

Birmingham City Council

Report to Cabinet

18th May 2021



Subject: DIGBETH PUBLIC REALM IMPROVEMENTS: FULL BUSINESS CASE

Report of: ACTING DIRECTOR, INCLUSIVE GROWTH

Relevant Cabinet Member: Councillor Ian Ward, Leader of the Council
Councillor Waseem Zaffar – Transport and Environment
Councillor Tristan Chatfield, Finance and Resources

Relevant O &S Chair(s): Councillor Shabrana Hussain, Economy and Skills
Councillor Sir Albert Bore, Resources

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):	Ladywood, Nechells, Bordesley & Highgate	
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference:	005491/2021	
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1 Executive Summary

- 1.1 The Digbeth High Street Public Realm Improvement Scheme aims to attract investment and maximise the potential of the Curzon area. Proposals support and protect the current creative arts and heritage sites, as well as future regeneration proposals, recognising the role of Digbeth High Street as a place to work, live and visit.

- 1.2 Digbeth High Street's urban realm will be transformed, creating an attractive, vibrant, pedestrian friendly destination including safe and attractive walking routes, parks and other outdoor spaces. The total estimated capital cost of the scheme is £16.512m, resourced from £16.240m Greater Birmingham and Solihull Local Enterprise Partnership Enterprise Zone funding, (including £0.792m of previously approved development funding) and £0.272m section 106 contributions.
- 1.3 The public realm scheme is an integral part of the wider Metro Birmingham Eastside Extension (BEE), which consists of 1.7km of twin track running from Bull Street to a new terminus at High Street, Deritend. Wider highway improvements on the high street support the creation of a sustainable transport corridor, which will primarily allow for the movement of Metro, buses and Bus Rapid Transit (Sprint). Improved transportation will enhance connectivity with the wider city centre and Curzon Street Station, reduce car dominance and attract and contribute towards additional investment in Birmingham's Eastside.
- 1.4 The design and construction of the Digbeth Public Realm scheme is incorporated into the wider BEE scheme. A Full Business Case (FBC) for the BEE scheme was approved by Cabinet on 21st July 2020. The City Council will enter into single contractor negotiations with the WMCA to deliver the Public Realm Improvements. The scope and specification of the works will be set out in an agreement between both parties before works commence.
- 1.5 On 24 June 2020 the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) approved a capital grant of £0.792m towards development of the scheme. Following the subsequent submission and independent appraisal of a Green Book compliant Full Business Case (FBC), GBSLEP approved a further capital grant of £15.720m for the Digbeth Public Realm enhancements on 25 March 2021. Following that approval, the City Council has secured section 106 contributions of £0.272m towards the capital cost of the project and as such, the value of the grant has reduced to £15.448m, as detailed within the GBSLEP offer letter attached at Appendix 2.

2 Recommendations

- 2.1 Approves the Full Business Case for the Digbeth Public Realm Scheme (attached at Appendix 1) at a total estimated capital cost of £16.512m, resourced from £16.240m Greater Birmingham and Solihull Local Enterprise Partnership Enterprise Zone funding, (including £0.792m of previously approved development funding) and £0.272m section 106 contributions.
- 2.2 Accepts a capital grant from the GBSLEP for up to £15.448m to deliver the Digbeth Public Realm scheme and delegates authority to the Acting Director of Inclusive Growth to enter into a Funding Agreement, subject to the terms and conditions set out in the offer letter being acceptable to the Council.

- 2.3 In its role as Accountable Body for the GBSLEP, approves City Council Prudential Borrowing of up to £15.448m to fund the delivery of the Digbeth Public Realm scheme.
- 2.4 Under Standing Order Part D2.5, approves the commencement of single contractor negotiations by the Head of Curzon and Enterprise Zone with the West Midlands Combined Authority (WMCA) who are responsible for the delivery of the Midland Metro, for the value of up to £15.720m to undertake the full design and delivery of public realm enhancements, subject to the following conditions; funding is to;
- 2.4.1 produce detailed design to discharge the Transport and Works Act (TWAO) landscape condition;
- 2.4.2 construct the agreed design within the capped grant as per the GBSLEP FBC and Funding Agreement.
- 2.5 Delegates the authority to award the contract for the full design and delivery of the public realm enhancements following the successful completion of the negotiations to the Acting Director, Inclusive Growth, the Assistant Director, Development and Commercial (or their delegate), the Interim Chief Finance Officer (or their delegate) and the City Solicitor (or their delegate).
- 2.6 Notes that following implementation of the scheme, the City Council will be responsible for the ongoing maintenance of the highway, public realm and new areas of planting and that the works result in an estimated net annual saving to the Council of £0.004m. Further details are shown within Section 7.3.
- 2.7 Authorises the City Solicitor to negotiate, execute, seal and complete all necessary documents in connection with the above recommendations.

3 Background

- 3.1 In July 2015, the City Council approved the Curzon HS2 Masterplan, which sets out a comprehensive vision for the Eastside and Digbeth areas of Birmingham in light of the major opportunities for growth afforded by the forthcoming HS2 link. The Masterplan highlights the importance of Deritend High Street and its potential to become an environment that is more pedestrian focused and acts as a link between the Curzon area and the city centre, in particular the Smithfield development area.
- 3.2 In October 2016, the WMCA applied to the Department for Transport (DfT) for a Transport and Works Act Order (TWAO) for the Metro BEE scheme. This is the proposed extension of the tram line to serve Digbeth and the planned HS2 station at Curzon Street, running for 1.7km from the existing Metro line at Bull Street, via Albert Street, New Canal Street, Meriden Street and Digbeth High Street in the vicinity of the Custard Factory. The extension will provide four new tram stops serving the eastern side of the city centre and create a direct light rail connection between Birmingham New Street, and the new HS2 station at Curzon Street.

- 3.3 The BEE preliminary design proposed a centrally running tram alignment through the Digbeth/Deritend area with two traffic lanes retained in each direction, either side of the central tram alignment. Footway widths would remain similar to existing, with few enhancements to the public realm or the pedestrian environment.
- 3.4 In January 2017, the City Council commissioned WMCA to prepare a feasibility study exploring the potential to deliver the Curzon HS2 Masterplan vision for Digbeth through the coordination of the Metro BEE with public realm improvements. The study was jointly funded by the GBSLEP EZ and WMCA. The feasibility study was prepared by the Midland Metro Alliance (MMA), TfWM's delivery partner, alongside the engineering and design work being undertaken to develop the BEE Metro scheme, with the goal of seeking an optimised traffic solution that aligned the movement of vehicles, Metro and people, and addressed any conflicting priorities.
- 3.5 Following an initial stakeholder workshop during May 2017, MMA prepared design options for consideration which were presented to City Council officers and key stakeholders at a further event in February 2018. Stakeholders selected a preferred option which includes trams running two-way on the southern side of Digbeth (closest to the Coach Station) and a single carriageway (one lane in each direction) and wide public realm on the northern side. The proposal included a 'bus and hackney carriage only' restriction on one part of the road to remove through traffic while still allowing local access for servicing.
- 3.6 Cabinet approved the BEE and Digbeth Public Realm Improvements Project Definition Document (PDD) on 26th June 2018. Following the report approval, preliminary public realm designs were developed by WMCA/TfWM for the preferred southern tram alignment. Designs received an Approval in Principle from the City Council on the 30th September 2019. Public consultation was undertaken in March 2020 on the preliminary designs, confirming 78% support for the proposals. Further details of the consultation can be found in Section 5 and Annex S4 of the FBC. The designs subsequently informed an Outline Business Case (OBC) to the GBSLEP, receiving approval from GBSLEP's Board in July 2020.
- 3.7 Following approval of the OBC, GBSLEP EZ development funding of £0.792m was released and utilised by WMCA to develop the designs to RIBA Stage 3 and inform a Green Book Compliant Full Business Case (FBC) to the GBSLEP. The FBC demonstrates a Benefit Cost Ratio of 2.14 over a 30-year consideration period, this represents high value for money in terms of the benefits for the project.
- 3.8 Following an independent appraisal of the FBC, GBSLEP Board approval was received on 25 March 2021. Subsequent to that approval, the City Council has secured section 106 contributions of £0.272m towards the capital cost of the project and as such, the value of the grant has reduced to £15.448m, as detailed within the GBSLEP grant offer letter at Appendix 2.

- 3.9 It is proposed that the City Council will enter single contractor negotiations and conclude the award of a contract to the WMCA to deliver the Digbeth Public Realm Improvements scheme at a cost of up to £15.720m in accordance with the procurement strategy in 7.4. The full scope and specification of the works will be set out in a contract between both parties agreed during the single contractor negotiations and approved before the works commence.
- 3.10 The BEE Transport and Works Act Order was made, with Secretary of State approval obtained by WMCA on 15th January 2020 for the construction and operation of BEE, with an FBC subsequently presented to WMCA's Board on 14th February 2020, devolving funding to deliver the extension.
- 3.11 The GBSLEP EZ capital grant will enable the transformation of Digbeth High Street and allow for the integration of enhanced urban realm with the new Metro BEE, creating an attractive, vibrant and pedestrian friendly destination. Proposals are detailed in the FBC (Appendix 1), and are summarised below;
- A high-quality urban realm will ensure that the role of Digbeth as a place is duly acknowledged with distinct flexible spaces created across Digbeth High Street providing areas of seating and spill out space. Diverse and robust shrub planting, grasses and a variety of tree species will provide all-year round interest, maximising the ecological, environmental and aesthetic value of the scheme.
 - The number of traffic lanes on Digbeth High Street will be reduced to one lane in each direction and a 'bus, cycle and hackney carriage only' restriction will also be introduced in both directions; eastbound between Floodgate Street and Gibb Street and westbound between Chapel House Street and the Digbeth High Street/Meriden St Junction. This will prevent through traffic from using the street whilst still allowing for access and servicing by general traffic.
 - A high quality easily accessible multi-modal interchange will be introduced closer to Digbeth Coach Station including Metro, bus and Sprint and a segregated tramway to the southern side of Digbeth High Street.
 - Turning movements will be altered including road closures and banned turns and changes to the direction of flow of traffic onto and off Digbeth High Street for some sideroads to discourage through traffic whilst still allowing access for servicing
- 3.12 It is proposed to implement the public realm scheme at the same time as BEE Metro. BEE will be delivered in five separate sections, with Bull Street (Section 1) and Digbeth/Deritend (Section 5) to be delivered in the first phase prior to the Commonwealth Games in 2022. The operation of Metro services will happen at a later date, co-ordinating with HS2 construction.

- 3.13 This project will also cover the cost of tie-ins to existing carriageway beyond the Metro BEE scheme, i.e. to the west of Meriden Street up to the gyratory at Moat Lane, and to the east of Adderley Street towards Camp Hill. However, these areas are not funded as part of the current scheme. However, it is expected that public realm measures towards Moat Lane will be incorporated into the emerging Beorma phase 2 scheme and Smithfield redevelopment proposals, with funding provided via a Section 278 agreement with the developer and discussions are ongoing to explore the potential for Metro to deliver these additional works. Public realm measures towards Camp Hill will be dependent on redevelopment proposals coming forward in that area as well.
- 3.14 Proposals complement a similar scheme for Moor Street/Moor Street Queensway which restricts overall traffic movement through this area.
- 3.15 The public realm scheme will take into account the proposals for a Sprint route from Birmingham to the airport, which will run along Digbeth High Street. The scheme will also include the necessary re-signing for general traffic, car parks and local delivery routes. The signing strategy will be developed in conjunction with other adjacent schemes including Moor Street Queensway and the emerging Clean Air Zone (CAZ) proposals.
- 3.16 Although cyclists will not be prohibited from Digbeth High Street, they will be encouraged to use adjacent roads away from the tram tracks and busy bus corridor. As a part of another project being developed by the Council, Bradford Street, a parallel road to the south of Digbeth High Street; will provide a segregated cycle way to complement the high-quality public transport corridor along Digbeth High Street. The EZ funding does not include any allocation for cycling measures beyond signing and lining to encourage route choice.

4 Options Considered and Recommended Proposal

- 4.1 The project modifies the existing BEE project by altering the tram alignment and highway layout to provide an enhanced public realm along Digbeth High Street. The BEE scheme is fully approved and funded.
- 4.2 Engagement with stakeholders in 2017 and 2018, concluded that the options with the most significant public realm enhancements performed the best against the criteria set for the scheme and also aligned with the Council's vision for Digbeth. Three potential tramway alignment options were considered during stakeholder engagement, these are summarised below:
- 4.2.1 **Central tram alignment** – the existing TWAO approved BEE alignment. However, this fails to allow additional public realm works to be delivered. Exacerbates the current problems through additional severance alongside the highway. Stakeholder aspirations would not be met with this option.
- 4.2.2 **Northern tram alignment** – cannot be delivered for engineering reasons. Increases land and property requirements with additional demolition.

Difficult to service properties on the northern side of Digbeth/Deritend, many of which have no off-street loading.

4.2.3 **Southern tram alignment** – allows additional public realm in line with stakeholder aspirations. Provides integrated multi-modal interchange (tram/coach/sprint). Maintains access to properties.

4.3 The Southern alignment was chosen as the preferred option as it had the best score in the stakeholder sifting workshops. This option provides the opportunity to create a high-quality public transport corridor, including a multi-modal interchange, and avoids some additional demolition.

5 Consultation

5.1 Initial stakeholder engagement on the project option development was conducted through an interactive workshop in 2018 by the City Council and WMCA where feedback was obtained from stakeholders to inform and shape the emerging project designs.

5.2 A public consultation exercise was launched on Monday 2nd March 2020. The City Council, along with its partners, used a number of different channels of communication to inform the public, stakeholders, partners and Ward Councillors of the consultation including; existing stakeholder networks, email and other electronic communication, leaflets delivered to residents and commercial properties within the proximity of the scheme, social media activity e.g. Twitter; and Facebook, survey and consultation details were added to Beheard, the Council's online consultation portal and 2 public drop-in events were held at the Custard Factory on 3rd and 10th March 2020. The consultation was originally planned to run for 4 weeks until Friday 27th March 2020, with 4 public consultation sessions scheduled during this period. However, in light of the Covid-19 outbreak, the Council extended the consultation for a further 2 weeks until Friday 9th April to allow more time for people to respond.

5.3 78% of the respondents confirmed that they were in agreement with the principles of the proposals. Comments included, "*Digbeth has suffered for years through a lack of connectivity with the city centre*" and "*Anything that takes back public space from motorists and distributed it to everyone else is welcome*".

5.4 A consultation analysis report is shown within Annex S4 of the FBC.

5.5 The Council continues to engage with Digbeth stakeholders via the quarterly Digbeth Landowner Forum. Regular and ongoing engagement with Digbeth businesses and stakeholders regarding the programme and construction works is being led by the MMA's Stakeholder Engagement team.

6 Risk Management

6.1 A risk register is included within Annex 6 of the attached FBC (see Appendix 1) which highlights the scheme's strategic risks. The top three risks and mitigations are set out in Table 1 below.

Table 1

Risk	Mitigation
Main works budget increases	Cost increases are the responsibility of the MMA. BCC and GBSLEP's contribution to the scheme to be fixed and agreed. Target Costs have been robustly developed based on the successful delivery of other Midland Metro extensions and appropriate allowance for risk made within costs.
BEE programme slippage	Programme development is at an advanced stage with final detailed designs developed for construction start in April 2021. Ongoing partnership working with MMA to mitigate remaining risk.
Unidentified ground constraints - There is a risk that the ground conditions/utilities encountered are not as anticipated	Detailed surveys have been undertaken. Enabling works for utilities have commenced and as yet have not identified any issues.

7 Compliance Issues:

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

7.1.1 The proposals set out in this report will support the City Council's key policies and priorities as set out in the City Council Plan and Budget 2021 – 25 (as updated in February 2021):

- *An entrepreneurial city to learn, work and invest in.*
- *An aspirational city to grow up in.*
- *Birmingham is a fulfilling city to age well in.*
- *A great city to live in.*
- *A city whose residents gain most from hosting the 2022 Commonwealth Games.*
- *A city that takes a leading role in tackling climate change.*

7.1.2 In addition to the alignment with the Council's priorities, plans and strategies identified, the scheme also aligns to the following Council policies and the city's role as Host City for the 2022 Commonwealth Games:

- **Draft Birmingham Transport Plan 2031 (2020)** – The project is aligned with the developing themes of the Draft Birmingham Transport Plan and will support the “*creation of a network of pedestrian streets and public spaces integrated with public transport service*” through delivering the BEE mixed with a high-quality urban realm which focuses on pedestrian connectivity as well as reducing the number of cars on Digbeth High Street through reallocating road space to more sustainable forms of

transport including active travel. The reallocation of road space on Digbeth High Street to sustainable transport as part of the public realm and BEE projects will also help to reduce the number of single occupancy private vehicles within the city centre, complementing the implementation of a Clean Air Zone (CAZ), by helping the City Council towards achieving compliance with the European Union (EU) annual legal Limit Values for nitrogen dioxide (NO₂).

- **Emergency Birmingham Transport Plan (EBTP)** – The scheme will help address the short, medium, and longer-term measures set out in the EBTP including maximising improvements to walking and cycling and ensuring public spaces are safe and accessible for everyone and support social distancing and Covid-19 recovery.
- **Birmingham Development Plan (BDP) 2031** – The project will help to deliver the following objectives:
 - To provide high quality connections throughout the city and with other places including encouraging the increased use of public transport, walking and cycling;
 - To create a more sustainable city that minimises its carbon footprint and waste, and promotes brownfield regeneration while allowing the city to grow;
 - To encourage better health and well-being through the provision of new and existing recreation, sport and leisure facilities linked to good quality public open space;
 - To protect and enhance the city’s heritage assets and historic environment;
- **Big City Plan (BCP) (2011)** – The project will help to deliver upon the aspirations set out within the BCP by creating sustainable connections to key growth areas in the city core and encouraging further investment and subsequent footfall to new and existing sites within the vicinity of Digbeth High Street.
- **Route to Zero Commitment** - The scheme supports the additional Climate Change Commitments agreed by Cabinet on 30th July 2019 following the motion on Climate Emergency passed at the full City Council meeting of 11th June 2019, including the aspiration for the City Council to be net zero-carbon by 2030.

7.1.3 Birmingham Business Charter for Social Responsibility (BBC4SR):

WMCA is an accredited signatory to the BBC4SR and will be required to produce commitments from their supply chain proportionate to the value of this contract agreed prior to the award approval. The final actions will be negotiated to support disadvantaged groups in the

locality of the works which will be monitored and managed throughout the contract period and initial proposals include:

- Local Employment – local people will be employed for the duration of the Digbeth Public Realm scheme. Currently 92% of the site labour working on WMCA schemes live within the West Midlands and this is forecasted to continue during the delivery of the Digbeth scheme. The focus will be to continue to ensure the workforce includes those not in employment, education or training (NEETS). It is proposed that 7 NEETS will be employed for this scheme with a minimum of 2 apprentices.
- Improved Skills for Local People – 4 local schools and 1 local college will be supported by the project through the delivery of career roadshows and sector-based work academies.
- Partners in Communities – Donations will be made to local charities, in particular for rough sleeping. Funding has also been allocated to allow all staff 8hrs per year of volunteer time.
- A Fair Level of Pay – Staff working on the project will be required to be paid the Real Living Wage or above in accordance with the Council's policy.

7.2 Legal Implications

- 7.2.1 The City Council carries out transportation, highways and infrastructure Works under the relevant primary legislation including the Town and Country Planning Act 1990, Highways Act 1980, Road Traffic Regulation Act 1984, Traffic Management Act 2004, Transport Act 2000, and other related regulations, instructions, directives, and general guidance.
- 7.2.2 WMCA has powers to construct the Metro under the Transport and Works Act 1992.
- 7.2.3 Bus lane enforcement cameras are installed in accordance with the 'Provisional Guidance on bus lane (including tramway) enforcement in England outside London' (2005, revised 2008) and 'A Code of Practice for Bus Lane Camera Enforcement' (March 2007) and the 'Surveillance Camera Code of Practice' (June 2013).
- 7.2.4 The Local Government Finance Act 2012 supports the development of Enterprise Zones 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 GBSLEP, to retain 100% of business rates income from within the Enterprise Zone.
- 7.2.5 The City Council has under Section 1 Localism Act 2011, a general power of competence under which it can procure services from third parties which

will or are likely to benefit the authority, its area or persons resident or present in its area.

- 7.2.6 The Legal team have confirmed that the use of the section 106 funding to cover maintenance costs alongside the provision of the enhanced public realm would be in line with the terms and conditions of the relevant section 106 agreements.

7.3 Financial Implications

Capital Costs

- 7.3.1 The estimated capital cost of the Digbeth Public Realm is £16.512m, resourced from £16.240m GBSLEP EZ funding, (including £0.792m of previously approved development funding) and £0.272m section 106 contributions. Capital costs have been developed by the Midland Metro Alliance (MMA) and have been subject to an independent appraisal through the MMA's auditor, Turner and Townsend.
- 7.3.2 On 24 June 2020 the GBSLEP approved a capital grant of £0.792m towards development of the scheme. Following the subsequent submission and independent appraisal of a Green Book compliant FBC, GBSLEP approved a further capital grant of £15.720m on 25 March 2021. Following that approval, the City Council has secured section 106 contributions of £0.272m towards the capital cost of the project and as such, the value of the grant has reduced to £15.448m .
- 7.3.3 Within the GBSLEP EZ all business rates are collected by the City Council and any net uplift is allocated to the GBSLEP for a period to 31 March 2046. The GBSLEP decide how and where these funds are deployed, making the investment decisions in line with the EZ Investment Plan, subject to the City Council in its Accountable Body role ensuring compliance with the financial governance principles. This project is included with the current approved EZ Investment Plan and therefore falls within the existing approved budget, with EZ financial modelling indicating the cost is considered affordable based on the expected income levels that the EZ will generate.
- 7.3.4 In its Accountable Body role, the City Council will undertake additional prudential borrowing of £15.448m to support delivery of the Digbeth Public Realm Improvement Scheme 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 by receiving, for independent examination/approval, detailed individual business cases for project expenditure.

Revenue Costs

- 7.3.5 An assessment of the maintenance costs for the scheme has identified a net saving of £0.004m p.a. (a saving of £0.046m p.a. for basic highways assets removed from the network offset by costs of £0.032m p.a. for enhanced highways assets and £0.010m p.a. for soft landscaping). This compares to an equivalent annual cost of £0.034m included in the GBSLEP FBC attached at Appendix 1, (based on a £1.000m cost over a 30-year period).
- 7.3.6 A further benefit has been derived from the identification of section 106 funding totalling £0.340m to cover the cost of the enhanced assets of £0.032m p.a. for circa 11 years. The Council's Legal team have confirmed that the use of the section 106 funding to cover maintenance costs alongside the provision of the enhanced public realm would be in line with the terms and conditions of the relevant section 106 agreements.
- 7.3.7 Additionally, the scheme proposes the removal of existing litter bins across Digbeth High Street which will be replaced with the City Council approved Glasdon Jubilee bin, resulting in no additional cost to the scheme.

7.4 Procurement Implications

- 7.4.1 The proposed procurement route is to commence single contractor negotiations with the WMCA, who are responsible for the delivery of the Midland Metro. This arrangement includes robust contract management and assurance arrangements, providing opportunity for the Council to work with the contractor and designer to deliver the expected works at the agreed cost.
- 7.4.2 The WMCA undertook a procurement exercise compliant to the Public Contracts Regulations 2015 to implement a 10-year programme of tram system enhancement works across the West Midlands and awarded an alliance contract to the Midland Metro Alliance (MMA), consortium of private sector suppliers. The MMA is a partnership and not a contracting entity therefore in order to access the arrangement a contract for the works is required to be entered into with the WMCA. To be compliant with the Council's Constitution and Procurement Governance Arrangements, the proposed procurement route is to enter into single contractor negotiations with the WMCA.
- 7.4.3 Informal discussions have taken place with the WMCA for the provision of the works to support Council decision-making on the chosen procurement route that indicated an estimated cost of £15.7m. These discussions have resulted in an indicative proposal that informs the recommended procurement option to enter into single contractor negotiations to conclude

the award of a contract for the works. The indicative cost includes all the costs to the Council.

7.4.4 The justification for entering into single contractor negotiations is for practical and logistical considerations, WMCA is the sole supplier that deliver the works and realise the benefits. The works will complement the WMCA scheme. Given the scale of works in Digbeth, tendering for a separate contract to deliver the public realm element and Metro schemes as two separate work packages, but in parallel timeframes, would bring about significant challenges in terms of the co-ordination of works. Therefore, in order to maximise efficient delivery ahead of the Commonwealth Games, minimise disruption and ensure that the joint scheme benefits are fully realised, it is proposed that the public realm and Metro schemes are designed and implemented together. The proposed contract will include robust contract management and assurance arrangements, providing opportunity for the Council to work with the WMCA for the contractor and designer to deliver the expected works at the agreed cost.

7.4.5 The Interim Chief Finance Officer and the City Solicitor have certified in writing their approval to enter into single contractor negotiations with the WMCA for the works.

7.5 **Human Resources Implications**

7.5.1 All activity identified within this report will be managed by existing Council employees. The scheme's Project Management sits within the EZ delivery team and is resourced under the EZ programme.

7.6 **Public Sector Equality Duty**

7.6.1 The Digbeth Public Realm project forms part of the wider WMCA led BEE. As such, equality follows WMCA's Equality Impact Assessment (EIA) in Appendix 3. Due regard and consideration has been given to this EIA for the report recommendations and no adverse implications are expected for any of the protected characteristics and groups. Designs will look to incorporate features for the benefit of particular groups where appropriate in compliance with the Equality Act 2010.

8 **Appendices**

8.1 Appendix 1 – Digbeth FBC – approved on 25 March 2021

8.1.1 Annex S4 – Public consultation report

8.1.2 Annex 6 – risk register

8.2 Appendix 2 – GBSLEP offer letter

8.3 Appendix 3 – WMCA Equality Impact Assessment

9 Background Documents

- 9.1 Report to Cabinet, Metro Birmingham Eastside Extension (BEE) and Digbeth Public Realm Improvements Project Definition Document (PDD), 26th June 2018
- 9.2 Curzon Masterplan 2014
- 9.3 Curzon Investment Plan 2016
- 9.4 EZ Investment Plan 2019