

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET MEMBERS FOR TRANSPORT AND ROADS AND VALUE FOR MONEY AND EFFICIENCY JOINTLY WITH THE CORPORATE DIRECTOR, ECONOMY
Report of:	ASSISTANT DIRECTOR, TRANSPORTATION AND CONNECTIVITY
Date of Decision:	3rd August 2017
SUBJECT:	HOLLOWAY CIRCUS IMPROVEMENT: REVISIONS TO FULL BUSINESS CASE AND CONTRACT AWARD
Key Decision: No	Relevant Forward Plan Ref:
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor Stewart Stacey: Transport and Roads Councillor Majid Mahmood: Value for Money and Efficiency
Relevant O&S Chairman:	Councillor Zafar Iqbal: Economy, Skills and Transport Councillor Mohammed Aikhlaq, Corporate Resources and Governance
Wards affected:	Ladywood, Nechells

1. Purpose of report:
<p>1.1 To update the Cabinet Members on the progress on the Holloway Circus Improvement scheme and the reasons for the proposed revision to the layout.</p> <p>1.2 To note the revision to the funding package for the Holloway Circus Improvement scheme, as set out in the Transportation and Highways Funding Strategy 2017/18 to 2022/23 approved by Cabinet in May 2017.</p> <p>1.3 To seek approval to the revised Full Business Case.</p> <p>1.4 The private report contains commercially confidential information in relation to the procurement process.</p>

2. Decision(s) recommended:
<p>That the Cabinet Member for Transport and Roads and the Cabinet Member for Value for Money and Efficiency jointly with the Corporate Director, Economy:-</p> <p>2.1 Approve the Revised Full Business Case including the revised layout of the Holloway Circus Improvement scheme at a total estimated scheme cost of £3.1m.</p>

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3. Consultation

Internal

- 3.1 The Ward Councillors were consulted on the original scheme proposals in 2014, as part of the full business case, and will be advised of the revisions to the Holloway Circus scheme layout set out within this report.
- 3.2 Officers from within Economy Directorate, City Finance, Corporate Procurement and Legal and Governance have been involved in the preparation of this report.

External

- 3.3 Local stakeholders including Transport for West Midlands, the Southside BID, Retail BID and the emergency services were consulted on the original scheme proposals in 2014, as part of the original full business case, and will be advised of the revisions to the Holloway Circus scheme layout set out within this report.
- 3.4 As the proposed Cleveland Tower slip road requires an existing CCTV camera to be relocated, an additional consultation process has been undertaken in accordance with new Home Office guidelines to assess the public response to providing additional CCTV cameras in the subways. A positive response was received and the results of this consultation are included in Appendix 3.

4. Compliance Issues:

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

The Holloway Circus scheme proposal will contribute towards achieving the Council's key policies and priorities as set out in the Vision and Forward Plan, West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected Strategy.

- 4.2 Financial Implications

- 4.2.1 The estimated total cost of the revised Holloway Circus scheme is £3.1m (inclusive, of works, contingencies, statutory undertaker's works and fees). The project funding comprises of £1.118m DfT Local Pinch Point Fund, £0.9m Integrated Transport Block (ITB), £0.392m Enterprise Zone Funding and £0.7m National Productivity Infrastructure Fund (NPIF). The NPIF resources need to be spent by the 31st March 2018 in line with the grant conditions.
- 4.2.2 Whilst the total cost of the revised scheme is the same as that originally approved in the Full Business Case (FBC), the funding sources have changed. The contribution from Transport for West Midlands (TfWM, formerly Centro) has been returned to them to fund the Swallow Street Link scheme. These resources have been replaced with ITB and NPIF funding. These changes in funding are summarised in the table below:

Funding source	Original values (£m)	Revised values (£m)
TfWM	1.500	0.000
DfT (Local Pinch Point fund)	1.108	1.108
Enterprise Zone	0.392	0.392
Integrated Transport Block	0.100	0.900
National Productivity Infrastructure Fund (NPIF)	0.000	0.700
Total	3.100	3.100

4.2.3 The Holloway Circus scheme will create assets that will form part of the highway upon completion of the project; as such they will need to be maintained within the overall highway maintenance regime. The revisions to the scheme have resulted in an estimated change in revenue consequences from £7,370 to £6,172 per annum. These costs will be funded from the provision for Highways Maintenance held within Corporate Policy contingency.

4.2.4 A risk assessment has been undertaken and is included in Appendix 5.

4.3 Legal Implications

The City Council carries out transportation, highways and infrastructure related works under the relevant primary legislation including the Town and Country Planning Act 1990, Highways Act 1980, Road Traffic Regulation Act 1984, Traffic Management Act 2004, Transport Act 2000, Local Government (Miscellaneous Provisions) Act 1976, Countryside and Rights of Way Act 2000, and other related regulations, instructions, directives and general guidance.

4.4 Public Sector Equality Duty (see separate guidance note)

An initial screening for an Equalities Assessment (EA) has been undertaken for the revised scheme and has concluded that a full EA is not required at this time, with no impacts on protected groups. The initial screening is provided in Appendix 4 to this report.

4.5 The Birmingham Business Charter for Social Responsibility (BBC4SR)

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. Amey LG Ltd is a certified signatory to the Charter and has submitted an action plan that will look to address local unemployment issues and bring added value to the project, and this will be implemented and monitored as part of the contract management.

5. Relevant background/chronology of key events:

- 5.1 The Local Pinch Point Fund full business case for Holloway Circus was approved by Cabinet, on the 15th September 2014. This report gave authority to undertake Compulsory Purchase Order processes to purchase the land required to carry out the project and to award contracts and place orders to undertake the works. The aim of the scheme is to manage traffic movement through the junction more efficiently.
- 5.2 Following approval of the report the necessary land was obtained through agreement with the owners without the need for Compulsory Purchase Orders. This allowed the advanced utility diversion works to commence in April 2015.
- 5.3 The key constraint on this work was the need for Severn Trent Water ("STW") to divert an existing water main adjacent to Cleveland Tower which would then allow the other utility companies to complete their diversions of equipment and the main works to proceed. Unfortunately, the complexity of the STW works meant that considerable investigatory works in the carriageway were required, which due to on-going works at Paradise and Grand Central, resulted in these works not being able to be undertaken until mid- 2016.
- 5.4 In February 2016, STW attempted to undertake the necessary main diversions for the road widening on the other side of the junction. STW found that foundations from the adjacent buildings, the demolished pedestrian subway, and other utilities equipment meant they had to abandon their work. As there was no affordable alternative option to this diversion it was necessary to abort the proposed road widening on the Scala House side of the junction.
- 5.5 As a result of the above issues plus the closure of Hurst Street, which resulted in a reduction of traffic passing through Holloway Circus from the Scala House side of the junction, it was appropriate to reconsider the originally proposed scheme layout. Accordingly, the Scala House left slip road and the associated pedestrian crossing for Horsefair/Bristol Street has been removed but traffic signals on the Horsefair approach to the roundabout are now proposed. The revised FBC and the proposed scheme layout is shown in Appendices 1 and 2 respectively.
- 5.6 Given what was becoming a highly complicated and complex exercise it was decided that not only appointing a contractor early to help programme and manage these works but also to co-ordinate utilities works would significantly reduce risk and improve cost certainty for the City Council.
- 5.7 Therefore a tender process was undertaken in May 2016 (details are provided in the Private Report) under Lot 4 of the Highways and Infrastructure Works Framework Contract. A framework contractor was appointed to undertake Phase 1 - Utility works and Early Contractor Involvement and subject to this being successfully completed leading to a potential appointment to Phase 2 – Completing remaining utility works and the civils works.
- 5.8 Working closely with this contractor, the Phase 1 works commenced in August 2016 which allowed STW to complete their investigations (refer to paragraph 5.3) and plan their works and for the other utilities to carry out elements of their works. However, this contractor was unable to fully resolve all of the issues with the utilities and in particular STW and therefore an opportunity was missed to complete all of the work by January

2017. In addition their estimated price to deliver the revised works in Phase 2 was significantly higher than the available works budget and meetings with the contractor failed to realise any significant reductions in costs or risks and it decided that the City council could not proceed on this basis.

- 5.9 In view of the need to progress the scheme Amey were appointed initially to assist officers with the utility diversions. As a result this led to an opportunity to co-ordinate PFI works with the main works and they were asked to submit a proposal (detailed in the Private Report) for the delivery of the revised Holloway Circus scheme within the available budget.
- 5.10 Following approval of this report works are programmed to start in late August 2017 with completion in early spring 2018.
- 5.11 Paragraph 2.9 of the Cabinet Report dated 16th May 2017 “Updated Transportation and Highways Funding Strategy 2017/18 to 2022/23 Programme Definition Document” delegates approval of all Project Definition Documents and Full Business Cases for named projects and programmes such as Holloway Circus to the relevant portfolio holders, jointly with the Corporate Director, Economy, up to a maximum of £10.0m.

6. Evaluation of alternative option(s):

- 6.1 This junction is a major gateway to the city centre and an improved level of traffic control is required and therefore doing nothing is not an acceptable option.
- 6.2 As the original scheme involved widening the carriageway at Scala House which is now technically impossible without major redevelopment of the area as well as being unaffordable, continuing with this unrevised design will jeopardise the ability to complete the works before 31st March 2018 and put at risk current funding such as the NPIF.

7. Reasons for Decision(s):

- 7.1 To enable the delivery of the revised Holloway Circus Improvement before the NPIF deadline, and avoid loss of funding.

<u>Signatures</u>	<u>Date</u>
Councillor Stewart Stacey, Cabinet Member for Transport and Roads
Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency
Waheed Nazir, Corporate Director, Economy

List of Background Documents used to compile this Report:
<ul style="list-style-type: none"> Local Pinch Point Fund Ring Road Package Update and Full Business Case, Report to Cabinet of the Deputy Chief Executive Economy Directorate, 15th September 2014. Transportation and Highways Funding Strategy 2017/18 to 2022/23 approved by Cabinet in May 2017

List of Appendices accompanying this Report (if any):
<ol style="list-style-type: none"> Revised Full Business Case Revised Layout Plan CCTV Consultation Survey Equality Analysis Risk Assessment

PROTOCOL, PUBLIC SECTOR EQUALITY DUTY

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

EQUALITY ACT 2010

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

The public sector equality duty is as follows:

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

