

Greater Birmingham and Solihull Local Enterprise Partnership Limited (GBSLEP)

Business Case

Project Name	Digbeth Public Realm Phase 1
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About the Applicant	
Name of the lead organisation (applicant)	Birmingham City Council
Name of the project manager / main contact	Hannah Willetts
Contact number	0121 303 4174 / 0121 303 3988
Contact email	Hannah.willets@birmingham.gov.uk
Senior Responsible Owner	Ian MacLeod

About the Project	
Location of the project	Digbeth, Birmingham
Postcode	B5 6DD
Project start date	Construction works scheduled to commence on 22 nd April 2021
Project completion date	Public realm scheduled to be complete with handover 21 st April 2022 All construction complete on full BEE with handover on 30 th September 2024
Project longstop date	The outcomes from the public realm elements of the project will begin to be delivered immediately following completion
Total project capital cost	£17,512,000 (total project cost including previous years development expenditure and future maintenance)
Total GBSLEP loan funding contribution requested	N/A
Total GBSLEP grant funding contribution requested	£15,720,000
Are you seeking to apply for development costs as part of your application?	No. £792,000 already applied for in OBC process. <i>If 'yes', please state here the amount requested and complete Section C– Development Costs. Eligibility criteria apply</i>
Current gateway stage	Full Business Case (FBC)

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A. Introduction

This document provides a template for an Outline Business Case (OBC) and Full Business Case (FBC) in support of The Greater Birmingham and Solihull Local Enterprise Partnership Limited's (GBSLEP) investment in a project. The business case acts as the application for funding from the GBSLEP, continuing on from the Expression of Interest.

The main purpose of the document is to understand the proposed project sufficiently to assess and make an informed decision on whether the GBSLEP should provide funding or not. The Business Case should provide assurance to the GBSLEP that the project:

- provides strategic fit and is supported by a compelling case for change;
- will maximise public value to society through the selection of the optimal combination of components, products and related activities;
- is commercially viable and attractive to the supply side;
- is affordable and is fundable over time; and
- can be delivered successfully by the organisation and its partners.

This template should be completed following the principles laid out in HM Treasury's Green Book: Appraisal and Evaluation in Central Government, Business Case Guidance for Projects and supplementary guidance. Links to these documents and further guidance is included in Appendix B – Resources, at the end of this document.

The amount of work and detail put in to the Business Case should be **proportionate** to the scale of the project or programme and the expenditure involved.

Once completed the business case will be reviewed by the GBSLEP Executive and will be assessed by an Independent Technical Evaluator. Please submit completed Business Case templates in Microsoft Word format and include a scan of the **signed** original in PDF format.

The applicant is responsible for costs and charges incurred as a result of preparing the OBC; eligible costs for preparation of the FBC may be claimed as part of the development funding should the OBC application be successful (NB *eligibility criteria and application are outlined in Section C*).

B. Project Overview

B.1 Summary of the Project (300 words max)

Be specific about what the project will do and achieve (who, what, where, how, when).

The project will deliver a world class urban public realm in Digbeth through façade to façade reconstruction of Digbeth High Street. It will be delivered by West Midlands Combined Authority (WMCA) as Phase 1 of the Birmingham Eastside Extension (BEE) of the West Midlands Metro via the Midland Metro Alliance (MMA) prior to the commencement of the 2022 Commonwealth Games.

To encourage further investment and maximise the potential of the Curzon area, improvements to the quality of the public realm is needed, including safe and attractive walking and cycling routes, parks and other multi-use outdoor spaces. To maximise the positive impacts created by HS2, local connections and environments will be required to be attractive to new and existing residents, businesses, and visitors.

The BEE will be a catalyst for growth and regeneration in the area, necessitating redevelopment of the High Street's urban realm to incorporate highways, bus, sprint and tram lanes, cycle paths and pedestrian areas.

The enhanced urban realm along Digbeth High Street, integrated with the new Metro BEE, will create an attractive, vibrant and pedestrian friendly destination:

- Creating an individual identity that supports and protects the current creative arts and heritage sites, as well as future regeneration proposal;
- Reducing car dominance to create an integrated, efficient and reliable sustainable transport corridor; and
- Recognising the role of Digbeth High Street as a place to work, live and visit as well as a link, allowing access to those road users who need it.

This grant will facilitate design changes to the layout of the tram extension along Digbeth High Street to allow for the enhanced public realm. This scheme meets stakeholder expectations and provides a significantly enhanced environment for pedestrians and tram users. This project is in line with, and is a named scheme within, the Enterprise Zone Investment Plan 2019.

B.2 Is the project expected to be going through another assurance process (by another LEP or funding body)?

If yes, please give details.

No

B.3 What is the current position of the project and what has changed between the submission of the Expression of Interest and OBC or between OBC and FBC? (dependent on which stage this template is being completed)

Provide a summary of any changes to objectives, scope, funding sources and financial costs, expected outputs and outcomes, timescales, risks and stakeholder relations.

An Outline Business Case (OBC) for the scheme was submitted to GBSLEP and has undergone review through the GBSLEP approval process for an OBC, including a review by the Independent Technical Expert (ITE)¹. Since the submission of the OBC and its subsequent approval to proceed to the FBC stage,

¹ Digbeth Public Realm Phase 1 OBC, AECOM, 15th April 2020

the Transport and Works Act Order (TWAO)² and associated funding package for the West Midlands Metro Birmingham Eastside Extension (BEE) has been confirmed by WMCA³. This means that the BEE scheme can proceed to be built under the design authorised by the TWAO.

The Full Business Case (FBC) submission therefore reflects the current situation of the scheme:

- Further design details completed in November 2020 with greater emphasis on the scheme definition, including the amenities provided and the public realm improvements such as the materials palette and urban design features.
- Updated and emerging policy documents such as Birmingham Transport and the ongoing reallocation of road space within Birmingham City Centre (Traffic Cells Initiative).
- Digbeth High Street Consultation Report prepared by Birmingham City Council (BCC) has also been finalised.
- Revised scheme costs based on the updated designs and material costs.
- Updated programme in-line with progression of the scheme to the subsequent stage of scheme development.

The FBC submission therefore does not change the principles of the project, which remain in accordance with the OBC submission.

The scheme design consistent with the design presented at the OBC stage develops Digbeth High Street into a high-quality public transport corridor which will primarily allow for movement of public transport (metro, buses and Bus Rapid Transit (SPRINT), whilst still maintaining the access and servicing by all modes within the area. The scheme will also create a high-quality urban realm to enhance the road user experience including pedestrians. As a part of another project being developed by BCC, Bradford Street- a parallel road to the south of Digbeth High Street; will provide for a segregated cycle way to complement the high-quality public transport corridor along Digbeth High Street. To deliver the high-quality public transport corridor the design includes:

- segregated tramway to the southern side of Digbeth High Street;
- highway with reduced carriageway width to the northern side of Digbeth High Street. The number of lanes on Digbeth High Street are 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 Gib 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;
- altered turning movements, including road closures and banned turns and changes to the direction of flow of traffic onto and off Digbeth High Street for some side roads to discourage through traffic whilst still allowing for access and servicing;
- a high-quality, easily accessibly multi-modal interchange closer to Digbeth Coach Station; and
- a high-quality urban realm to ensure that role of Digbeth as a place is duly acknowledged.

The design for the scheme is presented in **Figure 1**. A larger scale plan is included in **Appendix S1**.

² <https://metroalliance.co.uk/wp-content/uploads/2020/01/BEE-DfT-Decision-Letter.pdf.pagespeed.ce.66q07cyW0d.pdf>

³ <https://governance.wmca.org.uk/ieDecisionDetails.aspx?ID=696>

Figure 1: DHS Public Realm Latest Design

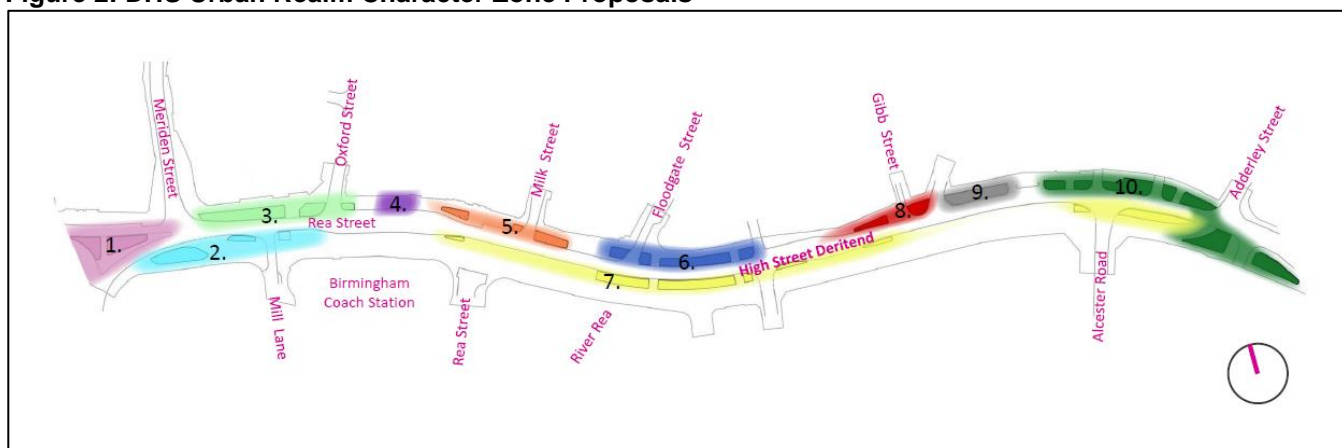


Source: Midland Metro Alliance (2020)

The proposals complement similar plans being developed for Moor Street/Moor Street Queensway which look to restrict overall traffic movement through this area. Subject to funding being granted by GBSLEP, its proposed implementation will be by 2021/2022 and be ready in time for the Commonwealth Games.

The MMA Urban Realm Options Report: Digbeth High Street (2020) (**Appendix S2**) builds on the Urban Design Strategy previously submitted to the local planning authority for comments by “...*fragmenting the linearity of the High Street into smaller character areas*”. Each character area is perceived to have a distinctive cultural, aesthetic or social association which is reflected in the design and development of the scheme. **Figure 2** depicts these 10 unique character zones along the length of Digbeth High Street.

Figure 2: DHS Urban Realm Character Zone Proposals



Source: Midland Metro Alliance (2020)

It is suggested that these zones should be used to drive the strategy for public art as well as to underpin the types of surfacing materials and finishes to be used at break-out spaces within the urban realm. More detail on how the urban design will deliver upon the character for each zone is detailed in **Appendix S2**.

3D CGI Visuals at different viewpoints of what the project will look like once completed are included within **Appendix S1**. This includes a map which displays the viewpoint location.

Initial stakeholder engagement on the project option development was conducted through an interactive workshop on Wednesday 28th 2018 by Birmingham City Council and Midland Metro Alliance where feedback could be obtained from stakeholders and taken away to integrate into the project designs. A report for this was completed and is included in **Appendix S3**.

Public consultation was launched on Monday 2nd March 2020 and was originally planned to run for 4 weeks until Friday 27th March 2020, with 4 public consultation sessions scheduled during this period. 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. The consultation response report completed by BCC is included in **Appendix S4**.

From the consultation, 77.95% 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”.

B.4 List any other organisations involved in project delivery and their roles (add lines if required)

Partner Name	Role
West Midlands Combined Authority	Delivery of the project via the Midland Metro Alliance Martin Gallacher – Project Director
West Midlands Combined Authority	Delivery of Sprint scheme Angela Hosford – Head of Sprint

B.5 Revision History

Version Number	File Name	Date submitted	Summary of changes made compared to previous draft version <i>(please refer to previously received feedback and how issues have been addressed)</i>
1	Digbeth High Street FBC v1.0	18/12/2020	Initial FBC submission

1. Strategic Case

The Strategic Case for the project provides the need for intervention, setting out the problem or opportunity, fit with local, regional and national policy, including the GBSLEP Strategic Economic Plan and Local and National Industrial Strategy to provide the 'case for change'. The Strategic Case is typically almost complete at OBC stage for the project, demonstrating a clear and evidenced narrative for proceeding with the development of the project. This should be updated at FBC.

1.1 Aims and objectives

1.1.1 Project aim

The project aims to attract investment and maximise the potential of the Curzon area. To achieve this, improvements to the quality of the urban realm, including safe and attractive walking and cycling routes, parks and other outdoor spaces are needed. In order to maximise the impact of HS2, there is a need to ensure that multi-modal connections and environments are able to attract and contribute towards additional investment in Birmingham Eastside, including Digbeth High Street.

The project itself focuses on Digbeth High Street which is currently dominated by obtrusive barriers to pedestrian movement such as few crossing points and six lanes of traffic. This is a key investment priority for unlocking growth within the Birmingham Eastside area. There are major growth sites which exist in the vicinity of the scheme, including major growth proposals at Smithfield and the Rea Valley Urban Quarter, significant development along the Bradford Street Corridor, and key proposals in the heart of Digbeth to the north. Many sites along the High Street itself are underutilised and have not benefited from the natural growth of the city core, leaving pockets of activity isolated and with relatively low footfall in comparison to the city core.

The integration of the West Midland Metro Eastside Extension creates an important catalyst in the regeneration process, necessitating redevelopment of Digbeth High Street's urban realm, including highways, bus and tram lanes, cycle paths and pedestrian areas.

The project is fully in line with and is a named scheme with the Enterprise Zone Investment Plan 2019 and aligns with BCC's recent and newly adopted transport plan which propose significant reallocation of road space and reduction in private car use.

A vision and set of objectives were developed for the project, which led to the development of a series of options and the selection of the preferred option, as discussed below.

Vision

To transform the urban realm of Digbeth High Street into an attractive, vibrant and pedestrian friendly destination by:

- *Creating an individual identity that supports and protects the current creative arts and heritage as well as future regeneration proposals;*
- *Reducing car dominance, to create an integrated, efficient and reliable sustainable transport corridor; and*
- *Recognising the role of Digbeth High Street as a place to work, live and visit as well as a link allowing access to those road users who need it."*

To meet the project aims and objectives (refer to section 1.1.2), the preferred option for the public realm, which includes a southern tram alignment and northern pedestrian boulevard, along with a Public Transport corridor on Digbeth High Street, was agreed to be taken forward. The original TWAO reference

scheme was discarded at the sifting stage in the stakeholder process as it failed to meet the current stakeholder requirements.

The main advantage of this option is the creation of a bold and attractive public realm connection between the city core and Digbeth's surrounding regeneration areas. This is discussed in the Outline Design Report (2018) (**Appendix S5**) produced by MMA. It also creates a more efficient transport system on the southern side of the street, with a multi-modal hub situated adjacent to the coach station (tram and bus stops), and better service and emergency vehicle access to the northern facades.

1.1.2 Investment objectives

Provide details on the project's objectives, ensuring they fit the 'SMART' criteria (Specific, Measurable, Achievable, Relevant and Time-constrained). Add lines as required.

Objective	Quantity / Scope	By when
<ul style="list-style-type: none"> To create a strong identity and character for Digbeth High Street's urban realm and its surrounding quarter. To improve the current harmonious street furniture. Conserve the industrial architectural heritage. Enhance the Pedestrian Realm. 	An accessible and integrated public realm that will connect the wider Digbeth area with the city core and integrate forthcoming local growth sites. Once HS2 is delivered, the public realm will help make best use of the added footfall and investment brought by HS2 and the Midland Metro which will encourage local growth sites to prosper and further private investment to be forthcoming.	Benefits start on completion of BEE Metro construction of Phase 1 (2022), full benefits on opening of Metro extension
<ul style="list-style-type: none"> Improve cycle access and cycle parking along the corridor. To provide an integrated, reliable and sustainable transport corridor. Reduce car traffic volumes along the High Street. Enhance road safety. Improve the personal security of people along the High Street. Provide car parking and access to the High Street's frontages. Enhance the quality of the physical Environment. 	Reallocation of road space is at the centre of the project. The public realm preferred option reduces the number of lanes on Digbeth High Street to one in each direction. It will also create a more efficient public transport system to the southern side of the street, with a multimodal hub located at Digbeth Coach Station (tram and bus stops). A bus gate will be introduced in each direction which will prevent through traffic from using the highway whilst allowing access to local traffic at the same time, following the wider transport policies developed by BCC.	Benefits start on completion of BEE Metro construction of Phase 1 (2022), full benefits on opening of Metro extension
<ul style="list-style-type: none"> Create a high-quality open space network. Conserve and develop local animations at different times of the day/year. 	The project will help to deliver upon the aspirations set out within the Big City Plan (BCP) by creating sustainable connections to key growth areas in the city core and encouraging further expansion eastwards through the development of new residential and commercial sites. The public realm will provide an attractive and aesthetic backdrop to live, work and play whilst also delivering the functionality to	Benefits start on completion of BEE Metro construction of Phase 1 (2022), full benefits on opening of Metro extension

	promote sustainable travel into the city centre through both public transport and for private vehicle users who require it.	
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1.1.3 Alignment with GBSLEP strategic objectives

Describe how the project supports the delivery of GBSLEP's [Strategic Economic Plan 2016-2030](#) and relevant sector delivery plans, including sector-specific investment criteria.

The Digbeth High Street project will support the delivery of the GBSLEP Strategic Economic Plan to achieve its core objectives and strategic prioritise in relation to the “Place” pillar. Birmingham City Council has plans in place for the transformation of Birmingham city centre, as discussed in Section 1.2.3 below. This includes the Enterprise Zone Investment Plan, with the Curzon Enterprise Zone covering Digbeth High Street and extending to the HS2 Curzon Street Station.

This project will also improve connectivity between Digbeth High Street, HS2 and the city centre, encouraging business relocation, access to jobs and related economic activity. These improvements will complement the public realm improvements delivered through the HS2 Curzon Station Enhanced Public Realm Project to enhance the overall public realm in the wider area. This will encourage pedestrian activity in the area and between the interchange and the city centre and quarters including Eastside making these more attractive places to live, work, visit and invest in and increasing the transformational opportunity presented by HS2.

In particular, the project will impact the following key areas of focus:

- *Harness the transformation opportunity presented by HS2*
 - Through the delivery of the Curzon HS2 Masterplan for Growth as set out in the Enterprise Zone Investment Plan.
- *Enhance connectivity and mobility*
 - Through reducing severance (leading to a lack of connectivity and mobility in Digbeth) due to the “urban motorway” look and feel of Digbeth High Street.
- *Deliver major growth and regeneration opportunities*
 - Key to maximising the impact of HS2 will be ensuring local connections and environments are of the highest quality. This will help to attract investment and maximise the potential of the Curzon and Digbeth area, linking to proposed and future developments including Smithfield, Connaught Square, Irish Centre, Lunar Rise and Beorma, through improvements to the quality of the public realm including safe and attractive walking and cycling routes, parks and other outdoor spaces.
- *Develop thriving local and town centres*
 - The project will create a high quality of pedestrian public open spaces and new character for the Digbeth area.
- *Enhance and harness the potential of our cultural and creative assets*
 - The project will integrate existing traditional processions and festivals, as well as street animation, in relation to the area’s cultural context, its significant creative assets and everyday life both during weekdays and weekends.

1.2 Project context

1.2.1 PESTLE analysis

Outline the current situation in terms of relevant Political, Economic, Social, Technological, Legal and Environmental factors; confirm what the drivers for change are, and why the change needs to happen now.

Political	<p>By its nature, the renewal of urban realm within the highway boundary is often undertaken by the public sector to stimulate development and act as a catalyst for growth and to stimulate development. On its own, the market has continued to fail to deliver any significant improvement or enhancement of the Digbeth area due to the fragmented ownership of frontages, co-ordination failure between private sector agents, and the lack of stimulus to deliver an overall development.</p> <p>Digbeth and the Eastside area is earmarked within the Big City Plan and Birmingham Development Plan as an area expected to accommodate expansion of the city core as well as a key centre to benefit from the regeneration opportunities presented by HS2 and the Midland Metro. The public realm project has been highlighted as a key delivery project within the Birmingham Enterprise Zone Investment Plan and has the full backing of key governing bodies and partners.</p> <p>Birmingham Eastside Metro Extension is fully committed, with the Transport and Works Act Orders and funding fully approved providing the basis for the enhanced public realm provided through this project.</p>
Economic	<p>The above underpins the strategy of the Curzon HS2 Masterplan for growth, and the transformation of Digbeth High Street will enable wider development of key sites and the creation of new commercial floorspace and jobs that underpin the Enterprise Zone's financial model. In particular, public realm enhancements will encourage private sector development to come forward sooner, at higher densities and at a higher level of quality than in the counterfactual scenario.</p> <p>The current market failure was evidenced in the West Midlands Metro Eastside Extension public enquiry⁴, at which TfWM noted "There is a perceptible air of neglect and dereliction in the area with a large number of opportunity sites not being used to their full potential, a number of sites being used for ad-hoc surface parking, storage uses and builders merchants, with some limited areas of growth and regeneration, such as around the Custard Factory and Millenium Point, close to the area's boundaries". This is reflected in the Land Use Chapter of the BEE Environmental Statement⁵ and can also be perceived from the Land Use Technical Plans in Appendix S6.</p> <p>There are many planned developments and infrastructure plans in the area, as shown in Figure 3 in Section 1.2.4. Each of these contribute to economic change in the area, with this project adding to the impetus and impact of those development.</p>
Social	<p>Through the creation of the public realm along Digbeth High Street, social benefits in terms of place making, user experience and pedestrian connectivity for local growth sites and the new BEE scheme will be improved.</p> <p>Physical Activity: Improvements to the public realm along Digbeth High Street will improve pedestrian connectivity with Birmingham Eastside and the city core. The public realm also acts as a key frontage and interchange point between forthcoming and proposed residential and commercial developments within the Digbeth area. This</p>

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https://www.twainquiry.co.uk/uploads/1/0/3/0/103043522/app_p1_1_bee_scheme_development_peter_adams.pdf

5 <https://www.metroalliance.co.uk/wp-content/uploads/2016/10/Volume-1-Main-Statement-Final.pdf>

	<p>is therefore anticipated to provide direct walking links and a pleasant user environment which will encourage short journeys to be undertaken by foot with consequential health benefits.</p> <p>Journey quality: Integration of the public realm with the Midland Metro BEE scheme and wider bus services will provide a high-quality multi-modal interchange for passengers traveling into the City Core and further afield. The integration of bus gates in each direction and the limit of through traffic will make for a more pleasant walking environment and better waiting area for public transport.</p> <p>Security: The widening of the public realm to the northern section of the High Street along with segregation from vehicles via green infrastructure creates a greater sense of security. Improved legibility and line of sight through the removal of designated road crossing and barriers creates a more enjoyable walking environment, provides natural surveillance and generates greater user confidence. Planting strategies will consider avoiding the creation of concealed 'trouble-spots' and CCTV and other safety requirements will be integrated into the design for the footways and bus / tram shelters.</p> <p>Severance: The public realm preferred option reduces the number of lanes on Digbeth High Street to one in each direction. A bus gate will also be introduced in both directions; eastbound between Floodgate Street and Gib Street and westbound between Chapel House Street and the junction with Digbeth High Street/Meriden Street, which will reduce the level of through general traffic. The design prioritises pedestrian and public transport movement along Digbeth High Street, improving accessibility to the area.</p> <p>At present, the high traffic flow and multiple lanes of traffic on Digbeth High Street act as an impedance to pedestrian activity and a barrier to free movement across the High Street. The scheme will prevent through traffic from using the highway while allowing access to local traffic, encourage and facilitating pedestrian movement, and will follow the wider transport policies developed by BCC to promote sustainable travel in the city centre.</p> <p>Access to Services: The public realm will create greater access to job and services within the city core through short, convenient and pleasant walking trips and integration with the BEE scheme for residents with no or little access to a private vehicle. Connections to wider services will be available via BEE and local bus services as well as regional and national train services from both HS2 and local rail stations.</p>
Technological	The public realm will present an opportunity to integrate way-finding and real-time information for onward travel into the city centre and the wider Digbeth area via rail, Midland Metro, and local bus and Sprint networks.
Legal	The BEE scheme was authorised through TWAO orders by the Secretary of State on 15th January 2020. Although the Digbeth Public Realm scheme has changed the

	<p>tram alignment from the TWAO scheme (Reference Case), the extents of the design are within the limit of land to be acquired or used (LLAU) and therefore does not require an amendment to the TWAO.</p> <p>Delivery of the scheme will be under agreements between WMCA and BCC. This will be similar to the agreement based on the principles set up for the delivery of Centenary Square Extension. The agreement will need to document the arrangements for ongoing collaborative working to progress the scheme to procurement and delivery. All parties are committed to work together to reduce the overall cost of the project.</p>
Environmental	<p>Birmingham is required to reduce levels of NO₂ in the air to a maximum average of 40µg/m³ as soon as possible. Improvements to local connectivity through walking and public transport measures are key to support this target towards a cleaner city. Improvements to public realm will also encourage short trips to be undertaken by walking.</p> <p>As part of Birmingham's response to the requirement to reduce levels of NO₂, a Clean Air Zone (CAZ) is being introduced inside the Birmingham Inner Ring Road. The area covered by this scheme lies inside the CAZ area, and as such any measures to facilitate the use of transport modes other than the private car should be encouraged.</p> <p>Birmingham City Council declared a 'Climate Emergency' on 11th June 2019. By facilitating interchange between transport modes and providing an improved environment for pedestrians, this scheme is compatible with the objectives of reducing the use of private travel which contributes to climate change.</p>

1.2.2 Organisational context

Outline the applicant organisation's strategic objectives and how the project aligns with these. Reference how the project relates to any organisational strategic documents here and if required provide a link or append the document.

The applicant for the project is Birmingham City Council. The Digbeth High Street Public Realm scheme is proposed to be delivered alongside the Birmingham Eastside Extension (BEE) Midland Metro. This scheme will therefore be delivered by West Midlands Combined Authority (WMCA) via the Midland Metro Alliance (MMA).

This section outlines the organisational objectives of the applicant i.e. BCC, with the policy objectives of other partners and relevant BCC documents set out in Section 1.2.3. BCC's corporate priorities are articulated within the **City Council Plan and Budget 2021 – 25 (as updated in February 2021)**:

The Council Plan sets out Birmingham City Council priorities for investment between 2021 and 2025, focusing on encouraging investment and business growth, creating employment opportunities, improving education and opportunities for young people, improving the health of local communities, and improving the local environment. The project aligns with the following expected Council Plan outcomes:

- An entrepreneurial city to learn, work and invest in.
- An aspirational city to grow up 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.

1.2.3 Policy context

Outline how the project fits with national, sub-regional and local policy and investment plans and strategies, such as West Midlands Industrial Strategy, West Midlands Combined Authority or a neighbouring LEP's Strategic Economic Plans, or Midlands Connect. Provide a referenced excerpt or link to the key relevant sections in such document.

National Policies

National Planning Policy Framework, (2019)⁷

The adopted National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how they should be applied. It provides a framework within which locally prepared plans for housing and other developments can be produced. It also seeks to promote the incorporation and development of sustainable transport both as integrated and standalone development projects.

The NPPF places major importance on achieving sustainable development by meeting the needs of the present without compromising the ability of future generations to meet their own needs. The interdependent pillars of sustainable development are:

- **Economic Pillar** - *"to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure";*
- **Social Pillar** – *"to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can provide to meet the needs of the present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being";* and
- **Environmental Pillar** – *"to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy".*

In particular, the NPPF states that *"...transport issues should be considered from the earliest stage of plan making"* to ensure that:

- *"opportunities to promote walking, cycling and public transport use are pursued";* and,
- *"patterns of movement, streets, parking and other transport considerations are integral to the design of schemes and contribute to making high quality places".*

The project is able to meet each sustainability pillar and the objectives by helping to build on the footfall created by BEE and help funnel investment into the Eastside and Digbeth area, creating sustainable access to new and existing jobs, leisure and educational facilities whilst ensuring detrimental impacts to the environment are minimised through the removal of private vehicles, and the promotion of active travel.

⁷ National Planning Policy Framework, Ministry of Housing, Communities and Local Government, 2019.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

Transport Investment Strategy, DfT (2017)⁸

The adopted Transport Investment Strategy (TIS) is a vital part of the government's industrial strategy and plan for Britain. The TIS sets out how the UK respond realistically and pragmatically to existing and future transport challenges and putting the travelling public at the heart of the choices it makes.

The TIS contains four key objectives:

- *"To create a more reliable, less congested, and better-connected transport network that works for the users who rely on it";*
- *"Build a stronger, more balanced economy by enhancing productivity and responding to local growth priorities".*
- *"Enhance our global competitiveness by making Britain a more attractive place to trade and invest";* and
- *"Support the creation of new housing".*

The Digbeth High Street Public Realm along with the BEE scheme will create a less congested section of the local network connecting to Birmingham city centre by reallocating road space to more sustainable transport modes.

Priority given to the tram and no barriers to pedestrian movement will create more reliable and favourable methods of transport, connecting Digbeth to key growth areas within the city centre as well as to more strategic forms of transport such as HS2 and New Street Station. This provides greater social and economic opportunities for local communities who would otherwise find it more difficult to access these opportunities.

Forthcoming and planned developments are shown in **Figure 3** in Section 1.2.4 and include Smithfield, Lunar Rise, Beorma and Connaught Square.

Regional Policies

Strategic Economic Plan, GBSLEP, (2016-2030)⁹

The adopted Strategic Economic Plan (SEP) sets out the vision and strategy for *"...delivering smarter, more sustainable and more inclusive growth for the benefit of our area, the wider West Midlands City region and the UK as a whole"*. The SEP also identifies their contribution to the delivery of the ambitious growth targets set by the West Midlands Combined Authority (WMCA).

The strategic vision for the SEP is for *"...Greater Birmingham to be a top global city region that drives the Midlands Engine and is the major driver of the UK economy outside London – harnessing our strengths and assets for the benefit of our area and the wider UK economy"*.

The SEP sets out to support the development of masterplans for key sites, including the Birmingham Curzon HS2 Masterplan which sets out what will be done to maximise the regeneration and connectivity

⁸ Transport Investment Strategy, DfT, 2017.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/918490/Transport_investment_strategy.pdf

⁹ Strategic Economic Plan, GBSLEP, 2016-2030. <https://gbslep.co.uk/wp-content/uploads/2017/06/SEP-2016-30.pdf>

potential of HS2 in the city centre. As part of this, Eastside and Digbeth are highlighted as key areas with high regeneration potential. Improved integration of the BEE with Digbeth Coach Station will improve the connectivity to areas earmarked for growth and regeneration which are included on the Midland Metro Network, including Eastside and Digbeth.

Digbeth High Street Public Realm will work towards achieving the SEP mission “...to create jobs and grow the economy – and, in doing so, to raise the quality of life for all of those that lives and work here” by improving the quality of the urban environment as well as acting as part of a wider catalyst for investment and growth in the local area.

The Public Realm project will contribute towards specific strategic objectives set out within the SEP, additional to those discussed as part of the ‘Place’ pillar in section 1.1.3 of this FBC, including:

- *Increase private sector investment, including overseas investment:*
 - by ensuring the public realm project both enables and caters for increased footfall as a result of integration with the BEE scheme and the wider HS2 network, Digbeth and Eastside will prove to be an attractive location to invest from both local and overseas private sector sources.
- *Enable more inclusive growth that delivers benefits more widely and reduces unemployment – particularly in parts of Birmingham and North Solihull with high rates.*
 - by providing a more sophisticated and accessible connection between key growth sites such as the city core and the Digbeth area, as part of a wider sustainable transport network, will provide more economic and social opportunities for people living within Digbeth and Eastside.

Enterprise Zone Invest Plan, (2019)

The Enterprise Zone Investment Plan (EZIP) is the next step in driving conditions for economic success, building on the £598m of private investment since its establishment in 2011. The EZIP focuses on the period from 2019 – 2028 and sets out a phased programme of investment for major schemes and infrastructure.

The investments plan aims to accelerate development across the Enterprise Zone which strongly focuses on the benefits that HS2 will bring in 2026 and the contribution to delivering expansion of the Midland Metro Tram Network.

“The EZ is focused on early intervention in infrastructure to accelerate growth and unlocking development to deliver the vision of the Big City Plan (BCP) and the GBSLEP priorities for growing the economy and creating jobs”.

The EZIP highlights the key areas for investment as being:

- *Strategic site investment;*
- *Infrastructure; and,*
- *Business Support.*

The key infrastructure investment will focus on:

- *“New transport schemes such as Metro, Sprint, rail and cycling;*
- *New education, community and healthy facilities;*
- *New and faster digital technologies to improve communications;*
- *Improving the public realm to provide safe and attractive routes for walking and cycling and enhanced public spaces”.*

With nearly £1 billion of planned investment, GBSLEP and BCC aim to unlock the delivery of 1.1 million sq m of new commercial floorspace, create over 71,000 new jobs and contribute £2.3 billion GVA per annum (p.a.) to the economy. Ensuring that both residents and businesses share in the benefits that will be generated, will be of paramount importance.

The Digbeth High Street Public Realm project has been highlighted as a key project to be delivered within the document programme period. The EZIP (2019) includes an indicative allocation of £15.5 million for the Digbeth High Street project. The project will provide the opportunity to deliver safe and attractive routes for walking and cycling. It will also facilitate additional private investment in strategic sites by adding value to the BEE scheme through facilitating and enabling the added footfall it will bring.

Midlands Connect Strategy, Powering the Midlands Engine, GBSLEP, (2017)¹⁰

The Midlands Connect Strategy sets out proposals to drive economic growth, create more and better jobs, and create more trade and investment in the Midlands region through new and improved transport infrastructure. It identifies key priorities for improving regional and national connectivity across the Midlands and the UK.

The document sets out a rolling 25-year programme of strategic road and rail improvements which are split into 5 year 'blocks' consistent with expected road and rail investment periods and the implementation of HS2. This is to create "...much needed certainty to businesses, communities and investors whilst also improving quality of life, improving skills and enhancing access to new opportunities – both within the Midlands and beyond".

The specific priorities from the strategy include;

- ***Regionally Connected: Powering the Midlands Engine*** – Transforming East to West connectivity will widen access to markets, supply chains and labour markets releasing the full potential across the whole region – from the Welsh borders to the Lincolnshire coast;
- ***UK Connected: The Midlands transport networks power the UK economy*** – Strategic road and rail networks that bring the country's economic regions closer together boosting productivity, access to markets and international gateways;
- ***HS2 Connected: Getting the Midlands HS2 ready*** – Investing in complementary connectivity will spread the growth unlocked by HS2 across the Midlands and the country as a whole;
- ***Ensuring connectivity of the region with HS2*** and the regeneration potential it has on local communities; and,
- ***Global connectivity***, linking the West Midlands and the rest of the world.

The Digbeth High Street Public Realm project will improve the connectivity of Digbeth to HS2 via better access to the Midland Metro and improved desire lines to the HS2 Curzon Street Station itself. HS2 Curzon Street Station will in turn improve Birmingham's connectivity to key national hubs and airports. This connectivity to HS2 will help maximise its potential regeneration and investment benefits for Digbeth and the Eastside area.

¹⁰ Midlands Connect Strategy: Powering the Midlands Engine, Midlands Connect. (2017).

<https://www.midlandsconnect.uk/media/1224/midlands-connect-strategy-march-2017.pdf>

***Strategic Economic Plan, WMCA, (2016)*¹¹**

The Strategic Economic Plan (SEP) sets out the vision and strategy for a smarter, more sustainable and more inclusive growth for the benefit of the West Midlands. *“Using the momentum of HS2 to improve connectivity within the area and exploiting the strengths of the UK Central Growth Corridor through Birmingham, Solihull and Coventry – and between the West Midlands and national and international markets”* is part of the SEP’s vision.

The SEP recognises Birmingham city centre as the regional hub and a natural focal point for growth and investment. It emphasises the importance of harnessing the transformational opportunities presented by HS2 and identified both HS2 stations (Curzon Street and UK Central) as creating new areas of regeneration, housing and business growth.

The Digbeth High Street Public Realm project will improve the connectivity of Digbeth to HS2 via better access to the Midland Metro and providing improved desire lines to the HS2 Curzon Street Station itself. This improved connectivity to HS2 will help maximise the potential regeneration and investment benefits for Digbeth and the Eastside area.

***Movement for Growth: West Midlands Strategic Transport Plan, WMCA, (2016)*¹²**

The Movement for Growth document sets out the WMCA plan for growth and the long term-approach for transport. The Digbeth High Street Public Realm project will directly support the delivery of the objectives set out in the report including:

- *Use transport improvements to enhance the public realm and attractiveness of our centres;*
- *Ensure that walking and cycling are safe and attractive option for many journeys, especially short journeys.*

The project will also indirectly support the following objective:

- *Introduce a fully integrated rail and rapid transit network that connects our main centres with quick, frequent services, and which is connected into wider local bus networks through high quality multi-modal interchanges;*
 - This will be achieved through creating an environment which will enhance pedestrian mobility and their ability to use the Midland Metro system and its connections to other nearby transport modes such as HS2 and Birmingham New Street Station.

Local Policies

***Draft Birmingham Transport Plan 2031 (2020)*¹³**

The emerging Birmingham Transport Plan sets out what the city needs to do to directly meet future transport demand. The vision for the Transport Plan is:

¹¹ Strategic Economic Plan, West Midlands Combined Authority. (2016).

<https://www.wmca.org.uk/media/1382/full-sep-document.pdf>

¹² Movement for Growth: West Midlands Strategic Transport Plan, West Midlands Combined Authority. (2016).

<https://www.tfwm.org.uk/media/1099/movement-for-growth.pdf>

¹³ Draft Birmingham Transport Plan, Birmingham City Council. (2020).

https://www.birmingham.gov.uk/downloads/file/14861/birmingham_transport_strategy

“The vision for Birmingham’s transport is for sustainable, green, inclusive, go anywhere network. Safe and healthy environments will make active travel – walking and cycling – the first choice for people making short journeys.

A fully integrated, high quality public transport system will be the go-to choice for longer trips.

A smart, innovative, carbon neutral and low emission network will support sustainable and inclusive economic growth, tackle climate change and promote the health and well-being of Birmingham’s citizens”.

The vision will be secured through the following four ‘Big Moves’:

- *Reallocating road space*
- *Transforming the city centre*
- *Prioritising active travel in local neighbourhoods*
- *Managing demand through parking measures.*

The reallocation of road space on Digbeth High Street to sustainable transport as part of the public realm and BEE projects will help to reduce the number of single occupancy private vehicles within the city centre.

The project 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.

Route to Zero Taskforce (2019)

The Route to Zero (R20) Taskforce was created in autumn 2019 and brings together Members and officers from the council and representatives from the West Midlands Combined Authority, the NHS, higher education, the business community, faith communities, young climate strikers, climate campaigners, and other key partners and stakeholders.

Between January and February 2020 the council ran an online survey to understand the barriers the people of Birmingham face in helping to tackle the climate change, and to seek people's views and ideas for how different people can take action.

The vision for the public realm on the high street is being developed to contribute to the city’s environmental and route to zero agendas – a series of positive changes are being made to the high street environment to change the way people move and to create an attractive, green, liveable neighbourhood, helping to reduce carbon emissions and limit the climate crisis

A linear parkway promenade along the northern façade of the high street will include;

- 4100m² of planted areas and an area of 1040m² of mown grass
- A diverse and robust mix of planting, grasses and a variety of tree species which will provide all-year round interest and a rich habitat for wildlife,
- 78 trees are proposed along the length of the high street.
- Planting species have been selected to be low maintenance, drought tolerant and to cope with temporary water logging.
- A rain garden is being considered – this will help to slow waterflow into proprietary systems from the northern urban realm area.

Big City Plan (2011)¹⁴

The Big City Plan (BCP) City Centre Masterplan is being produced as a non-statutory planning and regeneration framework for Birmingham's city centre. The key principles are embedded in the Council's Core Strategy (Birmingham Development Plan) which is the statutory planning document that provides the vision and direction for future development across the whole city.

The BCP highlights Eastside as an opportunity for mixed use development "...including office, residential, learning and leisure space" as well as building upon the arrival of HS2 to act as a significant catalyst for regeneration.

BCC has set itself an ambitious target for a "...60% reduction in the city's carbon dioxide emissions by 2026" through "...improving public transport, promoting a network of pedestrian and cycle routes".

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.

The Digbeth High Street Public Realm and BEE will, together, contribute towards the increased provision of a sustainable multi-modal transport network which works towards reducing car dependency and carbon emissions within the city.

Birmingham Development Plan 2031 (2017)¹⁵

The Birmingham Development Plan (BDP) 2031 was adopted by Birmingham City Council on 10th January 2017. This document sets out a spatial vision and strategy for the sustainable growth of Birmingham for the period 2011 to 2031 and guides decisions on planning, development and regeneration.

The adoption of the BDP resulted in changes to the statutory development plan which included replacing the majority of policies in the Birmingham Unitary Development Plan 2005.

The vision is for Birmingham, by 2031, "...will be renowned as an enterprising, innovative and green City that has delivered sustainable growth meeting the needs of its population and strengthening its global competitiveness"

To deliver the vision, the BDP sets out the following objectives:

- *To develop Birmingham as a City of sustainable neighbourhoods that are safe, diverse and inclusive with locally distinctive character;*
- *To make provision for a significant increase in the City's population;*
- *To create prosperous, successful and enterprising economy with benefits felt by all;*
- *To promote Birmingham's national and international role;*
- *To provide high quality connections throughout the City and with other places including encouraging the increased use of public transport, walking and cycling;*

¹⁴ Birmingham Big City Plan, Birmingham City Council. (2011).

https://www.birmingham.gov.uk/downloads/download/214/big_city_plan

¹⁵ Birmingham Development Plan, Birmingham City Council. (2017).

https://www.birmingham.gov.uk/downloads/file/5433/adopted_birmingham_development_plan_2031

- *To create a more sustainable City that minimises its carbon footprint and waste, and promotes brownfield regeneration while allowing the City to grow;*
- *To strengthen Birmingham's quality institutions and role as a learning City and extend the education infrastructure securing significant school places;*
- *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;*
- *To conserve and enhance the Birmingham's natural environments, allowing biodiversity and wildlife to flourish;*
- *To ensure that the City has the infrastructure in place to support its future growth and prosperity.*

The BDP sets out diverse set of policies to help guide new development. Those policies which the Digbeth High Street Public Realm project will help to deliver upon are outlined below.

Policy PG1: Overall levels of growth - The project will help to improve connectivity and mobility which will support and attract new investment opportunities within the Eastside area, helping to contribute to wider growth aspirations.

Policy PG3: Place making - The project in essence will provide a high-quality urban realm to reduce vehicular traffic along Digbeth High Street and promote active travel. High quality design and materials will add to the positive ambience created from the reallocation of road space.

Policy GA1.3 The Quarters – Eastside - The project will help to build upon the positive impact resulting from HS2 by creating an attractive and well-connected pedestrian environment, allowing for greater footfall in the area and potential growth and investment.

Policy TP1: Reducing the City's carbon footprint - The Digbeth High Street Public Realm and BEE will, together, contribute towards the increased provision of a sustainable multi-modal transport network which works towards reducing car dependency and carbon emissions within the city.

Policy TP19: Core employment areas - The project will contribute towards the physical and economic regeneration of Digbeth and Eastside by creating an attractive and well-connected multi-modal environment which will encourage private investment and growth.

Policy TP21: The network and hierarchy of centres - The project will help to enhance Digbeth and the wider city centre as a preferred location for retail, office and leisure developments as set out within the policy, by attracting and encouraging greater footfall and passing trade.

Policy TP23: Small shops and independent retailing - Digbeth has a multitude of independent and niche shops which helps to create a unique local identity. Increased attractiveness of the local area and the enhanced pedestrian connectivity as a result of the project will help encourage greater footfall in the area, allowing for continued growth of Digbeth's niche shopping scene.

Policy TP27: Sustainable neighbourhoods - The public realm will provide a sustainable form of infrastructure and connection to new and potential growth sites in the city centre such as Bullring, Smithfields and HS2. This will benefit the local community by providing better and cheaper access to employment, leisure facilities, and education.

Policy TP38: A sustainable transport network - The BEE scheme along with the integration of Digbeth High Street Public Realm will significantly contribute towards Birmingham's development of a "...high quality, integrated transport system, where the most sustainable mode choices also offer the most convenient means of travel". The two will offer a convenient, affordable and efficient method of travel into Birmingham city centre via a more sustainable means than the private vehicle.

Policy TP39: Walking - The project will deliver a safe and pleasant walking environment which will improve pedestrian safety and prioritise it as a primary method of travel over the private vehicle. It will incorporate all routes with high desire lines linking to key growth areas in the city, such as Bull Ring, HS2 and the surrounding Digbeth area.

Policy TP40: Cycling – The committed Bradford Street cycle infrastructure scheme will be incorporated adjacent to the public realm project on Digbeth High Street and will provide supplementary segregated cycle provision into the city centre from Digbeth.

Policy TP41: Public Transport - The Digbeth High Street Public Realm will be delivered along with the BEE scheme and will help to increase its usage through improved footfall and reallocation of road space from private car.

Smithfield Masterplan (2016) ¹⁶

The Smithfield masterplan helps to deliver on the overarching vision of the Big City Plan as the next phase of major investment in the city centre. The master plan builds on the work of the Birmingham Smithfield Visioning Document which was launched in March 2015, and defines the big moves and defines the principles that will deliver the highest quality sustainable place for the future.

In 2017, the wholesale markets were reallocated to the provision of new facilities which provided the opportunity to realise the “...*transformational potential*” for the area.

The vision for 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*”

The Midland Metro is expected to integrate itself with the Smithfield site. The development will also deliver improvements to accessibility and “...*reconnect the site to the wider city*” through improved public transport and active travel.

The Digbeth High Street Public Realm will help to integrate the site further with its surrounding, especially with the wider Digbeth area by providing high quality pedestrian connectivity to other key sites, both local and further afield via access to BEE.

Draft Rea Valley Urban Quarter SPD (2019)¹⁷

The Southern Gateway of the BDP was renamed the Rea Valley Urban Quarter to create a focus on the transformation of the River Rea to create a unique waterside development, comprising parts of Digbeth, Southside, Cheapside and Highgate.

The public consultation on the draft SPD closed in July 2019.

The vision of the SPD is “...*through the creation of a series of distinctive neighbourhoods, the Rea Valley Urban Quarter will become a diverse and vibrant place to live, work and spend leisure time.*”

¹⁶ Smithfield Masterplan, Birmingham City Council. (2016).

https://www.birmingham.gov.uk/downloads/file/4439/birmingham_smithfield_masterplan

¹⁷ Rea Valley Urban Quarter, Draft Supplementary Planning Document, Birmingham City Council. (2019).

https://www.birminghambeheard.org.uk/economy/rea-valley-spd/supporting_documents/Rea%20Valley%20SPDMay19.pdf

With the River Rea at its heart, rich in biodiversity, promoting the health and wellbeing of residents and visitors alike. A variety of new and innovative housing types will attract a truly diverse community, which will benefit from a range of services and facilities and a dynamic mix of employment spaces”.

The northern section of the Rea Valley development area is adjacent to Digbeth High Street and where the public realm will be delivered. The public realm will help the Rea Valley area integrate with the wider Digbeth area and its adjacent developments through the creation of an attractive and unique walking environment with improved connections and desire lines.

Digbeth, Deritend and Bordesley High Streets Conservation Area (2009)¹⁸

This document has been produced in accordance with national guidance contained in PPG15: Planning and the Historic Environment (1994). This document sets out the basis for the development control process within the conservation area. A number of listed buildings are identified within the study area. The document states that:

“The Council is urged to build on this success and to focus on the distinctive ‘gritty’ character of the Digbeth area as a major asset in the creation of a diverse and vibrant city centre.”

Summary

The sections above demonstrate how the Digbeth High Street Public Realm scheme fits with and incorporates aspects of national, sub-regional and local policy and investment plans and strategies. In particular, the proposed Digbeth High Street Scheme aligns with the local policies which aim to reduce through traffic in the Digbeth area and encourage the use of road space by more sustainable modes of travel.

1.2.4 Links to other projects

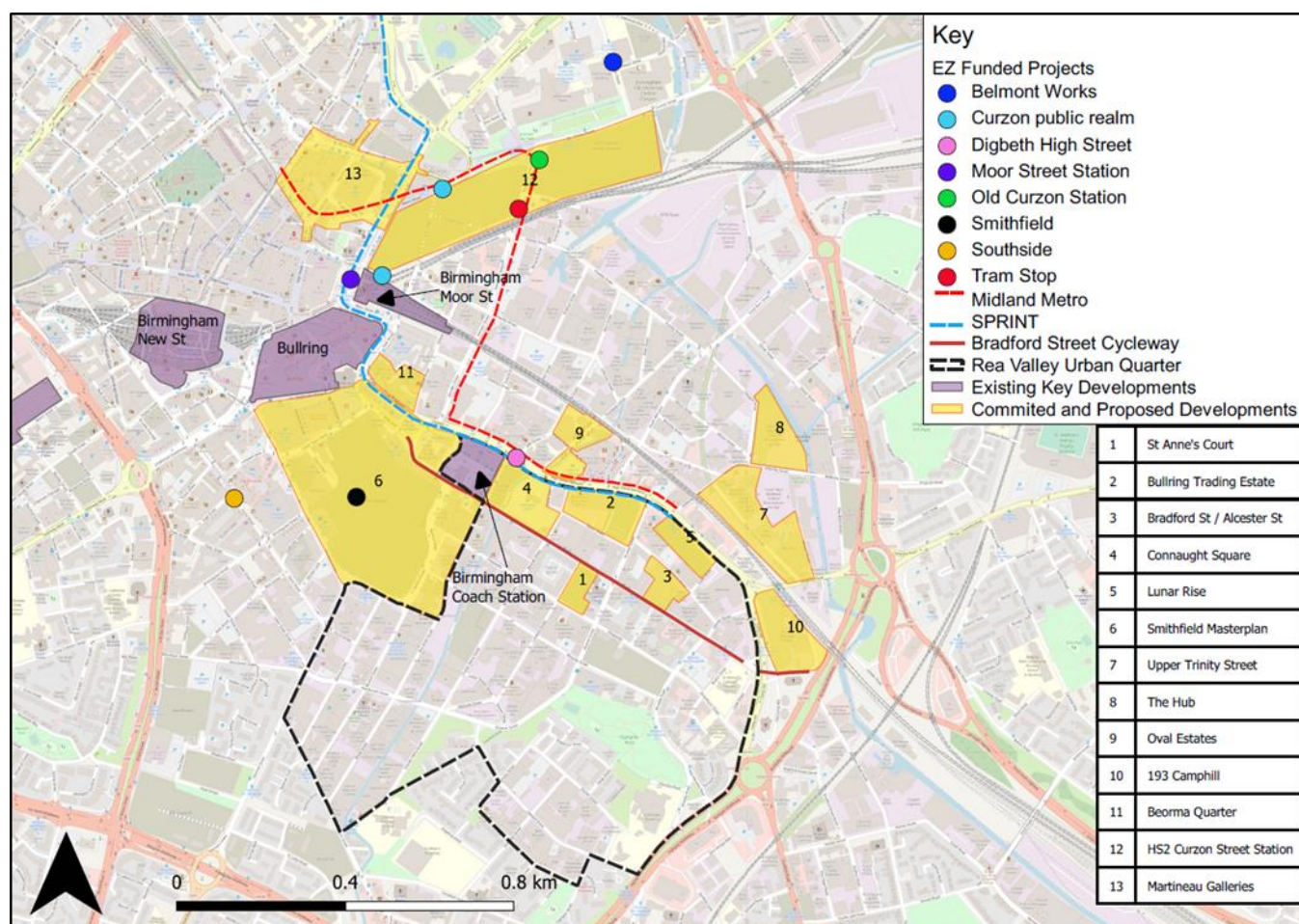
Does the project link with other GBSLEP, other LEP, WMCA or Local Authority supported projects? If so, how?

Other projects located close to the Digbeth High Street scheme area are identified within **Figure 3** and described in greater detail overleaf..

¹⁸ BCC, Digbeth, Deritend and Bordesley High Streets Conservation Area, 2009.

https://www.birmingham.gov.uk/downloads/download/226/digbeth_deritend_and_bordesley_high_streets

Figure 3: Digbeth High Street Local Development Context



Organisation	Map Ref	Project	Description
	1	St Anne's Court	St Anne's court is a committed 1.19-acre site which will deliver 170n residential units made up of one, two and three-bedroom apartments, a small number of exclusive penthouse suites, as well as a communal rooftop terrace. The development will contribute towards the wider delivery of the Rea Valley SPD.
	2	Bull Ring Trading Estate	The Bull Ring Trading estate is a proposed development that will deliver 7, 6 to 30 storey buildings providing 928 new residential apartments, 720 sq. m internal amenity space, 996 sq. m flexible amenity and retail /leisure floorspace. The public realm will help to integrate the development to other nearby developments and wider transport infrastructure.
	3	Bradford St/ Alcester St	This a committed development which will comprise of 130 residential units. The development street is situated on the junction of Bradford St/Alcester St and will contribute towards the wider delivery of the Rea Valley SPD.
	4	Connaught Square	Connaught Square is a committed development fronting onto Digbeth High Street. It will deliver 770 new apartments and over 42,000 sq. ft of commercial space. It will play a key role in the expansion of the city centre into Digbeth, providing high-specification housing, flexible business space and amenities.

			The public realm will help to integrate the development to other nearby developments and wider transport infrastructure.
Birmingham City Council	5	Lunar Rise	Lunar Rise is a 517 mixed 1 and 2 bedroom apartment development in Digbeth. The design comprises of 3 separate buildings with two 10 storey blocks facing Digbeth High Street. The project will include retail and commercial space at ground floor and create a new focal point for a re-animated street scene. Digbeth public realm will fully integrate with the Lunar Rise development, providing a better sense of place for new residents and better active travel connections to the city centre.
	6	Birmingham Smithfield Development	The Birmingham Smithfield development represents one of the largest city centre development sites in the country with more than £500m of investment. The improvements to the public realm and connectivity will provide direct walking links to the development and is compatible with the possibility of future Metro extensions to the development.
	7	Upper Trinity	The Upper Trinity development is proposed to deliver up to 1,000 new homes with a mix of private sale and build to rent apartments. It included 6,000 sq. m of mixed creative, retail, leisure and workspace as well as a proposed 133-bedroom hotel. The development will be situated on Upper Trinity Street, north of Digbeth High Street. The public realm project will help to integrate and connect the development with the city core and the wider Digbeth area.
	8	The Hub	The Hub is a proposed mixed-use development comprising of 800 residential units and 7,000 sq. m of commercial space including new retail, office and assembly space. It will be situated on the current National Express bus garage which will be vacated for a new purpose-built facility to house its next generation of electric vehicles.
	9	Oval Estates	Oval Real Estates have submitted a hybrid planning application for 42 acres of Digbeth that provides a framework and long-term vision for the area that is centred around the iconic Custard Factory. Up to 350,000 sq. m of commercial space and 1850 homes will be provided alongside shops, restaurant, cafés and additional leisure facilities, creating 16,000 new jobs.
	10	193 Camphill	The 193 Camphill redevelopment is a proposed development which aims to provide 480 homes, a hotel and flexible business / commercial floorspace of 1,480 sqm in 7 new blocks ranging from 3 to 26 storeys, together with car parking, landscaping and associated works.
	11	Beorma Quarter	Beorma Quarter is a proposed mixed use development comprising demolition and retention of some buildings and facades on Digbeth High Street and the construction of 3 new blocks including a 30 storey tower to provide retail, business space, residential apartments and live-work units. This development will integrate well with the Digbeth High Street public realm scheme as it is situated at the beginning of the high street. The Digbeth High Street Public Realm scheme will

			therefore help to facilitate the development of the Beorma Quarter and help accommodate the increased footfall it will bring.
	13	Martineau Galleries	The proposed redevelopment of Martineau Galleries will include the demolition of all buildings and structures within the existing site to accommodate a mixed-use development of up to 255,000 sq m of floorspace, including commercial, residential, retail, leisure and food beverages uses. The public realm project will help to improve BEE tram patronage which itself is already proposed to link to the Martineau Galleries site with a tram stop on Bull Street.
		Bradford Street Cycle Scheme	BCC are committed to include measures for cyclists as part of the transformation of Digbeth and to integrate with HS2 Curzon Street Station and the proposed new Smithfield development and the BEE Metro scheme. To achieve this, there will be a delivery of new cycle provision along Bradford Street which connects to existing cycle facilities as well as future facilities. This will run adjacent to parts of the Digbeth High Street Public Realm and will create an addition to the multi-modal offer the public realm and BEE scheme will bring.
		Rea Valley Urban Quarter	The Rea Valley Urban Quarter will capitalise on the growth that will be brought about the Birmingham Smithfield development. The vision is for well connected, liveable mixed-use neighbourhoods providing high quality residential environments alongside employment opportunities and amenities. The northern section of the quarter runs alongside Digbeth High Street and will therefore integrate with the wider Digbeth area through the public realm scheme.
HS2	12	HS2 / HS2 Curzon Street Station	To achieve the maximum regeneration benefits of HS2, full integration and connectivity to the new HS2 Curzon Street Station will be required. This will be facilitated through the Midland Metro BEE providing a direct connection to Digbeth. The public realm will facilitate better pedestrian access to BEE and, consequently, to HS2.
West Midlands Combined Authority		Midland Metro Birmingham Eastside Extension (BEE)	The BEE will be delivered simultaneously with this project. The public realm will provide better pedestrian access to the Midland Metro and will facilitate expected increase in footfall that BEE will deliver.
		SPRINT	SPRINT is a bus priority corridor that will link Walsall to Solihull and Birmingham Airport via Birmingham city centre, along the A34 and A45. SPRINT will support the region's economic growth and expanding population, and will combat congestion by offering reliable, connected and sustainable public transport. SPRINT directly integrates with the Digbeth High Street scheme as it will travel along the High Street and will be served by SPRINT stops at the public transport interchange

1.3 Project benefits

1.3.1 Logic model

Provide a logic model for how the desired change will be achieved through the outcomes and impacts of the project. A separate appendix including the model can be referred to.

Based upon the objectives of the scheme, a logic map has been prepared in support of this application and is presented in the Digbeth High Street Full Business Case – Monitoring and Evaluation Plan which is appended to this Business Case **Appendix S7**. The logic map outlines the objectives for the scheme and links inputs/outputs with the outcomes that can be derived from the scheme.

1.3.2 Evidence of what works

Confirm how the project draws on what has worked in the past or in other similar contexts.

The effect of public realm interventions can be considerable and is reflected by significant positive impacts on individuals, communities, local economies and land values. Using Jan Gehl measurement of human experience of place, the Place Making: The Value of the Public Realm report (CBRE, 2017) demonstrates the value of public realm interventions in financial terms, through the impact on land value, rents and capital values. The study identifies that public realm can generate an uplift in value by a “change of image”, “creation of a destination”, “versatility of public realm” and the stimulus a public realm can have “as part of a wider redevelopment project”. The paper argues that public realm intervention “dramatically improves the economic competitiveness of an urban area”.

Digbeth High Street Public Realm will create a better-quality environment that helps ensure that the BEE Midland Metro will be fully accessible for all users. The reallocation of road space to prioritise walking and the BEE associated with the scheme will improve safety, and the added openness of the public realm and increased footfall associated with the Digbeth High Street scheme will enhance the perception of safety and security.

Well-designed public realm provides a safe, spacious and attractive environment which provides a pleasant walking environment for pedestrians. Due to its strategic location alongside the BEE Midland Metro, the proposed Digbeth High Street Public Realm has the potential to be adapted for other uses such as street markets, events and pop up facilities. Digbeth already has an established scene of alternative pubs and bars, craft retail stores, and unique leisure facilities. The adaptation of the public realm to provide these uses would fit seamlessly with the identity into what Digbeth has now become known for.

The scheme will also result in creation of a high-quality multi-modal interchange along the section of Digbeth High Street by Digbeth Coach Station. Guidance produced by Campaign for Better Transport outlines ways that high quality interchanges can influence travel choices, facilitate easier access to networks and support new retail and housing development.

Transport for London’s Interchange Best Practice outlines four key best practice themes which include:

- **Efficiency** – Efficient movement of people and modes will help create an effective multi-modal interchange. Clear permeability through the interchange with clearly defined movements between services will help make an efficient interchange.
- **Usability** – Accessible design of the interchange that meets the requirements set out in the Equality Act 2010 for all users will help passenger’s perception of personal security making the

area more usable. Good quality lighting and CCTV will remove the perception of a hostile environment and increase the usability of the interchange.

- **Understanding** – Integrated wayfinding and real-time information of different modes along with good permeability through the interchange will help passenger's experience and quality of journey.
- **Quality** – Urban realm plays an important role in place-making and perception of safety. Creation of a high-quality interchange environment and the feeling of a sense of place for passengers arriving at the interchange for the first time will leave a lasting perception and experience.

1.3.3 Equality impact

Outline how the project would affect the social well-being of the relevant area and how it could be modified to further improve this. Attach a relevant assessment if conducted.

The Digbeth High Street Public Realm scheme will create a better-quality environment and will help to ensure that the BEE Midland Metro will be fully accessible for all users, including those with mobility impairments. It will be based upon best practice that is compliant with the 2010 Equality Act, meeting the requirements for mobility impaired users.

The public realm will help to reallocate roads space to pedestrians, including disadvantaged groups who do not have access to a private vehicle to be able to access employment, leisure and retail facilities at key sites within Birmingham city centre as well as potentially further afield by connecting to strategic transport hubs such as HS2 Curzon Street and Birmingham New Street.

The revised public realm provides wider pedestrian areas without street furniture or clutter to disrupt movement. Crossing points are laid out with tactile paving and are designed to be suitable for all users. The combination of the wider paved areas, reduction in traffic flow, and modern layout without clutter will make it easier for all users to navigate and move through the area.

The Environmental Impact Assessment for the BEE route considered the socio-economic impact of BEE¹⁹. The impact of construction and operation of BEE were considered along the entire route of BEE.

No long-term impacts of construction were identified for Digbeth High Street. Short-term impacts were noted as:

- Disruption to business resources along High Street Deritend: Negligible effect, not significant
- Temporary land take due to Adderley Street construction compound: Moderate adverse effect. Significant

Long-term impacts of operation for Digbeth High Street were noted as:

- Support for economic development / regeneration of Digbeth and Eastside: Major beneficial effect. Significant
- Improved accessibility through reduced journey times: Major beneficial effect. Significant.

The EIA also noted cumulative benefits through increased economic activity at Beorma Quarter and Smithfield.

1.3.4 Environmental impact

¹⁹ https://www.metroalliance.co.uk/wp-content/uploads/2016/10/Volume-1-Main-Statement-Final.pdf.pagespeed.ce.spZII_uYIQ.pdf

Outline what impact the project will have on the environment. If an Environmental Impact Assessment has been undertaken, append it and summarise the proposed risks, issues and mitigation measures here. Describe the metrics and measures included in the design and operation in order to reduce carbon emissions or other environmental safeguards.

As part of the Transport and Works Act Order (TWAO) process for Birmingham Eastside Extension, an Environmental Impact Assessment (EIA)²⁰ was carried out to identify the likely significant environmental effects (both adverse and beneficial) of BEE during both the construction and operation phases. An EIA or the Reference Case was been carried out based on the legislative requirements set out in the European Union EIA Directive 85/337/EEC and the Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006 first in 2016 and then updated post the submission of the TWAO application in 2017. **Appendix S8** shows the summary of environmental impacts included in the EIA.

In conclusion no significantly adverse effects related to BEE operation in the section of Digbeth High Street were forecast other than:

- Land Use and Land Take - Corner of Meriden Street and High Street Deritend (1578m²); and
- Noise and Vibrations - Indirect noise impacts due to changes in road traffic noise affecting dwellings and other sensitive receptors. In the short term, this applies to 55 receptors during the daytime and 39 at night. In the long-term, this applies to 413 receptors during the daytime and 43 receptors at night. Please note that this was assessed for the entire proposed BEE route and less than a third of it forms the Digbeth High Street section of BEE.

All other effects covered within the EIA were assessed to have either no adverse significant effect; or moderate to major beneficial significant effect.

EIA formed the evidence base for the Public Inquiry and the TWAO order and deemed Planning Permission signed by the Secretary of State on 15th January 2020.

Subsequent to the EIA update in 2017, the Reference Case has been evolved to include Digbeth High Street Public Realm proposals including the introduction of Bus Gate, developing Digbeth High Street as a high-quality public transport corridor and enhanced urban realm in the area. This will further result in the transformation of Birmingham City Centre by contributing to reducing car use inside the Inner Ring Road, in line with BCC's transport policies.

1.4 Constraints and dependencies

1.4.1 Constraints and barriers to change

The public realm will be delivered alongside the construction of the BEE scheme. Project delivery will be dependent on the timescales of construction of the BEE Midland Metro. The BEE scheme is fully approved and funded and will be commencing construction in April 20201.

The delivery of BEE has an interdependency with the delivery of HS2, particularly HS2 Curzon Street Station. A phased delivery of BEE has therefore been agreed between partners, with the Digbeth High Street Public Realm works and section 1 (Bull Street to Moor Street Queensway section) programmed to

²⁰ <https://www.metroalliance.co.uk/wp-content/uploads/2017/10/BEE-A13-5-Update-to-Environmental-Statement.pdf.pagespeed.ce.R038TWJ8jq.pdf>

be delivered by 2022 ahead of the Commonwealth Games, with the remainder of the route to be completed in line with the HS2 construction schedule.

Based on this, the public realm project is strongly supported by the local government and its partners. The Commonwealth Games provides an extremely strong impetus to deliver the project within time and budget. All parties are committed to delivering the scheme and there are no further barriers once the final approvals and funding agreements are in place.

1.4.2 Dependencies

Confirm how the project's success depends on factors outside its control, be that internal to the organisation, across implementing partners or in the external environment.

There are several dependencies that are required to be completed for the scheme to be implemented and gain the proposed benefits:

- Continued delivery of BEE subject to any changes in the delivery schedule of HS2;
- Agreement of the finalised public realm design and its affects, if any, on delivery timescales;
- Approval of the FBC by the GBSLEP and ratified by BCC;
- Delivery Agreement with WMCA with appropriate risk allocation and change management; and,
- Impacts on construction activity due to restrictions as a result of public health issues, such as the Covid-19 pandemic

Midland Metro Alliance, West Midlands Combined Authority and Birmingham City Council are continuing to work collaboratively on delivering the committed BEE scheme along with the integrated Digbeth High Street Public Realm.

1.4.3 If there are specific constraints on the project's start / end dates, please state these below

	Date	Details
Project cannot start before	April 2021	Funding via GBSLEP grant to be confirmed and ratified by BCC
Project must be completed by	2022	Elements of the BEE will need to be completed by the Commonwealth Games in 2022. This includes the integrated Digbeth High Street Public Realm project.

2. Economic Case

The Economic Case assesses options considered to identify all their potential impacts – both beneficial and adverse – and summarises the resulting value for money. The level of appraisal included will be determined based on the project type. This Case considers impacts on the economy, environment and society using monetised information, qualitative and quantitative assessment. At OBC it is expected that the Economic Case will be 75% complete. The FBC will therefore revisit and update the Economic Case in relation to the shortlisted options and based on finalised scope and target costs of the preferred option to be delivered subject to approval of the business case.

2.1 Critical success factors

*Explain what criteria have been used for selecting the option that would achieve project objectives. A sample list of critical success factors is included in **Appendix 1**; add more project-specific factors as required.*

The Critical Success Factors for the project remain the same as identified in the Outline Business Case. These are as below:

CSF1 - Regeneration: The scheme must support the regeneration of the Digbeth area, creating an identity that supports the existing creative arts and heritage and unlocks local growth to maximise the potential of the Curzon area improvement and the impact of HS2.

CSF2 - Acceptability: The scheme design must improve the pedestrian facilities of Digbeth High Street, reducing current severance levels, and should transform it into a sustainable transport corridor connecting with the city core.

CSF3- Value for Money: The scheme should deliver a favourable Benefit Cost Ratio and represent value for money.

CSF4 - Deliverability: The scheme must be delivered in line with the project programme, to guarantee completion in advance of the 2022 Commonwealth Games.

2.2 Options appraisal – longlist

2.2.1 Longlist of options

*Use **Appendix 2** to list a wide range of possible ways (options) that have been considered for delivering project objectives (an alternative template can be used providing it satisfies this as minimum criteria). The longlist should reflect a range of solutions in terms of size, scope, location, costs, outputs and outcomes, and include the “do nothing / do minimum” and “do maximum” options. Describe each option’s advantages and disadvantages in terms of project’s critical success factors.*

The identification, sifting and shortlisting of options for this scheme was the subject of a rigorous design process supported by stakeholder consultation and stakeholder workshops to discuss the options. A detailed report of this process is included as **Appendix S5**.

This first stage of this process was a stakeholder workshop with attendees drawn from a range of stakeholders affected by the scheme:

- Operators: National Express, TfWM bus operations, Tram operations

- Local Authority: Highways, planning, project development, transportation planning
- Business including Zellig, Oval and Seven Capital

The options were considered in three sequences: Moor Street to Meriden Street, Meriden Street to Adderley Street, and Adderley Street to Coventry Road. The BEE Metro route runs in the second of these sequences, from Meriden Street to Adderley Street. The two sequences either side are considered and included in the design to ensure a coherent road layout in the area.

Proposals have been considered from two perspectives – Urban Realm and traffic circulation. The options considered, and the results of the analysis are outlined below.

Urban realm

Options were considered for each sequence.

Sequence 1: Moor Street to Meriden Street

This sequence is currently dominated by the gyratory system. Three options were considered:

- Option 1 – Pedestrianise the south section of the gyratory (Moat Lane)
- Option 2 – Pedestrianise the north section of the gyratory (B4100)
- Option 3 – Retain the north section of the gyratory for two-way general traffic, and the south section of the gyratory for two-way public transport (buses and taxis)

In discussions with the stakeholders, Option 1 was taken forward for further consideration. The primary reason for this was to integrate this section with the proposed Smithfield Development. The Smithfield Masterplan redefines the road network in the area resulting in removal of Moat Lane for use vehicular traffic.

Sequence 2: Meriden Street to Adderley Street

Again, three options were developed

- Option 1 – Central tram alignment, similar to TWAO scheme but with single traffic lane in each direction and widened pavements
- Option 2 – Northern tram alignment incorporated in a public realm northern boulevard, and single traffic lane in each direction
- Option 3 – Southern tram alignment with northern public realm boulevard, and single traffic lane in each direction

All three options were taken forward for further consideration.

Sequence 3: Adderley Street to Coventry Road

Three options were proposed to tie in with the three options considered for Sequence 2

- Central green axis with single traffic lanes in each direction and widened pavements
- Widened northern pavement and public realm with single traffic lanes in each direction and southern green public open space
- Widened southern pavement with single traffic lanes in each direction with northern green public open space

All three options were taken forward for further consideration.

Traffic circulation

Seven options were considered, as outlined below. Further details are included in **Appendix S5**.

- Option 1: Tram only on Digbeth High Street. All vehicles use Bradford Street
- Option 2: Upgrade existing facilities on Digbeth High Street
- Option 3: TWAO reference scheme; 2 traffic lanes in each direction
- Option 4: Public transport only on Digbeth High Street
- Option 5: Bus priority on Bradford Street
- Option 6a: Digbeth High Street / Bradford Street gyratory (clockwise)
- Option 6b: Digbeth High Street / Bradford Street gyratory (anti-clockwise)

Options 1, 2 and 3 were discarded as not meeting stakeholder requirements for Digbeth High Street with the remaining 4 options taken forward.

2.2.2 Options shortlisting

Describe the process and methodology of shortlisting the options, providing a clear justification for why the discarded options were ruled out. Include who was involved in this process and how the decision was endorsed.

The identification, sifting and shortlisting of options for this scheme was the subject of a rigorous design process supported by stakeholder consultation and stakeholder workshops to discuss the options. A detailed report of this process is included as **Appendix S5**.

Following the initial workshop, which produced the outputs discussed in section 2.2.1 above, a second workshop was held with a smaller stakeholder group of operator and local authority attendees to score and shortlist the options.

This workshop considered three urban realm carriageway layouts and the four traffic circulation proposals selected in the longlisting process.

Urban realm layouts:

- Northern promenade with integrated tramway
- Central promenade (similar to TWAO layout)
- Northern promenade with southern tramway
- Traffic circulation layouts: Public transport corridor
- Bus priority
- Gyratory (clockwise)
- Gyratory (anticlockwise)

These options were combined into 10 potential schemes and subjected to a scoring process using the following criteria. Scores for each option were weighted across the seven categories according to the weights shown in brackets:

- Strategic Fit (20%)
- Impact on Urban Realm (20%)
- Impact on Transport Network Users (20%)
- Impact on businesses and residents (12.5%)
- Acceptability (12.5%)
- Deliverability (7.5%)
- Environmental Impact (7.5%)

The options considered were developed from the shortlisted options and are summarised below, with more information included in **Appendix S5**.

Urban Realm

	Option 1: Central Promenade	Option 2: North promenade with integrated tramway	Option 3: North promenade with southern tramway
Sequence 1: Moor Street to Meriden Street	2-way traffic on Digbeth High Street. Moat Lane pedestrianised.	2-way traffic on Digbeth High Street. Moat Lane pedestrianised.	2-way traffic on Digbeth High Street. Moat Lane pedestrianised.
Sequence 2: Meriden Street to Adderley Street	Central tramway, widened pavements for pedestrians	Widened northern pavement adjacent to tramway	Widened northern pavement with tramway on southern side
Sequence 3: Adderley Street to Coventry Road	Central pedestrian space with widened pavements	Northern public space, widened southern pavement	Widened northern pavement with landscaped southern promenade
Principal advantage	Creation of dedicated central pedestrian promenade integrated with tramway	Creation of high level urban open space linked with principal cultural and economic activities	Strong urban realm connection between city core and Digbeth's surrounding regeneration areas. Both sides of the High Street benefits from pedestrian friendly spaces linked to economic and cultural activities. Strong intermodal connection with National Express Coach Station.
Principal disadvantage	Promenade not wide enough for pedestrian circulation around tram stop High level of pedestrian crossings across carriageway. Risk that pedestrians not linked to economic and cultural activities along High Street	Development and activity encouraged on northern side of High Street, potentially at the expense of the southern side. Tramway frequently needs to be crossed by vehicular access to car parks and premises. Design does not optimise the potential intermodal connectivity by linking to National Express Coach Station.	Significant changes to property access routes and arrangements

All options have one lane for general traffic in each direction.

Traffic circulation

	Digbeth High Street/Moat Lane	High Street Deritend	Bradford Street
Option 1: Public Transport (PT) corridor on Digbeth High Street	2-way traffic on Digbeth High Street. Moat Lane pedestrianised.	One lane in each direction. Bus gate between Floodgate Street and Gibb Street (eastbound) and Chapel House Street and the Digbeth High Street/Meriden Street junction (westbound)	No changes from present
Option 2: Bus priority on Bradford Street	2-way traffic on Digbeth High Street. Moat Lane pedestrianised.	One lane in each direction, some turning movements prohibited.	Bus lane in either direction, one traffic lane eastbound. Parking provision removed.
Option 3a: Clockwise gyratory	2-way traffic on Digbeth High Street. Moat Lane pedestrianised.	Outbound (eastbound) traffic only	Inbound (westbound) traffic only. Potential to retain parking.
Option 3b: Anti-clockwise gyratory	2-way traffic on Digbeth High Street. Moat Lane pedestrianised.	Inbound (westbound) traffic only	Outbound (eastbound) traffic only. Potential to retain parking.

The scores are given in **Figure 4** below. Urban Realm Option 1, the Central Promenade, is incompatible with the gyratory traffic proposals and so was not scored when combined with these options.

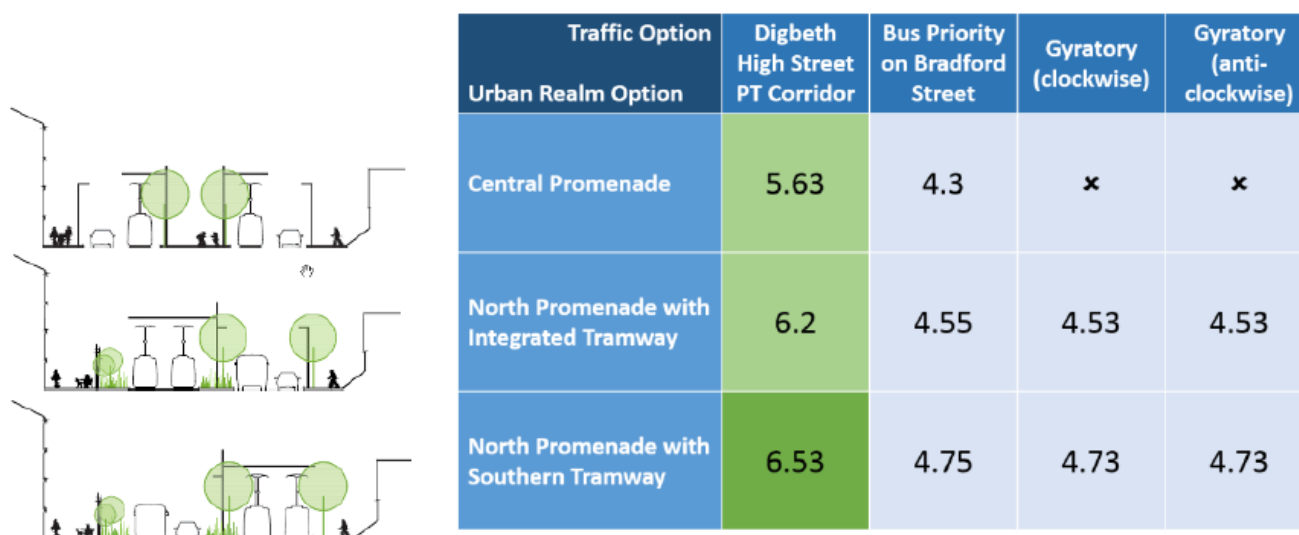


Figure 4: Overview of shortlisted options and workshop scores

The scores in **Figure 4** show that the Digbeth High Street PT corridor is the preferred Traffic Circulation Option, and scores highest with the southern tramway Urban Realm Option. The carriageway layout for this option is illustrated in **Figure 5** below with the traffic circulation layout shown in **Figure 6**

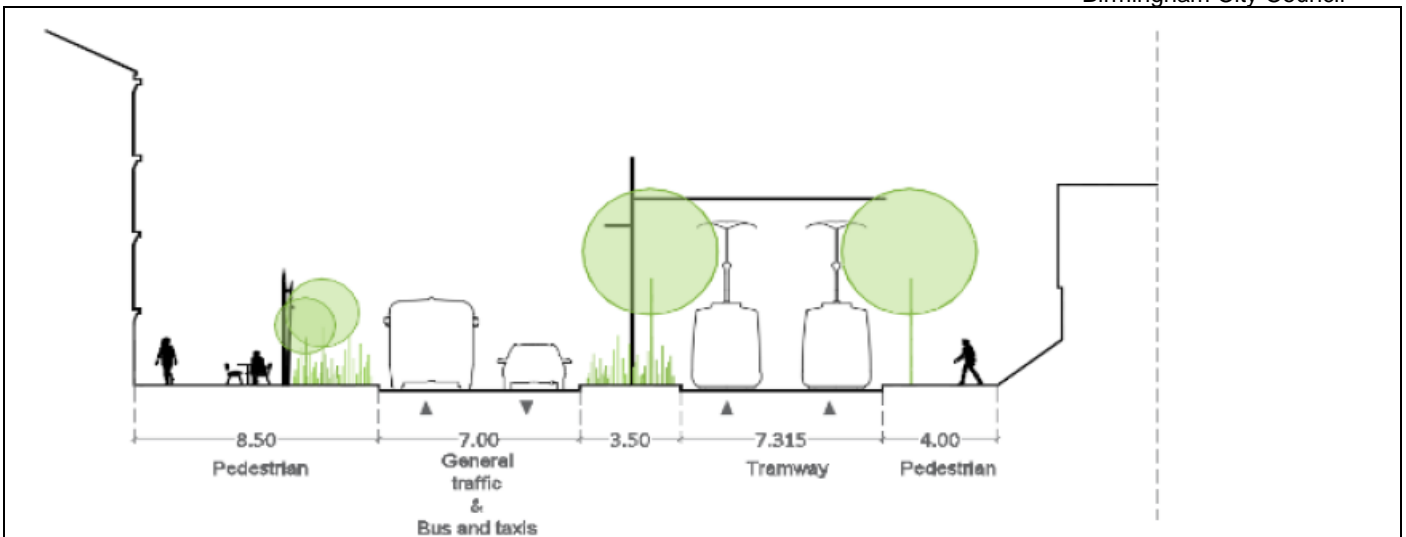


Figure 5:: Carriageway layout of preferred option

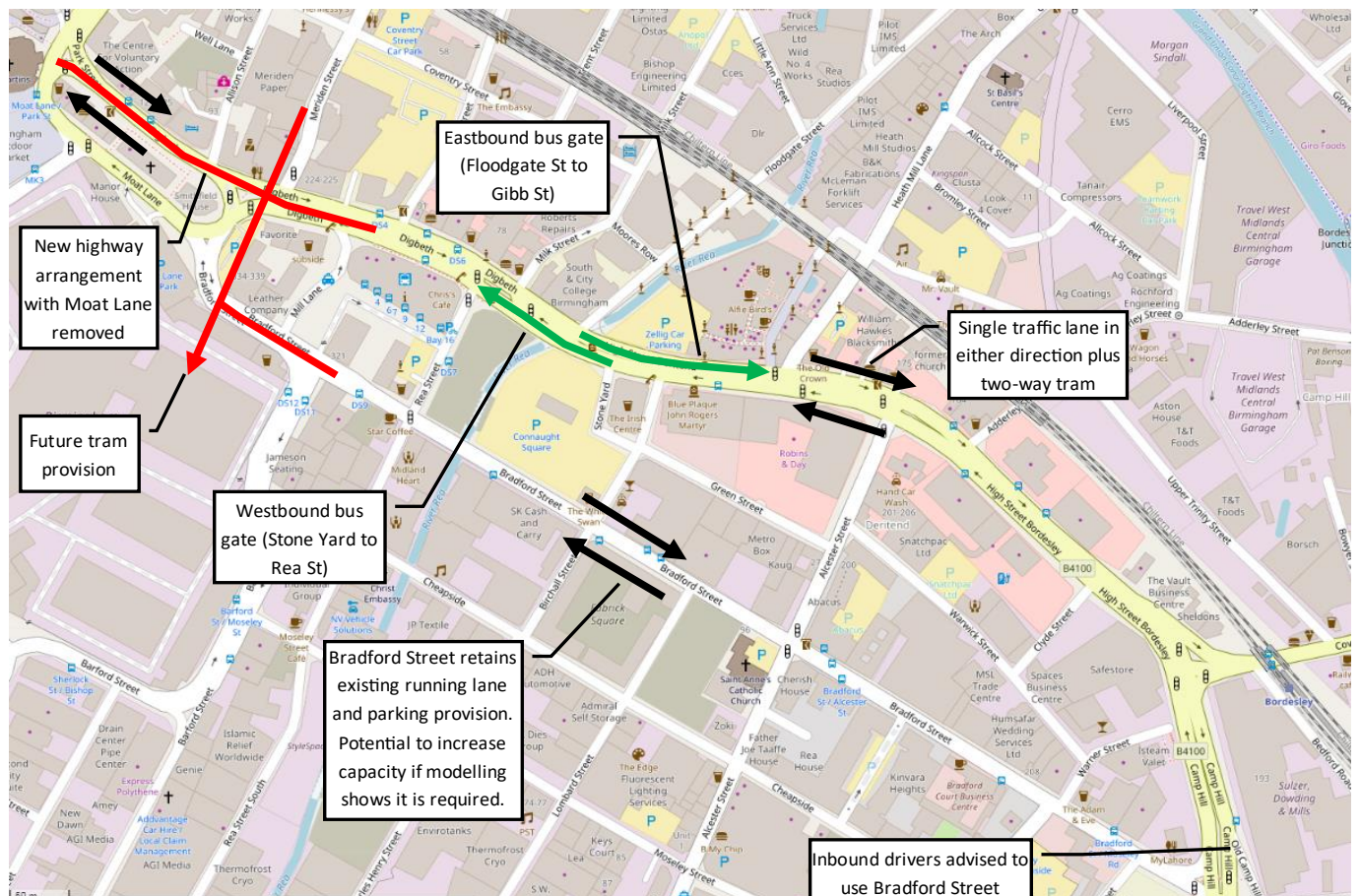


Figure 6: Traffic circulation layout of preferred option

The choice of the preferred option was confirmed through a further stakeholder workshop involving the wider stakeholder group involved in the initial option identification stage.

Two additional stakeholder engagement events were held to confirm the fine details of the preferred option prior to detailed design:

- More detailed engagement with key businesses in the area including Oval, Zellig, Irish Centre, Hammersons

- Multi-Modal interchange workshop to work out the details around the interchange between tram, sprint and the coach station.

2.3 Options appraisal – short list

2.3.1 Cost-benefit analysis

Provide a cost-benefit analysis for each shortlisted option, ensuring that:

- *both capital and operating costs are included;*
- *these costs cover the entire benefit realisation period;*
- *appropriate discounting techniques are applied; and*
- *optimism bias is shown in the calculation of both costs and benefits.*

Appendix 3 provides a template to detail the cost-benefit analysis (CBA) of shortlisted options. Alternative templates that satisfy this as minimum criteria can be used.

The analysis must follow the standard appraisal practice for the type of intervention, such as DfT or MHCLG.

The project modifies the existing Birmingham Eastside Metro Extension (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, and therefore acts as the **reference case** for the economic assessment. This is a change from the OBC, where the current situation was used as the reference case, as at that point BEE had not been fully approved and funded.

From the stakeholder sifting workshop, it was clear that the options with the PT corridor performed the best against the criteria set for the scheme. There were three potential tramway alignment options that could be used, which were considered in the stakeholder workshop process. A summary of the comments from the stakeholder workshop is given in **Appendix E1** and summarised below.

Central alignment – doesn't 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.

Northern 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

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

As covered in the OBC, the costs and benefits between the options were similar meaning the utility of using a quantified economic appraisal as a tool to differentiate between the options was considered limited and therefore a broader approach to justifying the preferred option was considered more appropriate. The Southern alignment was chosen as the preferred option as it has the best score in the sifting workshop. This option provides the opportunity to create a high-quality public transport corridor, including a multi-modal interchange, and avoids some additional demolition. It is also a favourable option with regards to impacts on access and servicing due to fewer side roads.

This business case considers the preferred option – southern tram alignment and northern pedestrian boulevard, with a PT corridor on Digbeth High Street – against the TWAO scheme. It should be noted that the TWAO scheme was discarded at the sifting stage in the stakeholder process, as it fails to meet

current stakeholder requirements. However, if the preferred scheme is unable to move forward, the TWAO scheme remains the funded and authorised scheme to be delivered.

The latest cost estimates for the scheme, drawing on the latest design and showing the additional costs compared to the TWAO scheme, are discussed in section 2.4.2 below and in the Financial Case section of this Business Case.

The additional capital cost of the scheme over and above the TWAO scheme, as requested in grant from GBSLEP, is £15.720m. This sum reflects the costs of the additional works described in this business case.

In terms of monetizable benefits, the three schemes are also similar. However, the southern alignment provides the best opportunity to maximise the public realm benefits, which are the primary outputs of the scheme.

All three options provide similar traffic benefits, with the southern alignment having a slightly improved public transport provision through the multi-modal interchange.

The calculated benefits for the southern alignment scheme, discounted in line with TAG guidance, are £40.8m. The discounted cost for the scheme is £11.16m. This gives a BCR of 3.66.

As all three options have similar costs and benefits, the BCR for other options would not vary by a large amount and would all fall in the High Value for Money category according to DfT guidance²¹. The preferred scheme's public realm proposals for the three sequences of Digbeth High Street are shown in **Figure 7**, **Figure 8** and **Figure 9** below:

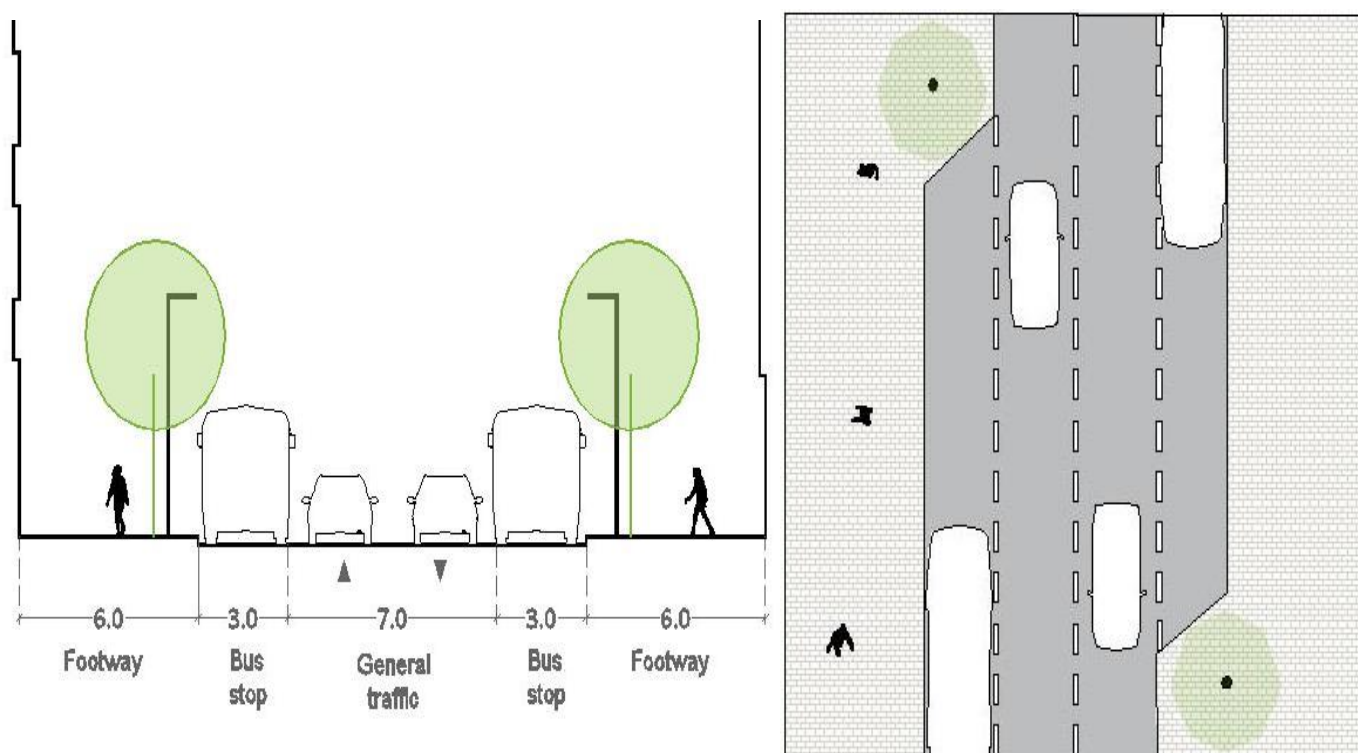


Figure 7: Sequence 1: Park Street – Meriden Street layout

²¹ <https://www.gov.uk/government/publications/dft-value-for-money-framework>

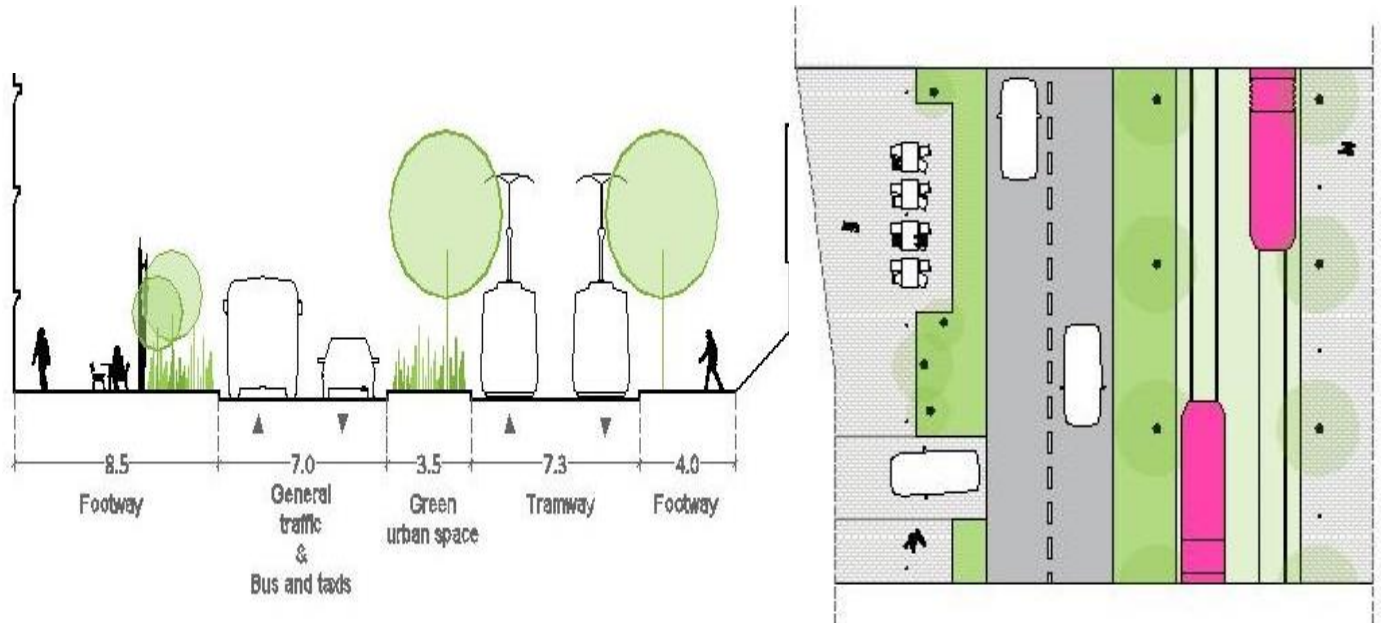


Figure 8: Sequence 2: Meriden Street – Adderley Street layout

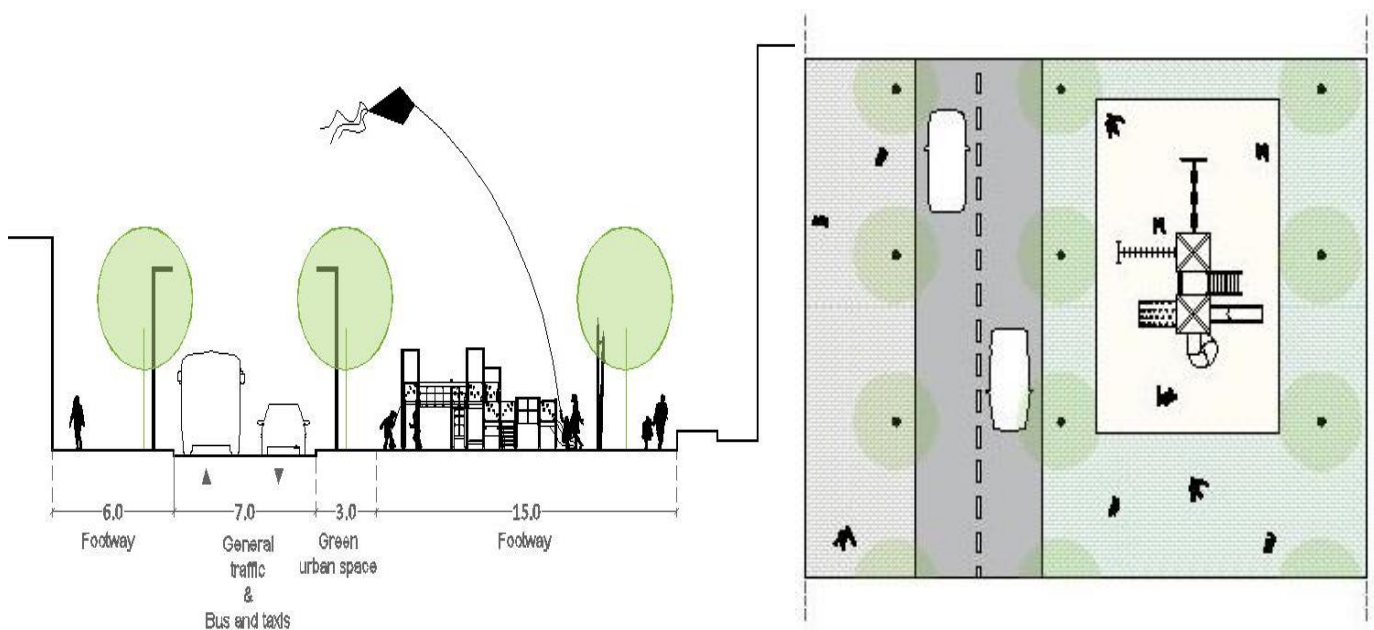


Figure 9: Sequence 3: East of Adderley Street layout

2.3.2 Assumptions

Describe assumptions underpinning the above analysis, including the rationale for the proposed benefit realisation period, optimism bias and any contingency.

Key assumptions in the above analysis are:

- Traffic impacts of the schemes are similar, with the reduction in available traffic lanes compared to the TWAO scheme (2 to 1 in each direction) not causing additional congestion in the light of wider changes to the city centre transport network
- Construction costs between the options are similar, but greater than the TWAO scheme
- Pedestrian flows unchanged from surveys

Appraisal assumptions are

- Realisation period of 60 years
- Optimism bias at 3%
- Risk Allowance included in the costs using a contingency allowance of 15%.

The detailed assumptions for appraisal inputs remain unchanged from the OBC, other than the change in reference case, and are explained below for completeness

Pedestrian flows

The number of pedestrians using Digbeth High Street for the appraisal period has been estimated using the following three sources:

1. Current pedestrian demand: from pedestrian surveys undertaken on Thursday 28/11/19 and Saturday 20/11/19;
2. Pedestrian demand generated by future residential and commercial developments in the scheme area; and
3. Scheme induced pedestrian flows: pedestrian demand that would be attracted by the scheme.

Current demand

Pedestrian and cycle surveys took place on Thursday 28/11/2019 and Saturday 30/11/2019 from 07:00 to 22:00 to reflect pedestrian and cycling traffic conditions along Digbeth High Street during a neutral weekday and Saturday. The surveys collected data at four locations on the High Street and captured pedestrian movements both longitudinal (along the High Street) and transversal (crossing the High Street).

For the calculation of pedestrian demand, the weekday (Thursday 28/11) counts were used. Annualisation factors to convert them from daily to annual pedestrian flows are included in Transport for London's (TfL) ABC calculator therefore only weekday data was used for the core assessment. Further details of the ABC tool are included in section 2.4.2 below.

The total daily counts on Saturday 30/11 were significantly higher than those on Thursday 28/11, ranging from +80% to +150% depending on the site. The main reason for this was the football match played during the afternoon at St Andrew's, home to Birmingham City FC, located to the east of Digbeth High Street.

While it is difficult to determine whether on non-match weekend days the pedestrian flows are higher or lower than weekdays, it is considered that the approach taken provides a conservative approach to pedestrian benefits. The annualisation factors used are lower than 365, therefore implying that weekend flows are lower than weekday flows on average. However, this does not allow for the increased pedestrian flows on days with a home football match. Therefore, these benefits are not captured in this approach.

Development-related demand

It was assumed that the Reference Case pedestrian demand for Digbeth High Street would be a combination of the existing demand, as surveyed in November 2019, and additional demand generated by the planned developments to be completed in the surrounding area. Information regarding these developments (land uses, location and planning status) was provided by Birmingham City Council.

Trip generation rates were obtained from TRICS v7.6.3, a UK-wide database, to estimate the daily number of pedestrian trips that these developments would generate when complete, based on the

number of residential units and the commercial floorspace. Given the specificity of the trip rates in the TRICS database, the following assumptions were made for each land use:

- Residential: 100% flats privately owned
- Commercial: 65% offices, 15% local shops, 10% convenience store, 10% pub/restaurant

Once the total number of daily pedestrian trips were estimated for each development, a second assumption was made to estimate the proportion of those trips that would use Digbeth High Street and therefore would benefit from the public realm scheme. These proportions took into account whether the development was located on the High Street, and the distance to it, and ranged from 5% to 100%.

The last assumption regarding development-related pedestrian demand involves the delivery schedule for these developments. After consulting with BCC, 2027 was used as the horizon year with 100% of the planned developments and their walking trips, in place. A linear interpolation was applied between the base year (2019) and the horizon year (2027) to calculate the development-induced pedestrian trips for the 2022 opening year.

The development-related pedestrian flows were added to the 2019 survey flows to obtain the reference case pedestrian flows in Digbeth High Street.

Scheme induced pedestrian flows

It is assumed that the public realm improvements to Digbeth High Street will considerably reduce severance for pedestrians and will substantially increase the attractiveness of the street as a route. This would mean an increased footfall, as pedestrians currently avoiding Digbeth High Street and using alternative routes could use the improved facilities.

While this seems reasonable to assume, the quantification of this additional pedestrian volume directly caused by the improvements in the scheme may be challenging. A conservative assumption of zero scheme-induced demand has been used.

Willingness to pay

The willingness to pay values used for the ABC assessment are those provided by the ABC spreadsheet, which are in 2014 prices and values.

However, as this is a TfL tool the willingness to pay values have been calculated for London. In order to adapt this tool to the local context of the scheme, an assumption has been made to adjust the values for Birmingham. This simple assumption applies a reduction factor to the London willingness to pay figures based on the relation between median hourly pay in London and Birmingham. Using official statistical data from the Annual Survey of Hours and Earnings (Office for National Statistics, 2018) this factor has been calculated as 0.74. This means that the willingness to pay values that have been applied are 74% of the default values in the TfL tool.

The willingness to pay values used for the UCL severance assessment are provided by the UCL tool and are based on surveys undertaken in London in 2017. Following the same approach as for the ABC tool calculations, the reduction factor of 0.74 was also applied for this assessment to adjust it to the local context of the scheme. Further details of the UCL tool are in section 2.4.3 below.

2.3.3 Qualitative benefits

Describe qualitative benefits of each shortlisted option, including impact on social value. What evidence is available that these benefits will be realised?

The primary unquantified benefit is the contribution to the wider vision of regeneration and use of public space throughout Birmingham city centre. Whilst the BEE scheme on its own makes a significant contribution to this vision, the additional public realm and public transport benefits offered through this scheme further adds to the benefits.

This could give rise to significant wider economic benefits through the regeneration of the High Street and the wider Eastside. The improvement to the public realm and pedestrian and public transport facilities, together with the change in character of the area, could increase footfall in the area and act as a catalyst for further investment and local business activity.

Construction of the BEE provides a one-off opportunity to significantly contribute to the urban environment along Digbeth High Street. The Southern alignment option provides the maximum contribution to stakeholder expectations from the scheme and makes the maximum contribution to the vision of BCC to transform Birmingham city centre.

The scheme could also have additional impacts which could be monetised following DfT's TAG guidance if the data was available:

- Mode shift to public transport providing additional fare income
- Mode shift to active modes (walking and cycling) providing health benefits
- Air quality and greenhouse gases
- Accidents, as a result of improved pedestrian facilities improving safety conditions on Digbeth High Street, reducing the risk of accidents and their potential severity. This benefit would be additional to the reduction in accident rates expected as traffic volumes reduce

2.3.4 Digital Infrastructure

Demonstrate how you have evaluated the potential positive or negative impact of new technology (5G/digital) on the short, medium, and long-term benefits of the project.

The project is for the provision of public realm and street furniture. Birmingham already has 5G, and it is expected that usage of this technology will grow and evolve in time. However, it is not anticipated that 5G or other new technology will have a significant impact on how pedestrians perceive their walking environment. Therefore, it is considered that there will be no impact from new technology on the benefits from this scheme.

2.4 Options appraisal – preferred option

2.4.1 Scope of work

Provide a description of the preferred option in terms of what it will deliver, over what time period, and what the output acceptance criteria will be.

The scheme explained in this business case is for the amendment of the Birmingham Eastside Extension (BEE) tram route along Digbeth High Street from Meriden Street to its terminus at High Street Deritend. As originally planned, and authorised in the TWAO, the tram alignment runs through a widened central reservation, leaving two lanes of traffic on either side.

The proposed scheme moves the tram alignment to the southern side of the carriageway, which then permits the introduction of the following related public realm and traffic management features:

- Façade to façade public realm treatment;
- Enhanced public realm in the wide public space on the northern side of the carriageway;
- One lane of traffic retained in each direction;

- Wider public space on both northern and southern sides of the carriageway;
- Improved street furniture;
- Traffic management on side roads; and
- Digbeth High Street multi-modal interchange.

Alongside the realignment of the tram tracks and improvements to public realm, it is proposed to alter the highway use of Digbeth High Street, making it into a public transport priority corridor, changing junction access arrangements and removing through traffic. This is achieved through the introduction of a bus gate along Digbeth High Street.

In addition to the wider public space and enhanced public realm, pedestrians would benefit from only having two lanes of traffic to cross, down from four in the TWAO scheme. The realignment of the tram track means that pedestrian crossings can cross both lanes of traffic at once, rather than the staggered double crossings that are required in the TWAO scheme with the central tram alignment. The removal of through traffic will make this crossing significantly easier to achieve.

In addition to the outputs of the scheme, additional work is required as a result of moving the tram alignment from the centre of the carriageway to the southern side, including the moving of utilities and tie-ins with the highway at both ends of the scheme.

The combined effect of the realignment, transport changes and public realm will be to create a welcoming and pleasant place for people movement, contributing to Digbeth's arts, creative and cultural activities.

2.4.2 Value for money

Explain how your preferred option represents value for money, referencing the Net Present Value (NPV) and Benefit Cost Ratio (BCR) measures. If the preferred option is not the one with highest BCR, explain how unquantified benefits justify the cost.

The appraisal process quantified the main impacts of the scheme. This included pedestrian benefits and highway assessment. The process used here is the same as in the OBC, with updates to benefits and costs as a result of the further design and scheme definition work undertaken since the OBC was submitted.

Pedestrian benefits

The scheme benefits to pedestrians have been assessed using Transport for London's Ambience Benefits Calculator (ABC). The calculation is based on the willingness of users to pay for improved facilities.

The ABC tool assigns a value to different improvements of the public realm, such as crossing facilities, pavement widths, street security and signage. The value difference between the reference case and the scheme option is then multiplied by the number of users to estimate the total benefit of the scheme.

The ABC tool is included in TfL's Business Case Development Manual (BCDM) for estimating the user benefits accruing from public realm improvements, contributing to the ambience or journey quality, as defined in TAG.

For this assessment, a series of parameters have been selected from the available attributes in the ABC tool, based on the impacts that the scheme will have on the journey quality for pedestrians. The attributes used for the estimation of benefits are:

- Road speed limit;
- Directness of signalised ('green man') crossings;
- Proximity of signalised ('green man') crossings;
- Availability of dedicated crossing facilities;
- Pavement clutter;
- Graffiti and fly-posting;
- Value of entirely traffic free route;
- Seating; and
- Planting and public art.

These attributes have been assessed comparing the Reference Case (TWAO scheme) and Do Something scenario (preferred option including the public realm improvements). Some attributes apply to continuous sections of the street, while others apply to specific locations, such as the crossing facilities.

For the assessment of attributes applying to continuous sections, Digbeth High Street has been divided into three sections:

- Section A: Meriden Street to Rea Street
- Section B: Rea Street to Alcester Street
- Section C: Alcester Street to Coventry Road

The ABC tool applies a willingness to pay value for each of the qualitative scores of the attributes. The difference in value between the Reference Case and the Do Something scenario, together with the number of pedestrians benefiting from the improvement is used to calculate the monetary value of the benefit.

Assumptions have been made regarding the adaptation of the willingness to pay values to the local context (noting that average incomes and hence willingness to pay values are higher, on average, in London than in Birmingham). Using the Annual Survey of Hours and Earnings published by the Office for National Statistics, the median hourly pay in Birmingham is 74% of that in London. Therefore, the willingness to pay values used have been factored down to 74% of the London value.

The number of pedestrians affected by each assessed improvement has been calculated for the reference case and for the Do Something scenario. Pedestrian flows are based on 2019 surveys with additional development related flows calculated for 2022 and 2027. It is assumed that after 2027 the flows do not change.

The combined benefit generated for each attribute produces a total monetised figure for the year assessed. An opening year of 2022 and a future year of 2027 have been appraised. The appraisal period has been set as 2022-2081 using the standard 60-year appraisal period approach defined in DfT's TAG guidelines. The benefits for each year between 2022 and 2027 have been calculated as a linear interpolation of the benefits between these two years.

The ABC tool calculates the benefits in 2014 prices and values. The economic appraisal benefits for each year in the 2022-2081 appraisal period have been rebased and discounted to a 2010 base year.

The table below shows the benefits of the preferred scheme for the opening year and for the entirety of the appraisal period.

2022 Opening year benefits	2027 Future year benefits	Appraisal period benefits
£790,396	£939,183	£40,850,274

All values rebased and discounted to 2010

Highway assessment

As an urban realm improvement scheme, the objectives of this project are not centred on directly reducing congestion, improving journey times for private vehicles or increasing road capacity. In fact, the scheme includes a reduction of the number of lanes of Digbeth High Street in both directions and establishes a bus gate on the central section. This will impact on private vehicles through a reduction in overall capacity in the area and changing the routing of vehicles through the scheme area.

The scheme provides for one traffic lane for east-west through traffic in each direction, provided on Bradford Street. Access to properties is still provided on the High Street although through traffic is restricted by the presence of the bus gate. In contrast, the reference case TWAO scheme provides two lanes in each direction on the High Street in addition to the lane on Bradford Street.

The Birmingham Transport Plan proposes the introduction of 'traffic cells' and a significant reduction in through traffic inside the Birmingham Inner Ring Road. Closer to the city centre, the Moor Street Queensway Bus Gate (introduced in December 2020) restricts through movements from using Digbeth High Street. In the context of Digbeth High Street, this will alter its purpose from a major through route to the city centre, to an access route to local properties and the Bull Ring car parks on the east side of the city. In this context, the provision of two lanes is considered excessive and one lane is sufficient for the anticipated traffic volumes. By using Digbeth High Street as a public transport corridor, Bradford Street will provide for any traffic accessing the two car parks.

Birmingham City Council maintains a traffic model for Birmingham. There are presently no forecasts available that fully incorporate the vision of the Birmingham Transport Plan including the cells measures. Therefore, any use of the model will overestimate the volume of traffic in Birmingham city centre as a whole, and on the Digbeth High Street in particular. This would result in an inaccurate assessment of the impact of the scheme.

With the expectation that one lane of general traffic provides sufficient capacity for the vision set out in the Birmingham Transport Plan (BTP), the reduction of traffic lanes from two to one as a consequence of this scheme is not considered to impact on traffic flow or delays to general traffic. In addition, the assessment of the impacts of this policy should be undertaken when considering the BTP and traffic cells measures, as not through this scheme. Assigning any highway disbenefits solely to the public realm scheme which is the subject of this business case would not be appropriate.

Overall, it is anticipated that this scheme will have no impact on the traffic conditions in the area, and any assessment using the available tools will overestimate the level of traffic in the area and therefore provide an inaccurate assessment of benefits.

Present Value of Benefits

The present value of benefits for this scheme is the pedestrian benefits, calculated at £40.850m.

Present Value of Costs

Appendix E2 shows the detailed cost estimates for construction of the BEE scheme along Digbeth High Street. Two costings are shown – the TWAO scheme (reference case), and the current preferred scheme (do something). The difference in cost between the two schemes is equal to the grant requested from GBSLEP.

The increase in cost for the Do Something scheme is primarily as a result of the extended scope of works and the enhanced quality of finish applied. The TWAO reference case scheme assumed a kerb-to-kerb carriageway treatment, whereas the do something scheme takes a façade-to-façade approach, applying a high quality public realm finish to the carriageway and public space.

There are a number of items where costs assumed for the TWAO scheme are no longer applicable, such as bridge strengthening works where the scope of work has been reduced. This change in cost has been included in the costing as a saving, so that the grant requested is only for the change in overall cost compared to the TWAO scheme.

The cost difference between the two schemes is £15.720m in 2020 prices.

For appraisal purposes, the project cost includes £0.792m in design and development costs already incurred, and £1m of local authority maintenance costs.

This gives a total cost for the project, is £17.512m. This has been rebased and discounted to 2010 following DfT's TAG guidance. An optimism bias of 3% has been applied to the cost, also following TAG guidance. Since no impacts on road users are included, neither are the indirect tax impacts generated by these users. Also, no impact on public transport providers through increased usage and fare income, has been included.

The broad transport budget was calculated as £11.16m (2010 prices, 2010 PV)

Public Accounts (PA) Table		
	ALL MODES TOTAL	
<u>Local Government Funding</u>		
Revenue	597,455	
Operating Costs		
Investment Costs	10,570,632	
Developer and Other Contributions		
Grant/Subsidy Payments		
NET IMPACT	11,168,087	(7)
<u>Central Government Funding: Transport</u>		
Revenue		
Operating costs		
Investment Costs		
Developer and Other Contributions		
Grant/Subsidy Payments		
NET IMPACT		(8)
<u>Central Government Funding: Non-Transport</u>		
Indirect Tax Revenues		(9)
TOTALS		
<u>Broad Transport Budget</u>	11,168,087	(10) = (7) + (8)
<u>Wider Public Finances</u>		(11) = (9)
Notes: Costs appear as positive numbers, while revenues and 'Developer and Other Contributions' appear as negative numbers.		
All entries are discounted present values in 2010 prices and values.		

Value for money

The approach taken here distinguishes between the impacts of the public realm improvements, the impacts of the BEE extension, and the wider transport policy of BCC. While the public realm project is

made possible and linked to these other projects, for the purposes of this business case only the benefits and costs directly attributable to the public realm scheme have been included.

Due to the large scale of changes to traffic policies and anticipated traffic volumes in the city centre, and the limitations of the available traffic model, it has not been possible to estimate the impacts of the public realm scheme on road users, although as explained above, these are expected to be minimal.

As such, the BCR calculation and value for money appraisal presented here compares the cost of the public realm scheme with its direct outputs, excluding any highway impacts. The BCR for this approach is shown below

	Value (£million)
Total Present Value of Benefits (PVB)	£40.85
Total Present Value of Costs (PVC)	£11.16
Total BCR	3.66
All monetary values rebased and discounted to 2010	

The BCR for the scheme based on an appraisal of 60 years is calculated at 3.66 which is categorised as high value for money in DfT guidance.

As per section 2.4.3 this has been recalculated based on an appraisal period of 30 years. The BCR remains high at **2.14** which remains high value for money.

2.4.3 Sensitivity analysis

Describe what sensitivity tests have been applied to the cost-benefit analysis and how they impacted the BCR.

The sensitivity tests applied to the cost-benefit analysis undertaken in this FBC fall into the following two categories:

- Inclusion of pedestrian severance, as in the OBC
- Varying key inputs and assumptions to 'stress test' the BCR

Pedestrian severance

University College London (UCL) have developed a tool that calculates the severance levels for pedestrians at different locations along a road and that can be used to estimate the monetary value of improvements to pedestrian facilities that reduce severance.

This approach is not included in DfT's TAG guidance, and therefore severance benefits calculated using the UCL tool are used as a sensitivity test and are not included in the main BCR and VfM assessment.

For the severance assessment, five locations along Digbeth High Street have been selected, coinciding with sections between road crossings:

1. West of Mill Lane
2. West of Rea Street/Milk Street
3. Floodgate Street
4. Gibb Street/Heath Mill Lane
5. West of Coventry Road

The severance tool can be used to calculate a Severance Index at these locations, which is obtained as an interpolation of the severance index at the nearest crossing and the maximum severance index for the road characteristics of each mid-block section. The individual severance indices are assigned based on four factors:

- Existence of central reservation (yes/no)
- Traffic density (low/medium/high)
- Traffic speed (10/20/30/40mph)
- Lanes per direction (1/2/3)

The severance indices have been calculated for the five locations listed above, both in the Reference Case and the Do Something scenarios. The severance indices change between the Reference Case and Do Something scenarios as a result of:

- The introduction of new crossings in the Do Something scenario;
- The change in location of current crossings in both scenarios; and
- A significant change to the characteristics of the road (fewer lanes and reduced traffic volumes) in the Do Something scenario.

Each severance index is linked to a willingness to pay value. The difference in value between Do Minimum and Do Something gives the monetary benefit per walking trip for each of the five locations assessed. This benefit and the number of pedestrians benefiting from it are used to calculate the total severance benefit.

The values of the willingness to pay included in the tool have been adapted to reflect the use in Birmingham.

The number of pedestrians affected by the severance improvements to each High Street location has been calculated for the reference case and for the Do Something scenario.

The combined benefit generated for each attribute produces a total monetised figure for the year assessed. An opening year of 2022 and a future year of 2027 have been appraised. The appraisal period has been set as 2022-2081 using the standard 60-year appraisal period defined in DfT's TAG guidelines. The benefits for each year between 2022 and 2027 have been calculated as a linear interpolation of the benefits for these two years.

The UCL severance tool calculates the benefits in 2017 prices and values. It has been assumed that the pedestrian benefits remain constant (in real prices) after 2027. The economic appraisal benefits for each year in the 2022-2081 appraisal period have been rebased and discounted to a 2010 base year.

The table below shows the benefits for the opening year and for the entirety of the appraisal period

2022 Opening year benefits	2027 Future year benefits	Appraisal period benefits
£976,825	£1,164,729	£50,650,612
All values rebased and discounted to 2010		

These results show that the severance impacts, which are not explicitly captured by the TfL Ambience Benefit Calculator could have a significant magnitude, being even greater than the ABC benefit.

These benefits are not included in the BCR or VfM as the severance assessment is not included in either TfL's BCDM or DfT's TAG. However, it has been included as a sensitivity test to provide an indicative value of the potential benefits to pedestrians that this scheme will have.

'Stress Tests'

To ensure the benefits from the scheme can still be obtained in a range of circumstances, a range of sensitivity tests were undertaken to test how the BCR is affected. These include the tests carried out in the OBC; a test which varied cost assumptions and an additional test varying the TAG GDP growth assumptions, as required under current DfT guidance. The tests undertaken, and the impact on the BCR, are shown in the table below. This shows that the BCR remains at a high level in all tests.

Test (Values in £000s)	PVB	PVC	BCR	BCR change
Central case	40,850	11,168	3.66	0
TAG GDP sensitivity test	35,176	11,168	3.15	-14%
Pedestrian flow benefits decrease by 15%	34,722	11,168	3.11	-15%
Pedestrian flow benefits decrease by 25%	30,638	11,168	2.74	-25%
Construction costs increase 10%	40,850	12,231	3.34	-9%
Optimism bias increase to 15%	40,850	12,469	3.28	-10%
Appraisal period reduced to 30 years	23,855	11,168	2.14	-42%

2.4.4 Associated issues and risks

Outline the key issues and risks to project delivery and benefit realisation.

Delivery of this project is through construction as part of the BEE Metro scheme. Design and construction is led by Midland Metro Alliance (MMA), with full engagement from Birmingham City Council (BCC).

Key risks for the delivery of this project include:

- Construction delays due to Covid-19
- Delays to utility works
- Impacts on utility or construction schedule as a result of design changes
- Delays obtaining consents and approvals, including traffic management
- Changes to market conditions, pricing and resource availability as a result of Brexit or Covid-19
- Unplanned works discovered during construction (ground conditions, basements, structures)

These risks will be managed by MMA by undertaking advance work and detailed design as early as possible. Ongoing work with partners and stakeholders, including BCC and WMCA, is ensuring that all parties interests are aligned on the preferred option.

Engagement with statutory undertakers has been ongoing. All known utilities works have been identified, scheduled and planned in the programme to reduce the risk associated with utility works.

A full risk register is included as **Appendix 6**, taken from the BEE construction risk register

2.4.5 Proposed outputs and outcomes

In the table below insert a summary of the proposed outputs and outcomes that are expected to be achieved as a result of the project. Add further rows to the tables as required.

*Provide a detailed profile of forecast outputs and outcomes in **Appendix 4**. This appendix includes definitions for a series of set outputs that the GBSLEP monitors performance against.*

Provide a clear description of the project Beneficiaries linked to each outcome i.e. who will benefit from the outcome

Proposed outputs

Output	Output description	Output quantity	Beneficiaries	Method of independent verification	Delivered by date
1	High-quality pedestrian urban realm	19,700sqm	Pedestrians	Construction outputs	April 2022
2	Multi-modal public transport interchange	1	Public transport users	Construction outputs	Initial benefits from BEE Phase 1 construction in 2022, full benefits on BEE opening
3	Enhanced pedestrian routes		Pedestrians and public transport users	Pedestrian flows	April 2022
4	Bus gate	1	Public transport users	Construction outputs	April 2022
4	Widened footways	Approx. 1.2km	Pedestrians	Construction outputs	April 2022

Proposed outcomes

Outcome	Outcome description	Outcome quantity	Beneficiaries	Method of independent verification	Delivered by date
1	Catalyst for growth in Birmingham Eastside		Residents, business owners	Business survey	1 year after construction
2	Supporting business through increased footfall		Business owners	Business survey, footfall	1 year after construction
3	More attractive environment for pedestrians		Pedestrians	Footfall	1 year after construction
4	Improved journey times for buses		Public transport users	Timetables	1 year after construction
5	Improved air quality on Digbeth High Street		Pedestrians, residents	Air quality measurements	1 year after construction

3. Commercial Case

The Commercial Case provides evidence of the commercial viability of a project and the procurement strategy that will be used to engage the market – providers, developers and suppliers to deliver the project. The OBC should be based on pre-procurement discussions and the FBC should document the final outcome of the procurement process.

3.1 Procurement

3.1.1 Procurement scope

Outline what procurement needs to be or has been undertaken if private development partners or suppliers are required to deliver project outputs. The procurement scope includes design development to detailed design stage, advance works and the construction of the scheme.

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 desirable for the public realm and Metro schemes to be designed and implemented together as a single package of works.

The delivery arrangements of BEE is through Midlands Metro Alliance (MMA); which is an alliance formed by WMCA (The owner); Designer (Design JV) and the Contractor (Colas Rail and its partners). A phased delivery of BEE is currently planned between 2020 and 2024, with advance works commencing in 2020. The scheme is a part of section 5 of BEE, which is programmed to be delivered ahead of Commonwealth Games.

The proposed scheme requires significant changes to the BEE reference design (TWAO scheme) to convert it from centre-running to southern-running along the Digbeth High Street carriageway. Grant funding for the project is requested to cover the additional design and construction costs, over and above the Reference Case (TWAO Scheme). This additional funding request is for £15.720million.

3.1.2 Procurement strategy

Describe the project procurement strategy, including: regulatory / mandatory / best practice standards incorporated; process to be undertaken; evaluation criteria; and the contractor selection timetable. Outline how the procurement would contribute to regional carbon emissions reduction targets.

The project is being delivered by the Midland Metro Alliance, which is a partnership between the WMCA, the design consortium of Egis, Tony Gee and Pell Frischmann and a contractor Colas Rail (supported by their sub Alliance Partners Colas Ltd.; Barhale; Thomas Vale; and Auctus Management Group). The MMA partnership was procured in 2016 to implement a 10-year programme of tram system enhancement works that should enable social and economic regeneration and deliver local jobs and training. The contract to MMA was awarded following an OJEU procurement process.

Since the OBC submission the Owner, WMCA, considered the alternatives to use designers procured through available Framework agreements to assess if these will secure better value for money. A procurement options appraisal exercise was undertaken to determine the most effective route to market. The options assessed included continuing to use the MMA partnership, carrying out a full OJEU tender process or a further competition exercise using a collaborative framework agreement. Having assessed the options, a decision was made to progress to the next stages of design and construction with Midland Metro Alliance, using a revised commercial model offering a further better value for money to the Owner.

3.1.3 Evidence of demand or market interest

Describe any private sector negotiations or discussions undertaken as part of testing the development or supplier market.

Alternatives to MMA, such as using designers procured through available Framework agreements, were also considered to assess if these may secure better value for money. Discussions have indicated that other locally based and suitably qualified design organisations are able, and willing, to undertake this work.

When reviewing all available options, WMCA decided to proceed with using the MMA as the design and construction partner for the extension.

3.1.4 Third party services

Detail any third-party services that will be used to deliver the project (legal, finance, any other consultancies).

The project will be handled with MMA and WMCA resources, using standard procurement and contract management arrangements. Birmingham City Council has a role, as the local highway authority, in overseeing the utility works and traffic management associated with both the utility and main construction works.

Birmingham City Council also has a role in overseeing the expenditure of this grant and will work with WMCA and MMA to do so.

The scheme will be subject to legal requirements, including:

- A Grant Agreement – a funding agreement will be required between GBSLEP and BCC.
- A Contract – 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. 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.
- Maintenance – arrangements to ensure the long-term maintenance of the enhanced public realm created will be the responsibility of BCC.

3.2 Contract management and risk allocation (FBC stage only)

3.2.1 Contract management arrangements

Describe contract management and assurance arrangements. Provide evidence of how the procured contractor/supplier provides value for money.

The project is being delivered by the Midland Metro Alliance, which brings together the designer, contractor and owner in one organisation with shared objectives. This arrangement includes robust contract management and assurance arrangements, providing opportunity for the owner to work with the contractor and designer to deliver the expected works at the agreed cost.

Procurement of the MMA members was undertaken in a previous exercise, and the MMA was subsequently confirmed as WMCA's partner to deliver the BEE.

As the Owner, the Contract management will be undertaken by WMCA. WMCA will be responsible for ensuring the contractor arm within MMA (Colas Rail, supported by their sub Alliance Partners Colas Ltd.; Barhale; Thomas Vale; and Auctus Management Group)) delivers the scheme as designed and as per the Target Cost agreed with the Owner.

BCC, as the applicant of funding for this project, will enter into a contract with the WMCA for the delivery of the works and funded to ensure the project is delivered as intended and provides value for money.

3.2.2 Contract milestones

Include contract milestones such as internal or external decisions and approvals and completion dates of project phases.

This scheme will be delivered as part of the BEE Metro Extension construction work. Key Contract Milestones are summarised below with a full programme for BEE presented in **Appendix C1**.

- TWAO Order approved – Completed (January 2020)
- FBC Agreed Completed (February 2020)
- Commence Utility Diversions (Phase 1 - Section 1 and 5²²) – On-Going
- Phase 1 Target Cost 2 approval March 2021
- Commencement of Section 5 works April 2021
- Planning Conditions Approval Phase 1 June 2021
- Section 5 Handover to WMCA April 2022;
- Full BEE scheme handover (All 5 sections) September 2024

3.2.3 Risk allocation

*Summarise key risks relating to the management of delivery contract(s) and who has been involved in identifying these risks. Include details on the transfer or sharing of risks with the contractor, risk owners, and mitigation / contingency arrangements (these should be fully detailed in the Risk Register in **Appendix 6**).*

The risk register at **Appendix 6** shows the primary risks identified at this time. This is a live document that will be kept updated as the project progresses.

The risk register highlights 17 risks. Key risks are:

- BEE cancelled or delayed;

²² Section 1 - Birmingham City Centre ; Section 5 – Digbeth High Street

- Funding not available; and
- Delays to construction activity.

Other key risks are associated with:

- Budgets and funding levels;
- Changes to designs;
- Interface and information; and
- Construction.

The project budget includes an allowance for risk and uncertainties.

The full BEE risk register is included as **Appendix C2**

3.3 Accountancy treatment and service requirements (FBC stage only)

3.3.1 Assets

Describe long-term future of assets, including approach to a change of circumstances (e.g. organisation / asset changes purpose or ceases trading).

The tramway assets from the construction of the scheme will be owned by the West Midlands Combined Authority through their Transport for West Midlands arm, which is the public transport authority for the West Midlands.

Public realm assets would be owned by Birmingham City Council, with maintenance costs covered from BCC's ongoing revenue budgets.

3.3.2 Operational service considerations

Outline any operational service considerations and their sustainability. If there are any personnel implications (including TUPE), then please describe how they will be addressed here.

Existing services on the Midland Metro are operated by Midland Metro Limited, a company fully owned by the West Midlands Combined Authority, through a 15-year operation and maintenance contract that started on 24th June 2018. The operation and maintenance of the new services on the BEE would be included in the contract for BEE.

4. Financial Case

The purpose of the Financial Case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required. This should include the capital and revenue costs and the consequential costs of the project.

4.1 Project budget

Insert additional future years into the table; name each contributing funder and add lines as required. GBSLEP allocates funding to be drawn down by projects for specific financial years (April to March) against agreed, eligible and evidenced, defrayed costs.

Include a detailed breakdown of costs that relates to the below project budget as an appendix.

Loans are offered on commercial terms. The rate of interest charged, security and other conditions are determined independently in accordance with investment industry standards, taking into account that the GBSLEP's funding programme's primary objective is to enable or accelerate development of priority projects. The maximum repayment term is three years.

Further information on and the application for development funding is included at Section D.

*Provide a detailed proposed funding profile by populating **Appendix 5**. This will be indicative at OBC and should be finalised at FBC stage.*

Capital Costs

Appendix E2 shows the detailed cost estimates for construction of the BEE scheme along Digbeth High Street. Two costings are shown – the TWAO scheme (reference case), and the current preferred scheme (do something). The difference in cost between the two schemes is equal to the grant requested from GBSLEP.

The increase in cost between the reference case and do something scenario is primarily as a result of the extended scope of works and the enhanced quality of finish applied. The TWAO reference case scheme assumed a kerb-to-kerb carriageway treatment, whereas the do something scheme takes a façade-to-façade approach and applies a high-quality public realm finish to the carriageway and public space.

There are a number of items where costs assumed for the TWAO scheme are no longer applicable, such as bridge strengthening works where the scope of work has been reduced. This change in cost has been included in the costing as a saving, so that the grant requested is only for the change in overall cost compared to the TWAO scheme.

The cost difference between the two schemes is £15.720m in 2020 prices. The basis for this cost estimation is discussed below.

Following a rigorous selection process WMCA let the Midland Metro Alliance (MMA) contract in 2016, with a single contractor and designer for a period of up to 10 years for the West Midlands Metro extensions work. In this "Midland Metro Alliance" the designer, contractor and WMCA work as an integrated team to develop and deliver the programme under a contractual framework where their commercial interests align with actual project outcomes.

Unlike traditional forms of construction contract which seek to defend positions, the Programme Alliance Agreement (PAA) is very different insofar as it is principle based, placing obligations on the parties to act

in good faith and committing to Best for Project decision-making on the basis that this will deliver the best outcome for all parties.

Other key features of the PAA include shared risk, no claim, no blame and creating a collaborative, self-governing environment in which a high performing, innovative team will thrive. The consequences of failure are dealt with through the commercial model. Owner's rights are reserved to exceptional circumstances i.e. changes in law, breaches in statutory duty and wilful neglect.

The commercial model works in tandem with the PAA, linking the commercial interests of all the parties to best-for-project outcomes, encouraging all the participants to work as an integrated team to identify and mitigate/eliminate risk and innovate to achieve outstanding results.

The commercial model addresses development of target costs for each project on an open book basis, compensation of the Non-Owner Participants (NOPs), manages change, sharing of pain/gain, key results areas (KRAs) and programme wide insurances. Taking each of these in turn:

- Target costs are developed jointly on an open book basis and include reasonable estimates of the actual costs to deliver the works including owner's direct costs, design costs, construction costs, contingencies and NOP's fee (overhead and profit);
- As the members collectively assume all risks, scope variations under the Alliance are limited to material change where the client has for instance requested an extra facility that could not have been contemplated at the outset;
- Sharing of pain gain is be limited to the NOP's fee ensuring all parties are equitably incentivized to perform beyond the expectation of the target cost;
- Key Results Areas are developed to incentivise participant performance in areas critical to the project; and
- Project insurance is an essential element of the Alliancing form of contracting. Under Pure Alliancing, as no liability arises between the parties, normal insurances cannot be triggered and therefore cannot be called upon to protect the partners against internal claims. This is overcome by WMCA taking out an all-encompassing project insurance policy.

The Alliance contract was signed on 1 July 2016. The Designer is a consortium led by Egis Rail, supported by Pell Frischmann and Tony Gee and Partners. The Contractor is a sub-Alliance led by Colas Rail and including Colas Ltd, Thomas Vale, Barhale and Auctus Training.

It is worthy of note that both Designer and Contractor were intimately involved in the design and construction of the Besancon "tramway autremont" that was pointed to by the Department for Transport in the "Green Light for Light Rail" document as an exemplar for quality coupled with value for money via innovation. The aim of the Midland Metro Alliance is to harness this experience to set new standards for delivery going forward.

The Alliance has its own procurement function, with further legal and procurement support available in the alliance partners through which contracts are placed, including the WMCA. The Alliance has also engaged an Independent Programme Assurance Adviser to independently monitor the performance of the Alliance.

The Alliance partners look to self-deliver where possible, limiting the number of sub-contracts required. Part of the approval process for placing orders within the main delivery partner is to confirm that there are no conflicts of interest, and sub-contracts placed are reported to senior management within the Alliance in order to monitor them.

The construction of the Birmingham Eastside Extension relies upon some existing utility services being altered, diverted or protected in order to facilitate construction.

In preparing this business case, WMCA has carried out, through the MMA, a thorough estimate of the costs for implementing the project in order to ensure it provides a comprehensive, robust and reliable basis for the consideration of the Financial and Value for Money (Economic) Cases. This has considered all the major elements of the Metro and Digbeth High Street projects, including trackwork and associated infrastructure, utilities diversions, land acquisition and tram purchase.

The estimated cost is based upon a strong cost library using cost data from other Midland Metro Alliance schemes, informed by their recent experience in production of costs for the Centenary Square and Wolverhampton City Centre extensions as well as the out-turn costs of the Bilston Road Track Replacement Phase 2 project.

The costs for the Digbeth High Street project have been derived by effectively comparing two prices, a base scheme compliant with the approved Urban Design Strategy²³ contained within the Environmental Statement submitted with the Transport and Works Act Order application for the tramway, and an enhanced scheme compliant with the Digbeth High Street design vision.

Revenue Implications

PM in the process of liaising with maintenance teams and to add in further information asap.

Taxation

There should be no adverse VAT implications for the City Council in this scheme as the maintenance of the highways is a statutory function of the city council such that any VAT paid to contractors is reclaimable.

	Previous years	2019/20	2020/21	2021/22	2022/23	Future years	Total
Capital funding (£000s)							
Local authority							
Other public sector							
Private sector							
Third sector							
GBSLEP Loan funding requested							
GBSLEP Grant funding requested				15,720			15,720
GBSLEP Development funding previously requested (<i>eligibility applies</i>)	130	323	339				792
Funding source to be established							
Total capital cost	130	323	339	15,720			16,512
Revenue funding for project delivery (£000s)							
Local authority						1,000	1,000

²³ <https://www.metroalliance.co.uk/wp-content/uploads/2016/10/Urban-Design-Strategy-FINAL2.pdf>

Other public sector							
Private sector							
Third sector							
Funding source to be established							
Total revenue cost for delivery							
Revenue consequences for benefit realisation (£000s)							
Local authority							
Other public sector							
Private sector							
Third sector							
Total revenue consequences for benefit realisation							
Total project cost	130	323	339	15,700		1,000	17,512

4.2 Affordability

4.2.1 Options for financing the project

Outline what other means of financing the project have been explored, including which funding sources have been considered / approached and why they were discarded.

The scheme requires capital funding to be allocated from a source of public funding. Use of the GBSLEP Growth Fund has been chosen as the most suitable source of funding for this scheme.

Approach to Optimism bias and the provision of contingency is as follows:

- Optimism bias at 3%
- Risk Allowance included in the costs using a contingency allowance of 15%.

4.2.2 Match funding

Confirm which sources of match funding included in section 4.1 have been secured (attach evidence). For funding that is not yet secure, provide details on the strategy and timeline for securing it.

Birmingham City Council will be providing the maintenance funding for the project, currently estimated at up to £1.00m. This funding will be allocated from BCC's revenue budget.

The Do Minimum scheme is funded from WMCA and DfT resources, approved by WMCA Board on 14 February 2020²⁴

²⁴ <https://governance.wmca.org.uk/ieDecisionDetails.aspx?ID=696>

4.2.3 Grant versus loan

If capital grant funding is applied for, explain why loan funding is not deemed suitable.

A loan would not be suitable for this project as there is no way in which the project could make repayments.

4.2.4 Loan arrangements

If loan is applied for, outline the proposed repayment arrangements and timescales.

N/A

4.2.5 Availability of GBSLEP funding

How would the project proceed if GBSLEP funds are not available?

There are no other sources of funding available. A loan would not be appropriate as there is no way in which the project could make repayments.

In the absence of GBSLEP funding, the scheme would proceed with the TWAO authorised layout, comprising a central tram alignment within the existing highway boundaries, which will result in abortive design costs, delays to the overall programme and a considerable reputational risks to BCC, WMCA.

4.3 Due diligence

4.3.1 Applicant organisation's financial status *(GBSLEP to advise if information is required)*

Provide full accounts for the last three financial years, as well as current financial forecasts.

4.3.2 Partners' financial status *(GBSLEP to advise if information is required)*

Provide full accounts for the last three financial years, as well as current financial forecasts.

4.3.3 Independent assurance

Outline any independent assurance that will be place for the project, such as gateway or key stage reviews throughout delivery.

BCC is the statutory local authority and its financial status is subject to Government oversight. Financial management of the project will be exercised within the terms of BCC's Financial Control Standards for major Projects (November 2018). These standards have been established to ensure that such projects are managed by a Project Board through a process of outline and full Business Cases, regular monitoring of delivery issues and the preparation of Project Highlight reports and a post-implementation review together with early warnings of potential problems, a procedure for change requests, and control over the use of contingency sums.

All capital expenditure is also subject to the Council's constitution and financial procedures, including financial regulations, contract standing orders, executive decision-making, and monitoring. The Enterprise Zone Programme, including this project, reports to the Capital Project Board, which has responsibility for the delivery of all projects above £20m or a strategic project under £20m and is chaired by the Leader of the Council. The membership also includes the Chief Executive, S151 Officer and Cabinet Member for Resources. Given the value of the scheme the Capital Project Board may delegate this authority.

Following FBC approval, BCC and WMCA will develop a funding agreement that will set out the key principles for the responsibility and management for how funding will be managed, including departures, changes and overruns.

BCC will ensure that project assurance is in place to provide independent and impartial confirmation that the project is on track and to confirm that the project is applying relevant practices and procedures and that the business rationale for the scheme remains aligned with the organisational strategy.

4.4 Financial risks

4.4.1 Cost overruns

Outline the arrangements for any cost overruns in the project. Any grant approved by GBSLEP will be a maximum capped amount and the applicant will be responsible for any expenditure above that amount.

The cost for the scheme has been calculated by Midland Metro Alliance (MMA) under the arrangements for defining and agreeing project costs. Expenditure will be managed by MMA, to meet the agreed Target Cost.

The amount requested from GBSLEP will not increase in the event of cost overruns on the project. Any cost overruns will be the responsibility of MMA/WMCA and managed through pain/gain agreements between WMCA and MMA.

4.4.2 State Aid

State how the project complies with State Aid regulations without contravening the State Aid legislation. Outline what advice (e.g. legal advice) has been received to confirm that any grant funding approved does not amount to unlawful State Aid.

Any project activity GBSLEP funds must meet public sector financial rules and comply with the rules governing State aid. Grants found to be in contravention of State Aid rules must be repaid with interest, so it is in your interest to ensure that any project you bring forward for consideration complies with these regulations.

In relation to State Aid, it is anticipated that the scheme will provide a 'no aid' position based on the delivery of a scheme providing public goods which will not benefit selective undertakings or distort or threaten to distort competition. In addition, it can be considered to be non-economic in relation to the Commission's guidance on the notion of State Aid. As such there are not expected to be State Aid issues.

Additionally, there are no state aid issues due to the EU compliant procurements WMCA have undertaken, i.e. for Midland Metro Alliance, 3rd Generation Trams and the in-house operation of Midland Metro Limited. This has been also been confirmed by WMCA's Legal Team.

5. Management Case

The purpose of the Management Case is to demonstrate that the preferred option is capable of being delivered successfully, in accordance with recognised best practice. It tests project planning, the governance structure, risk management, communications and stakeholder management, benefits realisation and monitoring and evaluation. The Management Case should be over halfway complete at OBC stage; at FBC, in addition to updating all questions the Monitoring and Evaluation plan and processes need to be finalised.

5.1 Project planning

5.1.1 Project development and statutory requirements (OBC stage only)

List the key project development milestones, including local authority consents or statutory approvals needed for the project to proceed. Indicate which have been obtained and the timeline for obtaining the rest. Add / delete lines as appropriate. Confirm what LA/CA governance needs to be factored into the decision making.

This project is being delivered alongside the BEE metro extension and will be managed by the Midland Metro Alliance as part of the metro construction works.

Description	Planned / actual date	Provide Details
Concept study	<i>Completed as a part of the current stages</i>	
Feasibility		
Preliminary design		
Detailed design	<i>April 2021</i>	<i>2D designs have been completed and 3D designs being finalised at the time of FBC, with programmed completion in April 2021.</i>
Quantified risk assessment	<i>October 2020</i>	<i>Target Cost, including allowance for risk submitted to WMCA.</i>
Environmental appraisal	<i>October 2017</i>	<i>For the full BEE scheme. EIA used as supporting evidence for the TWAO application, the order for which has now been granted by the Secretary of State (SoS).</i>
Planning application	<i>October 2017</i>	<i>TWAO order and deemed planning consent confirmed by SoS in January 2020</i>
Statutory approvals / planning permission	<i>January 2020</i>	<i>TWAO order and deemed planning consent confirmed by SoS in January 2020</i>
Consultations with key stakeholders	<i>Public Consultation (March 2020)</i>	<i>Extensive Stakeholder consultation during development of the scheme options (2017/2018). Public Consultation for Digbeth High Street scheme completed in March 2020. On-going consultation during further stages of scheme development and construction.</i>
Internal or external funder strategic /outline business case		<i>Completed</i>

Internal or external funder full business case with benefit-cost ratio or established value for money case	February 2020	Approved by WMCA Board 14/02/20 ²⁵
Quotes for work to be undertaken	October 2020	Target Costs developed by MMA for WMCA
Compulsory Purchase Order powers	January 2020	TWAO order and deemed planning consent confirmed by SoS in January 2020
Major statutory instruments (e.g. Transport and Works Act Orders, Side Road Orders, Development Consent Orders)	January 2020	TWAO order confirmed by SoS January 2020 Planning conditions as part of the TWAO in the process of being discharged
Known environmental impacts (e.g. SSSIs, Heritage sites, Ancient Monuments)	October 2017	Assessed as a part of the EIA for BEE TWAO supporting evidence
Equality Impact assessment		Covered as a part of WMCA Governance
Other – describe		

5.1.2 Project delivery plan

At OBC, outline project delivery plan; at FBC, append a detailed programme and summarise key milestones here (add lines as appropriate).

The full BEE programme is shown at **Appendix C1**.

BEE project delivery is divided into three phases. Phase 1 includes the city section (Section 1) and Digbeth High Street (Section 5).

Task	Start Date	Completion Date
TWAO Order approved		January 2020
BEE scheme FBC Agreed		February 2020
Utility diversions, section 5	23/09/20	19/05/21
Phase 1 Target Cost 2 Approval		March 2021
Commencement of Section 5 works	23/04/21	
Planning Conditions Approval Phase 1		June 2021
Section 5 Handover to WMCA		April 2022
Full BEE scheme handover		September 2024

5.1.3 Critical path

Outline the key review and go / no-go decision points and what would happen at each point.

WMCA Board have already approved expenditure on the BEE, authorising expenditure. Cost estimates have been submitted to WMCA and have formed the basis of financial case.

Birmingham City Council to approve FBC and expenditure on public realm works following approval of grant by GBSLEP.

²⁵ <https://governance.wmca.org.uk/ieDecisionDetails.aspx?ID=696>

5.2 Organisation

5.2.1 Track record

Outline your organisation's and the identified project team's track record of delivering similar projects. Include skills / experience of key staff involved in the project.

BCC has experience of successfully supporting the delivery of a wide range of major regeneration, redevelopment and public realm projects of a similar or larger scale and value across the city including in a city centre context such as Arena Central, Snow Hill, Centenary Square and Axis. In all cases BCC has provided expertise in supporting services including compulsory purchase, planning, urban design, and transportation. This experience has provided evidence of what has worked in the past in order to provide the most appropriate context for development of the proposed project.

WMCA has successfully delivered two extensions of the Midland Metro including Birmingham city centre Extension and the recent Centenary Square extension.

5.2.2 Use of external consultants

List key consultants (individuals and organisations) involved and outline their track record.

The Midland Metro Alliance uses external organisations to carry out the majority of their work, including:

- Egis
- Tony Gee
- Pell Frischmann
- Colas Rail
- Colas
- Barhale
- Bouygues
- Auctus

These are experienced companies who have completed many projects of a similar nature.

5.2.3 Succession arrangements

Outline the arrangements in place to ensure continuity of resource and retention of organisational memory including project record management approach.

Construction records will be stored in accordance with the retention policies of MMA and WMCA. Information required for maintenance purposes will be passed to Midland Metro Ltd and Birmingham City Council as appropriate.

All delivery partner organisations, including BCC, WMCA and MMA, have succession planning as a part of their organisational business models ensuring that continuity of resources is maintained throughout the lifecycle of project design, construction, handover and operation.

5.3 Governance

5.3.1 Project management

Outline the proposed project management structure including roles and responsibilities.

The Digbeth Public Realm element of the scheme will be managed by BCC, with the project delivery managed by MMA and subject to contractual arrangements.

Project management will continue to be managed in accordance with BCC's methodology and will be tailored to meet corporate governance and project management policies and standards. The BCC project team will:

- Provide guidance and direction to the project to ensure that the project remains within scope and delivers the required outputs and project benefits within the agreed budget and schedule;
- Monitor the development of solutions and proposals at all stages to ensure they meet the organisation's needs and progress towards targets;
- Evaluate the impact of solutions and proposals on the Council and stakeholders; and
- Ensure risks are being tracked and mitigated as effectively as possible.

The BCC Project Manager (Hannah Willetts) will:

- Ensure that the project proceeds with the agreed scope, time and cost, managing quality, risk and benefits;
- Be responsible for the project producing a result capable of achieving the benefits defined in the business case;
- Be responsible for finalising service contracts and issuing instructions and receiving highlight reports from service providers;
- Make reports to external funders as required;
- Co-ordinate the interface, communication and information exchanged expeditiously between different teams and organisations involved in the delivery of the project; and
- Provide regular reports to the Project Board to keep senior management routinely informed of project status and all developments that impact on the project success.

The BCC and MMA teams will work together to deliver the project to the agreed scope and cost.

The project is appropriately resourced through internal and external sources with the appropriate skills and capacity. The delivery programme has been developed as part of the BEE design and delivery programme.

5.3.2 Project governance

Provide details on the proposed project governance and assurance, including:

- *decision levels;*
- *escalation arrangements;*
- *project board composition and terms of reference; and*
- *project board members' relevant experience (if not included at 5.2.1).*

The project will be delivered and managed on a day-to-day basis by the Midland Metro Alliance, subject to MMA and WMCA governance arrangements, described later in this section.

Overall governance of the project sits within BCC. The project will be monitored by BCC, as funding applicant, in accordance with their governance procedures. The overall governance is led by the Enterprise Zone and Curzon Project Delivery Board which exists to; provide strategic direction and make decisions in the best interests of the project (subject to BCC and GBSLEP assurance requirements); review and approve all products/documentation; monitor benefit realisation and risks and report to the Corporate Leadership Team. This is supplemented by the BCC BEE Group which co-ordinates and manages immediate issues.

The Project Board for the Curzon Enhanced Public Realm project is the Enterprise Zone and Curzon Project Delivery Board, which comprises the following individuals and will oversee day to day management of the project:

1. Phil Edwards – Assistant Director, Transport Connectivity

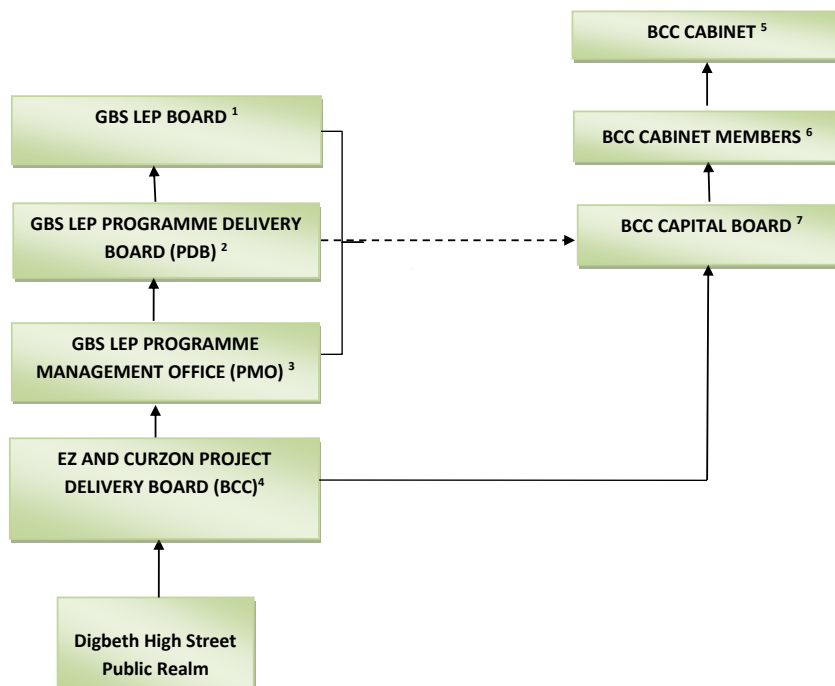
2. James Betjemann – Head of EZ and Curzon Delivery
3. Alison Jarrett – Assistant Director, Finance
4. Kam Sin – Finance Manager
5. Gary Woodward, City Centre Development Planning Manager
6. Jane Smith – EZ Programme Manager
7. Simon Garrad, Head of Project Delivery.

In addition, the project will report on a monthly basis to the BCC Capital Board, which oversees the delivery of all major BCC projects and comprises of;

1. Leader - BCC
2. Cabinet Member, – BCC Finance and Resources
3. Chief Executive – BCC
4. Section 151 Officer - BCC

Under the grant arrangements BCC will reporting and seek approvals via GBSLEP/BCC governance processes is shown in the **Figure 10** below.

BCC and GBSLEP Approvals and Reporting



¹ GBSLEP Board – approve projects above £10m

² PDB – approve projects between £3m and £10m, with delegated approval to GBS LEP Director for projects up to £3m

³ PMO – assure and monitor projects

⁴ EZCPDB - objective of the Delivery Board is to monitor and oversee the development and delivery of EZ and Curzon business cases and projects managed by the Inclusive Growth Directorate.

⁵ BCC Cabinet – approve projects above £1m

⁶ BCC Cabinet Members – approve projects between £200,000 and £1m

⁷ BCC Capital Board – approve and monitor projects above £20m.

Figure 10 – BCC and GBSLEP approvals and reporting

BCC BEE Board

Group meets on a monthly basis and is an important opportunity to raise key issues re. Digbeth public realm / metro extension with senior staff at BCC / TfWM and MMA.

The BEE Project Board has the following members;

- Chair – Phil Edwards (BCC)
- Michael Anderson (Metro Director TfWM)
- Marilyn Gazette (BEE Project Sponsor TfWM)

- Martin Gallacher (BEE Project Director MMA)
- James Betjemann (Head of Enterprise Zone and Curzon Development)
- Mel Jones (Head of Transport Planning & Network Strategy)
- Stuart Rawlins (Head of Major Transport Projects)
- Nicholas Jackson (Area Planning Manager – City Centre)
- Gary Woodward (Development Planning Manager)
- Nigel Tammo (Metro Project Officer)
- Hannah Willetts (Enterprise Zone Programme Officer)

Purpose

The Board monitors the overall programme delivery, performance & risk of BEE.

The Board provides a forum to discuss and address issues escalated from project teams in order to mitigate against cost and programme impacts.

Under the BCC governance structure set out above TfWM and MMA will deliver the project using the well-established project management systems set out in the following paragraphs.

West Midlands Combined Authority Governance Structure

The purpose of establishing a governance framework for the Metro Programme is to:

- Provide assurance to WMCA and partners of the effectiveness and efficiency of the Metro Programme;
- Provide a basis for the implementation of high-level working arrangements and practices; and
- Formalise reporting structures which allow the performance of the Metro Programme to be monitored and measured.

The Governance Structure is in line with the requirements of the Department for Transport (DfT) for the delivery of major capital projects to which it contributes funding. It also aligns with guidance from the Office of Government Commerce (OGC).

The programme team structure is a matrix-managed project-focussed structure based upon structures utilised in the delivery of other major programmes in the transport sector and other alliances, developed for the specific programme management circumstances of the MMA.

The WMCA/TfWM governance arrangements set out for the Metro Programme have been established under the WMCA governance arrangements developed since the WMCA came into being in June 2016. These outline how WMCA operates, how decisions are made and the procedures to be followed in order to ensure that TfWM operates efficiently, effectively and in a transparent and accountable manner.

The MMA Governance and Programme Team Structures address the following:

- Leadership
- Organisation
- Resource management
- Monitoring and control
- Quality management
- Engagement
- Risk and issues management
- Specifications
- Benefits realisation

All of the above must be carried out in an environment which allows for predictable outcomes that provide certainty for executive management in a changing political and economic climate.

Set out below is the overall Governance structure for the Metro within WMCA and how each of the groups report into existing structures. The Metro Board is the primary means to manage the performance of the Metro business and to coordinate the various activities and oversight mechanisms that control different

elements of the business. The Metro Board has accountability to monitor the delivery of Metro Operations, progression of Metro's strategic aims through delivery of business plan objectives and delivery of the Metro Development programme. The WMCA governance structure is shown in the figure below.

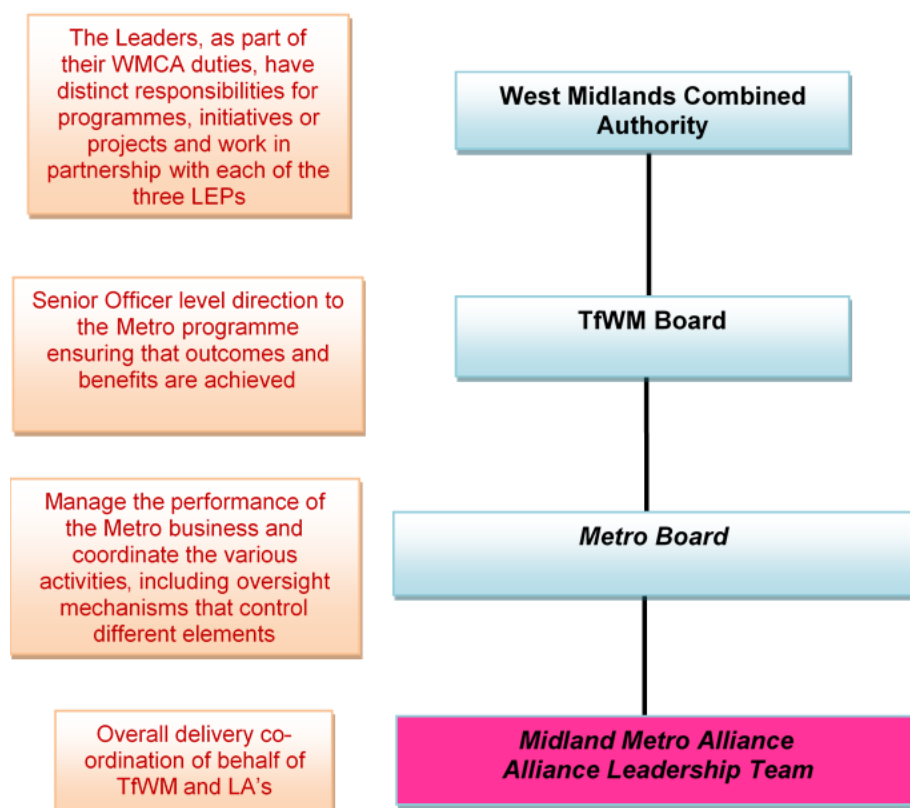


Figure 11 WMCA governance structure

Further details of the WMCA's governance are set out in the WMCA Assurance Framework²⁶.

To ensure that the development of the Metro extension projects are taken forward with relevant input and authority from local authority stakeholders a series of Project Boards have been established, including one which consists of senior officer representatives from WMCA, the Transportation and Planning officers from the relevant local authority and the Midland Metro Alliance. Due to diary constraints for these senior officers, the three Metro extension projects in Birmingham and Solihull are covered by a single Project Board which meets monthly and feeds into the Metro Board.

WMCA's Senior Responsible Officer for the project is Metro Programme Director Peter Cushing.

Midland Metro Alliance Governance Structure

The Midland Metro Alliance has a strong project team with a co-located team of owner, designer, contractor and non-owner participant staff bringing together world-wide expertise in a truly collaborative environment. This team has the skills and experience to deliver all aspects of the development and delivery of this project. The MMA has a robust, programme managed by a delivery focused organisation with support from correct resources, skills and leadership.

The MMA governance structure is illustrated in the figure below.

²⁶ https://www.wmca.org.uk/media/2937/wmca-assurance-framework_v1_sept-16.pdf

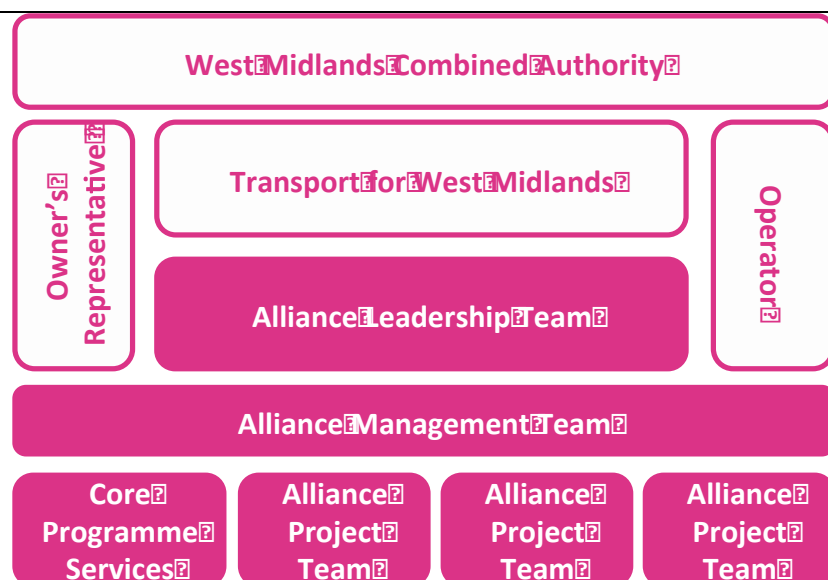


Figure 12 MMA governance structure

Given the scale of the currently planned West Midlands Metro network expansion, WMCA has assembled an experienced project team with world-wide expertise in light rail to deliver infrastructure for the programme via the Midland Metro Alliance.

To ensure success, this is made up of a mixture of project managers and technical and operational light rail experts together with a strong team of supporting consultants, advisors and contractor staff within the Midland Metro Alliance covering all aspects of the development and delivery of this project.

The current team roles and responsibilities are set out in the Project Implementation Plan provided at **Appendix M1**.

Copies of the documents referred to therein are contained within the MMA's Bentley ProjectWise system and can be provided on request.

A copy of the Project Organization Chart is included at **Appendix M2**.

5.3.3 Change management

Outline the proposed change management strategy for the project, including escalation procedures and thresholds.

Initial change management and escalation will be handled within MMA and their delivery arrangements. Changes to scope or cost will be referred to WMCA (as tramway owner) and BCC and handled through the project governance arrangements set out above.

5.4 Stakeholder management

5.4.1 Stakeholder engagement

Outline how the stakeholders will be involved and managed. Append a stakeholder management plan if available.

Midland Metro Alliance has a fully developed stakeholder management plan, led by the stakeholder liaison officer, Amy Walker.

Key stakeholders along the route of BEE and wider organisations have been identified and mapped into the stakeholder plan, identifying stakeholders as high, medium and low priority based on how much they are affected by the project.

Stakeholder engagement will be ongoing throughout construction and mobilisation, and the stakeholder management plan and stakeholder mapping will be updated as required.

In addition to the MMA stakeholder engagement, Birmingham City Council maintain the Digbeth Landowner Forum and Eastside Coordination Group which exist to bring together a range of interests in the area affected by the scheme.

Digbeth Landowner Forum

Group meets on a quarterly basis and provides a regular forum to update and consult key Digbeth stakeholders / landowners on the Digbeth public realm proposals.

Membership of the DLF comprises of representatives of the following (note list is not exhaustive and others may be added as and when necessary):

- Birmingham City Council
- Homes England
- Canals & Rivers Trust
- HS2
- Gooch Estate
- Stoford Developments
- Oval Estates
- Cole Waterhouse
- The Hub
- Beorma (Salhia)
- Court Collaboration

Purpose

- To bring together key landowner and developer interests to support growth and development in the area.
- To provide an interface between BCC, landowners and developers for raising issues and identifying solutions to problems affecting the area.

Eastside Coordination Group

Group meets on a 2-weekly basis.

This group is established to coordinate the delivery and associated mitigations of road closures and other traffic changes relating to the construction activity taking place in the Eastside area of Birmingham City Centre to minimise disruption and keep the city moving.

The initial focus of the group is on the impacts of the following schemes:

- A45 SPRINT
- Metro BEE (Birmingham Eastside Extension)
- HS2
- Moor Street Queensway
- Private developments including – Smithfield, Connaught Square, Irish Centre, Beorma

Membership

- Luke Keen (Traffic Manager)– Chairs
- Mel Jones (Head of Transport Planning & Network Strategy)
- BCC Transportation

- BCC Planning
- TfWM Network Coordination
- TfWM Resilience
- TfWM Metro
- TfWM SPRINT

Private developers / HS2 / consultants / MMA attend for specific agenda items as and when necessary.

5.4.2 Partnership arrangements

Outline key roles and responsibilities of all partner organisations in the project, where not covered in commercial case or above.

As discussed above, the project will be delivered as a partnership between:

- Birmingham City Council, as the applicant;
- WMCA, responsible for delivery of the BEE Metro Extension; and
- Midland Metro Alliance, delivery partner for WMCA.

5.4.3 Communications and marketing plan

At OBC, outline your proposed approach to project communications and marketing. At FBC, append a full communications plan and summarise it here.

BCC has developed a Marketing and Promotion Strategy to raise the profile for the wider Curzon Street Enterprise Zone that will enable the city to compete nationally and internationally. It is aligned to the City Council's Capital Investment Strategy which sets out a framework for targeting investment and as such will act as a key delivery mechanism, alongside other interventions such as the emerging Business and Skills Support Programme.

The Marketing and Promotion Strategy is focused on a proactive and co-ordinated approach to investment promotion, that will enable the Enterprise Zone to:

- Identify and assess credible investment opportunities;
- Promote investment opportunities to key overseas markets;
- Support investors and facilitate investment deals in the EZ;
- Increase levels of economic growth and good quality development across the EZ; and
- Be proactive in engaging and targeting potential investors.

For the construction and delivery of the project, communications and marketing will be covered by the MMA communication programme. This programme, including communications with stakeholders, residents, businesses and drivers through the area, is managed by MMA for WMCA.

5.5 Monitoring and evaluation

At OBC, outline the proposed approach to project monitoring and evaluation. At FBC, append a detailed plan for monitoring and evaluating project outputs and outcomes, including assigned responsibilities and budgeted costs. Note the GBSLEP will be collecting monitoring information until at least March 2025.

A draft Monitoring and Evaluation plan is included as **Appendix S7**.

This recommends the monitoring of the following three items, which will allow the evaluation of the benefits of the scheme:

1. Completion of construction and progress against programme;

2. Amount of footfall along the northern promenade; and
3. Expenditure against budget.

5.6 Risk management

*Append a fully assessed Risk Register to include RAG rating, risk owner, mitigation and contingency arrangements (minimum requirements in template at in **Appendix 6**).*

Further guidance on risk management is provided in the HMT Orange Book, available at <https://www.gov.uk/government/publications/orange-book>.

Within the project governance structure there are two levels of risk management:

- Risks to construction and programme will be managed by MMA and their contractors in accordance with MMA's policies and processes.
- Risks to funding, completion and delivery will be managed by BCC, working with WMCA as appropriate.

Responsibility for construction of the project lies with MMA.

WMCA and MMA have a joint programme wide risk management culture and have adopted best practice in the identification, evaluation and effective management of risks using cloud-based HARM software. The fundamental approach adopted by MMA in implementing this commitment is that risks should not be viewed as an add-on to the project management procedure but rather, risk management must be embedded into the project management procedure.

The MMA risk management strategy requires a thorough assessment of risks with the objective of mitigating the risks and enhancing potential benefits by implementing action plans.

The risk management process is depicted below:



Figure 13 MMA risk management strategy

A proactive risk management procedure is in operation which ensures that:

- Risks are continuously identified through use of structured workshops;
- Risk owners are assigned; and
- Mitigation measures are developed and implemented.

To monitor the effectiveness of the control measures, monthly reviews are conducted to check the status of each risk and modify the mitigation actions.

As part of the risk management strategy, appropriate consideration has been given to how risks are allocated and managed between WMCA and MMA. The guiding principle behind this risk allocation is to ensure that risks are allocated to the party who is best able to effectively manage that risk. Active Risk Manager (ARM) software is used by MMA to manage and analyse risks on a project and programme level.

At key stages of the project, risks are quantified to determine risk contingencies using quantified risk analysis and informing the consideration of appropriate optimism bias levels in relation to the appraisal. This allows realistic anticipated final costs to be determined and allows effective control of costs.

The Risk Register for this project is included as **Appendix 6**. The full BEE scheme risk register is included as **Appendix C2**.

C. Declarations

C1. Document Confidentiality Statement

Please confirm whether any information in this Business Case is commercially sensitive and considered exempt from release under Section 41 of the Freedom of Information Act 2000. If so, please provide details.

C2. Declarations

Has any director/partner ever been disqualified from being a company director under the Company Directors Disqualification Act (1986) or ever been the proprietor, partner or director of a business that has been subject to an investigation (completed, current or pending) undertaken under the Companies, Financial Services or Banking Acts?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has any director/partner ever been bankrupt or subject to an arrangement with creditors or ever been the proprietor, partner or director of a business subject to any formal insolvency procedure such as receivership, liquidation, or administration, or subject to an arrangement with its creditors	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has any director/partner ever been the proprietor, partner or director of a business that has been requested to repay a grant under any government scheme?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

If the answer is “yes” to any of these questions please give details on a separate document of the person(s) and business(es) and details of the circumstances. This does not necessarily affect your chances of being awarded GBSLEP funding.

C3. Senior Responsible Owner Declaration

As Senior Responsible Owner for Digbeth Public Realm Phase 1 I hereby submit this request for Enterprise Zone Investment Plan 2019 Funding Allocation allocation on behalf of Birmingham City Council and confirm that I have the necessary authority to do so.

In making this application, I agree that the information provided by me in this application is to the best of my knowledge correct. I understand that if I give information that is incorrect or incomplete, funding may be withheld or reclaimed and action taken against me. Any expenditure defrayed in advance of project approval is at risk of not being reimbursed and all spend must be compliant with the Grant Conditions and State Aid requirements.

I understand that this application does not form or imply any agreement to provide funding.

I am content for information supplied here to be stored electronically, shared with the GBSLEP Independent Technical Evaluator, and other parties who may be involved in considering the business

C3. Senior Responsible Owner Declaration

case to allow enquiries on this application enabling the GBSLEP to satisfy themselves of its completeness and accuracy.

I understand that a copy of the main Business Case document will be made available on the GBSLEP website. The Business Case supporting appendices will not be uploaded onto the website. Redactions to the main Business Case document will only be acceptable where they fall within a category for exemption. *Where scheme promoters consider information to fall within the categories for exemption, they should provide a separate version of the main Business Case document, which highlights the proposed Business Case redactions.*

I understand that any offer may be publicised by means of a press release giving brief details of the project and the grant amount.

Name: Rebecca Hellard	Signed:
Position: Interim Chief Finance Officer	
Date	

C4. Section 151 Officer/Chief Financial Officer Declaration

As Section 151 Officer (or Chief Financial Officer) for Digbeth Public Realm Phase 1 I hereby agree that this request for Enterprise Zone Investment Plan 2019 Funding Allocation allocation on behalf of Birmingham City Council is financially compliant and confirm that I have the necessary authority to do so.

I declare that the project cost estimates quoted in this application are accurate to the best of my knowledge and that Birmingham City Council:

- has allocated sufficient budget to deliver this project on the basis of its proposed funding contribution;
- has undertaken a risk assessment which identifies all substantial project risks known at the time of Business Case submission and this is included within the cost estimate;
- accepts responsibility for meeting any costs over and above the GBSLEP contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties;
- accepts responsibility for meeting any ongoing revenue requirements in relation to the project;
- accepts that no further increase in GBSLEP funding will be considered beyond the maximum contribution requested;
- confirms that the authority has the necessary governance / assurance arrangements in place and the project has met our assurance guidelines; and
- funding is compliant with central government guidance; and
- confirms that the procurement strategy for the project is legally compliant and is likely to achieve the best value for money outcome.

Name: Rebecca Hellard	Signed:
Position: Interim Chief Finance Officer	

Date	
------	--

D. Development Costs

Only complete this section if you wish to apply for a funding contribution towards the development costs of this project. The application for a funding contribution towards development costs will only be progressed if the OBC is assessed to meet the required criteria to proceed through to FBC. Applications are assessed on a risk basis and typically provided to public sector organisations only.

If the project is unsuccessful with its application for funding, the development funding will be required to be repaid.

Total Development Costs for this project (<i>up to and including FBC submission</i>)	
GBSLEP funds contribution sought towards the Total Development Costs	<i>Typically, up to 10% of the total GBSLEP funding requested</i>

Please describe and provide a financial breakdown of the Development Work to be undertaken.
Please include specifically what the GBSLEP funds will be used for, key milestones towards the production of the FBC, and governance arrangements, including any local gateway processes, change control and risk management for the delivery of the FBC.

Full Business Case submission date	

By signing below, you certify that the above information is true and accurate.

Should your application for Development Costs be granted, you agree that the GBSLEP funding will be defrayed to you on the following conditions:

- The GBSLEP funds will be defrayed as an interest-free, repayable grant. The funding will be defrayed as capital and should only be used for expenditure that can be capitalised.
- The funding will be defrayed from your projected total capital allocation to your project.
- Upon full approval, the balance of the total capital allocation to your scheme will be defrayed in accordance with the processes described in the GBSLEP Assurance Framework, i.e. quarterly in arrears on production of actual expenditure.
- After your submission of the FBC, should approval for the project not be granted, you will return all previously received funding towards Development Costs to GBSLEP in full.
- You will include GBSLEP in the process for any decisions to be made regarding the scope, cost or timeframe for this project.

- You will provide regular update reports to GBSLEP on progress with the development of the FBC for the project, commencing from the date you sign this letter and at a frequency to be agreed.

Sign:	Sign:
Name:	Name:
Position:	Position:
Date:	Date:
Senior Responsible Owner	Chief Financial Officer

E. Appendices

List of Appendices

I. Reference

- a. Definitions and acronyms
- b. Additional resources

II. Templates

1. State Aid Form
2. LGF Branding Guidelines
3. Midlands Engine Brand Guidelines
4. Output and Outcome Forecast Profile
5. Funding Profile
6. Risk Register

III. Further appendices as applicable

- Logic Model
- Project map 1 (location)
- Project map 2 (site plan)
- Feasibility studies
- Relevant organisational strategic documents
- Industry-relevant stage reports and plans
- Environmental Impact Assessment
- Distributional impact appraisal
- Confirmation of match funding (conditional or full)
- Statement of financial viability
- Detailed cost plans
- Consultation reports
- Project programme
- Communications plan
- Monitoring & Evaluation plan
- Organisation organogram
- Project organogram
- Procurement contract (at FBC)
- Letters of support / Memoranda of Understanding from project stakeholders

Appendix A – Definitions and acronyms

BCR	Benefit - Cost Ratio
BEIS	Department for Business, Energy and Industrial Strategy
Benefits	Positive economic, social and environmental impacts expected to be realised as a result of the project being delivered. This is in addition to what is considered business as usual
CBA	Cost - Benefit Analysis
Delivery Plan	A detailed, typically sector specific, plan to support the delivery of the GBSLEP Strategic Economic Plan
DfT	Department for Transport
EoI	Expression of Interest
FBC	Full Business Case
GVA	Gross Value Added
HMT	Her Majesty's Treasury
LIS	Local Industrial Strategy
MHCLG	Ministry for Housing, Communities and Local Government
NPV	Net Present Value
OBC	Outline Business Case
Optimism Bias	The proven tendency for appraisers to be too optimistic about project costs, duration and benefits delivery, which require adjustments to correct for
Outcomes	<p>Direct outcomes are the short- and intermediate-term effects or changes that occur or will occur as a direct result of the project activity.</p> <p>An indirect outcome is the intermediate to long-term effect or changes of a project, i.e. the longer term consequence of the project. They may be expected to follow the project activity, but cannot be guaranteed due to a range of factors.</p>
Outputs	Outputs are usually pre-defined (e.g. a target) and can be accurately measured (e.g. a number). Outputs are sometimes referred to as deliverables – they are the direct, immediate-term, quantifiable results associated with a project.
QRA	Quantitative Risk Assessment
SEP	Strategic Economic Plan
SOC	Strategic Outline Case
SRO	Senior Responsible Owner
WebTag	DfT's Transport Appraisal Guidance that provides information on the role of transport modelling and appraisal

Appendix B – Resources

GBSLEP Strategic Economic Plan

<https://gbslep.co.uk/resources/reports/strategic-economic-plan-2016-30>

GBSLEP Assurance Framework

<https://gbslep.co.uk/resources/reports/assurance-framework>

GBSLEP Towns and Local Centres Framework

<https://gbslep.co.uk/what-we-do/place/develop-thriving-towns-local-centres>

Investing in Culture: Enhancing Opportunities across the GBSLEP Region

<https://gbslep.co.uk/cultural-investments-gbslep>

West Midlands Local Industrial Strategy

<https://www.wmca.org.uk/what-we-do/industrial-strategy/>

HM Treasury Green Book: Central Government Guidance on Appraisal and Evaluation

<https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

HM Treasury Green Book: Guide to Developing the Project Business Case

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/749086/Project_Business_Case_2018.pdf

Department for Communities and Local Government: Appraisal Guide

<https://www.gov.uk/government/publications/department-for-communities-and-local-government-appraisal-guide>

Department for Transport: Transport analysis guidance

<https://www.gov.uk/guidance/transport-analysis-guidance-webtag>

HM Treasury Magenta Book: Guidance for Evaluation

<https://www.gov.uk/government/publications/the-magenta-book>

HM Treasury Orange Book: Management of Risk – Principles and Concepts

<https://www.gov.uk/government/publications/orange-book>

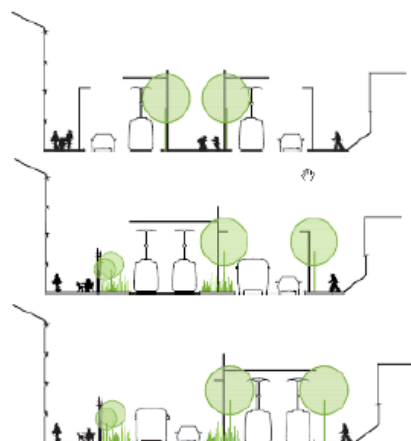
Management of Risk in Government: Framework

<https://www.gov.uk/government/publications/management-of-risk-in-government-framework>

Appendix 1: Options appraisal - Critical Success Factors

Key Critical Success Factors	Description
Regeneration	<ul style="list-style-type: none"> • Supports the regeneration of the Digbeth area • Creates an identity that supports the existing creative arts and heritage • Unlocks local growth to maximise the potential of Curzon area and HS2
Acceptability	<ul style="list-style-type: none"> • Improves the pedestrian facilities of Digbeth High Street • Reduces current severance levels • Creates a sustainable transport corridor connection with the city core • Meets stakeholder expectations
Value for money	<ul style="list-style-type: none"> • Delivers a favourable Benefit Cost Ratio
Deliverability	<ul style="list-style-type: none"> • Delivered prior to the 2022 Commonwealth Games

Appendix 2: Options appraisal - longlist of options



Traffic Option Urban Realm Option	Digbeth High Street PT Corridor	Bus Priority on Bradford Street	Gyratory (clockwise)	Gyratory (anti- clockwise)
Central Promenade	5.63	4.3	x	x
North Promenade with Integrated Tramway	6.2	4.55	4.53	4.53
North Promenade with Southern Tramway	6.53	4.75	4.73	4.73

What ways and options have been considered for delivering the objectives?

Briefly outline the different ways forward and options to address the problem / opportunity.

Reference Case (mandatory) (the position in terms of required outcomes and benefits that would occur if the project did not proceed)	Description Construction of BEE to TWAO design: central alignment, 2 traffic lanes in each direction and no public realm
	Main Advantages Approved and funded. Can be delivered before Commonwealth Games.
	Main disadvantages Does not meet stakeholder requirements or the regeneration and acceptability critical success factors.
	Conclusions Option does not meet stakeholder requirements and was discounted at an early stage in optioneering.
Option 1	Description Central Promenade with PT corridor
	Main Advantages Aids development of the area. Can be delivered before Commonwealth Games. Acceptable to stakeholders.
	Main disadvantages Does not encourage regeneration as greatly as some other options. Is less acceptable than some other options
	Conclusions Option performs well and taken forward to shortlist
Option 2	Description North promenade and integrated tramway with PT corridor.
	Main Advantages Aids development of the area. Can be delivered before Commonwealth Games. Acceptable to stakeholders.
	Main disadvantages

	Does not encourage regeneration as greatly as some other options. Is less acceptable than some other options. Significant change to reference case design
	Conclusions Option performs well and taken forward to shortlist
Option 3	Description North promenade and south tramway with PT corridor.
	Main Advantages Encourages regeneration and is acceptable to stakeholders. Can be delivered before Commonwealth Games
	Main disadvantages Significant change from reference case design.
	Conclusions Preferred option. Taken forward to shortlist
Option 4	Description Central Promenade with bus priority
	Main Advantages Similar to reference case design. Can be delivered before Commonwealth Games
	Main disadvantages Fails to support regeneration. Does not meet acceptability requirements for stakeholders
	Conclusions Discounted. Not taken forward to shortlist.
Option 5	Description North promenade and integrated tramway with bus priority
	Main Advantages Aids regeneration to a certain extent. Can be delivered before Commonwealth Games
	Main disadvantages Significant change from reference case design. Does not meet acceptability requirements for stakeholders.
	Conclusions Discounted. Not taken forward to shortlist.
Option 6	Description North promenade and south tramway with bus priority
	Main Advantages Aids regeneration to a certain extent. Can be delivered before Commonwealth Games
	Main disadvantages Significant change from reference case design. Does not meet acceptability requirements for stakeholders.
	Conclusions Discounted. Not taken forward to shortlist.
Option 7	Description North promenade and integrated tramway with gyratory
	Main Advantages

	Aids regeneration to a certain extent. Can be delivered before Commonwealth Games
	Main disadvantages Significant change from reference case design. Does not meet acceptability requirements for stakeholders.
	Conclusions Discounted. Not taken forward to shortlist.
Option 8	Description North promenade and south tramway with gyratory
	Main Advantages Aids regeneration to a certain extent. Can be delivered before Commonwealth Games
	Main disadvantages Significant change from reference case design. Does not meet acceptability requirements for stakeholders.
	Conclusions Discounted. Not taken forward to shortlist.

Appendix 3: Options appraisal - cost-benefit analysis (CBA) of shortlisted options

	Reference Case (Do Nothing)	Option 1: Central corridor	Option 2: Central corridor	Option 3: Southern corridor
Brief description of the option	TWAO scheme	Central Promenade with PT corridor	North promenade and integrated tramway with PT corridor	North promenade and south tramway with PT corridor
<i>Capital costs (excluding VAT)</i>				
<i>Revenue costs</i>				
Total costs	0			£17,512,000
Discounted costs (Present Value of Costs) (1)				£11,168,087
Significant unmonetisable costs				
Total benefits	0			
Discounted benefits (Present Value of Benefits) (2)	0			£40,850,274
Significant unmonetisable benefits				
Net Present Value (=2-1)	0			£29,682,187
Benefit-cost ratio (=2/1)	0			3.66