic excellence and our regional supply chain capability. This will enable the UK to realise the benefits from opportunities presented by current investments, such as HS2, and from the predicted massive future growth in rail in the UK and internationally. Acting as the Hub for a UK network of future Centres of Excellence, as envisaged in the Rail Supply group strategy "Fast Track to the Future", this Centre would coordinate the acceleration of new technologies and their integration into the rail supply chain locally, across the Midlands and across the country as a whole.

This will increase productivity and capability, making businesses more competitive and therefore better equipped to win new contracts and create new jobs. The Centre will also attract significant research and innovation investment from Europe and the rest of the world, placing Birmingham at the global heart of innovation in rail transport.



Leading the world in creativity and innovation Smithfield Market, artist's impression.

PACKAGE 2: LEADING THE WORLD IN INNOVATION AND CREATIVITY

Greater Birmingham hosts organisations operating at the cutting edge of current research and innovation. Our expertise extends to advanced manufacturing and transport technologies (automotive, aerospace and rail); digital and creative industries; the cultural sector; medical and life sciences; and energy and environmental technologies.

Commercialising our research and innovation capability is key to developing an industrial strategy to capture the high value high growth sectors of the future, and driving the benefits of that strategy across the UK. In an increasingly competitive global economy, constant innovation is essential. This package supports those working at the cutting edge to stay ahead of the game, and encourages more businesses to become innovative. It promotes innovation, and the translation of research advantages into tangible outputs, driven by demand, that deliver economic benefits for Greater Birmingham and Great Britain as a whole.

This package is inextricably linked with Package 1. Increasing the global reach of our world-leading institutions is key to maximising their ability to create economic value by attracting investment, especially foreign direct investment.

The **NEW MANUFACTURING ECONOMY** programme supports our advanced manufacturing sector, building on unique existing innovation and geographical assets such as Rolls-Royce, Jaguar Land Rover, Doncasters, Delcam, Moog, Mondelez, GKN, Siemens and their associated supply chains. This area is becoming increasingly important for growing exports and attracting foreign direct investment. Working alongside interventions proposed in the WMCA SEP, our aim is to create the biggest concentration of advanced manufacturing in Europe, to become a major player in the global economy and to double the productivity of the sector locally by 2030. Investment in innovation will be key to achieving these aims.

GBSLEP projects within this programme include a cross-cutting, multi-sector centre for advanced measurement in manufacturing and an innovation institute focused on food design and manufacture. These initiatives build on existing investments locally including the High Temperature Research Centre (HTRC), the International Thermal Manufacturing Accelerator (ITEMA) and will be complemented by European Structural and Investment Fund (ESIF) revenue projects including the recently funded Advanced Materials Characterisation and Simulation Hub (AMCASH).

CENTRE FOR INNOVATION IN ADVANCED MEASUREMENT IN MANUFACTURING (CIAMM)

This project will deliver Phase 1 of a Midlands R&D hub for innovation in advanced measurement in manufacturing. This will create a joint centre in advanced measurement science, building on world leading expertise from the National Physical Laboratory at the University of Birmingham. This will be initially based around the Quantum Technology Hub, the High Temperature Manufacturing Centre and the Energy Research Accelerator, and will eventually operate across advanced engineering, advanced manufacturing, energy, transport and healthcare technologies - all key industrial sectors in the Midlands Engine. The CIAMM will accelerate the commercialisation of new measurement technologies for advanced manufacturing as they transition from the fundamental science stage through engineering to industry.

The **ENERGY CAPITAL** programme aims to establish Greater Birmingham as the global capital for energy systems innovation and market development. It builds on our established world class innovation assets, particularly the Energy Research Accelerator and Energy Systems Catapult. Our ambition is to establish a position of global market leadership in the \$2.7 trillion market for energy technologies, focusing specifically on the smart energy solutions that will support the connected smart cities of the future.

The projects included within this programme fit within an existing portfolio of investment in low carbon energy systems across Greater Birmingham through ESIF and Heat Networks, with substantial projects in Selly Oak and at UK Central supported by the Department for Energy and Climate Change (DECC) and the Birmingham District Energy Company (BDEC). Our approach is to maximise the benefit of the significant investments in HS2, new commercial developments and housing across the GBSLEP area, by systematically encouraging adoption of leading edge energy solutions piloted in complementary demonstration facilities at Tyseley and Aston and delivered by local supply chains, nurtured through targeted business support and inward investment. Alongside these projects, we expect to unlock a minimum of £50-£100 million of matched funding from corporate partners.

This programme links closely to the work being done by the Black Country and Coventry and Warwickshire LEPs, each of which brings distinct energy challenges and market opportunities (for example, in reducing energy costs for high energy using manufacturing businesses). GBSLEP is already working under the Energy Capital Programme with both neighbouring LEPs to develop the concept of an Energy Innovation Zone (EIZ) across the combined WMCA geography.

BRIGHT PLACE FOR SYSTEMS INNOVATION (BPSI)

BPSI at Aston University will provide a specially designed technology demonstration and research base for new and integrated low carbon systems technologies and services. It will combine energy, transport and smart city perspectives and deliver aspects of the 'mobility as a service' agenda. The Bright Place will be at the heart of Birmingham's Knowledge Quarter, cementing our world-leading position in the energy sector by integrating and expanding the critical mass in university R&D, innovation, education and skills. It is intended to become a new paradigm for the effective and efficient linking of demand and innovation, providing a mechanism for encouraging the adoption of leading edge energy solutions from major investments such as HS2

Establish global market leadership in the

\$2.7 trillion MARKET

for energy technologies

Enabling business, public services
and academia to commercialise

INNOVATION



The Food Innovation Hub at University City Birmingham, supported by Growth Deal Funding.

The **DEMAND-LED INNOVATION** Programme addresses the perceived misalignment between innovation demand and supply. Currently, despite the strength of our research assets and a growing number of innovative businesses, only 12% of businesses in the LEP area work with universities. Likewise, there is under-exploitation of our innovation potential by our public services. This programme will foster shared understanding amongst businesses, public services and academia of the commercialisation/application opportunities for innovation by enabling them to co-create solutions to public/market demand and challenges. The Programme will exploit GBS LEP's unique offer as 'test bed' location for innovation including urban scale and large, diverse population base and major public sector investment programmes including HS2 and the public sector reform agenda.

DIGITAL INNOVATION IN PUBLIC SERVICES (DIPS)

Building on the Innovation Birmingham Campus offering that has recently seen the opening of the iCentrum® building and the new Serendip® Smart City Incubator, the DIPS project will create a new facility, and an associated network of like-minded places. This will be focussed on promoting innovation to drive the development of new digitally-enabled, user-centred services that will increase inclusion and better meet citizens' needs. As well as reducing process costs and increasing efficiency, it will drive digital solutions to promote a step change in the way people engage with traditional public services. The DIPS centre will offer the opportunity to public sector organisations, initially Birmingham City Council, the GBSLEP and the West Midlands Police, to become partners, to identify needs and issue challenges to create relevant and appropriate digital solutions. The proposal could also be developed across the WMCA area as a set of connected centres with the DIPS centre acting as the catalytic hub.

The **SPACE TO INNOVATE** programme promotes collaborative development that enables creative thinking, drives transformational change and leads to new opportunities for commercialisation. It brings clusters of talent together in a network with the power of disruptive and emerging technologies across multiple sectors. The programme also provides Greater Birmingham with a way to develop its innovation assets. This includes establishing a creative community of businesses, academics, artists and residents; forming a network of innovation incubators, all with their own specialisms; and shaping a mechanism for attracting, developing and retaining the highest quality talent. At the centre of this programme is the concept of the Knowledge Hub. This envisages seven new public spaces connected through autonomous vehicle corridors, providing a thriving area for start-up and growing businesses as part of the renaissance of Birmingham. The scheme involves renewing Corporation Plaza, Aston Square, Jennens Park, Cinema Square, Typhoo Wharf, Eastside Locks and Curzon Street with an extension to Eastside City Park. At the centre of these regeneration plans lies STEAM-house. A new approach to innovation that fuses the creative sector with traditional science and technology disciplines and which received £14 million of funding from the Treasury in the last Budget.

SENSOR VILLAGE

Sensor Village is a key component of the Knowledge Hub. It is strategically linked to the Curzon Masterplan, and is supported by a collaborative consortium that includes Birmingham City University, Innovation Birmingham, Phillips Lighting, Schneider Global Electric, Google, HS2 Ltd, CISCO, Westfield Sports-cars, Aston Martin, Microsoft and the Digital Catapult. The project will establish a unique high technology smart cities accelerator with a bespoke 'Internet of Things' sensor-systems fabrication facility servicing the health, mobility and energy needs of the city and the WMCA whilst being linked to Silicon Valley, Barcelona and the £20 million Data Institute in the Northern Powerhouse. Sensor Village will focus on creating, nurturing and providing a test bed to trial systems in autonomous vehicles and wearable technologies in an urban area for SMEs over a 10-year period, driving growth both locally and beyond. The project is closely linked with the proposed Skills Engine scheme in the Future Skills Programme, which is intended to address the shortage in digital skills.

Establishing a

CREATIVE COMMUNITY

of businesses, academics, artists and residents

Developing

LOW CARBON

transport technologies to mitigate climate change

TRANSPORT INNOVATION FOR A LOW CARBON ECONOMY

is at the heart of the Midlands Engine for Growth. The arrival of HS2 and the cross-regional collaboration Midlands Connect will set out a long-term transport investment strategy for the wider Midlands region. The innovation section of the Midlands Engine prospectus includes Transport as an area where the region would like to address gaps in national capability, drive business retention and inward investment, safeguard and increase employment, and equip UK businesses to lead globally in response to the rapidly evolving demands of customers. This programme is intended to help Greater Birmingham drive the Midlands Engine work, and includes a range of projects that address national transport related challenges and priorities, such as the development of low carbon transport technologies to mitigate climate change, the holistic improvement of the transportation and logistics system and the enhancement of productivity of the transport industrial sectors, including the creation of new supply chains. The programme will deliver improved environmental performance while supporting jobs and delivering on key societal aspirations and economic needs on mobility.

INTEGRATED LOW CARBON ROAD TRANSPORT, ENVIRONMENT AND LOGISTICS ACCELERATOR (IREL)

Building upon Aston University's world-leading expertise, knowledge and industrial networks in the field of road transport logistics, the iREL innovation accelerator will unlock the potential for entrepreneurs, SMEs and industry to become leaders in the high-growth low carbon road transport logistics sector. The iREL will pioneer the 'integrated living lab' model for innovation and enterprise, providing businesses with structured access to multi-disciplinary state of the art knowledge and technology transfer facilities. This will act as a catalyst to fast-track the development, adoption and exploitation of the next generation of emerging low carbon road transport logistics and supply chain innovations by local entrepreneurs and businesses.

CREATIVE, CULTURAL AND DIGITAL.

Greater Birmingham has a rich culture and a strong tradition of creativity and innovation. We have well-established creative clusters such as the Jewellery Quarter. Alongside this, new clusters such as the Digbeth Creative Quarter, are emerging on the back of our culturally diverse and digitally skilled, youthful population. We have world-leading cultural organisations including Birmingham Royal Ballet, the City of Birmingham Symphony Orchestra, International Dance Festival Birmingham and a strong ecosystem of 6,000 creative industries. This programme works within the wider WMCA programme to bring together our cultural and creative industry leaders with our universities and the public sector to explore new models for investment and deliver projects that utilise our strengths in new ways to build a pipeline of talent, innovation and investment. Early examples of the significant commitments being made include plans for the STEAMHouse creative innovation campus in Digbeth, allocated specific funding in the last Budget, and proposals to make Greater Birmingham an international centre of excellence for dance. These proposals will establish Greater Birmingham as a city-region of production as well as consumption, an engine for creative development. The additional capital investment sought through this bid will help us to further our plans and to capitalise on the momentum being generated by our improving international connectivity and the transformational regeneration plans we are delivering across the City Centre, Birmingham Smithfield, at UK Central and across our districts.

NATIONAL DANCE HUB: BIRMINGHAM

National Dance Hub: Birmingham will be an innovative, world leading dance hub for the production, performance and skills development of dance in an international context. It will be a facility for talented dance artists and a catalyst for aspiration, collaboration and growth. Part-funded by the recent £5 million Treasury grant, it will build upon the exceptional infrastructure already in place including Birmingham Royal ballet, Dancexchange, the International Dance festival and a rich ecology of independent dance companies and professionals. The Dance Hub will have a significant focus on South Asian dance. The Hub will leverage strong community and educational links to make Birmingham the UK's premiere location for dance production.

Build a pipeline of
**TALENT,
INNOVATION**
and
INVESTMENT

£1bn

PRECISION MEDICINE INVESTMENT FUND

to support pre-commercial trials

Greater Birmingham's **MEDICAL AND LIFE SCIENCES** institutions have partnered to create a globally unrivalled approach that allows scientific discoveries to be developed, commercialised and adopted at pace, at scale and on time. This puts us in a unique position to create a life sciences cluster for the 21st Century that will attract foreign direct investment and capture a sizeable share of a market forecast to grow by £900 billion over the next ten years. We will consolidate and develop our world-leading position by connecting and evolving our distinctive capabilities in targeted areas of focus for economic and patient benefit. Priority projects will build on the proven outcomes of previous Government Funding for the Centre for Haematology and recent City Deal funding for the Institute of Translational Medicine. Key future interventions include the development of a Precision Technologies Accelerator site on the Life Sciences Campus to further enhance the discovery potential of the clinical networks that we support. Nearby engineering, device design and development facilities will support solutions to ensure products can be manufactured at scale and a Skills Escalator will meet the workforce demands for translational medicine. Alongside this, we are establishing an initial £1 billion Precision Medicine Investment Fund to support the pre-commercial trials of these discoveries, which will be commercialised through New Industry Engagement Models.

PRECISION TECHNOLOGIES ACCELERATOR

The Precision Technologies Accelerator will be embedded within the co-located, clinical academic ecosystem uniquely offered in Edgbaston. It will drive innovation by providing commercial incubator space, connected data platforms, skills development and multi-omic laboratories. This will unlock significant commercial potential by generating deeper insights into disease pathogenesis and treatment. By bringing together rich data on molecular make-up with current treatment regimens and outcomes across large patient cohorts, and making that data available to clinical networks across UK centres, we will create a powerhouse for discovery and value creation. The investible intellectual property based propositions which emerge from these networks will need a place in which to develop their business plan. The incubation space on the Life Sciences Campus will provide this environment, offering commercial and regulatory advice, market access, development and manufacturing expertise.



Breaking down the barriers to growth Delivering housing



Estate regeneration in North Solihull.

PACKAGE 3: BREAKING DOWN BARRIERS

Greater Birmingham has a dynamic private sector that drives economic growth across the UK and enables us to make the most of the opportunities created through the first two packages: global connectivity and leading the world.

However, there are still many structural supply-side barriers preventing these businesses reaching their full potential. This prevents wealth spreading to all sections of society, and limits the effectiveness of the GBSLEP area as a single systemic functional unit contributing to the growth of the UK as a whole. These barriers include not having access to an appropriately skilled workforce, housing shortages that limit the area's ability to attract and retain skilled workers, the lack of suitable quality business locations, flood risk, environmental quality, climate change and poor digital and physical connectivity. In the first Growth Deal projects, such as Unlocking Small Housing Sites, were brought forward to tackle these barriers. This new package is designed to create a step change in our fight to break down these barriers. There are seven programmes within this package. These programmes are closely aligned to wider Government

priorities around the Area Based Reviews of the Further Education sector, Estate Regeneration, Town Centres and the delivery of new homes, especially the Starter Home Programme. A key element of this package is drawing upon the dynamic relationship Greater Birmingham has with its urban and rural hinterland to ensure all parts of the LEP area play their part in driving economic growth outwards from the regional centre across the Midlands and the rest of the country.

HOUSING AND ESTATE REGENERATION.

A shortage of available housing is a major barrier to delivering new development. We need to step up to the housing challenge facing us, if we are to meet our growth and quality of life ambitions. The challenge goes beyond a general need for more housing. Greater Birmingham must offer a mix of tenures and types of homes that meets both the aspirations of our existing communities and the demands of those looking to locate here with their businesses. Unless these needs are met, the level of foreign direct investment we attract will always be constrained. GBSLEP has already been working closely with our local authority partners, and in partnership with the Black Country local authorities, to develop a Housing Needs Strategy and to collectively identify where and how it can be delivered. This programme seeks to tackle the housing challenge in a number of ways. Firstly, there are a number of brownfield sites across the GBSLEP area that can be unlocked, including publicly owned land that can be brought forward through the One Public Estate Programme. Increasing density and changing the mix of tenures on existing housing estates, alongside the Government's Estates Regeneration Programme, not only improves Greater Birmingham's

housing mix but helps tackle the decades of neglect that have helped maintain social deprivation in some of the country's most run-down neighbourhoods.

New urban extensions offer the opportunity to create sustainable communities of the future. Finally, innovative schemes such as the Unlocking Housing Sites scheme we introduced in our original Growth Deal, provide an opportunity to encourage smaller housebuilders to deliver homes on more challenging smaller brownfield sites. We envisage this type of scheme being rolled out across the wider WMCA geography. Across both larger and smaller sites, we will be working closely with the Homes and Communities Agency to ensure that our work utilises and supports wider Government funding streams and priorities such as the Starter Home Programme.

NORTH SOLIHULL

North Solihull was built in the 1950's as a post-war housing estate, but now displays characteristics of housing market dysfunction: limited housing choice, a lack of private sector investment in the area, an imbalance between housing supply and demand and significant levels of deprivation. Whilst the area provides an important function in providing affordable housing, projections suggest that low income populations will continue to be marginalised and higher income and aspirational households will continue to leave for areas with a better environment and housing choice. Originally launched in 2005, the existing regeneration programme has already enabled over 1,000 new homes to be built, alongside six new schools and significant investment in local centres. Now, as part of the wider UK Central programme, the opportunity exists to further redevelop estates and connect them to new employment opportunities. Projects, such as Kingswood Village Centre, will see the existing housing and run-down community facilities within the current estate demolished and replaced with new homes and buildings that enable modern service provision. Public realm improvements will also help to increase pride in the local area and raise land values.

FUTURE SKILLS. The availability of an appropriately skilled workforce is invariably raised by the private sector as the key factor for unlocking their growth potential. A number of innovative proposals are being developed to better align our skills needs with our growth sectors, the recommendations from the Area Based Reviews and WMCA Adult Education Budget delivery agreements. There is a combined LEP-wide college investment plan for infrastructure equipment to match skills priorities/growth sectors. The plan will underpin joint college work on driving up apprenticeships through the newly established Appco and the proposed Institute of Technology to provide a single investment strategy for the key employment sectors of engineering, digital and media and advanced construction. Alongside this, the Skills Engine will bring together education institutions and private skills providers across the city and region in a dynamic, distributed partnership with employers, enterprise agencies and government. It will match employer demand for skills, the skills supply chain and user/learner potential in a responsive physical and virtual infrastructure, to ensure skills supply fits and is judged to fit both user need and employer demand.

The availability of construction skills will be a key factor in our ability to deliver our full growth potential. Forthcoming infrastructure, housing and built environment projects in Greater Birmingham provide us with an unparalleled opportunity to build for the future. HS2 and UK Central are game changing projects on our doorstep, but there is a plethora of smaller scale developments planned too. We currently have a clear, unmet need for construction skills ranging from labour, multi-trade pathways to drivers and logistics to civil engineering and construction related digital technology. This may be exacerbated following

the recent referendum on membership of the EU and, will certainly be worsened in the near future as nearly a third of the current workforce are due to retire in the next 10 years. A major step change is needed to train and up-skill for the thousands of construction related jobs needed now and those required to replace the meaningful vocational jobs that will remain unfilled. Our aim is to work with industry to increase construction jobs and apprenticeships and exceed the projected desirable skills supply. There is a necessity to inspire young people about the career ladder that is offered and invest in end to end skills development within construction. Our investment will encourage people to join the industry, enable a huge investment in the tools and equipment required to develop the requisite skills and take us closer to delivering a sustainable construction sector in the West Midlands.

KIDDERMINSTER COLLEGE SKILLS CENTRE

There are approximately 3,850 construction businesses and 26,000 employees involved in construction in Greater Birmingham & Solihull. Local FE Colleges and private training providers are integral to providing the skills needed in this sector. This project will enable Kidderminster College to create a new Skills Centre for the delivery of training, primarily in construction. Their current facilities constrain their ability to meet the skills needs of local employers. The Skills Centre will provide both the traditional aspect of bricklaying and multi-trade pathways skills and a transformational approach to off-site and sustainable construction and digital engineering/manufacturing skills. Beneficiaries of these skills will not only meet help local needs in house building and general construction fields, but also support learners to access job and apprenticeship opportunities created through major infrastructure projects, such as HS2.

INDUSTRIAL ESTATE RENEWAL is key to ensuring we maximise the potential of commercial assets to support economic growth. There is only a finite amount of employment space available and much of it has been developed in years gone by to accommodate the business needs of a different type of economy. This programme is focused on upgrading our existing sites, ensuring they offer the quality environment and facilities the current market demands, and are easily accessible by different modes of transport. This will help indigenous businesses in our growth sectors, especially advanced manufacturing, be more productive and provides the right accommodation for them to grow into. At the same time, our capacity to attract foreign direct investment is increased. A key driver of this programme is the recognition that GBSLEP is an integrated economic system within which each area plays a part. Consequently, many of our planned interventions are focused in and around locations such as Lichfield, Tamworth, Cannock, Burntwood and North Worcestershire

DERBY ROAD GATEWAY, BURTON UPON TRENT

The A38 Derby Road represents the key gateway into Burton from the north. This corridor is home to a series of key employment sites for the East Staffordshire Borough, which have been identified as a key opportunity area for regeneration. The Derby Road industrial estates have issues with a mixture of 1950/60s poor quality units that don't reflect the modern business demographic needs, nor do they provide the high productivity land use that is commensurate with this prime gateway location. Through improvements across these sites, this project will create an improved image for the area and sow the seeds for continued private investment, resulting in greater inward investment and improved productivity. This scheme aligns with a broader strategy that also encompasses brownfield regeneration, along the same corridor, and the delivery of new affordable housing, which supports Burton's growth plans to create over 10,000 new homes.

Maximising the potential of
commercial assets to support

ECONOMIC GROWTH

Encouraging

LOCAL RETAILERS

by providing suitable space to expand

TOWN AND LOCAL CENTRES. Birmingham City Centre is the major regional economic driver in the entire Midlands region and beyond. As the location for the Enterprise Zone and the Curzon HS2 station, it is forecast to grow exponentially in the future. However, the city centre is only one part of the functional economic system that is Greater Birmingham. The city relies on its urban and rural hinterland, and especially its town and local centres, for its workforce, shoppers, supply chain and complementary business activities. These centres are key economic players in their own right, and each brings something different to the success of the GBSLEP area. This programme builds on these unique strengths, and leverages the additional value created by being part of the wider Greater Birmingham economic system, to maximise the impact of these individual town and local centres, and help ensure they remain great places to live.

TAMWORTH TOWN CENTRE REGENERATION

Through the town centre masterplanning process that is currently in progress, an opportunity has been identified to realise public/private investment to stimulate increased growth and jobs in Tamworth, strengthening the economic network across the Greater Birmingham area. Reflecting the changing aspirations of businesses and communities, the scheme will respond to the increased demand for in-town living, expand the retail offer and in particular accommodate a shift in focus to an improved leisure and cultural offer in the town centre. A key aim at the heart of the scheme is to encourage existing indigenous retailers and businesses by providing suitable space for them to expand.

TRANSPORT AND ACCESSIBILITY. The Greater Birmingham area operates a functional economic system connected by transport links. When the transport and accessibility challenges of the system are met effectively, it stimulates significant levels of sustainable growth and development, improves access to markets and employment opportunities, reduces the cost base to small businesses and enhances our environment. It allows the different areas within GBSLEP to work seamlessly together to play their role within the Greater Birmingham economy and across the wider Midlands and beyond. However, when the challenges of the system are not met, the lack of connectivity acts a major constraint to delivery. Consequently, throughout this bid document, connectivity issues have featured highly and many of the schemes set out in this programme also enable projects within other programmes to come forward or to achieve their full potential. Within this programme, there are schemes that promote economic growth by removing barriers to growth such as poor air quality, congestion and those that help bring under-utilised land back into more productive use by opening up the ability to access the site. Other schemes promote new sustainable modes of travel that increase the connections between locations, making it easier for workers to connect to jobs, and for businesses to connect to suppliers and markets. Overall, the programme is closely linked to the wider work across

the WMCA area, including the work of Transport for West Midlands (TfWM) in promoting modal shift, increasing capacity on the network through smart improvements to the existing highway and enabling transport improvements. Increased sustainability is a key part of these transport programmes. This is in line with the Government's wider policy objectives, and will complement the forthcoming revenue element of the Access Fund to support sustainable travel solutions for new housing and business developments.

LICHFIELD SOUTHERN BYPASS

This project is designed to provide a through route between the A461 Walsall Road and the A5206 London Road, bypassing the historic City core. The new link will provide access to a proposed housing site identified as a strategic development location, facilitate a canal restoration project, access the emerging residential development South of Shortbutts Lane and provide additional highway capacity to enable the Friarsgate regeneration proposals. The scheme will also benefit new planned housing on Cricket Lane and at Deanslade Farm.

Altogether, the Lichfield Southern Bypass is expected to support the delivery of 3875 new dwellings, up to 30,000sqm of office space, 36,000sqm of retail development and significant industrial development including 12Ha of employment at Cricket Lane in Lichfield City to 2029.

Capacity to create up to

**10,000
JOBS**

Deliver

**7,000
NEW HOMES**

The **A38 GROWTH CORRIDOR** sits on the prominent north/south arterial route through Birmingham. It is key to opening up the largest growth locations outside of the City Centre. This includes the regeneration of Longbridge, with the capacity to create up to 10,000 jobs, the Selly Oak/University/Hospitals hub, home to the many exciting projects in the Medical and Life Sciences Programme, and Bromsgrove, potentially delivering 7,000 new homes. However, the A38 is also one of the most congested roads in Greater Birmingham. Unless this congestion is addressed, growth will be stymied and new housing and employment developments will not be able to come forward. Facilitating growth in the corridor requires both targeted highway improvements and a modal shift through a step change in public transport. A number of projects in the first Growth Deal, such as Longbridge Park & Ride and Selly Oak New Road Phase 1b, are already helping to address the issues. The introduction of sprint routes as part of the West Midlands HS2 Connectivity Package will help to further achieve these aims, linking both residents of southern Birmingham to Curzon Street HS2 Station, and HS2 passenger and residents to the Longbridge and University/Hospitals sites. Building on these actions, this programme will deliver improvements that improve journey times and increase reliability across the wider A38, unlocking development, and leading to growth in productivity across the whole of Birmingham.

UNIVERSITY

STATION

University Station is a critical gateway for a number of growth opportunities, including those located at the University of Birmingham and the Queen Elizabeth Hospital. The station already suffers from overcrowding, limiting the ability to unlock these opportunities. This project enables the partial demolition of the existing station building and the building of a new extension to provide facilities able to cope with current and forecast future demand. The scheme has received development funding from GBSLEP to bring it to the position where it is deliverable. It will deliver a larger station building at the main entrance, with enhanced passenger facilities and an expanded ticket gateline, all of which will provide a significantly improved passenger experience over the current facilities provided. The provision of larger circulation spaces will give the station greater capacity to deal with larger numbers of passengers, and the revised internal layout will make the journey through the station building more efficient and hence reduce delays in passing to and from the platforms, with the associated safety concerns relating to station overcrowding and queuing back on the platforms.

BUSINESS SUPPORT. Access to finance is especially important for supporting the growth strategy of small businesses. Since the economic crises of 2008/09 the traditional sources of investment capital, especially risk capital, have become scarce. A recent ex-ante assessment of the West Midlands, funded by DCLG and undertaken by the European Investment Bank (EIB), concluded that there are gaps in the provision of microfinance of £40 million per annum, gaps of £800 million per annum for microbusinesses seeking larger amounts of finance and gaps of £800 million per annum for small and medium sized firms seeking larger amounts of finance. The GBSLEP and its neighbouring Combined Authority, West Midland and Midlands Engine for Growth counterparts have made great strides in their efforts to address these challenges and various initiatives are underway or planned to help to fill the gaps in the private sector market for investment capital in the region. These initiatives will help but they will not entirely plug the gaps. This programme establishes revolving financial instruments that will ensure that finance is available to support the investment needs of inward investment opportunities and start-up businesses. As revolving financial instruments, the capital set aside for the purpose set out below will be managed by independent, professional and expert fund managers appropriately appointed to manage the investments. They will be expected to generate returns which will, in turn, be re-invested in the similar projects in the region. This programme would include small amounts of revenue funding and, while we recognise the Growth Deal is capital, we would welcome a discussion around any flexibility in this regard.

Under this programme, we are also looking for funding on behalf of WMCA's proposed Growth Company. If established, the Growth Company is expected to support the marketing of the West Midlands area as an investable proposition, promoting private sector engagement and leveraging commercial revenue generation. The Growth Company would expedite the productivity gains and economic impact of the region's ambitious infrastructure plans, including HS2. It would also secure much needed uplifts in business rate receipts through a new operating model which manages risks carefully, but operates on much more commercial principles than the current delivery infrastructure employs.

URBAN DEVELOPMENT

LOAN FUND

This £150 million scheme is designed to bring forward key investment schemes which will accelerate business growth and productivity. It builds on the returns from the existing regional Growing Places funds and will leverage in an estimated £350 million of private sector funding. The funds will be made available to inward investment and start-up operations in the region to support investment, job and wealth creation. The funds will be used to provide loans, equity and mezzanine investments; they will be expected to recycle their investment funds, leverage private sector finance (of a level considerably higher than the public sector contribution), create new jobs, invest in plant/machinery and infrastructure, invest in digital media content (including games, TV, film and the creative arts) and support businesses through their early stages of development. The fund will lend at State Aid reference rates to ensure that it does not squeeze out private sector funding where such funding is available.



Delivering in partnership National College for High Speed Rail, established to address the skills needs of HS2.

SECTION 2: GOVERNANCE, ASSURANCE AND DELIVERY ARRANGEMENTS

Governance arrangements

Since the first Growth Deal allocations, GBSLEP's governance arrangements have demonstrated their robustness, transparency and democratic accountability. The Supervisory Board, a joint committee of the nine Local Authority Leaders that meets in public and publishes their papers, retains ultimate authority for decisions on expenditure. This position has been clarified in the Accountability Framework following comments from the National Audit Office. A Local Authority Joint Scrutiny Committee reviews and scrutinises Supervisory Board decisions. The LEP Board has overall responsibility for setting the LEP's strategic agenda through the SEP. The LEP Board also makes decisions regarding expenditure, which are taken to the Supervisory Board for endorsement. Decisions around the prioritisation and funding of projects are based on advice from the Growth Team, which brings together stakeholders from both the private and public sectors. The Growth Team was chaired by the LEP Chair until July 2016 and is

now chaired by the Deputy Chair for Delivery. They are advised by LEP officers and an Independent Technical Evaluator, who assesses proposals in line with the procedures set out in the Assurance Framework.

The LEP Board remains private sector-led, with Directors representing both large and small businesses. The Chair and both the Deputy Chairs for Strategy and Delivery are from the private sector. The public sector has a strong presence on the Board, with Leaders from our constituent Councils in Birmingham, Cannock Chase, East Staffordshire, Lichfield, Solihull, Tamworth and Wyre Forest (on behalf of all North Worcestershire Councils in the LEP). Higher and Further Education representatives also play a key role on the Board.



Friarsgate development, Lichfield.

Business representatives*



Andy Street
Managing Director, John Lewis
Chair



Steve Hollis
Former Midlands Chairman,
KPMG
Deputy Chair for Strategy



Chris Loughran
Vice Chairman, Deloitte
Deputy Chair for Delivery



Anita Bhalla
Chair, Performance
Birmingham Ltd
**Responsible for
Creative City Partnership**



Saqib Bhatti
Associate, Younis
Bhatti & Co Ltd
**Responsible for
Growing Businesses**



Andrew Cleaves
Principal and
Chief Executive,
Birmingham
Metropolitan College
**Responsible for
Improving Skills**



Pat Hanlon
Handelsbanken
**Responsible for
Access to Finance**

Local authority representatives



Simon Marks
Partner, Arcadis
**Responsible for
Optimising Assets**



Matthew Rhodes
Managing Director,
Encraft Ltd
**Responsible for
Stimulating Innovation**



Cllr John Clancy
Birmingham City Council



Cllr George Adamson
Cannock Chase
District Council



Cllr Richard Grosvenor
East Staffordshire
District Council



Cllr Mike Wilcox
Lichfield District Council



Cllr Bob Sleight
Solihull Metropolitan
Borough Council

Education representatives



Cllr Steve Claymore
Tamworth District Council



Cllr Greg Chance
on behalf of the North
Worcestershire local authorities



Mike Hopkins
Principal, South & City College
**Further Education
Representative**



Professor Cliff Allan
Vice-Chancellor,
Birmingham City University
**Higher Education
Representative
Responsible for Building
Sector Strengths**



Mark Rogers
Chief Executive
Birmingham City Council

Company secretary

*At the time of going to print, the process for recruiting a Board Director for Improving Connectivity has not concluded.

Cross-LEP working

Creating an impact that goes beyond the GBSLEP area is a cornerstone of our offer to Government. We already work jointly with our overlapping LEPs in Worcestershire and Stoke & Staffordshire to achieve the greatest impact for our collective investments, on projects such as Friarsgate, and this will continue in our new Growth Deal. In addition to working through the combined authority, we have worked on an individual basis with the other WMCA LEPs on projects that are relevant to our respective SEPs, such as UK Central Plus with Coventry and Warwickshire, and the Strategic Housing Needs Study with Black Country. Across the wider West Midlands and Midlands, we have worked with all six regional LEPs, to develop proposals for investment funding. We have even worked with the Sheffield City region LEP to make sure that the National College for High Speed Rail, with its dual locations at Birmingham and Doncaster, was successfully delivered.

Strategic Economic Plan (SEP)

The SEP sets out a shared, private and public sector, vision of the economic growth ambitions for the GBSLEP area. Our original vision was to re-establish the city region as the leading economy outside of London, and our aim was to close the performance gap with the national average. While there still challenges ahead, as shown in the dashboard, during the last few years we have made great strides forward, and the area has seen significant growth in jobs and productivity.

KPI dashboard (2015/16)

	Baseline (2010)	Latest data	Annual performance	KAG rating	
				Baseline	Previous year
119,000 PRIVATE SECTOR JOBS by 2020 <small>Source ONS/BRES – 2014 latest data available</small>	633,600	718,000	+40,800	↑	↑
INCREASE GVA BY £8.25bn by 2020 <small>Source ONS – 2014 latest data available</small>	£39,584m	£41,781m	+£668m	↑	↑
DECREASE UNEMPLOYMENT to the national average by 2020 <small>Source ONS/APS – 2015 latest data available</small>	2.7% point gap	1.6% point gap	0.6% point	↓	↓
INCREASE GVA PER HEAD to the national average by 2020 and to exceed national average by 2025 <small>Source ONS – 2014 latest data available</small>	-£3,451 per head gap	-£3,895 per head gap	+£212 per head	↑	↑
NVQ3+ Increase % of the working age population with NVQ3+ to Core City LEP average by 2020 <small>Source ONS/APS – 2015 latest data available</small>	2.7% point gap	3.1% point gap	0.0% point	↓	↔

As circumstances change, the SEP needs to evolve to stay relevant. We are therefore, in the process of working with partners to refresh our SEP through to 2030. A draft of the new SEP is attached at Appendix B. This is currently subject to consultation with partners and stakeholders. This refresh has identified the opportunity for a step-change in Greater Birmingham's positioning as a player in the global marketplace. This approach has the potential to deliver significant benefits to UK plc, and has become far more important to the long-term health and wellbeing of the nation following the result from the EU referendum. The three strategic priorities in the refreshed SEP provide the foundation for the three packages included within this bid.

Assurance Framework

GBSLEP's Assurance Framework ensures the LEP achieves regularity, propriety and value for money in all its investments. As part of our culture of continuous improvement, the Assurance Framework was updated in March 2016. This enabled us to take account of the minor comments made by the National Audit Office following their review of Central Government procedures for managing the Growth Deal. The fundamental principles on which the Assurance Framework was built remained unchanged. These principles therefore remain the basis for allocating public money to new projects seeking funding from this round of the Growth Deal. This means that before being accepted onto the programme, all projects will be evaluated against the same criteria: strategic fit with the SEP; forecast economic return on investment; and risk and deliverability. This process will enable us to identify high priority projects and manage the programme to ensure the greatest value for money is

achieved for the taxpayer. Once on the programme, projects will need to submit a full business case (FBC), which is Green Book compliant. The level of detail included in the FBC will be proportionate to the size of the project, and will be reviewed by an Independent Technical Evaluator (ITE). Only once the ITE has confirmed that the project constitutes value for money, will it be submitted for approval to the LEP Director, Growth Team or LEP Board, in accordance with the delegation limits set out in the Assurance Framework. The Supervisory Board endorse all decisions at their public meeting. This provides both democratic accountability and transparency.

Birmingham City Council acts as the Accountable Body for GBSLEP funding streams. It holds and accounts for monies on behalf of GBSLEP, ensuring that funding is only released if it conforms to legal requirements with regard to equalities, environmental, EU issues and other relevant legislation and guidance. The Accountable Body also ensures funds are used properly and that Assurance Framework procedures are adhered to.

As part of our commitment to continuous improvement, we are currently reviewing our Assurance Framework to ensure it remains fit for purpose. This includes looking at ways in which we can streamline procedures, reducing the administrative burden on project sponsors where we can without reducing the level of oversight, and providing additional value in our role as programme manager, for example through sharing best practice across all projects. As part of this process, earlier this year we held workshops for project managers. These were facilitated by an expert in the use of risk management to properly understand how to calculate the level of money required for a project

and how to report the financial status of live schemes. Later this year, we will be hosting further workshops. These will cover topics such as how to conduct a Green Book appraisal.

Delivery

GBSLEP does not directly deliver projects. Instead, we provide funding to project sponsors, primarily local authorities, as set out in our assurance framework. GBSLEP's role is to ensure projects contribute to meeting the objectives of the SEP, provide value for money and form part of an overall programme that is capable of fully utilising the resources of the LEP. Through our management of the programme, we also support project managers to realise project benefits and keep their projects to time and budget. In 2015/16, GBSLEP successfully invested its entire Growth Deal allocation of £47 million in 31 projects. Other successes include:


- To March 2016, the Growth Hub has created 565 new jobs and 146 new businesses, and is now supporting an average of 600 businesses a month
- To March 2016, the Enterprise Zone has created 1,700 new jobs and 125,000sqm of commercial floorspace, leveraging in £325 million of private sector investment
- Our Work Coaches programme has created 13,351 work experience opportunities and supported 11,689 people into employment.


Over the next few years, our existing Growing Places, City Deal and Growth Deal programmes are set to deliver thousands of additional jobs and homes, leveraging in hundreds of millions of pounds of private sector investment.

GROWING PLACES FUND

GOVERNMENT: £1.7M REVENUE
INVESTMENT: £20.8M CAPITAL

OUTPUT FORECAST:


7,928
NEW JOBS CREATED/
SAFEGUARDED

1,600
NEW HOMES
BUILT


18,228sqm
COMMERCIAL FLOORSPACE
CREATED


£52.4m
INVESTMENT
LEVERAGED

193
BUSINESSES
CREATED

CITY DEAL FUND

GOVERNMENT: £44.5m
INVESTMENT: CAPITAL

OUTPUT FORECAST:

3,063
NEW HOMES
BUILT


721
REFURBED/
RETRO-FITTED
HOMES

£14.8m
INVESTMENT
LEVERAGED


6,055
NEW JOBS
CREATED/
SAFEGUARDED

153,948sqm
COMMERCIAL FLOORSPACE CREATED


3560
APPRENTICESHIP GRANTS


£1m
CAPITAL INVESTMENT


Page 327 of 626

LOCAL GROWTH FUND

GOVERNMENT: £356.2m
INVESTMENT: CAPITAL

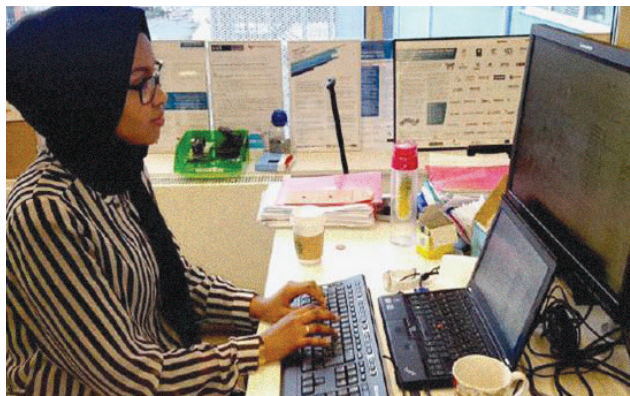
OUTPUT FORECAST:


20,300
NEW JOBS CREATED/
SAFEGUARDED

4,900
NEW HOMES
BUILT


641,703sqm
COMMERCIAL
FLOORSPACE CREATED


£119m
INVESTMENT
LEVERAGED



Work Coaches Programme: Huda, who has secured a job with the National College for High Speed Rail project team.

Prioritisation

The project proposals we are considering for Growth Deal funding are designed to deliver our ambition to become a top global city-region. They have been grouped into programmes on the basis of where they make the most impact. However, the majority of the projects deliver against more than one programme and, in many cases, there are links between projects in different programmes and across packages. Drawing out these links, so we can ensure projects that support each other are considered collectively, will be key to gaining the most impact for our investment across the programme as a whole. Due to the complexity of the overall project pipeline, and the time before the majority of the Growth Deal investment comes on stream, we are planning to prioritise projects in the run up to the Autumn Statement. This will enable us to have clear list of the key interventions ready to take forward with the funding made available to us.

We believe our proposals are scalable. This means that if further Government funding is available to deliver a fiscal stimulus to the economy, we will be able to deliver more of our programme. Equally, if less funding is available than we have requested, we will be able to select projects, and clusters of linked projects, that deliver the greatest impact. However, this will significantly reduce the outputs that can be achieved.

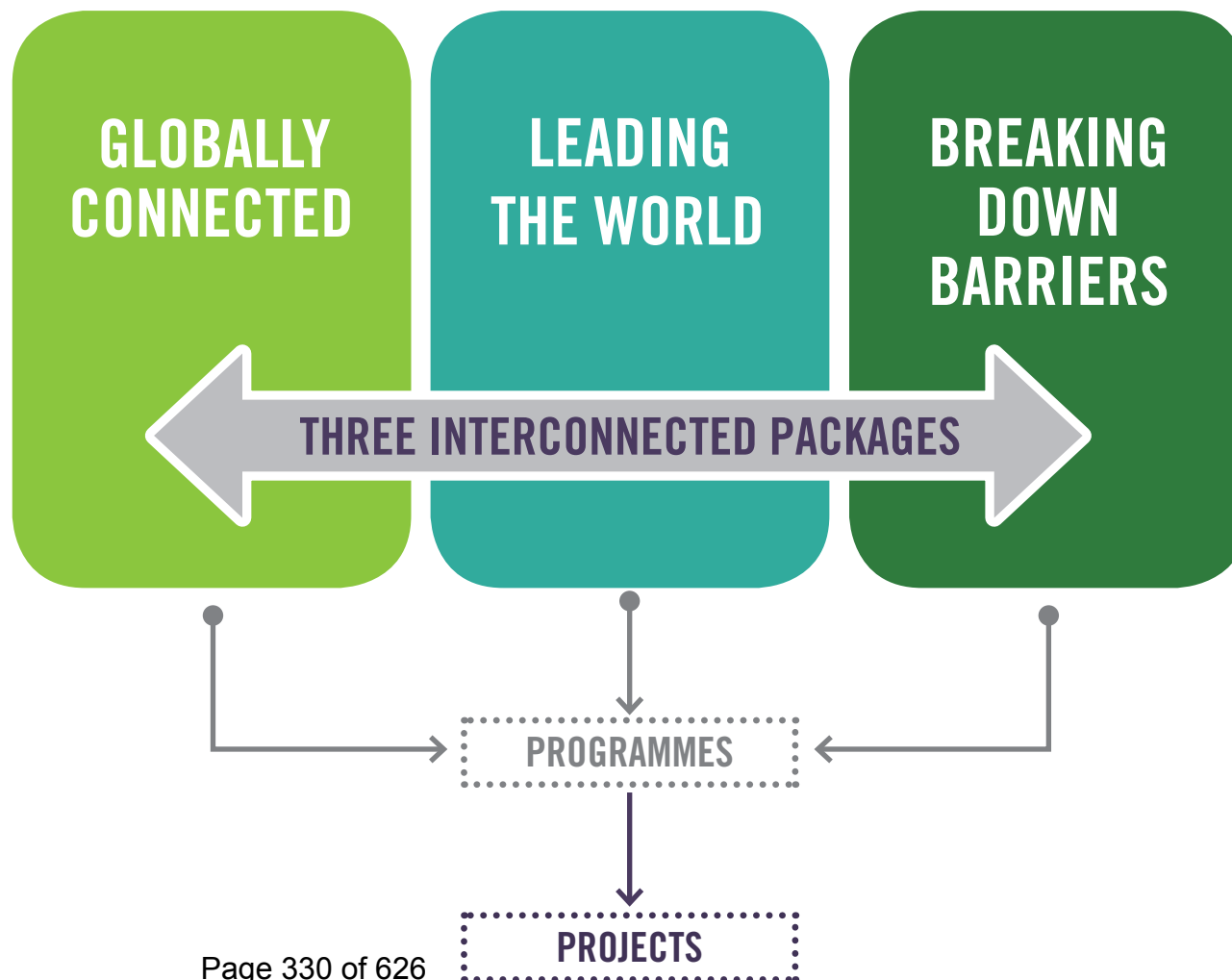
The prioritisation process will follow the principles set out within our assurance framework. This means that before a project is entered onto the project pipeline, it will be assessed for strategic fit against the objectives set out in the refreshed SEP, together with deliverability, viability and impact (outcomes and outputs). Before full acceptance onto the programme, a fully Green Book compliant appraisal and business case will be required. Where a project is looking for funding from GBSLEP alongside the WMCA or the other West Midlands LEPs, we are looking towards a shared approach to appraisal which streamlines back-office procedures and uses common criteria, making the process as resource-efficient as possible. If possible, we will also seek to utilise the WMCA's Dynamic Economic Impact Assessment model in our appraisal process. Similarly, where projects sit in our overlapping LEP areas, we will work with Worcestershire and Stoke & Staffordshire LEPs to jointly consider the approach to appraisal.



The new iCentrum expansion of the Innovation Birmingham Campus – an example of progress in the digital technology sector.

SECTION 3: SUMMARY OF PACKAGE INFORMATION

Our Vision is simple. To work in partnership with Government to create a top global city-region, the major driver of the UK economy outside London. To deliver this we have created three interconnected packages.



Our globally connected programme exploits our role as an international gateway to drive growth across the Midlands and beyond.

Our leading the world programme commercialises cutting edge research and innovation to create the high value business sectors of the future.

Our breaking down the barriers programme creates the conditions for growth, and spreads success to all sections of society, across GBSLEP, the Midlands and the whole of the UK.

GLOBALLY CONNECTED PROGRAMMES

UK Central*
East Birmingham*
HS2 Growth*
Birmingham Curzon*

LEADING THE WORLD PROGRAMMES

Transport innovation for Low Carbon*
Demand-led innovation
Life sciences*
Energy capital*
New manufacturing economy*
Space to innovate
Digital and creative culture*

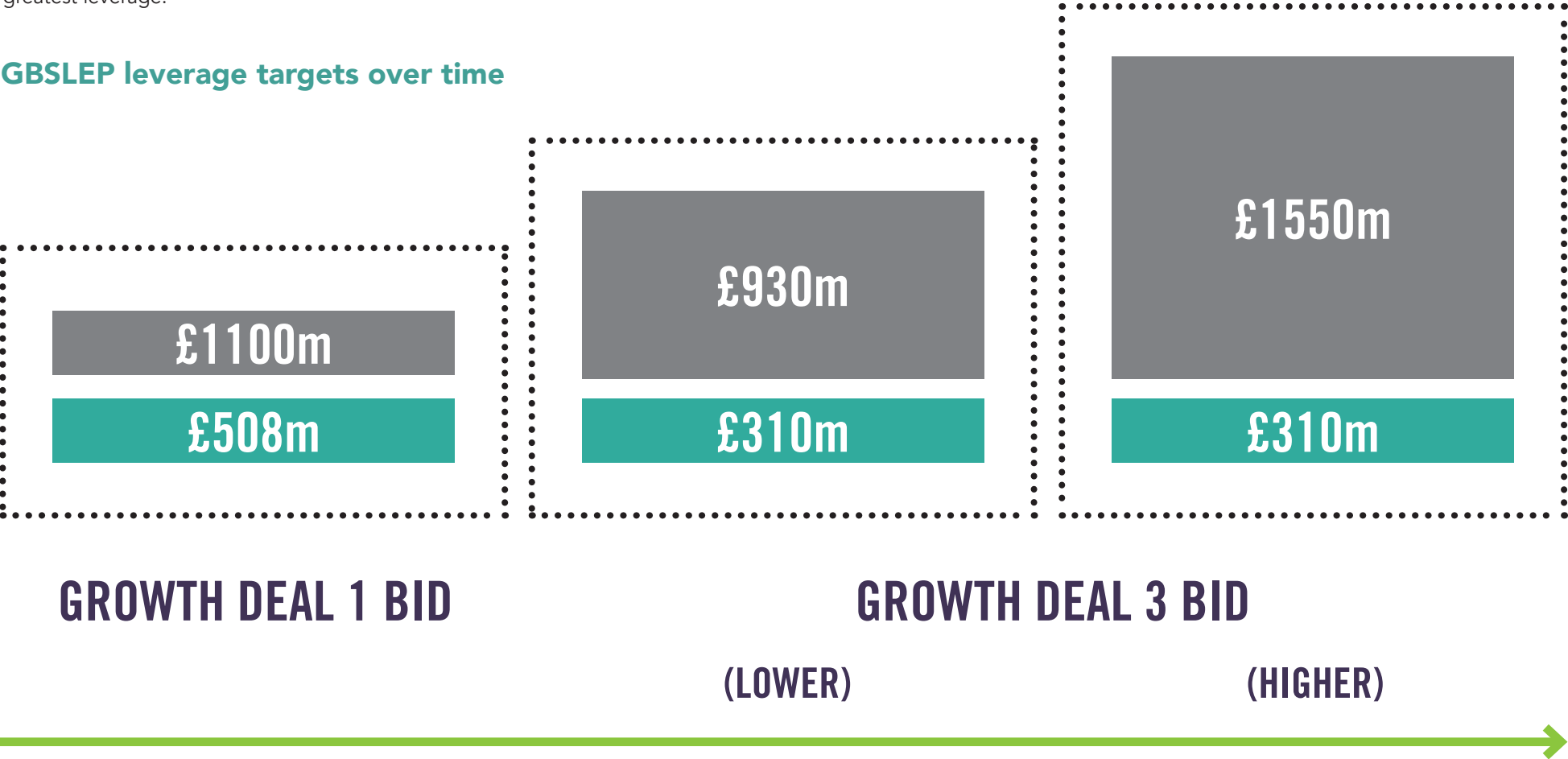
BREAKING DOWN BARRIERS PROGRAMMES

Future skills*
Housing and estates regeneration*
Transport and accessibility*
Business support*
Town and local centres
A38 Growth Corridor
Industrial estate renewal

*Shared GBSLEP/WMCA priority

We have a track record of delivery second to none.
We are the major driver of the UK economy outside London, and we can deliver Government the greatest leverage.

GBSLEP leverage targets over time



*GBSLEP FUNDING REQUEST

*PRIVATE SECTOR LEVERAGE

Ahead of the detailed appraisals, forecast outputs are presented as estimates within a range. These are based upon known information about projects, previous experience within the GBSLEP area, and standard formula. As part of our prioritisation process, projects will be subject to a full Green Book complaint appraisal in line with GBSLEP's Assurance Framework. This will enable us to more accurately forecast outputs. A more detailed breakdown of these figures is provided in Appendix A.

Overall, we believe this bid creates a compelling offer to Government. Greater Birmingham has the track record, the size, scale and opportunities to achieve transformational change. We aim to be a top global city-region and, with your support, can deliver the greatest economic return on investment for Great Britain as a whole.

Financials £m			Outputs					
Total project cost	LGF contribution		Jobs	Houses	Match funding/ Leverage £m	Floor-space'000m ²	GVA £m	Learners assisted
Connecting globally	155–185	100	5600–9300	2000–2800	300–500	200–280	350–500	670–1065
Leading the world	185–215	120	6400–10700	285–1200	360–600	230–320	400–600	760–1220
Breaking down barriers	140–160	90	4800–8000	3715–4400	270–450	170–240	300–450	570–915
Total	480–560	310	16800–28000	6000–8400	930–1550	600–840	1050–1550	2000–3200

“We are an ambitious company, and we are looking forward to settling into what we know is a very ambitious and talented city... Birmingham feels like a city that has some big plans and is on the cusp of big things. We wanted to get in there first.”

PETE MARSDEN

CHIEF INFORMATION OFFICER • ASOS

Local authority members



Business representative members



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[in](#) Join the Greater Birmingham & Solihull
Local Enterprise Partnership
group on LinkedIn

gbslep.com

Equality Analysis

Birmingham City Council Analysis Report

EA Name	Local Growth Fund Round 3: Update And Next Steps
Directorate	Economy
Service Area	Transportation Services Growth And Transportation
Type	New/Proposed Policy
EA Summary	This Equalities Assessment evaluates the potential impact of an outline bid for a share of 1.8bn pounds of Local Growth Funding (LGF3) from the Government. Bidding locally has been led by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), with a formal bid for LGF3 resources totalling 310m pounds submitted to Government on July 28th 2016. Birmingham City Council are seeking Cabinet endorsement of a series of project proposals totalling around 131m pounds, submitted by the Council to GBSLEP for future LGF3 funding consideration.
Reference Number	EA001422
Task Group Manager	Peter.A.Bethell@birmingham.gov.uk
Task Group Members	Chloe.Taylor@birmingham.gov.uk, philip.edwards@birmingham.gov.uk, Peter.A.Bethell@birmingham.gov.uk, Hilary.Mills@birmingham.gov.uk
Date Approved	2016-09-12 01:00:00 +0100
Senior Officer	philip.edwards@birmingham.gov.uk
Quality Control Officer	Lesley.Edwards@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Policy and expected outcomes?	<p>The purpose of this policy is that Cabinet endorsement is sought for a series of project proposals, which total approximately 131m pounds. This will be submitted by the Council to the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for future Local Growth Funding (LGF3) funding consideration; and Cabinet is asked to note that the next steps for LGF3 in terms of decision making at both GBSLEP and Government levels are set out.</p> <p>The expected outcomes are that the Cabinet endorses the series of project proposals, and that the next steps in terms of decision making for LGF3 resources be noted.</p> <p>The Councils project proposals fully align with the Birmingham Development Plan (BDP), the Big City Plan, the Birmingham Connected transport strategy and the vision and principles of the Council Business Plan and Budget 2016+, namely a strong economy, safety and opportunity for all children, a great future for young people, thriving local communities and a healthy, happy population. The proposals are also consistent with GBSLEPs Strategic Economic Plan and Strategy for Growth, the WMCA's Strategic Economic Plan and the West Midlands Strategic Transport Plan.</p> <p>On April 12th 2016 the Secretary of State for Communities and Local Government invited LEPs across the country to bid for a share of 1.8bn pounds of LGF3. Bidding locally has been led by the GBSLEP, with scheme promoters, including the Council, asked to provide Expressions of Interest (EOIs) for potential projects.</p> <p>The bid for LGF3 resources entitled a Greater Birmingham for a Greater Britain was submitted by GBSLEP to the Government on July 28th 2016, with preparation of the document and submission responsibility delegated to the GBSLEP SEP Refresh Steering Group by the GBSLEP Board. The bid submitted was structured around three broad packages comprising Connecting Globally; Leading the World in Innovation and Creativity; and Breaking down the Barriers, with example projects from scheme promoters forming case studies within each of the packages.</p> <p>It must be noted that, whilst these EOIs have been submitted, there is still a Strategic Fit Assessment to go through which, if successful, the projects will be given Programme Entry Level with the opportunity to develop the business cases.</p>
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
A Fair City	Yes
A Prosperous City	Yes
A Democratic City	Yes

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	Yes
Will the policy have an impact on wider community?	Yes

2.3 Analysis on Initial Assessment

All schemes proposed within the LGF3 bid are provided as a public good and will be available for all members of the community and visitors alike to use. Transport proposals are supported by promotional and educational training provided by the Transport Behavioural Change Team within Transportation Services, particularly in relation to road safety and active travel. Individual schemes will be subject to further screening for equalities analysis.

It is considered that there are no aspects of the LGF3 bid that could contribute to inequality. The facilities and measures proposed are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity, or disability.

Individual scheme proposals will be further screened for equalities analysis as part of standard Council governance and approval processes, and EAs will be completed at Product Definition Document and Full Business Case stage for individual projects and programmes.

Internal consultation has been undertaken with the Deputy Leader, the Cabinet Member for Transport and Roads; the Cabinet Member for Value for Money and Efficiency; the Cabinet Member for Clean Streets, Recycling and Environment, the Cabinet Member for Skills and Learning; the Assistant Director Development; the Assistant Director Regeneration and the Assistant Director Transportation and Connectivity, who support the proposals contained within this report.

Externally, the Council project proposals have been developed in consultation with the West Midlands Combined Authority (WMCA), Transport for the West Midlands (TfWM), GBSLEP, adjoining authorities and a range of public and private sector partners.

3 Concluding Statement on Full Assessment

All schemes proposed within the LGF3 bid are provided as a public good and will be available for all members of the community and visitors alike to use. Transport proposals are supported by promotional and educational training provided by the Transport Behavioural Change Team within Transportation Services, particularly in relation to road safety and active travel. Individual schemes will be subject to further screening for equalities analysis.

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4 Review Date

04/09/17

5 Action Plan

There are no relevant issues, so no action plans are currently required.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET	
Report of:	Strategic Director - Economy	
Date of Decision:	20th September 2016	
SUBJECT:	CITY CENTRE ENTERPRISE ZONE EXTENSION AND CURZON INVESTMENT PLAN	
Key Decision: Yes	Relevant Forward Plan Ref: 001414/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s):	Councillor John Clancy (Leader)	
Relevant O&S Chairman:	Councillor Zafar Iqbal (Economy, Skills & Transport)	
Wards affected:	Ladywood & Nechells	

1. Purpose of report:	
1.1	To inform Cabinet of the extension of the City Centre Enterprise Zone (EZ) as secured through the Devolution Deal, which includes funding for the Curzon Investment Plan along with an extended programme through to 2045/46
1.2	To approve the contents of the Curzon Investment Plan, which sets out the framework for investment priorities and programme for the period 2016/17 to 2045/46, with a total funding package of £724m. This includes EZ funded capital and revenue investment of £556.8m supported through the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) as funded through the uplift in business rates generated by the EZ.
1.3	To note the allocation of £183.3m of EZ resources by the Greater Birmingham and Solihull Local Enterprise Partnership (LEP) as a contribution towards the delivery of the Midland Metro from Birmingham City Centre to the HS2 Interchange, which will be directly funded through the uplift in business rates generated by the EZ, subject to a Full Business Case and availability of match funding.
1.4	To set out the role and functions of the Accountable Body for the EZ, undertaken by the City Council, to ensure that governance arrangements are appropriate to support the delivery of the Curzon Investment Plan.
1.5	To seek approval to enter into a tripartite agreement, BCC as the Accountable Body with the Greater Birmingham and Solihull LEP (LEP), and the Department of Communities and Local Government (DCLG), as set out in the memorandum of understanding. This sets out the terms and conditions between all parties for the extension to the EZ.
1.6	To seek Cabinet approval to the updated EZ Governance Structure and Financial Strategy, which underpins the investment decisions for the EZ.

2. Decision(s) recommended:

That Cabinet:-

- 2.1 Approves that the City Council's role as Accountable Body for the EZ will be extended to include the Curzon Investment Plan and an extended timeline from 2037/38 to 2045/46.

And that acting in its role as accountable body for the GBSLEP:

- 2.2 Approves the content of the Curzon Investment Plan, attached in Appendix 1, which sets out the framework for investment priorities and programme for the period 2016/17 to 2045/46, with a total indicative funding package of £724m. This includes EZ funded capital and revenue investment of £556.8m supported through the Greater Birmingham and Solihull Local Enterprise Partnership (LEP).
- 2.3 Notes that, subject to approval to the recommendations in this report, the total EZ funding is now £1,015.1m (Appendix 3).
- 2.4 Approves the content of the EZ Governance Structure and Financial Strategy, as set out in Appendix 4.
- 2.5 Approves a programme of further prudential borrowing to meet the additional EZ capital investment of £668.6m, which includes City Council sponsored projects that are contained in the Curzon Investment Plan (£485.3m), and the £183.3m contribution to Metro, subject to the approval of individual Business Cases and subject to regular review and updates to the Enterprise Zone Investment Plan.
- 2.6 Notes an overall budget totalling £71.5m for new revenue investment, Accountable Body and programme delivery costs contained in the Curzon Investment Plan. These costs will be wholly funded by the uplift in EZ business rates.
- 2.7 Notes the ring fencing of £183.3m of EZ resources by the Greater Birmingham and Solihull Local Enterprise Partnership (LEP) to the delivery of the Midland Metro from Birmingham City Centre to the HS2 Interchange, which will be directly funded through the uplift in business rates generated by the EZ, subject to Project Definition Documents and Full Business Cases and availability of match funding.
- 2.8 Notes that future business rates revaluations may reduce EZ income and affect the ability to approve business cases. A positive dialogue is in progress with Government officials which seeks to address the issue.
- 2.9 Subject to satisfactory resolution of the business rate revaluation issue in recommendation 2.8, authorises the City Council to enter into the Memorandum of Understanding (MOU) attached in Appendix 5, which sets out the terms and conditions, between the LEP, DCLG and the City Council, for the extension to the EZ.
- 2.10 Authorises the City Solicitor to negotiate, execute, seal and complete all necessary agreements and documentation to give effect to the above recommendations.

- 2.11 Approves the recruitment of posts for the Curzon Delivery Team, as set out in the Curzon Investment Plan. The posts will be fixed-term for 4 years from 2016/17 to 2020/21 funded through the EZ.
- 2.12 Notes the extension of the EZ area from 69.8 ha to 113.5 ha and the extended time period for the retention of the uplift in business rates income from 31 March 2038 to 31 March 2046.

Lead Contact Officer(s):	Richard Cowell
Telephone No:	Assistant Director of Development 0121 303 9880
E-mail address:	richard.cowell@birmingham.gov.uk

3. Consultation:

3.1 Internal

- 3.1.1 The Leader has been consulted on the report and supports its recommendations. Officers from Planning and Regeneration, City Finance, Legal Services have been involved in producing this report and the Curzon Investment Plan to ensure it is a deliverable and affordable proposition.

3.2 External

- 3.2.1 The Chair and Deputy Chair of the LEP Board, the Chair of the EZ Executive Board, and the Chair of the Shadow Board of the Curzon Regeneration Company have guided the development of the Curzon Investment Plan, and support the recommendations of this report. The GBSLEP Local Authority Leaders have also been briefed on the Curzon Investment Plan support the approach to investment. The objectives and priorities set out in the Curzon Investment Plan were developed based upon consultation meetings during the preparation of the Curzon Master Plan, which was approved by Cabinet on February 2014, and the Midlands HS2 Growth Strategy launched in April 2015. Additional consultation, where appropriate, will be undertaken as part of the development of individual business cases for projects.

4. Compliance Issues:

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

- 4.1.1 The development within the EZ supports the Council Business Plan and Budget 2016+, and promotes transformational change in the City Centre in line with the Big City Plan, Curzon Masterplan and Birmingham Development Plan. In particular, the Curzon Investment Plan will contribute towards the City Council's high level outcome to deliver a strong economy by supporting development activity, job creation and delivering transport and other improvements. The EZ, along with the resources available through the EZ Curzon Investment Plan is key to the delivery of the LEP Strategic Economic Plan (SEP), and the Midlands HS2 Growth Strategy which is a priority for the LEP and Combined Authority to maximise economic impact of HS2.

4.2 Financial Implications

- 4.2.1 Within the EZ all business rates are collected by the City Council with any net uplift in the business rates collected within the Zone allocated to the GBSLEP for a period to 31 March 2046. It is the LEP who decide how and where these funds are deployed and will make the investment decisions over the resource. As Accountable Body for the GBSLEP, the City Council has responsibility for financial governance over the EZ.
- 4.2.2 In its Accountable Body role, the City Council has and will undertake prudential borrowing to support GBSLEP approved capital projects. To support the governance of this role where projects are delivered through the City Council, individual project Business Cases for capital and revenue investments will be taken through the Council's governance process. Prudential borrowing costs will be financed by the revenue resources generated through the uplift in business rates within the EZ. There are financial risks associated with the Accountable Body role, the main one being failure of the EZ to deliver sufficient business rates uplift to cover the level of borrowing and up-front revenue expenditure incurred by the City Council. These risks have and will continue to be managed primarily through detailed financial modelling and phased contractual developer obligations and by receiving, for independent examination / approval, detailed individual Business Cases for project spend. The development and cost risks of EZ funded projects sponsored outside of the City Council will be the responsibility of the relevant Local Authority or delivery partner.
- 4.2.3 The Curzon Investment Plan sets out proposals that amount to £724m of investment between 2016/17 to 2045/46. This includes £515.3m of capital and £71.5m of revenue expenditure funded through the EZ, and £137.2m for the Metro Extension to Digbeth, to be funded by the Department for Transport. In addition the EZ Programme includes an additional £183.3m contribution towards the cost of the Metro extension from Birmingham to the HS2 Interchange, subject to a full business case and availability of match funding (see Appendix 3). The prudential borrowing costs arising from these investments will be funded through the uplift in business rates income. The revised EZ programme, inclusive of current commitments, the Curzon programme and the Metro Interchange extension contribution, totals £1,015.1m and is considered affordable based on the expected and additional income levels that the EZ will generate.
- 4.2.4 The Curzon Investment Plan has been informed by an update to the EZ financial model. Business rates uplift income has now been categorised by its degree of certainty, linked to the proposed phasing of new development, to ensure that investment and prudential borrowing is sustainable prior to each commitment phase.
- 4.2.5 In 2012 Birmingham City Council and the LEP established a set of financial principles for the EZ, and these will continue to apply to the extended EZ including Curzon. Accordingly, the City Council will continue to apply a safety margin whereby 15% of business rate income is held in reserve and not committed against investment proposals until there is greater surety of future uplift in business rate income. Borrowing costs will also be kept within 65% of forecast income. Monitoring of the Investment Plan including Curzon as set out in this report shows that the 65% limit is currently forecast to be breached in 2018/19. This will need to be addressed in the intervening period to ensure that the limit is not breached. It should be noted that sufficient funds are forecast to be held in the 'safety margin' reserve described above, to cover the shortfall in 2018/19. Details of these principles are set out in the EZ Governance Structure and Financial Strategy (Appendix 4).

4.2.6 An additional £668.6m of City Council prudential borrowing is proposed to fund the greater part of the additional EZ capital investment for the Curzon Programme (£485.3m) and the contribution towards the cost of the Metro extension from Birmingham to the HS2 Interchange (£183.3m). This will be spread over a period of years, and the revenue costs of the borrowing will be financed through business rate uplift. This represents a significant increase in the Council's total loan debt forecast at £3,490m at the end of 2016/17, and will require an increase in the Council's prudential limit in future years. This additional borrowing will be subject to consideration of its affordability as part of each individual project Business Case. This means decisions to commit funding by approving capital projects will only be made when sufficient business rate income has been secured to cover the prudential borrowing implications arising. In particular, the EZ financial principles outlined above are intended to keep borrowing costs to a prudent proportion of forecast EZ income from business rates. Nevertheless the loan payments will be the liability of the Council to meet, whatever business rate income is actually achieved. Whilst there is currently no indication that the Government has any intention to use its power to impose a statutory limit on Local Authority borrowing, it should be noted that a Government borrowing limit could affect implementation of the Curzon Investment Plan.

4.2.7 Individual Business Cases will be required for EZ projects and will follow the City Council's normal 'gateway' procedures for capital and revenue project approval and will also need to seek specific approval by the EZ Executive Board. The ongoing revenue costs arising from EZ funded capital projects will be met by EZ resources. The financial strategy is focussed upon delivering a programme that will support business growth in order to provide an investment source for wider LEP investment. The City Council's Accountable Body costs, as well as other costs associated with programme delivery, will be reimbursed by the EZ. This revenue investment will be funded as the first call against EZ business rate resources.

4.2.8 It should also be noted that the Government will be revaluing business rates with effect from 1 April 2017. The rateable value of individual properties may go up or down, but the national total of business rates will remain fixed, as the rate multiplier is adjusted accordingly. This means that in some areas, business rates income increases, and in others it decreases. At a local level, adjustments will be made to Government grants to ensure that each local authority will be no better and no worse off as a result of the revaluation. Discussions with Government officials are ongoing as to whether such adjustment would be made for EZ's.

At the last (2010) revaluation, average business rates income in the EZ reduced by an estimated 5.6%. Without an adjustment as described above, a significant reduction in EZ income might occur at every five year revaluation. Discussions have taken place with Government officials to find a way forward. These are progressing positively and the outcome of the decision is awaited. Pending satisfactory resolution of the issue, the impact of business rates revaluation will need to be taken into account in considering the affordability of individual business cases which come forward for approval, in accordance with the EZ Financial Principles.

4.2.9 The Curzon Investment Plan, set out in this report, represents the current best estimate of future resources and priorities, and these may be subject to change as spending priorities and resource availability are reviewed. Updates to the EZ Investment Plan (including Curzon and the Midland Metro Extension) will be brought to the LEP and the City Council as appropriate.

4.2.10 The Curzon Investment Plan forms part of the West Midlands Combined Authority's (WMCA) overall HS2 Delivery Programme. The financial mechanisms for the WMCA investment programmes have not yet been finalised, and it is possible that the WMCA might carry out the prudential borrowing instead of Birmingham City Council. Either way, the LEP would approve the revenue support from its business rates income to meet the revenue cost of the agreed borrowing.

4.3 Legal Implications

4.3.1 The Local Government Finance Act 2012 supports the development of EZ by enabling Local Authorities to borrow for capital schemes against projected growth in business rates income. The Act allows the City Council, on behalf of the LEP, to retain 100% of business rates income from within the EZ.

4.3.2 Section 1 of the Local Government Act 2003 gives the City Council the power to borrow money for any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs. The City Council, as Accountable Body, has responsibility through the LEP to manage the Investment Plan funding.

4.4 Public Sector Equality Duty

4.4.1 In overall terms the EZ has been assessed (Appendix 2) as leading to a positive effect on the equality considerations through the promotion of economic activity, job creation and improving skills that will benefit local people. It has been assessed that the EZ will advance equality of opportunity as a result of its promotion of development and regeneration activity. Since the original Investment Plan was approved in 2012, no equality issues have been raised on the broad approach taken. The Curzon Investment Plan forms part of the delivery of the EZ initiative and as such will help secure the delivery of the objectives and contribute to the positive impacts. Individual projects have and will be subject to equality analysis.

4.5 Memorandum of Understanding

4.5.1 The MOU (Appendix 5) sets out the Terms and Conditions of an agreement between DCLG and BCC, acting as the Accountable Body. The document sets out the responsibilities and requirements the organisations have in agreeing to the extended EZ. This includes, business rate retention, business rate discount (existing EZ only), having suitable governance processes in place, providing a Curzon Investment Plan, marketing requirements and the monitoring requirements of DCLG.

5. **Relevant background/chronology of key events:**

5.1 HS2 is a once in a century opportunity for the City to enhance its national rail connectivity and accelerate its economic growth potential. It arrives in Birmingham City Centre in 2026 with a new terminus station, Birmingham Curzon. The new high speed rail service will provide radically improved connectivity linking the city with both the north and south of the country, bringing upward of 25,000 passengers per day to the city. Alongside the significant improvements in connectivity HS2 will provide a catalyst for economic development and regeneration in the city centre and beyond. The growth opportunity at Birmingham Curzon was first established in the Curzon Masterplan.

5.2 Launched in February 2014, the Masterplan set out how the arrival of HS2 can be maximised and the growth and regeneration opportunities around the terminus station unlocked. Covering 141 hectares of the City Centre, with the area centred on the HS2 City Centre Terminus Station, the strategy of the Masterplan is:

- For the delivery of an integrated world class station
- A series of big moves to achieve this integration and support wider growth and regeneration for the area. The big moves include:
 - Station design to create a landmark building and arrival experience
 - Creation of a high quality setting for the station with public squares and spaces including;
 - Paternoster Place
 - Curzon Promenade and Curzon Square
 - Station Square and Moor Street Queensway
 - Midland Metro Tram connecting the station with the wider city centre network and continuing the line into Digbeth. This will be the first phase of the eastern extension that will see the line go out through East Birmingham – HS2 Interchange
- Wider network of public transport and public realm improvements promoting walking and cycling to integrate the station and surroundings into the wider city centre and beyond
- The growth potential across the Curzon area identifying opportunities for development linking into the wider city centre growth agenda set out in the Big City Plan and city agenda of the Birmingham Development Plan.

5.3 Key to unlocking the Masterplan growth is the delivery of a £724 million local infrastructure investment package. The Curzon infrastructure investment package is based upon detailed evidence of the local infrastructure needs for the area. The programme covers a 20 year period and the value accounts for impacts of inflation and contingencies in line with standard practice for the development of a programme. It consists of two phases:

- Phase One - upfront investment in the infrastructure required to unlock growth immediately around the station including HS2 Station Environment (Big Moves), Metro Extension to Digbeth, Site Enabling works and public realm and local transport improvements
- Phase Two - further investment over wider area including area wide public realm and local transport/highway improvements, social Infrastructure to support new residential neighbourhoods

5.4 The economic impact across the Curzon area is estimated as 36,000 jobs, 600,000sqm of commercial floorspace, over 4000 new homes and £1.7bn private sector investment. A priority for the work will be targeting the jobs to local people through a range of measures in line with the Birmingham Skills Investment Plan, using tools such as Apprenticeships, the Youth Employment Initiative and COG platform.

5.5 The plans for Curzon sit within a region wide strategy that will ultimately deliver investment of £4.4bn, including new transport infrastructure and major new economic growth. This region wide plan, the HS2 Midlands Growth Strategy, was published in April 2015. The strategy has seen partners across the Midlands collaborating on HS2 to secure the best outcomes for the region. This work has been overseen by the Greater Birmingham and Solihull LEP (GBSLEP) and approved by Government in November 2015 as part of the

Devolution Deal. It will be incorporated into the West Midlands Combined Authority (WMCA) when it is established in Summer 2016.

- 5.6 To facilitate the funding for the Curzon infrastructure programme, a case, as part of the Midlands Growth Strategy was set out for the EZ to be extended. As part of the WMCA Devolution Deal, an extension of the City Centre Enterprise Zone both in terms of geography (from 69.8ha to 113.5 ha) and time for retention of business rate growth for the whole EZ extended to 31st March 2046 was proposed. This was agreed on the principle basis that the available funding would be prioritised to support the delivery of the Curzon infrastructure programme and a contribution made toward the extension of the Midland Metro through East Birmingham and North Solihull. In addition the Devolution Deal also provided Government commitment to capital funding, subject to the business case, for the Midland Metro Tram from the city centre core to Digbeth.
- 5.7 The City Centre EZ was first established in 2011 to facilitate the delivery of development and long term growth utilising the net uplift in business rates that supports the prudential borrowing costs required to enable the development. An Investment Plan worth £275m to support growth in the existing EZ was approved by Cabinet in 2014.
- 5.8 The Curzon Investment Plan is now proposed to maximise the impact of HS2 at Curzon. It sets out the £724m package of investment and incorporates the £556.8m that will be supported by the expanded EZ. In recognition of the expansion of the EZ, the governance and financial principles have been updated to reflect that the EZ financial model now incorporates the Curzon capital programme and its contribution to the delivery of the Metro extension to the HS2 Interchange. This is set out in the Governance Structure and Financial Strategy (Appendix 4) to ensure consistent and robust approvals are made across the now extended EZ and sufficient risk management is in place to safeguard the Council, as the Accountable Body, against financial commitments that may not be affordable.

6. Evaluation of alternative option(s):

- 6.1 Do not deliver the Curzon Investment Plan and updated financial principles – failure to deliver the priorities set out in the Plan will mean that the City Council and LEP cannot access the opportunity for additional funds to deliver and support local economic growth. As a result the outputs will not be realised or will take longer to deliver in terms of job creation, floorspace and Gross Value Added to the economy.
- 6.2 Explore alternative approaches – the Curzon Investment Plan identifies the necessary investment projects needed to support those developments necessary to maximise the benefits of HS2 and unlock the associated uplift in Business Rates. Exploring alternatives would undermine the principles and projects set out in the Plan and will delay the delivery of additional investment. In arriving at the programme presented, many alternatives and options within the plan have been considered.

7. Reasons for Decision(s):

- 7.1 To allow officers to continue to implement the EZ and progress individual business cases for projects identified within the Curzon Investment Plan
- 7.2 To ensure that the financial principles and role of the Accountable Body remains up to date and supports the delivery of the Curzon Investment Plan.

Signatures**Date**

John Clancy
Leader of the Council

Waheed Nazir
Strategic Director - Economy

List of Background Documents used to compile this Report:

Enterprise Zone Investment Plan – June 2012
Enterprise Zone Revised Investment Plan Cabinet report July 2014
Enterprise Zone Financial Model
Curzon Master Plan

List of Appendices accompanying this Report (if any):

1. Curzon Investment Plan
2. Equality Report
3. Curzon Investment Plan and EZ Programme Spend Summary
4. Enterprise Zone Governance Structure and Financial Strategy
5. Memorandum of Understanding



Curzon Investment plan

September 2016

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It is an unprecedented time for the Greater Birmingham area. We are experiencing an economic renaissance fuelled by significant private investment and the implementation of major infrastructure schemes. The proposals for High Speed 2 (HS2) will further enhance this position, providing unrivalled connectivity and bringing huge growth and jobs benefits.

Since 2014 the Greater Birmingham and Solihull Local Enterprise Partnership (LEP) and Birmingham City Council have been developing plans to maximise the potential of HS2 in the city centre.

The launch of the Curzon Masterplan in February 2014 set the aspiration for growth around the City Centre HS2 terminus station. The subsequent publication of the Midlands HS2 Growth Strategy in April 2015 established how we are going to maximise the impact, attract significant private sector investment to the region and deliver local infrastructure.

The Growth Strategy was a statement of intent for how we will utilise HS2 as a catalyst for growth. This, combined with local commitments, will lead our investment in the people, businesses and places across the region.

For the Curzon area The Devolution Deal, announced in December 2015, secured a major extension of the City Centre Enterprise Zone (EZ) to fund the local infrastructure necessary to unlock growth. In addition there was the commitment to capital funding for the £137m Digbeth Midland Metro tram extension.

The EZ was first launched in 2011 and provides the unique ability to retain and then target the uplift in business rates to fund local infrastructure and unlock development.

The recently agreed expansion of the EZ, with an additional 44ha of land and the time period for the retention of the uplift in business rates extended from 2038 to 2046, will provide the mechanism to fund a £724m investment programme for the Curzon area. This programme is detailed through this investment plan.

Delivering this infrastructure across the Curzon area will help drive major growth and regeneration with over 600,000sq.m. of commercial space, 4,000 homes, 36,000 jobs and over £1.7bn of private sector investment attracted.

By launching the Investment Plan the LEP and City Council are committing to the long term delivery of growth to maximise the impact of HS2.

Steve Hollis

Deputy Chair,
Greater Birmingham & Solihull LEP

Councillor John Clancy

Leader,
Birmingham City Council

4 Introduction

HS2 is a once in a century opportunity for the City to enhance its national rail connectivity and accelerate its economic growth potential.

It arrives in Birmingham in 2026 with a new terminus station, Birmingham Curzon. The new high speed rail service will provide radically improved connectivity linking the city with both London as phase 1 and Manchester, Sheffield, Leeds and Crewe as phase 2. It will bring upward of 25,000 passengers per day to the city centre.

Alongside the significant improvements in rail connectivity, the arrival of high speed rail will spark a new wave of growth and development in the city centre and beyond.

At the heart of this opportunity is the new HS2 station, located within the city centre and with close proximity to the existing Moor Street and New Street stations.

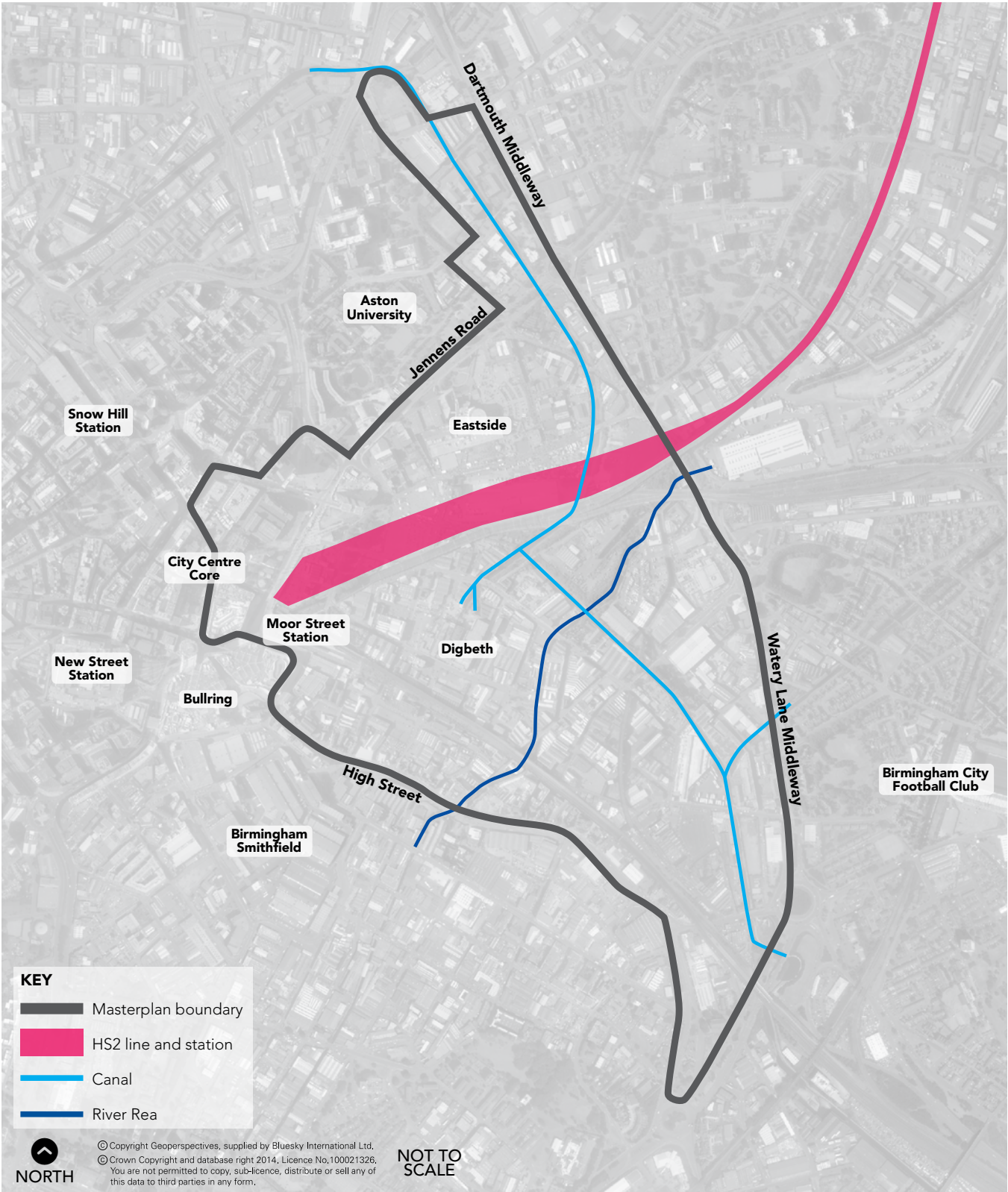
The Curzon Investment Plan sets out how the regeneration potential of this opportunity will be maximised through a £724m programme of local infrastructure over and above the investment by HS2, that will integrate the new rail terminus and unlock wider development. The Curzon Investment Plan responds to the strategic direction set by the Curzon Masterplan, launched in February 2014. The masterplan sets out how a fully integrated city centre terminus station can, alongside a package of wider interventions, unlock significant development opportunities across a large part of the City Centre.

The plans for Curzon sit within a region wide strategy that will ultimately deliver investment of £4.4bn, including new transport infrastructure and major new economic growth.

This region wide plan, the Growth Strategy, was published in April 2015. The HS2 Midlands Growth Strategy has seen partners across the Midlands collaborating on HS2 to secure the best outcomes for the region. This work has been overseen by the Greater Birmingham and Solihull LEP (GBSLEP) and will be incorporated into the West Midlands Combined Authority (WCA).

The Growth Strategy leverages the benefits delivered by HS2 to drive local growth on a nationally significant scale over and above the construction of HS2. This will be achieved through targeted packages of interventions that are tailored to the local context. It will ultimately drive job creation, increased productivity and generate net national growth. The plans for Curzon are an integral part of delivering the region wide strategy.

The primary funding source for the Curzon package is the City Centre Enterprise Zone (EZ). The EZ was first established in 2011 by the GBSLEP and enables the retention of uplift in business rates generated by the zone to be re-invested. As part of the West Midlands Devolution Deal (2015) the EZ was extended to cover the Curzon area, to enable the delivery of local infrastructure to drive growth. Alongside the existing EZ Investment Plan (2014) of £275m, Curzon is the primary priority for EZ investment, attracting significant private sector investment and delivering growth and jobs.



Plan 1 Birmingham Curzon HS2 Masterplan Area and City Centre context

Curzon Investment Strategy

As a key site within the HS2 network, Birmingham Curzon will become a focal point for transformation, development and economic growth.

The Curzon Masterplan establishes how the arrival of HS2 can be maximised and the growth and regeneration opportunities around the terminus station unlocked. Covering 141 hectares of the City Centre, with the area centred on the station, the strategy of the masterplan is:

- For the delivery of an integrated world class station. In order to deliver successful regeneration and act as catalysts for growth, the station must become a destination in its own right, and open up connections to the wider area. This will include its immediate surroundings as a place that enables activity and movement of people.
- A series of big moves to achieve this integration and support wider growth and regeneration. Creation of a high quality setting for the station with public squares and spaces to create an attractive destination, open up surroundings, improve access and create conditions for growth. The big moves include:

HS2 Station - creating a landmark building and arrival experience.

Paternoster Place - connecting into the Digbeth Creative Quarter by bridging the west coast mainline.

Curzon Promenade and Curzon Square - creating the station in the park and providing a setting for the original Curzon Station building (Grade I listed building).

Station Square and Moor Street Queensway - first point of arrival and connecting, via a high quality space and environment, the city centre office and retail core with the station.

Midland Metro Tram - connecting the station with the wider city centre network and continuing the line into Digbeth. This will be the first phase of the eastern extension that will see the line go out through East Birmingham and North Solihull to UK Central and the Airport and NEC.

- Wider network of public transport and public realm improvements promoting walking and cycling to integrate the station and surroundings into the wider city centre and beyond. This will play a central role in creating an attractive environment for business, workers, residents and visitors with the quality of the environment directly linked to key investment decisions.
- To unlock opportunities for development linking into the wider city centre growth agenda set out in the Big City Plan.

Growth opportunities

The masterplan focuses on utilising HS2 as a catalyst for growth across the Curzon area, enhancing the city centre's existing assets and supporting new development. These growth opportunities include:

Expanding The Central Business District - home to the largest centre for the business, professional and financial services outside London with over 40,000 employees and 500 businesses. The plans for Curzon will see the district expand.

This will include the redevelopment of major strategic sites such as Martineau Galleries.

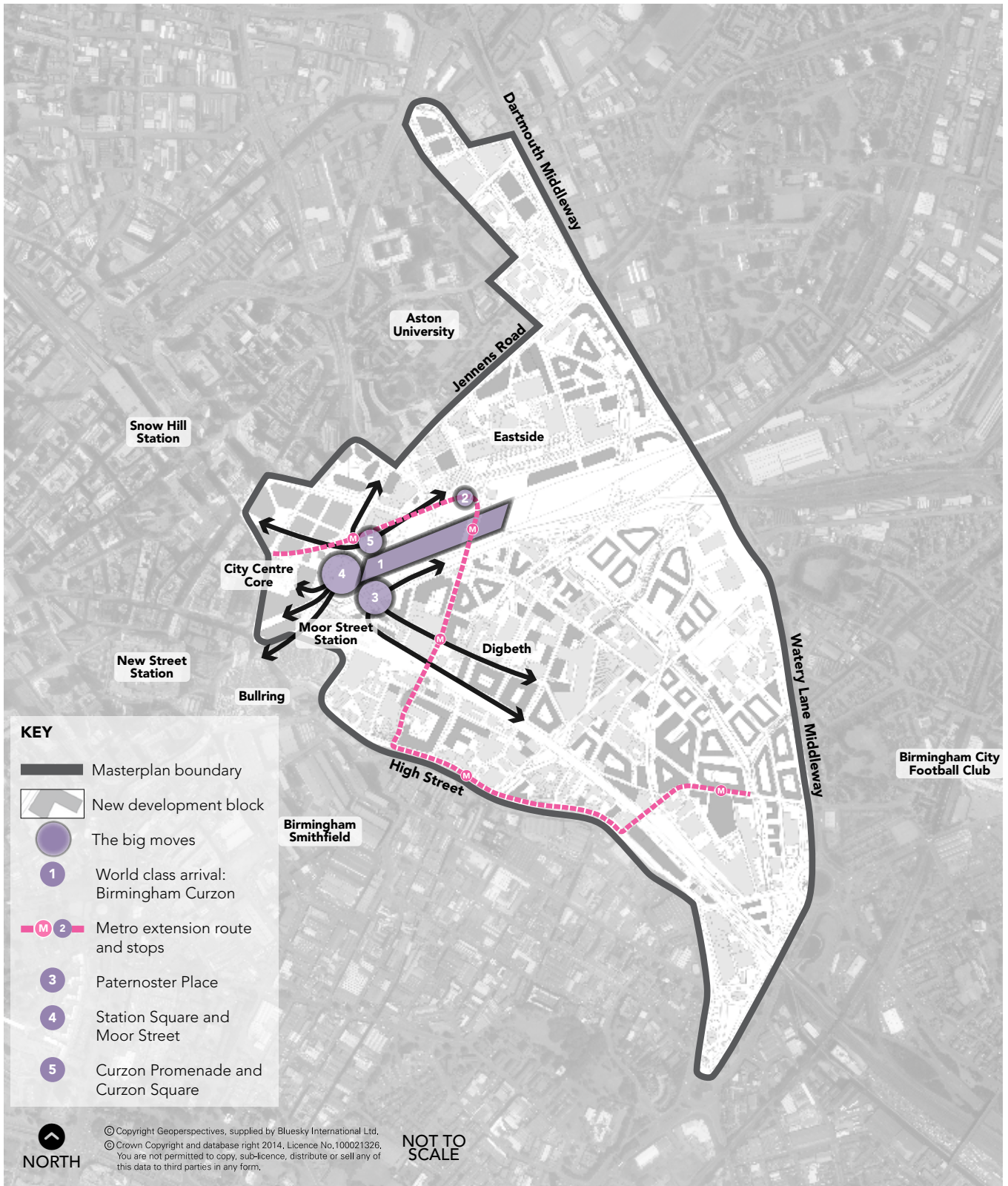
The Digbeth Creative Quarter - home to leading digital media, tech and creative companies the quarter is set to expand significantly on the back of the arrival of HS2. Through the Curzon Masterplan there are clear proposals to integrate into the wider city centre and neighbouring Knowledge Hub.

The Knowledge Hub - focused to the north of the HS2 station this area is home to over 20,000 students and a number of leading educational establishments including Aston University and Birmingham City University. The proposals will bring together research and innovation capabilities to support economic growth across a range of sectors. The area will also be home to the new national college for High Speed Rail.

Residential Communities - creating new neighbourhoods across the Curzon area enhancing the city living offer and providing places that complement the commercial, leisure and cultural activity including homes for the future workforce.

Realising this vision, by building on its principles and setting the framework for an investment programme, will help deliver a number of economic benefits:

- 600,000sq.m of employment floorspace.
- Over 4,000 new homes creating additional local expenditure of £41m per year.
- 36,000 net new jobs by 2056 creating GVA per annum of £1.4bn.



Wider opportunities

In addition the following neighbouring opportunities will benefit through the catalytic effect of HS2 and investment across Curzon including:

Southern Gateway - a 61ha regeneration area that will see new residential neighbourhoods with over 5,000 homes delivered.

Birmingham Smithfield - a 14ha site delivering a new place for the city with vibrant new markets, cultural offer and family leisure and entertainment, alongside 2,000 new homes as part of an exemplar neighbourhood. The site is adjacent to the Curzon Masterplan area, and this proximity will bring new impetus and activity. A masterplan for the site was launched by the City Council in March 2016.

Snow Hill District - adjacent to the existing business district this 42ha area will see 200,000sq.m commercial and 2,000 residential units. In October 2015 the City Council adopted the Snow Hill Masterplan, setting out clear proposals, including enhanced connections to the HS2 terminus.

East Birmingham and North Solihull - benefiting from the Midland Metro connection and proximity to the HS2 growth hubs at UK Central and Curzon. This area will be dramatically transformed with new neighbourhoods and commercial development.

HS2 will also benefit the wider City and region supporting new investment to unlock further growth. This includes its role in the Midlands 'Engine for Growth', with the potential to ensure that the City's manufacturing and other sectors can benefit from

HS2 arriving in the City. With HS2 placing Birmingham into London's Zone 4 for journey travel times, it will enhance the attractiveness of the City and the wider area's housing and business offer.

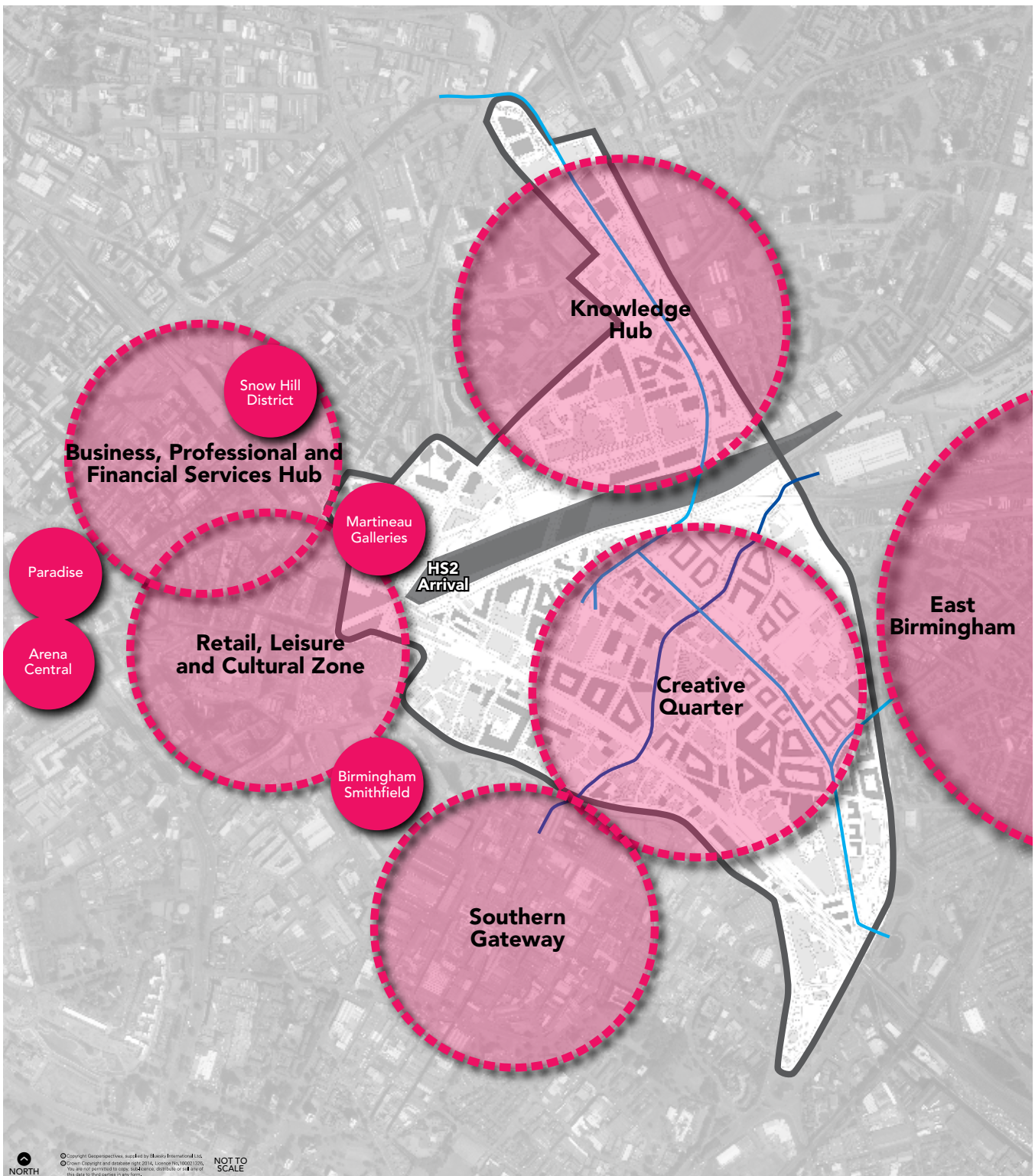
The investment package

Key to unlocking growth and maximising the potential is the delivery of a local infrastructure investment package for the Curzon area consisting of two phases:







- Phase One - upfront investment in the infrastructure required to unlock growth immediately around the station including HS2 Station Environment (Big Moves), Metro Extension to Digbeth, Site Enabling works and public realm and local transport improvements.
- Phase Two - further investment over the wider area including area wide public realm, local transport/highway improvements, Social Infrastructure and supporting infrastructure for the growing residential population.

In order to unlock growth and maximise impact, investments will need to be targeted to respond to the key deliverables, outcomes and strategy of the masterplan. These will be underpinned by a series of investment priorities and decisions to fund projects within these phases, informed by investment drivers that are essential to delivering the financial model that makes this programme, and the wider EZ, viable. The initial focus will be on phase one and making sure the infrastructure around the station successfully delivers the objectives of integrating the station into the City Centre. Successful delivery here will then set the foundations for implementing phase two, and the wider investments that will deliver further floorspace, jobs and business rates.

The unlocking of business rates is a principle driver, as this is essential to meeting the EZ Prudential Borrowing commitments that form a significant element of the funding package. The growth across Curzon will also involve the creation of new communities and the delivery of homes and associated infrastructure, which is a key component for the Investment Plan.



KEY

- | | |
|---|---|
|  Masterplan boundary |  Places for growth |
|  HS2 line and station |  Canal |
|  New development block |  River Rea |

Investment programme

Delivering the vision and growth potential outlined in the Investment Strategy requires a comprehensive programme that sets out the projects to be delivered and the resources required to implement them.

By utilising the funding commitments agreed in the Devolution Deal; combined with the integration of existing programmes and financial mechanisms made available through the extension to the Enterprise Zone, a £724m funding package has been identified to deliver local infrastructure, unlock development and maximise growth across the Curzon area.

Within this package investment of up to £586.8m, earmarked from the Enterprise Zone has been identified as necessary to deliver the additional regeneration benefits and other place making opportunities. This Investment Plan focusses on how this funding will be prioritised and targeted in line with the investment strategy.

This programme is built around 2 phases:

Phase 1 (2016-2026 - £399m)

- Upfront investment in the infrastructure required to integrate the station and unlock growth immediately around it including strategic sites.

Phase 2 (2026-2038 - £325m)

- Further investment over the wider area including public realm and local transport/highway improvements to unlock the full potential for growth in housing and jobs across the Curzon area.

Tables 1 and 2 set out the total Curzon investment programme worth £724m. Based on existing funding commitments of £167.2m it has been identified that EZ resources of £556.8m are required to deliver this Investment Plan.

As part of the programme, specific revenue projects will be delivered including resources to manage the programme.

Table 2 sets out the total revenue costs. The programme will be managed by the Curzon Delivery Board, which will require an appropriate level of resource to fulfil its responsibilities. This includes salary funding for a Curzon Delivery Team and associated project development costs, which are essential if the objectives and benefits are to be achieved. A programme of this scale requires dedicated support.

Table 3 sets out the funding commitments already identified and includes resources to deliver the Metro extension to Adderley Street and an existing commitment



Birmingham Curzon concourse entrance

from the EZ. It's anticipated that further funding would be secured from the public and private sectors as projects are developed and the financial model will be updated to reflect this.

The plan sets out the approach for the overall investment programme, with a greater level of information for those projects within Phase 1, which is associated with upfront infrastructure around the station. Phase two will proceed as the income becomes available from the growth in business rates but is essential to realise the full growth potential.

The Investment Plan will be a live document that will be updated every 3 years to ensure projects are progressing and being developed in line with the Investment Strategy. It is proposed that each investment theme will be co-ordinated by a 'Working Group' that will be responsible for developing a programme of activity, which sets out the detail of the work to deliver the projects for the following 2 years. A programme of key tasks and milestones for 2016/17 is set out in Appendix 1.

Delivering the vision set out in the Curzon Masterplan will require a wide range of activity that will build on the opportunities created by the Station and Metro extension. These major pieces of infrastructure will unlock sites and areas of the city centre that have not yet realised their full potential. By targeting the investment at these areas it will be possible to deliver the new employment floorspace, that are necessary to drive the uplift in business rates that supports the EZ resources.

Capital project	Promoter	Total (£m)	Phase 1 to 2026 (£m)	Phase 2 2027-2038 (£m)
HS2 Station environment	BCC	44.2	44.2	0
Metro extension to Digbeth	TfWM	137.2	137.2	0
Site enabling works	BCC	101.6	91.6	10
Local transport improvements	BCC	109.8	40.5	69.3
Connecting economic opportunities	BCC	149.8	38.9	110.9
Social infrastructure	BCC	109.9	0	109.9
Sub total		652.5	352.4	300.1

Table 1 Curzon investment programme

Revenue costs	Total (£m)	Phase 1 to 2026 (£m)	Phase 2 2027-2038 (£m)
Investment programme - delivery vehicle operating costs	44	28.8	15.2
Business development	22.5	14.5	8
Marketing	5	3.4	1.6
Sub total	71.5	46.7	24.8
Total	724	399.1	324.9

Table 2 Revenue delivery vehicle operating costs

Funding source	Value (£m)
Extended EZ	556.8
Existing EZ Investment Plan (2014)	30
Metro funding - West Midlands Combined Authority	137.2
Total	724

Table 3 Funding commitment

HS2 Station

Introduction

Ensuring that the Station integrates with its surrounding environment is a key objective for transforming this area of the City Centre. Delivering a programme, based around the 'Big Moves', will interlink with the development of the station and ensure its integration into the fabric of the city centre unlocking the growth of the wider area. The design of the station is a key priority to ensure the wider benefits can start to be realised.

Value

The station and its immediate environs will be funded by HS2 Ltd and no resources are required through this Investment Plan. However, in order to deliver the truly transformational impact of the station, funding is needed to deliver the place making and connectivity aspects that are additional.

Timescales

The station will commence construction in 2020, and finish in 2024. Whilst some of the delivery milestones for these projects are known and are outlined in this chapter, they are dependent on the

overall programme for the design and construction of the station as proposed and owned by HS2 Ltd. This programme will then influence the delivery of the immediate place making projects that will integrate the station into the wider area. The Investment Plan will be updated to reflect the timescales and their cost implications for this programme as more detail is made available.

Delivery partners

Led by HS2 Ltd, this is an ambitious programme and will require multiple stakeholders to come together quickly to meet the timescales set out by Government.

The Station will be funded by Government with input from key stakeholders, including the City Council and TfWM, to reflect the design principles set out within the Curzon Masterplan and the assurances secured to the Hybrid Bill. Achieving high quality design, which integrates the station into its surrounding environment is a key challenge. HS2 Ltd, in partnership with the City Council, will bring together a Design Review Panel that includes specialist architects and urban designers, to influence the station design and help ensure it meets the objectives set out in the Curzon Masterplan.

HS2 Station environment

Ensuring the station building is seamlessly linked into the wider city centre is vital for creating a world class arrival point and unlocking growth and development. To address this, a number of projects that provide important place making elements will be delivered alongside the station. These are over and above the design, as set out in the HS2 Hybrid Bill, but assurances have been provided that will allow for these to be incorporated within the final scheme. The Design Review process will have an integral role in the process.

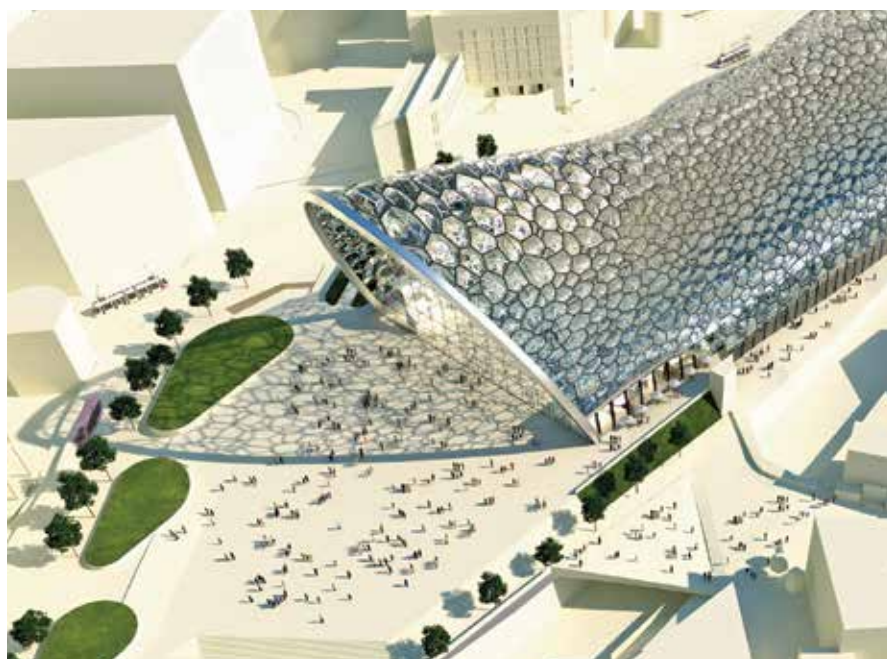
Value

It is estimated that local improvements totalling £44m will be required.

Station Square and Moor Street

Introduction

A major new 'gateway' space to provide the sense of arrival for visitors by High Speed train and from the adjacent Moor Street station. The proposal will see Station Square linked with the Moor Street Queensway to create an area where pedestrians and transport can move efficiently and safely within one high quality public space. This will be vital in connecting into the city centre core and creating a seamless link into the central business district, retail core and interchange with New Street Station and Moor Street Station. The creation of an integrated station concept, with radical re-prioritisation of movement, including use of St Martin's Queensway, will form part of this project. The intention is to rationalise the road space and close it for private vehicles, whilst introducing Sprint as the dominant public transport offer.



Birmingham Curzon HS2

Timescales

Over the next 12 months work will take place to determine the preferred concept, this will inform HS2's Design Ambitions document that will become a design brief for the proposed HS2 station and surrounding public realm, which is forecast to commence in 2018. In addition this work will inform the preparation of TfWM's Metro extension proposals, which will be coming forward in 2018 within a Parliamentary Bill under a Transport and Works Act.

Transport modelling to draw up the preliminary design for the engineering works will commence in 2016.

It's anticipated that final designs for the public realm will be drawn up in 2017. Following approval of the preferred option, development terms will be agreed amongst partners and work will be ongoing to finalise the design, initiate procurement and secure planning in preparation for starting on site in early 2020 in line with the delivery of the station.

Delivery partners

Station Square is the space immediately in front of the station and will fall within the perimeter of the station to be delivered by HS2 Ltd. The City Council in partnership with HS2 Ltd and TfWM, will lead on works to the wider public realm. To achieve the objective of both projects being delivered as one scheme, the preferred delivery model is to work closely with HS2 Ltd to commission the same architect for both schemes and align the respective work programmes.

Paternoster Place

Introduction

As the primary gateway to Digbeth from the station and the City Centre Core, Paternoster Place will be a pedestrian space that will open up the regeneration potential of the Digbeth Creative Quarter and interface with Moor Street

Station. With a number of under-utilised sites and buildings there is great potential for regeneration by linking the Station with Digbeth.

Rather than becoming just a functional link, the funding identified within this Programme will enable this scheme to become a wide and attractively landscaped route that will bridge over part of the existing railway and provide a high quality entrance to Digbeth, vital for improved pedestrian access and a catalyst for further private investment.

Timescales

The delivery of this project is an important early win and with

roads closing in 2017 as part of the HS2 Ltd programme, this will help access to Digbeth whilst construction takes place.

The preferred option will be agreed in summer 2016 and incorporated into the Station design competition commencing in late 2016 with a final design in 2018 and works expected to commence in 2019/20.

Delivery partners

HS2 Ltd will lead on design and planning, and options explored to secure land ownerships. Close working with Network Rail and Chiltern Railways is also required as the project impacts on the adjacent mainlines.



Curzon Promenade and Curzon Square

Introduction

As an extension to Eastside City Park the Promenade will set the Station within a green landscape. The area will be a hive of activity that includes a continuous mix of retail and leisure uses, with potential offices above the ground floor of the station, which interacts directly with the landscaped Promenade that will extend the feel of the Park into the City Centre Core. Curzon Square will be a stretched event space into the City Park that will form part of the station that welcomes passengers from the station itself into the area. The space will also be shared with an extended Metro line.

Timescales

Initial work will focus on designing and agreeing the preferred scheme integrated with the station and agreeing the development terms, which will target completion by the end of 2018. Works on site are expected to commence in early 2020 in line with station works.

Delivery partners

Design, planning and delivery will be led by HS2 Ltd. The City Council will be involved closely to ensure the place making requirements as set out in the Masterplan are incorporated within the final scheme and will lead on securing additional resources if required. TfWM will be integral to delivery as the works will need to align with the Metro extension which will be routed through the area.

Metro extension

Introduction

An extension of the Metro is proposed between the City Centre and Adderley Street and will run through the heart of the Curzon area. Four stops are proposed at:

- Albert Street - Serving the Martineau Galleries Site.
- Birmingham Curzon - On New Canal Street under the station concourse.
- Fazeley Street.
- Adderley Street.

Integrating the Metro with the station will be vital and creating a wide pedestrian boulevard linking the Knowledge Hub and Digbeth is essential as part of this.

In addition to the HS2 station it will provide local and regional access to Digbeth, including Birmingham Coach Station, Custard Factory, and key strategic sites such as Typhoo Wharf. It will also provide important access to the

Southern Gateway and Birmingham Smithfield. Beyond this plans are being developed to further extend the Metro line beyond Adderley Street through East Birmingham and North Solihull to connect with UK Central, including the HS2 Interchange, Airport and NEC. This will be a priority for EZ investment with funds allocated.

Value

The Digbeth extension will cost £137m funded directly from Government grant secured through the Devolution Deal.

Timescales

The principle of the route has now been confirmed and works are expected to start in 2019 following approval to the Transport and Works Act Order Submission in 2018. The extension will complete in 2022. The initial focus will be in preparing the Full Business Case and the design work for the route through Digbeth, which will look at issues such as public realm and addressing existing services and accessibility.



Metro extension at New Canal Street

Unlocking and enabling strategic sites

Introduction

The Curzon masterplan identifies a significant number of opportunities to accommodate commercial and residential development. A large number of these sites face constraints to development and local interventions will be required to support initial viability. Across the area there are a number of strategic development opportunities that will require investment to bring them forward. Unlocking these sites will be important to delivering the economic impact that will create the uplift in business rates and support the growth potential of HS2. Interventions will include gap funding, site acquisition and access improvements.

The Digbeth area is seen as having the ingredients to become one of the most distinctive and vibrant creative quarters in Europe, building on the direct connections from the station that will unlock the area and proximity to the Knowledge Hub and business district. It is however an area characterised by old industrial land and buildings with constraints but the potential is significant. Already plans are emerging to bring the 3.2ha Typhoo Wharf site forward as part of the 'Knowledge Hub' proposals led by a partnership of business investors and academic institutions, including Birmingham City University.

Support for mixed use residential schemes will be central, utilising canal networks, removing heavy industrial uses and clearing sites for development.

Other major strategic opportunities exist across the wider area including at Martineau Galleries and funding will be utilised to kick start schemes as required.

Value

A budget of £101m has been allocated towards this theme and will be utilised for interventions based on business cases that set out the benefits to be delivered.

Timescales

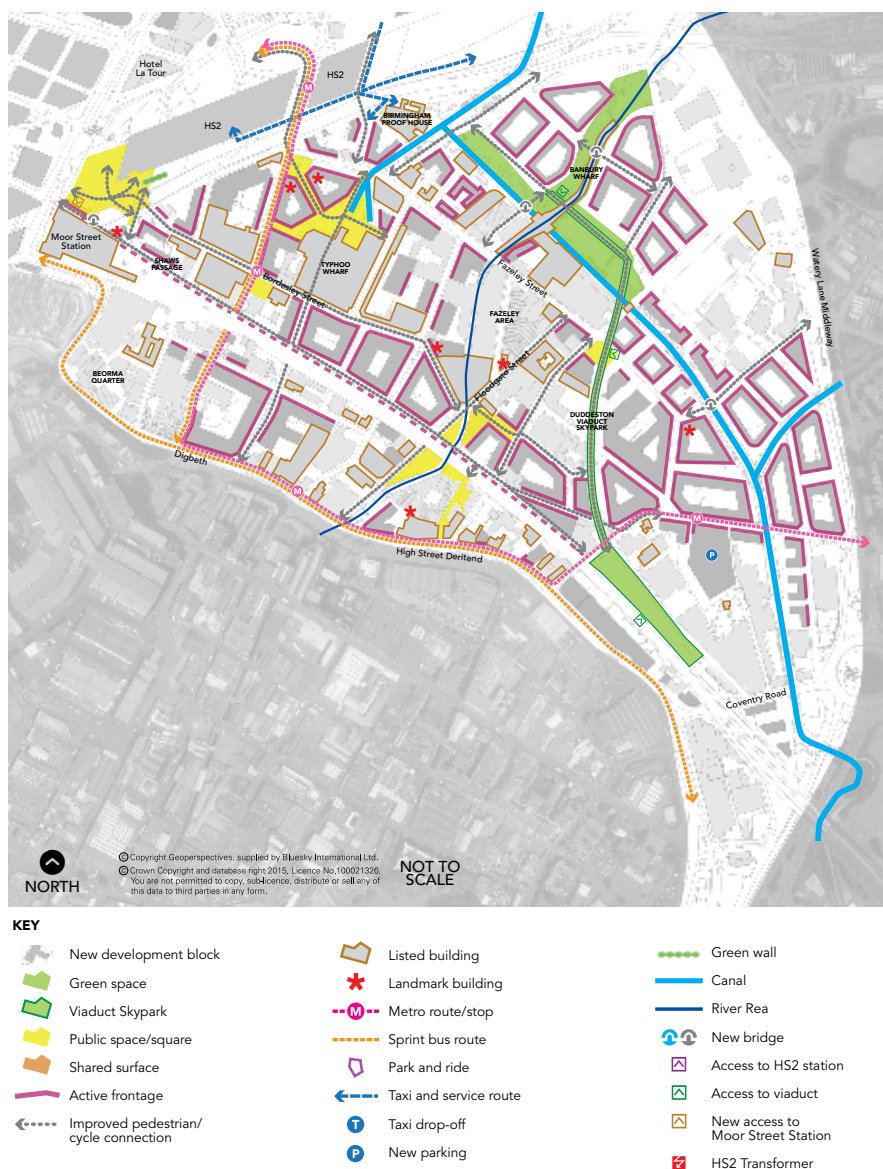
A detailed programme for delivering these sites will be developed. The first task will be to engage with landowners and stakeholders to identify a common vision for the area and priority sites to be brought forward. A masterplanning exercise for the canal corridor will be delivered alongside a review of the planning and conservation area policy for the wider area. Other activities

will include the launch of a site development fund.

Delivery partners

With multiple landowners strong partnership working will be required to bring these sites forward. There are a small number of major landowners that have a major stake in the area and will be responsible for driving forward a number of sites. The City Council will support landowners and investors/developers identifying the delivery arrangements to take forward sites and address constraints.

Other partners include Network Rail, Universities and the Homes and Communities Agency.



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Connecting economic opportunities

Introduction

Enabling new development opportunities and encouraging investment cannot be achieved without well connected places along routes that are safe to use.

Projects through this Investment Plan will deliver a number of public realm, cycling and walking initiatives across streets, canals and open spaces.

Initiatives include public realm works in Digbeth, with a major scheme for the High Street, where the quality of the environment and pedestrian facilities are poor and have become a key issue often raised by landowners and prospective investors. This will integrate with the Metro and create connections to Birmingham Smithfield and the Southern Gateway.

Linking key development sites will also be important, utilising the unique assets within the area, such as the railway viaduct and canals. The proposals for the 'Knowledge Hub' include plans to introduce major public realm works to connect the area to other sites such as the proposed STEAMhouse

project at the Typhoo Wharf building.

The proposed Duddeston Viaduct Sky Park, a new destination public space and green walking route to be introduced through the Curzon area, linking residential neighbourhoods and business opportunities is a long term scheme.

Improvements will also be vital to open up links into the wider City Centre and East Birmingham.

Value

Investment of £150m has been identified.

Timescales

This investment will be phased through focused intervention on areas close to the station followed by links to development sites that will come forward as the impact of HS2 takes hold. Initially the focus for public realm works in 2017 will be designing a scheme for Digbeth High Street, where works could start on site connected with the Metro and other early wins around the northern end of Digbeth.

Delivering the Duddeston Viaduct Sky Park is a longer term objective for the programme.

Delivery partners

Works will take place on both public and private land and partners will be identified according to the schemes being taken forward. Work will happen collaboratively in prioritising projects and agreeing how they should be delivered including use of S278 arrangements.

Where transport works are involved, the City Council will work closely with TfWM, HS2 Ltd. and utility companies to align works wherever possible and minimise disruption for businesses and residents.

Local transport improvements

Introduction

The scale of construction over the life of the programme will require fundamental changes and improvements to the local transport infrastructure. The development of both the HS2 Station and Metro will result in some road closures, which require mitigation elsewhere in the network to accommodate the displacement of traffic. Key projects will be the closure of New Canal Street, Park Street and Fazeley Street and the redevelopment of Moor Street. Further traffic improvements will also be required in the areas surrounding the station to enable wider development to take place. In addition there are highway pinchpoints, parking pressures and general access issues throughout the area that will need to be addressed to enable new development. Schemes will be funded to improve movement throughout the area, with public transport and cycling routes prioritised.



View from Fazeley Street looking towards Duddeston Viaduct Sky Park

Value

£100m has been allocated for the works with priority projects as part of a wider programme required early to improve accessibility and facilitate key development sites.

Timescales

The first phase of works will be for interventions required to prepare the transport network for delivery of the station. In particular, works are required for the period 2017-2019, which is the point at which Park Street and New Canal Street will close. Works will focus on improvements to increase capacity and prioritise public transport accessibility. Works will need to closely align with the improvements to be delivered by HS2 Ltd. to mitigate the impact of the construction work. This will be vital to support access to key development sites.

In 2016/17, work will focus on developing the preliminary designs for this programme through a series of studies looking at traffic modelling and statutory services. As this programme develops the focus will switch to the requirements in the surrounding area, in particular projects required to enable the accessibility by public transport to development sites and address the impact of the Metro extension through Digbeth including connectivity to the Southern Gateway and Birmingham Smithfield. Links to the City Centre Core will also be vital.

Delivery partners

HS2 Ltd. and TfWM are key partners whose work will need to align with projects in this workstream. Joint working to develop the work programmes will be needed from the outset.

The City Council will have a central role in delivering highway schemes.

Social infrastructure

Introduction

With the creation of 4,000 new homes leading to a population increase of over 6,000 people, investment will be required to ensure the appropriate services are in place so that they become functioning and sustainable neighbourhoods. Funding will support educational, health, digital and community facilities and social initiatives including skills and training that are vital to creating attractive places to live and supporting both new and existing communities including businesses. These facilities will be brought forward in line with new developments at sites across the area, including for example at Banbury Wharf.

The homes will be vital to supporting the city's growing population, whilst complementing the commercial activity by providing residencies for workers and the creation of vibrant neighbourhoods.

Value

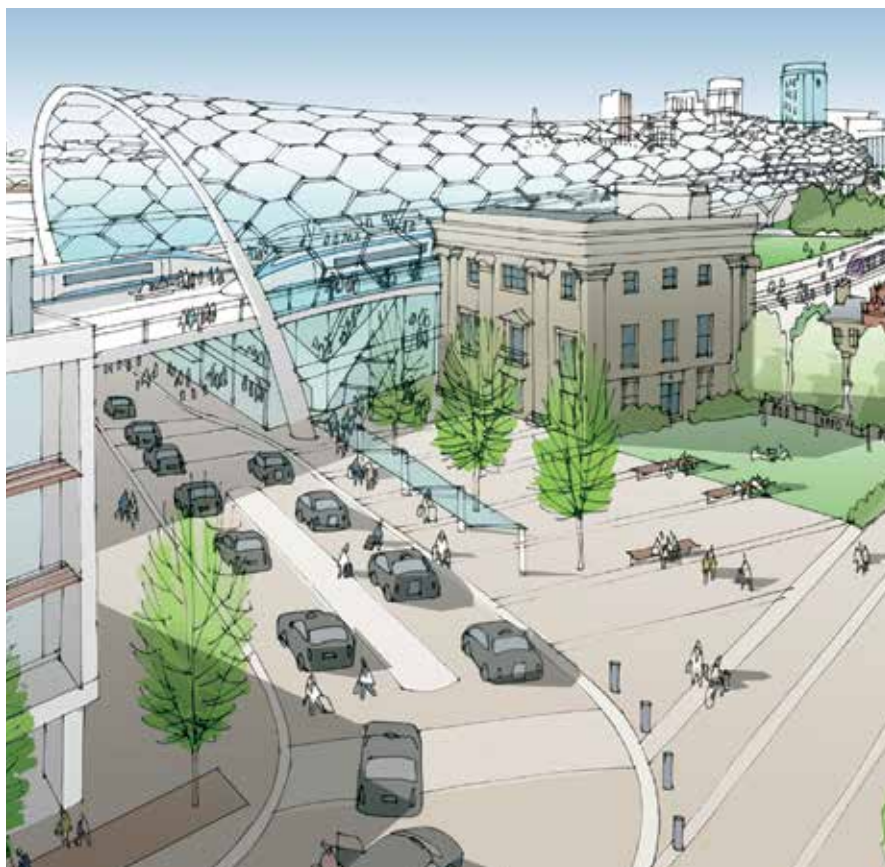
Funding of £110m is necessary to deliver the infrastructure required for this level of population growth with potential to match with some CIL funding in later years.

Timescales

The establishment of new neighbourhoods is considered a long term investment theme within this Investment Plan. Resources are programmed for delivery after 2024, although this could be brought forward in response to new developments as they occur and funding becomes available.

Delivery partners

The City Council will be working with developers, house builders, public sector agencies such as HCA and businesses to bring forward developments and the supporting infrastructure.



View from Eastside City Park looking towards Eastside concourse

Business development and marketing

Introduction

The Curzon area will be the focus for significant business investment and activity. Central to the success will be the ability to attract businesses, enabling them to grow and prosper. Packages of support will be provided to respond to the needs of businesses.

The area is home to significant numbers of small businesses, many in the priority sectors of tech and creative industries. It will be important that support is provided to help them grow, remain competitive and able to diversify into new markets.

Value

Identified within the investment programme is £22.5m to support businesses in the Curzon area and enable them to capitalise on the benefits brought by HS2 and the associated investment in infrastructure.

The Curzon area is also home to the City's Social Enterprise Quarter, where over 70 social enterprises are

located and have come together as a network of businesses that provide commercial services for a wider social benefit. In line with the Government and Council's commitment to socially responsible procurement, support will be given to help social enterprises be competitive within the supply chain for this programme.

The development of digital infrastructure is also a priority and work will be undertaken with business and the Knowledge Hub to maximise the potential.

Marketing and communication is vital to the successful delivery of the programme and resources of £5m have been earmarked for this work. Highlighting the successes of the programme will be important in demonstrating positive progress and the benefits being delivered through this investment.

Timescales

Building on the support already in place within EZ, an increased business support fund will be available from April 2018.

A communication plan will be developed early in 2017. This will set out the marketing priorities to

be funded and will form the basis of a project to be commissioned in 2018. Prior to this the EZ's current marketing arrangements will incorporate this work.

Delivery partners

Many stakeholders, including Marketing Birmingham, the Birmingham Chamber of Commerce, GBSLEP, City Council and the Department of Business Innovation and Skills, the business sector and universities will be important in defining this element of the programme.

The work will be lead by the Curzon Delivery Team.

Curzon Delivery Team

Introduction

A dedicated team will be established to support the Curzon Delivery Board in developing and delivering the programme. It will work with partners to develop projects, secure additional funding and private investment, monitor and evaluate performance and communication with stakeholders. Further detail on this is included in the Governance section.

Value

£44m has been identified to fund the team, including initial project development and feasibility for the life of the programme.

Timescales

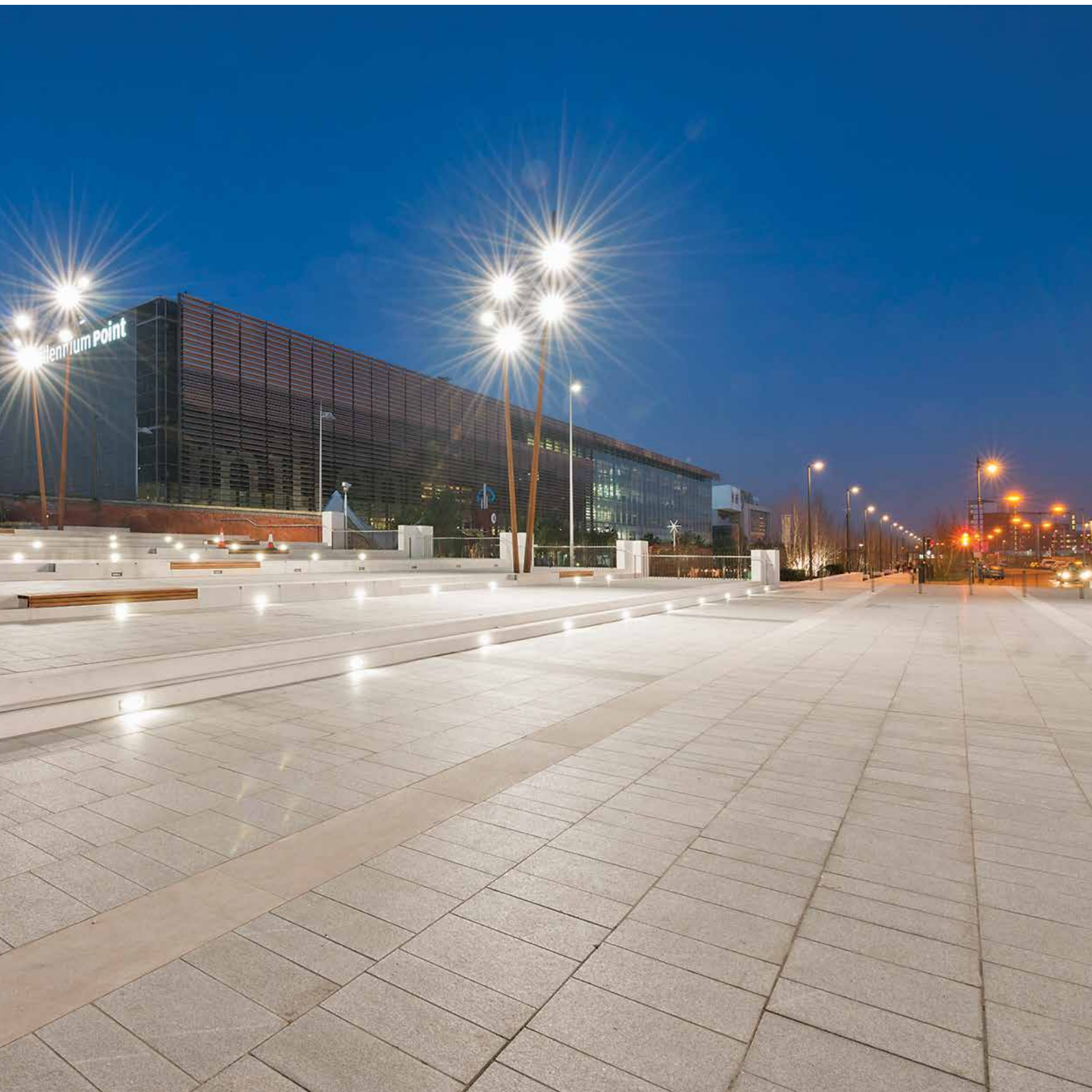
The Delivery team will be in place by 2017.

Delivery partners

The team will form part of the City Council's Economy Directorate and work closely with all stakeholders and report to the Curzon Delivery Board.



Eastside City Park



Economic benefits

As an extension to the existing EZ, the economic impact of this Investment Plan is defined by the model which supports the current delivery arrangements. The key benefits to be achieved are:

- Creation of short-term and permanent employment.
- Additional economic activity resulting from supply linkage and income multiplier effects.
- Broader impacts of the projects in relation to generating additional economic activity and other benefits.
- A range of wider impacts such as image and cultural benefits.

Benefit	Value
Number of jobs	36,000
Average increase in rateable value per sqm	£136
GVA (Birmingham)	£1.4bn
Private sector investment	£1.7bn

Table 4 Benefits

Gross employment

The Curzon Investment package, as outlined through the investment priorities, will generate employment through the construction of new infrastructure and developments, which will accommodate a range of uses.

Permanent employment

The creation of nearly a million sqm of new floorspace will generate significant employment opportunities. Over the life of the programme the net additional permanent employment impact is estimated to be 36,000 jobs.

Construction employment

The level of construction and associated development delivered through this programme will generate significant private investment of around £1.7bn.

Overall this level of expenditure has the potential to generate 960 full time equivalent jobs in the construction sector.

Residential development

Further to the new employment floorspace created by this programme, there will be a number of sites suitable for residential development. Initial estimates suggest these could support 4,000 new homes and an additional population of over 6,000.

Net Additional Gross Value

The jobs and new floorspace figures delivered through this investment will have a positive impact on GVA in the Masterplan and LEP areas.

This means that total GVA will be £1.4bn for the whole investment period.

Wider economic impacts

Jobs and floorspace are not the only benefits to be delivered through this programme as it will result in other economic benefits and uplifts. How these will be measured and value captured needs to be considered at a regional and sub-regional level. The wider impact will include:

Social - With the potential for such large job creation there is a real opportunity to tackle the wider issue of unemployment and worklessness across the city. There are areas of high deprivation close to the Curzon area, and beyond, that could benefit from the regeneration benefits associated

Use	Floorspace sqm (retail, office and community - NIA, all others - GIA)
Retail	85,220
Office	356,520
Community	70,200
Leisure	22,950
Hotel	58,190
Employment	106,930
Residential	283,730
Total	983,740

Table 5 Floorspace created - by sectors

with this programme. Improved infrastructure will make accessing this area easier and improve connections with the City Centre employment opportunities.

Through the EZ's existing £1.8m programme for improving skills and training, there will be greater opportunities to upskill people to give them better opportunities for accessing jobs. New housing will also bring social benefits through the supporting infrastructure of schools, parks, community and health facilities which will create sustainable neighbourhoods that are attractive places to live.

Environmental - Through the regeneration of so much vacant or under-utilised land the associated environmental benefits for the area will be significant. Major public realm schemes that will include new open space will make living and working in the area both attractive and sustainable.

Digital - Infrastructure of this scale requires the latest digital connectivity to meet the needs of businesses, shoppers and residents. Working with the 'Birmingham Smart City' initiative, the future digital requirements of all new commercial and residential development will be factored in from the outset.



View from Eastside City Park looking towards Eastside concourse

Governance

The launch of the Curzon Masterplan and the subsequent work to progress the extension of the EZ has provided a framework for the regeneration and growth to be delivered through this investment programme.

Delivering this will now require strong leadership and clear governance to direct resources for maximum benefit. The scale and complexity of the programme; which involves the delivery of the infrastructure and the surrounding regeneration, requires a clear management and governance structure and a dedicated team.

Regional Governance

The Curzon Investment Programme is set within the context of the Midlands HS2 Growth Strategy, which sets the framework for maximising the benefits of HS2 at a regional level. This ambitious strategy is supported by its own governance structure and the Curzon governance will work closely to align its programme with the overall objectives. Figure 1 sets out the HS2 regional governance.

Curzon Regeneration Company

The Shadow Board was set up in July 2014 with Liz Peace CBE as Chair. Over the last 2 years it has worked to set the overall vision for the masterplan area and to progress the delivery model. It has been a successful partnership between Birmingham City Council, the GBSLEP, HS2 Ltd., Centro (now TfWM) and Government. It has successfully demonstrated how HS2 can be a catalyst for much greater growth than a single piece of transport infrastructure.

The board has been integral to securing the extension of the EZ and obtaining assurances from Government to deliver a world class station, which would otherwise have not been achieved.

With the launch of the Investment Plan the Shadow Board will now

evolve into the Curzon Delivery Board. The Delivery Board will be a formal partnership and provide both the direction and focus for the delivery of the Curzon Investment Plan.

Purpose

The principle responsibilities of the Board are as follows:

- To provide strategic leadership in the implementation of the Curzon programme, owning the formulation of the Investment Plan and its subsequent delivery.
- Identify and have an understanding of the principal risks associated with the implementation of the Curzon programme and ensure that appropriate systems are in place which effectively monitor and manage those risks.

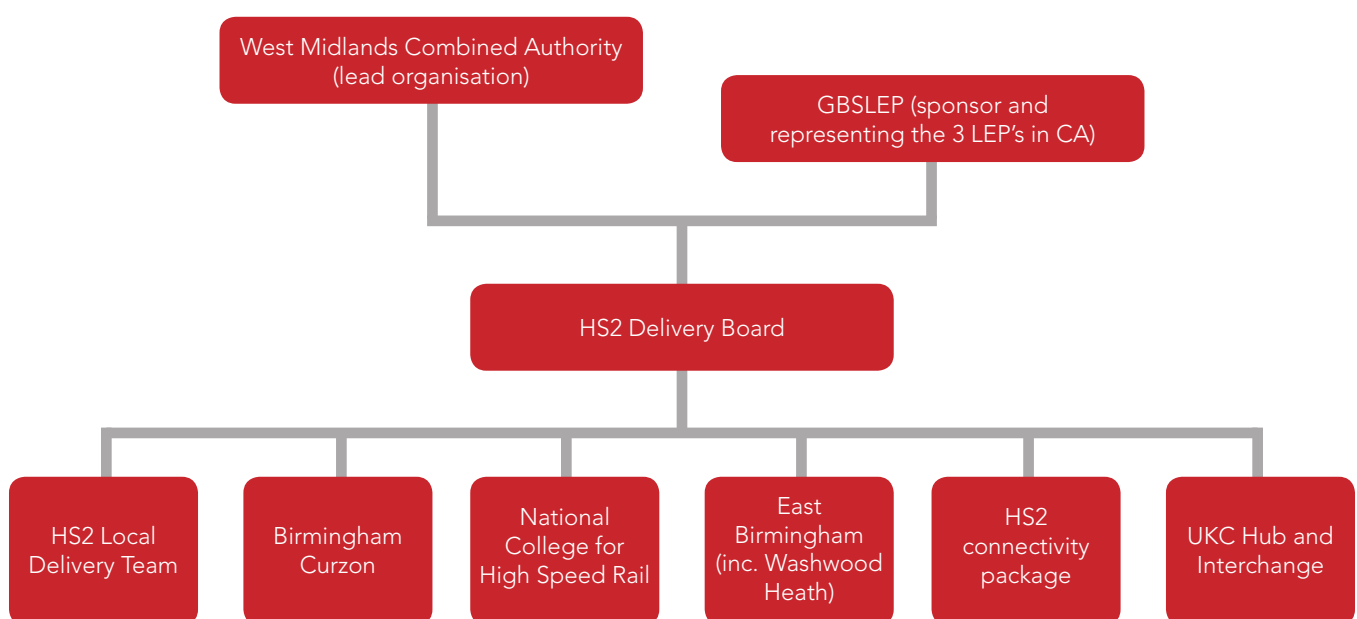


Figure 1 HS2 Governance

- Ensure that the necessary structures and resources are in place to enable the delivery of the Investment Plan and to monitor and measure performance against the strategic outputs. This will include providing strategic leadership and overseeing the Curzon Delivery Team and subsequent working groups where necessary.
- Report on a quarterly basis to the HS2 Delivery Board on progress in the implementation of the Investment Plan.
- Ensure a communications programme is in place which effectively communicates with government authorities, GBSLEP, West Midlands Combined Authority, HS2 Delivery Board, other stakeholders and the public.
- Considers business cases, developed in line with the Investment Plan, and recommend them for approval by the EZ Executive Board.

Delegations

The Board will be delegated authority from the HS2 Delivery Board to lead the implementation of the Curzon Programme and develop projects for consideration by the EZ Executive Board for approval of full business cases for EZ funding and BCC Cabinet approval as Accountable Body.

Membership

The membership will consist of the following senior representatives:

- An independent chair.
- Two from BCC Economy Directorate.

- One Senior from TfWM.
- One Senior from HS2 Ltd.
- GBSLEP EZ Executive Board chair.
- One from the HCA.
- The Chair of the local partnership board.
- Three non-executive members, including one senior representative from Government, and two to provide independent investment and development position.

Representatives from other organisations to be confirmed as central to supporting the delivery of the programme.

Voting

Responsibility for decision making will be taken by Executive Members of the Board with a quorum of four plus chair.

Operational matters

Meetings will be held on a 6 weekly basis with minutes and actions circulated no later than 2 weeks from date of the meeting.

Substitutes from organisations with an appropriate level of seniority can be delegated to attend in the absence of main board members.

The Board will fulfil its function for the duration of the delivery of the Investment Plan and will be reviewed on a regular basis as to its membership, function and operational role.

The Board will focus on strategic matters that affect the delivery of the recognised benefits and

delegate day to day operation and activity to the Curzon Delivery Team in conjunction with partners. Separate terms of reference for sub-boards and working groups will be established as appropriate.

The Board will be supported in its function by the Curzon Delivery Team.

Declaration of interests

Members of the Board must disclose any personal or pecuniary interests they have in any matter to be discussed at that meeting.

Local Partnership Board

The focus on delivery also presents an opportunity to create a collaborative approach with local partners. With much of the programme's focus on the area surrounding the station there is a need to have ongoing engagement with local stakeholders.

Securing the benefits of this programme will require close working with major landowners and businesses, who have been working to regenerate this area for a number of years. The governance will engage with these stakeholders, who have been working to deliver change through their own understanding of the area's unique character.

Local representation from within the investment area includes the universities, major landowners and other agencies.

The first opportunity for all partners to come together will be at the 'Curzon Symposium' due to take place in Autumn 2016.

Curzon Delivery Team

The Curzon Delivery Board will be supported in its work by a dedicated delivery team, which has responsibility for the day to day management and co-ordination of the programme. It will require a lead officer of sufficient seniority (Assistant Director) to provide clear leadership and direction, who will also need to be a member of the Delivery Board and be supported by a Programme Manager in reporting to the Board on progress, risks and actions. Figure 2 sets out the Curzon Delivery Team structure. The Delivery Team will sit within the City Council's Economy Directorate Planning and Regeneration function.

Through the Working Groups, the Delivery Team will work with partners to develop business cases that will form the basis of funding proposals that will draw down funding. The Delivery Team will pull together detailed guidance and supporting documentation for the project development process as per the EZ Governance and financial management arrangements, including the City Council's governance arrangements.

Working groups

The Investment Plan comprises a number of themes that will ultimately deliver the regeneration benefits. The HS2 Station and Metro extension schemes are large scale transformational projects that will have their own programmes and governance. To ensure the benefits are maximised the Delivery Team will work closely with their structures to align programmes and projects. This is especially important for the station, where much of the associated works, such as Paternoster Place, are reliant on its delivery programme.

The Strategic Sites, Social Infrastructure and Local Transport and Connectivity themes will be driven by the City Council. The Delivery Team will establish and co-ordinate working groups for these activities, whose first task will be to develop a detailed investment programme for phase 1.

Design Review Panel

The delivery of a world class arrival point in the centre of Birmingham is the focal point for the regeneration programme. The station and surrounding public realm will need to be appropriately designed to integrate seamlessly with the City Centre. To ensure this is achieved an independent Design Review Panel has been set up. With 6 expert members, the panel will meet to consider the options for the HS2 Station design projects as the preferred options are developed. It will be serviced and resourced by HS2 Ltd and meetings for the next 12 months will be programmed from May 2016.

Enterprise Zone Governance

The Investment Plan, forms part of the EZ's financial model, which raises the resources to deliver the majority of the programme, which in turn delivers the increased business rates, which pays for the investment. A strategic relationship between the Curzon Delivery Board and the EZ Executive Board is important to ensure financial accountability and transparency. The EZ board will still be responsible for approving all EZ expenditure associated with this Investment Plan, alongside relevant approvals from the accountable body.

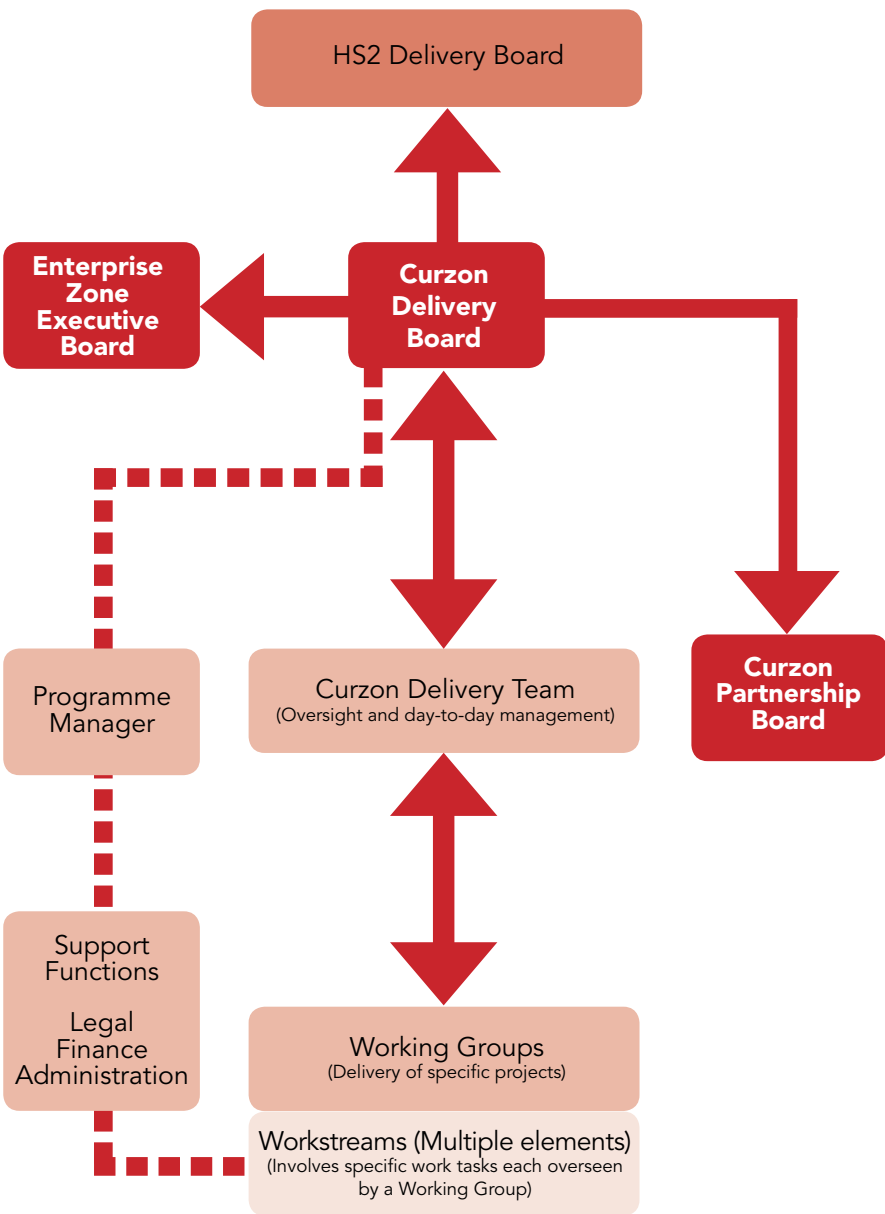


Figure 2 Curzon Delivery Team structure

Accountable body

Birmingham City Council is the Accountable Body for the GBSLEP and as such provides the same function for the EZ. The inter-dependent relationship between the financial strategy and funding for the extended EZ, requires that the obligations of the Accountable Body and its processes be extended through this Investment Plan.

A key consideration in delivering this programme will be the availability of income from the up-lift in business rates needed to support project delivery. Strict financial management principles will be adopted by the City Council to ensure investment decisions are supported by the required level of business rate income needed to meet the borrowing costs. The Investment Plan is phased accordingly to ensure that projects are brought forward in line with the income levels proposed in the EZ's financial forecasts, which will be continuously updated to reflect the most up to date position with business rates coming forward.

In addition to the financial, monitoring and risk management processes set out in this section, all relevant activity will be subject to the City Council's gateway approval process. This requires the development of projects to be internally scrutinised and approved by the responsible executive decision maker, which will be a responsibility of the Curzon Delivery Team.

As the Accountable Body, the City Council will administer the collection of business rates above the baseline and maintain these in a separate account for the EZ. Further responsibilities include the treasury management function for the EZ, overseeing the administration of legal agreements, contracts, procurement and grant conditions to safeguard the City Council and the GBSLEP. This along with the role of the EZ Board is set out in the EZ Governance and Financial Strategy.

Monitoring

The programme will be closely monitored over its lifetime with regards to the realisation of economic benefits and this will be regularly reported to the Curzon Delivery Board, EZ and Accountable Body. The Investment Plan will also be updated every 2-3 years, which will take into account different scenarios for the level of business rates being generated and their impact on the programme.

Commissioning

The Curzon Masterplan has set out a number of interventions, which have been developed in more detail through the subsequent baseline and modelling work. It's anticipated that much of this investment will be commissioned, as it has already been agreed as necessary for delivering the overall vision.

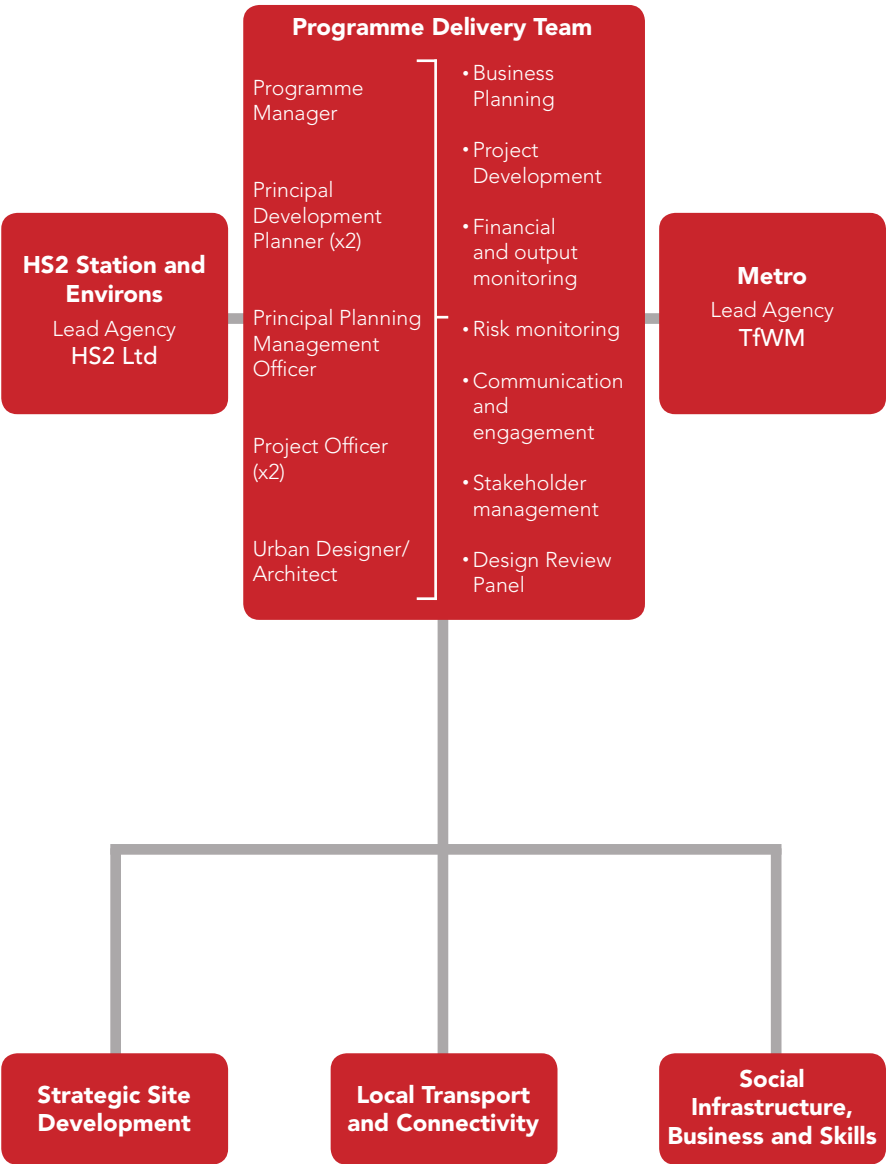


Figure 3 Curzon Delivery Team

Funding applications

Applications will be made using the existing EZ paperwork and guidance, which will be appraised by the Delivery Team and a recommendation made to the Curzon Board and then the EZ Executive and the Council as Accountable Body for approval. The appraisal of applications will assess State Aid implications and procurement issues.

Once approved all projects will be subject to a funding agreement between the City Council, as Accountable Body, and the applicant. Regular monitoring will be required and carried out by the Delivery Team and reported accordingly.

Procurement

The delivery of major infrastructure projects requires extensive up front work to determine the feasibility and viability for delivery. Procuring these works needs to be compliant and transparent, but also flexible and responsive to maximise the use of resources and minimise delays.

As outlined above, the process for commissioning or applying for EZ funding can release up front funding to develop detailed proposals.

A project development budget forming part of the capital programmes as well as a more general feasibility budget for revenue schemes, is allocated from within the Delivery Team’s budget. Wherever possible the use of existing procurement frameworks will be explored for efficiency and value for money. Where this isn’t possible procurement through portals such as Finditinbirmingham will be utilised. The approach will be to develop programmes of work for delivery.

Risk Register

The programme will take a robust approach to monitoring and managing risks in line with the matrix in Figure 4. Being part of the EZ means many of the measures to mitigate common risk are already in place, including the financial strategy and governance arrangements which ensure sound investment decisions are made and the required outcomes are delivered.

Delivery

The focus for this Investment Plan and the governance is ultimately to ensure that HS2 acts as a catalyst for growth and local commitments are in place to enable this.

The programme will take an innovative approach to delivery and will look at a range of models, including joint venture arrangements, that maximise private sector support and minimise the use of public sector resources.

All partners are focussed on ensuring the growth potential is realised with this Investment Plan the first key step.

Waheed Nazir
Strategic Director, Economy
Birmingham City Council

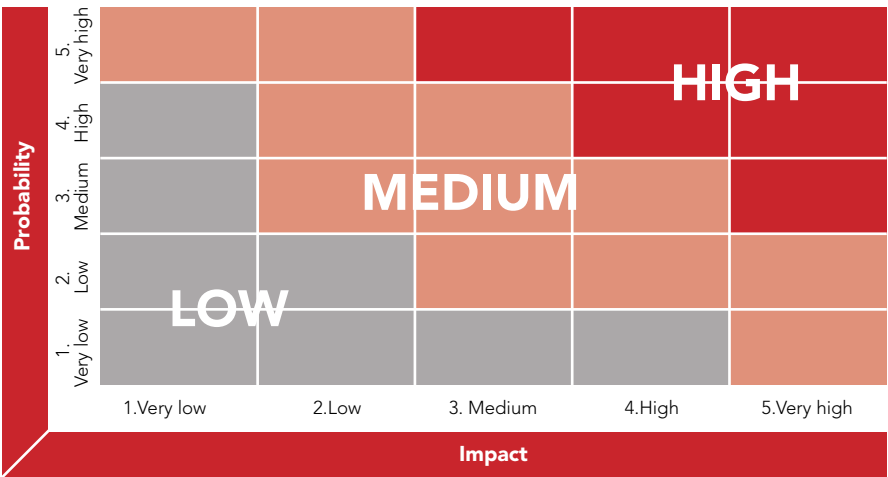


Figure 4 Risk matrix



Appendix 1

Curzon programme 2016-17

ACTION	Q1	Q2	Q3	Q4	OWNER	OTHER
Curzon Governance						
GBSLEP approve Investment Plan					BCC	BCC
BCC approve Investment Plan					BCC	BCC
Curzon Delivery Board meetings					BCC	BCC
Agree resources and advertise Delivery Team posts					BCC	BCC
Appoint Delivery Team posts					BCC	BCC
Agree communication strategy					BCC	BCC
Curzon Symposium					HS2	HS2
Station						
Station DRP					HS2	HS2
Station design competition commences					HS2	HS2
Royal Assent granted					C.Govt	C.Govt
Paternoster Place						
Preferred option completed					HS2 Ltd	HS2 Ltd
DRP					HS2 Ltd	HS2 Ltd
Final option agreed by HS2 Delivery Board					HS2 Ltd	HS2 Ltd
Development agreement					HS2 Ltd	HS2 Ltd
Agree strategy for additional land requirements					BCC	BCC
Moor Street Queensway						
Finalise brief and procure engineering principles					BCC	BCC
Complete study					BCC	BCC
Consult and agree preferred option					BCC	BCC
Progress preferred option to preliminary design					BCC	BCC
New Canal Street						
Heads of terms for development agreement					HS2	HS2
Development agreement negotiated						
Finalise work packages and costs					HS2 Ltd	HS2 Ltd
FBC for additional resources					BCC	BCC
Metro Extension						
TWA submission					TfWM	TfWM
Outline design, construction and planning					TfWM	TfWM

ACTION	Q1	Q2	Q3	Q4	OWNER	OTHER
Local Transport Improvements						
Prioritise transport projects					BCC	BCC
Agree resources to develop PDDs					BCC	BCC
Procure preliminary design studies					BCC	BCC
Unlocking Sites						
Prepare brief for masterplanning work					BCC	HS2
Procure and complete masterplanning					BCC	HS2
Complete Conservation Review					BCC	C.Govt
Agree and implement delivery strategy for Curzon Building					BCC	HS2 Ltd/BCU
Review Knowledge Hub proposals funding opportunity					BCU	BCC
Connecting economic opportunities						
Develop programme of early wins					BCC	



Equality Analysis

Birmingham City Council Analysis Report

EA Name	City Centre Enterprise Zone - Curzon Investment Plan And EZ Governance And Financial Management Framework
Directorate	Economy
Service Area	P&R Planning And Development
Type	New/Proposed Policy
EA Summary	Assess the equality implications for the Curzon Investment Plan and EZ Governance and Financial Management Framework
Reference Number	EA001288
Task Group Manager	James.Betjemann@birmingham.gov.uk
Task Group Member	
Date Approved	2016-08-31 01:00:00 +0100
Senior Officer	Richard.Cowell@birmingham.gov.uk
Quality Control Officer	Richard.Woodland@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Policy and expected outcomes?	To approve a revised Curzon Investment Plan with an allocation of 275 million to support the delivery of the Enterprise Zone in the City Centre. To stimulate development, respond to the needs of the private sector and to create long term economic growth.
---	--

For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	No
A Fair City	No
A Prosperous City	Yes
A Democratic City	No

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	No

2.3 Analysis on Initial Assessment

Enterprise Zones are areas which through a combination of financial incentives (retention of business rate uplift) and reduced planning restrictions, will encourage private sector growth and generate jobs.

The Curzon Investment Plan sets out proposals that amount to 511 million of investment between 2016/17 to 2037/38, and forms part of the delivery of the Enterprise Zone initiative and as such will help secure the delivery of the objectives and contribute to the positive impacts. Individual project have and will continue to be subject to equality analysis.

It's expected that a number of economic benefits will be delivered over the life of the programme;

36,000 jobs

600,000sqm of commercial floorspace

4000 new homes

1.7bn of private sector investment

The Equalities Analysis on the original and extended Investment Plan concluded that the Enterprise Zone is expected to lead to a positive effects on equality considerations through the promotion of economic activity, job creation and improving skills that will benefit local people.

Through the work of the City's Employment and Skills service, it will assist the programme to ensure employment and skills investment benefits are passed on to residents from priority neighbourhoods. The work will focus profiling job opportunities at the earliest opportunity, working with partners to improve skills, job matching and interview support.

The programme will be subject to ongoing monitoring and evaluation to ensure any equality issues that come up post implementation are addressed / reviewed.

3 Concluding Statement on Full Assessment

In overall terms the Enterprise Zone has been assessed as leading to a positive effect on the equality considerations through the promotion of economic activity, job creation and improving skills that will benefit local people. It has been assessed that the Enterprise Zone will advance equality of opportunity as a result of its promotion of development and regeneration activity. Since the original Investment Plan was approved in 2012, no equality issues have been raised on the broad approach taken.

4 Review Date

28/07/16

5 Action Plan

There are no relevant issues, so no action plans are currently required.

Appendix 3

	EZ Investment Plan (2014)			Curzon Investment Plan			Metro Extension (Adderley Street to HS2 Interchange, Solihull)		
	Capital (£M)	Revenue (£M)		Capital (£M)	Revenue (£M)		Capital (£M)	Revenue (£M)	Total
Original EZ Approved	228.0	17.0		30.0	0.0		0.0	0.0	258.0
Extended EZ	0.0	0.0		485.3	71.5		183.3	0.0	668.6
Original and Extended EZ Sub total	228.0	17.0		515.3	71.5		183.3	0.0	1015.1
West Midlands Combined Authority	0.0	0.0		137.2	0.0		0.0	0.0	137.2
Totals	245.0			724.0			183.3		1152.3

Note:

The capital and revenue figures above are the proposed Investment Plan, excluding the revenue costs of finance (interest and MRP).



Greater Birmingham and Solihull LEP Birmingham City Centre Enterprise Zone Governance and financial strategy

September 2016

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2 Introduction

The Birmingham City Centre Enterprise Zone was founded in 2011 to encourage business growth, investment and the creation of jobs. It will provide uplift in business rate income which the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) can use to invest in further EZ projects and wider economic priorities.

The original City Centre EZ comprises 26 sites across the city centre, in seven clusters including those identified in the Big City Plan - the city's strategic vision for the future of the City Centre - as offering the greatest opportunities for growth.

Investment totalling £275m is planned for these sites up until March 2023, as set out in the EZ Investment Plan (EZIP 2014). As part of this £275m, the EZIP also includes £50m for projects outside the city centre.

In 2015 the government approved an extension of the EZ to include the Curzon Masterplan Area. The extension comprises 13 further sites across the Curzon/High Speed 2 growth area. The extended EZ now covers an area of 113.5ha and the time period for the retention of business rate growth for the whole EZ has been extended to 31st March 2046. A separate Investment Plan has been produced for the Curzon area which allocates £556.8m of EZ resources to maximising the economic impact of HS2 across the Curzon area. A further £183m of EZ resources are ringfenced for the East Birmingham North Solihull Midland Metro Extension.

Over its lifetime the Birmingham City Centre EZ, including the Curzon extension, will have invested over £900m for capital infrastructure, delivered 2.3m sq.m of new floorspace, created over 76,000 new jobs, contributed nearly £4bn to the economy in GVA per annum and generated in excess of £2bn in additional business rates.

In order to manage the new extended EZ an updated financial model and strategy is required, as well as a strong governance framework by which the EZ and its investment decisions will be managed. The governance framework sets out the structure and hierarchy of decisions that will be required by the various boards governing investment and decision making. The financial strategy provides the parameters by which the EZ will be financially managed. It reflects both expected business rates income (revenue) and expenditure associated with the delivery of the investment programmes. The strategy is complemented by a set of financial principles which govern its management.



KEY



EZ sites



Curzon extension sites



NORTH

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Governance framework

Purpose of the Governance Framework

The first part of this document sets out the governance framework for the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in respect of the Enterprise Zone (EZ). This governance regime will facilitate better decision making and assist in the effective use of and stewardship of finite resources.

The document provides a framework within which the GBSLEP approves and monitors the programme of projects, which have been confirmed for funding allocation in the Enterprise Zone Investment Plan (EZIP) (2014) and the Curzon Investment Plan (EZCIP) (2016).

The document is to be used by the GBSLEP and Birmingham City Council (BCC) when approving funding requests and monitoring project progress. This includes consideration of any business rates uplift and how investment of EZ funding is managed.

Roles and responsibilities

Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Board

The GBSLEP Board takes overall responsibility for the delivery of the EZ investment plans. It does this by setting an overarching investment strategy and ensuring that there are clear governance, management and delivery arrangements in place.

Specifically the Board will ensure that:

- There is an approved Investment Plan (2014) in place for the period up to 2022/2023 that will help unlock sites for development and enable the delivery of growth, jobs and uplift in business rates.
- There is an approved Investment Plan for the Curzon area (2016) in place for the period up to 2037/38 that will maximise the economic impact of HS2, unlock sites for development and enable the delivery of growth, jobs and uplift in business rates.

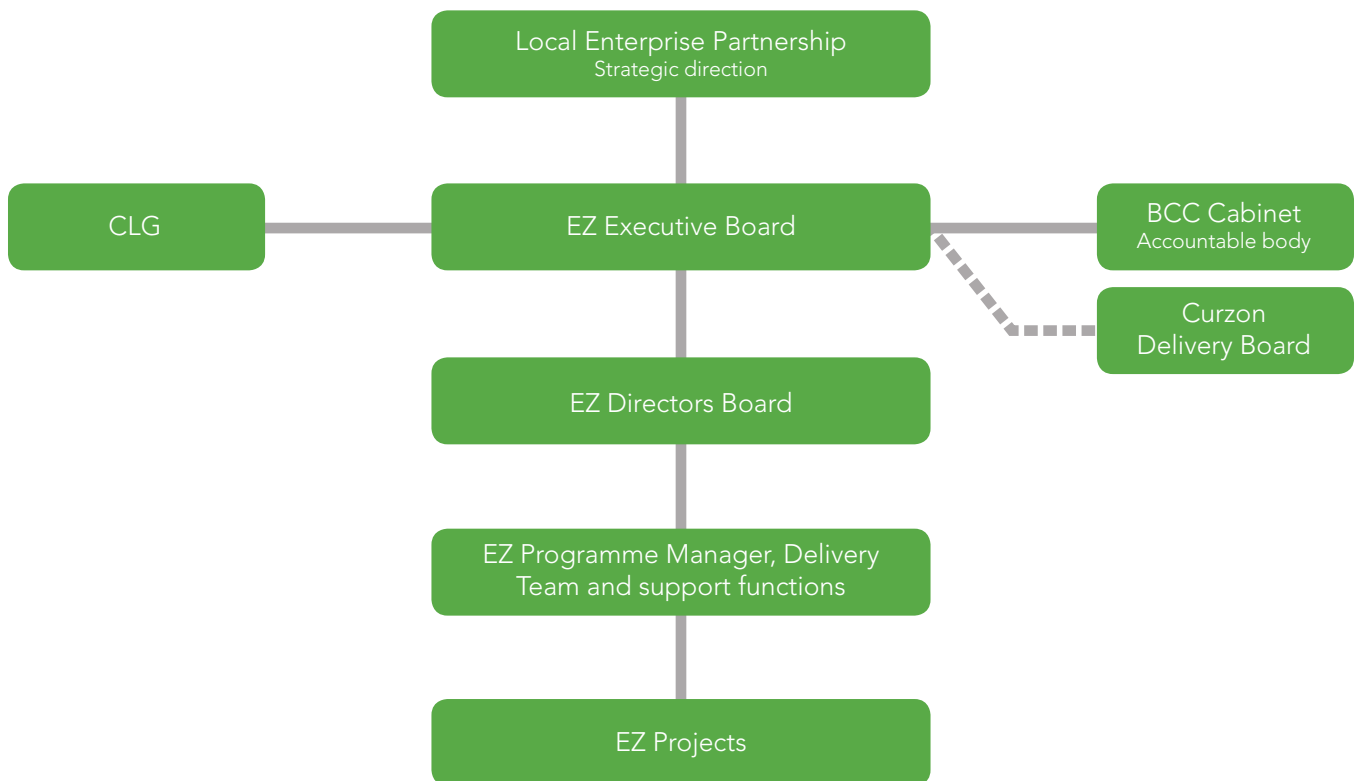


Figure 1 Enterprise Zone Governance Structure

- It receives and considers regular reports (from the EZ Executive Board (EZ/EB) on the financial position and performance of the Investment Plans.
- It nominates a Board Member to be the 'EZ Champion' for GBSLEP. The EZ Champion will keep the LEP Board informed of progress on a regular basis and will escalate any significant risks and issues related to the delivery of the Investment Plan(s) as recommended by the EZEB.

Birmingham City Council as the Accountable Body

Management and redistribution of the business rate growth from the EZ requires a single statutory body from the GBSLEP Partnership to take on the role of 'Accountable Body'. This Body must be a legal entity, nominated to act on behalf of the GBSLEP for the receipt and investment of business rate growth and uplift within the EZ designation. Birmingham City Council (BCC) accepted this role in respect of the Birmingham City Centre EZ with BCC Cabinet approval on 30 July 2012.

BCC as the Accountable Body is obliged to manage any investments and their financing.

Enterprise Zone Executive Board (EZEB)

The EZEB is made up of members and officers from GBSLEP and BCC. Both GBSLEP and BCC are decision makers, on the basis of strategic ownership (GBSLEP) and Accountable Body (BCC). It is an appropriately constituted decision making board for which evidence is provided through minutes, quorum and declarations of interest to support its decision making procedures.

The board meets every 6-8 weeks or by exception if required.

The EZEB has powers delegated from the GBSLEP to approve projects and will make decisions on the priority order for the additional pipeline projects, allocated in the 2014 EZIP and the 2016 Curzon EZIP. The EZEB will oversee delivery and implementation of the Investment Plans, the associated Governance Strategy and EZ project performance reporting.

The GBSLEP will be represented on the EZEB by at least two nominated GBSLEP Board Directors with one acting as Chair and 'EZ Champion'. A further GBSLEP officer will also be represented on the Board. These are voting roles with the chairperson having the casting vote.

BCC will be represented on the EZEB by a maximum of 3 senior officers who have overall responsibility for the day to day delivery of the EZ Investment Plan. These are voting roles.

The quorum for the meeting is 2 from GBSLEP and 1 from BCC.

This representation of officers will be added to from other LEP's and local authority partners based on a commensurate basis to be agreed if investment in undertaken outside of the City Centre EZ boundaries.

Specifically the EZEB will oversee that:

- The Investment Strategy/Plans are delivered in accordance with agreed milestones and targets.
- Regular reports are received on the Governance Strategy including performance against the Financial Plan and key risks or issues with implementation.

- Monitoring arrangements are in place that allow a review of performance of Delivery/ Implementation Strategy including on both quantitative and qualitative aspects of performance.
- Key issues and risks are either addressed or escalated to the LEP Board.
- It approves/rejects/makes recommendations on applications for funding from the Enterprise Zone in accordance with the existing 2014 EZIP and the 2016 Curzon IP.
- A financial limit on the financial model for EZ funding purposes is set.
- Any decision made by EZEB in the knowledge that the decision does not compromise compliance with BCC's own Financial Regulations and any financial decisions that BCC as the Accountable Body may require. Variations to projects submitted for a funding request (for example spend profile, amount awarded) may be set out in the funding agreement or in the conditions of any decision is given by the EZEB.
- Monitoring arrangements and subsequent performance reports are adequate and appropriate, considering both quantitative and qualitative aspects of project performance and programme delivery.
- Appropriate resources are available to manage the EZ and enable delivery of the Investment Plans.

EZ Directors' Board (EZDB)

A separate Directors' Board has been established in order to provide coordinated management of the EZ, linked to the provision of resources and wider project delivery. It is Chaired by BCC's nominated officer and includes representation from senior level BCC officers responsible for delivering the EZEB approved projects through their teams and officer from GBSLEP. The approved projects will be managed and monitored through the Directors Board, with regular reporting to the EZEB as required.

When EZ funding becomes available for other GBSLEP projects outside the Birmingham City Centre EZ then the Local Authorities affected will form their own EZDB (or use an equivalent existing structure such as the Growth Team, if appropriate) with the GBSLEP for decision making in their locality. BCC, as the Accountable Body, should also have a role on any board to ensure that all investments are in accordance with the EZ financial model and to discharge accountable body functions.

The quorum for the meeting is 3, in addition to the Chair. The Chairperson will have the casting vote.

Specifically the Director's Board will oversee that:

- The Investment Plans are effectively implemented in terms of delivery and resource.
- Regular reports are received on the financial position and performance of the Investment Plans.
- Any key issues on EZ project delivery are either addressed and/or escalated to the EZEB.
- It manages the EZ financial position in accordance with the EZ financial management principles.
- It endorses and/or rejects applications for funding for the use of EZ Resources based on the relevant defined EZ Investment Plans. Recommendations to approve or reject an application are then made to the EZEB.

- Key issues and risks are either managed or escalated to the EZEB.

GBSLEP approval process

The EZEB and EZDB will work on behalf of the GBSLEP Board and ensure that the release of EZ funds for projects contained within the Investment Plans are authorised through an approved process which aligns to the stages in BCC governance process.

In order to gain EZEB approval project sponsors are required to complete:

- Either: An EZ project Development Application form.

Or: An EZ project Full Application Form (with associated Annex) (Which application is required is dependent on the stage of the project, a flow chart and guidance notes are provided with the application process).

Applicant approval process

Following the granting of approval from GBSLEP, scheme promoters will be required to seek full approval through their own governance process.

Once this has been authorised a funding agreement can be entered into.

EZ Delivery Team

Enterprise Zone Programme Manager

The EZ Programme Manager will oversee the general management of the EZ and any programme of projects within the approved allocation of EZ funding.

The EZ Programme Manager will receive financial and delivery information as part of regular monitoring reports from each project manager. The information contained in these reports will support financial management and performance.



Eastside development

The Project Manager reports will include:

- Overall financial progress for the month, quarter and year.
- Project update.
- Overall position on key milestones.
- Milestones and actions for the next three months.
- Key risks and issues.
- Any decisions required by the Board.

Programme management decisions will be designed to maximise the benefits of and minimise the impact of risk to the EZ, and to ensure that the per annum allocation can be spent and the key outputs delivered.

EZ project managers who are BCC officers are required to adhere to a guidance note entitled 'Birmingham City Council Accountability Responsibilities for Enterprise Zone Funded Projects'.

All EZ project managers (BCC and non-BCC) will be required to adhere to a Performance Management Framework, which is provided as a separate document.



Financial strategy

The Financial Strategy for the EZ is predicated on a Programme which contains projections for major capital investment, revenue project support and the capital financing implications arising from debt repayment and also projections for an uplift in Business Rate income across the Programme's lifetime.

Key to this strategy is the development of a detailed financial model which is updated on a monthly basis. The detailed financial model for the EZ has been updated to include the extended geography for the Curzon area and extended programme timeframe through to 2045/46. It reflects both expected business rates income (revenue) and expenditure associated with the delivery of the investment programmes. The strategy is complemented by a set of financial principles which govern its management.

Financial principles

High level risks associated with the management of EZ resources have been identified, and modelled out through sensitivity testing. The assumed level of business rates income for the EZ is highly sensitive to anticipated levels of development activity especially if developments fail to materialise in line with projections. Similarly, increased project costs or increases in interest rates on the cost of borrowing would be detrimental to affordability and impact on the overall programme. As such, robust principles for financial and project management are required.

The capital investment set out in the 2014 EZIP and 2016 EZCIP will be funded through Local Authority Prudential Borrowing. The financial implications of this borrowing, as well as the costs of administering the EZ, and other revenue based projects, will be funded through the revenue income stream generated through the additional 'uplift' in business rates.

Within the EZ, where capital expenditure is to be financed, Birmingham City Council (BCC) as the Accountable Body, will facilitate the borrowing. BCC will calculate the borrowing costs using its existing arrangements for recharging costs (i.e. interest and the statutory requirements for debt repayment). These borrowing costs will be funded from EZ revenue

resources generated from the additional business rates.

To ensure that the financial management of the EZ is robust, and that projected expenditure including borrowing and other revenue based programme expenditure is affordable, a series of financial principles have been developed:



1. Income safety margins

For reasons of affordability, particularly during the early years of EZ, only a prudent proportion of net business rate income will be taken into account in determining expenditure commitments, including borrowing and operating costs. The intention is to provide a safety margin due to the risk of business rate income not matching the profiled income levels contained in the financial model.

In order to ensure that there are sufficient reserves to meet short term falls in income or increased costs, a sum equivalent to 15% of the annual EZ income will be set aside on a cumulative basis to meet uncertainties. Having already allowed for 15% contingency sum based on the amount of anticipated Business Rate income as a financial principle 'test', financial commitments through borrowing will be monitored to ensure they are no greater than 65% of the Business Rates income anticipated in any given year, effectively 65% of 85% Business Rates. New investment decisions will need to 'Pass' before approval will be sanctioned. A test 'Fail' will require a financial risk review to determine the precise impact and risk on overall affordability of the proposed project, acknowledging contingency sums held on account, before approval is awarded. Once EZ business rate income levels start to materialise in line with their forecasts, then consideration will be given to releasing the surplus reserve generated from the application of this approach to support further LEP investment proposals. On-going management of the EZ will continually review the cumulative contingency sum held

with any decision to release such funding to fund new investment being done so only with the BCC's Director of Finance's approval.

2. Borrowing repaid within life of the Enterprise Zone

Following the extension of the EZ funding term, the business rates income stream will now cease after 31st March 2046 (previously by 31st March 2038). This allows for new borrowing on the existing EZ sites to have their borrowing extended to 2045/46. All associated borrowing must therefore be repaid within this EZ term. The later capital expenditure is incurred in the programme the lesser the repayment term for borrowing. Capital projects commencing in 2016/17 of the Programme will be borrowed using an annuity which allows the capital sum borrowed to be repaid over a 30 year term, whilst projects commencing in 2017/18 will effectively be borrowed and repaid over a 29 year term and so on.

This means that capital intensive investments which are approved and borrowed over a longer time frame will have a smaller annual repayment sum and therefore less financial impact in terms of affordability against the annual EZ Programme than if they were undertaken over a shorter period (i.e. the longer the borrowing term the smaller the annuity charge to the revenue account). On-going monitoring of the EZ Programme resources and the financial implications resulting from approved projects in the investment programme will provide a valuable tool against which an assessment can be made as to the

level of future capital investments that the EZ can support in later Investment Plan periods. All EZ investment decisions are considered and only endorsed by the Accountable Body/EZ Boards subject to them being affordable.

3. Utilising Assets under Construction Policy

In accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) who regulate Local Authority accounting guidelines.

Local Authorities can roll up interest charges for assets under construction. For infrastructure and other capital projects this offers the advantage to smooth out cost and income cashflows so that income from business rates arises in the same financial period as the revenue costs of the project which BCC has to account for.

4. Site-by-site and infrastructure business cases as well as LEP-wide business cases

Proposed expenditure commitments for individual developments will be financially appraised against the expected business rates impact arising from that development through individual business cases. Proposed commitments will also be financially appraised in a LEP-wide appraisal to ensure the proposal is affordable for the EZ or LEP as a whole on a year by year basis, including reporting on the financial tests in section 1 above. Where wider infrastructure investments are being proposed individual/programme based business cases will be required.

5. Financial commitments aligned to development commitments

For EZ developments and wherever feasible, financial commitments will only be made following legal agreement with the developer/landowner once development projects have been committed to. This will provide assurance that the business rates income stream is reasonably secure.

6. Prudential borrowing

In borrowing for EZ funded projects, BCC is subject to legal constraints and statutory guidance in relation to the borrowing. This includes compliance with the Authority's accounting and debt repayment policies. BCC will consider the financial implications of any LEP EZ proposals, as part of its overall budget (for example, in setting its Prudential Borrowing indicators and limits) and in complying with the CIPFA Prudential Code.

7. Income provided to support wider LEP Investments

Whilst BCC will support and fund approved EZ investment decisions made by the LEP, both BCC and other Local Authority partners will ultimately be responsible for their own projects, associated cost control and other financial risks. In the event that project costs exceed those approved by the LEP, then any additional costs incurred or to be incurred above those supported through the EZ income will become the financial responsibility of the delivery partner and not the EZ or Birmingham City Council in its Accountable Body role. This is particularly relevant for the LEP Investment Fund and HS2 Growth Strategy investments which could fund projects outside of the EZ area and which would not be sponsored or directly project managed by Birmingham City Council.

8. Management and monitoring of resources

The delivery of the Investment Programmes will depend on having robust processes in place to manage and monitor income and expenditure for the EZ. This will be undertaken as part of the regular reporting to the LEP through the Governance arrangements to provide ongoing updates to the financial model and to ensure risks to delivery are highlighted.

Whilst the LEP approves individual capital investment and revenue proposals for EZ support, the Accountable Body will ultimately endorse these projects going forward subject to the viability of the investment proposal in terms of overall affordability based on the future availability of secured business rate income. All projects to deliver the EZ are subject to BCC Governance structures. This requires a Project Definition Document (PDD) for approval to authorise project development and feasibility. Once PDD approval has been reached, activity can

commence to formulate Full Business Case to authorise the release of funds and formal project approval. Consequently it may be necessary for BCC, in its Accountable Body role:

- a) To seek a re-profiling of proposed expenditure levels so that they accord with available resources, or;
- b) To defer endorsing projects for EZ funding until such time that there is sufficient secured levels of business rate income in place which ensure affordability.

Income

The delivery of new business accommodation on EZ sites is expected to result in a significant increase in business rates income for the LEP to invest. The phasing and delivery of new developments, and consequently the business rates uplift, has been projected in the updated financial model. The business rates uplift income will be retained locally until 31 March 2046.



The business rates income from the combined EZ, including the expanded area to cover Curzon, will fund both the original £275m investment programme (capital and revenue projects) and the additional £740m Curzon investment (£669m capital and £71.6m revenue projects). This includes the £183m for East Birmingham North Solihull Metro Extension.

The Curzon Area extension to the EZ is anticipated to generate £1.1bn over the lifetime of the Programme. This is in addition to the £1.5bn from the existing EZ Programme providing a total projected £2.6bn over the lifetime of the EZ. These figures are anticipated levels based upon current projections but are subject to future market and economic conditions. As such robust financial management principles are required to manage risk and affordability.

The income has been categorised by its degree of certainty, linked

to the proposed phasing of the development (including losses of business rates income as sites are demolished and cleared for future investment), to allow for prudence around making decisions on the affordability of future investment decisions and the associated costs arising from prudential borrowing charges. The income is analysed according to the following categories, which help to ensure decisions on the investment programme are affordable:

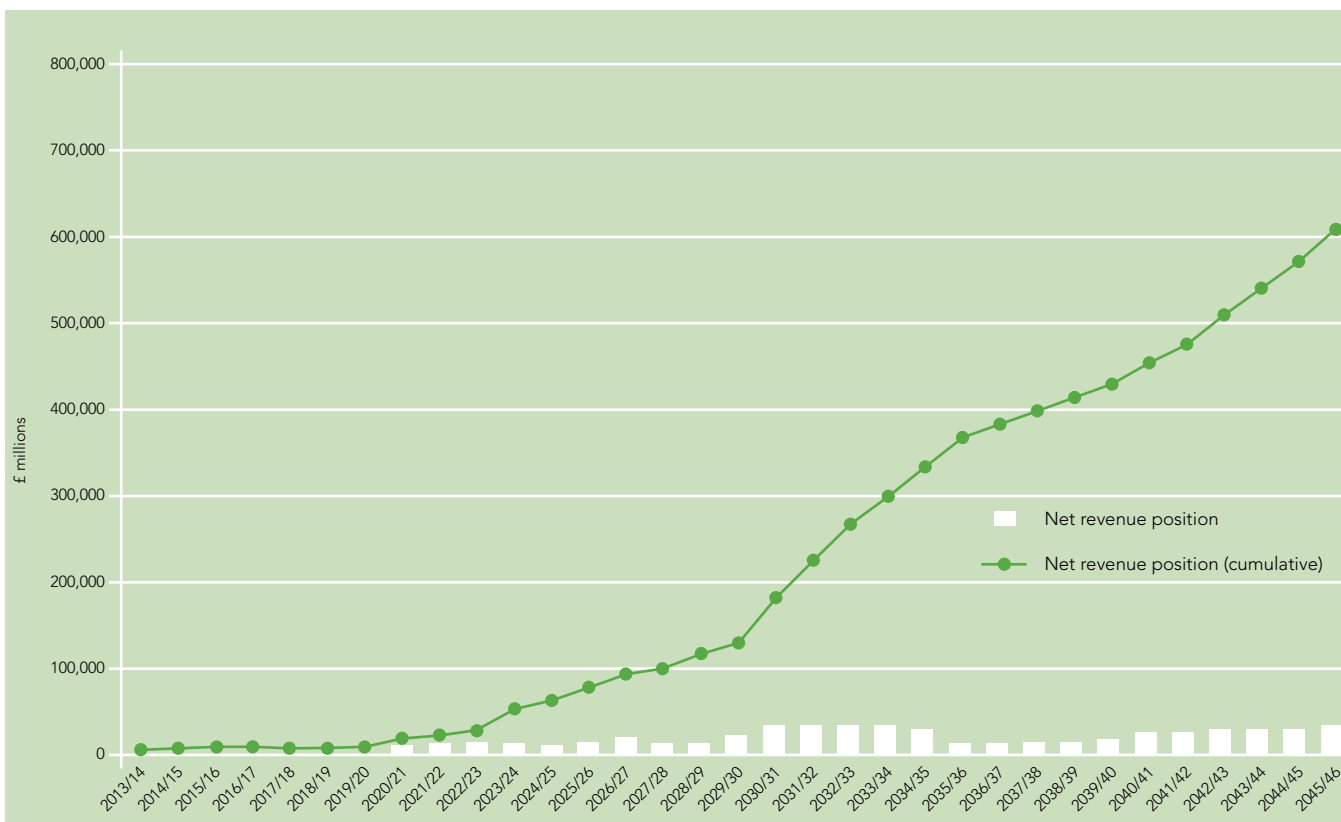
- **Secured** - Business rates paid or legally due.
- **Committed** - Construction on site or guaranteed via legal agreement therefore business rates income reasonably secure.
- **Other Committed** - Paradise Circus Phase 1 and 2 business rates income committed via Joint Venture agreement.
- **Not Committed** - Development not yet started therefore business rates income not yet secured.

Expenditure

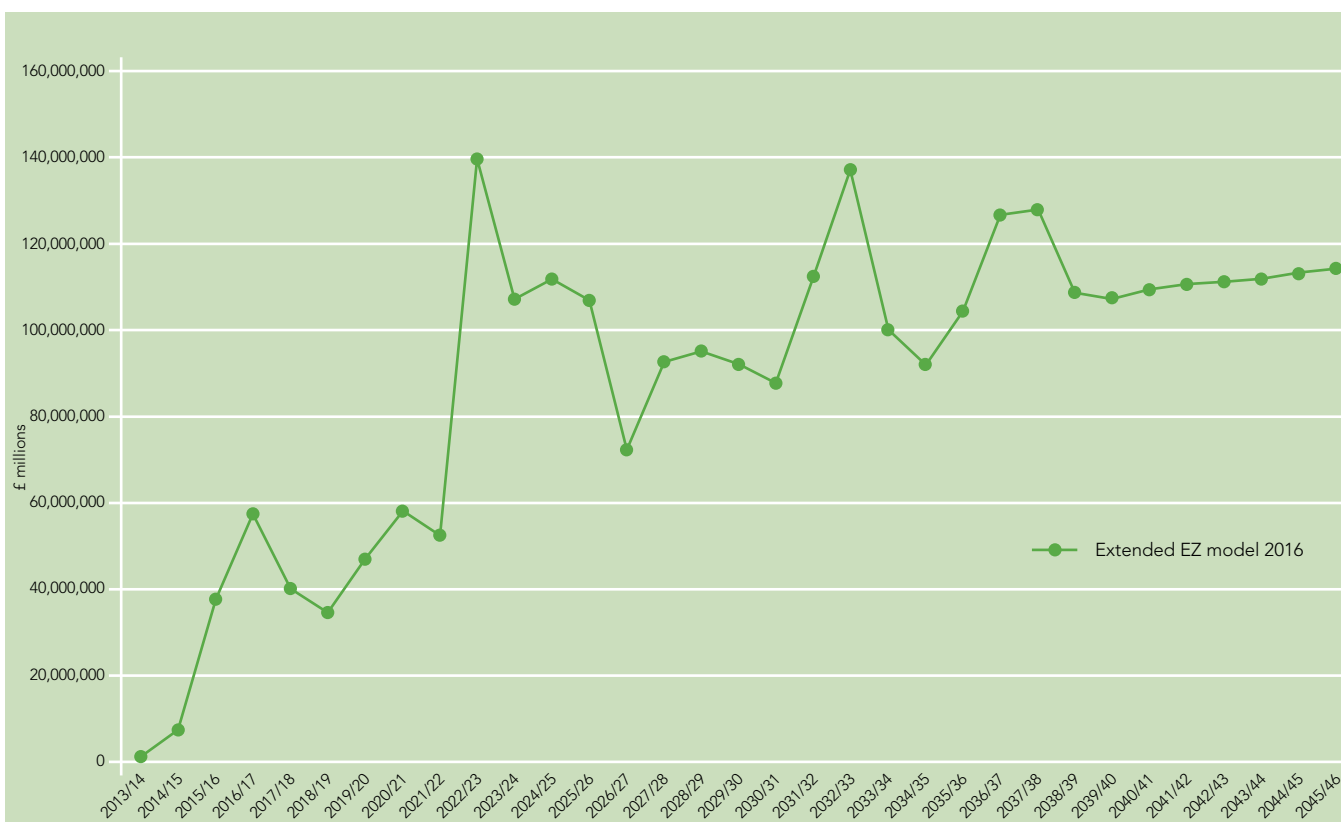
The EZ Programme has a planned capital investment programme value of £929m and a revenue programme of £89m to support delivery over the remaining 30 year time frame of the EZ. Included within these proposals is support to other key LEP priorities such as the HS2 Midlands Growth Strategy and the Strategic Economic Plan.



Graph 1 Projected business rate uplift income (£m)



Graph 2 Affordability net revenue position - annual and cumulative



Graph 3 Total capital and revenue expenditure profile (including infrastructure financing costs and contingency sums)

THIS AGREEMENT is dated [] 2016

PARTIES

1. **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**); and
2. **BIRMINGHAM CITY COUNCIL** who acts as the representative and the accountable body for Greater Birmingham & Solihull Local Enterprise Partnership and whose principal address is [INSERT ADDRESS] (**Accountable body on behalf of the Local Enterprise Partnership**)

BACKGROUND

- A The Secretary of State has the power to declare an area to be an Enterprise Zone.
- B. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. The local authority on which an Enterprise Zone is situated is entitled to use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and any other neighbouring areas in agreement with the Local Enterprise Partnership.
- C. Enterprise Zones are designated as such by the Secretary of State with the agreement of the Chancellor of the Exchequer and operated by an accountable body in agreement with the Local Enterprise Partnership.
- D. A Local Enterprise Partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. As Local Enterprise Partnerships are not corporate bodies, they enter into agreements through an accountable local authority on their behalf.
- D. Taking account of the attached Schedule 1, the Secretary of State offers the Local Enterprise Partnership the right to extend and operate the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this agreement.

IT IS AGREED THAT:

1 DEFINITIONS

In this Agreement the following words and phrases shall have the following meanings:

“Accountable Body” means the local authority responsible for the organisation and operation of the Enterprise Zone in line with plans agreed with the Local Enterprise Partnership. **“Enterprise Zone”** means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.

“Regulations” means ‘Capital Allowances (Designated Assisted Areas) Order 2016’, ‘Non-Domestic Rating (Designated Areas) Regulations 2016’, and ‘Non-Domestic Rating (Rates Retention) Regulations 2013’.

“Term” means the earlier of 31 March 2020 or either party giving written notice to the Local Enterprise Partnership to terminate the Enterprise Zone status under clause 5 excepting the dates for the termination of the right to benefit from business incentives which will be as set out in paragraph 2.

“Working Day” means a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business

2 AGREEMENT TO EXTEND THE ORIGINAL ENTERPRISE ZONE

2.1 Having relied upon the representations made by the Local Enterprise Partnership as part of ‘The Midlands HS2 Growth Strategy’ (April 2015), the Secretary of State offers the Local Enterprise Partnership the right to extend the number of sites in the Enterprise Zone, subject to the terms of this agreement, including the right to benefit from the following business incentives :

- Permitting Birmingham City Council to retain 100% of any business rate increase which accrues until 31 March 2046 for all original Enterprise Zone sites and for the additional sites as set out in Schedule 1a from the commencement date (this being 1 April 2016), providing such sums are directed towards the development of the Enterprise Zone, supporting the HS2 Local Growth Strategy, and thereafter towards the Local Enterprise Partnership’s identified growth priorities;
- Central government will reimburse to the relevant local authorities all the costs of providing each business occupying an original Enterprise Zone site (schedule 1A) a 100% discount on business rates for five years up to the maximum state aid de minimis threshold, for businesses that enter the zone before 31 March 2018, e.g. if a business enters the zone on 31 March 2018, it can receive the discount (subject to de minimis) until 30 March 2023 ;
- The accountable body in agreement with their Local Enterprise Partnership can agree to other local authorities benefitting from the zone during the Term provided they have entered into an inter-party agreement as set out in 3.2 (a) and meet the relevant requirements in the Regulations.

3 TERMS AND CONDITIONS

3.1 The accountable body on behalf of the Local Enterprise Partnership agrees, having undertaken due investigation, that at the date of this Agreement:

- (a) It is not aware of any information which is likely to materially undermine the ability of the Local Enterprise Partnership to deliver the Enterprise Zone

extension in accordance with the principles and outcomes outlined in the HS2 Local Growth Strategy; and

- (b) It is not aware of any information, which is likely to significantly delay the Local Enterprise Partnership in delivering the extended Enterprise Zone.

3.2 The accountable body on behalf of the Local Enterprise Partnership confirms, having undertaken this investigation, that:

- (a) 3.2 (a) It has obtained or shall use all reasonable steps to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the extended Enterprise Zone (ie those sites in Schedule 1B) ;
- (b) It has or will secure the expertise and capacity to extend the Enterprise Zone;
- (c) It will undertake all the steps to extend the Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid and planning law); and
- (d) It will deliver the relevant incentives at Schedules 1A and 1B for the period set out in this Agreement.

3.3 The Local Enterprise Partnership has agreed to:

- (a) establish a Curzon Delivery Board which is able to make strategic and operational decisions relating to the implementation of the Enterprise Zone extension. This shall include representatives of the Accountable Board and shall meet at least quarterly and report to the Local Enterprise Partnership Board and HS2 Delivery Board; and
- (b) enter into agreements with each local authority on which an Enterprise Zone site is situated and any other Local Enterprise Partnerships involved in the delivery of the Enterprise Zone. Such agreements should include the objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Agreement. This should include, but not be limited to, the use of business rates retained by the local authority(ies), how the local authority(ies) will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data). Where during the Term, new local authorities become involved in the Enterprise Zone or the legal status of Local Enterprise Partnerships involved in the Enterprise Zone changes, the Secretary of State may direct that the Local Enterprise Partnership enters into new agreements under this clause, or assists in getting such organisations to become party to this Agreement.

- (c) Use any government grant vested in the accountable body for the purposes of supporting the delivery of the Enterprise Zone and which shall be spent on the Enterprise Zone as agreed with the Local Enterprise Partnership and in compliance with the relevant laws.

3.4 Implementation Plan

The accountable body on behalf of the Local Enterprise Partnership shall provide the Secretary of State their Implementation Plan for the phase 1 programme for the EZ extension (which sets out the major steps and the individual(s) and organisation(s) who will operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31 March 2017. This will be further updated and developed at appropriate intervals by the Local Enterprise Partnership.

3.5 DCLG Enterprise Zone team shall support :

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, Ian Smith (e-mail: ian.smith@bis.gsi.gov.uk phone: 0121 345 1237)) who shall advise on the procedures for extending the zone and resolving issues which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership and the accountable body shall be informed if there is a change in the DCLG Enterprise Zone team contact.
- (b) Enterprise Zones by providing information on the Enterprise Zone to the market via press releases, its national Enterprise Zone website, twitter account and other media.
- (c) Collaboration by inviting senior leaders from all England's Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers.

This support shall be provided up until 31 March 2020 and may be renewed / subject to alteration following that date.

3.6 The accountable body on behalf of the Local Enterprise Partnership shall:

- (a) send the DCLG Enterprise Zone team contact details of the primary point of contact ("**Local Enterprise Contact**") for the Enterprise Zone within 20 Working Days of entering into this Agreement. The DCLG Enterprise Zone team contact shall be informed if there is a change in the Local Enterprise contact.
- (b) A DCLG representative will attend the Curzon Programme Board and HS2 Delivery Board, where the progress on delivery of the EZ extension will be reported and discussed.

3.7 Marketing

The Local Enterprise Partnership has agreed to use all reasonable endeavours to

- (a) promote the Enterprise Zone.
- (b) share with the Secretary of State a marketing plan for the Enterprise Zone within six months of entering into this Agreement.
- (c) use Enterprise Zone and GSBLEP logos within marketing communications and signage.

3.8 Monitoring

The accountable body on behalf of the Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at Schedule 2 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

4. CHANGES

All changes to the text of this agreement must be approved by the Secretary of State in writing prior to the relevant change being deemed to be effective. Until such time as a change is made in accordance with this clause, the parties shall, continue to perform this Agreement in compliance with its terms before such change.

5. TERMINATION

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of the Local Enterprise Partnership to market an Enterprise Zone if it acts in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this Agreement.
- (b) The Local Enterprise Partnership with the agreement of all local authorities and any other Local Enterprise Partnerships involved in delivering the Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

6. GOOD FAITH AND COOPERATION

Each party covenants with the other that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this Agreement.

7. MISCELLANEOUS

Nothing in this Agreement shall constitute a partnership or joint venture between the parties.

ACCEPTANCE

This Agreement has been entered into on the date stated at the beginning of it.

Signed for and behalf of

SECRETARY OF STATE FOR)

COMMUNITIES)

AND LOCAL GOVERNMENT)

Authorised Signatory: _____

Print Name: _____

Signed for and on behalf of

[BIRMINGHAM CITY COUNCIL]

Authorised Signatory: _____

Print Name: _____

The following parties are aware of the requirements of this agreement (including the Application) and shall support and assist development and delivery of the Enterprise Zone throughout the Term.

GREATER BIRMINGHAM & SOLIHULL LOCAL ENTERPRISE PARTNERSHIP

Authorised Signatory:

Print Name:

BIRMINGHAM CITY COUNCIL

Authorised Signatory:

Print Name:

SCHEDULE 1A – ORIGINAL SITES AND INCENTIVES (from 1 April 2013)

PLEASE SEE ATTACHED SPREADSHEET

SCHEDULE 1B – ADDITIONAL SITES AND INCENTIVES (from 1 April 2016)

PLEASE SEE ATTACHED SPREADSHEET

SCHEDULE 2 – MANAGEMENT INFORMATION

Q1* What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?

Q2* What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year?

Q3* What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?

Q4 What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?

Q5 What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?

Q6 What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?

Q7 Was a Local Development Order introduced on the zone or a part of the zone this quarter?

Q8 What was the change in the number of businesses that started trading on the zone this quarter?

Q9 What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.

Q10 What was the value of any new public sector revenue investment on the zone this quarter?

Q11 What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?

Q12 What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?

Q13 What area of land was reclaimed and made ready for development on the zone this quarter?

Q14 What commercial floorspace was constructed on the zone in this quarter?

Q15 What commercial floorspace was refurbished on the zone this quarter?

Q16* "What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?"

Q17 What land sales were there on the zone this quarter?

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET	
Report of:	Strategic Director of Economy	
Date of Decision:	20 September 2016	
SUBJECT:	ACQUISITION OF PRIVATE SITES AND EMPTY HOMES	
Key Decision:	Relevant Forward Plan Ref: 001959/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor Peter Griffiths – Housing and Homes Councillor John Clancy – the Leader	
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq, Corporate Resources and Governance Councillor Victoria Quinn – Housing and Homes	
Wards affected:	All	

1. Purpose of report:
<p>1.1 This report sets out proposals for the Council to acquire empty privately owned residential properties and vacant undeveloped sites. Any sites acquired will be developed with new homes by the Council through the Birmingham Municipal Housing Trust (BMHT).</p> <p>1.2 This report seeks approval from Cabinet to delegate the final decision to acquire the specific site or property to the Cabinet Member for Housing and Homes in consultation with the appropriate Strategic Director.</p> <p>1.3 This report seeks approval to use CPO powers in order to acquire both sites and individual properties.</p>
2. Decision(s) recommended:
<p>Cabinet is recommended to:-</p> <p>2.1 Delegate to the Strategic Director Economy and the Cabinet Member Housing and Homes, approval to authorise the acquisition under section 17 of the Housing Act 1985 or section 226 (1) (a) Town and Country Planning Act 1990, of any vacant/undeveloped sites in Birmingham suitable for new housing development by the Council through BMHT.</p> <p>2.2 Delegate to the Strategic Director Place and the Cabinet Member Housing and Homes approval to authorise the acquisition under section 17 of the Housing Act 1985 of any long term empty properties in Birmingham.</p> <p>2.3 Approve the use of CPO powers under section 17 of the Housing Act 1985 and section 226 (1) (a) Town & Country Planning Act 1990 to acquire vacant sites and empty homes.</p>

- 2.4 Following any acquisition of the sites, authorise the Strategic Director Economy to include the sites within the development programme of the Birmingham Municipal Housing Trust (BMHT) 2015-2020 and to apply for any planning permissions, stopping up orders or any other licences or consents or highways or other agreements as are necessary in order to develop the sites, the letting of construction contracts to be subject to Full Business Cases to be considered by the appropriate decision maker.
- 2.5 Authorise the Strategic Director Economy to apply for grant or loan funding to support the programme of acquisition of sites and empty properties from any available funding sources, including but not limited to, the Homes and Communities Agency, and the Local Enterprise Partnership.
- 2.6 Note that an annual report will be presented to Cabinet detailing any sites and properties acquired over the previous 12 months.
- 2.7 Authorise the Director of Property to negotiate terms for the acquisition of any sites or properties on a voluntary basis in advance of compulsory acquisition as well as to settle any CPO compensation.
- 2.8 Authorise the City Solicitor to take any steps/enter legal agreements needed to bring the above into effect including, but not limited, to:
- i) take all necessary steps to secure the making, confirmation and implementation of the compulsory purchase orders, including the publication and service of all notices to give effect thereto including High Court enforcement officer
 - ii) if granted power to do so by the Secretary of State, to confirm the compulsory purchase orders

Lead Contact Officer(s):	Clive Skidmore, Head of Housing Development. Matthew Smith, Principal Enforcement Officer
Telephone No: E-mail address:	0121 303 1667 clive.skidmore@birmingham.gov.uk 0121-565-5497 Matthew.smith@birmingham.gov.uk

3. Consultation

3.1 Internal

3.1.1 Ward members will be consulted as and when sites or properties are identified for acquisition within their wards. The (Acting) Strategic Director Place and other relevant Senior Officers from the Economy, and Place Directorates have been consulted and are supportive of the report proceeding for an executive decision.

3.1.2 Officers from City Finance, Legal Services and Birmingham Property Services have been involved in the preparation of this report.

3.2 External

3.2.1 Owners of individual sites and properties will be consulted and given reasonable opportunities to bring their sites back into use before CPO is actioned. If compulsory purchase is used to acquire these sites, owners will be provided with advice and guidance on that procedure.

4. **Compliance Issues:**

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

4.1.1 The proposals set out within this report support the objectives of the Birmingham Development Plan to provide sufficient new homes within the city to meet the needs of its growing population.

The development of new homes for a growing city is a key objective of the Leader's Policy Statement 2016+. The development of new affordable housing within the City is in accordance with the following objectives of the Council's Business Plan and Budget 2016+:

Fairness - to tackle inequality and deprivation, promote social cohesion across all communities in Birmingham, and ensure dignity, in particular for our elderly and safeguarding for children – by providing new homes, apprenticeships and bursary programme placements.

Prosperity - to lay the foundations for a prosperous City, built on an inclusive economy – by stimulating the construction industry through the Council's housing building programme.

Democracy - to involve local people and communities in the future of their local area and their Public Services – by consulting communities about proposals for new development and ensure that new homes meet local needs and localised targeting of training, education and employment initiatives to complement the house-building Programme.

4.1.2 This proposal responds to the Birmingham Connected five core objectives;

Efficient Birmingham - Birmingham Connected will facilitate the city's growth agenda in the most efficient and sustainable way possible, strengthening its economy and boosting jobs.

Equitable Birmingham - Birmingham Connected will facilitate a more equitable transport system; linking communities together and improving access to jobs and services, by creating jobs and apprenticeships in the construction industry.

Sustainable Birmingham - Birmingham Connected will specifically reduce the impacts of air and noise pollution, greenhouse gas emissions and energy consumption. New homes constructed through the BMHT programme are energy efficient to Code 4 of the Code for Sustainable Homes.

Healthy Birmingham - Birmingham Connected will contribute to a general raising of health standards across the city through the promotion of walking and cycling and the reduction of air pollution, through use of energy efficient homes which reduction our carbon footprint.

Attractive Birmingham - Birmingham Connected will contribute to enhancing the attractiveness and quality of the urban environment in local centres, key transport corridors and the city centre.

4.2 Financial Implications

4.2.1 The acquisition of empty homes will be funded from specific resources available within the approved Empty Homes Strategy Capital budget (General Fund) for such purposes. The properties will only be acquired where owners do not take adequate steps to bring the dwellings back into use in a reasonable timeframe.

In the event that it is necessary to proceed with acquisition of empty properties, usually the properties will subsequently be sold, with any receipt being recycled back into the Empty Homes Strategy budget to allow for similar purchases to bring empty properties back into use in accordance with existing Council policy.

The acquisition of private sector sites will be utilised to develop new social and affordable homes through the BMHT programme. However, opportunities will also be explored to secure funding through the Local Growth Fund, HCA programmes,, HRA borrowing and through the existing HRA Business Plan 2016+..

Any sites acquired through this programme will be developed through the Council's BMHT programme.

This programme will be managed to ensure that acquisition, development, and sales activities are managed to ensure delivery remains within the limit of resources identified for this purpose at all times.

The new homes built on the sites acquired though the programme will generate Council Tax income to the Council.

4.3 Legal Implications

- 4.3.1 Housing Compulsory Purchase powers are exercised under section 17 of the Housing Act 1985. Sections 17 and 18 of the Act authorises the acquisition and holding of the land for housing purposes. In some circumstances where the redevelopment of a vacant site would include ancillary non-housing uses, the acquisition of sites may be more appropriately made under section 226 (1) (a) Town & Country Planning Act 1990.

4.4 Public Sector Equality Duty

- 4.4.1 A level 1 Equality Impact Analysis (EA001339) concluded that the proposed programme results in no identifiable adverse impact upon equality. An equality impact analysis will be carried out prior to the decision to authorise each CPO that follows this report.

4.4.2 Information will be managed in line with the Council's Data Protection Policy.

5. Relevant background/chronology of key events:

- 5.1 The adopted Birmingham Development Plan identifies a need for 89,000 new homes by 2031, and to date sites for 44,000 have been identified within the city. At the same time demand for housing is growing in the city, with around 20,000 households on the housing waiting list and over 1,500 households living in temporary accommodation.
- 5.2 The supply of new homes in the city is increasing year on year, with 2015-16 figures showing an increase on 2014-15. This improvement is largely due to the Council's own development programme through the Birmingham Municipal Housing Trust, which has completed over 1,000 new homes in the last two years alone, and now accounts for around 28% of all new housing supply.
- 5.3 At the same time, there are currently in excess of 5,000 privately owned properties in the city which have been vacant for more than 6 months, with approximately 1,900 which have been empty for more than 3 years. When set in the overall context of the shortfall in housing in the city, it is clear that bringing these homes back into use could have a major positive impact on housing supply in the city.
- 5.4 Similarly, the Strategic Housing Land Availability Assessment (SHLAA) undertaken by the Council identifies sites which could accommodate over 8,000 new homes within the 44,000 quoted above and which have the benefit of full Planning Permission but which have not yet been built upon. This assessment includes vacant sites which could be acquired under the proposals set out in this report.
- 5.5 There is an opportunity for the Council to further expand the remit of the Birmingham Municipal Housing Trust and drive housing growth by the acquisition of privately owned sites. Over the last few years, the Council's new build programme has expanded not only in terms of the numbers delivered – 562 new homes in 2015-16 – but also in the scale of its ambition and the breadth of its activities.

- 5.6 As well as building new homes for social and affordable rent, the Council also builds new homes for sale, targeted at first time buyers, and its first Private Rented Sector scheme has just started on site. The development of a new housing archetype, the dormer bungalow, designed specifically to incentivise older households to move from a family home to a smaller property has been an outstanding success, and this approach is now being rolled out on sites across the city.
- 5.7 However, if the development programme is to expand yet further, a supply of good quality land is essential, and this report therefore seeks approval for the Council to acquire privately owned land to support its new build programme through the BMHT.
- 5.8 Over the last 6 years, the Council has been very successful in persuading owners to bring their empty properties back into use through a combination of provision of advice and guidance, warning of the potential use of compulsory acquisition powers and the actual exercise of those powers.
- 5.9 It is therefore proposed that the Council continue to roll out the practice of seeking to acquire empty properties and also to take the same approach to acquire sites in the private sector, preferably from willing vendors, but if necessary through compulsory purchase action.
- 5.10 The Council is ideally placed to take such action – not only does it have statutory CPO powers, but also through the BMHT the ability to develop out such sites itself. This approach could enable the expansion of the BMHT programme further and enable the Council to take on an even greater role in directly driving the supply of new high quality homes for the citizens of the city.
- 5.11 In order to allow speed of decision making in such cases, it is recommended that approval to acquire (using CPO powers if necessary) such sites and empty homes is delegated to the Strategic Director Economy and the Cabinet Member for Housing and Homes. Such acquisitions will be guided by the following criteria –
- Financial viability – a business case demonstrating that the proposed development is financially viable over a 30 year period;
 - Strategic fit – ensuring that the development of new homes in the location fits with the Council's priorities;
 - Availability of funding – all proposals will be subject to funding being available (including for the development of any empty sites acquired);
 - Maximising the benefits to local communities – ensuring that sites which blight neighbourhoods are developed.
 - Evidence that owners have been given reasonable opportunities to bring their site or property back into use.
 - ensuring that in each case, before CPO is authorised, the guidance contained in the Department for Communities and Local Government's CPO Guidance are met (see Appendix 1)

Following acquisition by the Council, owners are entitled to full compensation as required by statute.

6. Evaluation of alternative option(s):	
6.1	Option 1 - Do Nothing – under this option the Council would take no action to acquire vacant privately owned sites and empty homes. The consequence of this course of action would be a that the Council would be unable to increase the number of new homes that it provides, and a failure to deal with those privately owned sites and empty homes which blight local neighbourhoods, and a lost opportunity to generate additional Council Tax income for the Council.
6.2	Option 2 - Acquire sites and empty homes on a voluntary basis only without use of CPO powers – this option would enable the acquisition of a lesser number of sites for the BMHT programme as it is dependent on a willing seller, but is unlikely to deal with the issue of vacant sites and empty homes.
7. Reasons for Decision(s):	
7.1	The proposals set out in this report will enable the Council to further increase the scale of its new build programme through the BMHT in order to increase housing supply to meet the needs of a growing city.
Signatures	
Cabinet Members	<u>Date</u>
Councillor Peter Griffiths
Cabinet Member for Housing and Homes	
Councillor John Clancy	
The Leader
Chief Officer	
Waheed Nazir	
Strategic Director of Economy
List of Background Documents used to compile this Report:	
Birmingham Development Plan Council Business Plan and Budget 2016+ Housing Prospectus 2015 Intelligence, Strategy and Prioritisation Data	
List of Appendices accompanying this Report (if any):	
1. The case for CPO	

The Case for CPO

DCLG Guidance on compulsory Purchase Process October 2015 provides advice to acquiring authorities in the preparation and submission of compulsory purchase orders and the matters that the Secretary of State can be expected to take into consideration when reaching a decision on whether to confirm an order. All of these requirements will need to be met in each case before a CPO can be authorised for either an empty property or a vacant/undeveloped site

A CPO should only be made

1. where there is a compelling case in the public interest. Each case will need to be examined individually, however bringing vacant homes back into use, and bringing forward housing development schemes on undeveloped sites (thereby ensuring that sufficient homes are provided to meet the needs of the city's citizens) are clearly capable of being in the public interest.
2. the Council should be sure that the purposes for which the CPO is made justify interfering with the human rights of those with an interest in the land affected. The Secretary of State confirming the order will take a balanced view between the intentions of the acquiring authority, the concerns of those with an interest in the land affected and the wider public interest. Each case will need to be examined individually, and CPO will only be authorised where the Council has balanced the various interests but considers that the use of compulsory purchase powers in that case is justified.
3. the Council should have a clear idea of how it intends to use the land which it is proposing to acquire. In respect of empty property CPOs that come forward, the Council may either retain the properties within its own housing stock, or auction them with a covenant that the new owner brings them back into use. In respect of undeveloped/vacant sites CPOs that come forward – the Council will obtain planning permission for housing development on the site (or make use of any existing planning permission) which is the subject of the CPO
4. resources are likely to be available within a reasonable time-scale to deliver the proposals - the Council has the funding available to fund the acquisition of empty homes and undeveloped sites. Details of the funding available for the specific CPO will be provided prior to the decision to authorise a CPO for a specific site or property.
5. the Council should show that the scheme is unlikely to be blocked by any impediments to implementation. Planning consent for residential use will likely already exist for empty properties and in the case of vacant sites will be sought for housing development if a suitable planning consent does not already exist.
6. CPO should be a last resort. CPO will only be sought after attempts to contact the owner and/or encourage them to bring the property/site back into use themselves have failed. The Council will endeavour to negotiate voluntary acquisition of a property or site, rather than acquire by CPO. Negotiations will continue after the CPO is made, and where an owner has credible evidence that they will bring the property back into use themselves, in an acceptable timescale, the Council may enter legal agreements or undertakings with the owner giving them opportunity to do so.
7. The CPO should only be made if it will provide qualitative or quantitative housing gain.
8. The CPO should be in accordance with national and local planning policy.
9. When using section 226 (1) (a) Town & Country Planning Act 1990 to justify CPO, the acquiring authority must not exercise the power unless they think that the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has administrative responsibility

COMPULSORY PURCHASE - THE HUMAN RIGHTS ACTS 1998 AND THE EUROPEAN CONVENTION ON HUMAN RIGHTS

Section 6 Human Rights 1998 Act prohibits public authorities from acting in a way that is incompatible with the European Convention on Human Rights ("The Convention.") There are 2 main articles of The Convention, which are applicable to the recommendations in this report.

ARTICLE 8

1. "Everyone has the right to respect for private and family life, his home and his correspondence."
2. "There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others."

ARTICLE 1 of the FIRST PROTOCOL

"Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law."

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties. "

Guidance

Article 8 applies where a local authority is considering disturbing residents' private and family lives and removing them from their homes. It may also be relevant where residents who, although not directly affected by removal or dispossession, suffer significant disruption to their lives as a consequence of the authority's actions.

Article 1 of the First Protocol applies where a local authority is considering the use of CPO powers to acquire private interests, and where it is proposing to dispossess residents of their homes.

The approach to be taken to give effect to rights under The Convention is also reflected in paragraph 12 of DCLG guidance on Compulsory Purchase Process October 2015:- "A Compulsory Purchase Order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which the Compulsory Purchase Order is made justify interfering with the human rights of those with an interest in the land affected. Particular consideration should be given to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention".

The European Court of Human Rights has recognised in the context of Article 1 of the First Protocol that "regard must be had to the fair balance that has to be struck between the competing interests of the individual and of the community as a whole", i.e. compulsory purchase must be proportionate. Both public and private interests are to be taken into account in the exercise of the Council's powers. Similarly, any interference with Article 8 rights must be "necessary in a democratic society" i.e. the proposed interference must be necessary. In pursuing a CPO, the Council has to carefully consider the balance to be struck between individual rights and the wider public interest having regarded also the availability of compensation for compulsory purchase.

Consideration of Human Rights Issues

Article 8(1) provides that everyone has the right to respect for his/her property but Article 8(2) allows the State to restrict the rights to respect for the property to the extent necessary in a democratic society and for certain listed public interest purposes e.g. public safety, economic well-being, protection of health and protection of the rights of others.

In considering Articles 8 and Article 1 of the First Protocol of The Convention in the context of dispossession and compulsory purchase, it is necessary to answer the following:

1. Does a right protected by these Articles apply?
2. Is the interference in accordance with law?
3. Does the interference pursue a legitimate aim?
4. Is the interference necessary in a democratic society?

Does a right protected by these Articles apply?

ARTICLE 1 of the FIRST PROTOCOL

“Every natural or legal person is entitled to the peaceful enjoyment of his possessions...”

Clearly the dispossession of an owner of their property through CPO (and if relevant enforced rehousing) will impinge on this right. Also, as a tenancy is a possession under this provision, the rights of tenants must be taken into consideration. The Council must therefore consider all the possible justifications for this interference as detailed in considerations (b), (c) and (d) set out below.

ARTICLE 8

Article 8.1 provides that everyone has the right to respect for his/her private and family life, home and correspondence. Article 8.2 allows the State to restrict these rights to respect to the extent necessary in a democratic society and for certain listed public interest purposes.

The essence of this right lies in the concept of respect for the home as a right to privacy, in the same context as private and family life and correspondence. Article 8.1 does not concern itself with the person's right to the peaceful enjoyment of their home as a possession; this is dealt with under Article 1 of the First Protocol.

Clearly Article 8 does apply and therefore it is necessary for the Council to consider the possible justifications for the interference (Article 8(2)) as follows:

Is the interference in accordance with law?

There is a clear legal basis for making the CPO under the Housing Act 1985.

Does the interference pursue a legitimate aim?

The CPO is necessary to ensure the supply of sufficient homes to meet the needs of a growing city.

Is the interference necessary in a democratic society?

This requires a balanced judgement to be made between the public interest and the rights of individuals, and the rights and freedoms of others.

Conclusion

The Council has considered the effect of the above articles of The Convention and decided that, on balance, it is in the general public interest and of benefit to the community to make the CPO over and above the interest of the individuals affected.

Interference with Convention rights is considered by the Council to be justified. The Council in making this Order has had particular regard to meeting the alternative housing needs of the affected households, and the rights of individuals to compensation in accordance with the Land Compensation Act 1973 (as amended.) and the Land Compensation Act 1961 and Compulsory Purchase act 1965 is considered to be both necessary and proportionate in that the land to be acquired is the minimum to achieve this Scheme's objectives

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR FOR ECONOMY
Date of Decision:	20th September 2016
SUBJECT:	LARGE LOCAL MAJOR SCHEMES FUND: BROMFORD GYRATORY
Key Decision: Yes	Relevant Forward Plan Ref: 002347/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor Stewart Stacey – Cabinet Member for Transport and Roads Councillor Majid Mahmood – Cabinet Member for Value for Money and Efficiency
Relevant O&S Chairman:	Councillor Zafar Iqbal – Economy, Skills and Transport Councillor Mohammed Aikhlaq – Corporate Resources and Governance
Wards affected:	Hodge Hill, Nechells and Tyburn

1.	Purpose of report:
1.1	In the March 2016 Budget, the Chancellor announced that the Government would begin inviting bids (from Local Enterprise Partnerships) for schemes from the £475m Large Local Major Schemes Fund (LLMSF) for the period 2016/17 to 2020/21, with the acknowledgement that some schemes may require funding beyond 2020/21. The aim of the LLMSF is to support exceptionally large and potentially transformative local schemes that are too big to be funded through Local Growth Fund allocations and could not otherwise be funded. Guidance issued by the Department for Transport (DfT) set out that bids could either be for development costs to produce an outline business case (OBC) or the construction of a scheme if an OBC had already been prepared.
1.2	This report sets out details of a bid to the LLMSF for £1.35m of development funding (towards a total development funding requirement of £1.55m) made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) on behalf of the Council for major improvements to Bromford Gyratory in the east of the city. In addition, it sets out next steps, timescales and future governance arrangements in the event of funding being awarded.

2.	Decision(s) recommended:
2.1	That Cabinet: Notes the bid, provided as Appendix A to this report, to the Large Local Major Schemes Fund made by the Greater Birmingham and Solihull Local Enterprise Partnership on behalf of the Council for £1.35m to develop an outline business case for improvements to Bromford Gyratory.
2.2	Delegates grant acceptance in the case of a successful bid to the Assistant Director Transportation and Connectivity in conjunction with the Strategic Director Finance and Legal.
2.3	Authorises the Assistant Director Transportation and Connectivity, in the case of a successful bid, to expend grant funding up to £1.35m and place orders with relevant consultants in accordance with Standing Orders and the Council's Procurement Governance Arrangements.
2.4	Notes that a Project Definition Document will be prepared in accordance with the Council's Gateway and Related Financial Approval Framework ahead of any outline business case submission to Government.
2.5	Authorises the Acting City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

Lead Contact Officer(s):	Phil Edwards – Head of Growth and Transportation
Telephone No:	0121 303 7409
E-mail address:	Philip.edwards@birmingham.gov.uk

3. Consultation	
3.1	<p><u>Internal</u></p> <p>Consultation has been undertaken with the Leader, Deputy Leader, Strategic Director Finance and Legal, Assistant Director Regeneration and Assistant Director Transportation and Connectivity who support the proposals contained within this report. Issues at Bromford Gyratory are a concern for local councillors who have been advised of the bid content.</p>
3.2	<p>Officers from City Finance, Procurement and Legal and Democratic Services have been involved in the preparation of this report.</p>
3.3	<p><u>External</u></p> <p>The bid documentation was prepared in partnership with the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP), with formal written support received from the West Midlands Combined Authority (WMCA), Members of Parliament for Erdington, Hodge Hill and Ladywood, Highways England, National Express and Jaguar Land Rover.</p>

4. Compliance Issues:	
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p>
4.1.1	<p>Improvements to Bromford Gyratory align with the Council's Birmingham Connected Transport Strategy and the Birmingham Development Plan (BDP) and will support safe and sustainable travel, with resultant benefits of reducing road congestion, improving the environment and improving health and well-being. These objectives are embedded within the Council Business Plan and Budget 2016+. Proposals are also consistent with the HS2 Growth Strategy and the GBSLEP Strategy for Growth.</p>
4.1.2	<p>Birmingham Business Charter For Social Responsibility: The framework providers on the West Midlands Transportation Professional Services Framework Agreement are certified signatories to the Charter. The recommended supplier for each area of professional services will be required to commit to actions proportionate to the value of the contract awarded.</p>
4.2	<p><u>Financial Implications (Will decisions be carried out within existing finance and Resources?)</u></p>
4.2.1	<p>The total estimated development funding requirement is £1.55m. In the event of a successful bid for £1.35m, LLMSF resources will be provided as capital grant under Section 31 of the Local Government Act 2003 to the Council as 'Accountable Body' for GBSLEP. A subsequent 'Service Level Agreement' will be required to secure resources in a Council scheme promoter capacity. A grant funding profile of £0.850m has been requested in 2017/18 and £0.500m in 2018/19 working on the basis of a funding approval in the November 2016 Autumn Statement.</p>
4.2.2	<p>The Council has also committed as part of the bid to provide a £0.200m local contribution to support the preparation of an outline business case, which meets normal DfT requirements of between 10 and 20%. This funding consists of Integrated Transport Block capital resources and HS2 revenue grant, with expenditure incurred during 2015/16 and 2016/17 eligible in this respect. This expenditure has already been approved under Chief Officer delegation.</p>
4.2.3	<p>As shown in the bid documentation the estimated capital cost of major improvements to Bromford Gyratory is £83.470m. This cost will be refined as proposals develop as part of preparing an outline business case submission to Government. Approval to this business case will be sought from Cabinet before its submission.</p>
4.2.4	<p>There are no HR implications or ongoing revenue costs associated with this report.</p>
4.3	<p><u>Legal Implications</u></p>
4.3.1	<p>The relevant primary legislation required to implement improvements at Bromford Gyratory comprises the Highways Act 1980; Road Traffic Act 1974; Road Traffic Regulation Act 1984; Traffic Management Act 2004; Town and Country Planning Act 1990 and Planning and Compulsory Purchase Act 2004.</p>
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4.3.2	Pre-Procurement Duty under the Public Service (Social Value) Act 2012: Consideration of whether to undertake a consultation exercise was discussed during the planning stage and it was agreed that this would not be required as tenderers will be asked how their bid addresses social value as part of the evaluation and no additional stakeholder consultation was required. This consideration also included how this procurement exercise might improve the social and economic well-being of the city and will be addressed by evaluating social value
4.4	Public Sector Equality Duty (see separate guidance note)
4.4.1	An initial screening for an Equality Assessment (EA) has been undertaken and has concluded that a full EA is not required, with no adverse impacts on protected groups. The initial screening EA001411 is provided as Appendix B to this report.

5.	Relevant background/chronology of key events:
5.1	In the March 2016 Budget, the Chancellor announced that the Government would begin inviting bids from Local Enterprise Partnerships (LEPs) for schemes from the £475m Large Local Major Schemes Fund (LLMSF) for the period 2016/17 to 2020/21, with the acknowledgement that some schemes may require funding beyond 2020/21. The aim of the LLMSF is to support exceptionally large and potentially transformative local schemes that are too big to be funded through Local Growth Fund allocations and could not otherwise be funded.
5.2	Guidance issued by the Department for Transport (DfT) set out that bids could either be for development costs to produce an outline business case (OBC) or the construction of a scheme if an OBC had already been prepared. The guidance did not set out hard eligibility criteria for applications; however, decisions will be strongly based upon the following factors: the size of the scheme relative to the size of the LEP; the indivisibility of a scheme; the availability of other local funding; and the ability of schemes to be progressed and prioritised through other Government funding. From a GBSLEP and Council perspective these factors in essence determine that any scheme proposal would have to have a capital cost in excess of £75m and not be deliverable through the WMCA devolution deal.
5.3	Bromford Gyratory is located on the Key Route Network (KRN) as defined by the WMCA at the intersection of A4040 Bromford Lane and A47 Fort Parkway. The A47 Fort Parkway was opened in the late 1990's as new road construction and effectively links junction 5 of the M6 with Birmingham city centre through the east of the city. The A47 Fort Parkway also intersects with the A452 Chester Road adjacent to the Jaguar Land Rover factory at Castle Bromwich, where the Chester Road major scheme funded by the DfT has recently been completed. In addition, the route is used as a major link out towards Birmingham Airport, the NEC and development proposals at UK Central relating to the HS2 Interchange station.
5.4	In the context of the Strategic Road Network (SRN), the A47 and Bromford Gyratory play a vital role in relieving congestion on the Birmingham Motorway Box, offering an alternative route into and out of Birmingham between junctions 4 and 6 of the M6. The A47 also serves as a formal diversionary route for the M6 as defined by Highways England. This is particularly relevant considering the ongoing requirement for major maintenance on elevated sections of the M6 and substantial repairs that have required the closure of junction 6 (Spaghetti junction). Additionally the route will support major maintenance works to the A38 (M) Aston Expressway provisionally funded through the Local Growth Fund in respect of diversions.
5.5	Bromford Gyratory is one of the most congested major junctions in Birmingham and the subject of significant numbers of complaints from businesses, local residents, public transport operators, local councillors and Members of Parliament. Congestion is identified as a challenge in the GBSLEP Strategic Economic Plan (SEP) and congestion on the M6 through the West Midlands and on the rest of the Motorway Box is identified by the Midlands Connect sub-regional study as a key corridor constraint.
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5.6	<p>With an existing daily throughput of 56,000 vehicles on an average weekday major works are required to significantly enhance the capacity of Bromford Gyratory and also support key public transport services, walking and increased levels of cycling in accordance with the Birmingham Connected Transport strategy. Improvements to Bromford Gyratory are complex (and costly) given that it is located directly beneath an elevated section of the M6 and above the Birmingham to Nottingham railway line and the River Tame. HS2 will also align in a tunnel beneath Bromford Gyratory, with the complexities and capacity issues of the gyratory a major factor in this decision by HS2 Ltd.</p>
5.7	<p>In the above context and also that of major growth detailed in the Birmingham Development Plan, GBSLEP Strategic Economic Plan and HS2 Growth Strategy, study work already commenced to look at access to the Washwood Heath development site/HS2 Rolling Stock Depot was utilised to develop initial options and costings for major improvements to Bromford Gyratory and subsequently feed into an application for development funding from the LLMSF. Further scheme details are provided in Appendix A to this report setting out a major £83.470m project for further development.</p>
5.8	<p>As stated above, bids were required to be submitted to the DfT by LEPs with the support of the relevant delivery authority. The bid for Bromford Gyratory covering strategic, economic, financial and management cases was submitted by GBSLEP on the 28th July 2016 at the same time as a submission for Local Growth Fund 3 resources. It should be noted that Council proposals included within the Local Growth Fund 3 bid will be the subject of a separate executive reports. Additionally it should be noted that no other schemes offered the strategic fit of Bromford Gyratory, nor met the minimum scheme size set out in the DfT guidance.</p>
5.9	<p>In terms of next steps the DfT are evaluating LLMSF bids over the summer period, with a view to announcing successful applications and funding awards in the Autumn Statement. Such awards will be announced alongside Local Growth Fund 3 allocations to individual LEPs. It is expected that funding will be provided to LEPs directly and that relevant funding or service level agreements will be needed with scheme promoters.</p>
5.10	<p>In the event of the Bromford Gyratory bid being successful it is proposed that the Assistant Director Transportation and Connectivity in conjunction with the Strategic Director Finance and Legal is delegated authority to accept any relevant grant offer from the DfT (via GBSLEP), with the Assistant Director Transportation and Connectivity authorised to expend grant and place orders with necessary consultants needed to support the development of an outline business case. The latter will be subject to competition exercises in accordance with Standing Orders and full compliance with the Council's Procurement Governance Arrangements following the protocol of the West Midlands Professional Services Framework the Council's approved route for professional services of this type. Key work tasks required to produce the outline business case include: transport, geotechnical, structural and topographical surveys (£200,000); land referencing (£50,000); strategic transport modelling (£350,000); options development (£300,000); transport appraisal (£200,000); consultation (£50,000); business case materials and strategic, economic, financial, delivery and management cases (£150,000); and traffic management requirements (£50,000). The £0.200m local contribution represents design development work already undertaken and approved under Chief Officer Delegation.</p>
5.11	<p>Assuming that development funding is confirmed in the 2016 Autumn Statement it is anticipated that that an OBC will be submitted to Government in October 2018. Ahead of this submission a Project Definition Document report will be brought to Cabinet for approval, with full public consultation undertaken. Further key milestones would see construction commence in January 2021 and scheme completion in January 2023. These dates will be refined as detailed feasibility work progresses.</p>
5.12	<p>Given the competitive nature of the LLMSF the Council will be well placed to resubmit the OBC to future funding rounds should the bid be unsuccessful this time, as detailed scheme proposals and business case work will already be complete and available.</p>
5.13	<p>It should be noted that limited improvements are planned to Bromford Gyratory over the next 12 months to increase capacity and improve traffic flows in the short term. These improvements will be reported separately and are funded from capital resources provided through the Local Growth Fund (round one).</p>
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6. Evaluation of alternative option(s):	
6.1	Do not seek development funding from the LLMSF. This option is not recommended as the Council does not have alternative means to develop an OBC for major improvements to the Bromford Gyratory.

7. Reasons for Decision(s):	
7.1	To note the bid, provided as Appendix A to this report, to the Large Local Major Scheme Fund made by the Greater Birmingham and Solihull Local Enterprise Partnership on behalf of the Council for £1.35m to develop an outline business case for improvements to Bromford Gyratory.
7.2	To delegate grant acceptance in the case of a successful bid to the Assistant Director Transportation and Connectivity in conjunction with the Strategic Director Finance and Legal.
7.3	To authorise the Assistant Director Transportation and Connectivity in the case of a successful bid to expend grant funding up to £1.35m and place orders with relevant consultants in accordance with Standing Orders and the Council's Procurement Governance Arrangements.
7.4	To note that a Project Definition Document will be prepared in accordance with the Council's Gateway and Related Financial Approval Framework ahead of any outline business case submission to Government.
7.5	To authorise the Acting City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

Signatures	<u>Date</u>
Cllr Stewart Stacey – Cabinet Member for Transport and Roads
Cllr Majid Mahmood – Cabinet Member for Value for Money and Efficiency
Waheed Nazir Strategic Director for Economy

List of Background Documents used to compile this Report:	
1	Council Business Plan and Budget 2016+
2	Birmingham Connected Transport Strategy
3	Birmingham Development Plan
4	HS2 Growth Strategy
5	Large Local Major Schemes Fund Guidance

List of Appendices accompanying this Report (if any):	
1.	Funding Application for Scheme Development Costs for Bromford Gyratory – Appendix A
2.	Equalities Assessment Initial Screening – Appendix B

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) Age (b) Disability (c) gender reassignment (d) pregnancy and maternity (e) Race (f) religion or belief (g) Sex (h) sexual orientation

Large Local Major Transport Schemes

Application for Scheme Development Costs – Main Round

Scheme Name	Bromford Gyratory
Lead LEP	Greater Birmingham and Solihull
Other supporting LEPs <i>(if applicable - see 2.4 below)</i>	Black Country LEP Coventry and Warwickshire LEP
Promoting Authority	Birmingham City Council
Is this an update of a bid that was unsuccessful in the fast track round	N

1. Introduction

1.1 Description

Please describe the scheme (and attach a map if available)

Bromford Gyratory is located on the Key Route Network (KRN) as defined by the West Midlands Combined Authority (WMCA) at the intersection of A4040 Bromford Lane and A47 Fort Parkway (location plan provided as Appendix A). The A47 Fort Parkway, a former Annex E project, was opened in the late 1990's as new road construction and effectively links junction 5 of the M6 with Birmingham city centre through the east of the city. The A47 Fort Parkway also intersects with the A452 Chester Road adjacent to the Jaguar Land Rover factory at Castle Bromwich, where the Chester Road major scheme funded by the Department for Transport (DfT) has recently been completed. In addition, the route is used as a major link out towards Birmingham Airport, the NEC and development proposals at UK Central relating to the HS2 Interchange station. As such, it has strategic significance for GSBLEP and the WMCA.

In the context of the Strategic Road Network (SRN), the A47 and Bromford Gyratory play a vital role in relieving congestion on the Birmingham Motorway Box, offering an alternative route into and out of Birmingham between junctions 4 and 6 of the M6. As shown in Appendix B the A47 also serves as a formal diversionary route for the M6 as defined by Highways England. This is particularly relevant considering the ongoing requirement for major maintenance on elevated sections of the M6 and substantial repairs that require the closure of junction 6 (Spaghetti junction). Additionally the route will support major maintenance works to the A38 (M) Aston Expressway provisionally funded through the Local Growth Fund in respect of diversions.

Bromford Gyratory is one of the most congested major junctions in Birmingham and the subject of the greatest number of complaints from businesses, local residents, public transport operators, local councillors and Members of Parliament. Congestion is identified as a challenge in the GBSLEP Strategic Economic Plan (SEP) and congestion on the M6 through the West Midlands and on the rest of the Motorway Box is identified by Midlands Connect as a key corridor constraint.

With an existing daily throughput of 56,000 vehicles on an average weekday major works are required to significantly enhance the capacity of Bromford Gyratory and also support key public transport services, walking and increased levels of cycling in accordance with the Birmingham

Cycle Revolution funded by the DfT as part of its Cycle City Ambition programme.

Improvements to Bromford Gyratory are complex (and costly) given that it is located directly beneath an elevated section of the M6 and above the Birmingham to Nottingham railway line and the River Tame. HS2 will also align in a tunnel beneath Bromford Gyratory, with the complexities and capacity issues of the gyratory a major factor in this decision by HS2 Ltd.

Bromford Gyratory enables significant growth opportunities in the GBSLEP and WMCA area:

- **HS2** – Supports the two stations in GBSLEP, Curzon and Interchange. The site is adjacent to core employment land at Washwood Heath. In addition the site has been identified by HS2 Ltd as the preferred location for the **HS2 Rolling Stock Maintenance Depot (RSMD)** to serve the planned high speed rail network and will also have a function as a construction centre for the new rail line creating more than 500 jobs. HS2 Ltd has identified a number of high-level depot requirements, one of which is that the depot will require good road access and connectivity to arterial routes for the delivery of spare parts and consumables. The Washwood Heath site's close access to the A4040 and A47 Fort Parkway, with nearby connections to the SRN, will need to fulfil this requirement.
- The Washwood Heath site therefore has a key role in realising the **HS2 Growth Strategy**. Residual land will be available on the site for development upon completion of the HS2 construction phase, with the potential for a business park creating up to 3,000 jobs. A detailed access strategy is being completed for the site, which looks at the transport impacts of the potential developments in a cumulative and holistic manner and maximises growth and jobs.
- The **Jaguar Land Rover** advanced manufacturing facility at Castle Bromwich is benefiting from circa £400m investment to support the production of new models, including the award winning Jaguar F-type. In late 2015 JLR announced further expansion, to include the erection of 2 new storage / logistics buildings with associated works with additional gross floorspace proposed as 33,303m², creating up to 415 jobs. JLR has also recently increased the size of its staff car parking provision and has introduced an additional shift at the assembly plant.
- The proposed improvements, whilst benefiting a large part of East Birmingham would also play a role in the wider transport network across much of the West Midlands. Routes through Bromford Gyratory including the A47 running east-west form key diversionary routes in times of planned works or disruption to the adjacent **M6 Motorway**, and the **nearby A38 (M)**. This will become even more important during the forthcoming **GBSLEP Growth Deal** scheme to strengthen the **A38 (M) Tame Valley Viaduct**, and future **Highways England** planned improvements to the Motorway Box.
- The **Midlands Engine** for Growth Prospectus states that connectivity across the Midlands is essential for supporting and attracting businesses as well as highly skilled workers. The Midlands strategic road and rail networks including the M6 are all of national importance. They are used to transport people and goods across the Midlands as well as across the country. It is suggested that improvements to this junction are therefore of regional and national importance as well as local. Congestion on the M6 through the West Midlands, and on the rest of the Motorway Box, is identified by **Midlands Connect** as a key corridor constraint.

- The **West Midlands Combined Authority**'s priority is that the resulting transport network should enable the efficient movement of goods to help businesses to connect to supply chains, key markets and strategic gateways. Improvements to this junction should also therefore contribute to the objectives of Transport for the West Midlands (TfWM), Black Country LEP and Coventry & Warwickshire LEP

Currently, this section of the network is underperforming, with road users experiencing severe delays and unreliable journey times. This project would form the second phase of a two-phase package looking to deliver improvements to Bromford Gyratory; the first phase (funded by GBSLEP from LGF1) would deliver short-term improvements to the traffic signals, signing & lining and other minor layout changes.

This major scheme would:

- Provide increased capacity for all modes;
- Improve journey time reliability;
- Reduce existing congestion that acts as a major barrier to growth both in Birmingham and throughout the West Midlands;
- Support sustainable transport by retaining existing pedestrian facilities at the junction thereby allowing pedestrian access to/from the Washwood Heath development site and the Bromford Estate on the opposite (east) side of the A4040;
- Allow for cycling movements across the junction as a key link between Bromford and Erdington and between those places and the Washwood Heath development site, including proposals through the Birmingham Cycle Revolution; and
- De-risk major development opportunities in the area and support existing large businesses including Jaguar Land Rover.

The benefits will be realised by remodelling Bromford Gyratory by creating two smaller at grade roundabouts, introducing new slip roads, creating new structures, increasing the number of lanes on Bromford Lane to the North, reducing the number of signals and optimising traffic signal timings (see Appendix C).

It is anticipated the cost of the project could be in the region of £80-85m taking into account structures, land, significant traffic management requirements and the overall complexities outlined. Scheme development costs of £1.35m are needed to take the project to Outline Business Case stage.

2. Strategic Case

2.1 Problem Identification

Please describe the problem that the scheme is designed to solve. Please illustrate with evidence and provide hyperlinks to any online material

The **Midlands Engine** for Growth Prospectus states that connectivity across the Midlands is essential for supporting and attracting businesses as well as highly skilled workers. Congestion on the M6 through the West Midlands and on the rest of the Motorway Box is identified by **Midlands Connect** as a key corridor constraint. It is suggested that improvements to Bromford Gyratory are therefore of regional and national importance as well as local.

The WMCA's Strategic Economic Plan shows how the West Midlands will use devolved powers

and resources to deliver a stronger West Midlands, with a focus on skills, innovation, transport and inward investment. In particular the West Midlands' great rail, road and air links give the area a significant competitive edge, however, improvements such as those to Bromford Gyratory will be essential in maintaining this position.

The HS2 Growth Strategy sets out the opportunities that the arrival of HS2 affords the region. It aims to leverage the benefits delivered by HS2 to drive local growth on a nationally-significant scale over and above the construction of HS2. As many as 2,000 apprenticeship opportunities will be created by HS2, and there will be around 25,000 people employed during construction. HS2 will support growth in the wider economy and it is predicted that this could lead to an additional 400,000 jobs.

The two HS2 stations, Curzon and Interchange create the opportunity for more than 52,000 jobs and £1.25 billion in GVA per year. The HS2 RSMD at Washwood Heath will create over 500 jobs, however, investment is needed at Bromford Gyratory to ensure that the high-level depot requirements for good road access and connectivity are met and opportunities for the wider region are realised.

The GBSLEP SEP seeks to harness the transformational potential of HS2 and recognise that with an associated package of local transport investments, HS2 provides the opportunity to dramatically transform East Birmingham and North Solihull, two areas of long-standing deprivation. HS2 will also further enhance Greater Birmingham's attractiveness as an investment location, for example, Birmingham Airport has huge potential and the ability to open up access to key international markets for thousands of the region's businesses, and will be significantly bolstered by HS2 bringing 35m people within two hours travel. To deliver this growth a package of investment is needed with funding for Bromford Gyratory forming a key ask in GBSLEP's Local Growth Fund 3 proposals.

Birmingham's population is set to grow by 150,000 by 2031, creating a need for more than 50,000 new homes and 100,000 jobs. The east of the city has the potential to accommodate a significant amount of physical growth, complementing the growth in the city centre and at UK Central, and to do so in a way which also maximises benefits for existing communities.

The Birmingham Development Plan (BDP) will set out the statutory framework to guide decisions on development and regeneration in Birmingham up to 2031. The Bromford Corridor was recognised as a part of a key movement axis between the city centre and North and East Birmingham linking two distinct employment centres - professional, retail and leisure jobs in Birmingham city centre, with a greater proportion of manufacturing and wholesale jobs in the Bromford Industrial Corridor.

Bromford Gyratory was identified as a major constraint to the BDP examined in public in 2014, with the junction predicted to be at over-capacity by 2031 (BDP, Transport Evidence Base - Stage 3 Transport Modelling Assessment Initial Output Report, 2014), and increases of 700 person trips per peak hour on this corridor are expected (BDP, Transport and Infrastructure Evidence Base and Strategy, June 2014).

Public transport improvements are proposed as one of the main mitigations for increased travel flows to the city centre and into the Bromford Industrial Corridor (Birmingham Eastern Fringe Bus Study, 2014). Public transport will play a supporting role to walking and cycling, which are the main mitigation for short-distance trips. Alongside this, investment in Bromford Gyratory is needed to facilitate access to the railway network, as well as increasing vehicular capacity on key

arterial routes to sustain reliable travel times for business travel, goods traffic and bus services.

Despite numerous interventions over the past decade, East Birmingham continues to have an employment rate that is too low, high levels of worklessness, deprivation and child poverty and low levels of skills whilst other parts of Birmingham have demonstrated improvement. Measures to address these issues, and to improve skills and employability, must be matched with available and accessible jobs. Improvements to connectivity which will allow better access to jobs, and growth which will create new jobs and raise aspirations will be important. Improvements to Bromford Gyratory are seen as unlocking the wider potential of the area.

The junction has also been identified as a significant priority for improvement in the East Birmingham Prospectus (Birmingham City Council, February 2015 <http://www.birmingham.gov.uk/ebprospectusforgrowth>), with improvements needed to assist in managing congestion and allow better access to the city centre and better links with East Birmingham. There are also some significant opportunities for housing development in East Birmingham as the area has the potential to accommodate some 3,500 new homes over the next 10 years.

Land at Washwood Heath is located in one of the most deprived wards in the country and is identified as core employment land and a focus for economic regeneration and jobs. Within the context of the strategic East Birmingham Prospectus for Growth, there is a need to take forward more detailed activity to progress employment creation at this site through a 'masterplan', which improvements to Bromford Gyratory via a wider Access Strategy for the Washwood Heath site will play a key role in.

The Washwood Heath Access Strategy (WHAS) provides a detailed plan for land at Washwood Heath (approximately 64 hectares) comprising a number of commercial and industrial sites owned by a range of landowners. The WHAS focuses on the key transportation links in the vicinity of the site in terms of traffic movements, operation of key junctions and corridors and investigates local public transport links and opportunities for active travel modes.

The WHAS identifies a number of access challenges for the site. In particular, with the bridge link into the site from the A47 being removed as part of HS2's proposals, access needs to be carefully considered in terms of routes from Washwood Heath Road, Drews Lane and Bromford Lane. In addition, there are key interfaces with adjoining residential areas, whilst the severe capacity issues exist at Bromford Gyratory (a key transport gateway to the site) need to be addressed.

Investment is needed to de-risk major development opportunities in the area and support existing large businesses and employers including Jaguar Land Rover, GKN, Royal Mail and Alcoa.

Approximately 25% of the jobs in the city are located in East Birmingham and nearly 40% of all manufacturing jobs. The advanced manufacturing sector and particularly the automotive sector is important in the area. Over 3,000 people are employed at Jaguar Land Rover in Castle Bromwich.

The Jaguar Land Rover advanced manufacturing facility at Castle Bromwich is benefiting from circa £400m investment to support the production of new models including the award winning Jaguar F-Type. This will drive local growth as supply chain opportunities are captured.

The site is home to some of the world's most advanced aluminium body construction facilities and almost 340 body construction robots. On site are body shops, paint and final assembly lines for all models, as well as a press shop which operates 24 hours a day.

In late 2015 JLR announced further expansion, to include the erection of 2 new storage / logistics buildings with associated works with additional gross floorspace proposed as 33,303m², creating up to 415 jobs. JLR has also recently increased the size of its staff car parking provision and has introduced an additional shift at the assembly plant.

Many of the supply chain opportunities from Jaguar Land Rover have been successfully captured locally. Further opportunities within the automotive and advanced manufacturing supply chain make this area an attractive place to locate. The proposed improvements at Bromford Gyratory will enable the major development opportunities to be de-risked.

Alongside anticipated growth in the area, further demand will be created from forthcoming GBSLEP Growth Deal schemes to strengthen the A38 (M) Tame Valley Viaduct, and future improvements to the Motorway Box. The cumulative effect of this additional traffic demand will likely result in the Highways England SRN diversion routes becoming less robust in future years as demand increases without suitable provision locally. As such improvements to Bromford Gyratory will provide wider-network resilience.

2.2 Option development

Please describe what option development work has been done to date or is planned during 2016/17, and reference with hyperlinks or attachments. In particular, illustrate why alternative/lower cost/phased options have been ruled out.

Have any of the following documents been produced? (If Y please attach to this bid)

<i>Option Appraisal Report (OAR)</i>	<i>Y</i>
<i>Appraisal Specification Report (ASR)</i>	<i>N</i>
<i>Strategic Outline Business Case (SOBC)</i>	<i>N</i>

Bromford Gyratory is one of the most congested major junctions in Birmingham and the subject of the greatest number of complaints from businesses, local residents, public transport operators, local councillors and Members of Parliament. Congestion is identified as a challenge in the GBSLEP Strategic Economic Plan (SEP) and congestion on the M6 through the West Midlands and on the rest of the Motorway Box is identified by Midlands Connect as a key corridor constraint.

HS2 Ltd has previously proposed to redesign the Bromford Gyratory as part of works to construct the HS2 route into Birmingham. This would have resulted in a new single bridge running north-south over the HS2 route and existing railway with signalised junctions at both ends. However, following concerns over costs, the level of risk and environmental impact this proposal has since been rejected by HS2 Ltd in favour of the HS2 route being aligned in a tunnel between Castle Bromwich Business Park, and the west side of Bromford Gyratory.

The Birmingham Development Plan will set out the statutory framework to guide decisions on development and regeneration in Birmingham up to 2031. Bromford Gyratory was identified as a major constraint to the BDP examined in public in 2014, with the junction predicted to be over-capacity by 2031 (BDP, Transport Evidence Base - Stage 3 Transport Modelling Assessment Initial Output Report, 2014).

As the construction of the HS2 route will now not include improvements to Bromford Gyratory, it is essential for the City Council as Highway Authority to take forward such improvements. Investment is needed to de-risk major development opportunities in the area and support existing

large businesses and employers including, Jaguar Land Rover and development opportunities in the area.

Short term measures have been explored and the first phase (funded by GBSLEP via LGF1) will deliver short-term improvements to the traffic signals, signing & lining, and other minor layout changes. However, it is considered that due to predicted long term traffic growth (both from developments at Washwood Heath and background growth on the Key Route Network) more extensive changes will ultimately be needed.

The Washwood Heath Access Strategy was commissioned by the HS2 Strategic Board to provide a detailed plan for the site (approximately 64 hectares) comprising the HS2 RSMD and employment land for 2,000-3,000 jobs. A baseline transport assessment has been constructed to examine current traffic interactions along the Bromford Corridor to inform the options development. A number of key locations are observed as having queues and there was congestion in the Northern half of the Bromford Gyratory both northbound and southbound.

The options considered here would form the second phase of a two-phase package looking to deliver improvements to Bromford Gyratory. Taking the existing site constraints into account, a number of medium term and longer term options to improve the Bromford Gyratory have been investigated (More information on the proposals is available in the full options report - see Appendix D).

- Option 1 – seeks to reduce the number of signals for all traffic movements by reducing the number of junctions and conflict points around the gyratory. This removes all traffic from the existing southbound bridge, using the existing northbound bridge across the railway as a 2-way dual carriageway.
- Option 2 – utilises the existing northbound bridge across the railway as a two way dual carriageway. In addition the existing southbound bridge accommodates a segregated southbound route for traffic from Bromford Lane north and Fort Parkway to the south.
- Option 3 – break ups the traffic flow on the gyratory by placing two roundabouts, one north and one to the south, at each end of the existing gyratory. The plan would allow for the junction to stay mostly within the existing highway boundaries.
- Option 4 - removes the southern roundabout in option 3 and expands the northern roundabout so that it would use up the currently unused land immediately to the north of the gyratory. The junction proposal would keep the existing Bromford Central access where it is but would remove any links south of the railway, between Heartlands Parkway and Bromford Lane South. This option would provide one large roundabout with increased road capacity instead of an elongated gyratory with signals.

More radical solutions such as re-routing traffic under the gyratory via a tunnel or over via a flyover were not considered in the context of deliverability and affordability.

The options have been tested against a set of traffic counts taken in October 2015 on and around the gyratory. These counts were increased using growth factors to establish the 2026 future year scenarios. Option 1 has been discounted because it does not relieve the gyratory of congestion nor significantly reduce it.

Options 2, 3, and 4 are all possible options to pursue. However more detailed design work is needed as part of as part of the Outline Business Case.

Option 4 shows the best results for relieving congestion and could be an option to pursue. However, the junction design has not been drawn up or tested in detail so results could differ with further analysis. If chosen, Option 4 would have to be a much longer term option for the gyratory as it would be significantly more expensive than the other options, and require significant land purchase.

It is anticipated the cost of the project could be in the region of £80-85m taking into account structures, land, significant traffic management requirements and the overall complexities outlined. Scheme development costs of £1.35m are needed to take the project to Outline Business Case stage.

It is considered that not proceeding with improvements to Bromford Gyratory would cause significant difficulties both for access to the Washwood Heath site and for users of the Key Route Network through much of the east of the city. Such a course of action is therefore not recommended.

Each scheme will be carefully optimised in due course to ensure that it provides best value for money in line with the WebTAG funding requirements set out by GBSLEP.

2.3 Alignment with LEP Strategic Economic Plan

Please illustrate how the proposal links with the aims of the SEP and the degree to which it would enhance the SEP. Please make any necessary cross reference to your bid for Growth Deal funding.

This proposal has strategic significance for Midlands Engine, WMCA and GBSLEP:

The **Midlands Engine** for Growth Prospectus states that connectivity across the Midlands is essential for supporting and attracting businesses as well as highly skilled workers. The Midlands strategic road and rail networks including the M6 are all of national importance. They are used to transport people and goods across the Midlands as well as across the country. It is suggested that improvements to this junction are therefore of regional and national importance as well as local. Congestion on the M6 through the West Midlands, and on the rest of the Motorway Box, is identified by **Midlands Connect** as a key corridor constraint.

The **West Midlands Combined Authority's** priority is that the resulting transport network should enable the efficient movement of goods to help businesses to connect to supply chains, key markets and strategic gateways. Improvements to this junction should also therefore contribute to the objectives of Transport for the West Midlands (TfWM), Black Country LEP and Coventry & Warwickshire LEP.

The **GBSLEP SEP** seeks to harness the transformational potential of HS2 and recognises the importance of Washwood Heath in delivering the HS2 Growth Strategy. The SEP identifies a package of investment to unlock growth, enable access to jobs and employment land and de-risk investment in east Birmingham. As such, the Bromford Gyratory proposal forms a key ask in GBSLEP's Growth Deal proposals. This project would form the second phase of a two-phase package looking to deliver improvements to Bromford Gyratory; the first phase (funded by GBSLEP from Growth Deal One) will deliver short-term improvements to the traffic signals, signing & lining, and other minor layout changes.

2.4 Cross LEP support

If this bid has been endorsed by more than one LEP as an agreed priority over a multi-LEP area please confirm which LEPs (and any other bodies) support this bid and provide any further information on the strategic rationale.

Support and part funding for development work to date was approved by the West Midlands HS2 Strategic Board (as was) in 2015. This Board included representation from organisations part of the Greater Birmingham and Solihull LEP, Black Country LEP and Coventry & Warwickshire LEP, and the West Midlands Combined Authority (WMCA). Those organisations included Birmingham and Solihull Councils, West Midlands Integrated Transport Authority (as was, now Transport for West Midlands – TfWM), Greater Birmingham Chamber, and Birmingham Airport.

The proposed scheme plays an integral part in supporting the Midlands Engine as well as the WMCA's ambition for the growth of the area (see letter of support in Appendix E). The bid is aligned to the Strategic Transport Plan 'Movement for Growth' which provides an overall long term transport strategy to support growth and development.

This bid is also supported by Highways England (see letter of support in Appendix E) who recognise the vital role that the A47 and Bromford Gyratory plays in the context of the Strategic Road Network (SRN), in relieving congestion on the Birmingham Motorway Box, offering an alternative route into and out of Birmingham between junctions 4 and 6 of the M6. As shown in Appendix B the A47 also serves as a formal diversionary route for the M6 as defined by Highways England.

3. Economic Case

3.1 Value for money

Please summarise your current understanding of the likely costs and benefits of the scheme and reference any reports on this to date (please provide hyperlinks or attachments). If more than one option please detail the relative costs and benefits of each, if available. In doing so, please make clear the age and source of the underlying data and any assumptions.

At this stage development funding is being requested to undertake further work which will more specifically quantify the works required and their associated costs and benefits. The benefits of this project are predicted to include:

- Increased capacity for all modes;
- Improved journey times;
- Improved bus journey times and reliability;
- Improved traffic flow and reduced congestion;
- Reduction in Co2 emissions;
- Reduction in existing congestion that acts as a major barrier to growth both in Birmingham and throughout the West Midlands;
- Relieve congestion on the Birmingham Motorway Box and support to SRN in terms of diversionary route;
- Unlocking development opportunities, access to employment sites, jobs and growth; and
- De-risk major development opportunities in the area and support existing large businesses including Jaguar Land Rover.

The following options have been considered as mentioned previously in this bid.

Medium term

- This option contains left-turn filters and changes to the Bromford Gyratory. It is intended that measures will be split with between short and long term options. The benefits will need to be recalculated.

Long term

- Option 1 – seeks to reduce the number of signals for all traffic movements by reducing the number of junctions and conflict points around the gyratory. This removes all traffic from the existing southbound bridge, using the existing northbound bridge across the railway as a 2-way dual carriageway.
- Option 2 – utilises the existing northbound bridge across the railway as a two way dual carriageway. In addition the existing southbound bridge accommodates a segregated southbound route for traffic from Bromford Lane north and Fort Parkway to the south.
- Option 3 – break ups the traffic flow on the gyratory by placing two roundabouts, one north and one to the south, at each end of the existing gyratory. The plan would allow for the junction to stay mostly within the existing highway boundaries.
- Option 4 - removes the southern roundabout in option 3 and expands the northern roundabout so that it would use up the currently unused land immediately to the north of the gyratory. The junction proposal would keep the existing Bromford Central access where it is but would remove any links south of the railway, between Heartlands Parkway and Bromford Lane South. This option would provide one large roundabout with increased road capacity instead of an elongated gyratory with signals.

Four options have been tested against a set of traffic counts taken in October 2015 on and around the gyratory. These counts were increased using growth factors to establish the 2026 future year scenarios.

- Both the Medium Term and Long Term Option 3 showed better results against the Do Min, where a saving of 50 seconds and 87 seconds per vehicle are seen respectively. Improvements are most noticeable by reducing southbound journey times.
- The consistency of journey times was forecast to improve considerably as can be seen from the standard deviations – with reductions ranging up to 33 seconds standard deviation in the Do Minimum to less than 6 seconds in the long term option. This would produce more reliable journeys for travellers.

Option 1 has been discounted because it does not relieve the gyratory of congestion nor significantly reduce it. Options 2, 3, and 4 are all possible options to pursue, however, more detailed design work is needed as part of as part of the Outline Business Case. This would enable an economic appraisal to be undertaken on the revised options, and the benefits for bus journey times and Co2 emissions to be quantified.

Option 4 shows the best results for relieving congestion and could be an option to pursue. However, the junction design has not been developed or tested in detail so results could differ with further analysis required, hence this application.

4. Financial Case

4.1 Cost of producing OBC

Please provide a breakdown of the estimated costs from 2017/18 of producing an Outline Business Case. As a minimum we would expect costs to be broken down into categories such as (but not necessarily restricted to) the following: transport surveys; geotechnical surveys; other surveys; transport modelling; transport appraisal; consultation; preparing business case material; although we would be happy to receive a more detailed breakdown as an Annex. We would also like you to provide us with a short, but clear, description of the work that is planned under each category, cross-referring, if necessary, to the work already detailed at 2.2 and 3.2 above.

Please exclude costs incurred, or planned, up to and including 2016/17 but state these in the table at 4.2 below.

This is a bid for £1.35m to the Large Local Major Transport Schemes to fund the development and production of an Outline Business Case for Bromford Gyratory. A cost breakdown is provided below.

- Transport, geotechnical, structural, and topographical surveys: £200,000;
- Land referencing: £50,000;
- Development of WebTAG compliant SATURN model: £350,000;
- Options development and refinement of a preferred option and lower cost alternative: £300,000;
- Transport appraisal: £200,000;
- Consultation with stakeholders: £50,000;
- Preparing business case materials and 5 cases: £150,000;
- Deliverability and traffic management requirements in context of HS2 construction: £50,000

4.2 Funding requirement

Please break the total of producing the OBC into financial years and indicate how much is being sought from DfT. (Please express in £m to three decimal points)

	2016/17 and before	2017/18	2018/19	2019/20	TOTAL
Funding sought from DfT large local majors fund		£0.850	£0.500	£0.000	£1.350
Local funding	£0.200	£0.000	£0.000	£0.000	£0.200
TOTAL	£0.200	£0.850	£0.500	£0.000	£1.550

The total cost from 2017/18 onwards should match the cost quoted in 4.1 above

Please confirm whether or not the funding sought from DfT can be capitalised (you may provide additional comments or qualifications as necessary)?

Funding can be capitalised in terms of the development and future implementation of a capital asset.

4.3 Capital cost of scheme

Please provide your best estimate of the capital cost of the scheme (excluding the costs of producing an OBC above).

We recognise that the scope and cost of the scheme may be approximate at this stage, but if possible, please

- provide the cost of each option if more than one. And please express as a range if necessary.
- use outturn prices, but ensure that the current prices and inflation uplift can be separately identified.
- include and separately identify the preparation costs (between OBC and start of construction)
- include a reasonable estimate of risk/contingency but do not add an additional optimism bias uplift (reference WebTag guidance if unclear)

The following format would be helpful but is not mandatory.

	Preparation costs (between OBC and construction), plus supervision £m	Land purchase £m	Construction Costs £m	Traffic Management £m	TOTAL £m
Base cost	£2.000	£5.000	£45.000	£2.500	£54.500
Risk @ 20%	£0.400	£1.000	£9.000	£0.500	£10.900
Inflation @ 5% per annum	£0.660	£1.660	£14.920	£0.830	£18.070
TOTAL	£3.060	£7.660	£68.920	£3.830	£83.470

4.4 Affordability

Is the likely total capital cost of the scheme (as detailed in 4.3 above) below the guideline threshold for your LEP at Annex A	N
Is the scheme in an area that has Devolution Deal/Gainshare funding?	Y
Is the scheme on the strategic road or rail network?	N
Is the scheme composed of elements that could be delivered independently of each other over a longer timescale?	N

If you have answered YES to any of the above questions please provide additional explanation of why you feel the scheme is unaffordable other than via a bid to the large majors fund.

This scheme is not included within the West Midlands Devolution Deal funding and therefore cannot be delivered using that funding.

5. Management Case

5.1 Outline Business Case delivery

Please provide a timeline for the production of an OBC (a full GANNT chart is not necessary, just the basic milestones and dates) cross-referring if possible to the key tasks mentioned in 4.1 above

Timescales assume funding approval received as part of Autumn Statement 2016:

- Funding approval from DfT – November 2016;
- Undertake surveys – December to April 2017;
- Procurement activities for modelling, design and business case - December to February 2017;
- Build base SATURN model – February to September 2017;
- Develop and refine scheme options to include a preferred option and lower cost alternative – February to December 2017;
- Undertake full stakeholder consultation – January to March 2018;
- Undertake transport appraisal and complete 5 cases for OBC – March to August 2018;
- Complete internal Council and GBSLEP governance – September 2018;
- Submit OBC to DfT – October 2018.

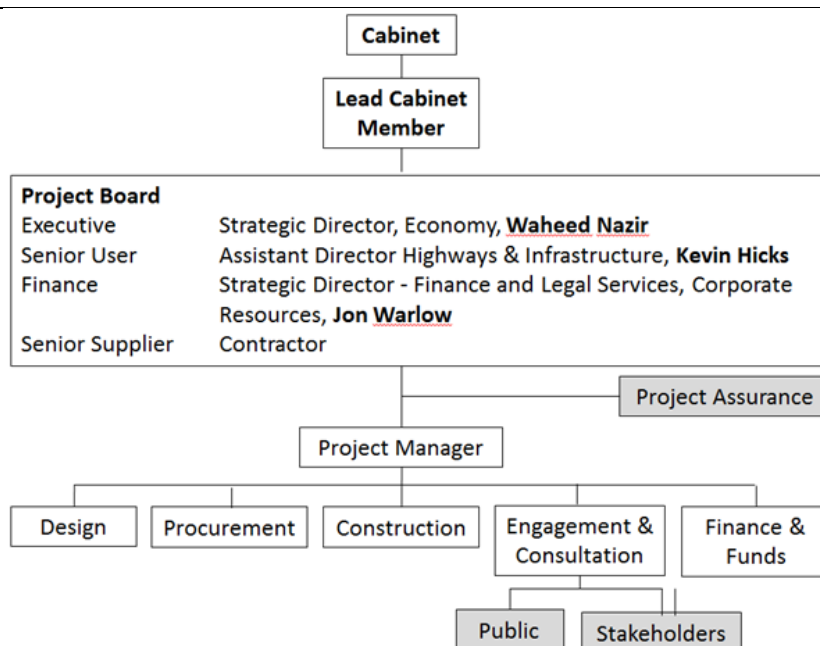
5.2 Outline Business Case Governance

Please set out the basic governance arrangements for production of the OBC, roles, responsibilities, resources etc.

Birmingham's Large Local Transport Scheme will be managed at a senior level by a Project Board consisting of the Executive, Senior User, Finance and Contractor. The Executive will be Waheed Nazir (Strategic Director, Economy) and the Senior User will be Kevin Hicks (Assistant Director Highways & Infrastructure). Finance will be represented by Jon Warlow (Strategic Director - Finance and Legal Services, Corporate Resources). These three Birmingham City Council Directors will be joined by a senior member of the contractor's team.

The Project Board will meet with predefined regularity and together they will be responsible for project control. They will make decisions within the scope of Cabinet approval and where appropriate decisions on any minor scope alterations. Any exceptional decisions, including decisions outside of the approved scope of the scheme, will be referred to the relevant Cabinet Member and if necessary the full Cabinet.

The Project Manager will manage the project, tracking progress against scope, time and budget. They will give direction to officers across the authority with a specific role in delivering the project, meeting with each area regularly to ensure any risks or issues are identified and providing challenge where needed. They will also report to the Board on a regular basis, escalating any issues for discussion or decisions outside of their remit.



Members of the project team will work together to deliver the project, ensuring a joined up approach. The engagement & consultation section of the project team will engage with key stakeholders as well as conduct public consultation. This will be used to inform decision making across the project.

Two well established officer groups within the authority, the Transport Delivery Group (TDG) and Transport & Street Services Group (TSSG), will provide project assurance. They will scrutinise delivery, finances and procedures, providing challenge to the Project Manager and Project Board and recommendations for improvements where appropriate.

5.3 Scheme delivery

Please provide an outline timeline for the delivery of the scheme itself (a full GANNT chart is not necessary, just the basic milestones and dates).

- Full funding approval assumed in Autumn Statement – November 2019;
- Complete procurement and mobilise project – January 2020 to October 2020;
- Construction and traffic management requirement – August 2020 to October 2020;
- Commence construction – January 2021;
- Complete construction – January 2023;
- Post scheme evaluation – March 2025.

Close cooperation and coordination with stakeholders will be sought regarding construction timescales as the scheme develops including with the following:

- HS2 Ltd due to the anticipated programme overlap with HS2 Birmingham Spur construction;
- Highways England regarding any M6 works; and
- Network Rail's proposed improvements to the adjacent Birmingham-Water Orton rail corridor as part of the Midlands Rail Hub.

Transport for the West Midlands and emergency services will also be key stakeholders.

5.4 Stakeholder support

Please provide evidence of support for this scheme prior to the development of this bid, referencing activity from businesses, campaign groups, MPs etc.

It would be helpful to include any relevant links to news stories, campaign websites etc.

The scheme has widespread support from across the region, including:

- West Midlands Combined Authority;
- MPs (Liam Byrne MP, Shabana Mahmood MP, Jack Dromey MP);
- Highways England;
- Businesses (including Jaguar Land Rover), and;
- Public transport operators (e.g. National Express).

Letters of support from the above are attached in Appendix E.

There are key interfaces with adjoining residential areas, whilst severe capacity issues exist at Bromford Gyratory, which serves as a junction between the A47 Heartlands Parkway and the A4040 Bromford Lane. Such issues have been subject to recent correspondence received from Jack Dromey MP and are also a concern for local members, businesses and residents.

Examples of news articles and reports are available in Appendix F. These include coverage of the hundreds of complaints about the delays experienced at the junction being raised by Cllr Mahmood at full council; a city taskforce identifying the retiming of signals as a priority to reduce congestion, and; Cllr Hartley identifying measures to improve bus journey time through Bromford Gyratory.

The proposals will clearly require lane closures and other disruption to undertake the works which may temporarily cause increased queuing and longer journey times. Diversions may also be necessary, potentially of some distance due to the gaps between bridges across the Birmingham-Water Orton railway line. There will be some land take to allow widening of the junction on the north and south sides, affecting commercial premises.

Key stakeholders are:

- West Midlands Combined Authority
- MPs and Councillors
- Highways England
- High Speed Two Ltd
- Jaguar Land Rover
- National Express
- Network Rail
- Washwood Heath Site Landowners

6. Optional

6.1 RIS2 funding

Would you like to flag this scheme for potential RIS2 funding if it is close to, and could possibly help the Strategic Road network? Y

If Y, please briefly describe, with any evidence, the scheme's potential to help the Strategic Road Network.

The scheme has considerable potential to help the SRN. The A47 and Bromford Gyratory play a vital role in relieving congestion on the Birmingham Motorway Box, offering an alternative route into and out of Birmingham between junctions 4 and 6 of the M6. As shown in Appendix B the A47 also serves as a formal diversionary route for the M6 as defined by Highways England. This is particularly relevant considering the ongoing requirement for major maintenance on elevated sections of the M6 and substantial repairs that require the closure of junction 6 (Spaghetti junction). Additionally the route will support major maintenance works to the A38 (M) Aston Expressway provisionally funded through the Local Growth Fund in respect of diversions.

7. Declarations

7.1 Lead LEP officer

I confirm that this bid has the full support of Greater Birmingham and Solihull LEP and hereby submit it to DfT on the LEPs behalf for consideration.

Name: Katie Trout

Position: Director - GBSLEP

Phone: 0121 303 9867

Email: Katie.trout@birmingham.gov.uk

Signed:

7.2 Section 151 Officer declaration

As Section 151 Officer for Birmingham City Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Birmingham City Council:

- has allocated sufficient budget to produce the Outline Business Case on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs of producing an Outline Business Case over and above the DfT contribution requested, including potential cost overruns
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested

Name: Alison Jarrett

Signed:

Please email this completed form to:

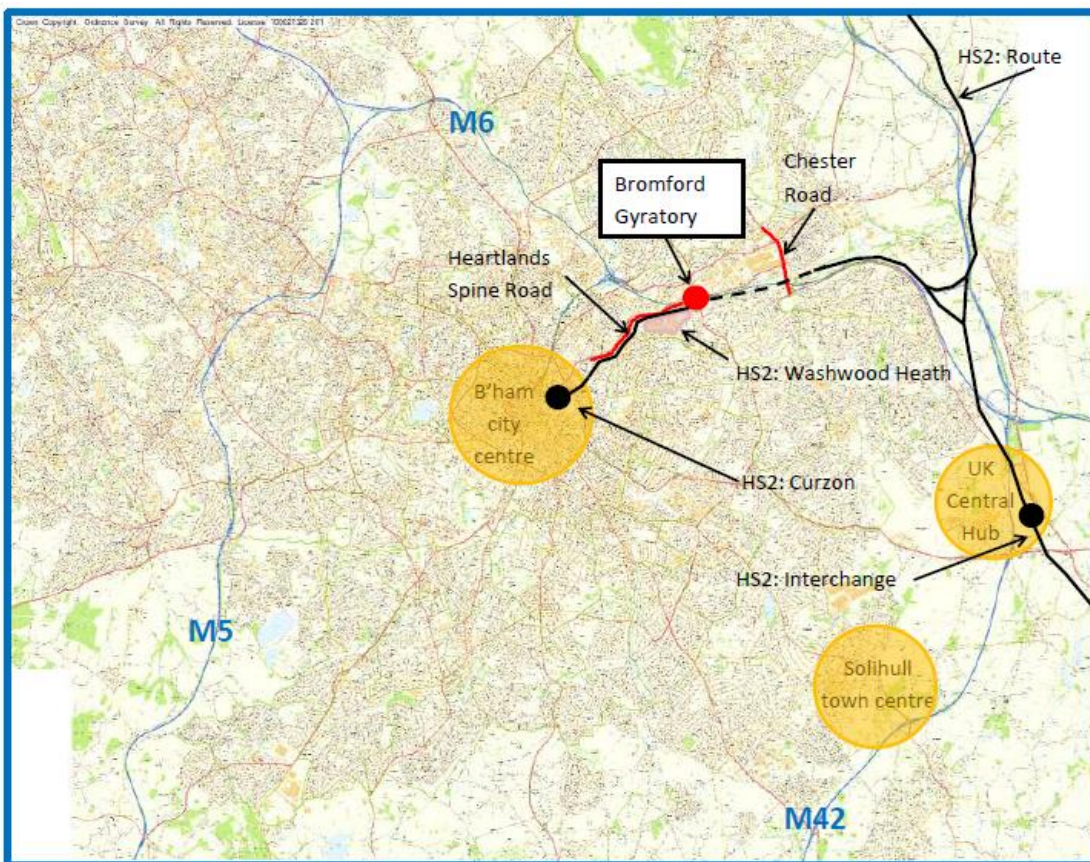
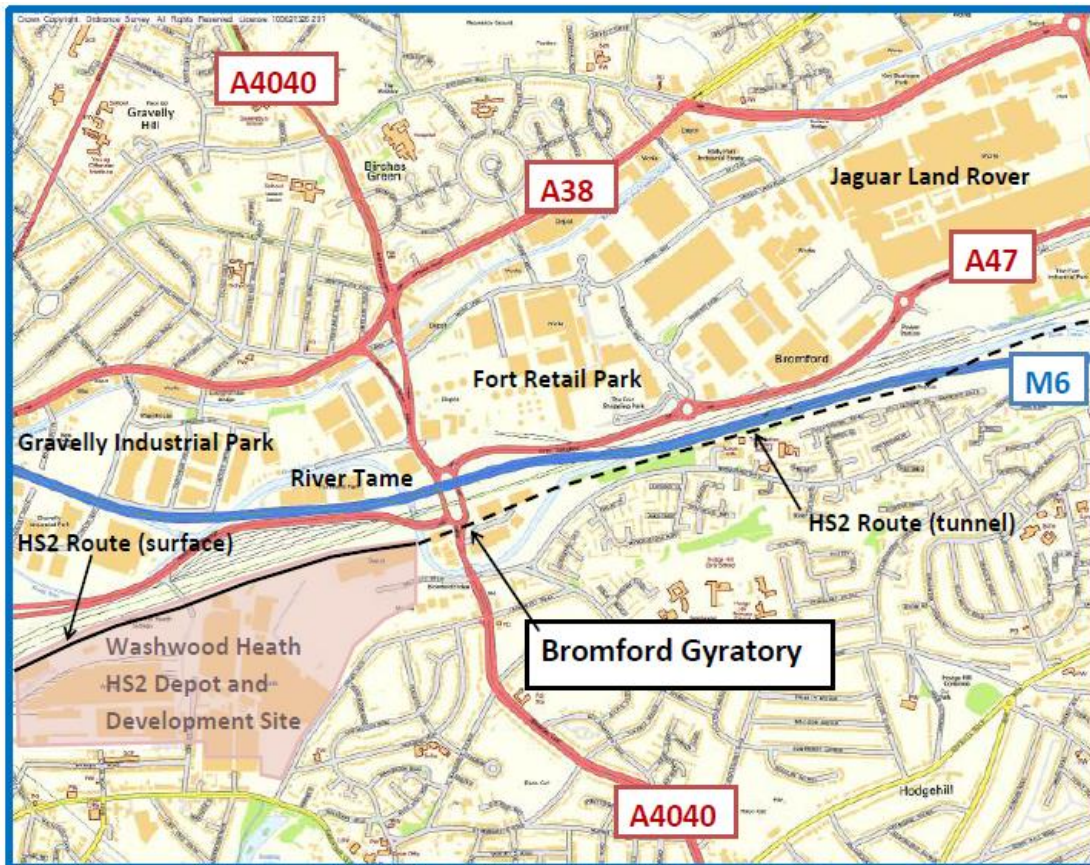
LT.plans@dft.gsi.gov.uk

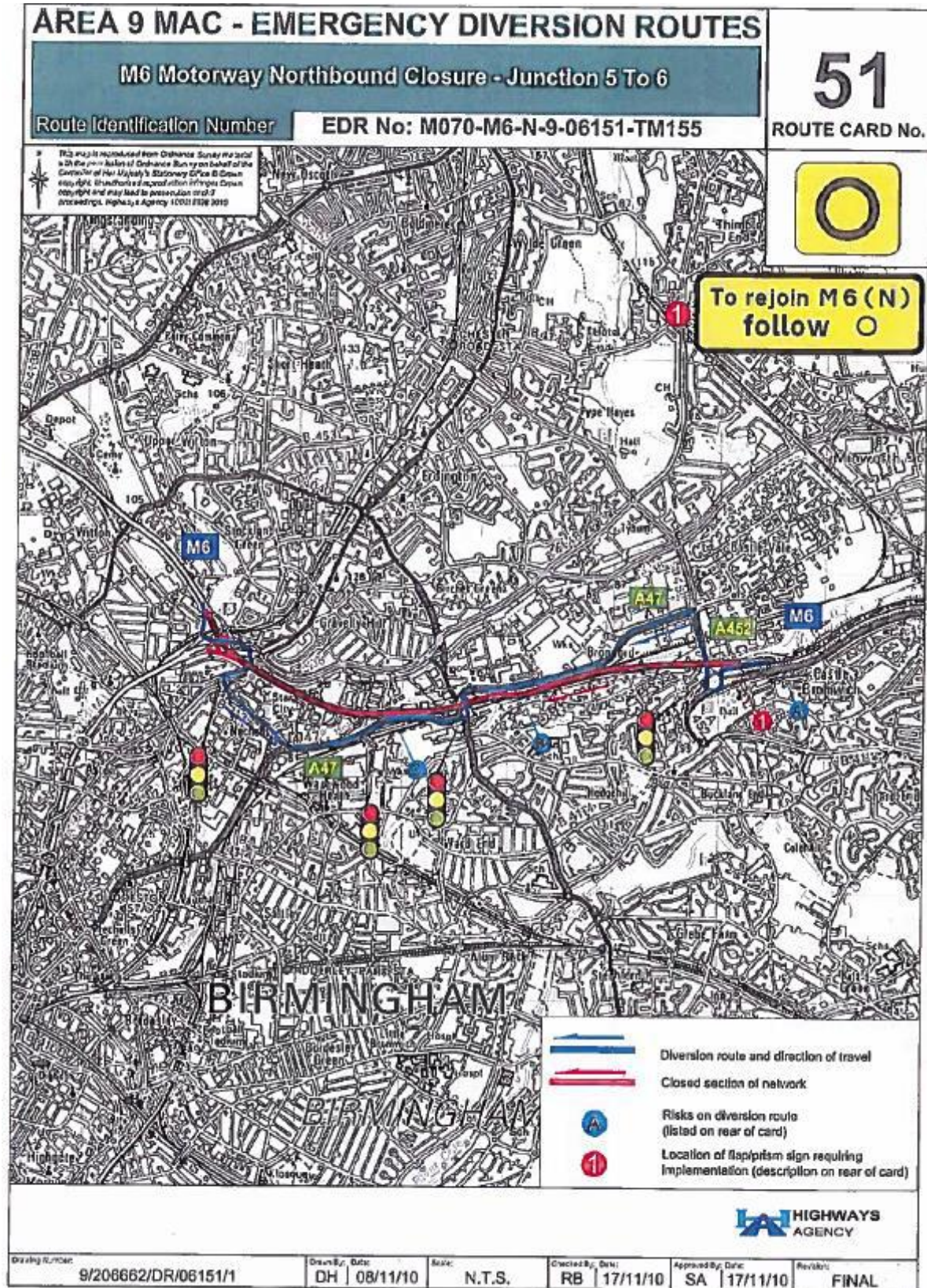
by **midday 28th July 2016**

Please note that the size limit for attachments to a single incoming email to DfT is 20MB. If your bid is larger than this please submit separate emails, use a zip folder, or convert large files to an alternative format.

List of Appendices – Bromford Gyratory Large Local Major Transport Scheme

1. Appendix A – Location Plan
2. Appendix B – Highways England Diversionary Route Map
3. Appendix C – Proposed Scheme Option
4. Appendix D – Draft Washwood Heath Transport Access Study (*Please see separate attachment*)
5. Appendix E – Letters of Support (*Please see separate attachment*)
6. Appendix F – Press Cuttings





Proposed Improvements to Bromford Gyratory

The Long Term option was developed on the existing structure by creating two smaller at grade roundabouts at either end of the gyratory. The following changes are proposed to be made, as shown on the plans below:

Bromford Gyratory:

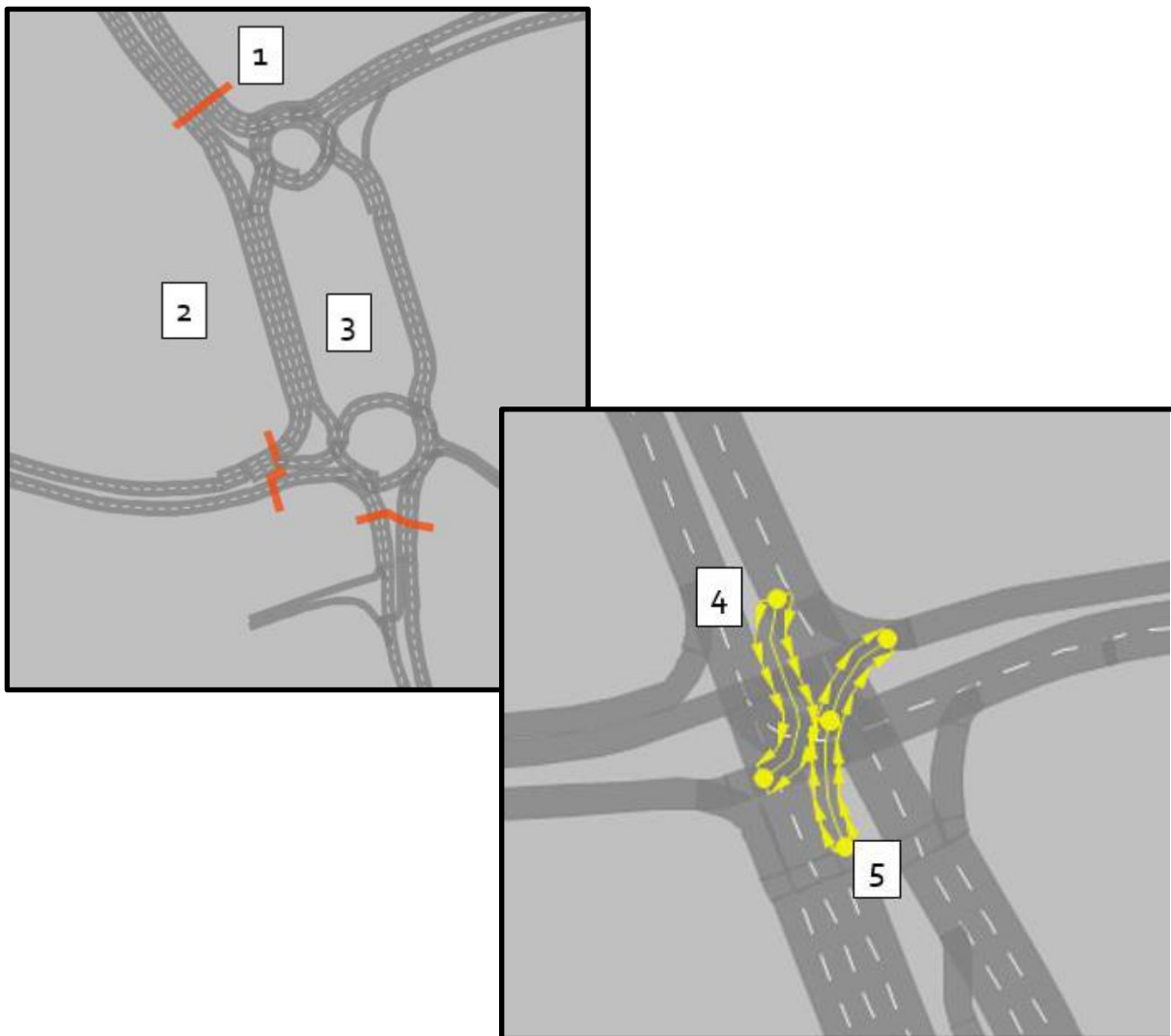
- 1 Re-modelled Bromford Gyratory and increased number of lanes on Bromford Lane to the North;
- 2 Reduces the number of signals – crossings shown are pedestrian demand only; and
- 3 Utilises existing bridge structure.

Bromford Lane / Wolseley Drive junction:

- 4 Removed yellow boxing – less queueing on Bromford Lane reduces need for this; and
- 5 Added pocket lanes for right turns, increasing throughput.

Along the corridor, traffic signal timings have been optimised.

Figure 1 : Long Term Changes at Bromford Gyratory (proposals 1-3), Bromford Lane, Bromford Road and Wolseley Drive (proposals 4 and 5)



APPENDIX D – Draft Washwood Heath Transport Access Study

Please see separate attachment

APPENDIX E – Letters of Support

Please see separate attachments

Birmingham Mail, July 2015

<http://www.birminghammail.co.uk/news/midlands-news/pledge-tackle-traffic-gridlock-bromford-9611923>

M » News » Midlands News » Bromford

Pledge to tackle traffic gridlock at Bromford Island

12:01, 8 JUL 2015 | BY NEIL ELKES

Councillor Tahir Ali said they are seeking Government money to fund 'simple measures' at busy roundabout



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Birmingham's transport chief has pledged action to ease the horrendous congestion at a major roundabout.

Labour cabinet member for transport Tahir Ali said that he is bidding for Government funding to deal with traffic queues at the [Bromford](#) Island.

The busy roundabout, under the M6, links major routes north-south between Erdington and Stechford and east-west along the Heartlands spine road.

Coun Ali was quizzed over the congestion during council question time.

Coun Majid Mahmood (Lab) said that hundreds of people in his [Hodge Hill ward](#) have complained about the queues and asked what is being done to tackle the problem.

Coun Ali (Lab, Nechells) replied that they had initially planned to deal with the island during the construction of [HS2 rail line](#).

But now with a tunnel being built for HS2 under east Birmingham they have to make alternative plans.

He said: "We are looking at simple measures that can be taken to improve the traffic flow."

"No matter which way you approach it there seems to be gridlock, and at any time of day."

He confirmed that Birmingham is requesting funding from the Department for Transport.

Congestion in the area has been further worsened by long-running works at the nearby [Spitfire Island at Castle Vale](#) and [M6 slip road closures](#) bringing gridlock to major routes at peak times.

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conviction »



WEST MIDLANDS POLICE

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Suleman Khan who
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Palace' in Pakistan has
appeal thrown out »



A38 ASTON EXPRESSWAY

Will the Aston
Expressway be open
this weekend? July 22-
24 »



SUTTON COLDFIELD

Watch: Birmingham
Dad punched on school
run after honking
horn »

Blog Page of Cllr Hartley, Ward Member for Ladywood

<http://www.labour4ladywood.com/apps/blog>

Extract of post from 3rd November 2013, regarding issues around the No. 11 Outer Circle bus route which passes north-south through Bromford Gyratory.

Within a day of the official launch of the WMITA Adopt-a-Bus scheme, Ladywood's Cllr. Kath Hartley went out with the no.11a/c Route Manager on a 3.5 hour investigation of what needs to be done to improve the service.

Here are her observations:

Last week I went out on my adopted no.11c with Chris Crowe, the Route Manager. I enjoyed the trip and it opened my eyes to why the 11a/c service is sometimes so disappointing. I hope that my observations will be of help to NXWM, Centro and BCC and will bring about joint action to help the service to be smoother and more reliable.

I had already met Chris 2 weeks before when I went the whole 26 mile journey on the 11a with a Passenger Champion as part of Customer Services Week- a smooth and quick journey from 11.45am-2.15pm.

However, this time I didn't go round asking passengers what they thought about the service. We set off at 3.45-ish and I didn't get back until well gone 7pm- it's a 2.5 hour journey time in normal conditions. I sat with Chris on the top deck at the front and we noted down issues along the way that impacted on the progress of the bus. Issues such as:

- Cars parked awkwardly on the junctions along narrow streets meaning that either the bus or oncoming vehicles had to pause, pull in etc. Double yellow lines and enforcement needed.
- Vehicles parked 'illegally' on double yellow and single lines on busy roads- e.g. Dudley Rd., Soho Rd.
- Need for changes to traffic lights' timing
- Road works- emergency ones in particular where there is no opportunity for NXWM to discuss best ways of working with the contractor.
- Planned road works where contractor hasn't informed/approached bus operators, or hasn't gone along with recommendations about staged approach to works rather than doing the whole road at once, detours etc.
- **Sudden narrowing of the road, lack of proper road space allocation at congested junctions- e.g. Bromford junction where two lanes suddenly become one and there's no preferential treatment for the direction in which most traffic is going.**
- Disruption caused by traffic accidents, floods/fires, police incidents and so on.

Congestion Task Force

<http://www.thefreelibrary.com/Task+force+finds+300+ways+to+cut+congestion+in+the+city+centre.-a0140983128>

Task force finds 300 ways to cut congestion in the city centre.



[Link/Page Citation](#) [G+](#) [0](#) [f](#) [Like](#) [Share](#) [0](#)

Byline: By Paul Dale Chief Reporter

A task force set up to tackle congestion on Birmingham roads has identified almost 300 ways to ease traffic flow.

Suggestions include re-phasing the timing of traffic lights, the removal of or changes to bus lanes, the introduction of high occupancy vehicle lanes and the remodeling of major road junctions.

The group, which was established last year by the city council, includes two councillors and representatives from more than 20 organisations with interests in transportation.

The group has also been considering ideas from members of the public. Some of the suggestions were simple to put into operation with little financial cost and have already been implemented as "quick wins" according to Neil Dancer, the council's chief highways engineer.

These included the retiming of traffic signals on the A47 at Fort Parkway and Bromford Lane, re-timing of lights at the Moor Street Station and Priory Queensway pedestrian crossing and the re-phasing of traffic lights along Hagley Road.

Items under consideration include a proposal to place diamond markings along the Aston Expressway, in an attempt to dissuade drivers from queue jumping, and the development of red route parking restrictions along Kings Heath High Street.

More effective regulation of traffic lights at exists from the A38 Aston Expressway has been earmarked as a medium term project. Mr Dancer said the task force had met three times and had produced a snapshot of public opinion about the best ways to cut congestion.

He added: "This captures the views of a number of organisations and what they think about this very important issue. We will incorporate some of these ideas into work programmes because they will harmonise with initiatives we have in place anyway."

Mr Dancer said concerns raised about congestion ranged from the smallest cul-de-sac to major roads.

paul_dale@mm.co.uk Comment, Page 10

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East Birmingham Prospectus

<http://www.birmingham.gov.uk/ebprospectusforgrowth>

Section on improved connectivity, paras under Enhancement to the road network

14

Improved connectivity

High quality transport and communications infrastructure is vital to the creation of successful places. The City's vision for a connected transport network has been set out in the Birmingham Connected White Paper. This puts the user first, and aims to develop a network to meet the needs of people and businesses. Investing in a radically improved integrated transport system will realise the City's potential to support sustainable economic growth, job creation and linking communities.

The City will continue to work with the GBSLEP and partners including Government to ensure that this vision is realised.

Enhancement to the road network

Road improvements are underway at Chester Road Castle Bromwich, which will support the Jaguar Land Rover site with improved access onto the M6 at Junction 5, as well as providing improved connectivity for Castle Vale and other surrounding residential areas. Further improvements to include the A4540 Middle Ring Road, Stechford and others - significant priorities include Bromford Gyratory, Gravelly Hill/Kingsbury Road, and the A4040 Outer Ring Road/A5127 'Six Ways' junction.

Improvements to junctions on the Ring Road will assist in managing congestion allowing better access to the City Centre and better links with East Birmingham. Work at Bordesley Circus and Curzon Circle will be carried out during 2015 as part of a £7.3m programme. Ashted Circus, which will be redesigned as a signal controlled junction, will be implemented in 2016/17.

Public transport

We have identified public transport (especially Metro) as a priority to unlock growth more widely.

Funding is in place, through the Growth Deal, to extend Metro to Eastside, and additional funding is being sought to enable the development of the route through East Birmingham. Development funding of the order of £1.5m per annum will be required in the early stages of this work; once this is in place initial design work will commence, and will be used as the basis for public consultation.

The development and delivery of Metro can take over eight years from the start of outline designs to the end of construction and opening to service, given the requirements of the Transport and Works Act Order processes. A tried and tested delivery model has been put in place for the Metro delivery programme by Centro.

Funding of £50m has been identified, including £35m from the Growth Deal, for the Sprint (bus rapid transit) route along the A45 by 2021.

Proposals to provide new railway stations at Fort Parkway and Castle Vale/Castle Bromwich require the provision of significant additional rail network capacity at Water Orton and into Central Birmingham. The Camp Hill Chords, which would enable a link into Birmingham Moor Street Station, will cost in excess of £150m and therefore is likely to require funding by Central Government.

In the longer term, HS2 will free up capacity on the West Coast Main Line, which should facilitate improved local rail services at Adderley Park, Stechford and Lea Hall stations and enable the restoration of direct local train services across Birmingham City Centre to Perry Bar, Walsall and Wolverhampton.

Public transport integration including physical connectivity between modes, smart ticketing across networks and information integration will make movement easier and more affordable.

Birmingham cycle revolution

More than £24m has been committed across the City to deliver improved cycle routes. Two significant projects in East Birmingham will see enhancement of the route between the City Centre and Small Heath, and from the City Centre via Adderley Park and Alum Rock to Fox and Goose.

These routes will benefit from:

- Signage.
- Road markings including cycle lanes.
- Shared pavements.
- Improvements to side road junctions.
- New and improved signalised crossings.
- Reduced vehicle speeds including traffic calming.

Green Travel Districts

Two areas in East Birmingham have been identified as Green Travel Districts. These are Castle Vale/Castle Bromwich (including Jaguar Land Rover and surrounding employment areas) and the residential areas around Small Heath and Bordesley Green.

As Green Travel Districts, the areas will benefit from a range of interventions designed to put people before cars. The interventions will be developed to suit the different needs of each area but will cover:

- Behaviour based interventions associated with smarter choices.
- Infrastructure approaches ranging from DDA improvements (e.g. dropped kerbs) to major infrastructure investment (e.g. new public transport interchange).
- Spatial planning, transport policy, guidance and other governance tools such as low emissions zones or reduced car parking provision.

Equality Analysis

Birmingham City Council Analysis Report

EA Name	Bromford Gyratory Scheme
Directorate	Economy
Service Area	Transportation Services Growth And Transportation
Type	New/Proposed Policy
EA Summary	This Equalities Assessment reviews the details of a bid to the Large Local Major Schemes Fund (LLMSF) for 1.35m pounds of development funding (towards a total development funding requirement of 1.55m pounds) made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) on behalf of the Council for major improvements to Bromford Gyratory in the east of the city.
Reference Number	EA001411
Task Group Manager	Peter.A.Bethell@birmingham.gov.uk
Task Group Members	philip.edwards@birmingham.gov.uk, Chloe.Taylor@birmingham.gov.uk, Peter.A.Bethell@birmingham.gov.uk, Hilary.Mills@birmingham.gov.uk
Date Approved	2016-09-01 01:00:00 +0100
Senior Officer	philip.edwards@birmingham.gov.uk
Quality Control Officer	Lesley.Edwards@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Policy and expected outcomes?	<p>The purpose of this policy is to obtain the approval of the Cabinet in the bid for the Large Local Major Schemes Fund (LLMSF) made by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) on behalf of the Council for major improvements to Bromford Gyratory in the east of the city.</p> <p>The expected outcomes are that:</p> <p>The Assistant Director Transportation and Connectivity, in conjunction with the Strategic Director Finance and Legal, be delegated grant acceptance in the case of a successful bid;</p> <p>The Assistant Director Transportation and Connectivity, in the case of a successful bid, be authorised to expend grant funding up to 1.35m pounds and place orders with relevant consultants in accordance with Standing Orders and the Councils Procurement Governance Arrangements; and</p> <p>The Acting City Solicitor be authorised to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations. Internally, consultation has been undertaken with the Leader, Deputy Leader, Strategic Director Finance and Legal, Assistant Director Regeneration and Assistant Director Transportation and Connectivity who support the proposals contained within this report. Issues at Bromford Gyratory are a concern for local Councillors who have been advised of the bid content.</p> <p>Externally, the bid documentation was prepared in partnership with the GBSLEP, with formal written support received from the West Midlands Combined Authority, Members of Parliament for Erdington, Hodge Hill and Ladywood, Highways England, National Express and Jaguar Land Rover.</p> <p>Improvements to Bromford Gyratory align with the Councils Birmingham Connected Transport Strategy and the Birmingham Development Plan and will support safe and sustainable travel, with resultant benefits of reducing road congestion, improving the environment and improving health and well-being. These objectives are embedded within the Council Business Plan and Budget 2016+. Proposals are also consistent with the HS2 Growth Strategy and the GBSLEP Strategy for Growth.</p>
---	--

For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
A Fair City	Yes
A Prosperous City	Yes
A Democratic City	Yes

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	Yes

Will the policy have an impact on wider community?	Yes
--	-----

2.3 Analysis on Initial Assessment

It is considered that there are no aspects of the Bromford Gyratory scheme that could contribute to inequality. The measures proposed are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity, or disability.

The initial screening for the Bromford Gyratory scheme has indicated no adverse impacts or discrimination; it is concluded that a full EA is not necessary at this time.

3 Concluding Statement on Full Assessment

It is considered that there are no aspects of the Bromford Gyratory scheme that could contribute to inequality. The measures proposed are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity, or disability.

The initial screening for the Bromford Gyratory scheme has indicated no adverse impacts or discrimination; it is concluded that a full EA is not necessary at this time.

4 Review Date

04/09/17

5 Action Plan

There are no relevant issues, so no action plans are currently required.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of: Date of Decision:	Assistant Director, Transportation and Connectivity 20 September 2016
SUBJECT:	NATURAL RIVERS ERDF PROJECT
Key Decision: Yes	Relevant Forward Plan Ref: 002086/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Cllr Lisa Trickett, Cabinet Member for Clean Streets, Recycling and Environment
Relevant O&S Chairman:	Cllr John Cotton, Chair, Health, Well-being and the Environment O&S Committee
Wards affected:	Bartley Green, Bournville, Brandwood, Edgbaston, Harborne, Kings Norton, Longbridge, Moseley and Kings Heath, Northfield, Quinton, Selly Oak, Weoley

1. Purpose of report:
<p>1.1 To seek approval to submit a full application for European Regional Development Fund (ERDF) funding to deliver the Natural Rivers project over three years.</p> <p>1.2 The project will expand on the work already undertaken in delivering landscape enhancements through Birmingham and Black Country Nature Improvement Area (NIA) and the work as part of flood alleviation projects to deliver landscape and watercourse improvements which assist in the delivery of meeting European targets on water quality set through the Water Framework Directive.</p> <p>1.3 These landscape enhancements will include management of bankside trees and vegetation and the addition of native flowering plants, management of plantation woodlands to improve the age structure and diversity and changes to water courses to aid the movement of fish and other aquatic wildlife. These enhancements will not only improve habitat quality for wildlife but will enhance the value for leisure and recreation.</p> <p>1.4 This project will be delivered through collaborative working between Birmingham & Black Country Wildlife Trust (B&BCWT), the Environment Agency (EA) and Birmingham City Council (BCC). The Project Definition Document (PDD) at Appendix 4 provides further details for the submission.</p>

2. Decision(s) recommended:
That Cabinet:-
<p>2.1 Approves the Project Definition Document included as Appendix 4 for a full application for ERDF funding to deliver the Natural Rivers project.</p> <p>2.2 Approves the City Council acting as the Accountable Body for the Natural Rivers project should the bid be successful</p>

- 2.3 Notes that in the event of a successful proposal, a Full Business Case report will be submitted for Cabinet approval, which will identify governance, key responsibilities, the delivery plan and the benefits to the city before there is an acceptance of any grant and its conditions.
- 2.4 Notes that it is not envisaged that any development funds will be required to work up an application to full business case as the project partners will all contribute to the final application.

Lead Contact Officer(s):	Nicola Farrin, Ecologist
Telephone No: E-mail address:	0121 303 2815 nicola.farrin@birmingham.gov.uk

3.	Consultation
	Consultation should include those that have an interest in the decisions recommended
3.1	<u>Internal</u>
	<p>The Cabinet Member for Value for Money and Efficiency has been consulted on this bid and project. .</p> <p>At the early stages, consultation took place with colleagues from the Parks and Nature Conservation Department (primarily the Conservation and Woodland Manager) as to which areas would benefit from investment through an ERDF bid under the Priority Axis 6. A number of areas were identified, particularly around river corridors and the woodland plantations that can be found within the river valleys (river catchment area). These identified areas have suffered from many years of under-management through lack of resources and are now declining in wildlife value. The scope of works identified as part of this discussion aligns with the current (approved) Nature Conservation Management Plans for the various sites. Further consultation was undertaken with the acting Head of Parks (Robin Bryan), the Tree Manager (Simon Smith) and relevant District Park Managers and Senior Park Rangers; all were supportive of this suggested approach.</p> <p>In addition, there has been some outline discussion of the project with the Strategic Director of the Place Directorate.</p> <p>Local Member consultation has already taken place when the Nature Conservation Management Plans were drawn up for each site. Works identified as part of the Woodgate Valley Local Nature Reserve Management Plan were publically consulted upon (including Members) and the final Plan was agreed by the Woodgate Valley Consultative Committee (WVCC), a fully constituted group that has local Member representation.</p> <p>The Nature Conservation Management Plans identify work required to manage or improve each individual site; these are called “Ideal Objectives”. Grant funding is required to implement these “Ideal Objectives” as they are over and above the base level of grounds maintenance. This ERDF bid will allow the city to implement the works already agreed through these plans that would not otherwise be deliverable. As the project develops, Members will be regularly appraised of the works through the various existing local forums such as the WVCC or the Northfield Environmental Forum.</p>
3.2	<u>External</u>
	<p>The Green Commission’s (a cross-sector partnership chaired by BCC) Natural Capital Roundtable has been involved in discussions about the project. We are working closely with the EA and B&BCWT as project partners; the outcomes of their current project work and the outcomes of this proposed project align and will provide additional benefits for all parties.</p>
4.	Compliance Issues:
4.1	<u>Are the recommended decisions consistent with the Council’s policies, plans and strategies?</u>

- 4.1.1 The project supports the delivery of the strategic outcomes of A Strong Economy and A Healthy, Happy City, as set out in the Council Business Plan and Budget 2016+, in particular the sub-outcomes:
- An enterprising, innovative green city delivering sustainable growth, meeting the needs of the population and strengthening Birmingham's global standing; and
 - Sports and physical activities that contribute to people's health and wellbeing and delivered in partnership with others, where parks and open spaces are maintained and enhanced to enable citizens to improve their health and quality of life.
- 4.1.2 The project aligns with strategic objectives in the Birmingham Development Plan relating to improving health and well-being, conserving the natural environment and securing infrastructure to support future growth and prosperity. In particular, the project will contribute to the implementation of policies GA9, TP2, TP6, TP7 and TP8. The project is consistent with Birmingham's approach to supporting ecosystem services and improving natural capital set out in the Council's Green Living Spaces Plan, and is compliant with the work of the Green Commission.
- 4.2 Financial Implications
- 4.2.1 The overall cost of the project is in the region of £1.3m, with £1.18m being capital expenditure and £0.11m revenue. 50% of the project costs will be funded by ERDF. Match funding is required for the remaining 50%, the majority of which will be provided by the EA (c. £570k). Additional match funding will be provided through officers' input from the Sustainability Team (Economy Directorate), Parks & Nature Conservation (Place Directorate) (c. £48k) and B&BCWT (c. £32k). Written confirmation of the individual partners' match-funding will be required as part of the full application.
- 4.2.2 It is proposed that the City Council will administer the project and act as Accountable Body and ensure funds are spent to deliver the outputs agreed with DCLG as outlined in Appendix 1. The City Council will be required to ensure compliance with European Structural and Investment Fund (ESIF) grant conditions and will seek to mitigate these through funding consortium agreements with delivery partners in line with City Council and European funding guidelines.
- 4.2.3 As accountable body for the project, the Council would receive all ERDF funding, which would be disbursed to the two project partners against claims for eligible expenditure. A 0.4FTE finance/monitoring officer would be appointed, funded 100% by ERDF, to provide additional capacity to support project delivery.
- 4.3 Legal Implications
- 4.3.1 The Council will act as Accountable Body for the project. The two delivery partners (EA and B&BCWT) will be subject to a Service Level Agreement Conditions of Grant Aid, which will set out their role and responsibilities and delivery of related outputs.
- 4.4 Public Sector Equality Duty (see separate guidance note)
- 4.4.1 The initial Equality Analysis is attached as Appendix 2. No negative equality impacts have been identified.

5. Relevant background/chronology of key events:

- 5.1 In May 2016, the Council's Sustainability Team submitted an outline application in response to a funding call issued by the Department for Communities and Local Government (DCLG) under ERDF Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource Efficiency (investment priorities 6d and 6f). The call was for the Greater Birmingham and Solihull Local Enterprise Partnership (GBS LEP) area, with an indicative fund allocation of £6.3 million.
- 5.2 Projects applying for funding under this call must demonstrate how their proposed activities achieve the investment priorities' specific objective, in this case:
"Investments in Green and Blue infrastructure and actions that support the provision of ecosystem services on which businesses and communities depend to increase local natural capital and support sustainable economic growth".
Actions that would be supported include investment in green and blue infrastructure; that is those naturalistic green corridors and waterways such as stream and river courses or canals in our urban areas. To measure the success of funded projects they must deliver against the Priority Axis 6 outputs, principally, the total area supported in order to improve their habitats and value to wildlife.
- 5.3 The natural environment provides benefits such as improvements in drainage, air quality and air temperature as well as associated health benefits. These benefits are referred to collectively as "ecosystem services", and the financial value that can be attributed to these services is known as "natural capital". The Green Commission's Natural Capital Roundtable and BCC's Sustainability Team are working with other Council colleagues, public, private and third sector partners, to highlight the importance of how this natural capital contributes towards the delivery of the City's priorities for economic and social growth. The availability of European Structural and Investment Funds to support this work presents an opportunity for the city to secure significant resources to invest in enhancing Birmingham's natural assets, biodiversity and increase in natural capital.
- 5.4 The ERDF outline application set out an approach for the Natural Rivers project as a broad landscape-scale initiative that was designed to deliver both biodiversity enhancements and associated ecosystem services benefits across the upper reaches of the River Rea catchment. The Council received an invitation from DCLG on 15 August to proceed to full application stage. The deadline for submission of the full application is 30 September.
- 5.5 The project, which is now being worked up to full application stage, will deliver the first phase of this catchment-based approach, focusing on the upper River Rea sub-catchment in south-west Birmingham.
- 5.6 A three year programme of activity will include works to improve channel morphology; that is changing the width, depth and profile of the channel where the stream or river flows. These changes will result in reduced flood risk, as well as landscape enhancements to improve habitat quality and connectivity for wildlife within the public open space corridors along the River Rea and its tributaries: Stonehouse Brook, Bourn Brook, Merritt's Brook/Griffin's Brook/The Bourn and Callow Brook. A plan of the project area and details of project activities are attached as Appendix 3.
- 5.7 By working at this "landscape-scale", the project would deliver significant impact and the high level of outputs required by DCLG. The project will target over 120ha of publicly accessible land and watercourses that will be improved for biodiversity, as well as achieving wide-ranging socio-economic benefits for local communities.

- 5.8 Alongside the Council, the EA and B&BCWT would be involved as delivery partners. The EA is exploring funding opportunities to reduce flood risk and deliver environmental and community improvement; although major flood defence schemes required to reduce flood risk attract a proportion of government funding, external funding, such as ERDF, must also be sought to secure the government funds and reach the total required. The EA therefore has a vested interest in being involved in the Natural Rivers project, and is in a position to contribute a significant proportion of the match funding requirement through their confirmed flood defence budget allocation
- 5.9 Natural Rivers builds on the success of an existing, strategic biodiversity enhancement project – Birmingham and Black Country Nature Improvement Area (NIA) – which is being led by B&BCWT. For the Natural Rivers project, habitat enhancement works within the open space corridors would be delivered primarily by the Council's in-house grounds maintenance team (Birmingham Parks and Nurseries), BCC's grounds maintenance framework contractors and B&BCWT, with some scope for local community involvement. For elements of project delivery overseen by BCC, external contracts, if required, would be procured in line with BCC procurement arrangements.
- 5.10 If successful at Full Application stage, a Full Business Case will be submitted for Cabinet approval prior to acceptance of the grant. Subject to approval, (a decision is expected by late November 2016), a start date for the City Council's involvement in the project is anticipated to be around January 2017.

6. Evaluation of alternative option(s):

- 6.1 To not proceed with a full application.
Investing in green and blue infrastructure will support the provision of vital services provided by the natural environment (ecosystem services). Although these, as mechanisms to secure economic growth, are not set out as clear priorities for GBS LEP, they do cut across and underpin the LEP's strategic economic plan by providing pleasant attractive places to live and work, providing areas for recreation and cultural activities, creating workplaces that are sustainable in both the demands on the natural resources and how they interact with the natural environment.

7. Reasons for Decision(s):

- 7.1 To support the strategic outcomes and priorities this project provides an opportunity for the Council to invest in enhancing Birmingham's natural assets and biodiversity; such interventions contribute to delivery against Council outcomes – A Strong Economy and A Healthy, Happy City.

Signatures

Date

Cllr Lisa Trickett, Cabinet
Member for Clean Streets,
Recycling and Environment

Anne Shaw, Assistant Director
Transportation and Connectivity

List of Background Documents used to compile this Report:
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- | |
|--|
| 1. Delegation of Authority report to submit outline proposal |
|--|

List of Appendices accompanying this Report (if any):
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- | |
|---|
| 1. Letter of Outline Approval from DCLG |
| 2. Equality Analysis EA001360 |
| 3. Project area and activities |
| 4. Project Definition Document (PDD) |
| 5. |

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none"> (a) tackle prejudice, and (b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> (a) age (b) disability (c) gender reassignment (d) pregnancy and maternity (e) race (f) religion or belief (g) sex (h) sexual orientation

Appendix 1: Letter of Outline Approval from DCLG



Department for
Communities and
Local Government



European Union
European Regional
Development Fund

Nicola Farrin
Ecologist, Birmingham City Council
1 Lancaster Circus
PO Box 14439
Birmingham
B2 2JE

15 August 2016

Dear Ms Farrin

Outcome of ERDF Outline Application assessment

Open Call: Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource

Project: Natural Rivers - Improving ecological condition and habitat connectivity on the River Rea catchment

Thank you for submitting an Outline Application in response to the above Call for applications.

Your application has been subject to an assessment against the project selection criteria by the Managing Authority for the European Regional Development Fund Programme in England, informed by advice on strategic fit from the Local European Structural and Investment Funds Sub-Committee.

This letter confirms that your application has been accepted at outline stage and may progress to the submission of a Full Application subject to the conditions set out at Annex A being met in full.

The invitation to develop and submit a Full Application does not in any way imply or guarantee that ERDF investment will be approved.

The Managing Authority is continuing to assess applications and your Full Application will be subject to a detailed appraisal.

Your Full Application should be submitted by **30 September 2016**, however we would encourage you to submit the application as soon as you are able, provided it is fully

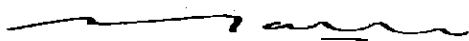
complete and with all relevant information included.

The Full Application should be completed in Word format and submitted to WM.ERDFenquiries@communities.gsi.gov.uk. Please note that the Managing Authority may de-select any project where the application deadline is not met or where the information provided is incomplete. In developing your full application you **must** refer to the relevant ERDF guidance; failure to do so could affect your application (see **Useful Links** below). You must also ensure that you are able to enter in to the appropriate Funding Agreement.

An appraiser will be appointed for the next stage of your application. They will contact you to set up a meeting to explain the Full Application conditions and any other relevant information regarding the submission of your Full Application. Please note that DCLG as Managing Authority cannot assist you in the development of your project and/or Full Application, however detailed guidance is available at GOV.UK (see Useful Links below). Whilst a project may capture eligible and compliant project expenditure from the date of this letter, Applicants are strongly advised to give very careful consideration to incurring any expenditure prior to receipt of a Funding Agreement. Any expenditure incurred is entirely at your own risk. ERDF will not be paid out until a Funding Agreement has been executed by both parties. Managing Authority agreement to the inclusion of expenditure from the date of this letter will be required, the Full Application should explicitly request and identify the costs as set out in the National Eligibility Rules (Section 7, Effective Date for Expenditure refers)

We look forward to receiving your Full application by **30 September 2016**

Yours sincerely



Mark Foley

Head of Local Growth Delivery

Useful Links:

ERDF Guidance:

<https://www.gov.uk/guidance/england-2014-to-2020-european-structural-and-investment-funds#programme-guidance-forms-and-performance-information>

Full Application Form:

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-full-application>

Procurement Guidance:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/514119/ESIF-GN-1-001_Procurement_Law_ESIF_Guidance_Note_V3.pdf

Annex A (ERDF only): Conditions/issues to be addressed in the Full Application

Project	Natural Rivers - Improving ecological condition and habitat connectivity on the River Rea catchment
Applicant	Birmingham City Council
Reference	N/A

The Full Application should explicitly and fully address each of the issues and conditions set out below in order for the technical appraisal to be conducted. The conditions are intended to provide clarity on any outstanding issues and ensure that there is sufficient detail to enable a full appraisal to be conducted.

Condition / Issue
<p>1. Procurement Conditions</p> <p>1a. Attention is drawn to compliance with Procurement Law and in particular the Public Contracts Regulations 2015 (http://www.legislation.gov.uk/ukSI/2015/102/contents/made) Applicants must refer to the Procurement Law ESIF Compliance Note in the development of the Full Application and in considering/applying its procurement processes (Useful Links, covering letter refers).</p> <p>The Managing Authority reserves the right not to take forward the Full Application if any aspects of procurement are identified as non - compliant at the Full Application stage. Applicants should note that procurements will be tested in detail in the lifetime of a project and by different independent bodies. In the event of non - compliance/irregularity financial penalty will be imposed in line with EU guidance. This can be up to 100% of the procurement expenditure. The Managing Authority therefore recommends that applicants seek appropriate legal and/or technical advice to ensure compliance.</p> <p>1b. The Applicant should prepare and submit with the Full Application, a Procurement Plan. As a <i>minimum</i>, this should set out in respect of each procurement to be undertaken:</p> <ul style="list-style-type: none">• Timescales for each stage of the process• The process being followed• Person responsible for day to day delivery of the procurement• Person responsible for gateway checks at each stage of the process• Details of how you will ensure that contracts are procured compliantly – particularly where the procurement is being carried out by a team outside of the proposed project delivery team <p>1c. The Applicant must provide all core procurement documentation to the Managing Authority as soon as it is available. Where procurements have already been undertaken, the Applicant should submit all relevant documentation with the Full</p>

Application including:

1. OJEU Contract Notice and any amendments
2. Pre Qualification Questionnaire (PQQ) Template including selection criteria
3. Signed PQQ Tender Receipt Log (showing the time and date of all PQQs)
4. PQQ Scoring Matrix
5. Moderated PQQ Summary Score Sheet
6. Invitation to Tender (ITT) specification including clear award criteria
7. Signed Tender Receipt Log (showing the date and time of all tenders)
8. Tender Scoring/Evaluation matrix
9. Moderated Tender Summary Score Sheet
10. Tender Evaluation Report
11. Example of Standstill Letter
12. Copy of Award Letter and Contract Award Notice

Frameworks

Where an OJEU level contract has been let under a framework, the documentation set out above is required along with the following additional documents:

13. OJEU Contract Notice for the Framework
14. Details of the agreed Methodology for awarding contracts from the Framework

This is not an exhaustive list and the MA may request additional information at any point. The Applicant will be required to retain a full procurement audit trail in line with the ESIF Compliance Procurement Law Guidance Note.

2. Details of match funding to be provided with evidence.
3. Estimated quarterly outputs to be reviewed and confirmed in a full application.
4. Project milestones need to be reviewed and expanded to include timescales for all elements of the project.
5. A detailed breakdown of salary costs will be required alongside the application
6. The full application should include more information on the procurement process to confirm that all project partners are fully aware of the process.
7. Publicity arrangements made by the Environment Agency and WTBBC should be included in any full application to ensure the partners are aware of EU requirements.
8. The full application should include information on how the delivery partners will build sustainability into their activities.
9. The full application should include reference to the EA and WTBBC's awareness of their obligations under the Equality & Diversity agenda and how they will be met.
10. Applicant to provide details of an outline for an environmental report to be conducted in cooperation with the Environment Agency. This will monitor the environmental impact of the project and measure new or an increase in species and monitor biodiversity. (GATEWAY)
11. The case for additionality needs to be strengthened to confirm activity is above and beyond statutory requirements and maintenance such as controlling evasive species; and more emphasis needs to be placed on biodiversity. (GATEWAY)

Appendix 2: Equality Analysis



Equality Analysis

Birmingham City Council Analysis Report

EA Name	Natural Rivers ERDF Project
Directorate	Economy
Service Area	Climate Change & Environment
Type	New/Proposed Function
EA Summary	The Natural Rivers project will deliver the first phase of a catchment-based approach to blue and green infrastructure improvements in Birmingham, focusing on the upper Rea sub-catchment. The project will support the establishment of a high quality ecological network, to enable 125 hectares to attain better conservation status, as well as delivering socio-economic benefits. The project complements planned flood alleviation works implemented by the Rea Catchment Partnership. The three year project includes works to improve channel morphology (reducing flood risk and contributing to Water Framework Directive requirements), in addition to habitat enhancements to improve ecological quality and connectivity of adjacent open space corridors.
Reference Number	EA001360
Task Group Manager	Nicola.Farrin@birmingham.gov.uk
Task Group Member	Simon.Needle@birmingham.gov.uk
Date Approved	2016-09-05 01:00:00 +0100
Senior Officer	jackie.homan@birmingham.gov.uk
Quality Control Officer	Derrick.R.Taylor@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Function.

2 Overall Purpose

2.1 What the Activity is for

<p>What is the purpose of this Function and expected outcomes?</p>	<p>The Natural Rivers project would deliver the first phase of a catchment-based approach to blue and green infrastructure improvements in Birmingham, focusing on the upper River Rea sub-catchment in south-west Birmingham. The project will support the establishment of a high quality ecological network, to enable over 120ha of land (POS and watercourses) and to attain better conservation status, as well as delivering socio-economic benefits. The three year programme of activity will include works to improve channel morphology (resulting in reduced flood risk and contributing to Water Framework Directive requirements), as well as habitat enhancements to improve habitat quality and connectivity within public open space corridors along the River Rea and its tributaries Stonehouse Brook, Bourn Brook, Merritts Brook/Griffins Brook/The Bourn and Callow Brook.</p> <p>ERDF funding is being sought to deliver the project. An outline application submitted in May 2016 and an invitation to progress to a Full Application was received from DCLG on 15/08/2016. The closing date for this application is 30/09/2016.</p> <p>The overall cost of the project is in the region of 1.3m, with 50% of the project funding coming from ERDF. Match funding is required for the remaining 50%, the majority of which will be provided by the Environment Agency (c. 570k). Additional match funding will be provided through officers input from the Sustainability Team (Economy Directorate) and Parks and Nature Conservation (Place Directorate) (c. 47k) and the Wildlife Trust for Birmingham and the Black Country (c. 32k).</p> <p>A 0.4FTE finance/monitoring officer would be appointed, funded wholly by ERDF, to provide additional capacity to support project delivery.</p> <p>BCC would act as accountable body for the project.</p> <p>As part of the Green Commissions Natural Capital Roundtable, the Sustainability Team is working with Council colleagues and public, private and third sector partners, to highlight the importance of natural capital in delivering the City's priorities for economic and social growth. The availability of European Structural and Investment Funds to support this work presents a key opportunity for the City to secure significant resources to invest in enhancing Birmingham's natural assets and biodiversity, which underpin the natural capital approach.</p> <p>The project would deliver biodiversity enhancements on c. 125ha of publicly accessible land and watercourses in the following wards: Bartley Green, Bournville, Brandwood, Edgbaston, Harborne, Kings Norton, Longbridge, Moseley and Kings Heath, Northfield, Quinton, Selly Oak, Weoley. In addition, the project will deliver wide-ranging socio-economic benefits to local communities, such as reduced flood risk and enhanced health and well-being.</p> <p>The project supports the delivery of the strategic outcomes of A Strong Economy and A Healthy, Happy City, as set out in the Council Business Plan and Budget 2016+, in particular the sub-outcomes:</p> <ul style="list-style-type: none"> - An enterprising, innovative green city delivering sustainable growth, meeting the needs of the population and strengthening Birmingham's global standing; and - Sports and physical activities that contribute to people's health and wellbeing and delivered in partnership with others, where parks and open spaces are maintained and enhanced to enable citizens to improve their health and quality of life. <p style="text-align: center;">Page 480 of 626</p> <p>The project aligns with strategic objectives in the Birmingham Development Plan relating to improving health and well-being, conserving the natural environment and securing infrastructure to support future growth and prosperity. In particular, the project delivers the Local Infrastructure Plan (LIP) objective to 'Improve the quality of the natural environment and enhance the city's green infrastructure'.</p>
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
<u>Comment</u> This is a partnership project, with the Council working closely with the Environment Agency and the Wildlife Trust for Birmingham and the Black Country. Securing ERDF funding will match funding from these organisations to deliver biodiversity and quality of life enhancements which would not otherwise be achievable via the Council's mainstream budgets.	
A Fair City	Yes
<u>Comment</u> the project would create opportunities for volunteering. The WT has a track record of community engagement in conservation projects.	
A Prosperous City	Yes
<u>Comment</u> Enhancing biodiversity and strengthening the role of the natural environment to deliver vital services for Birmingham's citizens is the at the heart of the project. The project is seeking funding under ERDF Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource Efficiency. Projects applying for funding must demonstrate how their proposed activities achieve the investment priorities' specific objective, in this case, Investments in Green and Blue infrastructure and actions that support the provision of ecosystem services on which businesses and communities depend to increase local natural capital and support sustainable economic growth. Indicative actions supported may include investment in green and blue infrastructure such as green corridors in urban areas and waterways.	
A Democratic City	Yes
<u>Comment</u> This project focuses on the upper part of the River Rea catchment which has been subject to a number of serious flooding incidents in recent years. Project activities would seek to reduce flood risk for communities within the sub-catchment.	

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
<u>Comment</u> The Environment Agency and Wildlife Trust are key stakeholders and are involved as project partners.	
Will the policy have an impact on employees?	Yes
<u>Comment</u> BCC will act as the project lead and accountable body for the project. Project management will be delivered by the project lead, with input from the Sustainability Team (Ecologist, Carbon Policy and Sustainable Development Officer) and from Parks and Nature Conservation (Conservation and Woodland Manager). Additional capacity will be required in terms of project monitoring and administration, and therefore a 0.4 FTE monitoring officer will be recruited by BCC, and funded wholly via ERDF funding. In the first instance, a suitable candidate would be sought internally; if this search was unsuccessful, the post would be advertised externally. An alternative option would be to consider the secondment of a suitably experienced member of staff from one of the delivery partners.	
Will the policy have an impact on wider community?	Yes
<u>Comment</u> The project should deliver environmental, economic and social benefits for local communities within the sub-catchment.	

2.3 Analysis on Initial Assessment

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Delivery of the Natural Rivers Project is expected to enhance the quality of the natural environment, and promote health and well-being and other socio-economic benefits for communities in the project area. Negative impacts on service users/stakeholders and employees are not anticipated. As such, project delivery would not be detrimental to any of the protected characteristics and therefore there is no need to progress to a Full Assessment.

3 Concluding Statement on Full Assessment

Due regard has been demonstrated through the completion of this assessment. There is no need to proceed to a Full Assessment.

4 Review Date

23/06/17

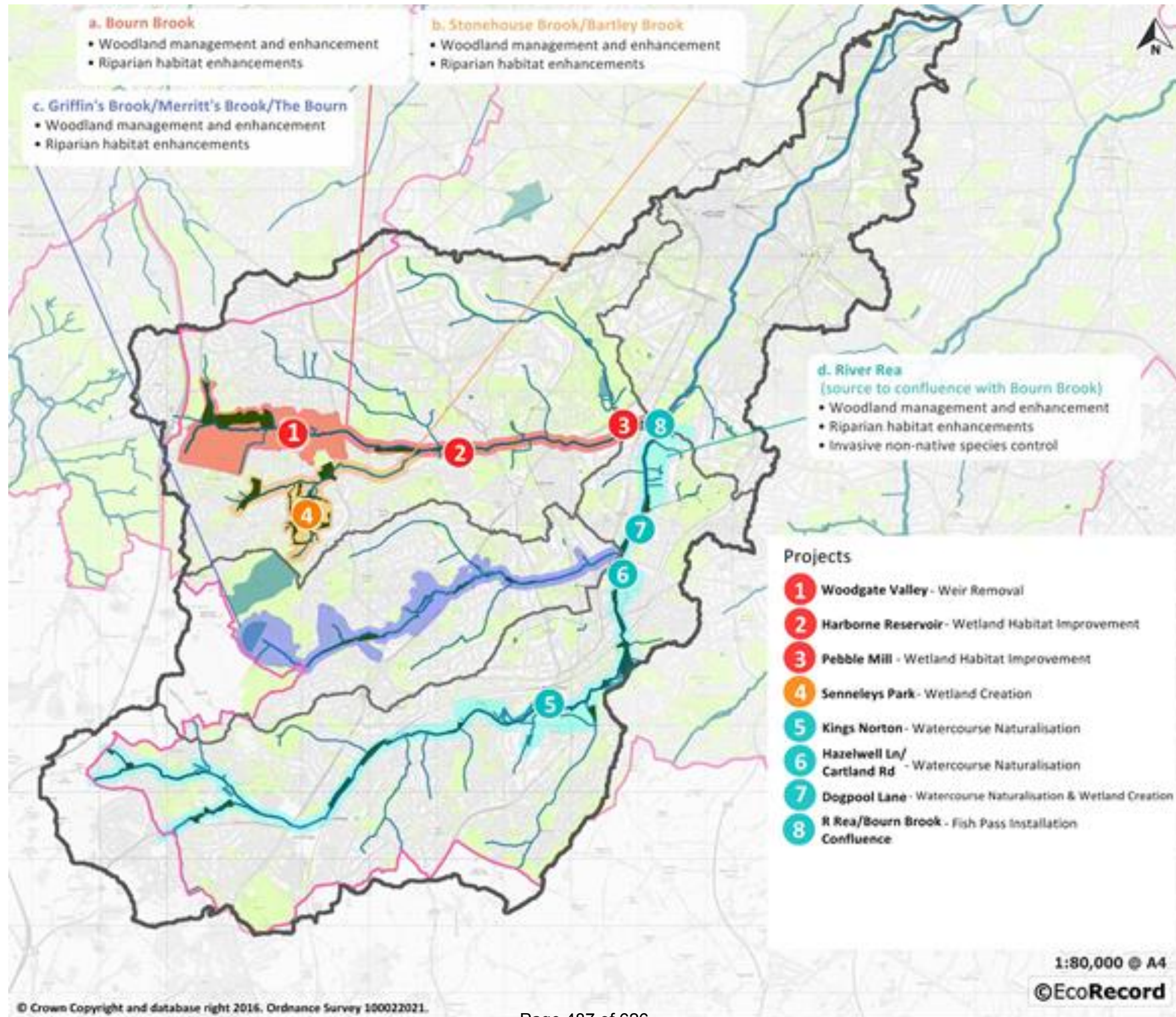
5 Action Plan

There are no relevant issues, so no action plans are currently required.

Project location	Project	Output: hectares attaining a better conservation status	Project costs(£) (summary of Landscape enhancement work costs to delivered through Natural Rivers project only)
(A) Bourn Brook Ordnance Survey Grid Reference (approx. SO995835 to SP063836)	Woodland management and enhancement – through thinning, coppicing, under-planting and introduction of native field-layer species (Woodgate Valley Country Park).	41ha	£218,050
	Watercourse morphological improvements (weir removals, Woodgate Valley Country Park).		
	Riparian habitat enhancements - aquatic planting.		
	Habitat enhancements (Harborne Reservoir & Pebble Mill).		
(B) Stonehouse Brook/Bartley Brook Ordnance Survey Grid Reference (approx. SP000823 to SP028831)	Woodland management and enhancement – through thinning, coppicing, under-planting and introduction of native field-layer species (Senneleys Park, Woodgate Valley Country Park).	24ha	£37,375
	Riparian/wetland habitat enhancements, including aquatic planting		
(C) Griffin's Brook/Merritt's Brook/The Bourn Ordnance Survey Grid Reference (approx. SP005795 to SP057816)	Woodland management and enhancement – through thinning, coppicing, under-planting and introduction of native field-layer species (various POS adjacent to watercourse)	7ha	£29,150
	Riparian habitat enhancements – aquatic planting		
	Page 485 of 626		

<p>(D) River Rea (source- confluence with Bourn Brook, and including Callow Brook) (approx. SO979782 to SP063835)</p>	Woodland management and enhancement – through thinning, coppicing, under-planting and introduction of native field-layer species (various POS adjacent to watercourse)	53 ha	£865,550
	Invasive non-native species control		
	Watercourse morphological improvements, including removal of bank reinforcements and installation of fish pass		
	Selly Park South scheme – increased volume storage creation of wetland, removal of gabions and bank re-profiling		

Project area map and summary of planned activity



APPENDIX 4

PROJECT DEFINITION DOCUMENT (PDD)			
1. General Information			
Directorate	Economy	Portfolio/Committee	Clean Streets, Recycling & Environment
Project Title	Natural Rivers	Project Code	N/A
Project Description	<p>Project background</p> <p>Birmingham and Black Country Wildlife Trust (B&BCWT) have been delivering landscape-scale enhancements through the Nature Improvement Area (NIA) project for the last four years. Birmingham City Council (BCC) and the Environment Agency (EA) have been project partners, amongst many others, over this time (BCC through the work of the city ecologist team and the Parks and Nature Conservation dept.). Initially the NIA was funded through a DEFRA grant that covered the first three years implementation. At the end of this funding, B&BCWT were successful in obtaining additional non-governmental grant funding to continue this work, however this was much reduced. Projects implemented through this have included work with the EA for stream channel re-profiling, removing weirs and the introduction of native bankside vegetation to improve habitat connectivity, eg for fish and water vole. Other projects include work with BCC to improve the diversity of derelict woodland plantation. This involved the selective removal of trees, understorey planting and the addition of native woodland flora.</p> <p>All of these habitat enhancements have been welcomed by the project partners and citizens of Birmingham alike. The recent reductions in available funding for NIA work has meant that these successful, wider landscape-scale projects have had to be scaled back.</p> <p>It is against this background and the current call for proposals under European Regional Development Fund (ERDF) Priority Axis 6 that we wish to respond to the call.</p> <p>The project</p> <p>It is expected that the Natural Rivers project will be funded through the European Regional Development Fund (ERDF) Priority Axis 6..</p> <p>The project will expand on the work already undertaken in delivering landscape enhancements by B&BCWT through Birmingham and Black Country NIA and the flood alleviation projects of the EA, which deliver landscape and watercourse improvements that assist in the delivery of meeting European targets on water quality set through the Water Framework Directive.</p> <p>These landscape enhancements will include:</p> <ul style="list-style-type: none"> • Management of bankside trees • Management of bankside vegetation and the addition of native flowering plants • Management of plantation woodlands to improve the age structure and diversity • Changes to watercourses to alleviate flood risk 		

	<ul style="list-style-type: none"> • Creation of new wetland areas • In-channel improvements to aid the movement of fish, eg installation of fish passages, removal of man-made weirs. <p>These enhancements will not only improve the habitat quality for wildlife but will enhance the value for leisure and recreation.</p> <p>This project will be delivered through collaborative working between BCC, B&BCWT and the EA.</p> <p>How the project will operate</p> <p>If successful, a 0.4 FTE project monitoring/finance officer will be recruited by BCC (100% funded through ERDF). The project partnership will be managed by a Service Level Agreements with the two project partners (B&BCWT and the EA).</p> <p>The EA have funding in place to commence work on their key projects as part of this project and it is this funding that will form the majority of the 50% match funding required.</p> <p>The following project outcomes will be delivered by the relevant project partner:</p> <p>Environment Agency</p> <ul style="list-style-type: none"> • Flood alleviation works • Weir removals / fish passage installation • Wetland creation <p>BCC Parks and Nature Conservation Dept.</p> <ul style="list-style-type: none"> • Bankside tree management • Woodland plantation thinning • Control of invasive species <p>Birmingham and Black Country Wildlife Trust</p> <ul style="list-style-type: none"> • Community engagement in growing local flora • Community engagement in fresh water invertebrate surveys • Diversification of river bank flora through planting / seeding • Diversification of woodland ground flora through planting / seeding <p>The work will be undertaken in a phased approach over the course of the three year project. It is envisaged that the majority of the EA works will be completed within the first year of the project.</p>
<p>Links to Corporate and Service Outcomes</p>	<p>The project supports the delivery of the following strategic outcomes set out in the Council Business Plan and Budget 2016+:</p> <ul style="list-style-type: none"> • A Strong Economy • A Healthy, Happy City <p>and, in particular, the sub-outcomes:</p> <ul style="list-style-type: none"> • An enterprising, innovative green city delivering sustainable growth, meeting the needs of the population and strengthening Birmingham's global standing; • Sports and physical activities that contribute to people's health and wellbeing and delivered in partnership with others, where parks and open spaces are maintained and enhanced to enable citizens to improve their health and quality of life. <p style="text-align: center;">Page 490 of 626</p> <p>The project aligns with strategic objectives in the Birmingham Development</p>

	<p>Plan (BDP) relating to:</p> <ul style="list-style-type: none"> improving health and well-being conserving the natural environment securing infrastructure to support future growth and prosperity <p>In particular, the project will contribute to the implementation of BDP policies GA9, TP2, TP6, TP7 and TP8.</p> <p>The project is consistent with Birmingham's approach to supporting ecosystem services and improving natural capital set out in the Council's Green Living Spaces Plan, and is compliant with the work of the Green Commission.</p>
Project Benefits	<p>The project will deliver multiple benefits, these include:</p> <ul style="list-style-type: none"> Reductions in flood impacts through improved channel design Improved water quality through appropriate land management Improved biodiversity within the stream and rivers aided by improved connectivity Improved connectivity for wildlife through better managed, more diverse habitats More resilient tree stock through appropriate management and replanting Improved visual amenity Improved sense of safety for citizens through well managed public spaces
Project Deliverables	<p>The project deliverables are set out in the project benefits above.</p>

Key Project Milestones		Planned Delivery Dates
Cabinet approval to bid/PDD		20 September 2016
Submission of project proposal		30 September 2016
Outcome of bid announced		30 November 2016
FBC approval		13 December 2016
Project start		1 January 2017
Dependencies on other projects or activities	<p>This project links to planned work being undertaken by the EA and work on the NIA undertaken by B&BCWT. The project partners' work will continue if funding is not successful, but will have a more limited impact. The EA's funds for project implementation are being used to provide the majority of the match funding; should this opportunity be lost it is doubtful that a project on this scale will be viable for some time.</p>	
Achievability	<p>The project is an ambitious one. Our external project partners both have experience of delivering landscape-scale nature conservation projects. Our internal partner (Parks and Nature Conservation dept.) currently manages all BCC green space and non-highway trees; using the existing grounds maintenance and tree service contracts will allow us to match the demands of the project to workforce availability.</p>	
Project Manager	<p>Initially Nicola Farrin will draw up the full ERDF application with input from project partners. A 0.4 FTE project monitoring and finance officer will be appointed (costs 100% covered by the ERDF grant) should the bid be successful.</p>	
Project Accountant	<p>Michelle Garrison, Finance Manager, City Finance.</p>	
Project Sponsor	<p>Anne Shaw, Assistant Director, Transportation & Connectivity</p>	
Proposed Project Board Members	<p>The Project Board will be constituted from the Natural Rivers project partnership members if the bid is successful.</p>	

Head of City Finance (HoCF)	Simon Ansell	Date of HoCF Approval	
<i>Other Mandatory Information</i>			
• Has project budget been set up on Voyager?			No.
• Issues and Risks updated			N/A

Risk	Probability	Impact	Status/Comments
Matched funding not identified	Low	High	Match funding has been identified and is committed to projects that will form part of this project outcomes.
Partners leaving the project	Low	Medium / high	A partner may decide that they are unable to continue in the project. The Conditions of Grant Aid will commit partners to their commitments, including funding obligations.
Running over budget/ not keeping to time	Low	High	A 0.4FTE project monitoring/finance officer will be appointed to minimise the risk of this happening. They will work 100% of their time on this project.
Partners not delivering	Low	High	A Service Level Agreement will be put in place to ensure that every partner is aware of their responsibilities to the project, and the consequences should they default from these.

2. Options Appraisal Records

The following sections are evidence of the different options that have been considered in arriving at the Project Definition. All options should be documented individually.

There are no other funds currently available for undertaking work on this scale.

Option 1	ERDF Priority 6 Axis Bid
Information Considered	Ability for: Improving habitat quality and eco-system services Improving natural capital Reducing flood risk ERDF Priority Axis 6 funding call Partnership working with EA and B&BCWT
Pros and Cons of Option	Pros <ul style="list-style-type: none"> Improved flood resilience Improved water quality and connectivity Improved and well managed habitats for wildlife Improved resilience of Birmingham's tree and woodland resources Improved visual amenity of green space Cons <ul style="list-style-type: none"> Requests for similar works within the city that currently cannot be funded
People Consulted	We have worked with a range of people in developing this bid. The main ones are: <ul style="list-style-type: none"> Birmingham and Black Country Wildlife Trust Environment Agency BCC Parks and Nature Conservation dept. Members of the Local Sites Partnership

	<ul style="list-style-type: none"> • EcoRecord • Birmingham Parks Ranger Service
Recommendation	That we pursue the ERDF Priority Axis 6 funding bid for the Natural Rivers Project
Principal Reason for Decision	The ERDF Priority Axis 6 stream is the only significant funding source currently available for this work. It will assist us in taking forward priorities we have articulated as a City Council, improving the natural environment, natural capital and ecosystem services.

Option 2	Do Nothing
Information Considered	<p>Ability for:</p> <p>Improving habitat quality and ecosystem services</p> <p>Improving natural capital</p> <p>Reducing flood risk</p> <p>ERDF Priority Axis 6 funding call</p> <p>Partnership working with the EA and B&BCWT</p>
Pros and Cons of Option	<p>Pros</p> <ul style="list-style-type: none"> • No work required to generate bid • No need to manage grant funded work <p>Cons</p> <ul style="list-style-type: none"> • Loss of availability of match funding • Loss of opportunity to deliver wide scale works • Work undertaken by the EA of limited scope and impact • Loss of opportunity to deliver wider flood alleviation benefits • Further degradation of natural habitats resulting in loss of biodiversity • Loss of habitat connectivity • Degradation in the visual amenity less attractive places for citizens to use
People Consulted	BCC, B&BCWT, EA
Recommendation	Reject this option
Principal Reason for Decision	Cons outweigh the Pros

Option 3	Deliver at another location within the city
Information Considered	<p>Ability for:</p> <p>Improving habitat quality and eco-system services</p> <p>Improving natural capital</p> <p>Reducing flood risk</p> <p>ERDF Priority Axis 6 funding call</p> <p>Partnership working with the EA and B&BCWT</p>
Pros and Cons of Option	<p>Pros</p> <ul style="list-style-type: none"> • Land available in BCC ownership <p>Cons</p> <ul style="list-style-type: none"> • No match funding available
People Consulted	BCC, B&BCWT, EA
Recommendation	Reject this option
Principal Reason for Decision	Lack of match funding

3. Option Recommended	Assessing the three options available, it was clear that Option 3 - “Deliver at another location within the city” - was not a viable option as our match-funding partner (the EA) has to deliver within the River Rea catchment. Therefore, the required match funding would not be available.
	Option 2 – “Do nothing” - would not deliver the benefits of flood alleviation or the benefits to biodiversity that are required. BCC are also obliged under the Natural Environment and Rural Communities (NERC) Act 2010 to protect and promote biodiversity through all of their actions. This means that Option 2 is not a viable option.
	Option 1 is the only option that allows us to deliver the benefits, achieve the match funding and meet our obligations under the NERC Act.
	Therefore, it is recommended that Option 1 be accepted.

4. Budget information

The following table illustrates the total costs and funding for the delivery of the Natural Rivers project.

Budget Summary						
	<i>Voyager Code</i>	<i>Financial Year 2016-17</i>	<i>Financial Year 2017-18</i>	<i>Financial Year 2018-19</i>	<i>Financial Year 2019-20</i>	<i>Totals</i>
Capital Costs	TBA	£ (in '000s)				
Expenditure:						
Habitat enhancement works		612.5	269.6	267.5	28.3	1177.9
Totals		612.5	269.6	267.5	28.3	1177.9
Revenue Costs	TBA	£ (in '000s)				
Expenditure:						
BCC staff costs		3.6	23.2	22.4	10.1	59.3
Office costs		0.5	4.5	3.4	1.5	9.9
Other running costs		1.9	17.9	15.8	9.1	44.7
Totals		6	45.6	41.6	20.7	113.9
Total Expenditure		618.5	315.2	309.1	49	1291.8
Funded by:		£ (in '000s)				
Capital						
ERDF		306.25	134.8	133.75	14.15	588.95
EA & BBCWT		306.25	134.8	133.75	14.15	588.95
Totals		612.5	269.6	267.5	28.3	1177.9
Revenue						
ERDF		3	22.8	20.8	10.35	56.95
BCC		3	18.7	17.8	8.3	47.8
EA & BBCWT			4.1	3	2.05	9.15
Totals		6	45.6	41.6	20.7	113.9
Total Funding		618.5	315.2	309.1	49	1291.8

Notes – Revenue Consequences

BCC contribution towards revenue costs will be provided by officer time and will be met from existing team revenue budgets.

5. Project Development Requirements/Information	
Products required to produce Full Business Case	<ul style="list-style-type: none">• Detailed Project Plan• More detailed assessment of revenue cost implications. It is not anticipated these will exceed the amounts quoted above.• Full Business Case report.
Estimated time to complete project development	The bid is due for submission by 30 September 2016. We could expect to hear whether we have been successful in November with a likely timetable of end of November for acceptance of the grant. This short timescale is to ensure that the ERDF funding agreements are in place by the time of the Government's Autumn Statement.
Estimated cost to complete project development	N/A
Funding of development costs	N/A

Planned FBC Date	13 December 2016	Planned Date for Technical Completion	31 March 2019
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Report to:	CABINET
Report of:	CHIEF EXECUTIVE AND STRATEGIC DIRECTOR FOR PEOPLE
Date of Decision:	20 September 2016
SUBJECT:	VOLUNTARY CHILDREN'S TRUST
Key Decision: Yes	Relevant Forward Plan Ref: 002275/2016
If not in the Forward Plan: (please "tick" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member:	Cllr Brigid Jones – Children, Families and Schools
Relevant O&S Chairman:	Cllr Susan Barnett – Schools, Children and Families
Wards affected:	All

1. Purpose of report:

- 1.1 Following Cabinet approval in July 2016 of the “case for change” this report describes the outcomes of the proposed children's trust scoping and options appraisal, sets out governance developments and seeks Cabinet approval for the next phase of detailed design work.

2. Decision(s) recommended:

That Cabinet:

- 2.1 Agrees the draft scope of the proposed Trust as suitable for consultation with staff affected, service users and partners and as the basis for further detailed design (Appendix 1 – Draft Scope of Services).
- 2.2 Notes the result of the appraisal of alternative delivery models and agrees that both (1) the wholly owned company option and (2) the employee owned mutual option proceed to design work (Appendix 2 – Alternative Delivery Model Options Shortlisting).
- 2.3 Agrees the high level Phase 2 (Design) Programme Structure/Governance Plan described at 5.8 and 5.9 and in Appendix 3 and delegation to the Chief Executive/Strategic Director for People of utilisation of the agreed implementation/set up funding and establishment of the delivery Programme, including appointment to key positions as outlined in the Appendix.
- 2.4 Agrees that work on the shadow governance and Trust Board arrangements is delegated to the Chief Executive/Strategic Director for People, including appointment of the Chair Designate in accordance with the all-party appointments procedures of the Council and appointment of the Trust's Chief Executive.
- 2.5 Agrees to receipt of a January 2017 report with the recommended Trust service scope and delivery option, shadow governance/Board arrangements and process for creation of the Trust

Lead Contact Officer(s):	Peter Hay Strategic Director for People
Telephone No:	0121 303 3575
E-mail address:	Peter.hay@birmingham.gov.uk

3. Consultation

3.1 Internal

There has been initial engagement with affected staff, trade unions and Elected Members in respect of the scope of services that would transfer to a Trust delivery model.

Officers from Legal, Finance, Corporate Procurement and HR have been consulted on the production of this report.

Further consultation, including statutory consultation obligations, will be undertaken with service users, all affected employees, trade unions, Elected Members, stakeholders and partners (including the Birmingham Safeguarding Children Board) as models proceed to design work, with outcomes of the consultation process considered as part of any subsequent decision regarding a final Trust delivery model.

Early phases of engagement have seen a degree of staff support based on recognition of the potential benefits of a Trust model.

3.2 External

Engagement has included strategic partners, the Department for Education (DfE) and Birmingham's Commissioner for Children's Social Care, Andrew Christie. There has also been direct liaison with other local authorities (eg Doncaster, Slough, Kingston-Upon-Thames, Richmond and Sunderland) where Trust arrangements exist or are being developed and learning from this will be taken into Phase 2 (Design), if agreed.

4. Compliance Issues:

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

Exploration of a trust model is consistent with the Council's priorities of children's safeguarding, making children in need safer and improving the wellbeing of vulnerable children as set out in the Council Business Plan and Budget 2016+ . Appraisal of options has included consideration of the design principles agreed by City Council in June 2016.

4.2 Financial Implications

One of the six design principles agreed by the Council is that the current financial plan and Council priority must be maintained through to at least 2020. A detailed assessment of the financial implications of the two options will be undertaken as part of design work.

Substantial costs are anticipated to support necessary work to design and develop a preferred trust model including appropriate resources/programme management and transition requirements. It is anticipated that these costs would be met from a bid for resources to the DfE.

The DfE bid will cover the design, programme management and transition costs incurred during 2016/17, 2017/18 and, as necessary, full establishment of the trust.

This report seeks a delegation to enable the Chief Executive to complete negotiations for funding support with the DfE, in consultation with the Cabinet Member, and to utilise the 2016/17 funds, once notified or awarded by the DfE. There will be further reporting on the application of the DfE funding for further transition and implementation costs in the January 2017 report to Cabinet.

It will be necessary to calculate and disaggregate costs of services across the Council and those transferring into the Trust and details will be included in the January 2017 report to Cabinet.

4.3 Legal Implications

The proposal facilitates the discharge of a range of local authority functions under Part III and Schedule 2 Children Act 1989, the Children Act 2004, the Children and Families Act 2014 and the Adoption Act 2002. Section 111 Local Government Act 1972

allows the local authority power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

The Government's policy position on Trusts was reinforced in the July 2016 policy paper Putting children first: our vision for children's social care:

"The current system, where the vast majority of children's social care services are delivered by in-house local authority teams, is not delivering consistently excellent practice... Whilst structural change is not an end in itself, in the right circumstances it may be the key to unlocking improvement and responding to budgetary pressures as well as new threats to our children and young people."

As a local authority in intervention the current Children's Commissioner relationship would continue whilst the Trust is developed and implemented and the DfE would continue to hold the Council to account for improvements in delivery and outcomes.

In both options, the Council would remain accountable for the effective delivery of services for children, promoting their welfare and wellbeing, and improving outcomes. Through a contract with the Council the Trust would be responsible for determining how those outcomes were achieved and also for the day-to-day running of the children's services. The Council would continue to hold the statutory remits of the Director of Children's Services under Section 18 Children Act 2004 and Lead Member for children's services under Section 19 Children Act 2004 and the Council would be the body inspected by Ofsted.

The Birmingham Safeguarding Children's Board would retain its role in ensuring the effectiveness of co-operation between agencies in safeguarding and promoting the welfare of children and young people.

The Council has agreed a principle covering wide accountability of the Trust and that includes all Councillors exercising their corporate parenting responsibilities and senior Trust managers reporting to the relevant Scrutiny Committee and others as appropriate.



5. Relevant background/chronology of key events:

- 5.1 The Council has been rated as inadequate in the delivery of its responsibilities to children for some years and is now due a further Ofsted inspection. The Council has come to a decision that exploration of a Trust offers greater agility and focus which would improve the chances of delivering excellent social work in an effective and sustainable way. The challenge facing the Council is to sustain the current improvement work and build around that a proposed Trust model to take on and further develop the task.
- 5.2 In considering which delivery model best secures long term sustainability and improvement of children's services, a number of key factors challenge the 'in house' model as a preferred model and therefore it is not a recommended option. These challenges and considerations are discussed below:
- 5.2.1 Since 1999 there have been longstanding issues with the sustained delivery of children's services in Birmingham by the Council and whilst improvement is progressing it still has a way to go before the service becomes excellent.
- 5.2.2 In 2014, Professor Julian Le Grand, on behalf of the then Minister, concluded that there were serious structural, practice and governance issues affecting children's services in Birmingham.
- 5.2.3 In June 2016, a report of the Improvement Quartet acknowledged both the significant improvement progress since Le Grand in 2014 and the need to explore a structural and cultural change so as to provide better sustainable outcomes for children in Birmingham.
- 5.2.4 Deloitte, commissioned by the Council, identified in their July 2016 report 'a case for change' six key 'root causes' challenging the Council's ability to deliver a sustainable and improved children's service at pace. The Trust design needs to be able to facilitate positive responses to these root causes. In summary these are:
- focus on children: time spent interacting with other council functions caused a lack of attention on children's services.
 - partnering and commissioning: a lack of shared visions across council functions and with key partners; more collaboration and single focus needed.
 - recruitment and retention: impact of reputational and legacy issues, unattractive/uncompetitive reward package and lack of dedicated/focussed support service functions impacting on successful and sustained recruitment and retention of qualified social workers.
 - workforce capability: the need to align workforce capability with service delivery, the need to build a strong framework for learning which is peer led and embedded into day-to-day practice.
 - organisational agility: the need to become demand led versus the need to respond to budgetary cuts and the distraction of responding to external pressures.
 - technology, digital and analytics; the need for an exclusive IT focus, unencumbered by corporate processes and initiatives in order to provide a better understanding about the needs of children and young people.
- 5.2.5 The Council has embedded a new 'Early Help and Children's Social Care Improvement plan 2015- 2017' with a strong focus on operational practice. The improvement journey is well underway. However, preparing for years beyond this plan and achieving sustained improvement is critical and requires the ability to innovate and to implement change at pace with a clear singular focus on providing the best outcomes for children in Birmingham.
- 5.2.6 All of the 4 main strategic objectives set out below in Paragraph 5.5 cannot be met by an in-house model as there would be no independent delivery of children's services.
- 5.3 On 26 July 2016 Cabinet agreed the "case for change" and that this would be used to inform the appraisal and development of options for a trust model.
- 5.4 The draft scope of services to be covered by a trust model is attached as Appendix 1 - Draft

Scope of Services. The scope was drafted to enable appraisal to be undertaken. It is recognised that in any further agreed appraisal of options the scope will be open to modification. It will continue to be possible to consider changes to the scope where that is deemed appropriate. Any changes identified during the review of the two options will be reported to Cabinet in January 2017.

- 5.5 The outcome of the options appraisal is described in Appendix 2 - ADM Options Shortlisting. Two models have emerged from this as most likely to secure the conditions for sustainable improvement: a wholly owned company and an employee owned mutual. These meet the strategic objectives (eg. accommodating the scope, providing independence, commissioner/provider split, reflecting the City Council's principles), minimise risk (complexity, market gaps) and relative affordability.
- 5.6 These models are recommended to proceed to design work to identify the preferred model for implementation and that will include considering elements of each of the "pure" models and the value of combining those in a "best fit" arrangement. This would be in the context of agreeing the best starting point from a pace and pragmatism perspective, with the model able to develop and evolve over time. Both of these models would enable future consideration of evolving into a community interest company in which the primary purpose is community benefit. This would mean that the wholly owned company or mutual as appropriate would become a community interest company. There is a process for achieving this starting with the company/mutual passing a special resolution. The process is more complex for a mutual. The process can be considered in more detail at the design stage. A community interest company (CIC) is a limited liability company, designed for social enterprises that want to use their profits and assets for the public good. A CIC has the specific aim of providing a benefit to a community and must use its income, assets and profits for the community it is formed to serve. The primary purpose of a CIC is to benefit the community and not its shareholders, directors or employees.
- 5.7 Nationally, the Government has recognised that VAT presents barriers to broadening the range of models available to local authorities. Although this is of interest in the longer term the immediate focus is on adding pace a Trust could offer to our improvement plan by being in shadow form by April 2017. Therefore models likely not to enable recovery of VAT in our timeframe have been ruled out.
- 5.8 Appendix 3 - Phase 2 (Design) Programme Structure/Governance Plan sets out the high level Phase 2 (Design) programme of work necessary to design and develop a preferred trust model with appropriate programme management and full consideration of transition requirements. With respect to programme governance a Programme Board and related architecture will now be established comprising a Programme Director, Programme Manager and workstream leads. The Programme Board would oversee establishment of the proposed Trust and its membership will include the City Council, DfE, Children's Commissioner and a partner representative.
- 5.9 As agreed by Cabinet in July 2016 a search has been undertaken to identify possible interest in Chair/Non-Executive membership of a shadow Trust Board. This is to begin to put into place in Phase 2 (Design) shadow governance arrangements and to ensure that the proposed Trust has its own voice in the next significant phase of design and development. This is distinct from the Programme Board and its remit.
- 5.10 The continued engagement of partners in the next phase becomes more critical. In the short term, for example, that would include work on the scope and involvement in the programme management and shadow governance arrangements. Beyond that, and recognising that the proposed Trust would be part of a wider system of agencies and partners which share the aim of securing better outcomes for children and young people, there is important work required to build stronger relationships and behaviours around a shared vision, values and leadership of the system.
- 5.11 Phase 3 (Transition, April 2017 – March 2018) will comprise – subject to necessary approvals – full implementation and transition to the new delivery model.

6. Evaluation of alternative option(s) Page 501 of 626

- 6.1 The range of options for voluntary development of a trust model have been evaluated and reduced to only viable options for delivery, with the aim of detailed design, implementation

and transition to a single model.

6.2 An in-house option has been ruled out for the reasons set out in 5.2.

6.3 If the Council is not able to demonstrate that it can deliver, at pace, an improvement journey beyond 2017 for its children's services, it will remain in intervention.

7. Reasons for Decision(s):

7.1 To secure formal support for the scope, design work on the preferred options and related governance requirements.

Signatures

Date

Cabinet Member, Children, Families and Schools:

Cllr Brigid Jones

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.....

Strategic Director for People:

Peter Hay

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Chief Executive

Mark Rogers

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List of Background Documents used to compile this Report:

Report of the Improvement Quartet to City Council 14 June 2016.

Cabinet Report 26 July 2016 – Voluntary Children's Trust

Putting Children First: Our vision for Children's Social Care – DfE July 2016

List of Appendices accompanying this Report (if any):

1. Draft Scope of the proposed Birmingham Children's Trust - discussion paper August 2016

2. Birmingham Children's Services Model - Alternative Delivery Model Options Shortlisting

3. Phase 2 (Design) Programme Structure/Governance Plan

4. Equality Analysis – Initial Screening

Report Version

8

Date

7 Sept 2016

1. INTRODUCTION

This paper sets out the initial thinking and draft proposals for the scope of the proposed Birmingham Children's Trust. In July the Council's Cabinet agreed the case for change and the exploration of potential models.

The purpose of this paper, therefore, is to provide a discussion document for the Council and partners to set out some parameters for the scope of the proposed Children's Trust.

- Section 2 describes the rationale for the scope.
- Section 3 outlines the proposed scope.
- Section 4 outlines areas which are still unclear and require further consideration
- Section 5 outlines services unlikely to be in scope.
- Section 6 sets out the outcomes, ambition and purpose for children's services in Birmingham.

The scope will be open to modification during the design phase of the proposed Trust and, indeed, it is recognised that incremental change to the scope would continue to be possible when the proposed Trust is in place.

Comments, queries and observations are welcome and can be emailed to ChildrensTrust@birmingham.gov.uk

2. RATIONALE FOR SCOPE

It is proposed that Birmingham Children's Services (BCS) and its core social work and related functions are retained in the proposed Trust as one system that covers the whole of the City: one system of targeted social work practice for those children and families with greatest needs.

Children's Services is one whole system from first contact right through to adoption. All parts of this system affect each other and effectiveness is dependent upon close collaboration throughout the system to achieve the desired outcomes. Children's Services nationally work with the 3% to 4% of most deprived and disadvantaged children and families at any given time. To support such children and families in a way that makes a significant positive difference in their lives requires intensive personal relationship-based work by skilled practitioners.

To undertake this, practitioners need to be well supported in their work. Attention must be paid across the system to creating and maintaining the best possible conditions for effective practice.

Many teams and service areas are integral to the delivery of effective children's social care and meeting the Children Act and subsequent statutory requirements. However, there is a national change and reform agenda and any Trust needs to be flexible enough to adapt to that and future emerging responsibilities.

BCS has set out in the last two years on an improvement journey centred on relationship-based practice with children and families, and this approach has been welcomed and adopted in all three geographical areas. This is a journey of cultural change, of growing practitioner skill and confidence and of improving practice supervision support and oversight. Increasingly, centrally managed services such as Independent Reviewing Officers, CP Chairs and leaving care are being located in the main area offices, so more collaborative support and challenge relationships have been developed. Greater consistency is being developed across family support and each area has the same structure and workflow. Managers are meeting together across areas to plan and deliver improvements and support and learn from each other. This is all a process of cultural change and giving the whole service a strong identity, sense of purpose and clear direction of travel.

In a large organisation the process of cultural change takes longer and Birmingham acknowledges that the pace of change is not fast enough and there is still a lot of variability and inconsistency. But these need to be measured against the distance already travelled. The proposed Trust would need to give more pace and focus on excellence in practice with high expectations. However, to fragment BCS where stability has been achieved in turnover, caseloads and calmness and where staff are increasingly committed to the DfE reform agenda (Frontline; Accreditation; systemic supervision; working with families collaboratively) would be a step that would seriously risk disruption and the erosion of confidence.

The direction of travel of DfE children's social work reform is for more collaborative, cross-boundary and innovative delivery of social care services. A number of recent initiatives have prioritised greater co-operation and integration between children's services to build scale and resilience. It is worth noting that counties – by virtue of their size – have many of the benefits these reforms are seeking to achieve: In urban terms the experience of Tri-borough argues for the benefits of scale and a consistent approach across a wider area. Birmingham already has this benefit of scale.

3. PROPOSED SCOPE – what is included?

1. **Single point of entry for all contacts and referrals** – Child & Family Advice Service and Multi-agency Safeguarding Hub (MASH), including Emergency Duty Team for children.
2. **Family Support – intensive interventions with disadvantaged families** – locality based –delivered by primarily non-social work qualified staff.
3. **Assessment and Short-Term Intervention (ASTI) teams** – in main area offices – good timely assessment of needs of those referred and short-term solution-focused help to children and families.
4. **Safeguarding teams** – in localities – long-term intensive child in need and child protection interventions with the most disadvantaged families.
5. **Children in care teams** - in area main offices – supporting children in care into permanency or return home, including through family court process and up to 18 – includes specialist teams for unaccompanied asylum seeking children (UASC).
6. **Leaving Care teams** – in area offices – supporting care leavers up to age 25.

The proposed Trust would need to be able to explore the possibility of establishing with other LAs/ the third sector a Leaving Care trust that included Birmingham care leavers. The relationship and collaboration with children in care teams would have to remain connected and strong and the Leaving Care Trust arrangements would be best negotiated from within the proposed Children's Trust to ensure continuity of care.
7. **Youth Offending Service (YOS)**. There is considerable overlap between safeguarding and children in care teams in relation to young people worked with. The current Ministry of Justice review of YOS nationally is suggesting closer integration with Children's social care.
8. **No Recourse to Public Funds team; homeless young people's team; Edge of Care teams; specialist assessment and contact service.**
9. **Fostering** - central service located close to placements service – recruiting and supporting in-house foster carers.

10. **Adoption** - central service – recruiting and matching potential adoptive families and post-adoption/SGO support. We are exploring regional adoption agencies and would want the Trust to be able to move its adoption service into any such agreed regional arrangements in future. The proposed Trust would work with the new provider to ensure continuing close collaboration with children in care teams.
11. **Therapeutic Emotional Support Service** - mental health support primarily for children on edge of care/ in care and foster carers.
12. **Child Protection chairs and Independent Review Officers, LADO, Disclosure team.**
13. **Partnership management and development.**
14. **Complaints service; quality assurance; policy; research; PSWs.**
15. **Professional Support Services.**

At present Children's Services do not manage administrative support to the service (Professional Support Services). These would need to be included in any Trust arrangement.

4. PROPOSED SCOPE – service areas to be further considered for inclusion in the scope

1. Disabled Children's Social Care

Disabled Children's Social Care (DCSC) has been temporarily moved to children's services (formerly part of the Special Educational Needs [SEN] service within Education). This service is closely connected to SEN and Health in relation to Education, Health and Care plans for disabled children and young people up to the age of 25. Integration needs to continue and plans have been discussed to join this service up with the Transitions (18 to 25) team in Adult social care. BCC and Health partners may wish to develop a combined SEN, social care and health 0 to 25 service for disabled children and young people, which would then work closely with young adults service.

2. Residential care homes for disabled children

The 5 BCC residential homes for disabled children should be managed alongside DCSC.

3. Virtual School for children in care

One area of the education function which deserves consideration is the virtual school (VC) for children in care. This service relates directly and exclusively to children in care who are the responsibility of BCC. Including the virtual school in the proposed Trust would allow for more holistic planning for children in care and a stronger focus on achievement. If this was agreed, BCC would need to disaggregate the Head teacher's two roles: Head of VS and Head of Exclusions Management.

4. Children's legal services

The children's legal services function in relation to the Family Court and Public Law Outline (PLO) process could be part of the proposed Trust. Children's legal services need to work closely and collaboratively with social workers in order to ensure the needs of children are effectively represented in the Family Court, delays are minimised and social workers are given sound legal advice.

5. Support Services – HR, IT, Property, Finance and Communications

An HR and a finance function would need to be part of the proposed Trust, even where transactional work might be provided elsewhere. Similarly the delivery of IT services, property, accommodation and communications needs to be considered.

6. Performance Data and Analysis Function

The performance data and analysis function, including the maintenance of the social care data base and staff support and training around use of the system, would need to be part of the proposed Trust. This would include support to implement and maintain the system which is to replace CareFirst. The performance unit would also need to report back to the Council commissioners in terms of performance of the proposed Trust against commissioned outcomes.

7. Workforce Development Function

A workforce development function would need to be part of the proposed Trust.

8. Commissioning and Contracting

In summary this area would need to cover:

- The contracting interface with BCC (contract management, performance reporting).
- The proposed Trust commissioning services.
- The proposed Trust commissioning services in conjunction with partners.

The proposed Trust would need its own commissioning/ contracting arrangement, especially in relation to purchasing external placements. It would be essential that the **placements service** is part of the Trust and it is focused on current plans to reduce costs, grow in-house foster placements and hold providers to account for quality of work with children.

The commissioning function would be needed for forward planning so that the proposed Trust would be able to make best use of available resources by determining which services / functions it buys in, the contractual arrangements for new approaches (e.g. Adoption; Leaving Care) or using resources differently.

9. BSCB support team

In the light of the Alan Wood review of LSCBs, and the partnership nature of the BSCB, it would seem an appropriate opportunity to consider the best location for the BSCB support function. This would need to allow for new models including regional options to be explored. The support team supports the whole safeguarding partnership function. This could be combined as a wider partnership support function (adult safeguarding; health and well-being; community safety).

5. PROPOSED SCOPE – service areas unlikely to be in scope

1. Education Services

It is proposed that the Council's statutory responsibilities for education, including its work with schools around school improvement, school places, tracking pupils, supporting schools to fulfil their range of safeguarding responsibilities, ensuring the full education offer for excluded children and those with EHC plans are not part of the proposed Trust's responsibilities.

Were some of these services in scope, this would broaden the proposed Trust's professional responsibilities and dilute its primary social work Children Act 1989 functions.

It would also further fragment the Council's education offer/ service which is already partly in the Birmingham Education Partnership (BEP) and Services for Education (S4E).

2. Early Years, school nursing and health visiting

These services are currently subject to a large scale commissioning redesign. These services are at Levels 1 (universal) and level 2 (universal plus) and are not part of the targeted levels 3 and 4 social care offer to families in greatest need.

6. OUTCOMES, AMBITION AND PURPOSE

Outcomes agreed by the Early Help and Safeguarding Partnership

In our operating model we have set out five broad outcomes that we seek to achieve for children and their families in Birmingham that need support from children's services:

- **Healthy, happy and resilient children living in families**
- **Families (especially parents, but also young people) make positive changes to their behaviour**
- **Children and young people able to attend, learn and maximise their potential at school**
- **Young people ready for and able to contribute to adult life**
- **Children and young people protected from significant harm**

BCS seeks to further these outcomes in all their work with children and their families in accord with the following ambition and purpose.

Ambition and Purpose for BCS

- Our primary purpose is to ensure that children are protected from significant harm and their development and wellbeing are promoted. We do this by working openly with children and families and collaboratively with partners across the city.
- We will work openly with children and their families to bring about change, in solution-focused ways, building on their strengths, so that parents and other family members are able to provide good parenting, consistent boundaries and emotional warmth, allowing children to develop life skills and resilience.
- We are committed to supporting children to remain within their family wherever possible. We emphasise the importance of direct social work and family support work with families as a means of enabling change, responding through support and challenge to the diverse emotional, cultural and material needs of each child and their family.
- Where care at home is not possible, we seek to provide high quality substitute care within family settings, wherever possible within the city, and to maintain links with birth family whenever this is in the child's best interests.
- We have a specific responsibility to ensure that children in our care and care leavers receive stability through high quality support and care planning from us as corporate parents.

DRAFT scope of the proposed Birmingham Children's Trust – discussion paper August 2016

- We recognise that bringing about change and building resilience in families, who are often very disadvantaged, is difficult and challenging work requiring skilled and confident social workers and family workers who need to be supported by good leadership and management, supervision and learning opportunities.
- We will deliver effective services for children and families within the resource envelope allocated to us. We will eliminate inefficiency, bureaucratic barriers, duplication and waste and we will only fund that which is effective and adds value.

It would be important for the proposed Trust to be characterised by one whole systemic approach that would be able to deliver a co-ordinated and proportionate social care response to children and families in accord with their needs. It is now well established that the social care response includes targeted early help/ family support, and in leading LAs this incorporates Troubled Families, so that a spectrum of interventions is available (Family Support; child in need; child protection; edge of care; children in care).

This whole integrated system delivers Birmingham's statutory responsibilities in relation to the Children Act 1989 and subsequent relevant and related legislation, regulations and guidance.

Birmingham Children's Services

Alternative Delivery Model Options

Shortlisting

September 2016

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1 Executive summary

Having set out the "case for change" in a previous July 2016 report to Cabinet, this document (which is Appendix 2 to the September 2016 Cabinet Report) describes the process adopted for filtering the longlist of 19 alternative delivery model (ADM) options for the Children's Trust to a shortlist.

For the reasons described at 5.2 of the main report the 7 in-house related options were removed at the first stage of evaluation (filtering).

The Steering Group (City Council, DfE, Children's Commissioner and external support from Deloitte) then discounted those options where there were considerable risks to deliverability (including complexity and long timescales for implementation).

Finally, options were discounted where there were significant and unavoidable financial implications which would make the option unsustainable within existing levels of funding (the main issue here was VAT).

This left a shortlist of two options.

The two options which remain are to establish:

- 1. a company limited by guarantee or shares which is owned wholly by the Council; or**
- 2. a company limited by guarantee or shares which is owned by its employees**

The two options both satisfy an agreed set of pass/fail criteria and provide the legal wrapper for an organisation that can be designed in a way that enables a single and unwavering focus on providing the best services to children, young people and families – now and in the future.

There are benefits of each of the options and during the **design phase** the preferred model would seek to blend the most beneficial characteristics of each option (based on agreed scope and a viable delivery plan).

Each of these two options would also be able to apply to be described as a Community Interest Company (CIC) and the merits of doing this will be explored during the design phase. **A CIC is a special type of limited company.** It is quick, easy and inexpensive to set up and can reassure the public, as the community purpose of the organisation is regulated by law.

2 Alternative delivery model shortlist

Initially 19 alternative delivery model options were considered.

The list was developed by the Birmingham Children's Trust steering group (the steering group) and they are described in the table in Appendix A.

The list lays out the alternative models that are possibilities for the delivery of a local authority service.

The options are not all mutually exclusive. It may be that the design of the service is a blend of some of the options.

To move from the longlist of 19 options down to a shortlist which will be explored during detailed design, the steering group developed a set of key pass/fail criteria and applied these criteria (in a filtering process) to narrow down the range of options to a shortlist.


The steering group decided that these criteria were so important (mandatory) that the chosen options must be able to pass each of the criteria.

The criteria were:

- can the model accommodate the scope as detailed in Appendix 1 of the main Cabinet paper?
- does the model provide the conditions for operational independence?
- are there risks associated with adopting this model which make it undeliverable?
- will the option incur significant and avoidable financial implications which would make the option unsustainable within existing levels of funding?

Applying the criteria gradually excluded options to leave a feasible and manageable number of options to take into design.

The following table and footnotes explain the rationale for why options were eliminated.

ADM options	Criteria			
	Scope ¹	Operational independence ²	Risks ³	Financial implications ⁴
				
1. Continuation of in house improvement activity	✓	✗		
2. Managing agent	✓	✗		
3. Improvement board / advisors	✓	✗		
4. Shared service	✓	✗		
5. Joint delivery	✓	✗		
6. Collaboration with other LAs	✓	✗		
7. Executive commissioners	✓	✗		
8. Wholly owned council limited company (LATC)	✓	✓	✓	✓
9. Wholly owned public sector joint venture (JV)	✓	✓	✗	
10. Independently owned limited company (i.e. owned by the Board)	✓	✓	✓	✗
11. Community Interest Company	✓	✓	✓	✓
12. Employee owned limited company (i.e. mutual)	✓	✓	✓	✓
13. JV between LA and not for profit provider	✓	✓	✗	
14. Mutualisation: JV between LA and newly established company	✓	✓	✗	
15. Multi-party joint venture	✓	✓	✗	
16. Charity	✓	✓	✓	✗
17. Commission by contract	✓	✓	✗	
18. Commission parts or whole service by grant	✓	✓	✗	
19. Joint commissioning	✓	✓	✗	

Key criteria and explanations

¹Scope:

All 19 options can accommodate the specified scope, as specified in the draft Birmingham Children's Trust scope paper, whilst being flexible enough to adapt to future emerging responsibilities and new forms.

²Operational Independence:

A number of key factors challenge the 'in house' model as a preferred model and therefore these options are not considered as per section 5.2 of the Cabinet report.

³Risk:

The delivery models which involve any kind of joint venture are complex and therefore it is not possible to be confident in successful implementation or implementation in any realistic timescales.

The implementation of a joint venture (whether between public sector bodies, not for profits, a newly established company or a mixture of all of these options) would require significant development in relationships and would complicate the establishment of already complex effective governance arrangements.

This is true of the joint commissioning option too.

The options involving commissioning fail this criteria as there is a significant risk that a mature market does not currently exist to provide this type of commissioned service.

For the part-commissioning option there is the added risk of fragmenting the service since, as stated in the draft Birmingham Children's Trust draft scope paper, effectiveness is dependent upon close collaboration throughout the system to achieve the desired outcomes.

⁴Financial implications:

A wholly independent organisation which provides children's welfare services to the Council would likely make VAT exempt supplies against which no VAT incurred on related costs could be recovered.

However, if the Council is able to commission the delivery of the management and administration of its continued provision of Children's Services (with the Council remaining the Ofsted regulated body), such that the chosen vehicle makes supplies subject to VAT, the VAT incurred on the chosen vehicle's costs should be recoverable in as much as it is attributable to taxable supplies made to the Council.

A wholly independent vehicle, such as a charity or independently owned (i.e. owned by the Board) limited company, would not allow the Council to exert sufficient influence or control over its design, such that it is more likely that the Council would require that vehicle to be regulated by Ofsted in order to reach the level of confidence that the services will be delivered as the Council requires. In that circumstance, either a charity or an independently owned limited company, would be more likely to be making

VAT exempt supplies and incurring irrecoverable VAT. These options are therefore ruled out.

More detail on VAT considerations is available in Appendix B.

After applying the criteria, three options from the longlist of 19 ADM options are left. However, these options are not mutually exclusive and the remaining decision to be made in the next phase of work can be described as follows:



Two of the options define the ownership and control for the arrangements for the delivery and control of the organisation (wholly owned council limited company and employee owned limited company). These options would both be able to apply to be described as a Community Interest Company.

The two options can accommodate the specified scope whilst being flexible enough to adapt to future emerging responsibilities and new forms. They do not have considerable deliverability risks and satisfy the requirement for operational independence.

During the next phase of work it is proposed that the design of the organisation for both options is progressed.

The design process will highlight which of the two ownership and control options allows the best conditions for children's services to achieve sustainable improvement. There are benefits of each of the options and during the design phase the detailed model would seek to blend the most beneficial characteristics of each option.

The next phase will also include work to decide whether applying for the status of Community Interest Company will help create a system that enables further improvement.

Within the detailed design phase governance and scrutiny arrangements will be agreed. Whatever form of company is established, there will be an expectation that the Chief Executive of the new company and the Executive Director of Children's Services would meet with the BCC overview and scrutiny committee and other Members and officers as required.

There will be a contract in place that will set out the outcomes required from the services to be delivered by the company to the Council. This contract will also set out an approach to poor performance of the company and the role that the Council has in monitoring day-to-day operation of the company.

The governance arrangements of the company, whether employee owned or Council owned, will be designed taking into account the Council's statutory accountability for children's services.

The identification and appointment of the board members and management team who will control the company and how they exercise that responsibility as a group will be established in the design phase.

Summary of shortlisted options to be taken into the design phase:

- 1. A company limited by guarantee or shares which is owned wholly by the Council**
- 2. A company limited by guarantee or shares which is owned by its employees**

Each of these options would be able to apply to be described as a Community Interest Company

3 Appendix A - Alternative delivery model options

The 19 ADM options listed below have been considered during this phase of work.

ADM		Detailed description	Reason for failing criteria and model considerations
1	Continuation of in house improvement activity	Continuation of the services already provided in house by the local authority	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> Service remains 'in-house' and therefore does not best secure long term sustainability and improvement of children's services, as per challenges and issues in paragraph 5.2 of the Cabinet report <p>Other considerations:</p> <ul style="list-style-type: none"> Stays within Council control Would require internal transformation to achieve continued improvement and cultural change to address some of the barriers to improvement Staff terms and conditions are likely to need to remain in line with BCC terms and conditions
2	Managing agent	Individuals or a company manage the service, but it is still delivered in house. They have a contract to manage the service for the Council	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> Service remains 'in-house' and therefore does not best secure long term sustainability and improvement of children's services, as per challenges and issues in paragraph 5.2 of the Cabinet report <p>Other considerations:</p> <ul style="list-style-type: none"> Staff remain within the Council A contract is let with a company or individuals to manage the service and they are held accountable for performance Requires strong contract management and a managing agent who is committed and invested to improve Payment by results for the managing agent could be considered Does not necessarily create the cultural or organisational transformation and the managing agent may have limited influence in the Council and with partners The infrastructure that supports children's services would not change Staff terms and conditions are likely to need to remain in line with BCC terms and conditions
3	Improvement board / advisors	Advice to officers and members about the best running of the service	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> Service remains 'in-house' and therefore does not best secure long term sustainability and improvement of children's services, as per challenges and issues in paragraph 5.2 of the Cabinet report <p>Other considerations:</p> <ul style="list-style-type: none"> Advisers and national experts who can support the

			<p>Council to identify issues and manage the service differently</p> <ul style="list-style-type: none"> • This is similar to previous interventions • This needs to be thoughtfully managed to have the right advisors for enough time to be useful • Advisors only advise, managers and the leaders in the service need to implement this • The infrastructure that supports children's services would not change • Staff terms and conditions are likely to need to remain in line with BCC terms and conditions
4	Shared service	Shared services provided by another LA through agreement or contract	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> • Service largely remains 'in-house' and therefore does not best secure long term sustainability and improvement of children's services, as per challenges and issues in paragraph 5.2 of the Cabinet report <p>Other considerations:</p> <ul style="list-style-type: none"> • The other LA takes on the risk for the delivery of services • Control would be through the contract or agreement rather than direct day to day management • TUPE may apply – would need further details • Staff terms and conditions are likely to need to remain in line with BCC terms and conditions
5	Joint delivery	Partnership with another body e.g. another LA - each one provides services to both under agreement or contract	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> • Service largely remains 'in-house' and therefore does not best secure long term sustainability and improvement of children's services, as per challenges and issues in paragraph 5.2 of the Cabinet report <p>Other considerations:</p> <ul style="list-style-type: none"> • Other body takes on part of the risk for the delivery of services • This could offer new expertise, innovation and additional resources • Pooled resources could bring in greater economy/efficiency/effectiveness • Allows each partner to play to their strengths • TUPE may apply – would need further details • Staff terms and conditions are likely to need to remain in line with BCC terms and conditions
6	Collaboration with other LAs	Each LA is responsible for their own service delivery but informally share some aspects e.g. training	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> • Service largely remains 'in-house' and therefore does not best secure long term sustainability and improvement of children's services, as per challenges and issues in paragraph 5.2 of the Cabinet report <p>Other considerations:</p> <ul style="list-style-type: none"> • Council retain control of children's services delivery but collaborates on certain aspects • Staff would not change organisation but may deliver services for another authority • Quality may improve in certain areas of collaboration, there may also be efficiencies • The infrastructure that supports children's services would not change • Staff terms and conditions are likely to need to remain in line with BCC terms and conditions
7	Executive commissioners	Political control and executive authority rests with these individuals,	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> • Service remains 'in-house' and therefore does not best secure long term sustainability and improvement of

		service delivery is still through LA	<p>children's services, as per challenges and issues in paragraph 5.2 of the Cabinet report</p> <p>Other considerations:</p> <ul style="list-style-type: none"> Political control is taken from the Council for children's services Staff remain within the Council The infrastructure that supports children's services would not change Local accountability is reduced for children's services Staff terms and conditions are likely to need to remain in line with BCC terms and conditions
8	Wholly owned council limited company (LATC)	A company, registered with Companies House and subject to companies' legislation, and wholly owned by the Council. The operations, assets and staff are transferred into the company.	<ul style="list-style-type: none"> Stays within Council ownership Can incentivise better cost control and surplus/profit generation Can continue to use existing staff Is likely to meet teckal exemption and thus avoid the need for procurement Hard to realise change when management structure remains unchanged, albeit in a new entity - a clear strategic direction needs to be set with the effective leadership who are able to deliver change TUPE would apply if staff transfer employment Need to Establish Material Factor Defence to justify difference in pay as compared to other BCC employees Note this ADM would be regarded as an 'associated employer' for the purposes of determining 'same employer' test
9	Wholly owned public sector joint venture (JV)	Joint venture with other public sector bodies (e.g. LA+LA) to deliver services	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> The delivery of models which involve any kind of joint venture are complex and therefore it is not possible to be confident in successful implementation The implementation of a joint venture (whether between public sector bodies, not for profits, a newly established company or a mixture of all of these options) would require significant development in relationships and would complicate the establishment of already complex effective governance arrangements. <p>Other considerations:</p> <ul style="list-style-type: none"> Risks and rewards are shared Can keep existing staff Partner's and Council's objectives can be difficult to align Can be costly to set up May not release cost savings without innovation and/or cost reduction It is sometimes difficult to ensure surplus is transparent, i.e. the Council may not benefit as much as it should TUPE would apply if staff transfer employment Provided BCC did not have 'controlling' interest (less than 50%) and then may be able to lawfully change T &Cs of employees in this Company as compared to BCC employees Would need to satisfy Art 157 - 'that BCC and this Company were not a 'Single Source' for the purposes of pay and reward' Need to establish Material Factor Defence to justify difference in pay as compared to other BCC employees Note this ADM would be regarded as an 'associated employer' for the purposes of determining 'same

			employer' test
10	Independently owned limited company (i.e. owned by the Board)	Establishment of a new company limited by shares or guarantee	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> A wholly independent vehicle would not allow the Council to exert sufficient influence or control over its design, such that it is more likely that the Council would require that vehicle to be regulated by Ofsted in order to reach the level of confidence that the services will be delivered as the Council requires. In that circumstance, an independently owned limited company, would be more likely to be making VAT exempt supplies and incurring irrecoverable VAT <p>Other considerations:</p> <ul style="list-style-type: none"> Model is not wholly owned by a public sector entity TUPE would apply if staff transfer employment Provided BCC did not have 'controlling' interest (less than 50%) and then may be able to lawfully change T &Cs of employees in this Company as compared to BCC employees Would need to satisfy Art 157 – ' that BCC and this Company were not a 'Single Source' for the purposes of pay and reward'
11	Community Interest Company	Community Interest Companies were introduced by the Companies (Audit, Investigations and Community Enterprise) Act 2004. This is the structure that to date has been quite widely adopted by health provider entities that have been externalised as social enterprises. A CIC cannot have charitable status and therefore is unable to access the full range of tax advantages of charitable entities.	<ul style="list-style-type: none"> Can reassure public, as the community purpose is regulated Asset lock in place. If CIC is wound up under Insolvency Act 1986 any residual assets, after satisfying creditors, will be transferred to another asset-locked body (charity or another CIC) Has transparency of operation TUPE would apply if staff transfer employment Company format can be tailored to a specific organisation structure, governance or membership because it is not a company form in its own right Quick, easy and inexpensive to set up (once company has already been set up) Provided BCC did not have 'controlling' interest (less than 50%) and then may be able to lawfully change T&Cs of employees in this Company as compared to BCC employees Would need to satisfy Art 157 – ' that BCC and this Company were not a 'Single Source' for the purposes of pay and reward'
12	Employee owned limited company (i.e. mutual)	<p>New entity taking the form of a workers' cooperative</p> <p>An independent business established by a mutual community who have a common interest in the goods and services the mutual provides. Members can be employees, customers or 'a mixed membership' model. Mutuals are funded from revenues from goods and services provided and / or contract fees.</p>	<ul style="list-style-type: none"> Some mutuals experience lower absenteeism and staff turnover than non-employee owned organisations Some mutuals better protect staff terms and conditions Can deliver greater customer satisfaction Can present opportunities for innovation, turning a profit and being resilient to changes in the economic climate A big mutual organisation may mean some members are distanced from the decision making process Smaller organisations may find that 'one person, one vote' may delay decision making process Employee committees can be used to make decisions Unlikely to release cost savings without innovation and/or cost reduction and can be costly to set up TUPE would apply if staff transfer employment Provided BCC did not have 'controlling' interest (less than 50%) and then may be able to lawfully change T &Cs of employees in this Company as compared to BCC employees

13	JV between LA and a not for profit provider	A company, under companies legislation, owned by the Council and a JV partner, which is used as a vehicle for pursuing external business, the risks and rewards of which would be shared with the JV partner. What transfers into the company would be determined by commercial considerations in negotiation with the JV partner.	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> The delivery of models which involve any kind of joint venture are complex and therefore it is not possible to be confident in successful implementation The implementation of a joint venture (whether between public sector bodies, not for profits, a newly established company or a mixture of all of these options) would require significant development in relationships and would complicate the establishment of already complex effective governance arrangements <p>Other considerations:</p> <ul style="list-style-type: none"> Council keeps a share of the service Not for profit providers can bring expertise to improve service and operational delivery Risks and rewards are shared Can keep existing staff Partner's and Council's objectives can be difficult to align Can be costly to set up May not release cost savings without innovation and/or cost reduction It is sometimes difficult to ensure surplus is transparent, i.e. the Council may not benefit as much as it should TUPE would apply if staff transfer employment Provided BCC did not have 'controlling' interest (less than 50%) and then may be able to lawfully change T &Cs of employees in this Company as compared to BCC employees Would need to satisfy Art 157 – ' that BCC and this Company were not a 'Single Source' for the purposes of pay and reward'
14	Mutualisation: JV between LA and newly established company	This model involves setting up an entity which is jointly owned by the parent entity (say a local authority), interested beneficiaries, e.g. staff bring something needed by the other parties to address the parent organisation's objectives, e.g. a commercial provider which could (for example) bring investment, skills, market channels or branding, etc.	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> The delivery of models which involve any kind of joint venture are complex and therefore it is not possible to be confident in successful implementation The implementation of a joint venture (whether between public sector bodies, not for profits, a newly established company or a mixture of all of these options) would require significant development in relationships and would complicate the establishment of already complex effective governance arrangements <p>Other considerations:</p> <ul style="list-style-type: none"> Give staff a share of the ownership of the company Can help protect staff terms and conditions Can encourage innovation and improve profitability Employee owners and Council's priorities and goals may be difficult to align Can be costly and take time to set up and establish effective employee ownership May entail additional risk May not release cost savings without innovation and/or cost reduction TUPE would apply if staff transfer employment Provided BCC did not have 'controlling' interest (less than 50%) and then may be able to lawfully change T &Cs of employees in this Company as compared to BCC employees Would need to satisfy Art 157 – ' that BCC and this Company were not a 'Single Source' for the purposes

			of pay and reward'
15	Multi-party joint venture	<p>New entity that enters into a joint venture with partners across the public, private and voluntary sectors.</p> <p>Accordingly, requires a complex set of contracts and agreements to be established.</p>	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> The delivery of models which involve any kind of joint venture are complex and therefore it is not possible to be confident in successful implementation The implementation of a joint venture (whether between public sector bodies, not for profits, a newly established company or a mixture of all of these options) would require significant development in relationships and would complicate the establishment of already complex effective governance arrangements <p>Other considerations:</p> <ul style="list-style-type: none"> Council retains a degree of control over the new entity Partners can bring a wide range of expertise to improve service Potential for sharing risks and rewards Can keep existing staff Partner's and Council objectives might be difficult to align Can be costly, complicated and time consuming to set up TUPE would apply if staff transfer employment Provided BCC did not have 'controlling' interest (less than 50%) and then may be able to lawfully change T &C's of employees in this Company as compared to BCC employees Would need to satisfy Art 157 – 'that BCC and this Company were not a 'Single Source' for the purposes of pay and reward'
16	Charity	<p>A type of non-profit distributing organisation (NPDO). It differs from other types of NPDOS in that it centres on non-profit and philanthropic goals as well as social well-being. Most charities take the legal form of having a company limited by guarantee to process any fund generation, and a charitable trust to retain grants and reserves.</p>	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> A wholly independent vehicle would not allow the Council to exert sufficient influence or control over its design, such that it is more likely that the Council would require that vehicle to be regulated by Ofsted in order to reach the level of confidence that the services will be delivered as the Council requires In that circumstance, a charity would be more likely to be making VAT exempt supplies and incurring irrecoverable VAT <p>Other considerations:</p> <ul style="list-style-type: none"> Recognised legal form Can allow finance to come from grant funding and other non-public sources Reassurance to stakeholders, as the asset and community purpose are regulated No imperative to drive a profit – can break even There are some tax benefits of having charitable status TUPE would apply if staff transfer employment Provided BCC did not have 'controlling' interest (less than 50%) then may be able to lawfully change T &Cs of employees in this Company as compared to BCC employees
17	Commission by contract	<p>Commissioning of parts or whole of the service to another existing entity by contract</p> <p>The Council would commission a service</p>	<p>Reason for failing criteria:</p> <ul style="list-style-type: none"> There is a significant risk that a mature market does not currently exist to provide this type of commissioned service For the part commissioning option there is the added risk of fragmenting the service since, as stated in the Birmingham Children's Trust discussion paper,

		currently provided in house to an external provider.	<p>effectiveness is dependent upon close collaboration throughout the system to achieve the desired outcomes</p> <ul style="list-style-type: none"> • In addition, the joint commissioning model would require significant development in relationships and would complicate the establishment of already complex effective governance arrangements <p>Other considerations which apply to options 17-19:</p> <ul style="list-style-type: none"> • The most common way to externalise the delivery of local authority services • Widely adopted by local authorities • Maintain oversight of the service • Has the potential to achieve significant costs savings in certain service areas • Potentially time-intensive contract management • Relies on a diverse provider market • TUPE would apply if staff transfer employment
18	Commission parts or whole service by grant	Commissioning of parts or whole of the service to another existing entity by grant	
19	Joint commissioning	Commissioning of outcomes/delivery together with another body (e.g. Health) to commission outcomes/delivery	

4 Appendix B – Delivery Model references and VAT considerations

The relative merits of the shortlisted delivery options is a relatively complex thing to describe in a short document.

Therefore the references below provide full explanations and narrative regarding each type of delivery model.

They have similar characteristics and the design phase will ensure the preferred model will deliver the required outcomes.

The important thing to note is that 16 of the 19 options are viewed as not viable, based on the evaluation criteria applied. The two shortlisted ones, plus the possible Community Interest Company development, are viable and will be taken into detailed design (subject to Cabinet approval).

The final model may well be a blend of both and the preferred model needs to be something which can satisfy the outcomes but also be up and running in a reasonable timescale. Starting with one type of model does not mean that it cannot be changed into something else in the future (i.e. if it is necessary to do so, to continue the drive on improvements and take the services out of intervention).

Running a limited company:

<https://www.gov.uk/running-a-limited-company>

Setting up a wholly owned council company:

http://www.local.gov.uk/c/document_library/get_file?uuid=f8aaa25f-81d6-45c9-aa84-535793384085&groupId=10180

Example of a wholly owned council company limited by shares

Optalis: <http://www.optalis.org/about-us>

A guide to mutual ownership:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31678/11-1401-guide-mutual-ownership-models.pdf

Example of a mutual:

EPIC: <http://www.epiccic.org.uk/about-epic>

The benefits of a community interest company (CIC):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223722/10-1388-community-interest-companies-benefits-of-a-cic-leaflet.pdf

Example of a CIC:

Achieving for children: <http://www.achievingforchildren.org.uk/>

Different VAT treatment outside of Local Government provision

The establishment of a separate legal entity to deliver children's welfare services is likely to result in an additional VAT cost when compared with the cost of operation of those services within the Council.

That is principally because the Council benefits from rules which usually allow it to claim all the VAT charged by suppliers (on goods and services) from HMRC. An organisation such as a wholly owned subsidiary or other independent legal entity would not usually benefit from these rules.

Therefore, assuming such an entity charges for the delivery of regulated children's welfare services, it is not entitled to recover the VAT incurred on its costs from HMRC – although it may of course be able to increase its charges to the Council to recoup the irrecoverable VAT cost. However, the Council would then suffer the additional cost.

As an example, the most significant VAT-bearing cost that will be incurred in children's welfare services is likely to be temporary social workers. A local authority will not suffer a VAT cost on the purchase of temporary social workers, but a separate organisation which makes supplies of children's welfare services will.

It is understood that the Council incurs £14m pa of costs relating to agency social workers. If the model adopted involves a separate legal entity incurring those costs in the course of it providing children's welfare services, there is a potential increase in the budget requirements to allow for irrecoverable VAT of approximately £2.8m pa.

Potential Solutions

In principal, there are three broad approaches to reducing this irrecoverable VAT cost:

1. Ensure that the incidence of incurring VAT on costs is minimised

A simplistic (and idealistic) approach would be to convert all agency staff to permanent staff, employed by the organisation delivering the welfare services. As a result, there would be no VAT charged by the agency (other than on, for example, introduction fees, etc).

Alternatively, it may be possible to design a model which leaves the temporary staff being procured by the Council. As a result, the Council would recover the VAT charged from HMRC under the special rules. However this needs to bear in mind that this may conflict with the overall requirements for control and independence.

In addition it may be possible to have a number of overhead costs remain within the control of (and being procured by) the Council, such that those elements of the budget remain VAT free due to the Council's ability to recover the VAT incurred on those costs.

2. Commission the management of the Council's continued provision of Children's Services

It may be possible to adopt a model which has the Council continuing in its responsibility to provide children's services, thus maintaining the Council as

the regulated body and commissioning the management of the Council's children's services by a new provider (either a newco or existing provider). The independent legal entity would supply services of administration and management of children's services – as opposed to being legally responsible for the delivery of the services themselves.

The advantage of this model (whilst acknowledging that this approach may not completely satisfy other objectives of the Council) is that it enables the independent legal entity to recover VAT on costs such as temporary staff. This is because it would be required to charge VAT on its services to the Council. The Council would be able to reclaim the VAT from HMRC and so neither the entity nor the Council would suffer an irrecoverable VAT cost.

This model has been adopted in the case of Achieving for Children, as we understand it.

3. Independent entity to be granted same rules as the Council

On the basis that the entity will be funded predominantly by the Council, one option is to approach ministers/HM Treasury to seek a change in legislation that allows entities such as these to enjoy the same VAT refund rules as local authorities.

This has precedent - a number of activities that have been 'spun out' of public bodies, such as academies, museums, and hospice charities now enjoy similar VAT rules to local authorities.

PHASE 2 (DESIGN) PROGRAMME STRUCTURE/GOVERNANCE PLAN

1. The existing Birmingham (BCC) Quartet and Children's Trust Steering Group (SG) arrangements will continue.
2. The SG will provide the strategic direction and drive and act as a point of escalation for the whole programme. The main attendees of the SG are expected to include:
 - The BCC Chief Executive (Programme Sponsor)
 - Lead Cabinet Member
 - Children's Commissioner
 - DfE representative(s)
 - Partner representative(s)
 - The Trust chair and other Trust representative(s) [as they are appointed]
 - Strategic Director for People and the Executive Director for Children's Services
 - Programme Director/Manager
 - Some key workstream leads [as and when required]
3. BCC oversight will continue to be provided via the existing BCC meetings/reviews/reports for the Council, Cabinet and Scrutiny and other Members and officers as required (as outlined in the main paper).
4. The day to day running of the programme will be via a Programme Board under the direction of the Programme Director and Programme Manager. The Programme Board will report into the Steering Group. Delivery will be via a number of workstreams, currently expected to include:
 - Communications and Engagement (including formal consultation)
 - Legal
 - Finance
 - People (HR)
 - Facilities (covering areas such as property, assets, support services and ICT/Data)
5. Overall governance will be via the Programme structure outlined above and a Design Authority. The purpose of the Design Authority is to oversee the next Phase of design (based on an agreed scope and delivery model), ensure a smooth transition from the current Service Improvement programme to a model where the service is led by the Trust (after transition from BCC) and bring coherence to these complementary elements. Additional opportunities will be scheduled for developing strong relationships between the Council and the Trust (e.g. involving the Cabinet Member, BCC Chief Executive and the Trust chair).
6. The next phase of the Programme, subject to approval of the main Cabinet report, will be to:
 - Establish this programme structure/governance
 - Define the workstreams and establish workstream leads
 - Enter into, and deliver, the scope and design phase
 - Prepare for a further recommendation to Cabinet seeking approval to create the Trust (January 2017).

PROTOCOL PUBLIC SECTOR EQUALITY DUTY

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report at section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in the standard section (4.4) of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
 - (a) whether there is adverse impact upon persons within the protected categories
 - (b) what is the nature of this adverse impact
 - (c) whether the adverse impact can be avoided and at what cost – and if not –
 - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
 - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
 - the full equality impact assessment (as an appendix)
 - the equality duty – see page 9 (as an appendix).

Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none">(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
2	<p>Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
3	<p>The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.</p>
4	<p>Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:</p> <ul style="list-style-type: none">(a) tackle prejudice, and(b) promote understanding.
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none">(a) age(b) disability(c) gender reassignment(d) pregnancy and maternity(e) race(f) religion or belief(g) sex(h) sexual orientation

Equality Analysis

Birmingham City Council Analysis Report

EA Name	Voluntary Children's Trust
Directorate	People
Service Area	Children - Commissioning Centre Of Excellence
Type	New/Proposed Policy
EA Summary	Following the announcement in May 2016 of the Council's intention, as part of the children's services improvement journey, to explore a trust model, Cabinet has agreed the case for change and is now being asked to agree the two models moving into the design phase.
Reference Number	
Task Group Manager	Charles.Ashton-Gray@birmingham.gov.uk
Task Group Member	
Senior Officer	Alastair.Gibbons@birmingham.gov.uk
Quality Control Officer	PeopleEAQualityControl@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Policy.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Policy and expected outcomes?	<p>Following the announcement in May 2016 of the Council's intention, as part of the children's services improvement journey, to explore a trust model, the purpose of this EA is to consider the implications of agreeing that two models move into the design phase.</p> <p>The vision 2020 is based around six key outcomes. Outcome two is "Safety and opportunity for all children". Any trust development would have to have regard for this vision and its elements:</p> <ul style="list-style-type: none">• Every child having a fantastic childhood and the best preparation for adult life. Children will benefit from an integrated early years and health service, and be well prepared to start formal education.• Every school rated good and working together in the Birmingham Education Partnership, and with the council, parents and other partners innovating and further improving them.• Families and children receiving targeted help as early as possible to overcome whatever issues are in their way and, if needed, with a team of great social workers and specialists to help the child and their family further.• Special educational needs and disability services focused on enablement and personalised to each family.
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
<u>Comment</u> The Council must be able to sustain a focus upon the improvement in social work practice that is most needed by children and families.	
A Fair City	Yes
<u>Comment</u> The Council must be able to design an organisational form that supports and develops the best social work support to children and families.	
A Prosperous City	No
A Democratic City	No

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
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<u>Comment</u> Any trust development will need to have regard for the Council's vision, priorities and culture. For example, we seek to support disadvantaged families through a range of interventions so that their children can thrive. We want to target support to families so that where they are struggling we can help them to improve their parenting skills so that children are safer and can thrive. Working in this way will help reduce conflict within families and the need for children to come into care. We are developing edge of care services that will particularly help teenagers and their families. We want to work alongside these families to help them to be as independent and resilient as possible. We recognise that there will always be some children who are unable to live within their family. For these children we want to provide high quality long-term alternative family care through adoption, special guardianship or foster care based on each child's individual needs.	
Will the policy have an impact on employees?	Yes
<u>Comment</u> In order to meet the needs of children and families in Birmingham we have sought to establish an environment and culture that will both attract new joiners and be a place where social workers stay and develop their expertise. The work and practice environment will be one of learning and support that will enable high performance through professional and personal development. Any trust development would need to facilitate this culture.	
Will the policy have an impact on wider community?	Yes
<u>Comment</u> Ours is a very young city bringing demands for children's wellbeing, young people's skills and employment, but also vibrancy and innovation. Just under half (45.6%) of the city's population are under 30. Any trust development will need to have regard for the demands of the city's children and young people.	

2.3 Analysis on Initial Assessment

This Equality Assessment is to consider the move of two alternative delivery models into the design phase.

It is clear from the nature of the service that any proposal for change could have wide reaching effects. Ultimately the improvement agenda intends to deliver positive impacts to vulnerable families in a large, complex and diverse City. The Workforce Strategy which supports the existing three year Improvement Plan seeks to make Birmingham the best place in the Midlands to practice social work for children and families by addressing three priority areas for action:

- 1) development of a sound and effective recruitment and retention strategy
- 2) building our capability (including leadership and management development, broader learning and practice development and setting and maintaining high expectations of practice and performance)
- 3) creating a culture of learning and accountability

3 Concluding Statement on Full Assessment

During the design phase this EA will need to be reviewed to offer a more focused analysis of the implications of the options being considered.

4 Review Date

December 2016

5 Action Plan

There are no relevant issues, so no action plans are currently required.

Report to:	CABINET
Report of:	Strategic Director for People
Date of Decision:	20th September 2016
SUBJECT:	PROCUREMENT STRATEGY FOR THE PROVISION OF TEMPORARY ACCOMMODATION THROUGH PRIVATE SECTOR LEASING
Key Decision: Yes	Relevant Forward Plan Ref: 002066/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Majid Mahmood - Value for Money and Efficiency Cllr Peter Griffiths - Housing and Homes Cllr Brigid Jones - Children, Families and Schools
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance Cllr Victoria Quinn, Housing & Homes Cllr Susan Barnett, Schools, Children and Families
Wards affected:	All

1. Purpose of report:

- 1.1 This report seeks approval to a proposed procurement strategy for the provision of temporary accommodation for citizens who are homeless and for other families who have No Recourse to Public Funds (NRPF) who are also homeless. The provision of temporary accommodation will be provided through a private sector leasing (PSL) scheme. The contracts will be for a period of four years and will commence 1st April 2017, with an estimated annual value of £7.67m.
- 1.2 Further, this report seeks approval to enter into required single contractor negotiations with the existing providers on the Council's current PSL block contract and framework agreement and to award contracts for a period of up to four months commencing 23rd December 2016 to enable the procurement process for the replacement contracts to be awarded.

2. Decision(s) recommended:

That Cabinet:

- 2.1 Approves the commencement of the tendering activity for temporary accommodation provision in accordance with the requirement and approach outlined in Section 5.
- 2.2 Delegates authority to the Strategic Director for People in conjunction with the Assistant Director of Corporate Procurement, Strategic Director of Finance and Legal (or their delegate) and the City Solicitor (or their delegate) to appoint successful providers onto the block contract and framework agreement.

- 2.3 Authorises under Standing Order 5.2 the commencement of single contractor negotiations by the Contract manager in Corporate Procurement Services with Apex Property Services, EZZI Letting Solutions Ltd, Global Property Management, Horizons Supported Housing Ltd, Kwik Let Properties, Metropolitan Surveyors, Midland Livings Ltd, Omega Lettings Ltd, PDS Property Management Ltd, Select Care Solutions, Throughcare Housing and Support and Weir Housing Ltd for the provision of temporary accommodation for the estimated total sum of £1.992m for up to four months commencing 23rd December 2016.
- 2.4 Delegates authority to extend the contracts for the provision of temporary accommodation following the satisfactory conclusion of single contractor negotiations, with Apex Property Services, EZZI Letting Solutions Ltd, Global Property Management, Horizons Supported Housing Ltd, Kwik Let Properties, Metropolitan Surveyors, Midland Livings Ltd, Omega Lettings Ltd, PDS Property Management Ltd, Select Care Solutions, Throughcare Housing and Support and Weir Housing Ltd up to a combined maximum value of £1.992m to the Assistant Director of Corporate Procurement Services (CPS) in conjunction with the Strategic Director – Finance and Legal (or their delegate) and the Acting City Solicitor (or their delegate).

Lead Contact Officers:	Jim Crawshaw Head of Housing Options People Directorate
Telephone No: E-mail address:	0121 675 2154 jim.crawshaw@birmingham.gov.uk
Lead Contact Officers:	Lorna Scarlett Assistant Director Integrated Services NWC People Directorate
Telephone No: E-mail address:	0121 303 0807 lorna.scarlett@birmingham.gov.uk
Additional Contact Officer:	Stephanie Prutton Assistant Procurement Manager Corporate Procurement Services,
Telephone No: E-mail address:	0121 303 0026 stephanie.prutton@birmingham.gov.uk

3. Consultation

3.1 Internal

- 3.1.1 The Cabinet Member, Health and Social Care, has been consulted and agrees with the report proceeding to Executive Decision.
- 3.1.2 Officers from City Finance, Corporate Procurement, Information Governance Team and Legal and Democratic Services have been involved in the preparation of this report.

3.2 External

No consultation external to the Council has been carried out.

4. Compliance Issues:

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

- 4.1.1 The proposals are consistent with the Council Business Plan and Budget 2016+ which sets out the Council's key priorities, including "A Healthy Happy City: Every citizen accessing an affordable and decent home. This contract will help tackle inequality and deprivation and promote social cohesion across all communities in Birmingham and ensure dignity, particularly for older people and safeguarding of children in that the contract will allow fast access to house homeless households on a temporary basis pending a permanent solution.

The provision of quality temporary accommodation supports the delivery of the Health and Well Being Strategy in regards to statutory homelessness and the delivery of the Councils' Homelessness strategy.

4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. Tenderers will submit an action plan that supports the local economy and creates much needed jobs and develop an apprenticeships scheme with their tender and this will be evaluated in accordance with the process outlined in paragraph 5.6.4. Action plans of the successful tenderers will be implemented and monitored during the contract period by the Corporate Procurement Services, Contract Management Team.

4.2 Financial Implications

The estimated annual value of the temporary accommodation service requirement (including NRPF) is £7.67m per annum. £5.97m will be funded from the Temporary Accommodation budget. (Housing benefit income funds the majority of this expenditure, with the remainder funded through charges to service users). The remaining £1.7m will be funded by the No Recourse to Public Funds Team accommodation budget within the Early Help and Children's Social Care budget.

A minimum of 60% of this spend will be for the block contracts (£4.60m) and up to 40% for the framework agreements (£3.07m). The block contracts will commit the Council to a specific sum per property over the duration of the contract, the framework agreements will not commit the Council to any particular level of spend.

The prices for the block and framework agreement will be fixed for the duration of the contract. However, in the event of an increase in the Local Housing Allowance (LHA) room rate (set by the Government) prices will be increased in line with any uplift. The LHA rate has been frozen since 2015.

The value of the proposed contract extensions from 23rd December 2016 to 31st March 2017 is estimated at £1.6m and will be funded from the Temporary Accommodation budget. NRPF do not currently have a contract in place for this requirement.

The provision of PSL accommodation is one of a number of activities to ensure that the Council minimises the use of more expensive bed and breakfast type accommodation for homeless households and families with no recourse to public funds (NRPF). By securing long term pricing agreements with private sector landlords the Council will seek to achieve the best value for money in a market that currently has very high demand.

4.3 Legal Implications

The Council has a duty to provide temporary, emergency accommodation under Part VII of the Housing Act 1996. Under section 17 of the Children's Act 1989 the council has a duty to safeguard and promote the welfare of children within their area who are in need.

4.3.1 Information Management

The Council will share personal details of the main person / family name and contact number with the provider of the person/family that is to be allocated the temporary accommodation. The provider will be expected to ensure that this data is kept securely and not shared any further without consent from the Council.

4.4 Public Sector Equality Duty

A relevance test was carried out for each of the service areas to decide whether the planned procurement for the contract has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 of eliminating unfair/unlawful discrimination and to promoting equality and human rights was conducted on 26th July 2016 for TA and NRPF. The screening identified there was no requirement to assess it further and completion of a Stage I Equality Assessment Form was not required.

4.5 Pre-Procurement Duty under Public Services (Social Value Act) 2012

Consideration of how this project might contribute to achieving the Council's priorities and improve the economic, social and environmental well-being of the relevant area was discussed by internal stakeholders and this is reflected in the requirements, being relevant and proportionate to the overall contract.

The process for securing social value during the procurement will be through the Birmingham Business Charter for Social Responsibility.

5. Relevant background / chronology of key events:

5.1 Background

5.1.1 The Temporary Accommodation team (TA) uses a range of accommodation types to house homeless households pending permanent re-housing. These include:

- Bed and Breakfast Accommodation
- Council Stock let as Temporary Accommodation
- Council Homeless Centres
- Private Sector Rented properties through the PSL contract/framework agreement
- Voluntary Sector supported accommodation including Salvation Army, St Basils and Trident

5.1.2 On 5th December 2013 a block contract and a framework agreement for temporary accommodation was awarded for a period of 3 years following approval by the Strategic Director for People. That approval also gave delegation to officers to add additional companies onto the framework as the need arose following further competition. These contracts were for the sole use of the TA team.

5.1.3 This proposed procurement is concerned with properties provided from the Private Rented Sector which are provided from agents who source the properties from landlords

across the city. The maintenance of these properties is the responsibility of the landlord, not the Council and managed by the agent. All payments from the Council are made to the agent. The rental agreement includes for the provision of furnished accommodation only, with the exception of NRPF cases and all other utility charges will be the responsibility of the tenant

- 5.1.4 The Temporary Accommodation team, given the uncertainty of potential future requirements as a result of the impact of welfare reform and other policy drivers requires a level of flexibility without financial commitment. To facilitate this requirement it is proposed to continue with both a block and framework contract approach.
- 5.1.5 To meet the service requirements and any changes in demand for block properties it is proposed to include the ability to award to providers up to 20% more properties subject to meeting certain requirements. This will in turn reduce the requirement for framework properties by up to 20%. However there will be no commitment to award any additional properties under the block contract.
- 5.1.6 The providers on the block contract supply a specific number of properties which provides a “safety net” of accommodation to ensure that there is a continual supply of private sector accommodation to house homeless families. It also provides a guaranteed rent to the provider, including during void periods. Providers on the block contract are required to complete a lease agreement with the Council as one of the contract schedules.

The providers on the framework agreement supply accommodation to be offered for use as temporary accommodation but this does not guarantee rent for void periods. In return, rents on the framework are slightly higher than the block contract. However, properties offered through the framework can be withdrawn by the provider at any time without notice. The landlord tenant arrangement is between the provider and the City Council (not the individuals being placed within the property).

The NRPF service do not currently have a contract in place and have been purchasing their requirements on an ad-hoc basis. Including their requirements into this contract will ensure compliance to Standing Orders and the Procurement Governance Arrangements and reduce the Council's off contract spend. It will also secure a better price than spot purchasing and reduce officer time spent on procurement and contract management.

- 5.1.7 The number of properties currently covered under the block contract and framework agreement as part of the PSL for the TA scheme is:

Tenancy Type	Number of Properties	Percentage
Block	448	57%
Framework	328	43%
Total	776	100

- 5.1.8 The number of properties proposed under the new contract will be:

Tenancy Type	No. of Properties	Percentage
Block	506 - 674	60% - 80%
Framework	337 - 169	40% - 20%
Total	843	100

5.1.9 Single Contractor Negotiations

The current block contract and framework agreement expires on 22nd December 2016. In order for sufficient time for the replacement arrangements to be awarded, approval to enter into single contractor negotiations for new contracts with the existing twelve providers detailed in recommendation 2.3, for a period of up to four months commencing 23rd December 2016, is required. There is an urgent requirement for continuity of service ensuring that the PSL providers are engaged on the Council's existing terms and conditions of contract not the supplier's terms of business. The service area has confirmed that the providers have delivered to the existing requirements of the contracts and that there are no performance issues. Their performance will continue to be managed by the Corporate Procurement Services and the Homeless Team respectively.

5.2 Service Requirements

There are two requirements: the first is for a prescribed number of leased, furnished properties required for the life of the contract. These are purchased under a Block contract arrangement. The second provides additional capacity of furnished accommodation purchased on an ad hoc basis subject to demand through a framework agreement.

5.2.1 On average, 95% occupancy was achieved for properties on the block contract. The void periods occur due to repairs and preparing properties for new occupants or an inability to match appropriate households to an available property. Since implementation of the current contract the TA team is in a position to more accurately predict the size, location and type of property required in the future and this should therefore reduce any void periods and enables more demand to be allocated to the block contract rather than the framework top up.

5.2.2 It is predicted that the temporary accommodation team requires in total of 843 properties of the following sizes:

- 1 bed – 202
- 2 bed – 490
- 3 bed – 58
- 4 bed – 50
- 5 bed – 43

Percentage split between these properties will be as detailed above in 5.1.8

Based on historic data the estimated requirements of the NRPF service for the new contract/framework are a total of 170 properties of the following sizes:

- 1 bed - 1
- 2 bed – 135
- 3 bed – 30
- 4 bed – 3
- 5 bed – 1

There will be a 50/50 split between block and framework agreement.

5.2.3 The future demand for the service is difficult to calculate due to a number of key policy decisions and implementations that are required and the impact on the homeless service these include the new allocations scheme, delivery of the front line homeless service as

well as a range of welfare reform policy changes. The Immigration Act 2016 which received Royal Assent on 12th May 2016 will have an impact on how cases are dealt with by the Home Office. It is likely that in future families will find it harder to seek support from the Home Office or Third Sector Community based organisations and will turn to the Council for direct help, increasing the numbers who present themselves as destitute.

5.3 Outcomes Expected

5.3.1 The following outcomes are expected as a result of the procurement process:

- A sufficient portfolio of properties to minimise the need to resort to bed & breakfast accommodation;
- A range of different properties to meet the needs of all household sizes;
- The provision of suitable temporary accommodation;
- Market pricing.
- Delivery of added social value relevant to the services being provided

5.4 Market Analysis

Although the Council would like a decent mix and spread of properties within each ward of the City, this may not be achieved because the market dictates availability of suitable accommodation. There are a number of providers for this service ranging from small to medium enterprises. It is considered that the nature and value of the service will appeal to small, local providers; however larger organisations will not be precluded from tendering. There are also potential pressures from external companies and other Local Authorities looking to place homeless households in Birmingham. Following consultation with providers it was decided to offer a longer term contract/framework than previously to ensure that it will present to the market the most attractive opportunity and that there is adequate accommodation available to vulnerable households.

5.5 Strategic Procurement Approach

5.5.1 The following options were considered:

- 5.5.1.1 Tender as a Council only contract. This is the recommended option as this would give the Council the most flexibility in specifying our service provision and enable the contract to be awarded within the timescales.
- 5.5.1.2 Tender as a framework agreement primarily for Birmingham but available for use by other public sector bodies. No benefit or economies of scales would be realised from this option therefore this option was discounted.
- 5.5.1.3 Use a collaborative framework agreement. There is not a collaborative framework agreement in place that meets the Council's requirements.

5.6 Procurement Approach

5.6.1 Duration and Advertising Route

The proposed block contract and framework agreement will be for a period of four years, commencing 1 April 2017. The tender opportunity will be advertised via Contracts Finder, Find it in Birmingham and the Official Journal of the European Union (OJEU).

5.6.2 Procurement Route

The requirement will be tendered using the open route on the basis that the Council needs to attract as many providers as possible to secure the number of properties required and may include an e-auction to finalise pricing.

5.6.3 Scope and Specification

In order to mitigate against the circumstances highlighted in the report such as:

- other competitors (Neighbouring authorities and the Home Office)
- changes in legislation relating to welfare reform and immigration
- unpredictable increases in demand as a result of the above
- legal duty relating to homelessness, children act and immigration status

the preferred option is to tender on the basis of a block contract and also a framework agreement for the four year period.

The requirement will be split into two lots:

- Lot 1 – Block Contract - Properties for use by both service areas
- Lot 2 – Framework Agreement - Properties for use by both service areas

The minimum specification requirements for the properties is included in Appendix 1.

5.6.4 Tender Structure

5.6.4.1 Evaluation and Selection Criteria

The evaluation of tenders will be conducted in two stages:

Stage 1 – Company Information

This stage will consist of mandatory pass/fail considerations which tenderers must pass before progressing to Stage 2. These are:

- Part 1 Information about the Applicant
- Part 2 Grounds for Mandatory Exclusion
- Part 3 Grounds for Discretionary Exclusion Section 1
- Part 4 Grounds for Discretionary Exclusion Section 2
- Part 5 Economic and Financial Standing
- Part 6 Technical and Professional Ability
- Part 7 Additional Questions
 - Environmental Management
 - Insurance
 - Compliance with Equalities Duty
 - Compliance with Health and Safety
 - Compliance with BBC4SR
- Part 8 Previous Experience
- Part 9 Declaration

Those organisations that pass Stage 1 will proceed to the Stage 2 Evaluation.

Stage 2 – Evaluation of Tenders

The contract award will be based on the Most Economically Advantageous

Tender. This will be determined by a balance between the cost, quality of the service to be provided and the added social value offered as detailed in the tenderers' response.

Tenders received will be evaluated using a quality/price/social value balance in accordance with a pre-determined evaluation model. The quality element will account for 30%, social value 10% and price 60%. This quality/social value/price balance was established having due regard for the corporate documents 'Evaluating Tenders Procedure' which considers the complexity of the services to be provided and the degree of detail in the specification.

The quality of each tenderers submission will be assessed in relation to specific requirements set out in the tender documents. These are:

Quality (30%) Block Contract

Criteria	Overall Weighting	Sub-weighting
Property Management	100%	60%
Capacity to Deliver		30%
Customer Care		10%

Quality (30%) Framework Agreement

Criteria	Overall Weighting	Sub-weighting
Capacity to Deliver	100%	60%
Property Management		30%
Customer Care		10%

Tenderers who score less than 60% of the quality threshold may not take any further part in the process.

Social Value (10%) for Both Lots

Criteria	Overall Weighting	Sub-weighting
Local Employment	100%	10%
Buy Birmingham First		20%
Partners in Communities		20%
Good Employer		20%
Green and Sustainable		20%
Ethical Procurement		10%

Tenderers who score less than 40% of the social value threshold may not take any further part in the process.

Supplier presentations and interviews may take place to clarify their understanding of the requirements and the scoring adjusted accordingly, if appropriate.

Price for Both Lots

The price will be based on a weekly rental charge for each unit type e.g. 1, 2, 3, or 4 bedroom properties and scored using a predetermined pricing model and may be subject to an e - auction.

Overall Evaluation

The evaluation process will result in comparative quality/social value/price scores for each tender. The maximum score will be awarded to the tender that demonstrates the highest for quality and similarly for social value for each lot. The maximum price score will be awarded to the lowest acceptable price for each lot. Other tenders will be scored in proportion to the maximum price/quality/social value scores to give a combined score.

The highest ranked bidders providing the required number of properties will be appointed to the block contract. All bidders meeting the required thresholds will be appointed to the framework agreement and properties will be called off by using the provider who is offering the best rate for the property required subject to availability.

5.6.5 Evaluation Team

The evaluation of tenders will be undertaken by officers from People Directorate, Temporary Accommodation and NRPF supported by Corporate Procurement Services.

5.7 Indicative Implementation Plan

Cabinet Approval to Strategy	20 th September 2016
OJEU Notice Issued	30 th September 2016
Clarification Period	3 rd October 2016 – 24 th October 2016
Tender Return Date	2nd November 2016
Evaluation Period (to include evaluation scoring, presentations and interviews)	3 rd November 2016 – 11 th November 2016
Delegated Contract Award	15 th December 2016
Contract Start	1 st April 2017

5.8 Contract Management

This contract will be managed at an operational level by Officers from the People Directorate with overall contract management by the Contract Manager, Corporate Procurement Services.

Key Performance Indicators will be developed with stakeholders and included in the tender documentation.

6. **Evaluation of alternative option(s):**

6.1 Alternative procurement options are detailed in paragraph 5.5

7. **Reasons for Decisions (s):**

7.1 To enable the commencement of the tender process for the provision of temporary accommodation through private sector landlords.

Signatures	<u>Date</u>
..... Cllr Majid Mahmood, Cabinet Member, Value for Money and Efficiency
..... Cllr Peter Griffiths, Cabinet Member, Housing & Homes
..... Cllr Brigid Jones, Cabinet Member, Children, Families and Schools
..... Peter Hay, Strategic Director for People

List of Background Documents used to compile this Report:
None
List of Appendices accompanying this Report (if any):
1. Outline Specification

Part A – General Property Specification

- a. External
- b. Internal

Part B – Room Specification

- a. Kitchen
- b. Dining Area
- c. Bathroom
- d. Living Area
- e. Bedroom

Part C – Decent Homes Standard

- a. Criteria A**
 - Physiological requirements
 - Psychological requirements
 - Protection against infection
 - Protection against accidents
- b. Criteria B**
 - Reasonable state of repair
- c. Criteria C**
 - Reasonably modern facilities
- d. Criteria D**
 - Reasonable level of thermal comfort

Part D – Certificates, Contracts and Insurances

Part E – Requirements for Self Contained Accommodation

- a. These are the minimum room dimensions

Part F – Requirements for Houses in Multiple Occupation (Bed sit)

- a. Minimum room dimensions
- b. Individual/communal facilities
- c. Fire Precautions
- d. HMO license – if applicable

Part G – Timetable for Repairs

- a. Emergency Repairs within 24 hours
- b. Urgent within 7 days
- c. Routine within 28 days

Report to:	CABINET
Report of:	STRATEGIC DIRECTOR FOR PEOPLE
Date of Decision:	20th September 2016
SUBJECT:	TENDER STRATEGY FOR THE PROVISION OF MAJOR ADAPTATIONS FOR HOUSING (P0344)
Key Decision: Yes	Relevant Forward Plan Ref: 002032/2016
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Majid Mahmood, Value for Money and Efficiency Cllr Paulette Hamilton, Health and Social Care
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance Cllr John Cotton, Health, Wellbeing and the Environment
Wards affected:	All

1. Purpose of report:

- 1.1 This report provides details of the proposed procurement strategy for the provision of major adaptations for housing such as refitting of kitchens and bathrooms, installation of hoists, stair lifts and vertical lifts for citizens with disabilities in private housing. The framework agreement will commence on 1st April 2017 for a period of three years, with the option to extend for a further year subject to satisfactory performance and budget availability for an estimated value of £4.4m per annum.

2. Decision(s) recommended:

That Cabinet :

- 2.1 Approves the contents of this report and the commencement of the tendering activity for major adaptations for citizens with disabilities in private housing in accordance with the requirement and approach outlined in Section 5 of this report.
- 2.2 Delegates authority to the Strategic Director for People in conjunction with the Assistant Director of Corporate Procurement, the Strategic Director of Finance and Legal (or their delegate) and the Acting City Solicitor (or their delegate) to approve the award of the framework agreement with an option to extend for a further year subject to satisfactory performance and budget availability.

Lead Contact Officer:	Afsaneh Sabouri, Head of Service
Telephone No:	Enablement, Special Care Services
E-mail address:	People Directorate 0121 303 1783 afsaneh.sabouri@birmingham.gov.uk
Additional Contact Officer:	Stephanie Prutton, Assistant Procurement Manager
Telephone No:	Corporate Procurement Services, Corporate Resources
E-mail address:	0121 303 0026 stephanie.prutton@birmingham.gov.uk

3. Consultation

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3.1 Internal

The Cabinet Member for Housing & Homes has been consulted regarding the preparation of this report and has agreed to the report proceeding to Executive Decision.

Officers from City Finance, Corporate Procurement and Legal and Democratic Services have been involved in the preparation of this report.

3.2 External

No consultation external to the Council has been carried out.

4. **Compliance Issues:**

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

4.1.1 The proposals are consistent with the Council Business Plan and Budget 2016+ which includes:

- Fairness: A healthy, happy city - housing quality and life expectancy are at national levels for all. This contract enables older people to stay in their own homes and communities.

Provision of major adaptations for housing is a statutory requirement and also fits well within the assessment and prevention of falls in older people which was highlighted in the National Institute for Health and Care Excellence (NICE) guidelines published in June 2013.

4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. Tenderers will submit an action plan that supports the local economy and creates much needed jobs and develop an apprenticeships scheme with their tender and this will be evaluated in accordance with the process outlined in paragraph 5.6.4. Action plans of the successful tenderers will be implemented and monitored during the contract period by the Corporate Procurement Services, Contract Management Team.

4.2 Financial Implications

The proposed framework agreement, which will not commit the Council to any given level of expenditure, will be for a period of three years with the option to extend for a further year commencing 1st April 2017.

The estimated value of the framework agreement, based on historical demand, is £4.4m per annum and will be funded by the Disabled Facilities Grant (capital) which is a specific government grant and forms part of the pooled budget within the Birmingham Better Care Fund. Prices will be fixed for the duration of the framework agreement.

4.3 Legal Implications

4.3.1 Part 1 of the Housing Grants, Construction and Regeneration Act 1996 sets out the statutory scheme for Local Authorities to provide grants for disabled people to allow for adaptations to be made so that they can remain in their homes.

4.3.2 Information Management

The Council will share personal details of the service user which includes name and address. The provider is expected to ensure that this data is kept securely and not shared any further without consent from the Council.

4.3.3 Pre-Procurement Duty under Public Services (Social Value Act) 2012

Although the Public Service (Social Value) Act 2012 does not apply to contracts that are for works, in accordance with Council policy, tenderers will be asked how their bid addresses social value as part of the overall evaluation.

4.4 Public Sector Equality Duty

A relevance test to decide whether the planned procurement for the provision of housing adaptations has any relevance to the equality duty contained in Section 149 of the Equality Act 2010 in order to eliminate unfair/unlawful discrimination and to promote equality and human rights was conducted on 1st July 2016. The initial screening (Appendix 1) identified there was no requirement to assess it further and completion of an Equality Assessment form was not required.

5. Relevant background / chronology of key events:

5.1 Background

5.1.1 Disabled Facility Grants (DFG) are available to all citizens who need to make changes to their homes due to disability. The disabled facilities grant is a mandatory 'means-tested' financial grant. The means test, undertaken within the People Directorate, determines how much, if anything, the service user will have to pay towards the cost of the work. There is no means testing for families of disabled children under the age of 18.

5.1.2 The framework agreement will be for citizens who own their own homes or tenants in rented accommodation which is provided by either housing associations or the private sector rental market. Works for citizens in Council owned housing accommodation is provided through the Housing Repair and Maintenance contract and therefore is not included in this proposed framework agreement.

5.1.3 The DFG was transferred to the Better Care Fund Programme on 1st April 2015 and the Independent Living Service was transferred from the Place Directorate to the People Directorate as part of the Enablement Services in April 2016.

5.1.4 To access DFG, service users are advised to make a referral to the Occupational Therapy Service through People Directorate access teams: ACAP (adults) and MASH (children). The recommendation for provision of major adaptations for housing is made following a completion of an occupational therapy assessment. Last financial year just over 400 adaptations were completed and it is anticipated that future demand will remain the same.

5.1.5 There is not currently an EU compliant contract in place for the provision of the works required. The adaptations for privately owned accommodation are currently carried out by contractors from a list of suppliers managed by the Enablement Service and work is allocated to these companies on a rotational basis.

5.1.6 Following an Audit review of the service, a recommendation was made for a procurement exercise to be carried out for these works in line with the EU Procurement Regulations

and the Council's Standing Orders.

5.2 Service Requirements

5.2.1 Major adaptations include the following works:

- Supply and Installation of Specialist Lifts (stairlift, steplift, vertical lift and ceiling track hoist)
- Supply and fit Kitchen, Bathroom and Bedroom adaptations including extensions
- Installation of fixed ramps

5.2.2 During the financial year 2015/16 approximately 400 referrals were completed please see table below for a breakdown of this completed work and expenditure per area:

	ADAPTATIONS COMPLETED		DFG EXPENDITURE £		NUMBER OF PRIVATE DWELLINGS PER QUADRANT
NORTH	69		1,058,640		72,000
SOUTH	105		1,046,541		100,000
WEST / CENTRAL	75		718,645		73,000
EAST	154		1,581,616		102,000
TOTAL	403		4,405,442		347,000

5.2.3 The proposed framework agreement will be split into quadrant based lots, with separate lots for specialist lifting equipment.

5.2.4 It is anticipated that the annual number of referrals will remain at the current levels.

5.3 Outcomes Expected

5.3.1 It is anticipated that the following outcomes will be achieved as a result of this procurement. Without the provision of a responsive service, service users will be at a much higher risk of injuries and falls within their homes and therefore require more expensive forms of care:

- Supporting prediction and prevention agenda in conjunction with health and wellbeing policies and procedures.
- Promoting enablement
- Reducing dependence on more expensive care services including home care and residential care.
- Open and transparent process
- Value for money
- An effectively managed framework agreement

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5.4 Market Analysis

The provision of major adaptation works is a mature market with a number of providers for this service ranging from small to medium enterprises. It is considered that the nature of this service will appeal to small, local providers; however larger organisations will not be precluded from tendering. There is however a limited number of organisations capable of supplying the specialist equipment (stair lift, step lift, vertical lift and ceiling track hoist) required as part of this contract.

5.5 Procurement Options

The following options were considered:

- Use a collaborative framework agreement – There were two framework agreements in place for the provision of housing adaptations led by Walsall Housing Group and the Northern Housing Consortium. Walsall Housing Group didn't respond to a request for further information and after reviewing the Northern Housing Consortium Framework it was decided that this was not an option as it would automatically preclude locally based companies that could tender for the opportunity.
- Tender as a Council only framework agreement. Given that we want to try and retain the local supply chain the preferred option would be to tender for a framework agreement split into lots details of which are given below.
- Tender as a Council-led framework agreement that would allow access to other public bodies. Discussions were held with neighbouring authorities who were currently in the process of tendering for their own arrangements or already had long term existing arrangements in place. There was no interest in collaborating at this time.

5.6 Procurement Approach

5.6.1 Duration and Advertising Route

The proposed framework agreement will be for a period of three years with the option to extend for a further year based on satisfactory performance and budget availability. The tender opportunity will be advertised via Contracts Finder, Find it in Birmingham and the Official Journal of the European Union (OJEU).

5.6.2 Procurement Route

The requirement will be tendered using the Open route as detailed in 5.6.4.

5.6.3 Scope and Specification

The requirements will be split into six lots:

Lot 1 Supply and Installation of Lifting Equipment (Stairlifts, Vertical Lifts, Ceiling Track Hoists and Step Lifts)

Lot 1a – North and East Quadrants

Lot 1b – South, West and Central Quadrants

The specification requirements for Lot 1 includes the supply and installation of specialist lifting equipment such as stairlifts, vertical lifts, ceiling track hoists and step lifts.

Lot 2 Adaptation Works (Bathrooms, Kitchens, Bedrooms and Ramps)

Lot 2(a) North Quadrant

Lot 2(b) South Quadrant

Lot 2(c) West/ Central Quadrant

Lot 2(d) East Quadrant

The specification requirements for Lot 2 includes:

- Provision of access requirements such as ramps
- Replacement of doors and windows in order to provide wheelchair access.
- Creation of circulation spaces for wheelchair users
- Modification of existing bathrooms including all appropriate fixtures and fittings
- Modification of existing kitchens including all appropriate fixtures and fittings
- Provision of extensions for a bedroom or level access shower

For lot 1(a) and (b) the Council will appoint a single provider for each lot given that there are a limited number of providers in the market. For lot 2 (a) (b) (c) and (d), three – five providers will be appointed for each lot, to encourage small to medium enterprises to apply for the work and to ensure that there is adequate capacity to deliver the works. A single provider will not be awarded more than one lot.

The scope and specification for each installation will be designed to ensure that works can be delivered in the most efficient and effective way.

5.6.4 Tender Structure

5.6.4.1 Evaluation and Selection Criteria

The evaluation of tenders will be conducted in two stages:

Stage 1

This stage will consist of mandatory pass/fail considerations which tenderers must pass before progressing to Stage 2. These are:

Part 1 Information about the Applicant

Part 2 Grounds for Mandatory Exclusion

Part 3 Grounds for Discretionary Exclusion Section 1

Part 4 Grounds for Discretionary Exclusion Section 2

Part 5 Economic and Financial Standing

Part 6 Technical and Professional Ability

Part 7 Additional Questions

- Environmental Management
- Insurance
- Compliance with Equalities Duty
- Compliance with Health and Safety
- Compliance with BBC4SR

Part 8 Previous Experience

Part 9 Declaration

Stage 2

The contract award will be based on the Most Economically Advantageous Tender. This

will be determined by a balance between the cost, quality of the service to be provided and the added social value offered as detailed in the tenderers' response.

Tenders received will be evaluated using a quality/social value/ prices balance in accordance with a pre-determined evaluation model. The quality element will account for 40%, social value 20% and price 40%. This quality/social value/price balance was established having due regard for the corporate documents 'Evaluating Tenders Procedure' which considers the complexity of the services to be provided and the degree of detail in the specification.

The quality of each tenderers submission will be assessed in relation to specific requirements set out in the tender documents. These are:

The evaluation criteria will be the same for each lot and sub-lot.

Quality (40%)

Criteria	Overall Weighting	Sub-weighting
Service Delivery	100%	40%
Organisation and Resources		30%
Customer Care		30%

Tenderers who score less than 60% of the quality threshold may not take any further part in the process.

Social Value (20%)

Criteria	Overall Weighting	Sub-weighting
Local Employment	100%	35%
Buy Birmingham First		20%
Partners in Communities		10%
Good Employer		15%
Green and Sustainable		10%
Ethical Procurement		10%

Tenderers who score less than 40% of the social value threshold may not take any further part in the process.

Supplier presentations and interviews may take place to clarify their understanding of the requirements and the scoring adjusted accordingly, if appropriate.

Price (40%)

Lot 1

The lifting equipment is specified and therefore bidders are able to tender a specific price for the supply and installation of the equipment required.

Lot 2

The price will be based on a percentage discount on a given schedule of rates based on historical requirements and volumes for adaptation works.

Overall Evaluation

The evaluation process will result in comparative quality/social value/price scores for each tender. The maximum score will be awarded to the tender that demonstrates the highest for quality and similarly for social value for each lot. The maximum price score will be awarded to the lowest acceptable price for each lot. Other tenders will be scored

in proportion to the maximum price score.

5.7 Evaluation Team

The evaluation of tenders will be undertaken by officers from People and Place Directorates, supported by Corporate Procurement Services.

5.8 Indicative Implementation Plan

Cabinet Approval to Strategy	20 th September 2016
OJEU Notice Issued	30 th September 2016
Clarification period	3 rd – 28 th October 2016
Tender Return Date	4 th November 2016
Evaluation Period (to include evaluation scoring, presentations and interviews)	7 th – 19 th November 2016
Delegated Contract Award	15 th December 2016
Mobilisation (3 months)	December 2016 – February 2017
Contract Start	March 2017

5.9 Contract Management

5.9.1 This contract will be managed at an operational level by the Head of Service Enablement, Specialist Care Services, with overall contract management by the Contract Manager, Corporate Procurement Services.

5.9.2 Robust Key Performance Indicators will be developed in line with the National Framework. These will be developed with stakeholders and included in the tender documentation.

5.9.3 Allocation of Work

Lot 1 – there is a single provider for each sub lot

Lot 2 – work will be allocated on a rotational basis so that each provider per sub lot receives roughly an equal number of call off contracts throughout the duration of the framework agreement.

6. Evaluation of alternative option(s):

6.1 Alternative options are detailed in paragraph 5.5 above.

6.2 The major adaptation for private homes was not included in the Housing Repair and Maintenance Contract that was awarded in April 2016.

6.3 These works also fall outside of the scope of the Acivico Ltd contracts.

7. Reasons for Decisions (s):

7.1 To enable the commencement of the tender process for the provision of a major adaptations for housing service. Page 556 of 626

Signatures	Date
Peter Hay: Strategic Director, People
Cllr Majid Mahmood: Cabinet Member, Value for Money and Efficiency
Cllr Paulette Hamilton: Cabinet Member, Health and Social Care

List of Background Documents used to compile this Report:
None

List of Appendices accompanying this Report (if any):
1. EA – Initial Screening

Report Version	14	Dated	1 September 2016
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Equality Analysis

Birmingham City Council Analysis Report

EA Name	Procurement Of Major Adaptation Contract
Directorate	Corporate Resources
Service Area	Equalities And Human Resources
Type	New/Proposed Function
EA Summary	DFG budget (Capital) is app 4.4 m per year and released from central government. The DFG is only used for owner occupier or privately rented properties. The Disabled Facilities Grant (DFG) was transferred to the Better Care Programme in 2016 and the Independent Living Service was transferred from the Place Directorate to the People Directorate as part of the Enablement Service in April 2016. Following a recent Audit review report, recommendations were made for a service review and procurement exercise to be carried out in line with BCC procurement rules.
Reference Number	EA001406
Task Group Manager	afsaneh.sabouri@birmingham.gov.uk
Task Group Member	
Date Approved	2016-09-05 01:00:00 +0100
Senior Officer	Diana.Morgan@birmingham.gov.uk
Quality Control Officer	Charles.Ashton-Gray@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Function.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Function and expected outcomes?	<p>What is Major adaptation?</p> <p>The Disabled Facilities Grant (DFG) was transferred to the Better Care Programme in 2016 and the Independent Living Service was transferred from the Place Directorate to the Peoples Directorate as part of the Enablement Service in April 2016.</p> <p>Disabled Facility Grants (DFG) are available to all citizens who need to make changes to their homes due to disability which is means tested but does not affect any income an individual might get.</p> <p>To access the DFG service, users are advised to make a referral to the Occupational Therapy Service through People Directorate access teams: ACAP (adults) and MASH (children). The recommendation for provision of major adaptations for housing is made following a completion of an occupational therapy assessment. Last financial year, 2015/2016 approximately 800 referrals were sent to this service on behalf of service users and 400 adaptations were completed.</p> <p>This contract will be for citizens who own their own homes or tenants in rented accommodation which is provided by either housing associations or the private sector rental market. Works for citizens in Council owned housing accommodation is provided through the Housing Repair and Maintenance contract and therefore is not included in the proposed procurement.</p> <p>What is the proposal?</p> <p>This service is non-compliant with BCC procurement and governance policies and procedures. Following an Audit review in 2014 a recommendation was made for a procurement exercise to be carried out for these works as per the Public Sector Procurement Regulations.</p> <p>The adaptations for council properties have already been procured and the contract started 1 April 2016. This exercise was completed before moving this service to the People Directorate from Place.</p> <p>The adaptations for privately owned accommodation are currently carried out by contractors from an internal approved list and work is allocated to these companies on a rotational basis.</p> <p>The proposal is to agree the strategy report for procurement of Major adaptation (DFG) contract.</p>
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
A Fair City	No
A Prosperous City	No
A Democratic City	No

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	No
Will the policy have an impact on employees?	Yes
<u>Comment</u> There are currently 10,5 FTE members of staff working in Independent Living Service of whom 3 are female and the rest are male. There is also a service review of Independent Living recommended by Audit following their investigations. As a result of this proposal and the service review, 7 members of staff may be affected. The potential affected staff would be all male age between 50 to 64. The make up of possibly affected members of staff in terms of grade is: one grade 5, one grade 3 and 5 grade 4 members of staff. The diversity and demographic of the workforce is not different from the rest of the workforce working in BCC. A separate EIA will be available alongside the service review report.	
Will the policy have an impact on wider community?	No
<u>Comment</u> This proposal will not affect citizens as there would not be any changes to the eligibility criteria or the principles of disabled Facility Grants i.e. promoting independence and well being.	

2.3 Analysis on Initial Assessment

Back ground

This report provides details of the impacts of proposed procurement strategy for the provision of major adaptations for housing such as refitting of kitchens and bathrooms, installation of hoists, stair lifts, vertical lifts, etc. for citizens in private housing, on service users, staff and current providers.

The Disabled Facilities Grant (DFG) was transferred to the Better Care Programme in 2016 and the Independent Living Service was transferred from the Place Directorate to the Peoples Directorate as part of the Enablement Service in April 2016.

Disabled Facility Grants (DFG) are available to all citizens who need to make changes to their homes due to disability which is means tested but does not affect any income an individual might get.

To access the DFG service, users are advised to make a referral to the Occupational Therapy Service through People Directorate access teams: ACAP (adults) and MASH (children). The recommendation for provision of major adaptations for housing is made following a completion of an occupational therapy assessment. Last financial year, 2015/2016 approximately 800 referrals were sent to this service on behalf of service users and 400 adaptations were completed.

This contract will be for citizens who own their own homes or tenants in rented accommodation which is provided by either housing associations or the private sector rental market. Works for citizens in Council owned housing accommodation is provided through the Housing Repair and Maintenance contract and therefore is not included in the proposed procurement.

The proposal

This service is non-compliant with BCC procurement and governance policies and procedures. Following an Audit review in 2014 a recommendation was made for a procurement exercise to be carried out for these works as per the Public Sector Procurement Regulations.

The adaptations for council properties have already been procured and the contract started 1 April 2016. This exercise was completed before moving this service to the People Directorate from Place.

The adaptations for privately owned accommodation are currently carried out by contractors from an internal approved list and work is allocated to these companies on a rotational basis.

Impact on service users

The eligibility and accessibility of this service would not be affected by this proposal; furthermore the means testing process will continue without any changes.

There will be no impact on service users.

Impact on staff

Independent Living Team consists of:

Grade FTE

Grade 5 1

Grade 4 6

Grade 3 3,5

There are currently 10,5 FTE members of staff working in Independent Living Service and the diversity and demographic of the workforce is not different from the rest of the workforce working in BCC.

There is also a service review of Independent Living recommended by Audit following their investigations. A separate EIA will be available alongside the service review report.

As a result of this proposal and the service review, the following members of staff may be affected:

Grade	FTE	Staff effected
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Grade 5	1	1
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Grade 4	6	5
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Grade 3	3,5	1
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Impact on current contractors:

The proposal may have an impact on the current providers however the current providers would be given a fair chance to participate in the procurement process. In addition a training event around procurement and tendering process will be organised by BCC Corporate Procurement Services.

The BCC Corporate Procurement Services will also contact the existing providers in relation to TUPE related matters in case they were not successful in awarding the new contract.

Concluding statement:

Mandatory Disabled Facilities Grants (DFGs) are available from local authorities in England and Wales and the Housing Executive in Northern Ireland. They are issued subject to a means test and are available for essential adaptations. In order to qualify for adaptations in the home:

The person for whom the adaptations are being considered must be someone who is substantially and permanently disabled by illness, injury or from birth.

The person must also be ordinarily resident in the area i.e. Birmingham

The adaptations must be required for meeting the needs of that person, as defined in the Housing Grants Construction & Regeneration Act 1996. That is, essential or of major importance to the person because of the nature of their disabilities.

The most cost effective solution to the problem.

DFG budget (Capital) is app 4,4 m per year and released from central government. The DFG is only used for owner occupier or privately rented properties.

To access the DFG service, users are advised to make a referral to the Occupational Therapy Service through People Directorate access teams: Adults and Communities Access Point (adults) and Multi Agency Safeguarding Hub (children). The recommendation for provision of major adaptations for housing is made following completion of an occupational therapy assessment. The assessment for this provision is a statutory requirement but providing an enhanced internal service to oversee the adaptation is not.

The way allocations take place currently is by awarding work to approved providers on a rotational basis and the allocation of work to providers is recorded on a spreadsheet. If any investigations are taking place in relation to a contractor, further work is not allocated to them until the investigations are completed. This currently affects 3 contractors. The list of providers includes 30 contractors and 4 companies for specialist equipment.

Following a recent Audit review report, recommendations were made for a service review and procurement exercise to be carried out in line with BCC procurement rules.

Adaptation for citizens in Council owned housing accommodation is provided through the Housing Repair and Maintenance contract and therefore is not included in this proposed procurement.

This contract will be for citizens who own their own homes or tenants in rented accommodation which is provided by either housing associations or the private sector rental market.

Last financial year, 2015/2016 approximately 800 referrals were sent from Occupational Therapy teams to this service and 400 adaptations were successfully completed.

Procurement of this contract will not have an impact on service users as the eligibility and accessibility criteria will not change. However, it may be an impact on 7 FTE as a result of the service review and also this proposal.

Conclusion:

This service is non-compliant with BCC procurement and governance policies and procedures. The proposed procurement strategy for the provision of major adaptations for housing such as refitting of kitchens and bathrooms, installation of hoists, stair lifts, vertical lifts, etc. for citizens in private housing is a recommendation of the Audit review report.

3 Concluding Statement on Full Assessment

This service is non-compliant with BCC procurement and governance policies and procedures. The proposed procurement strategy for the provision of major adaptations for housing such as refitting of kitchens and bathrooms, installation of hoists, stair lifts, vertical lifts, etc. for citizens in private housing is also a recommendation of the Audit review report. The procurement of this contract will not have an impact on service users as the eligibility and accessibility criteria will not change. The means testing for this provision will not change.

The procurement for major adaptation for council tenants has already been procured and the new contract started on 1 April 2016.

There are currently 10,5 FTE members of staff working in the service and the diversity and demographic of the workforce is not different from the rest of the workforce working in BCC.

As a result of this procurement and the service review, potentially 7 members of staff may be at risk of redundancies.

4 Review Date

26/02/17

5 Action Plan

There are no relevant issues, so no action plans are currently required.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET	
Report of:	Strategic Director for People	
Date of Decision:	20th September 2016	
SUBJECT:	UPDATE REPORT ON ACADEMY CONVERSIONS FOR PERIOD 1ST MAY – 31ST AUGUST 2016	
Key Decision: No	Relevant Forward Plan Ref: 002324/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Brigid Jones, Children, Families and Schools	
Relevant O&S Chairman:	Cllr Susan Barnett, Children and Families	
Wards affected:	Acocks Green, Aston, Bournville, Erdington, Hodge Hill, Lozells & East Handsworth, Nechells, Northfield, Oscott, Perry Barr, Quinton, Shard End, Sparkbrook, Springfield, Stechford & Yardley North, Stockland Green, Sutton Vesey, Tyburn	

1. Purpose of report:

- 1.1 To provide an update to Cabinet to ensure that Members are fully aware of the schools that have converted to Academy status during the period 1st May – 31st August 2016 and advise Cabinet on the number of schools that are in the process of conversion and the proposed target conversion dates for those schools.

2. Decision(s) recommended:

Cabinet is recommended to:

- 2.1 Note that individual Academy Conversion Reports will no longer be received by Cabinet and that this report will be received quarterly.
- 2.2 Note that the following schools have converted to Academy status between 1st May and 31st August 2016: Gossey Lane Junior & Infant School and Yew Tree Community Primary School – for full details see Appendix 1.
- 2.3 Note that 125 year leases and Commercial Transfer Agreements (CTAs) are now in place for the above schools.
- 2.4 There are currently 31 other schools in the process of conversion and these are: Audley Primary School, Bordesley Village Primary School, Brays School, Bridge School, Canterbury Cross Primary School, Cockshut Hill Technology College, Conway Primary School, Cottesbrooke Junior School, Court Farm Primary School, Cromwell Junior & Infant School, Dame Elizabeth Cadbury Technology College, Firs Primary School, Great Barr School, Greet Primary School, Hallmoor School, Handsworth Grammar School, Harper Bell Seventh Day Adventist Primary School, Holy Trinity Catholic Media College, International School, John Willmott School, Kingsbury School & Sports College, Oval Primary School, Princethorpe Infant School, Quinton CE Church Primary School, Small Heath School, Springfield Primary School, St Francis CE Primary School, Stinchley Primary School, Topcliffe Primary School, Turves Green Primary School, Westminster Primary School – for full details see attached as Appendix 2.

Lead Contact Officer(s):	Jaswinder Didially Head of Education & Skills Infrastructure
Telephone No: E-mail address:	0121 303 8847 Jaswinder.didially@birmingham.gov.uk

3. Consultation

3.1 Internal

The Leader and the Executive Director for Education have been consulted on this report and agree that this report may go forward to Cabinet for information purposes.

The Deputy Leader (under previous portfolio responsibilities), Chair of the Schools, Children and Families Overview & Scrutiny Committee and relevant Ward Councillors were consulted on all of the individual Academy conversion reports and any comments were recorded in those reports.

3.2 External

The Secretary of State issued Academy Orders (see Appendix 3) requiring the conversion of these schools.

4. Compliance Issues:

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

The Academies Conversion Programme is a Central Government Policy.

4.2 Financial Implications

The corporate legal costs and potential external legal costs associated with the conversion of these schools will be met from individual school contributions and earmarked resources within the Education & Skills Infrastructure Budget (total gross budget of £2,705k) for the purposes of the Academy conversion process.

In May 2016 Cabinet approved the amended Charging Policy, which was implemented on 1st June 2016. Schools pay a contribution towards the costs associated with conversion, for Community Schools the charge is £7,500, for Community PFI Schools the charge is £15,000 and for transfers associated with VA, VC or Foundation Schools individual charges are applied dependent on work required.

All of the schools that have converted were in surplus at the point of conversion. Any surplus budget remaining at the point of conversion transfers to the Academy. There are no other financial implications for the City Council associated with these conversions.

4.3 Legal Implications

The Secretary of State for Education has issued the Order under the Academies Act 2010, which requires all concerned parties to facilitate the creation of the Academy. The City Council has power under Sections 120 – 123 of the Local Government Act 1972 to hold and dispose of land, including the use of the General Disposals Consent 2003.

4.4 Public Sector Equality Duty

The Academies Conversion Programme is a Central Government Policy.

An initial Equality Analysis was undertaken in February 2014 (EA000046) and the outcome indicated that a Full Equality Analysis was not required.

5. Relevant background / chronology of key events:

- 5.1 The Academies Act 2010 empowers the Secretary of State for Education to create Academies through Academy Orders.
- 5.2 Academy Orders were issued by the Secretary of State and received for the schools identified in Section 2.2 (see Appendix 3). The relevant processes and documentation were completed to enable the schools to convert.
- 5.3 The land and assets were transferred to the Academies via the grant of a lease in substantially the form prescribed by the DfE for a term of 125 years at a peppercorn rent. The terms of the lease require that the land must be used for educational purposes.
- 5.4 If an Academy Trust is failing or the Funding Agreement has been terminated there is an option in the Funding Agreement in favour of the Secretary of State to acquire the school site at nil consideration without Local Authority (landlord) consent. The purpose of this option is to allow the Secretary of State to arrange for the continuing education of pupils between the period where the occupying Academy Trust fails and the handover to another Academy Trust. There is an expectation that another Academy Trust will take over the running of the Academy but if there is no alternative the Secretary of State can direct the land reverts back to the Local Authority
- 5.5 Members of staff employed by the City Council transfer to the Academy Trust under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) together with the assets of the school via a CTA. The statutory TUPE consultation process with Staff and the Unions was undertaken for all of the schools listed in Section 2.2.
- 5.6 In the case of some Academy conversions scheduled maintenance works, funded from the DfE grant, may take place after the schools have converted. Works have been identified and agreed for Cockshut Hill Technology College and Oval Primary School in the Capital Maintenance Programme 16 / 17. These works will continue and the details will be documented in the CTA's for each school.

6. Evaluation of alternative option(s):

- 6.1 A do nothing option is not available, as the Secretary of State has reserved powers in the Academies Act 2010 which enable them to make directions to override any ability of the City Council to make executive decisions with regard to land.

7. Reasons for Decision(s):

- 7.1 The reason for the report is to ensure Members are aware of all of the schools that have converted to or are in the process of converting to Academies within a 3 month period.

Signatures		<u>Date</u>
Cabinet Member Children, Families and Schools: Cllr Brigid Jones
Strategic Director for People: Peter Hay

List of Background Documents used to compile this Report:
Relevant Officer's file(s).

List of Appendices accompanying this Report :
1. Schools converted to Academy status between May - August 2016 2. Schools in the process of conversion 3. Academy Orders – Gossey Lane Junior & Infant School and Yew Tree Junior & Infant School

Report Version	<u>V4</u>	Dated	<u>16.08.16</u>
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APPENDIX 1 – SCHOOLS CONVERTED BETWEEN 1st MAY AND 31st AUGUST 2016

SCHOOL	CATEGORY	WARD	SPONSOR	CONVERSION DATE
Gossey Lane Junior & Infant School	Community	Shard End	Washwood Heath Academy Trust	1st May 2016
Yew Tree Community Primary School	Community	Perry Barr	N / A	1st June 2016

APPENDIX 2 – SCHOOLS IN THE PROCESS OF CONVERSION

SCHOOL	CATEGORY	WARD	SPONSOR	TARGET CONVERSION DATE
Cockshut Hill Technology College	Community PFI	Stechford & Yardley North	Ninestiles Academy Trust	1st September 2016
Conway Primary School	Community	Sparkbrook	Create Partnership Trust	1 st September 2016
Cottesbrooke Junior School	Community	Acocks Green	Robin Hood Academy Trust	1st September 2016
Greet Primary School	Community	Springfield	Create Partnership Trust	1 st September 2016
Kingsbury School & Sports College	Community	Stockland Green	Fairfax Academy Trust	1 st September 2016
Oval Primary School	Community	Stechford & Yardley North	DRB Ignite Trust	1 st September 2016
Topcliffe Primary School	Community	Tyburn	Community Education Partnership	1 st September 2016

SCHOOL	CATEGORY	WARD	SPONSOR	TARGET CONVERSION DATE
Audley Primary School	Community	Stechford & Yardley North	DRB Ignite Academy Trust	1 st October 2016
Dame Elizabeth Cadbury Technology College	Foundation	Bournville	N / A	1 st October 2016
Firs Primary School	Community	Hodge Hill	Community Education Partnership Trust	1 st October 2016
Princethorpe Infant School	Community	Northfield	DRB Ignite Academy Trust	1 st October 2016
Quinton Church CE Primary School	Voluntary Aided	Quinton	N / A	1 st October 2016
St Francis CE Primary School	Voluntary Aided	Bournville	Diocese of Birmingham	1 st October 2016
Cromwell Junior & Infant School	Community	Nechells	To be confirmed	1 st November 2016 (tbc)
Handsworth Grammar School	Voluntary Aided	Lozells & East Handsworth	To be confirmed	1 st November 2016 (tbc)

SCHOOL	CATEGORY	WARD	SPONSOR	TARGET CONVERSION DATE
Brays School	Community Special	Sheldon	Forward Education Trust	1 st January 2017
Bridge School	Community Special	Sutton Vesey	Forward Education Trust	1 st January 2017
Canterbury Cross Primary School	Community	Aston	N / A	1 st January 2017
Court Farm Primary School	Community	Erdington	Reach2 Academy Trust	1 st January 2017 (tbc)
Great Barr School	Foundation	Oscott	TBC	1 st January 2017
Hallmoor School	Community Special	Shard End	Forward Education Trust	1 st January 2017 (tbc)
Harper Bell School	Voluntary Aided	Nechells	Diocese of Birmingham	1st January 2017
Holy Trinity Catholic Media College	Voluntary Aided	Nechells	TBC	1 st January 2017 (tbc)

SCHOOL	CATEGORY	WARD	SPONSOR	TARGET CONVERSION DATE
International School	Community	Shard End	Washwood Heath Academy Trust	1 st January 2017 (tbc)
John Willmott School	Community	Sutton Trinity	Arthur Terry Learning Partnership	1 st January 2017 (tbc)
Small Heath School	Foundation	Nechells	TBC	1 st January 2017 (tbc)
Springfield Primary School	Community	Springfield	TBC	1 st January 2017 (tbc)
Stirchley Primary School	Community	Bournville	N / A	1 st January 2017
Westminster Primary School	Community	Lozells & East Handsworth	N / A	1 st January 2017
Bordesley Village Primary School	Community	Nechells	TBC	TBC
Turves Green Primary School	Community	Northfield	TBC	TBC



Rt Hon Nicky Morgan MP
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0370 000 2288 www.education.gov.uk/help/contactus

To: The Chair of Governors of Gossey Lane Junior Infant and Nursery School

Birmingham City Council

ACADEMY ORDER

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Gossey Lane Junior Infant and Nursery School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Gossey Lane Junior Infant and Nursery School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed:.......... Date: 3 February 2016

**Pank Patel,
Regional Schools Commissioner**



Rt Hon Nicky Morgan MP
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT
tel: 0370 000 2288 www.education.gov.uk/help/contactus

To: The Chair of Governors of Yew Tree Community Junior and Infant School (NC)

Birmingham City Council

ACADEMY ORDER

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Yew Tree Community Junior and Infant School (NC) shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Yew Tree Community Junior and Infant School (NC).
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed:.......... Date: 3 February 2016

**Pank Patel,
Regional Schools Commissioner**

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET	
Report of:	Strategic Director for People	
Date of Decision:	20th SEPTEMBER 2016	
SUBJECT:	BROADWAY ACADEMY BUILDING SCHOOLS FOR THE FUTURE SAVINGS REVIEW	
Key Decision: Yes	Relevant Forward Plan Ref: 001893/2016	
Relevant Cabinet Member(s) or Executive Member	Cllr Brigid Jones, Children, Families & Schools Cllr Majid Mahmood, Value for Money & Efficiency	
Relevant O&S Chairman:	Cllr Susan Barnett, Schools, Children & Families Cllr Mohammed Aikhlaq, Corporate Resources & Governance	
Wards affected:	Aston	

1. Purpose of report:
1.1 To seek authority to vary aspects of the contractual and commercial arrangements in place with Birmingham Lend Lease Partnership (BLLP), the City Council's appointed Local Education Partnership (LEP). In particular to vary the Broadway Academy Hard FM contract to remove all lifecycle obligations.
1.2 The report on the private agenda contains confidential information in relation to the proposals.

2. Decision(s) recommended:
That Cabinet:-
2.1 Notes this report.

Lead Contact Officer(s):	Mike Jones Head of Contracts Management (Education and Infrastructure)
Telephone No: E-mail address:	0121-303-8847 mike.jones@birmingham.gov.uk

3.	Consultation
	Consultation should include those that have an interest in the decisions recommended
3.1	<p><u>Internal</u></p> <p>The Leader and Corporate Procurement and Contract Management have been consulted and are in agreement that the proposals go forward for an executive decision. The Strategic Director Finance and Legal, the Strategic Director for People, Ward Councillors, Executive Members and Service Integration Heads have also been consulted and any outcomes have been noted in this report. Officers from City Finance and Legal Services have been involved in the preparation of this report.</p>
3.2	<p><u>External</u></p> <p>Broadway Academy, BLLP, Lend Lease and ENGIE Buildings Limited have all been consulted on all relevant matters and have been informed of the proposals.</p>
4.	Compliance Issues:
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The proposals contribute towards the City Council's Business Plan and Budget 2016+ which sets out the annual budget and long term financial strategy of the City Council and plans for assets, capital investment and other resource issues to deliver the Council's priorities.</p>
4.2	<p><u>Financial Implications</u> (Will decisions be carried out within existing finance and Resources?)</p> <p>The financial implications for varying the Broadway Academy Hard FM contract are detailed in the Private Report.</p> <p>The savings arising from this proposal will contribute to the achievement of the agreed savings target of £700,000 included in the City Council's Business Plan and Budget 2016+, with the balance being used to offset the ongoing PFI pressures and the Education Services Grant base budget shortfall.</p>
4.3	<p><u>Legal Implications</u></p> <p>Sections 13, 14 & 16 of the Education Act 1996 which provides the powers under which PFI and the BSF Programme were established. The proposals will assist the Council to meet its statutory obligation to make arrangements and secure continuous improvement in the delivery of its functions (Best Value) under S.3 Local Government Act 1999.</p>
4.4	<p><u>Public Sector Equality Duty</u></p> <p>An Initial Equality Analysis was undertaken in June 2014 (EA000233) and the outcome indicated that a Full Equality Analysis was not required.</p>

5. Relevant background/chronology of key events:

5.1 In the financial year 2009/10 the City Council was awarded £13.952m of Capital Grant from Central Government (DfE) to invest into Broadway School (now Academy) as part of the Building Schools for the Future (BSF) programme. The project which was further supported by prudential borrowing was developed as part of the Council's first phase of BSF. Effectively the Broadway specific Design and Build solution (which was a combination of new build and refurbishment) became recognised as a sample scheme at a total cost of £18.1m.

5.2 As a sample school, the model progressed by the Council in conjunction with its Local Education Partnership (BLLP) was developed in such a way that the eventual solution had "PFI type" features. Essentially this meant that Broadway Academy received a full lifecycle replacement arrangement (cyclical works undertaken to ensure the integrity of the building structure throughout the contract term) as well as a full Facility Management (FM) operation extending over a 25 year concession period through to 2036.

The FM services in place provide Broadway Academy with caretaking, cleaning, grounds and planned preventative maintenance support to its building. The agreements supporting these arrangements are known as Soft and Hard Facility Management contracts and the respective contracting parties are the City Council and BLLP. Notwithstanding the proposal to vary the Hard FM to remove the lifecycle obligations all other aspects of the contract will remain in place.

5.3 The Broadway model at the time was envisaged to become the template for all Design and Build projects within the BSF programme. Before the Council progressed the second stage of BSF however the "stopping" (by Central Government) of the BSF programme and the very high costs associated with replicating the Broadway model meant that other Design and Build school projects progressed without the 25 year full lifecycle replacement component. This particular facility was incorporated as a schedule to the Broadway Hard FM contract.

5.4 In light of the recognised financial pressures associated with BSF and in particular Schools PFI arrangements, the Council agreed in January 2015 to support a "pilot study" being undertaken by Local Partnerships (a body established and funded by HM Treasury and the Local Government Association). The study sought to explore the potential for savings from PFI and BSF contracts and had the buy-in of, DfE and Education Funding Agency (EFA). Following the publication of a report in April 2015 Council officers have continued to work to implement a number of savings initiatives and further, provide a far more robust challenge to PFI and FM Providers. A further report outlining initiatives and in particular the outcomes of recent benchmarking exercises on 3 of the Council's 4 grouped Schools PFI contracts is planned to be presented to Cabinet before the end of the current calendar year.

5.5 One of the more immediate opportunities identified by officers was the potential to remove the Broadway Academy lifecycle replacement obligations from the Hard FM contract. Unlike PFI where there is an expectation that lifecycle replacement arrangements support the building for a protracted period, no such requirements apply to the Broadway contract, under which a cash life cycle fund is built up to help fund future lifecycle property costs. Whilst the lifecycle replacement fund for Broadway provides a

level of comfort to the Academy that its building is supported by a lifecycle strategy, there is no guarantee that the Academy will receive best value from the lifecycle fund, which is held and managed by BLLP in conjunction with the FM Provider. As a contracting party, the Council is obligated to pay an agreed annual sum of money to support the arrangement where, as the client, it has no real control over its investment until the end of the contract term when a sharing mechanism would return any unspent balances to the respective contracting parties.

- 5.6 For a period of time Council officers have been engaging with the Academy's leadership and Trust with a view to varying contractual provisions to remove the lifecycle facility. Clearly however for the Academy to agree to the variation assurances have been requested by the managing Trust to ensure that the Academy is not placed in an unduly unfavourable position. In light of this a condition survey of the school estate was commissioned by the Council in early 2016. The outcomes of this survey and remedies for dealing with any issues presented are addressed in the private report.
- 5.7 An early review of contractual terms confirms from the City Council's understanding that the Hard FM contract is capable of being varied and initial discussions have taken place with both BLLP and ENGIE (FM Contractor). Immediately following approval of this report the Council will initiate a variation to BLLP through the available mechanisms within the contract, and work associated with the proposal will commence in October with a targeted completion date of December 2016.

6. Evaluation of alternative option(s):

- 6.1 PFI and BSF Schools benefit from a new/substantially refurbished building which is supported by operational arrangements for a specified period. In continuing to meet obligations associated with these arrangements the Council (as client) continues to fund £5.750m per annum of PFI/BSF costs from General Fund. Without introducing mitigations of this nature which seek to lever savings from associated contracts, whilst giving control back to the Academy, the financial position for the Council will become increasingly untenable.

7. Reasons for Decision(s):

- 7.1 Notwithstanding the clear benefits of removing a long-term revenue obligation from the Council's accounts the decision is based on two fundamental principles, notably:
- Broadway School converted to an Academy in July 2013. As a consequence of this change in status the Council no longer receives central government funding for the Academy with the Academy Trust having a direct funding agreement with the Education Funding Authority (EFA). The Academy Trust therefore has the opportunity and is willing to draw down any future investment for lifecycle replacement for its building from the EFA directly through a national Capital Maintenance allocation;
 - Further by removing the lifecycle component from the existing Hard FM contract the Academy will be free to address any future Hard FM requirements for its building outside of the existing contract that limits any flexibility around how money is spent.

Signatures	Date
Cabinet Member for Children, Families & Schools
Cabinet Member for Value for Money & Efficiency
Strategic Director for People Directorate

List of Background Documents used to compile this Report:
Report to Cabinet 07/11/11 - BSF and Academies Programme Update 2011/2012 and Local Education Partnership (BLLP) Delivery Arrangements.

List of Appendices accompanying this Report (if any):

Report Version	<u>9</u>	Dated	<u>07.09.2016</u>
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BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET	
Report of:	Acting Strategic Director of Place	
Date of Decision:	20 September 2016	
SUBJECT:	TENDER STRATEGY FOR ALEXANDER STADIUM AND ANCILLARY FACILITIES	
Key Decision: No	Relevant Forward Plan Ref:	
If not in the Forward Plan: (please "X" box)	Chief Executive approved	<input type="checkbox"/>
	O&S Chairman approved	<input type="checkbox"/>
Relevant Cabinet Member(s)	Cllr Ian Ward, Deputy Leader, Cllr Majid Mahmood, Value for Money & Efficiency	
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance	
Wards affected:	Perry Barr	

1. Purpose of report:
<p>1.1 To review the Cabinet decision made in September 2014 to externalise the operation of the Alexander Stadium and ancillary facilities using the Sport & Leisure Facilities Framework, based on feedback from Framework Contractors, which indicates little interest in bidding for a contract to manage and operate the facilities.</p> <p>1.2 To inform Cabinet of the soft market testing exercise undertaken and to outline an alternative more sustainable solution for consideration, whilst maintaining Alexander Stadium as a premier sporting facility hosting international and national athletic events.</p> <p>1.3 To obtain approval to the strategy and seek authority to proceed with the procurement of an operator for the Alexander Stadium and ancillary facilities via a competitive procedure with negotiation.</p>

2. Decision(s) recommended:
That Cabinet:-
<p>2.1 Approves the procurement strategy detailed in Appendix 3 and the commencement of procurement activity for an operator for Alexander Stadium and ancillary facilities in accordance with the requirement and approach set out in Section 5.</p> <p>2.2 Notes that the Deputy Leader and the Cabinet Member for Value for Money and Efficiency will be briefed at key stages during the procurement process and that a contract award report will be presented to a future Cabinet meeting.</p>

Lead Contact Officer(s):	Steve Hollingworth – Assistant Director, Sports and Events
Telephone No:	0121 464 2023
E-mail address:	Steve.hollingworth@birmingham.gov.uk

3. Consultation

3.1 Internal

The District Chair of Perry Barr District along with Perry Barr Ward Councillors have been informed of the contents of this report and will continue to be consulted throughout the procurement process. Staff and unions have also been consulted and understand the need for proposed change in the tender strategy.

Officers from City Finance, Legal Services and Procurement have been involved in the preparation of this report and support this proposal.

3.2 External

Existing tenants at the stadium i.e. British Athletics, England Athletics and Corporate Sporting Events have been consulted and are supportive of the contents of this report. Birchfield Harriers who are the resident athletics club at the stadium also have been consulted and are supportive on the externalisation of Alexander Stadium, subject to their existing lease agreement being maintained.

4. Compliance Issues:

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

The Sport and Physical Activity Strategy contributes to the Council Business Plan and Budget 2016+ objectives of fairness, prosperity and democracy. The Sport Section's main purpose is to ensure that Birmingham becomes a healthy and active city by encouraging people to be more active. The section is responsible for developing sports strategy, policy and plans and creating sporting opportunities.

Athletics generally and running specifically are identified in the Sport and Physical Activity Strategy as both a priority sport for mass participation to increase physical activity and a key performance sport for events, facility development, economic benefit and legacy.

The Birmingham Diamond League, the British Championships and the Indoor Grand Prix are significant events in the global calendar that will play a key role in supporting the Leaders Policy Statement by contributing towards a prosperous and inclusive city. The events will play a key role in enhancing the city's status and reputation as an international city, promote the agenda for healthy lifestyles, reducing health inequality and promoting job creation.

4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR including payment of the living wage to all staff working on this contract will be a mandatory requirement for bidders and will form part of the conditions of contract. Bidders will be required to submit an action plan that supports the local economy and creates much needed jobs including the development of an apprenticeship scheme focussed on the Leisure sector with their tender. This will be evaluated in accordance with the evaluation criteria in Appendix 3 and the Action Plan of the successful tenderer will be implemented and monitored during the contract period. It will also be a mandatory requirement that the 2nd tier supply chain, that is the providers procured by the new provider, comply with the BBC4SR and produce an action plan with commitments proportionate to the value of the services provided throughout the contract period.

4.2 Financial Implications

The Transformation of Leisure Services report approved by Cabinet in December 2013 included a medium term financial plan for the service. The financial plan included an expectation for the Alexander Stadium to be transferred to an external contractor (by 2015/16) and operated at nil cost to the City Council. The currently forecast deficit for this facility for 2016/17 is £1.7m. The aim of the proposed procurement is to also secure a revenue stream to the City Council over and above the core financial objective of a nil cost.

The currently forecast (and any future) deficits incurred, until the operation of this facility is externalised, together with cost of procurement, will need to be mitigated within the Place Directorate's approved budget.

There are currently no capital resources for this project within the Council's capital programme. Any capital investment requirements would need to be addressed through the business case supporting the proposals.

4.3 Legal Implications

Under section 19 of the Local Government Act (Miscellaneous Provisions) 1976, the Council has the power to provide such recreational facilities as it thinks fit in its area and under Section 111 of the Local Government Act 1972, the Council may do anything which is incidental to the discharge of any of its functions.

The Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE"), applies to the transfer of an undertaking or business to another employer where there is a transfer of an economic entity which retains its identity. It also applies where there is a service provision change. Under draft regulations which will amend the 2006 Regulations such activities have to remain fundamentally the same following a transfer date for there to be a service provision change. Therefore, TUPE will apply to the external leisure management contract outlined in this report.

The requirements of the Data Protection Act 1998 and Human Rights Act 1998 have been taken into consideration in terms of the processing, management and sharing of data involved in these proposals.

4.4 Pre-Procurement Duty under Public Services (Social Value) Act 2012

Consideration of whether to undertake a consultation exercise was discussed during the planning stage and it was agreed that this would not be required as tenderers will be asked how their bid addresses social value as part of the overall evaluation.

4.5 Public Sector Equality Duty

A copy of the Equality Act 2010 – Public Sector Duty statement and equality assessment screening including Alexander Stadium can be found within the Leisure Transformation's Cabinet Report of 16th December 2013.

5. Relevant background/chronology of key events:

- 5.1 Following approval of the Transformation of the Leisure Service report by Cabinet in December 2013 a Sport and Leisure Facilities Framework was established in March 2014 for the design, build, operate and maintain of leisure facilities. This was awarded to three organisations, DC Leisure Management Ltd who subsequently changed their name to Places for People Ltd (PfP), Greenwich Leisure Ltd and Serco Leisure Operating Ltd. A further report to Cabinet in September 2014 outlined the makeup of the first two lots to be called off from the framework and approved Alexander Stadium and ancillary facilities as a standalone package that would be called off following the completion of the first two lots.
- 5.2 Initial meetings regarding Alexander Stadium were held with the Framework Contractors in March 2015, but were then put on hold at the Contractors request whilst the contracts for lots 1 and 2 were awarded. These were awarded to Serco Leisure Operating Ltd. Further time was taken up for the mobilisation of these contracts, before further meetings were scheduled in September 2015, at which point the two remaining Framework Contractors withdrew themselves from the process for Alexander Stadium as it was no longer a viable option for either of them.
- 5.3 To continue the procurement process with a single bidder would not have demonstrated best value as there is no scope for competition. Serco had also indicated that based on the current condition of the main stand within the Stadium they would not be prepared to take on a full insuring and repairing lease for the entire stadium facility.
- 5.4 The scope of the Framework would restrict any contractor to carrying out (relatively) minimal refurbishment and operate the facility almost as at present. There would be little opportunity for significant investment post contract commencement and the current procurement route would not permit a significant variation to extend the service sufficiently to exploit the facility's full development potential due to the restricted length of contract.
- 5.5 The original OJEU Notice for the Sport and Leisure Facilities Framework listed Alexander Stadium as a site that could be externalised through the Framework. Although included in the list of potential sites, the OJEU notice does not guarantee that all the facilities will be delivered in this way. However, the OJEU stated that contracts delivered through the Framework would be for a length of between 10 and 15 years and less where appropriate, thereby not allowing contracts to be awarded for a longer term.
- 5.6 The Council does not have capital resources to invest in the Alexander Stadium facilities. A solution for this would be that the private sector invests in rebuilding parts of the facility from private finance in addition to any expected investment into substantially upgrading the facility's offering. Estimates, from Framework Contractors, have suggested that it could cost £4m to rebuild the main stand to modern standards with income generating potential. There would also be a requirement to upgrade other parts of the facility, it follows that a contractor would expect significantly longer than 15 years to recover their return on investment, which would require a new procurement.

- 5.7 The risk of continuing with the current process through the Framework is that the single contractor drops out leaving no bidder in place or the bid received is unacceptable or unaffordable to the Council and would not allow us to award a contract. This would then further delay the externalisation of the Stadium by up to 12 months.
- 5.8 On this basis and following discussions with Senior Officers from Procurement, Legal Services, Finance and Sport, it was agreed that the market should be tested again through a soft market testing event to gauge the appetite for the stadium and its ancillary facilities. This would then shape delivery moving forward in order to achieve best value for the Council whilst maintaining and achieving investment in the site for the long term.
- 5.9 Oaks Consultancy were appointed following a procurement process in March 2016 to identify organisations that would have the potential to both operate and develop the Stadium facilities, organise a soft market testing event to showcase the Stadium and obtain feedback on potential development to produce recommendations on the future procurement of a Stadium operator.
- 5.10 A soft market testing event was held at the Stadium on 18th May 2016 which included a site tour, presentations from the Council's Planners and Property Officers, Sport and Finance, and individual breakout meetings with all perspective organisations. Those that attended represented a good cross section of the market and provided value insight to inform the tender strategy
- 5.11 Following information gathered from the process including the results from the soft market testing event with interested Organisations and consultation with the Council's Planners, the following requirements have been identified that will form the basis of the specification:

Tender Requirements

- 30 Year Contract including lease over the same term, to include possible break clause following negotiation.
- Stadium must continue to operate primarily as an athletics stadium hosting national and international sporting events throughout the term of the contract.
- The current community based sporting programmes prevalent within the Gymnastics and Martial Arts Centre (GMAC) and Stadium facility must be maintained and conform to the city council's specification, which will include maximum fees and charges, minimum opening hours and equality of access.
- Honour all current lease arrangements with tenants, including Birchfield Harriers long term lease and all terms and conditions.
- TUPE of existing stadium staff.
- Admitted Body Status of West Midlands Pension Scheme.
- An agreed site boundary to include Stadium including all stands, GMAC, High Performance Centre (HPC), Car Park and both access routes (Church Road route and Stadium Away) – The Boundary Plan is included at appendix 1. Not included within scope – BMX Track, Perry Park, Perry Park Allotments.
- Potential development areas – Please see planning brief included at appendix 2.
- All facilities included must be on a full insuring and repairing lease from the outset – Non-negotiable.
- Financial Requirement – Current £1.7m deficit must be reduced to nil in accordance with the existing budget plan.

- Investment proposal required on replacing or a full refurbishment of the Main/Knowles and Nelson Stands (within 5 years of contract commencement). Full Business Case must be included providing details of any enabling development (meeting planning brief requirements), full cost analysis, and risk register.
- Commitment to social value including the development of apprenticeship schemes.

5.12 Outcomes Expected

The outcomes expected from this project were included in previous reports to Cabinet and remain the same for this procurement exercise. These are:

- Ensure the delivery of high quality world class sporting events venue at Alexander Stadium
- To assist the improvement of the local area providing the local community with a better facility
- To minimise/eliminate the financial risk to the Council
- To provide a modernised service facility to tenants that is responsive to their needs.

5.13 An indicative timescale for this procurement is included within Appendix 3.

6. Evaluation of alternative option(s):

- 6.1 Do Nothing – The current operational deficit for Alexander Stadium is a significant pressure to both the Sports Service and the City Council as a whole. In addition, by doing nothing and continuing to operate the stadium in the current manner would not allow for the investment the Stadium requires in both the short and long term, therefore this is not a viable option.
- 6.2 The Council could invest its own resources in the Stadium. However, the council does not have the market expertise to invest capital in the most cost effective way, in order to mitigate the deficit and achieve an ongoing return. Furthermore the operational risk, including income generation, would remain with the council.
- 6.3 Sport & Leisure Facilities Framework – In the knowledge that only one Framework operator is likely to submit a bid, there is a significant risk that the Council will not achieve best value via this route. In addition, there is a risk that if the single bidder dropped out of the process or the bid did not achieve the Council's requirements then there would be further significant delays and abortive costs.
- 6.4 Sell the Stadium – Selling the Stadium and ancillary facilities would mean that the City Council would lose control over the operation and management of the facility. This control would remain through a contract and service specification if externalised. As a flag ship facility within the City of Birmingham, there is no political or officer support to sell and lose an extremely important Council asset.

7. Reasons for Decision(s):

- 7.1 To allow for the continuation of the procurement process to externalise Alexander Stadium and ancillary facilities, and in doing so provide both best value for the City Council and investment into the facility thus providing a sustainable long term future.

Signatures		<u>Date</u>
Deputy Leader Cllr Ian Ward
Cabinet Member for Value for Money and Efficiency Cllr Majid Mahmood
Strategic Director of Place Jacqui Kennedy

List of Background Documents used to compile this Report:

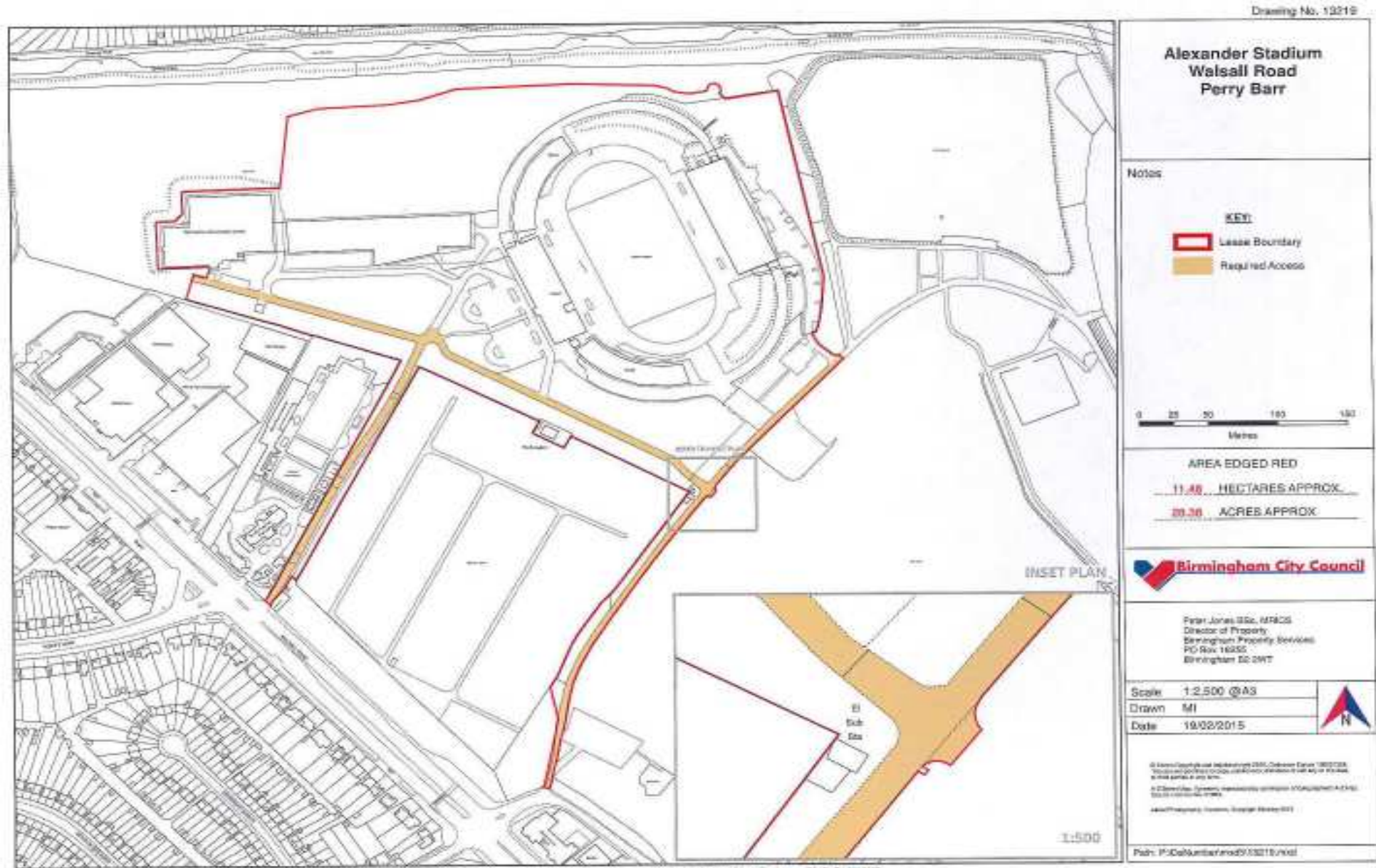
Cabinet Report 16 December 2013, Sport and Physical Activity Review – Transformation of the Leisure Service.
Cabinet Report 15 September 2014, Sports Transformations – Sport & Leisure Framework Call off Mini Competitions

List of Appendices accompanying this Report (if any):

- 1 Alexander Stadium Red Line Plan
- 2 Planning Brief
- 3 Alexander Stadium Procurement Strategy and delivery programme.

Report Version		Dated	
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APPENDIX 1 – RED LINE DRAWING



Appendix 2 - Alexander Stadium Brief – Skeleton Planning Brief

The [Birmingham Development Plan](#) (BDP) sets out the strategy to achieve the sustainable growth of the City for the period up to 2031. It will form part of the statutory Development Plan for the City, and is likely to be adopted by the time a planning application could be made on the Alexander Stadium site.

Planning for Growth

Policy PG1 of the BDP sets out significant levels of housing, employment, office and retail development will be planned for and provided along with supporting infrastructure and environmental enhancements. This includes proposals for 51,100 additional homes.

Delivering the City's growth, there is a focus on key areas in the BDP. This includes the Aston, Newtown and Lozells Growth Area (policy PG3) which covers the area to the south of the Stadium (supported by an adopted Area Action Plan). This contains proposals for over 700 new homes, a Regional Investment Site, up to 10,000 sqm gross office space and up to 20,000 sqm gross comparison retail.

The BDP contains proposals to deliver infrastructure throughout the City, and this is set out in the [Infrastructure Delivery Plan](#) and [Birmingham Connected](#). This includes proposals for the development of SPRINT / Rapid Transit Routes to facilitate improvement/enhancement in the public transport offer on key corridors, including the A34 near to the Stadium (policy TP40).

Development at Alexander Stadium

A number of policies in the BDP apply to Alexander Stadium, and these influence the types of development that are acceptable on the site. In summary, of particular importance will be:

- Policy TP11 Sports facilities – Supports the provision and availability of facilities for people to take part in formal and informal activity, that contributes to healthier lifestyles and can provide a 'stepping stone' into more formal sport. Proposals for new facilities or the expansion and/or enhancement of existing facilities will be supported subject to compliance with other relevant planning policies.
- Policy TP24 Tourism and cultural facilities – Supports proposals which reinforce and promote Birmingham's role as a centre for tourism, culture and events and as a key destination for business tourism. This will include supporting the City's existing tourist and cultural facilities and enabling new or expanded provision where it contributes to the City's continued success as a destination for visitors. The provision of supporting facilities such as hotels will be important and proposals for well-designed and accessible accommodation will be supported.

- Policy PG2 Birmingham as an international city - Birmingham will be promoted as an international city supporting development, investment and other initiatives that raise the City's profile and strengthen its position nationally and internationally.
- Policy TP9 Open space, playing fields and allotments - Planning permission will not normally be granted for development on open space except where criteria are met, including:
 - It can be shown by an up to date assessment of need that the open space is surplus taking account of a minimum standard of 2 ha per 1,000 population and the accessibility and quality criteria.
 - The development is for alternative sport or recreational provision, the benefits of which clearly outweigh the loss.

On this basis the types of development which are considered appropriate are sports and leisure uses and supporting facilities. Forms of ancillary or enabling development will be considered provided policies of the BDP are met.

A more detailed Planning Brief will be provided prior to the procurement activity.

Appendix 3 - Procurement Strategy and Delivery Programme

Requirements

The requirements have been developed in close association with Birmingham City Council (Planning, Property, Legal, Finance, Strategic Sport and Procurement) Sport England, British Athletics and are consistent with the relevant strategies. A robust outcome specification has been produced and included in the tender documentation, so the bidder's solution, financial and legal makeup of the contract will be the negotiated elements of the procurement.

The specification will include an element of future proofing, to take account of changes in the market and changes in technology, as well as any major developments in Birmingham. The specification will also include the flexibility to identify new opportunities for development and also financial and KPI reviews will be undertaken throughout the contract to ensure that the Council gains the best value from the arrangement.

Duration and Advertising Route

A 15 year contract term was considered optimal for this opportunity, but based on market testing responses the market advised that this restricted the potential offers/development opportunities that could be gained from the site. At present there is no optimal contract term as this will depend on the bids received back taking into account the overall costs of procuring the contract and the ability of the tenderers to make a return on their investments in a reasonable time period. The most appropriate procurement route for this project is the Competitive Procedure with Negotiation (CPN) on the basis that:

- There are a number of suitable specialist providers in the market place that can provide the required services.
- it will create healthy competition between providers and potentially the best solution for the Council.
- It will not exclude any proposed delivery models thereby maximising the opportunities for the Council to find the right delivery model, that can deliver the outcomes the Council requires.
- Due to the likely diverse range of solutions that will be submitted, the Council may be unable to award a contract without prior negotiation because of specific circumstances related to the nature, complexity or the legal and financial make up or because of the risks attached to them.

The CPN route is an updating of the negotiated procurement procedure under the Public Contract Regulations 2015 and allows flexibility for both the contractor and the client.

The procurer can reserve the right to negotiate bids, but the regulations do not mandate negotiations if the procurer considers that it can make an award decision based on the initial bids. However, the council is allowed to negotiate if it deems it necessary, which will be useful for the bidder's site proposal, legal and financial element of the tenders. Also, the CPN route allows the council to reduce the number of bidders during the negotiation stage if this is suitable.

The contract will be advertised in the Official Journal of the European Union, Contracts Finder and on the www.finditinbirmingham.com. See the attached for the procurement timescale.

The Procurement Process

The Competitive Procedure with Negotiation is comprised of four stages:

- Stage 1 – Pre Qualification Stage (PQQ)
- Stage 2 – Invitation to Tender (ITT)
- Stage 3 – Negotiation with bidders (if required)
- Stage 4 – Invitation to Submit Final Tenders (ITSFT) following negotiation

Stage 1 – Pre Qualification Questionnaire

The evaluation of PQQ's will be assessed on a pass/fail basis as detailed below:

- Supplier Information
- Grounds for Mandatory Exclusion
- Grounds for Discretionary Exclusion (Part 1 and Part 2)
- Economic and Financial Standing
- Technical and Professional Ability
- Additional Selection Questions
 - Environmental Management
 - Insurances
 - Compliance to Equality Duties
 - Health and Safety

- Compliance to the Birmingham Business Charter for Social Responsibility
- Experience in the Market
- TUPE
- Declaration

Stage 2 – Invitation to Tender (ITT)

At this stage bidders will respond to the ITT and the Council will assess the tenders received for this contract based on the published evaluation criteria. Should tender submissions at this stage fully meet the Council's requirements then there may not be a need to move to Stage 3 – Negotiation.

Stage 3 – Negotiation with Bidders (if required)

This stage allows for negotiation with bidders on any aspect of their bid should this be required prior to the submission of final tenders.

Stage 4 – Invitation to Submit Final Tenders (ITSFT) following negotiation (ITSFT)

This will be the final stage of the process and final tenders will be evaluated against the same criteria as determined at ITT stage.

Evaluation of Bids

The evaluation of bids will be based on a value assessment approach that enables the Council to assess bids on Quality Social Value and Price (Revenue). The assessment of Quality will consider written information provided by the bidder. All relevant evidence submitted will be assessed against pre-determined criteria.

After rejecting bids that in the opinion of the Council are unrealistically high or low in terms of quality or price, the scores for each tender will be compared and subject to a final risk assessment the bidder with the highest score offering the most economically advantageous bid will be recommended for acceptance.

The Council reserves the right not to award contracts to bidders that score as follows in any stage of the procurement:

- Below a threshold of 60% in terms of quality
- Below a threshold of 40% in terms of social value
- 0% in any one section or zero/no response in any one scored question
- Fails to pass the pass/fail criteria questions

Weighting of Evaluation and Award Criteria

The evaluation of the ITT's will be assessed as detailed below:

The evaluation model is based on a /Quality/Social Value/Price (Revenue) weighting of 30%/10%/60%. The evaluation criteria are:

Quality (30%):

- Proposed Solution and Method Statements – 30%
- Innovation – 30%
- Contract Management –30%
- Legal Risk – 10%

Social Value (10%):

- Local Employment – 30%
- Buy Birmingham First – 30%
- Partners in Communities – 10%
- Good Employer – 10%
- Green and Sustainable – 10%
- Ethical Procurement – 10%

Price (Revenue) (60%):

- Guaranteed Lump Sum payable each year (50%)
- Gross Revenue Share % (50%)

Overall Evaluation

The Weighted Quality Score, the Weighted Social Value Score and the Weighted Price (Revenue) Score for each tender will be added together to produce a total score. The scores for each tender will be compared, ranked and subject to a final risk assessment the bidder with the highest weighted score offering the most economically advantageous tender will be recommended for acceptance.

Evaluation Team

The evaluation of the tenders will be undertaken by officers from Place Directorate, Finance and Legal Directorate, Economy Directorate and Corporate Resources Directorate and supported by Corporate Procurement Services.

Risk

The Corporate Procurement Services (CPS) approach is to follow the Council Risk Management Methodology and the Procurement and Contract Management Team will be responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for the service has been jointly produced and owned by the Sport and Leisure Service with arrangements being put in place to ensure operational risks are mitigated.

Indicative Implementation Plan

Cabinet Approval to Strategy	20 September 2016
OJEU Notice Issued	September 2016
Clarification Period	28 th September 2016 – 20 th October 2016
PQQ Deadline Submission	28 th October 2016
Evaluation of PQQ Responses	31 st October 2016 – 11 th November 2016
Issue ITT to Shortlisted Companies	14 th November 2016
ITT Deadline Submission	19 th December 2016
Evaluation Period	4 th January 2017 – 20 th January 2017
Negotiations	1 st Feb 2017 – 28 th April 2017
Call for Final Tenders	1 st May 2017 – 2 nd June 2017
Cabinet Award Report	September 2017
Award Contract and Mobilise	November 2017
Contract Start	February 2018

Contract Management

The contract will be managed operationally by the Sport and Leisure Service with support from Corporate Procurement Services Contract Management team as appropriate. Draft Key Performance Indicators, performance targets including key milestones and reporting requirements have been developed and will be negotiated during the procurement process and included in the final contract. A mobilisation plan will also be developed during the negotiation period and will be a contractual requirement of the successful bid.

Report to:	CABINET
Report of:	ACTING STRATEGIC DIRECTOR OF PLACE
Date of Decision:	20th SEPTEMBER 2016
SUBJECT:	TENDER STRATEGY FOR ARBORICULTURE SERVICES (NON-HIGHWAY) FRAMEWORK AGREEMENT 2017 – 2022
Key Decision: Yes	Relevant Forward Plan Ref: 000606/2015
If not in the Forward Plan: (please "tick" box)	Chief Executive Approval <input type="checkbox"/> O&S Chair Approval <input type="checkbox"/>
Type of decision:	Executive
Relevant Cabinet Member(s):	Councillor Lisa Trickett, Cabinet Member for Clean Streets, Recycling and Environment Cllr Majid Mahmood, Cabinet Member for Value for Money and Efficiency
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq, Corporate Resources and Governance Councillor John Cotton, Health, Wellbeing and the Environment Committee
Wards affected:	All

1. Purpose of report:

- 1.1 To provide details of the tender strategy and of the procurement process for the provision of the Arboriculture Services (Non-Highway) Framework Agreement 2017 - 2022 for a five year period to commence 1st April 2017 for an estimated total value of £5.0m
- 1.2 It is proposed to undertake a procurement exercise using the Restricted Tendering procedure.

2. Decision(s) recommended:

That Cabinet:

- 2.1 Approves the strategy and the commencement of tendering activity for the Arboriculture Services (Non-Highway) Framework Agreement 2017 - 2022 in accordance with the requirements and approach outlined in Section 5 of this report.
- 2.2 Delegates authority to the Acting Strategic Director of Place in conjunction with the Assistant Director of Procurement, the Strategic Director of Finance and Legal (or their delegate) and the City Solicitor (or their delegate) to award the Arboriculture Services (Non-Highway) Framework Agreement 2017 - 2022 following the completion of the tendering process.

Lead Contact Officers:	
Telephone No: E-mail address:	Simon Smith, Tree & Green Waste Recycling Manager, Place Directorate 0121 464 1765 simon.smith@birmingham.gov.uk
Telephone No: E-mail address:	Richard Osborne, Assistant Procurement Manager, Corporate Procurement Service. Corporate Resources Directorate 0121 303 3936 richard.s.osborne@birmingham.gov.uk

3. Consultation

3.1 Internal

- 3.1.1 Officers from Legal and Democratic Services, Procurement and City Finance have been involved with the preparation of this report.

3.2 External

- 3.2.1 Consultation has been conducted with the Birmingham Open Spaces Forum (BOSF) on behalf of the Friends of Parks groups. The Council was approached by BOSF to explore whether there was an opportunity for Friends of Parks groups being able to perform minor tree work on Council owned park land. The option identified by the Council that would legally enable Friends of Parks groups to carry out this work was turned down by BOSF as it wouldn't satisfy the requirement they were seeking. The option would have included an extra Lot within this tender and established a set of providers that could be accessed by Friends of Parks through the Parks, Nature and Conservation team on this contract. Further discussion has been held between the Parks, Nature and Conservation team and Birmingham Open Spaces Forum and a mutually agreeable solution outside of this tender strategy has been agreed. Therefore an extra Lot will no longer be required within this tender.
- 3.2.2 The Parks Service has a strong working relationship with BOSF and the 150 Friends of Parks Groups working within the Birmingham Parks. The Friends of Groups provide invaluable volunteering to give real added value to the parks of Birmingham by tackling maintenance that is not on the Grounds maintenance programme. The Friends of Parks Groups also work closely with the Ranger Service to work on projects to improve the visitor experience for all parks users. The Friends of Parks Groups contribute upto 15,000 hours per annum in volunteering time.. Without the Friends of Groups taking on the added value maintenance projects within the Birmingham Parks, areas of the parks sites would not be maintained and could become litter traps. The Friends of Parks members deserve a huge amount of praise for the hard work they contribute to keeping the park sites so well maintained. There are regular local meetings with BOSF and Friends Of groups to agree strategy in maintaining the Park Sites with BOSF contributing many good ideas and working with the local community to promote the benefits of the Parks Service.

3.2.3 During consultation the Council and BOSF discussed a working model within the new tree contract. BOSF accepted that a workable balance moving forward would require that the Council continue to manage duty holder matters, ensuring we apply a consistent approach in meeting all our liabilities.

Agreement was reached that the city continues to procure our main tree works to deal with day to day matters, such as regular qualified inspections, tree works as a result of such inspections and ad-hoc/emergency works that require action within 2 hours.

However, to further enhance local influence and added value, Friends of Groups will be able to identify potential additional funding for tree works in Parks, mainly in support of the provision of planting new trees and woodland management. This work is agreed and priced using the competitive contract rates through the Council's Tree Officer.

To facilitate and encourage a closer working relationship between Friends and the Tree Service an approved sub-contractor will be assigned to carry out works for Friends groups, at the same time meeting all responsibilities under the Health & Safety at Work etc Act 1974.

4. Compliance Issues:

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

4.1.1 This contract will support the following objectives of the Council in the Council Business Plan and Budget 2016+:

- A Happy, Healthy City – through the provision of, and improved access to, outdoor recreational facilities and the creation of clean, green and safe open spaces. Public spaces will be physically improved for use by all.
- A Strong Economy – the contracts improve the health of the city's trees to ensure safe and green environments in parks, housing, school grounds, cemeteries and crematoria and other public open spaces. The timber is recycled so contributes to the Council's sustainability agenda whilst the trees contribute to the green Infrastructure of the city and to reduce the impact of climate change.
- A Democratic City – by involving local people in decisions that affect their local spaces.

4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of the contracts called off from the proposed Framework Agreement. Tenderers will submit an action plan that supports the local economy and creates much needed jobs including the development of an apprenticeship scheme relevant to arboriculture services with their tender. This will be evaluated in accordance with paragraph 5.8.5.4 and action plans of the successful tenderers will be implemented and monitored during the contract period.

4.2 Financial Implications

- 4.2.1 The proposed Framework Agreement will not result in any specific contractual liabilities for the Council. However, this is unlikely to exceed £5m over the 5 year period of the contract period based on the historical expenditure on these services over the life of the previous Framework Agreement.
- 4.2.2 The expenditure that is incurred will be funded from within the annual approved budgets of the Council Directorates that utilise this Framework Agreement (these budget allocations will be subject to the annual approval through the City Council Budget process and will need to take into account any approved savings that are allocated for these services).
- 4.2.3 Any work undertaken to make safe dangerous trees on privately-owned land is recharged to the land owner.
- 4.2.4 The Framework Agreement will be made available for other public sector bodies to use and an access fee will be levied. The level of fee proposed to be charged will be detailed in the Contract Award Report

4.3 Legal Implications

- 4.3.1 Section 164 of the Public Health Act 1875 gives the Council power to plant and maintain trees on land it is responsible for. The Council must maintain the trees on its land in order to avoid harm being caused to people and property which could result in claims for damages under the laws of negligence or an offence being committed under the Corporate Manslaughter and Corporate Homicide Act 2007. Section 23 of the Local Government (Miscellaneous Provisions) Act 1976 also gives the Council powers to make safe dangerous trees on privately-owned land.

4.3.2 Information Management

As this contract is primarily works based there are no significant information management requirements.

4.3.3 Pre-Procurement Duty under the Public Service (Social Value) Act 2012

Consideration of how this project might contribute to achieving the Council's priorities and improve the economic, social and environmental well-being of the relevant area was discussed by the project team and this is reflected in the requirements, being relevant and proportionate to the overall contract. Additional stakeholder consultation was not required with regard to social value outcomes as it is detailed in the output specifications that have been drawn up by the Council and partner organisations.

The process for securing this social value during the procurement exercise will be through the Birmingham Business Charter for Social Responsibility.

4.4 Public Sector Equality Duty

- 4.4.1 A relevance test to decide whether the planned procurement for the Arboriculture Services Non-Highways has any relevance to the equality duty contained in Section 149

of the Equality Act 2010 of eliminating unfair/unlawful discrimination and to promoting equality and human rights was conducted on 12th August 2016. The screening identified there was no requirement for the completion of an Equality Assessment form – **see Appendix 1.**

5. Relevant background/chronology of key events:

5.1 Service Requirements:

- 5.1.1 The Council has approximately 736,000 trees within its tree stock on land which it is responsible for. All of the trees require periodic surveys to determine the required level of maintenance and to ensure that any emergency works are carried out to ensure that the Council adheres to its legal obligations.
- 5.1.2 This proposed Framework Agreement does not cover those trees located on or near to the highways or streets. These are maintained by Amey Birmingham Highways Ltd under the Highways Maintenance and Management Private Finance Initiative contract.
- 5.1.3 On 13 October 2010 Cabinet Committee (Procurement) approved the award of contracts to Blythe Valley Ltd for the north of the City and Gristwood and Toms Ltd for the south of the City for a 5 year period ending on 12th December 2015. It was necessary to extend these contracts to allow sufficient time for an options appraisal for the future delivery of the service to be completed.
- 5.1.4 Gristwood and Toms Ltd declined the offer to extend their contract. Blythe Valley Ltd agreed to take over the south contract and to continue with the north contracts until March 2017 as they had the capacity to do so using the same schedule of rates. This was authorised by the Acting Strategic Director of Place on 24th November 2015.

5.2 Outcomes Sought.

- 5.2.1 The following outcomes are anticipated as a result of the procurement process for this Framework Agreement:
- Ensure that the Council complies with the legal obligations and to ensure the safety of the trees in the city.
 - Greater value for money through updated pricing and contractual arrangements.
 - Additional Social Value to improve the economic, social and environmental well-being of Birmingham citizens.
 - Consistency in the implementation and delivery of works.
 - Full visibility of spend against this category in the Council and an integrated contract management activity to realise value through efficiencies and improvements.
 - Reduced risk in the engagement of contractors.
 - Maximising purchasing power by making the Framework Agreement available to other public sector bodies in the region.
 - The possibility of the service providers carrying out works on land not owned by the Council on our behalf.

5.3 Market Analysis.

5.3.1 The arboriculture service is a mature market with contractors ranging from small and medium enterprises up to larger national organisations.

5.3.2 Market consultation has indicated that a contract period of 5 years is required for suppliers to be able to secure economies of scale on the lease of equipment that is specialist for the work to be completed.

5.4 Strategic Procurement Approach

5.4.1 An options appraisal of service delivery options was undertaken and the results detailed below:

To provide the service in house

It was concluded that this was not the best option due to the lack of in-house resource or expertise to deliver this with an additional cost of approximately £370k per annum over and above the current costs. The basis of this was calculated using the numbers of employees, vehicles, equipment and premises required to deliver the service.

To commission the market to deliver the service

Commissioning the market via a tender exercise to deliver the service is the only option suitable to deliver value for money and the outcomes for the service. Further to paragraphs 5.3.1 and 5.3.2, soft market testing has indicated that there is sufficient capacity in the market place of suppliers capable of undertaking the service.

5.5 Procurement Approach.

5.5.1 Duration and Advertising Route

5.5.2 The proposed Framework Agreement will be for a period of five years. This will allow companies to realise a reasonable return on investment as significant capital investment is required to deliver the contract.

5.5.3 The tender will be advertised via www.finditinbirmingham.com, Contracts Finder and the Official Journal of the European Union (OJEU).

5.6 Procurement Route

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

- The service can be clearly defined.
- Tenderers' prices will be based on discounts of pre-priced schedules of rates that reflect each piece of work required.
- There are a large number of organisations in the market place likely to tender for this Framework Agreement and therefore the carrying out of a pre-qualification process will ensure the short-listed organisations meet the Council's requirements.
- Tendering through the restricted route will allow more emphasis on the experience of providers through conducting site visits as part of the process.

This will allow an assessment of safety and quality of delivery and an assurance that those providers taken through to the ITT stage will have the necessary ability to fulfil the requirements.

5.6.2 Procurement Options

- 5.6.2.1 Tender as a Council only Framework Agreement. There are more benefits from opening up the Framework Agreement to other public sector bodies than by tendering on a Birmingham only basis. These benefits are detailed below in 5.6.2.2.
- 5.6.2.2 Tender for a collaborative Framework Agreement with the Council acting as lead authority – the benefits include increased purchasing power, better collaboration and shared knowledge between authorities, reduced tendering time and resources for both authorities and suppliers. This is the recommended option to tender for a collaborative Framework Agreement, available for access to other public sector bodies, primarily in the West Midlands region.
- 5.6.2.3 To opt in to a collaborative Framework Agreement. There are currently no suitable Framework Agreements available.

5.7 Scope and Specification

- 5.7.1 The list below is an indicative list of some or all of the services that will be required under the Framework Agreement. Actual work will be dependent on tree inspections carried out by the Council's tree officers and the subsequent issue of a work order.

- | | |
|---|--|
| ▪ Young Tree Maintenance | ▪ Tree Felling |
| ▪ Formative Pruning | ▪ Silvicultural Felling |
| ▪ Maintenance of Guarding, Support & Irrigation Systems | ▪ Trees in Close Proximity to Watercourses |
| ▪ Epicormic Growth Removal | ▪ Extraction |
| ▪ Crown Lifting | ▪ Coppicing |
| ▪ Crown Thinning | ▪ Re-coppicing |
| ▪ Crown Reduction | ▪ Stumps Removal |
| ▪ Crown Reduction – Obstacles | ▪ Habitat Sticks |
| ▪ Conservation Deadwood | ▪ Stump Treatment |
| ▪ Deadwood | ▪ Root Pruning |
| ▪ Crown Clean | ▪ Lamp Column/Sign Clearance |
| ▪ Pollard | ▪ Hedge Reduction |
| ▪ Aerial Inspection | ▪ Tree Surveys |
| ▪ Ivy - sever at base | ▪ Tree Planting |
| ▪ Cable Brace | |

- 5.7.2 The arboriculture services (non-highways) will be split into two geographical areas, one for the north and the other for the south. This split is based on constituency boundaries as follows:

Lot 1 South: Edgbaston, Yardley, Northfield, Hall Green and Selly Oak constituencies.

Lot 2 North: Perry Barr, Hodge Hill, Ladywood, Sutton Coldfield and Erdington constituencies.

- 5.7.3 The geographical split was determined by reviewing the number of trees to be maintained within each constituency and grouping adjoining constituencies to achieve a broadly equal split of potential work and value.
- 5.7.4 In order to explore economies of scale we will retain the option to award both Lots 1 and 2 to a single supplier. The tenderers will be expected to offer a discount should both Lots be awarded to one service provider.
- 5.8 Tender Structure (Framework Agreement)
- 5.8.1 Evaluation and Selection Criteria
- 5.8.2 **Pre-Qualification Stage**
- The evaluation of the PQQ stage will be based on the following criteria
- Section 1 Supplier Information (pass / fail)
 - Section 2 Grounds for Mandatory Exclusion (pass / fail)
 - Section 3 Grounds for Discretionary Exclusion Section (pass / fail)
 - Section 4 Economic and Financial Standing (pass / fail)
 - Section 5 Technical and Professional Ability (pass / fail)
 - Section 6 Additional PQQ Criteria
 - Environmental Management (pass/fail)
 - Insurance (pass/fail)
 - Compliance with Equalities Duties (pass/fail)
 - Health and Safety (pass/fail)
 - Compliance with the Birmingham Business Charter for Social Responsibility (pass/fail)
 - Section 7 Experience (pass/fail)
 - Section 8 Site Visits (pass/fail)
 - Section 9 Declaration (signed)
- 5.8.3 Those organisations that pass the PQQ criteria in Sections 1 to 7 will have their technical competence and implementation of health and safety assessed through a site visit as per Section 8.
- 5.8.4 Those organisations that pass Section 8 will progress to the Invitation to Tender stage.
- 5.8.5 **Invitation to Tender (ITT) Stage**
- 5.8.5.1 Those organisations that meet the criteria in 5.8.1 Sections 1-7 and pass the site visit in Section 8, will be invited to tender and sent the tender documentation for completion and return.
- 5.8.5.2 The ITT will be evaluated using the quality/ social value/ price balances below that were established having due regard to the corporate document 'Advice and Guidance on Evaluating Tenders on Quality and Price' which considers the complexity of the services to be provided.

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

5.8.5.4 Tenders for the Framework Agreement will be evaluated using a quality / social value / price split as follows:

Assessment A – Quality (Written Proposals) (40%)

Criteria	Overall Weighting	Sub-Weighting
Organisation and Resources	100%	20%
Environmental		20%
Customer Care		15%
Quality Systems		15%
Health and Safety		30%

Tenderers who score less than the quality threshold of 60% i.e. a score of 300 out of a maximum quality score of 500 may not take any further part in the process.

Assessment B – Social Value (10%)

Criteria	Overall Weighting	Sub-weighting
Local Employment	100%	35%
Buy Birmingham First		15%
Partners in Communities		15%
Good Employer		15%
Green and Sustainable		10%
Ethical Procurement		10%

Tenderers who score less than 40% of the social value threshold may not take any further part in the process.

Supplier presentations and interviews may take place to clarify their understanding of the requirements and the scoring adjusted accordingly, if appropriate.

Assessment C – Pricing (50%)

Tenderers will be expected to state their rates against a schedule of works. The completed tender prices will then be assessed using model schemes containing an accurate representation of the work items and quantities that are likely to be found on typical arboricultural schemes. This enables each tender to be assessed in a way which reflects the actual work to be carried out under a contract.

Prices will be fixed for a period of 12 months from the date of award but will be subject to an annual price review thereafter using a specified price fluctuation formula based upon the Schedule of Rates - Ground Maintenance 1987 produced by the Royal Institute of Chartered Surveyors. A cap in line with the index will be applied to create a maximum increase with reference to market conditions to manage and limit any increases.

5.8.6 Overall Evaluation

- 5.8.6.1 The evaluation process will result in comparative quality, social value and price scores for each tenderer. The maximum score will be awarded to the bid 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.

5.8.7 Sourcing Strategy

- 5.8.7.1 One provider will be appointed to each Lot. Appointing more than one provider in each Lot is not considered a viable option due to the volume of work in contrast to the cost of equipment required to complete the work.
- 5.8.7.2 In order to explore economies of scale there is no restriction on one provider being awarded both Lots. The tenderers will be able to offer a volume discount when tendering rates for providing the service across both lots.

5.8.8 Evaluation Team

The evaluation of the tenders will be undertaken by officers from the Parks and Nature Conservation, Place Directorate, supported by Corporate Procurement Services.

5.8.9 Risk

- 5.8.9.1 The CPS approach is to follow the Council Risk Management Methodology and the Category Team is responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for this Framework Agreement has been jointly produced and owned by CPS and Parks and Nature Conservation with arrangements being put in place to ensure operational risks are mitigated.

5.8.10 Indicative Implementation Plan

Cabinet Approval (Strategy)	20/09/2016
OJEU Notice Issued	26/09/2016
Pre-Qualification Deadline (PQQ)	28/10/2016
Site Visits (PQQ)	11/11/2016 – 25/11/2016
Evaluation and Shortlisting	28/11/2016 – 02/12/2016
Issue Invitation to Tender	05/12/2016
ITT Deadline Submission	16/01/2017
Completion of Evaluation	30/01/2017
Contract Award	February 2017
Contract Start	01/04/2017

5.8.11 Service Delivery and Contract Management

- 5.8.11.1 The Framework Agreement will be managed operationally by the Parks and Nature Conservation, Tree and Recycling Manager and supported by the Contract Management Team within Corporate Procurement Services.

5.8.11.2	A performance monitoring and service payment mechanism will form part of the resulting Framework Agreement. The performance monitoring and service payment mechanism will incentivise the Service Provider(s) to deliver against the required service standards, meaning that achievement of these standards will be linked to payment. Delivery of this will be through the Council's IT system 'POPI'. Failure to maintain performance standards will result in no payment or deductions being made. Default points and service credits (both based on a genuine pre-estimate of loss) are applied if works are not completed to standard or safely.
5.8.11.3	In addition performance will be measured through a set of key performance indicators that will measure / monitor the service provider's performance under the following broad headings: <ul style="list-style-type: none"> ▪ Cost e.g. invoice accuracy ▪ Quality e.g. Health & Safety, damage to property, timeliness ▪ Customer satisfaction.
5.8.11.4	Works will be ordered as required by the relevant officer within delegated thresholds under the Framework Agreement following tree surveys and inspections carried out by the Council's Tree Officers and the portfolio budgets will be monitored to ensure that the total works orders do not exceed the available budgets.

6.	Evaluation of alternative options:
6.1	Do nothing - The Council has a legal duty to ensure public safety as outlined in paragraph 4.3.1. For this reason the option to not provide a service was not considered.
6.2	Alternative service delivery option are detailed in paragraph 5.4.1 and alternative procurement options are detailed in paragraph 5.6.2

7.	Reasons for Decision(s):
7.1	To enable the commencement of the tendering activities for the provision of Arboriculture Services (Non-Highway) Framework Agreement.

Signatures

Councillor Lisa Trickett.....Date.....
Cabinet Member for Clean Streets, Recycling and Environment

Councillor Majid Mahmood,.....Date.....
Cabinet Member for Value for Money and Efficiency

Jacqui Kennedy.....Date.....
Acting Strategic Director for Place

List of Background Documents used to compile this Report:

None

List of Appendices accompanying this Report :

1. Equality Analysis Report

Equality Analysis

Birmingham City Council Analysis Report

EA Name	Tendering Of The Arboricultural Services Contract 2017
Directorate	Place
Service Area	Parks & Nature Conservation
Type	New/Proposed Function
EA Summary	This EA will consider the equality impact of the tendering and provision of the Arboricultural Services Contract that is due to go live April 2017.
Reference Number	EA001305
Task Group Manager	Simon.Smith@birmingham.gov.uk
Task Group Member	
Date Approved	2016-08-12 01:00:00 +0100
Senior Officer	darren.share@birmingham.gov.uk
Quality Control Officer	PlaceEAQualityControl@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Overall Purpose

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Function.

2 Overall Purpose

2.1 What the Activity is for

What is the purpose of this Function and expected outcomes?	Deliver a highly skilled arboricultural service - ensuring that the city's tree stock is maintained in a safe and sustainable manner. It is envisaged that the new contract will result in an improvement in the skill levels of the workforce to better meet the needs of the local economy.
---	---

For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
A Fair City	Yes
A Prosperous City	Yes
A Democratic City	No

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes

2.3 Analysis on Initial Assessment

This contract is to provide tree maintenance services to the authority. This includes tree planting, pruning and removal. Any management decisions are not included in the scope of this contract.

No service is provided directly to members of the public therefore no individual group is affected.

Birmingham Open Spaces Forum and Birmingham Trees for Life have been consulted and agree that there is no impact on any group.

3 Concluding Statement on Full Assessment

The decision to raise orders under this contract are made by the Tree Officers who are not part of this assessment. Their decisions are guided by the tree policy not this contract.

The tender is for a city wide contract to provide a tree maintenance service.

This contract is to provide tree maintenance services to the authority. This includes tree planting, pruning and removal. Any management decisions are not included in the scope of this contract.

No service is provided directly to members of the public therefore no individual group is affected.

Birmingham Open Spaces Forum and Birmingham Trees for Life have been consulted and agree that there is no impact on any group.

The strategy report has been given to the Cabinet Member for Value for Money and Efficiency and has been approved by Finance, Legal, Procurement and the Acting Director of Place.

4 Review Date

30/11/16

5 Action Plan

There are no relevant issues, so no action plans are currently required.

Report to:	CABINET
Report of:	ASSISTANT DIRECTOR PROCUREMENT
Date of Decision:	20th SEPTEMBER 2016
SUBJECT:	PLANNED PROCUREMENT ACTIVITIES (OCTOBER 2016 – DECEMBER 2016)
Key Decision: No	Relevant Forward Plan Ref: n/a
If not in the Forward Plan: (please "tick" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr Majid Mahmood – Value for Money and Efficiency
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Corporate Resources and Governance
Wards affected:	All

1. Purpose of report:

- 1.1 This report provides details of the planned procurement activity for the period October 2016 – December 2016. Planned procurement activities reported previously are not repeated in this report.

2. Decision(s) recommended:

That Cabinet

- 2.1 Notes the planned procurement activities under officer delegations set out in the Constitution for the period October 2016 – December 2016 as detailed in Appendix 1.

Lead Contact Officer (s):	
Telephone No: E-mail address:	Nigel Kletz Corporate Procurement Services Corporate Resources 0121 303 6610 nigel.kletz@birmingham.gov.uk

3. Consultation

3.1 Internal

This report to Cabinet is copied to Cabinet Support Officers and to Corporate Resources and Governance Overview & Scrutiny Committee and is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Corporate Resources and Governance Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

3.2 External

None

4. Compliance Issues:

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

Details of how the contracts listed in Appendix 1 support relevant Council policies, plans or strategies, will be set out in the individual reports.

4.2 Financial Implications

Details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.

4.3 Legal Implications

Details of all relevant implications will be included in individual reports.

4.4 Public Sector Equality Duty

Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

5. Relevant background/chronology of key events:

- 5.1 At the 1 March 2016 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contractor under TUPE, the contract award decision has to be made by Cabinet.
- 5.2 In line with the Procurement Governance Arrangements that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Corporate Resources and Governance Overview & Scrutiny Committee.
- 5.3 This report sets out the planned procurement activity over the next few months where the contract value is between the EU threshold (£164,176) and £10m. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the delegation threshold.
- 5.4 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Corporate Resources and Governance Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 5.5 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 5.6 A briefing note including financial information is appended to the Private report for each item on the schedule.

6. Evaluation of alternative option(s):

- 6.1 A report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process. The alternative option is that individual procurements are referred to Cabinet for decision.

7. Reasons for Decision(s):

- 7.1 To enable Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision, otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.

Signatures:**Date:**

.....
Nigel Kletz – Assistant Director (Procurement)

.....

.....
Councillor Majid Mahmood - Value for Money and Efficiency

.....

List of Background Documents used to compile this Report:**List of Appendices accompanying this Report (if any):**

Appendix 1 - Planned Procurement Activity October 2016 – December 2016

Report Version	1	Dated	06/09/2016
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APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (OCTOBER 2016 – DECEMBER 2016)

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Value for Money and Efficiency Plus	Finance Officer	Contact Name	Planned CO Decision Date	Comments - including any request from Cabinet Members for more details	Living Wage apply Y / N
Approval To Tender (SCN)	Building Services and Fabric Maintenance for the Library of Birmingham	P0240	Planned and reactive maintenance works of the building services and fabric assets for the Library of Birmingham are required in order to maintain functionality of the Building Management Systems and warranties and to maximise asset life.	1 year	Place	Deputy Leader	Sukvinder Kalsi	Marie Hadley	29/09/2016		Y
Approval To Tender Strategy	Advocacy	C0247	Independent advocacy services to support people who are unrepresented or who either lack capacity, or has substantial difficulty in being fully involved: in their assessment; or in the preparation of care & support plan; or in the review of their care plan; or who are subject to a Deprivation of Liberty Safeguard authorisation; or who are a qualifying adult mental Health service user; or who wish to make a complaint against the NHS.	4 years	People	Health and Social care	Margaret Ashton-Gray	Osaf Ahmed / Robert Cummins	24/10/2016		Y
Various Routes	Proposed Children's Trust Programme Management	TBC	In establishing the proposed Trust it may be necessary to appoint external consultants when the Council does not have the capacity or capabilities.	2 years	People	Children, Families and Schools	Denise Wilson	Seamus Gaynor	29/09/2016		Y

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET
Report of:	City Solicitor
Date of Decision:	20 September 2016
SUBJECT:	APPOINTMENTS TO OUTSIDE BODIES AND OTHER BODIES
Key Decision: No	Relevant Forward Plan Ref:
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>
	O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s):	Cllr John Clancy
Relevant O&S Chairman:	Cllr Mohammed Aikhlaq, Chairman of Corporate Resources and Governance Overview and Scrutiny Committee
Wards affected:	City Wide

1. Purpose of report:

The report seeks the approval of the Cabinet to the appointment of representatives to serve on outside bodies and other bodies detailed in the appendix to this report.

2. Decision(s) recommended:

That representatives be appointed to serve on the Outside Bodies and Other Bodies detailed in the appendix to this report.

Lead Contact Officer(s):	Celia Janney
Telephone No:	Committee Services
E-mail address:	Tel: 0121 303 7034
	e-mail: celia.janney@birmingham.gov.uk

3. Consultation

3.1 Internal

Councillor John Clancy, Leader of the Council.

For appropriate items, the Secretaries to the Political Groups represented on the Council.

3.2 External

4. Compliance Issues:

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

The appointments are consistent with the legal and constitutional requirements of the City Council.

4.2 Financial Implications (Will decisions be carried out within existing finances and Resources?)

There are no additional resource implications.

4.3 Legal Implications

See paragraph 4.1.

4.4 Public Sector Equality Duty

The main risk of not making appointments might lead to the City Council not being represented at meetings of the bodies concerned. It is always important in making appointments to have regard to the City Council's equal opportunities policies.

5. Relevant background/chronology of key events:

At the Annual General Meeting on 22 May, 2012, the City Council approved changes to the Constitution and Article 11 sets out those appointments that are reserved to the full City Council to determine. All other appointments of Members and officers to outside bodies shall be within the remit of Cabinet to determine and the proportionality rules will not automatically apply.

6. Evaluation of alternative option(s):

Not applicable, as these appointments are a matter for the Cabinet to determine.

7. Reasons for Decision(s):

To approve the appointment of representatives to serve on Outside Bodies and Other Bodies.

Signatures**Date**

Cabinet Member

Chief Officer

List of Background Documents used to compile this Report:

1. Report of the Council Business Management Committee to City Council on 24 May 2005 "Annual Review of the City Council's Constitution"; along with relevant e-mails/ file(s)/correspondence on such appointments.

List of Appendices accompanying this Report (if any):

1. Appendix to Report to Cabinet 20 September 2016 – Appointments to Outside Bodies and Other Bodies

APPENDIX TO REPORT TO CABINET 20 September 2016
APPOINTMENTS TO OUTSIDE BODIES AND OTHER BODIES

1. Summary of Decisions

With reference to those bodies included in this report where the terms of office of City Council representatives expire, the Cabinet is asked to note that, where appropriate, the representatives have been contacted and in accordance with the practice agreed by Resolution No. 2769, of the former General Purposes Committee unless indicated, are not willing to be re-appointed. Accordingly, unless indicated in this report, such representatives are not willing to be re-appointed.

2. Sutton Coldfield Charitable Trust

At the meeting on 28 June 2016, Cabinet agreed to amend the Terms of Appointment to the Trust.

The amendment was agreed to fall in line with the best practice adopted by the Trust, however an error in the details provided by the Trust Chief Executive set out five-year terms of office instead of the four-year terms intended.

The new approach was to limit appointees to no more than three consecutive terms.

Therefore, it is

RECOMMENDED:-

That Cabinet agrees to City Council nominees serving for a maximum of three terms of **four** years, with Trustees who have already served three such terms retiring on completion of their current period of office.

3. Muntz Trust

Four Nominated Trustees are to be appointed at the first meeting to be held after 9 November each year; each appointment commences from 1 December that year.

As this is not an annual appointment at the beginning of the new Municipal Year, the appointment/re-appointment of 2 positions was not picked up in November 2015. Therefore, to correct the situation it is proposed that appointments are made for an initial period up to the end of the current term (15 November 2016). At the end of the initial period, it will be possible to re-appoint the 2 representatives for the next year. A further report will be submitted to Cabinet in November 2016, when all 4 nominations to the Trust will be set out.

Proportionality is applicable.

The current positions affected are:- 1 (Lib Dem) appointee – Mr Alistair Dow and 1 (Con) appointee – Mr G Franks.

Trustees may, but need not be, Members of the Council.

The other 2 representatives are Hon. Ald. Mrs T Stewart (Lab) and Mrs M Bartley (Lab), both having terms of office ending 1 December 2016.

RECOMMENDED:-

That Mr Alistair Dow (Lib Dem) be re-appointed and 1 (Con) to be advised both for the period 20 September 2016 until 15 November 2016.

4. Clara Martineau Trust

Proportionality is applicable. The current proportionality is 3:1:1.

There are 3 Labour vacancies - 2 Members have been nominated: Cllr Lynda Clinton (Lab) and Cllr Barry Bowles (Lab). The other (Lab) name to be advised.

The other Nominative Trustees are:

1 Conservative – Cllr Lyn Collin - term ends 31 March 2017

1 Liberal Democrat – Cllr Paul Tilsley - term ends 31 March 2018

Representatives may, but need not be, a Member of the Council. 4-year period of office.

RECOMMENDED:-

That Cllr Lynda Clinton (Lab) and Cllr Barry Bowles (Lab) be appointed as Nominative Trustees to Clara Martineau Trust for the period 20 September 2016 until 19 September 2020.

5. Cabinet Committee – Group Company Governance

Further to the report submitted to Cabinet on 26 July 2016, it is proposed that Cabinet approves the following membership and quorum arrangements for the Cabinet Committee.

RECOMMENDED:-

The Cabinet Committee – Group Company Governance be established by Cabinet with the following membership.

The membership of the Committee shall be based on cross party representation on a 2-1-1 basis, including:

- The Deputy Leader
- Another Cabinet Member as deemed appropriate by the Deputy Leader
- 1 representative of the largest Opposition Party
- 1 representative of the second largest Opposition Party

Also, the Committee shall include 2 non-executive directors from the Wider Business Community (non-voting).

The quorum for the Committee shall be determined by the Committee and must include a Cabinet Member and a Member of the Opposition.