

PROGRAMME DEFINITION DOCUMENT (PDD)

1. General Information			
Directorate	Economy	Portfolio	Development, Transport and the Economy
Project Title	Updated Transportation & Highways Capital Funding Strategy 2015/16 to 2020/21	Project Code	Not applicable
Programme Description	<p>Background</p> <p>The Transportation and Highways Capital Funding Strategy (THCFS) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the Council's key policies and priorities as set out in the Council Business Plan and Budget (2015+ and 2016+), West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy. The THCFS is also relevant to the Future Council programme and proposals contained within the Sustainable Neighbourhoods package.</p> <p>In the context of the vision for an inclusive city, the THCFS has a strong focus on supporting the Council's core mission to 'work together to create a fair, prosperous and democratic city'. In addition, the programme seeks to make a significant contribution towards the key priorities of safety, businesses, sustainability, unemployment and engagement/influence by reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality and encouraging active and sustainable modes of travel.</p> <p>Capital Funding</p> <p>The Government allocates capital funding for improving and maintaining the transportation and highway networks through the Local Transport Capital Settlement process. Specific annual allocations are determined through this mechanism, with resources allocated directly to the West Midlands Integrated Transport Authority (WMITA), who determine a reallocation of Integrated Transport Block (ITB) funding to Metropolitan District Councils and Centro. Funding for highway maintenance is 'passported' directly to District Councils, with the exception of Birmingham, whose allocation is deemed to be included within funding arrangements for the Highways Maintenance and Management Private Finance Initiative (PFI).</p> <p>The WMITA as the responsible body for the funding has allocated ITB funding to Birmingham and the other Metropolitan District Councils to be used for 'small transport improvement projects'. This is in accord with the intention of Government, that the funding be used for such projects to help Local Authorities stimulate local economies by reducing congestion, improving road safety, improving accessibility and supporting the use of active and sustainable modes of travel. The implications of WMITA being dissolved and relevant functions becoming part of the West Midlands Combined Authority (WMCA) are not yet known.</p> <p>The THCFS has previously been updated to cover a rolling three year period to accord with the approach adopted by the Council in producing its Capital Expenditure Programme (CEP). In the context of longer term funding programmes such as the Local Growth Fund and the need arising from the Kerslake report for the Council to produce a long term financial strategy this has now been increased to a 6 year rolling period. The THCFS has also been aligned with the Council's proposed CEP for 2016/17 to 2018/19 to ensure consistency with the Business Plan and Budget 2016+.</p> <p>A total of £5.159m of new ITB capital funding has been allocated through the above process to Birmingham for integrated transport projects in 2015/16 and 2016/17. Forecasts issued by the Department for Transport (DfT) indicate that this annual allocation will remain constant until 2020/21. Implications associated with the West Midlands Combined Authority (WMCA) on these allocations are again not known at this time. Such funding is significantly supplemented by bidding activities to Government and the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for funding including Local Growth Fund (LGF), Cycle City Ambition Grant (CCAG) and Enterprise Zone (EZ). The total estimated capital cost of projects and programmes utilising these resources over the 6 year period covered is £253.916m.</p>		

Programme Structure

The structure of the THCFS remains as agreed previously by Cabinet and comprises the following programmes.

Major Schemes and Local Growth Fund

This programme contains larger projects targeting economic growth across the city, specifically those to be funded from the Local Growth Fund. It also contains residual major schemes from previous Government funding rounds and projects associated with the Metro extension to Centenary Square. ITB funding allocated in this programme forms part of match funding arrangements discussed later in this report.

Economic Growth and Congestion Reduction Programme

The Economic Growth and Congestion Reduction Programme (EGCRP) is split into two sub programmes comprising: Economic Growth Zones (EGZ) and Enabling Growth and Tackling Congestion (EGTC). The EGZ sub programme will focus on the provision of transport infrastructure to enable and unlock growth.

The EGTC sub programme will focus on projects to enable growth and tackle congestion outside of the Economic Growth Zones, and will comprise measures such as larger junction improvements, controlled parking zones and a programme of smaller measures to address congestion and public transport issues raised by stakeholders.

Walking, Cycling and Accessibility Programme

The Walking, Cycling and Accessibility Programme is split into two elements comprising: Walking and Cycling Schemes and Local Accessibility Schemes. It is recognised that the use of sustainable modes of transport can significantly contribute towards reducing congestion, improving air quality improving accessibility and also improving health and physical fitness. The Walking and Cycling Schemes programme will take forward key projects as detailed in the Council's Walking and Cycling strategies including new pedestrian and cycling routes, new cycle stands, new cycle hubs and bikes, and smaller measures identified by stakeholders. Significant ITB resources in this programme provide the match funding element of the BCR programme, which includes the rollout of 20mph limits across the city.

It is proposed that the Local Accessibility Schemes programme continues, which seeks to improve accessibility for local people wishing to access education, employment, retail and leisure facilities in their local area. In support of the localism agenda, schemes will be identified and developed in partnership with Districts, with individual projects to be agreed in consultation with relevant portfolio holders. Prioritisation criteria and governance arrangements are provided in Annex A to this PDD.

Road Safety Programme

The Road Safety Programme targets the continued reduction of recorded killed, seriously injured and slight accidents across the City to maintain the positive downward trend achieved by both Birmingham and the West Midlands Metropolitan area.

For consideration for inclusion into the Local Safety Schemes sub element of the programme, locations would normally have at least nine slight collisions over a three year period, although consideration is given to sites with a higher proportion of killed or serious injury collisions. In addition, further weight is given to locations or sites where there is a high concentration of collisions involving pedestrians or cyclists, reflecting the Council's road user hierarchy. Further information on prioritisation is provided in Annex B, along with governance arrangements.

Sites listed in Annex H (full project and financial summary) have been prioritised on a value for money basis, which looks at the benefit to cost ratios of schemes in the context of implementation costs and associated accidents savings based on DfT rates.

The Road Safety Programme also contains a Safety Cameras sub programme, which seeks to manage

and resource transitional arrangements associated with the fixed site operation across the City.

This programme will align with the new Birmingham Road Safety Strategy set to be adopted by the Council in summer 2016.

Safer Routes to Schools Programme

It is proposed to continue the successful Safer Routes to Schools Programme (SRTS) over the next 6 financial years. Schools proposed for named highway engineering schemes are required to have an up to date School Travel Plan in place and then are prioritised in accordance with the safety and sustainability criteria provided as Annex C to this PDD (also includes governance arrangements). In summary, schools are prioritised on safety grounds by reviewing the school population size and road accident levels in the vicinity. Schools prioritised on sustainability grounds are determined by the following:

- School population;
- Proportion of pupils living close enough to walk to school, but choosing not to;
- Particular requirements for highway measures identified by the school in their travel plan;
- Participation in sustainable travel initiatives and projects such as 'Walk Once a Week or 'Bike It'.

In addition to the above projects, it is proposed that a programme of 'smaller enhancement measures' be implemented at existing schools with a SRTS scheme on the basis of requirements identified during the update of individual School Travel Plans.

Network Integrity and Efficiency

The Network Integrity and Efficiency programme will continue a number of projects to enhance and protect the highway network. These include Aston Road North bridge, standards compliance and de-cluttering works.

The programme will also support the localism agenda through the provision of a £0.5m budget to address minor transport issues identified at ward level. Works within this programme should demonstrate a contribution towards reducing congestion, improving road safety (including 20mph limits), improving accessibility and improving air quality, with greater flexibility provided in terms of value for money to reflect local priorities. All works should be undertaken within the public highway, with no more than £2,500 of the £12,500 provided to each ward utilised on development and implementation fees. Further information on prioritisation criteria and governance arrangements is provided in Annex D.

Infrastructure Development

The Infrastructure Development programme focuses upon activities to develop future year programmes, specifically feasibility, design and data gathering tasks to enable an overall rolling THCFS. In addition, the funding enables the development of new major schemes to be funded from LGF or other resources from 2016/17 onwards. Should projects developed in this and other programmes be abortive, expenditure will represent a revenue cost to the promoting Directorate.

A summary of ITB programme allocations is shown below.

As part of the below allocation of ITB it is proposed that Cabinet approves development funding of £0.905m in 2015/16 and £1.120m in 2016/17. A breakdown is provided as Annex E.

Confirmed

Provisional

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ITB Programme Allocations	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
Major Schemes and Local Growth Fund	1270	872	1588	60	2162	2000
Economic Growth	229	1060	360	735	485	785
Walking, Cycling and Local Accessibility	1990	1309	1481	2634	782	644
Road Safety	371	488	300	300	300	300
Safer Routes to Schools	260	300	300	300	300	300
Network Integrity and Efficiency	514	605	605	605	605	605
Infrastructure Development	525	525	525	525	525	525
Total	5159	5159	5159	5159	5159	5159

Funding Strategy

The Council has been highly successful in securing external grant resources to support and expand the THCFS during 2014/15 and 2015/16. In the competitive context of external bidding rounds the Council has committed to a significant level of 'local funding contribution', particularly relating to the LGF and Birmingham Cycle Revolution (BCR) programmes approved by Cabinet in March 2015. Given the short timescales and limited scheme detail available at the time of bid submissions (and Project Definition Document stage), detailed work has been undertaken to refine scheme detail and costs during 2015/16. This has been a complex process and has also led to a review of earlier stages of BCR, schemes included within the DfT's previous arrangements for major transport schemes and identification of other funding pressures in the THCFS totalling £16.974m as shown below.

Pressure	£000's
Ashted Circus	717
BCR1	1,945
BCR2	1,360
BCR3	6,525
Chester Road	1,000
Dudley Road – Development	500
Five Ways	175
Heartlands Spine Road	200
Iron Lane	2,692
Spring Hill Circus	175
Tame Valley Viaduct – Development	1,685
Total Pressure	16,974

In this context a funding strategy has been developed to address both the local contribution requirement and funding required to meet current pressures. In addition, the strategy addresses development costs associated with taking provisionally approved LGF projects to the point of business case submission to DfT (Tame Valley Viaduct and Dudley Road). Resourcing is broken down below noting that funding for the A45 cycling elements of BCR3 may not come directly to the Council as a specific funding resource.

Funding	£000's
Previous Years ITB	2,561
New ITB	3,541
Corporate Capital Resources	1,725
SCE	688
S106	200
Bus Lane Enforcement	1,000
LGF Development Cost (Provisional Allocation)	500
Additional LGF	3,409
A45 Sprint/HS2 Cycle Route Alignment*	3,000
EZ	350
Total Funding	16,974

The funding strategy proposes the following resources to fund the pressure:

The pressures associated with BCR 1, BCR 2, BCR3, Heartlands Spine Road and Tame Valley Viaduct Development will be funded as follows:

- £6.990m to be resourced from unallocated previous years ITB (£2.561m); new ITB (£3.541m) top sliced as agreed by Cabinet previously; Supported Capital Expenditure (£0.688m) residual resources not required for the now complete Hagley Road Bus Showcase project; and Section 106 (£0.2m) windfalls;
- £3.000m from the alignment of the A45 cycling elements of BCR3 to be reviewed and aligned with the A45 SPRINT and A45 High Speed Two cycle route proposals; and
- £1.725m corporate capital funding to be provided in 2017/18 (£0.865m) and 2018/19 (£0.860m) to support Birmingham Cycle Revolution Phase 3, for subsequent repayment in 2019/20 from new ITB resources.

The remaining pressures will be funded as follows:

- £3.409m additional funding applications for LGF resources to be submitted to GBSLEP (£1.0m Chester Road, £1.692m Iron Lane and £0.717m Ashted Circus);
- £1.000m of net surplus Bus Lane Enforcement (BLE) income to be allocated to the Iron Lane project in 2016/17;
- £0.500m development costs for Dudley Road (£0.05m 15/16; £0.150m 16/17 and £0.3m 17/18) to be sought from the DfT via the GBSLEP as part of the provisional LGF allocation for this project; and
- £0.350m to cover additional costs expected on Spring Hill Circus (£0.175m) and Five Ways (£0.175m) to be sought from GBSLEP Enterprise Zone resources in the form of a programme virement from the Navigation Street Link project, in accordance with EZ governance arrangements.

It is proposed that this funding strategy is updated regularly and revised as necessary with the relevant portfolio holder, as particular risks will need to be managed around external funding applications and ensuring the alignment of the A45 cycling proposals with the A45 SPRINT and High Speed Two cycle route proposals.

Expenditure approvals for the above projects and detail around cost variances will be handled at a project level in accordance with the Council's Gateway and Related Financial Approval Framework. Future THCFs reports will also be presented to Cabinet before the start of each financial year to ensure alignment with the Council's CEP.

Local Funding Contributions required to deliver Provisionally Approved LGF Projects

The delivery of the Tame Valley Viaduct and Dudley Road major projects are dependent upon approval by the DfT rather than GBSLEP. On the basis of current estimates the Council will be required to provide a local funding contribution of £16.611m towards these projects split £13.097m (Tame Valley Viaduct) and £3.514m (Dudley Road). This contribution is within the range expected by the DfT for major schemes (between 10% and 20% of overall project costs) and will be required in full in 2020/21 and levers a total of £94.450m from the LGF. Given the complexity of the Tame Valley Viaduct project and the inherent risks, dialogue is currently under way with the DfT as to an appropriate delivery mechanism for the scheme.

To enable funding bids to be submitted to the DfT (which will be subject to specific PDD reports covering all relevant detail) it is now necessary to establish a funding strategy in respect of this significant local contribution requirement. As such, it is proposed to establish the agreed principle of prudential borrowing in 2020/21 for these projects at a total estimated sum of £16.611m. It is further proposed that this sum be repaid over a 10 year period, with annual repayments of £2.074m (interest and principal). Principal repayments will be resourced through a continued top slice of the Council's ITB from 2020/21, while net surplus BLE income will cover interest charges. Where possible, other grants and resources that may become available over this period will be used to either a) reduce the overall quantum of prudential borrowing required; or b) offset the amount of ITB top sliced to enable the delivery of other projects. It is proposed that capital receipts arising from the disposal of land acquired to deliver the Dudley Road project (funded via LGF) should be recycled into the project in the first instance as an example. Appropriate governance relating to capital receipts would need to be followed.

Bus Lane Enforcement – Surplus Income and Future Scheme Expansion

As described above, the funding strategy requires the allocation of net surplus BLE income to support the Council's local contribution commitments associated with the LGF programme. This proposal ensures that the Council is in full compliance with the Bus Lanes Contraventions Regulations 2005, which require net surplus income to be reinvested in Transportation and Highways projects. A net surplus of £3.964m is forecast at 31 March 2016, with usage and further detail provided in Annex G in respect of allocations to the Iron Lane project and prudential borrowing interest payments relating to the Dudley Road and Tame Valley Viaduct major projects.

In the context of the Council's local contribution commitments it is proposed that any further expansion of the bus lane enforcement operation is self-funding, with upfront capital costs resourced from prudential borrowing to be repaid over no longer than 10 years from subsequent net surplus income (using a cautious estimate of future income).

Local Growth Fund – Transportation and Highways

As stated above, a full review has been undertaken of the Council's LGF programme, which has included costs, risks, programme and splitting projects between the Transportation and Highways, and Planning and Regeneration capital programmes. The total estimated cost of the Transportation and Highways LGF programme currently stands at £175.356m. A direct comparison with the costs reported to Cabinet in March 2015 is difficult given that projects including the A34 Corridor and Longbridge have now been split between Transportation and Highways, and Planning and Regeneration in terms of composite project components.

It is proposed that Cabinet notes the current project costs and profiles provided as Annex H, which supersede those previously reported and align with FBC reports either approved by Cabinet since March 2015 or that are scheduled for approval in the coming months.

It is further proposed that Cabinet approves an additional bid to GBSLEP for £0.510m preparatory costs relating to Ashted Circus (£0.173m); Battery Way (£0.080m), Iron lane (£0.090m) and Birmingham's Sustainable Urban Extension (£0.167m). These sums remain within the overall LGF allocations for each project, but will enable the early drawdown of resources to meet the costs of preparatory activities including detailed design and land acquisition. Grant acceptance is recommended to be delegated to the Council's Section 151 Officer.

Revenue Implications

New capital transport projects by nature attract additional ongoing costs in respect of maintaining new highway assets. For projects approved in 2015/16 and 2016/17 an approved annual corporate policy contingency allocation is in place to accommodate inventory growth (in 2015/16 this is £0.500m and in 2016/17 £0.750). All projects and schemes will need to identify revenue maintenance commitments and funding as part of the PDD/FBC approval process.

Consultation

Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and the Acting Assistant Director Transportation and Connectivity who support the proposals contained within this report.

Officers from City Finance and Legal and Democratic Services have been involved in the preparation of this report.

Full and detailed formal consultation will be undertaken as part of individual Project Definition Documents (PDDs) Full Business Cases (FBCs).

	<p><u>Procurement</u></p> <p>There are no direct procurement implications contained within this report, however, it should be noted that schemes will be delivered by the Council and works will be procured through approved frameworks or competitive tenders utilising either in house resources or partner's procurement arrangements, in accordance with Standing Orders and the Procurement Governance Arrangements. Procurement implications will be reported in individual PDD and FBC reports as per normal practise.</p> <p><u>Equalities Analysis</u></p> <p>An initial screening for an Equality Assessment (EA) has been undertaken and has concluded that a full EA is not required at this time, with no adverse impacts on protected groups. This position will be reviewed for each composite project at FBC stage (or full PDD stage for the provisionally approved projects) as necessary. The initial screening is provided as Appendix C to the executive report that accompanies this PDD.</p> <p><u>Risks</u></p> <p>Key risks are outlined in Annex F of this PDD document. It should be noted that a significant shortage of consultant and contractor resource in the marketplace could impact upon programme delivery and potentially increase project costs. This risk will be managed by senior Transportation and Highways officers in conjunction with the relevant portfolio holder.</p>
Links to Corporate and Service Outcomes	The Transportation and Highways Capital Funding Strategy (THCFS) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the Council's key policies and priorities as set out in the Council Business Plan and Budget (2015+ and 2016+), West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy.
Project Benefits	In the context of the vision for an inclusive city, the THCFS has a strong focus on supporting the Council's core mission to 'work together to create a fair, prosperous and democratic city'. In addition, the programme seeks to make a significant contribution towards the key priorities of safety, businesses, sustainability, unemployment and engagement/influence by reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality and encouraging active and sustainable modes of travel.
Project Deliverables	The THCFS will deliver a significant amount of transport infrastructure over a 6 year period comprising: junction improvements; measures to reduce congestion; bespoke asset life extending maintenance to structures; cycling and walking schemes; road safety improvements; local accessibility projects; safer routes to schools schemes; and a pipeline of future projects including the Council's next programme of major transport schemes.

Key Project Milestones	Planned Delivery Dates
Approval of PDD	February 2015
Approval of Full Business Cases (FBC)	Rolling programme
Seek Tenders & Evaluation	Rolling programme
Start on site	Rolling programme
Completion on site	April 2016 to April 2021
Post Implementation Reviews	April 2017 to April 2022
Dependencies on other projects or activities	<ul style="list-style-type: none"> • Approval of GBSLEP business cases; • Approval of business cases by DfT; • Securing match funding contributions; • Securing private contributions; • Acquiring necessary third party land; • Securing funding for revenue implications; • Completing procurement and tendering processes; • Securing access to the public highway; • Phasing works in accordance with other works on the highway; • Securing necessary legal agreements and completing grant agreements; and • Contractors and Statutory Undertakers availability.
Achievability	Similar programmes have been completed previously by the Council. Experienced

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	contractors with a track record of delivering similar projects will be appointed as part of necessary procurement processes.		
Project Managers	To be confirmed as part of individual PDD and FBC reports.		
Project Accountant	Michele Garrison		
Project Sponsors	Anne Shaw – Acting Assistant Director – Transportation and Connectivity John Blakemore - Director of Highways and Resilience		
Proposed Project Board Members	To be confirmed		
Head of City Finance (HoCF)	Simon Ansell	Date of HoCF Approval	4/2/16
<i>Other Mandatory Information</i>			
• Has project budget been set up on Voyager?			Yes
• Issues and Risks updated <i>(Please attach a copy to the PDD and on Voyager)</i>			Yes

2. Option Appraisal

Option 1	Discontinue Transportation and Highways Capital Projects and Programmes
Information Considered	Council Business Plan and Budget 2015+ and 2016+; West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Draft Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; Integrated Transport Authority Reports; West Midlands Devolution Deal.
Pros and Cons of Option	<p><u>Limitations</u></p> <ul style="list-style-type: none"> • Significant funding from the DfT, ITA and GBSLEP will not be provided or lost; • The Council will not be able to demonstrate the ability to manage and deliver government transport funding, potentially affecting the further devolution of resources; • New funding would be difficult to access; • Transportation and Highways works to enable growth may not be delivered and restrict the creation of new employment opportunities; • Transportation and Highways works to enable growth may not be delivered within necessary timescales, reducing competitiveness and failing to build confidence in key growth zones; • The City Council's economic growth zones will not be progressed in a timely fashion; • Transport benefits relating to reduced congestion and improved safety may not be achieved; • Would dissolve existing strategy to fund large projects such as Tame Valley Viaduct; • Existing commitments and pressures would still need to be funded; • Net surplus BLE income may not be used in accordance with the Bus Lanes Contraventions Regulations 2005; • Resources will not align with the Council's CEP for 2016/17 to 2018/19; • Abortive 'sunk' development costs that would represent a revenue pressure; • Existing Government and GBSLEP funding could be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding; • Failure to deliver the Birmingham Connected Transport Strategy and new West Midlands Strategic Transport Plan; • Broader reputational risks for the Council and senior members; • Likely to be politically and publically unacceptable; and • Severe staff implications due to loss of capital funding and fee recovery. <p><u>Benefits</u></p>

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	<ul style="list-style-type: none"> • Additional maintenance implications may not be incurred; • Potential disruption may be avoided by not delivering key improvements; • Some match funding could be used for alternative purposes.
People Consulted	Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and the Acting Assistant Director Transportation and Connectivity.
Recommendation	Do not proceed
Principal Reason for Decision	Failure to deliver the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability.

Option 2	Continue Transportation and Highways Capital Projects and Programmes, but do not implement proposed Funding Strategy
Information Considered	Council Business Plan and Budget 2015+ and 2016+; West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Draft Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; Integrated Transport Authority Reports; West Midlands Devolution Deal.
Pros and Cons of Option	<p><u>Limitations</u></p> <ul style="list-style-type: none"> • Significant funding from the DfT, ITA and GBSLEP will not be provided or lost; • The Council will not be able to demonstrate the ability to manage and deliver government transport funding, potentially affecting the further devolution of resources; • New funding would be difficult to access; • Existing commitments and pressures would still have to be funded; • Transportation and Highways works to enable growth may not be delivered and restrict the creation of new employment opportunities; • Transportation and Highways works to enable growth may not be delivered within necessary timescales, reducing competitiveness and failing to build confidence in key growth zones; • The City Council's economic growth zones will not be progressed in a timely fashion; • Transport benefits relating to reduced congestion and improved safety may not be achieved; • Would dissolve existing strategy to fund large projects such as Tame Valley Viaduct and pass the full funding burden to the Council; • Existing Government and GBSLEP funding could be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding; • Abortive 'sunk' development costs that would represent a revenue pressure; • Net surplus BLE income may not be used in accordance with the Bus Lanes Contraventions Regulations 2005; • Resources will not align with the Council's CEP for 2016/17 to 2018/19; • Failure to deliver the Birmingham Connected Transport Strategy and new West Midlands Strategic Transport Plan; • Broader reputational risks for the Council and senior members; • Likely to be politically and publically unacceptable; and • Staff implications due to loss of capital funding and fee recovery. <p><u>Benefits</u></p> <ul style="list-style-type: none"> • Additional maintenance implications may not be incurred; • Potential disruption may be avoided by not delivering key improvements; • Some match funding could be used for alternative purposes; • Focus could be provided on smaller transport improvements outside of the LGF or BCR programmes.
People Consulted	Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and the Acting Assistant

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	Director Transportation and Connectivity.
Recommendation	Do not proceed
Principal Reason for Decision	Failure to deliver the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability. Exposes the Council to severe funding risks in terms of clawback and failure to secure external resources such as the £72m provisionally allocated for Tame Valley Viaduct.

Option 3	Continue Transportation and Highways Capital Projects and Programmes and implement proposed Funding Strategy
Information Considered	Council Business Plan and Budget 2015+ and 2016+; West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Draft Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; Integrated Transport Authority Reports; West Midlands Devolution Deal.
Pros and Cons of Option	<p><u>Limitations</u></p> <ul style="list-style-type: none"> • Additional maintenance implications will be incurred; • Disruption associated with delivering key improvements; • Some match funding could not be used for alternative purposes; • Less focus on smaller transport improvements; • No staffing efficiencies; and • Long term commitments to top slice ITB and repay prudential borrowing. <p><u>Benefits</u></p> <ul style="list-style-type: none"> • Significant funding from the DfT, ITA and GBSLEP will be secured; • The Council can demonstrate the ability to manage and deliver government transport funding, supporting the further devolution of resources; • New funding could be accessed; • Existing commitments and pressures would be funded; • Transportation and Highways works to enable growth would be delivered and create new employment opportunities; • Transportation and Highways works to enable growth would be delivered within necessary timescales, increasing competitiveness and building confidence in key growth zones; • The City Council's economic growth zones will be progressed in a timely fashion; • Transport benefits relating to reduced congestion and improved safety will be achieved; • Strategy to fund large projects such as Tame Valley Viaduct maintained; • Existing Government and GBSLEP funding would not be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding; • Usage of net surplus BLE income in accordance with the Bus Lanes Contraventions Regulations 2005; • Resources will align and be consistent with the Council's CEP for 2016/17 to 2018/19; • Delivery of the Birmingham Connected Transport Strategy and new West Midlands Strategic Transport Plan; • No reputational risks for the Council and senior members; • Politically and publically acceptable; and • No staff implications due to loss of capital funding and fee recovery.
People Consulted	Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and the Acting Assistant Director Transportation and Connectivity.
Recommendation	Proceed
Principal Reason for Decision	Delivery of the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability. Risk exposure reduced in respect of securing external funding and preventing funding clawback.

4. Budget Information – see annex G for project specific budget information

Detailed budget information by project, programme and funding resource is provided as Annex H to this PDD.

Notes – Revenue Consequences

Asset Management / Maintenance Implications

As part of the City Council's obligations under the Highway Maintenance and Management Private Finance Initiative (HMMPFI) contract, Highways will be formally notified of the proposed changes to the highway inventory arising from this THCFSS programme.

Consultation with Highways will be carried out to enable coordination of the proposed works with other programmed activities on the highway network.

Maintenance Costs

A high level maintenance estimate for this programme has indicated that additional average annual maintenance costs of £250,000-350,000 may arise per annum. These costs are based upon previous schemes of a similar nature, and options to further reduce these additional annual maintenance costs will be explored during the detailed design, including de-cluttering and the sourcing of commuted sums.

Where commuted sums or EZ contributions cannot be provided, such costs will be funded from provision for Highways Maintenance held within the Corporate Policy Contingency.

Network Integrity Assessment

Network integrity assessments will be carried out for the highway infrastructure to identify locations where potential maintenance savings could be made.

5. Project Development Requirements/Information

Products required to produce Full Business Case (FBC)	<ul style="list-style-type: none"> • Consultation; • Detailed design including drawings and estimate; • Road Safety Audit 2; • Internal liaison with key Council Officers; • Highways Change Notification; • Traffic Management Protocol and Plans; • NRSWA Notification; • Approval Reports; • Delegated Form of Authority for Traffic Regulation Orders; • Approval of GBSLEP business cases; • Approval of business cases by DfT; • Securing match funding contributions; • Securing private contributions; • Acquiring necessary third party land; • Securing funding for revenue implications; • Completing procurement and tendering processes; • Securing access to the public highway; • Phasing works in accordance with other works on the highway; • Securing necessary legal agreements and completing grant agreements.
Estimated time to complete project development	<i>Rolling development</i>
Estimated cost to complete project development	Not applicable
Funding of development costs	Not applicable

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Planned FBC Date	Rolling	Planned Date for Technical Completion	Phased between April 2016 and April 2021
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List of Annexes accompanying this PDD:

ANNEX A – LOCAL ACCESSIBILITY SCHEMES PRIORITISATION AND GOVERNANCE

ANNEX B – LOCAL SAFETY SCHEMES PRIORITISATION AND GOVERNANCE

ANNEX C – SAFER ROUTES TO SCHOOLS – SCORING CRITERIA FOR SAFETY AND SUSTAINABILITY STRANDS/GOVERNANCE

ANNEX D – WARD MINOR TRANSPORT MEASURES

ANNEX E – BREAKDOWN OF DEVELOPMENT COSTS

ANNEX F – HIGH LEVEL PROGRAMME RISK ASSESSMENT

ANNEX G – BUS LANE ENFORCEMENT - FINANCIAL DETAIL

ANNEX H – FINANCIAL SUMMARY BY PROJECT AND PROGRAMME (SEPARATE ATTACHMENT)

ANNEX A – LOCAL ACCESSIBILITY SCHEMES PRIORITISATION AND GOVERNANCE

It is proposed that the Local Accessibility Schemes sub programme be continued during 2015/16 and 2016/17, which seeks to improve accessibility for local people wishing to access education, employment, retail and leisure facilities in their local area. In support of the localism agenda, schemes will be identified and developed in partnership with Districts, with individual projects to be agreed in consultation with the Cabinet Member for Development, Transport and the Economy.

Schemes within this sub programme will be required to demonstrate their ability to reduce congestion, improve accessibility, improve road safety and improve air quality at a local level.

Individual schemes, which are all estimated to have a value either below £200k or between £200k and £1m, will progress to PDD and FBC stage to be approved by the relevant Cabinet Member jointly with the Chief Officer, without the requirement for an overarching programme PDD.

ANNEX B – LOCAL SAFETY SCHEMES PRIORITISATION AND GOVERNANCE

The development of a Local Safety Schemes programme ensures that the Council complies with the road safety duties detailed in the Highways Act 1980.

Policy SS1 of the West Midlands Local Transport Plan 2011 'seeks to reduce further casualties resulting from road traffic collisions' and the Local Safety Schemes programme contributes towards Target LTT9: Reduce annual Killed and Seriously Injured (KSI) casualties by 17.3% between the baseline 2005-09 average and the 2011-15 average.

Accident studies are carried out at the following location types: priority junctions, signal junctions, roundabouts, route lengths and local areas. Injury accident data collected by the Police is compiled from the Spectrum system for each location. Statistical tests are then carried out of the data to determine the following:

- Locations with at least 9 accidents in the past 3 years;
- Chi Squared tests to determine locations with significant numbers of KSI (Killed or Seriously injured) accidents or accidents involving vulnerable road users (pedestrians and cyclists); and
- Poisson analysis is used to determine locations with significant recent increases in accident number.

For all locations, a treatable accident pattern is required. Feasibility studies are carried out to determine a solution to the problem, identify accident savings and produce a First Year Rate of Return (FYRR). Schemes are prioritised based on the FYRR.

Individual schemes, which are all estimated to have a value below £200k, will progress to PDD and FBC stage to be approved by the Chief Officer, without the requirement for an overarching programme PDD.

ANNEX C – SAFER ROUTES TO SCHOOLS – SCORING CRITERIA FOR SAFETY AND SUSTAINABILITY STRANDS/GOVERNANCE

No.	Criteria	Points	Points Criteria	Maximum Points Awarded	Percentage Weighting of Individual Areas
1	Child accident rate (aged 3-16) within 1 km radius of	5	High number of accidents/severity levels (Fatality, 5 or more serious accidents or 20 or more slight accidents)	5	25%

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	the school over the last three years	3	Intermediate number of accidents/severity levels (Any serious or 10 or more slight accidents)		
		1	Lower number of accidents/severity levels (1 or more slight accident)		
2	Child accident rate (3-16) outside the school over the last three years, this includes adjacent roads.	5	Any serious accident on adjacent roads over the last three years		
		3	If there were no serious but two or more slight accidents over three years		
		1	Only one slight accident over three years	5	25%
3	What is the pedestrian accident rate outside the school over the last three years (adjacent roads)	5	Any fatality or 2 or more serious accidents on adjacent roads over the last three years		
		3	One serious or two or more slight accidents over three years		
		1	Only one slight accidents over three years	5	25%
4	School population including joint bids	5	Over 1500 pupils		
		4	Over 1250 pupils		
		3	Over 1000 pupils		
		2	Over 500 pupils		
		1	Over 250 pupils	5	25%

Sustainability Strand

No.	Criteria	Points	Points Criteria	Maximum Points Awarded	% Weighting of Individual Areas
1	School Population	5	Over 1500 pupils		
		4	Over 1250 pupils		
		3	Over 1000 pupils		
		2	Over 500 pupils		
		1	Over 250 pupils	5	20%
2	Potential to improve sustainable mode of travel Calculated by: (Children living within 1 km of the school / 2 km secondary) - (% already travelling by sustainable modes i.e. walk, bus, train, cycle, car share.)	5	Over 40%		
		4	30-39%		
		3	20-29%		
		2	10-19%		
		1	1-9%	5	20%
3	Particular school requirements	5	Recognised need for a particular facility to make sustainable travel more attractive through school travel plan or other form of communication.		
		3	Generalised reference to facilities required and some supportive evidence of potential.	5	20%
4	Part of a wider engineering / maintenance project or a sustainable travel scheme to	5	Listed as a school within project area.	5	20%

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	reduce CO2 emissions and reduce congestion e.g. LSTF Projects etc				
5	Participation in sustainable travel and road safety initiatives.	5	Participation in Walk once a Week, Walking Bus, Bike It or another sustainable travel scheme requiring long term school commitment.	5	20%
		2	W2SW, Bikeability Training, Road Safety Training or Heath Projects.		

Individual schemes will progress to PDD and FBC stage to be approved by the Chief Officer, without the requirement for an overarching programme PDD.

ANNEX D – WARD MINOR TRANSPORT MEASURES

This programme will support the localism agenda through the provision of an annual £0.5m budget to address minor transport issues identified at ward level. Works within this programme should demonstrate a contribution towards reducing congestion, improving road safety, improving accessibility and improving air quality, with greater flexibility provided in terms of value for money to reflect local priorities.

The highest priority will be given to disabled bay markings and dropped crossings to facilitate mobility for the disabled as there is a statutory duty to fulfil these needs. The balance of the resources can be used for a range of improvements including: prescribed and non-prescribed carriageway markings and traffic signs, traffic regulation orders, road safety measures, minor highway realignment, double kerbing, parking measures, minor walking and cycling schemes and small public transport improvement. The provision of “no ball games” signs and “neighbourhood watch” signs are specifically excluded.

All works should be undertaken within the public highway, with no more than £2,500 of the £12,500 provided to each ward utilised on design and implementation fees.

Individual schemes, which are all estimated to have a value below £200k, will progress to FBC stage for each ward to be approved by the Chief Officer, without the requirement for an overarching programme PDD. Approval will only be agreed upon confirmation that ward councillors have been fully consulted in terms of the priority measure/s to be progressed and their support of specific proposals.

ANNEX E – BREAKDOWN OF DEVELOPMENT COSTS

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	2015/16	2016/17
	£000's	£000's
Development Costs		
Enabling Growth and Tackling Congestion - Parking Schemes	130	-
Enabling Growth and Tackling Congestion - Future Schemes	35	300
Definitive Map Statement	75	75
Walking Measures	-	70
Local Safety Schemes	20	25
Safer Routes to Schools Schemes	20	25
Ward Minor Measures	100	100
Infrastructure Development	525	525
Total Expenditure	905	1,120

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TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME 2015/16 TO 2020/21 HIGH LEVEL PROGRAMME RISK ASSESSMENT

ANNEX F

No	Risk Description	Owner / Manager	Inherent Risk			Measures in place to manage			Residual Risk			Status	Further Action
			Impact	Likelihood	Exposure				Impact	Likelihood	Exposure		
1	Insufficient funding to fully deliver programme	PHIL EDWARDS	High	Medium	High	Detailed programme and cost management. New sources of funding obtained			High	Medium	High	Same	
2	Objections from key consultees	VARINDER RAULIA	High	Medium	Medium	The scheme package has been discussed with senior members. Some schemes have already been consulted upon.			High	Low	Medium	Better	
3	Skills, capacity and capability insufficient to fully deliver programme	VARINDER RAULIA	High	Medium	High	Recruitment, training and use of consultant's framework put in place.			Medium	Medium	Medium	Better	
4	Contractors experience financial difficulties.	Contractor	High	Low	Medium	It is proposed to procure the works through current frameworks, in house resources or partner frameworks. Financial checks will be carried out during tender evaluation processes.			High	Low	Medium	Same	
5	Insufficient revenue resources to fully cover inventory growth	ALISON JARRETT	High	Medium	High	Revenue provision subject to Corporate/Directorate review.			High	Medium	High	Same	
6	Land Ownership.	VARINDER RAULIA	Medium	Medium	Medium	Land ownership has been reviewed. Some projects may require third party land or a CPO			Medium	Medium	Medium	Same	
7	Failure to meet grant conditions with funding being withheld.	VARINDER RAULIA	High	Low	Medium	Projects will be effectively managed to address issues affecting delivery and consequentially grant funding.			Medium	Low	Low	Better	
8	External match funding bids unsuccessful	PHIL EDWARDS	High	High	Medium	Close liaison being undertaken with external funders.			High	High	Medium	Same	Reprogramming to revised resources
9	Legal Agreements/Funding agreements with partners	VARINDER RAULIA	High	Low	Low	Most agreements in place. Ongoing dialogue with GBSLEP			Medium	Low	Low	Better	

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No	Risk Description	Owner / Manager	Inherent Risk			Measures in place to manage	Residual Risk			Status	Further Action
			Impact	Likelihood	Exposure		Impact	Likelihood	Exposure		
10	Further cost pressures identified	ANNE SHAW	High	Medium	High	Revised project board arrangements to be established in 2016/17	High	Medium	High	Same	
11	Challenge received from recipients of Bus Lane Enforcement Penalty Charge Notices	KEVIN HICKS	High	Medium	High	Legal advice obtained by Highways department	High	Low	Medium	Better	
12	A45 cycling works cannot be accommodated within A45 SPRINT proposals led by the Council and Centro	ANNE SHAW	High	Medium	High	Aligned project working arrangements established	Medium	Medium	Medium	Better	
13	Expected s106 and CIL contributions do not materialise	PHIL EDWARDS	Medium	Medium	Medium	Regular engagement with Planning Management Service.	Medium	Medium	Medium	Same	
14	Sunk development costs become abortive and a revenue pressure	ALISON JARRETT	Medium	Medium	Medium	Full application of Council GRFAF	Medium	Medium	Medium	Same	
15	Prudential Borrowing limit reached	MARTIN EASTON	High	Low	High	Close working with Financial Strategy established	High	Low	High	Same	
16	ITB arrangements affected by West Midlands Combined Authority arrangements established	PHIL EDWARDS	Medium	Medium	Medium	Ongoing liaison with WMCA team and BCC leads	Medium	Medium	Medium	Same	
17	Funding clawed back by funders	PHIL EDWARDS	High	Low	High	Effective relationships being maintained with external funders	High	Low	High	Same	

ANNEX G – BUS LANE ENFORCEMENT – FINANCIAL DETAIL

Bus Lane Enforcement (BLE) – Operational Income & Expenditure and Use of Surpluses																
Operational Income & Expenditure	Actual Values	Estimated Values (Note 1.)														
		2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2023/24 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	2029/30 £000's	2030/31 £000's
Bus Lane Enforcement Operational Income																
Income		3,212	1,770													
Total Operational Income		3,212	1,770													
Operational Expenditure																
Employees		318	310													
Operational Costs		645	280													
Total Operational Expenditure		963	590													
Net Operational Surplus		2,249	1,180													
Use of Net Operating Surplus																
General Contribution to Highways Improvements		300														
Contribution to Renewal Fund (Note 2.)		25	25													
Iron Lane Outer Circle Junction Improvement			1,000													
Dudley Road/Tame Valley Viaduct Major Schemes (Note 3.)																
Total Use of Net Operating Surplus		325	25													
Surplus/(Deficit) at Year-End		1,924	1,155													
Accumulated Surplus Brought Forward		0	1,924													
Accumulated Surplus Carried Forward		1,924	3,079													
Notes																
1. Operational income and expenditure for 2015/16 has been based upon actuals as at 31st December 2015 and service estimates for the remaining three months to the year-end.																
Operational income and expenditure beyond 2015/16 has been estimated based upon service estimates and will be subject to ongoing review.																
2. Assumed funding to provide for the renewal of BLE system, based on a proposed renewal every 8 years at an estimated cost of £0.2m.																
3. Dudley Road and Tame Valley Viaduct allocations represent interest payments on prudential borrowing of £16.611m which is required to meet the Council's contributions to the Schemes, as proposed in this report.																