

FULL BUSINESS CASE (FBC)

A. GENERAL INFORMATION

A1. General

Project Title <i>(as per Voyager)</i>	Southside Public Realm Improvement Scheme Full Business Case and Contract Award		
Voyager Code	CA-02700-16		
Portfolio / Committee	Transport & Environment Finance & Resources	Directorate	Inclusive Growth
Approved by Project Sponsor	Phil Edwards Date: 5 th February 2021	Approved by Finance Business Partner	Simon Ansell Date: 8 th February 2021

A2. Outline Business Case approval (17th March 2020, Cabinet)

The total estimated capital cost for the delivery of the project is £9.528m. This will be funded from GBSLEP Enterprise Zone (EZ) funding of £8.725m, (£0.692m EZ funding already secured), £0.365m third party funding and £0.438m Section 106 monies. Both the overall estimated capital cost of the scheme and the associated funding has changed since the original OBC approved in March 2020 and these movements are explained in Section E Financial Case.

On 11th December 2019 GBSLEP approved the OBC for Southside Public Realm Improvement Scheme at a total estimated capital cost of £8.177m and provisionally allocated £7.268m of EZ funding (of which £0.692m was secured and £6.576m was subject to final FBC submission). Following the outcome of the works procurement tender process, the total estimated capital cost of the scheme has increased by £1.351m to £9.528m and in addition, funding assumed from other sources has reduced by £0.106m resulting in a funding gap of £1.457m. To address this gap an updated request for £8.033m (£6.576m plus £1.457m) EZ funding was submitted to the GBSLEP and approved on 3rd February 2021 by GBSLEP Programme Delivery Board. This is now subject to GBSLEP Supervisory Board final approval.

A3. Project Description

Background

The strategy for the Enterprise Zone (EZ) and its associated Investment Plans were first established in the Big City Plan, adopted by the City Council in 2011. The Big City Plan sets out a strategic framework for the growth of the city centre which is underpinned by a series of development principles. One of these principles includes connectivity and improving the walkability of the city centre with a network of streets and spaces that, through public realm improvements, will contribute to the creation of a high-quality environment attracting investors, visitors, businesses and residents to the centre.

This scheme aims to transform the Southside area into a new “front-door” for Birmingham City

Centre by creating a new public space and improving the quality of key local streets proving safe and attractive pedestrian and cycle routes which will encourage the use of active modes of transport.

In 2015 and 2017 Phases 1 and 2 created changes to road layouts and junction closures to allow Phase 3 public realm works while still maintaining full access to car parks in the area and providing areas for loading and taxis.

This report covers the remaining works to complete the final phase of the scheme.

Scheme Details

Southside Public Realm Improvement Scheme will transform the links from New Street Station to Southside. Improvements include a new civic square at the heart of Southside to create a focal point for the Hippodrome Theatre and Chinatown.

The proposed works will incorporate a realignment of the pedestrian crossing over Smallbrook Queensway providing a natural continuation from New St Station of the pedestrian and cycling route and improvements to the public realm on upper Hurst Street, Ladywell Walk and Dudley Street.

The works are detailed below across the 3 sites of:

- Smallbrook Queensway
- Hill Street
- Ladywell Walk, including Hurst Street and Hippodrome Square

1) Site Clearance

2) Kerbs, Footpaths and Paved Areas

- Reducing of Carriageway width to allow the extension of footways.
- Removal of existing footway and black top carriageway.
- Resurfacing of the area with high quality natural stone paving, suitable for pedestrians and cyclists.

3) Street Furniture and Lighting

- Enhanced street lighting.
- Introduction of Hostile Vehicle Mitigation bollards at the three entrance points to Hippodrome Square will further enhance safety of the square.

4) Soft Landscaping

- A new line of trees to provide aesthetic and environmental benefits.
- Seating.

5) Traffic Signs Road Markings and Traffic Management

- Changes to signal heads, MOVA (Microprocessor Optimised Vehicle Actuation) and AGD (Above Ground Detection) to improve the junction for all road users.
- Improved cycle route and clear markings.
- Improved segregation to the existing cycle lane along the southern section of Hill Street.
- Prioritisation of pedestrian and cycle accessibility.
- Create a new pedestrian crossing arrangement on the eastern arm of the junction with Hill

Street and widening the footway on the north and south eastern section of the junction.

- Create a natural continuation for pedestrians and cyclists heading down from New Street Station via Southside towards Birmingham Smithfield.

A4. Scope

The extend of Southside Public Realm Improvement Scheme includes the southern end of Hill Street, the northern end of Hurst Street and Hippodrome Square which forms a key link between New Station and Birmingham Smithfield development as shown in Figure 1 below. The scheme itself is situated along a primary walking route connecting the south of the city centre to key transport hubs and key development sites.

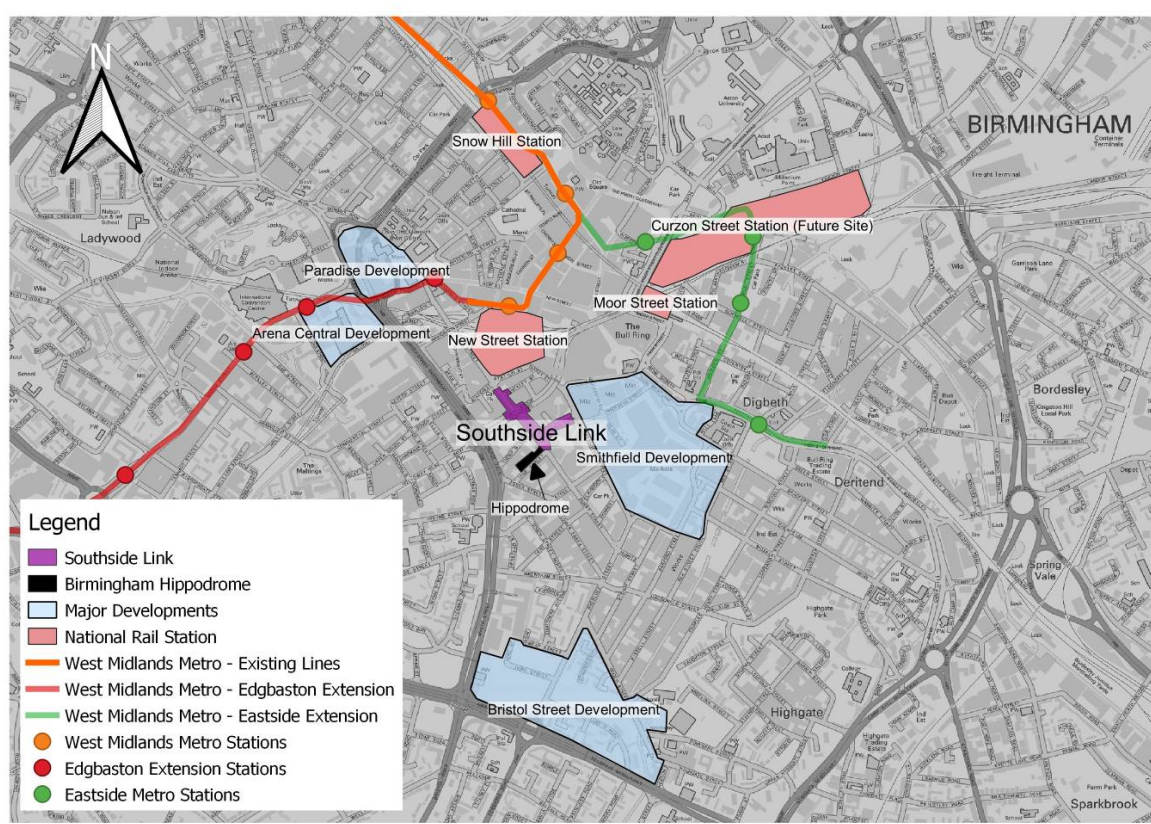


Figure 1: Scheme Area

A5. Scope Exclusions

Beyond the outlined scope, additional proposals include:

- A proposal to introduce a Chinese Arch on Ladywell Walk is being developed by third parties (NB: is not being provided as part of the Enterprise Zone scheme however the proposed location has been taken in consideration).

B. STRATEGIC CASE

B1. Project Objectives and Outcomes

Existing Situation and Issues

The Southside area is situated close to the heart of Birmingham city centre, located directly south of New Street Station, and directly west of the Smithfield development site. The area is home to popular visitor destinations including the Birmingham Hippodrome, Chinese Quarter and the Arcadian Centre.

Throughout the scheme area, inconsistent and damaged paving, high levels of street clutter and litter and poorly maintained street furniture makes travelling to and through the area difficult and unwelcoming particularly for visually impaired users. Connectivity to Southside is limited with relatively narrow pedestrian paths on the southern section of Hill Street and narrow central pedestrian islands at Smallbrook Queensway made worst by number of illegally parked vehicles throughout the scheme area. The overall poor quality of existing streetscape undermines the character of the area and its strong cultural offering.

Scheme-Specific Objectives

The vision for the Southside area is to become a new ‘front-door’ for the city centre, with direct links to the redeveloped New Street Station. The area is home to the redeveloped Hippodrome Theatre, the Gay Village, the Arcadian Centre and Chinatown, all of which contributing to the strong cultural feel of the area. To capitalise on this opportunity to ensure the area becomes a ‘must-see’ for visitors, transforming the connectivity and environment in the area is essential.

The principles of connectivity and walkability are embedded in three objectives identified as the key aspirations for the scheme and include:

- To improve the overall quality of the urban public realm in the Southside area. Improvements will create an attractive, cultural gateway to the city centre, improving the overall experience for visitors; particularly those arriving at Birmingham New Street who then walk or cycle to key employment, retail and leisure destinations within or in proximity to the Southside area.
- To improve pedestrian and cycling connectivity and legibility in the Southside area, along the primary network links. This will improve connections to/from Birmingham New Street and other transport hubs as well as the Smithfield development and the wider city centre.
- To provide a greener and safer streetscape characterised by improved air quality and a reduction in the number of road accidents.

City Council Objectives

The proposed public realm and connectivity improvements set out in this FBC supports the delivery of local and regional policies set out below.

Policy	Strategic Alignment
Local Policies	
Council Plan (2018-2022) (2019 Update)	<p>The proposed scheme supports the policy objectives outlined in the Council’s Plan 2018-2022 as updated in 2019 including:</p> <p>Outcome 1, Priority 4: <i>“We will develop our transport infrastructure, keep the city moving through walking, cycling and improved public transport.”</i></p> <p>Outcome 4, Priority 1: <i>“We will work with our residents and businesses to improve the cleanliness of our city.”</i></p> <p>Outcome 4, Priority 4: <i>“We will improve the environment and tackle air pollution.”</i></p>

	Outcome 4, Priority 5: <i>"We will work with partners to ensure everyone feels safe in their daily lives."</i>
Birmingham Development Plan (BDP) 2017	<p>The vision for Birmingham set out in the BDP is: <i>"By 2031 Birmingham 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."</i></p> <p>The proposed changes to Southside are consistent with the achievement of the objectives set out in the BDP, including:</p> <ul style="list-style-type: none"> • To provide high quality connections throughout the city and with other places including encouraging the increased use of public transport, walking and cycling; and • To develop Birmingham as a city of sustainable neighborhoods that are safe, diverse and inclusive with locally distinctive character. <p>GA1 – Redevelopment and regeneration of areas in the city centre will transform the linkages between New Street Station and the future development of Smithfield.</p> <p>Southside and Highgate – <i>"Supporting the growth of the area's cultural, entertainment and residential activities and its economic role complemented by high quality public spaces and pedestrian routes."</i></p> <p>Measures to improve accessibility to and within the city centre will be supported including:</p> <ul style="list-style-type: none"> • An enhanced high-quality network of pedestrian/cycle routes, public open spaces and squares; and • Improvements to and prioritisation of pedestrian and cycle accessibility. <p>TP39 – Walking – The Southside public realm scheme promotes the use of safe and pleasant walking environments connecting the city centre to future new developments including Smithfield, prioritising pedestrian routes and promoting walking as an attractive, convenient and safe option to travel. The scheme will ensure <i>"...good design of pedestrian routes/areas reflecting desire lines"</i>.</p> <p>TP40 – Cycling – The scheme will promote and encourage cycling through the extension and integration of the segregated cycleway on Hurst Street.</p>
Big City Plan (2011)	<p>The Big City Plan sets out a strategic framework for the growth of the city centre which is underpinned by a series of development principles. One of these principles includes connectivity and improving the walkability of the city centre with a network of streets and spaces that, through public realm improvements, will contribute to the creation of a high-quality environment attracting investors, visitors, businesses and residents to the city centre. High quality connections and public realm have been recognised as important</p>

	<p>factors in contribute to the economic performance and success of an area and maintaining a competitive edge that is fundamental to the ability of centre place to compete against other major cities for private sector investment.</p> <p>The Southside quarter is identified in the City Council's Big City Plan as an area with an opportunity to create one of the most diverse city centre quarters that will be a major cultural and visitor destination. The plan references improvements to transport links creating a vibrant, liveable and well-connected part of the city centre with strong character and feeling of 'place'.</p> <p>There is specific reference in the plan stating: <i>"Pedestrian links across Smallbrook Queensway is poor and needs improvement"</i> – this scheme directly addresses this poor connectivity by creating a new crossing arrangement on the eastern arm of the junction with Hill Street and widening the footway on the north and south eastern section of the junction.</p>
Birmingham City Centre Enterprise Zone Investment Plan (2019)	The Birmingham City Centre Enterprise Zone Investment Plan sets out the plan for intervention in infrastructure to accelerate growth and unlock development to deliver the vision of the Big City Plan and GBSLEP priorities. The plan gives specific reference to Southside public realm and the desire to create 'The Southside Link' to provide transformation of the route from New Street Station to Birmingham Smithfield via Southside by creating a safe and attractive pedestrian and cycle route.
Birmingham Transport Plan (emerging 2020)	The emerging Transport Plan sets out 'Big Moves' including recurring themes around reallocating road space to more sustainable and active modes of transport and encouraging the uptake of active travel in the context of clean air and climate change. The proposed connectivity improvements will make walking and cycling more attractive and will provide high-quality links from Birmingham New Street Station through Southside to other areas of development e.g. Birmingham Smithfield.
Birmingham Connected	<p>The Birmingham Connected White Paper (November 2014) lays out a twenty-year plan for Birmingham's transport system. It includes five core objectives for Birmingham's transport operations to be efficient, equitable, sustainable, healthy and attractive to meet mobility challenges and facilitate strong and sustainable growth.</p> <p>The EZCOP Southside Public Realm improvements will help to deliver on all of these objectives, increasing the numbers of people walking and cycling (Healthy Birmingham), enhancing the attractiveness and quality of key transport corridors (Attractive Birmingham), helping to reduce the impacts of air and noise pollution (Sustainable Birmingham), improving access to jobs and services (Equitable Birmingham) and facilitating the city's growth agenda in an efficient manner by making Birmingham become a more attractive destination to visit and invest (Efficient Birmingham).</p>
Birmingham Smithfield	The Birmingham Smithfield Masterplan outlines the "once in a

Masterplan (2016)	<p>lifetime” opportunity to create transformational development that will drive the city’s international standing and reputation.</p> <p>Public realm and junction improvements in the Southside area will create a pleasant walking route between Birmingham Smithfield and Birmingham New Street Station which will complement the Smithfield development and attract visitors through the cultural and vibrant area.</p>
Regional Objectives	
Greater Birmingham and Solihull LEP Strategic Economic Plan	<p>The Southside Public Realm Improvement closely aligns with several key areas of focus defined within the Strategic Economic Plan (SEP) including:</p> <p>Enhance connectivity and mobility – A core vision set out in the SEP is to create a sustainable, attractive and economically vibrant city region that offers greater choice, with stronger and more resilient networks, and an environment that supports an improved quality of life. The SEP also highlights the transport sustainability challenge for the West Midlands, caused by the increasing use of cars and the declining levels of travel by walking and cycling.</p> <p>By improving the internal connectivity of the city centre between the Southside district and key transport hubs such as the renovated Birmingham New Street Station, the Southside Public Realm improvement will serve to encourage the use of public transport and associated short-distance walking trips to popular Southside visitor destinations such as the Hippodrome Theatre and Birmingham’s Chinatown.</p> <p>Additionally, the scheme includes improvements to the existing cycle lane facilities along the southern section of Hill Street and Hurst Street. This will improve one of the weaker links of the cycle network between Birmingham city centre and the south of Birmingham and tie-in with the A38 cycle route improvement scheme. The scheme is therefore expected to result in increased levels of cycling trips to and through the Southside district.</p> <p>In-turn, these measures should also help to reduce the number of car trips, reducing pressures on the congested city centre road network.</p> <p>Harness the transformational opportunity presented by HS2 –</p> <p>The SEP recognises the once-in-a generation opportunity presented by HS2 to drive productivity and economic growth across the Midlands. The arrival of high-speed rail will serve to further enhance the connectivity of Birmingham, sparking a new wave of growth in the city centre and beyond. However, to maximise this economic development there is a need to raise the internal connectivity of the city centre – particularly through improving the connections and environment for pedestrians and cyclists.</p> <p>The Southside district lies within 1km of the new HS2 Curzon Street</p>

	<p>station. By upgrading the public realm environment along key pedestrian corridors within Southside, the scheme will serve to complement the investment in HS2 by enhancing connectivity between Curzon Street Station and other transport hubs, further helping to establish Birmingham city centre as the place to visit, live and do business.</p> <p>Deliver major growth and regeneration opportunities – Aside from HS2, the SEP also recognises other key commercial and residential opportunities to accommodate growth ambitions across Greater Birmingham. This includes the large Birmingham Smithfield development which sits adjacent to the Southside District. Improving the quality of the urban environment with the Southside District would complement the regeneration of the Smithfield site, serving to make commercial and residential development more attractive by improving accessibility to popular leisure sites within Southside.</p> <p>Enhance and harness the potential of our cultural and creative assets - The SEP recognises the quality of cultural assets is key to Greater Birmingham's ability to retain and attract investment and talent and to the quality of life for residents. The Southside district holds a unique cultural offering, thanks to the presence of the redeveloped Hippodrome Theatre, the Gay Village, the Arcadian Centre and Chinatown. However, the poor-quality of the existing streetscape undermines the character of the area. The proposed scheme provides the opportunity to deliver the transformational change to the district's connections and environment needed to ensure that Southside becomes a "must-see" centre for visitors.</p>
WMCA Movement for Growth	<p>The scheme supports the West Midlands Combined Authorities objectives of <i>"ensuring walking and cycling are safe and attractive options for many journeys, by delivering a strategic cycle network and enhancing local conditions for active travel"</i>. The proposals will help <i>"Create attractive and viable local centres with a high-quality public realm and good community safety"</i>.</p>

Equalities Analysis

An Equality Analysis has been carried out and is attached as Appendix H. The scheme is aimed at improving facilities for all road users including the local community and it is not envisaged that any user group will be adversely affected by the proposals.

B2. Project Deliverables

The Southside Public Realm Improvement Scheme will deliver the following elements:

Surfacing – A consistent material palette between the southern section of Hill Street, Hurst Street and the new Hippodrome Square, and the adjoining section of Ladywell Walk matching the silver granite surfacing used outside New Street Station entrance.

Planting – New trees to be provided along Hurst Street to help form an attractive entrance to

Hippodrome Square.

De-cluttering – Unification of signage and upgrading of lighting throughout the scheme location. This would provide a more legible and less obstructive pedestrian and cycle environment.

Lighting – Proposed high quality new street lighting throughout the scheme area.

Southern section of Hill Street – Improved segregation of the contraflow cycle lane;

Smallbrook Queensway – The Smallbrook Queensway carriageway would be narrowed to allow for straight crossing, however the central pedestrian island on the eastern crossing will be retained providing a natural continuation of the pedestrian and cycling route.

Hurst Street – Proposed central island to accommodate tree planting and provide improved segregation to existing two-way cycle way.

Hippodrome Square – Four existing trees to be removed to create a new public square. New lighting aims to provide the “wow” factor for the event space.

Hostile Vehicle Mitigation – Measures to be provided at the three entry points to Hippodrome Square (from Ladywell Walk, Junction of Hurst Street and Thorp Street, and Junction of Hurst Street and Inge Street).

B3. Project Benefits

Measure	Impact
<i>List at least one measure associated with each of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (e.g. for economic and transportation benefits)</i>
Creation of a single public event space at Hippodrome Square.	Create a more attractive, safe and useable area. This will help attract more visitors into the area, encouraging business growth and enhancing the local economy.
Improved two-way cycle lane provision on Hill Street and Hurst Street. Hill Street – 89 m ² cycleway Hurst Street – 188 m ² cycle lane Extension of the cycle route into Hippodrome Square from Inge Street forming a complete link.	Better segregation for cyclists improving safety and reducing accidents. Increase in cyclist confidence.
Improve aesthetics of the scheme area with the planting of new trees.	Creates an increase in street greening that provides a more pleasing streetscape. New planting will improve the attractiveness of Hippodrome Square whilst positively contributing to climate change.
Vehicle reduction and pedestrianised area.	A reduction in the number of vehicle trips would in turn contribute to improving air quality and decreasing greenhouse gas emissions.
Improve crossing facilities and cycling lane	A decrease in non-motorised user related

provisions.	accidents.
<p>Improved lighting:</p> <p>Hill Street:</p> <ul style="list-style-type: none"> • 3 street lighting columns removed. • 2 new high-quality lighting columns installed. <p>Hurst Street/Ladywell Walk/Hippodrome Square:</p> <ul style="list-style-type: none"> • 17 street lighting columns removed. • 9 new high-quality lighting columns installed. • 4 standard 12m lighting columns installed 	<p>Between October 2018 and September 2019 there were 40 recorded cases of theft from a person within the scheme area. The improvements to public realm and quality of lighting will improve the safety for pedestrians in the area.</p>
<p>This scheme will provide better quality lighting in Hippodrome Square and therefore create person safety benefits.</p>	<p>Between October 2018 and September 2019 there were 143 recorded cases of violence or sexual offences within the scheme area. Although many of these are likely to be associated with the nightclubs, improved lighting should lead to crime reduction.</p>
<p>Increased footfall of visitors to area.</p>	<p>There are several businesses within the Southside area that would directly benefit from increased levels of footfall following the completion of the public realm.</p>

B4. Benefits Realisation Plan

The proposed benefits are integrated into the scheme design.

Regular monitoring through planning and construction phase will ensure follow through.

There will be:

- A robust project management structure to monitor progress and manage dependencies, risks and issues, as they arise. Clear tolerance and escalation levels are set to ensure issues are identified and managed in a timely manner.
- The Project Board will meet with predefined regularity. They will make decisions within the scope of Cabinet approval and make appropriate decisions on any minor scope alterations. Any exceptional decision, including decisions outside of the approved scope of the scheme, will be referred to the relevant Cabinet Member and if necessary, Cabinet.
- An achievement of best value for money through the procurement process.
- Post implementation review will be carried out 12 months after scheme opening to ensure the benefits stated have been realised.

The Project Manager, Jas Chahal, will manage the project, tracking progress against scope, time and budget.

B5. Stakeholders

A stakeholder analysis is set out at G4 below.

The public consultation for the Southside Public Realm scheme was launched on Monday 17th June 2019 and ran for 5 weeks until Friday 19th July 2019.

95 individuals responded to the consultation via BeHeard and 5 responses were received separately from key stakeholders and businesses organisations. Birmingham City Council also ran a number of public events to discuss the issues and answer questions.

Of the 95 total respondents to the online questionnaire 82% of respondents said that they liked the scheme, of which 45% really liked the scheme. Additionally, 83% of respondents felt that the proposed scheme will have positive effect on businesses.

Analysis of the consultation responses identified key themes and concerns from local individuals and organisations including:

- 51% of respondents expressed their support for the proposed public realm scheme;
- 19% of respondents showed support for the chinese archway in particular; and
- 19% felt that the proposed cycle route needs to be segregated across Hippodrome Square.

The City Council thoroughly read and analysed each response to this consultation. All responses received to the consultation have been considered and where appropriate incorporated into the scheme proposals accordingly. The updated scheme proposal includes:-

- Hill Street to remain as current two traffic lanes with a slight reduction to lane widths to improve the contraflow cycle lane segregation.
- East bound approach from Holloway Circus to Bullring nearside traffic lane to remain as current left and straight on movement.
- No change to the existing drop off facility at IBIS hotel.
- Proposed change to the existing shared loading and taxi bay on Hurst Street to become: 2 No. permanent taxi bays and a shared use loading and taxi bay.
- No proposed change to the 2 No existing permanent taxi bays on Thorp Street.
- Proposed extension to the existing shared loading and taxi bays on Thorp Street with existing time restrictions to remain unchanged.

C. ECONOMIC CASE AND OPTIONS APPRAISAL

C1. Summary of options reviewed at Outline Business Case

Options considered and the recommended proposal are detailed as part of the OBC to Cabinet on 17th March 2020. The recommended proposal has been developed and progressed to FBC.

C2. Evaluation of key risks and issues

Please refer to the Risks Register attached in Appendix E.

C3. Other impacts of the preferred option

The City Council already works in collaboration with the various stakeholders within the Southside, utilities companies, businesses, and statutory bodies. The successful delivery of this project will require close working with the Southside Business District Limited (formally known as Southside

Business Improvement District)

The Hippodrome hosts several events throughout the year and the delivery of the programme will need to be considered in the programming of the works.

D. COMMERCIAL CASE

D1. Partnership, joint venture and accountable body working

The scheme proposals have been developed working with our key partners including Southside Business Improvement District Limited (formally known as Southside BID), Birmingham Hippodrome, Arcadia and Paloma/Southside Building (formally known as Albany House). Third party funding contribution towards the project are detailed in Appendix C.

In its Accountable Body role, the City Council will undertake prudential borrowing to support delivery of the Southside Public Realm Improvement Scheme generated through the uplift in business rates within the EZ. There are financial risks associated with the Accountable Body role, the main one being failure of the EZ to deliver sufficient business rates uplift to cover the level of borrowing and up-front revenue expenditure incurred by the City Council. These risks have and will continue to be managed primarily through detailed financial modelling and by receiving, for independent examination/approval, detailed individual Business Cases for project expenditure.

D2. Procurement implications and Contract Strategy

The outcome of the procurement process is detailed in Appendix G.

D3. Staffing and TUPE implications

The scheme will be resourced using City Council staff and external resources for the professional services and the works. There are no identified staffing or TUPE implications.

E. FINANCIAL CASE**E1. Financial implications and funding**

	Prior Years	2020/21	2021/22	2022/23	Total
	£000	£000	£000	£000	£000
CAPITAL EXPENDITURE					
Capital costs already incurred:					
Development Costs	497.9	193.8			691.7
Other costs to complete:					
Works (including contingency)		55.8	6,836.2	365.0	7,257.0
Utilities (including contingency)		712.4			712.4
Fees - Delivery & TRO		326.6	539.8		866.4
Total capital expenditure	497.9	1,288.6	7,376.0	365.0	9,527.5
CAPITAL FUNDING:					
EZ Secured	497.9	193.8			691.7
EZ Requested		1,094.8	6,938.0		8,032.8
Section 106			438.0		438.0
Birmingham Hippodrome				250.0	250.0
Southside Business District Ltd				100.0	100.0
Paloma Capital/Southside Building				15.0	15.0
Total capital funding	497.9	1,288.6	7,376.0	365.0	9,527.5

Financial Year:		2021/22 Including 3.1% inflation £000	2022/23 £000
REVENUE CONSEQUENCES			
Highways Maintenance			
Basic Highway Assets	-1.222	-1.185	-1.185
Basic Highway Assets Energy Cost	-0.349	-0.338	-0.338
Enhanced Highway Assets	-27.329	-26.482	-26.482
Enhanced Highway Assets Energy Cost	-3.161	-3.063	-3.063
Bespoke Highway Assets	8.769	9.041	9.041
Bespoke Highway Assets Energy Cost	13.728	14.154	14.154
Contingency (25%)	2.391	1.968	1.968
Net revenue consequences	-7.174	-5.905	-5.905
REVENUE FUNDING:			
Current budget provision			
Other revenue resources identified:			
[please itemise]			
Total revenue funding	-7.174	-5.905	-5.905

Capital Costs

The total estimated capital cost for the delivery of the project is £9.528m. This will be funded from GBSLEP Enterprise Zone (EZ) funding of £8.725m, (£0.692m EZ funding already secured), £0.365m third party funding and £0.438m Section 106 monies. Both the overall estimated capital cost of the scheme and the associated funding has changed since the original OBC approved in March 2020 and these movements are explained below.

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	OBC	FBC	Mvt
	£m	£m	£m
Capital Cost	8.177	9.528	1.351
Funding			
EZ Approved	(0.692)	(0.692)	0.000
EZ Subject to Approval	(6.576)	(8.033)	(1.457)
Total EZ	(7.268)	(8.725)	(1.457)
S106	(0.459)	(0.438)	0.021
Third Party Partners	(0.450)	(0.365)	0.085
Total Funding	(8.177)	(9.528)	(1.351)

Within the EZ all business rates are collected by the City Council with any net uplift in the business rates collected within the zone allocated to the GBSLEP for a period to 31st March 2046. It is the GBSLEP Executive who reviews how and where these funds are deployed and make recommendations on investment decisions over the resource in line with the investment plans for the EZ, subject to the City Council in its Accountable Body role for the EZ ensuring compliance with its own governance principles.

In its Accountable Body role, the City Council will undertake prudential borrowing to support delivery of the Southside Public Realm Improvement Scheme generated through the uplift in business rates within the EZ. There are financial risks associated with the Accountable Body role, the main one being failure of the EZ to deliver sufficient business rates uplift to cover the level of borrowing and up-front revenue expenditure incurred by the City Council. These risks have and will continue to be managed primarily through detailed financial modelling and by receiving, for independent examination/approval, detailed individual business cases for project expenditure.

The current EZ financial modelling includes this scheme and shows the cost is considered affordable based on the expected and additional income levels that the EZ will generate.

The availability and eligibility of the use of the s106 contributions £0.438m has been confirmed with the Planning Contributions Team.

Third party funding contributions totalling £0.365m have been secured. Approval to accept the funding and enter into funding agreements is sought as part of this report.

Revenue Implications

This project will both remove and create assets that will form part of the highway upon completion of the project; as such they will be maintained within the overall highway maintenance regime. The estimated reduction in highway maintenance cost is £5,905 per annum including a contingency provision (25%) and inflation indexation. As part of the City Council's obligations under the Highway Maintenance and Management Private Finance Initiative (HMMPI) contract, Highways have been formally notified of the proposed changes to the highway inventory arising from this scheme. The works relate to SSD number 5486.

E3. Approach to optimism bias and provision of contingency

Works tenders have now been received and project costs refined. The overall total estimated capital cost of the project is £9.528m which includes an allocation for contingency deemed sufficient to address any unforeseen works / events, based on similar previous projects.

E4. Taxation

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

As this is a construction project, the requirements of HMRC's Construction Industry Tax Scheme will be included in the contract documentation to ensure the Council's compliance.

F. PROJECT MANAGEMENT CASE

F1. Key Project Milestones

Planned Delivery Dates

GBSLEP FBC approval	February 2021
Full Business Case approval	February 2021
Award Contract	February 2021
Traffic Regulation Order (TRO) Process commences	February 2021
TRO process completes	May 2021
Place orders with statutory undertakers	February 2021
Commence Works	April 2021

Complete Works	March 2022
Date of Post Implementation Review	March 2023
F2. Achievability	
<p>The project involves standard highway engineering and measures and the City Council has in-house experience of successfully delivering highway projects of this nature. Specialist expertise and support has been obtained through appropriate external consultants for Highway design elements, safety audits and Construction Design Management (CDM) responsibilities. The necessary elements have been planned into the construction programme and will be managed by the contractor to minimise any disruption to road users and delay to the construction programme. The procurement exercise was designed to elicit the experience and competence of the chosen contractor.</p>	
F3. Dependencies on other projects or activities	
<p>The delivery of Project Southside Public Realm Improvement Scheme is not dependant on any of the other projects within the Southside area. Dependencies specific to Project Southside Public Realm Improvement Scheme are summarised as follows:</p> <ul style="list-style-type: none"> • Award of Contract • Agreement of Site Compound Location • Approval of required TROs 	
F4. Officer support	
Project Manager:	Jas Chahal – Transport Delivery Manager Tel: 07880 180347 Email: Jaswant.s.chahal@birmingham.gov.uk
Programme Manager:	Stuart Rawlins – Head of Major Transport Projects Tel: 07516 031634 Email: stuart.rawlins@birmingham.gov.uk
Project Accountant:	Andy Price – Finance Manager Inclusive Growth Tel: 0121 303 7107 Email: Andy.R.Price@birmingham.gov.uk
Project Sponsor:	Philip Edwards – Assistant Director Transport and Connectivity Tel: 0121 303 7409 Email: Philip.Edwards@birmingham.gov.uk
F5. Project Management	
<p>The project will continue to be reported and progress monitored by City Centre Major Projects Board and EZ & Curzon Project Delivery Board.</p> <p>The well-established Transport and Highways Board (THB) will provide project assurance. They will scrutinise delivery, finances, and procedures, providing challenge to the Project Manager and Project Board and recommendations for improvements where appropriate.</p>	
G. SUPPORTING INFORMATION	

G1. Project Plan

Please refer to F1 of this FBC report for delivery milestones for the project.

G2. Summary of Risks and Issues Register

Please refer to Appendix E for the scheme Risk Register.

G3. External funding and other financial details

A summary of funding currently identified for the delivery of programme is given in the table in section E2 of this report.

The estimated capital cost of the scheme is £9.528m (including contingency) which is to be funded from Enterprise Zone funding £8.725m (of which £0.692m is already secured), Section 106 monies £0.438m, and third-party partners £0.365m.

G4. Stakeholder Analysis

Stakeholder	Role and Significance	How stakeholder relationships will be managed
MP & local councillors	Local impact to ensure they are aware of the scheme should they be approached by their constituents	Regular updates through member briefings
Southside Business District Limited	Key stakeholder group	Formal meetings including Programme Board and ad-hoc discussions and email contact with an overview of all delivery phases.
Birmingham Hippodrome	Key Stakeholder	Regular meetings with Hippodrome Team and engagement via Southside Business District Limited.
Birmingham City Council	Scheme design and strategic links and to ensure their support of the scheme's implications	Meetings including Project Boards and Programme Board. Ongoing discussions.
Taxi operators	End user	Regular updates prior to construction and during works.
General groups e.g. cycling and walking and resident groups	End user	Regular updates prior to construction and during works
Emergency services	End user	Regular updates prior to construction and during works
General public	End user	Regular updates prior to construction and during works

APPENDIX A

Attachments	
<ul style="list-style-type: none">• Appendix B – Scheme Plans• Appendix C – Funding Letters• Appendix D – Consultation Report• Appendix E – Risk Register• Appendix F – Air Quality Assessment• Appendix G – Procurement Process• Appendix H – Equality Impact Assessment• Appendix I – Programme• Appendix J – Exempt Appendix	