

OUTLINE BUSINESS CASE (OBC)

A. GENERAL INFORMATION

A1. General

Project Title <i>(as per Voyager)</i>	Southside Public Realm Improvement Scheme Outline Business Case (OBC)		
Voyager Code	CA-02700-16		
Portfolio / Committee	Leader Transport & Environment Finance & Resources	Directorate	Inclusive Growth
Approved by Project Sponsor	Phil Edwards Date: 12 th February 2020	Approved by Finance Business Partner	Simon Ansell Date: 6 th March 2020

A2. Project Description

Summary

The preferred option for the Southside Public Realm Improvement Scheme was approved by the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) on 11th December 2019 in line with the submitted Outline Business Case (OBC) and £7.268m EZ funding has been provisionally committed by GBSLEP to deliver the scheme, subject to submission and approval of a GBSLEP Full Business Case (FBC).

This public realm improvement scheme forms part of the Enterprise Zone Connecting Economic Opportunities Programme (EZCOP) – a key infrastructure programme as part of the GBSLEP Enterprise Zone Investment Plan. The focus of the programme and of this scheme is to enhance links between sites and major transport hubs. The scheme aims to transform the Southside area into a new “front-door” for Birmingham City Centre by creating a new public space adjacent to the Hippodrome Theatre and improving the quality of key local streets providing safe and attractive pedestrian and cycle routes which will encourage the use of active modes of transport.

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. High quality connections and public realm have been recognised as important factors 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.

In September 2015, as part of the Phase 1 City Centre traffic management plan to reduce pressure on Hill Street, a temporary Traffic Regulation Order (TRO) was approved by the Highways Authority to close off the junction between Hurst Street and Smallbrook Queensway.

In December 2017, as part of Phase 2 a permanent TRO was delivered to prevent through traffic from Ladywell Walk to Smallbrook Queensway. A Programme Entry Proposal (PEP) was approved in December 2015, under Chief Officer delegation, which gave Birmingham City Council approval to develop options to introduce the permanent TRO and associated highway works. Implementation of the above proposals allow prohibition of through traffic from Ladywell Walk to Smallbrook Queensway to allow future 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.

The scheme will support the City Council's actions to improve air quality through enhancing the pedestrian environment and making the area more desirable for cycling and walking. Air Quality Assessment has been undertaken and attached in Appendix D. The assessment indicates a very low risk of significant changes to the exposure of people to air pollutants occurring as a result of the Southside Public Realm improvements, no changes to the design of the development are considered necessary based on air quality grounds. The recommendation from the specialist decision is not to undertake post completion monitoring of the air quality within this study area, as it would not add any information of value with respect to air quality.

Project Proposals

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.

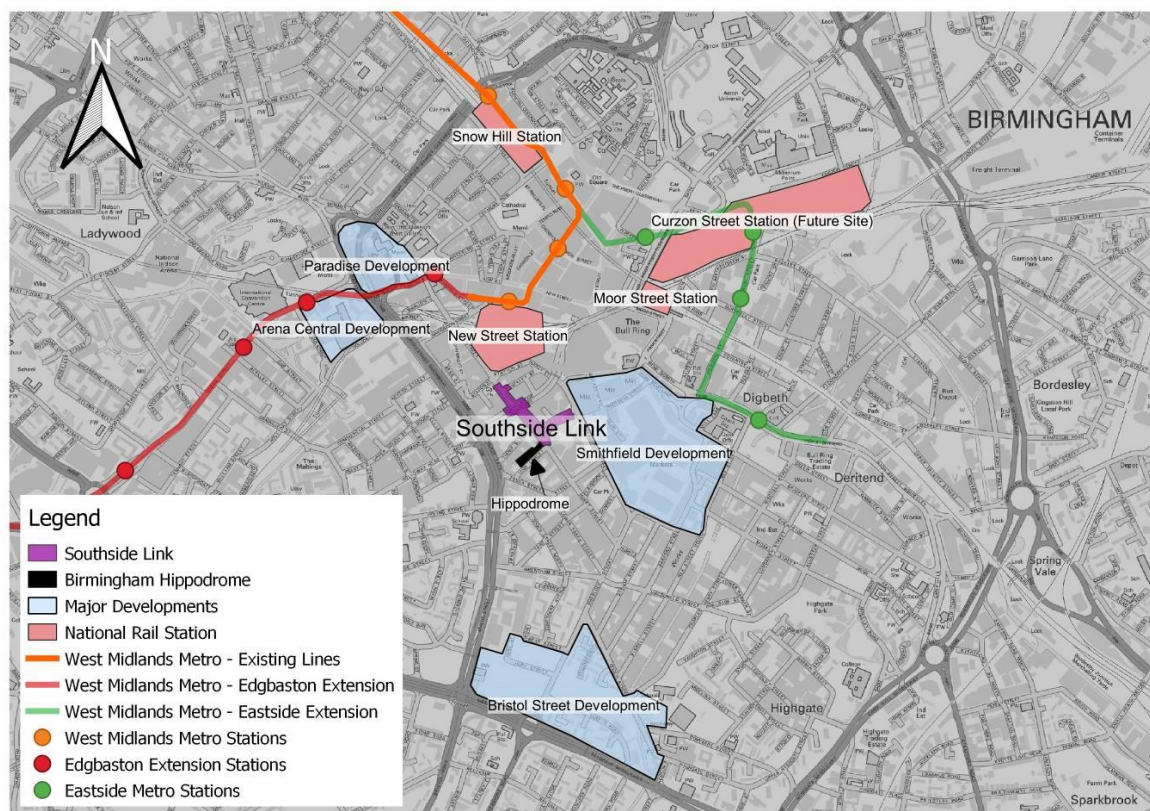


Figure 1: Scheme Area

B. STRATEGIC CASE

This sets out the case for change and the project's fit to the Council Plan objectives

B1. Project Objectives and Outcomes

The case for change including the contribution to Council Plan 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 – set to be an area of major regeneration in the future. 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 worse by a number of illegally parked vehicles throughout the scheme area. Poor quality tactile paving and dropped kerbs particularly along Ladywell Walk make travelling through the area more challenging for visually impaired users. The overall poor quality of existing streetscape undermines the character of the area and its strong cultural offering.

Scheme Objectives

The Council's 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.

Three objectives have been identified as the key aspirations for the scheme and include:

- **To improve the overall quality of the urban public realm** in the Southside area by upgrading the key linkages of Hurst Street, Ladywell Walk, the lower section of Hill Street and at the Smallbrook Queensway crossing. The creation of a new public space, Hippodrome Square, outside the Hippodrome Theatre will create a focal point for the area. These 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 along the upgraded routes and at the Smallbrook Queensway crossing.

City Council Objectives

The proposed public realm and connectivity improvements set out in this OBC 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> <p>Outcome 4, Priority 5: <i>"We will work with partners to ensure everyone feels safe in their daily lives."</i></p>
Birmingham Development Plan	<p>The vision for Birmingham set out in the BDP is:</p> <p><i>"By 2031 Birmingham will be renowned as an enterprising,</i></p>

(BDP) 2017	<p><i>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</p>

	<p>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 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	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

	<p>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 Masterplan (2016)	<p>The Birmingham Smithfield Masterplan outlines the “once in a 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>

Additionally, the scheme includes the provision of new 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.

In-turn, these measures should also help to reduce the number of car trips, reducing pressures on the congested city centre road network.

Harness the transformational opportunity presented by HS2 –

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.

The Southside district lies within 1km of the new HS2 Curzon Street 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.

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>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>

The proposals set out in this report will support the delivery of the Council Plan 2018-22 (2019 update). They will also support the delivery of the ambition set out in the adopted Birmingham Development Plan (BDP), Big City Plan, the city's role as the host city for the 2022 Commonwealth Games and the Clean Air Zone and Climate Change agendas.

B2. Project Deliverables

These are the outputs from the project eg a new building with xm2 of internal space, xm of new road, etc

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 – 13 new trees to be provided on Hurst Street and Ladywell Walk which will 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 – Subject to further analysis being undertaken proposed narrowing of carriageway on one-way southern section of Hill Street to create wider pedestrian footway and 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. The length of the existing segregated cycleway would be reduced to terminate at the entry to Hippodrome Square. The remainder of the facility would be widened to provide 2-way flow for cyclists. The 24-hour taxi bay located on Hurst Street would be relocated to Thorp Street, with the hours of operation reduced to 7pm to 6am;

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

These are the social benefits and outcomes from the project, eg additional school places or economic benefit.

Measure	Outline Impact
Creation of Hippodrome Square to provide a public event space	Hill Street:
Consistent material palette for footways and pedestrianised areas	<ul style="list-style-type: none"> • 1617 m² footpath (granite) Hurst Street/Ladywell Walk/Hippodrome Square: <ul style="list-style-type: none"> • 3,580m² footpath (granite) • 1,200m² carriageway shared surface • 2,249m² additional concrete road base <p>Create a more attractive, safe and useable area. This will help attract more visitors into the area, encouraging business growth and relocation enhancing the local economy.</p>
Improved 2-way cycleway provision on Hill Street and Hurst Street	Hill Street – 132m ² cycleway Hurst Street – 102m ² cycle lane <p>Extension of the cycle route into Hippodrome Square from Inge Street forming a complete</p>

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	<p>link.</p> <p>Better segregation for cyclists using the contraflow cycle lane on Hill Street between Smallbrook Queensway and Hinkley Street.</p>
Decluttering/ upgrade of street furniture with new lighting and planting	<p>Hill Street:</p> <ul style="list-style-type: none"> • 8 street lighting columns removed • 3 new high quality lighting columns <p>Hurst Street/Ladywell Walk/Hippodrome Square:</p> <ul style="list-style-type: none"> • 8 street lighting columns removed • 11 new high quality lighting columns • 13 trees planted <p>New planting and lighting will improve the attractiveness of Hippodrome Square whilst positively contributing to climate change.</p>
Air Quality/ Climate Change	<p>A reduction in the number of vehicle trips would in turn contribute to improving air quality and decreasing greenhouse gas emissions.</p>
Accidents	<p>The improvements to crossing facilities at Smallbrook Queensway and cycling lane provisions are expected to improve safety conditions, decreasing the risk of Non-Motorised User related incidents. Reduced vehicle travel would deliver small benefits in terms of accident savings.</p>
Safety	<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>
Crime	<p>The scheme falls within Birmingham 135C LSOA within the Ladywood and Bordesley & Highgate wards. It is ranked amongst the 40% most deprived neighbourhoods in the country.</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</p>

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	associated with the nightclub, this scheme will provide better quality lighting in Hippodrome Square and therefore create person safety benefits.
Introduction of HVM (Hostile Vehicle Mitigation) furniture	Introduction of PAS 68 bollards at the three entrance points to Hippodrome Square (Ladywell Walk, Hurst Street in the vicinity of the junction with Thorp Street and Hurst Street in the vicinity of the junction with Inge Street) will further enhance safety of the square.

B4. Property implications

Describe any implications for Council properties and for the Council's property strategies

The works will be undertaken on existing highway and land owned by the Council.

The only exception to this being the potential need for forecourt agreements where frontage to frontage public realm works are proposed.

C. ECONOMIC CASE AND OPTIONS APPRAISAL

This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities

C1. Options reviewed

A full description and review of each option is in Section G1

Option 1 – Preferred (proposed) option:

Smallbrook Queensway

This option would see the pedestrian island on the eastern crossing retained and replaced by a widened straight-through crossing on the desire line.

Hill Street

Subject to further analysis being undertaken this option sees the width of the carriageway reduced to single wide lane to allow the footway to be extended. The footways would be repaved with high-quality paving to match the Birmingham New Street works.

Ladywell Walk, Hurst Street and Hippodrome Square

This option sees the creation of a new shared public space outside the entrance to the Birmingham Hippodrome, allowing for a significant increase in pedestrian and cycle space and a decrease in street clutter.

Option 2 – Partial intervention

Smallbrook Queensway

This option would see both north-sound crossings replaced by straight through crossings. This would be implemented alongside an all-red phase in the crossing sequence.

Hill Street

This option retains a two-lane vehicular carriageway and moves the cycle lane on to a level with the footway, demarcated by tactile paving or a flush kerb.

Ladywell Walk, Hurst Street and Hippodrome Square

This option incorporates many of the measures of Option 1, but with several changes. The Hurst Street cycleway is integrated into a widened footway enabled by a narrowed carriageway. Feature lighting columns provide a visual lead into Hippodrome Plaza.

Option 3 – Do minimum

The do minimum approach would see implementation of a diagonal crossing at Smallbrook Queensway junction, together with the retention of the pedestrian islands in the north-south crossing. The carriageway will undergo a slight realignment to reduce encroachment on the existing footway.

Option 4 - Business As Usual (Do nothing)

The existing public realm is life expired and is in worn condition. Further increases in pedestrian flows will create safety concerns. The visual appearance and overall experience that visitors have of the city has a significant impact on the health of the Southside.

C2. Summary of Options Appraisal – Price/Quality Matrix

Criteria	Option score (out of 10)				Weight	Weighted Score			
	1	2	3	4		1	2	3	4
1. Total capital cost	5	6	7	8	20%	100	120	140	160
2. Full year revenue cost	5	6	7	8	20%	100	120	140	160
3. Benefits: Council priorities	10	7	5	3	40%	400	280	200	120
4. Deliverability and risks	5	6	7	8	20%	100	120	140	160
Total					100%	700	640	620	600

Further details are given in the Options Appraisal Records attached at the end of this OBC.

C3. Option recommended, with reasons

Which option is recommended and the key reasons for this decision.

The Southside Public Realm Improvement Scheme was conceptualised following engagement activities with key local stakeholders including members of the Southside Business Improvement District (BID) and representatives from the Birmingham Hippodrome to help establish the nature of improvements required to address the various issues raised and aspirations. In order to deliver a real improvement in terms of the connectivity of the area and to be able to transform the district into the new “front door” for Birmingham, major intervention is required. This would provide the necessary step-change required to transform the Southside area into an attractive, safe pedestrian and cycle friendly place. A transformed physical environment is seen as key to attracting more inward investment in surrounding land and buildings.

A lower level of scope, such as de-cluttering the existing streetscape or implementing minor improvements to crossing points (such as the Smallbrook Queensway), whilst delivering some localised benefits, would not serve to deliver the wider aspirations of the Big City Plan. It would also fail to maximise the unique opportunity for regeneration in Southside presented by the upgrade to New Street station, arrival of HS2 Curzon Street and delivery of future development sites such as Birmingham Smithfield. As a result, options assessment is focused at a more detailed level, considering the options for major improvements for each section of the scheme area.

The various options for delivery for each section of the scheme were considered as part of an EZ Assessment Report for city centre connectivity and public realm.

From the analysis undertaken in C1 and C2 as above the preferred option proposed to take forward to FBC is Option 1 as it delivers maximum benefits in line with Councils priorities and is affordable within the current scheme budget.

C4. Risks and Issues of the preferred option

An Outline Risks and Issues Register is attached at the end of this OBC, including risks during the development to Full Business Case stage.

The risk register is included in Appendix C which highlights the scheme's risks. The top risks identified as having the potential to impact most on delivery are:

- Works and Statutory Undertakers Costs exceed funding – detailed cost estimates from utility companies to be obtained if any service diversions are identified;
- Significant changes to scheme layout due to unforeseen works which could lead to objections to proposals during consultation and TRO stages – ground investigation survey undertaken to inform detailed design prior to construction start. Early dialogue with key stakeholders already ongoing;
- Third party funding not agreed or formalised – ongoing liaison with third parties. Agreements to funding provision to be confirmed early in process;
- Delay in procuring contractor could delay start on site – robust programme to be put in place to identify start date. Contractor to be approached at early stage to gauge availability;
- Agreement of landowners not gained for work on non HMPE land – ongoing engagement to seek 'buy-in' from stakeholders in Southside area; and

Delivery programme to slip – continual monitoring of project progress to be undertaken to detect if deadlines are unlikely to be achieved.

C5. Other impacts of the preferred option

Describe other significant impacts, both positive and negative

Procurement Risk: Implementing the physical works within a busy Southside environment

may result in a prolonged programme for delivery. It is vital that the programme is delivered prior to the Commonwealth Games. Contractor availability is recognised as a risk in view of the level of investment in the city, and as such early contractor engagement and soft market testing will be undertaken. A delivery workshop with framework contractors to inform the best approach to procurement and delivery has already been planned to inform the procurement strategy. The 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 Improvement District organisations.

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

D. COMMERCIAL CASE

This considers whether realistic and commercial arrangements for the project can be made

D1. Partnership, joint venture and accountable body working

Describe how the project will be controlled, managed and delivered if using these arrangements

The scheme proposals have been developed working with our key partners including Southside BID, Birmingham Hippodrome, Arcadia and Albany House. Funding contribution towards the project are detailed in Section E.

D2. Procurement implications

What is the proposed procurement strategy and route? Which Framework, or OJEU?

In the Planned Procurement Activities report to Cabinet dated 11th February 2020, approval was given to commence the procurement activities for the works for the Southside Public Realm improvements scheme using the Council's Highways Infrastructure Works Framework Agreement. The form of contract will be the New Engineering Contract (NEC) 3 Option C published by the Institution of Civil Engineers. Option C is a cost reimbursable contract, subject to a pain/gain share mechanism – with an agreed target cost built up from an activity schedule. This option provides incentives to the contractor to ensure efficient delivery, by allowing them to share in the benefits of any scheme cost savings, but also to bear a share of the additional cost if there are any overruns.

The procurement strategy for HVM bollards in the city centre is being considered as part of City Centre Public Realm Project and details will be included in the Full Business Case

The procurement exercise to award of contracts for supervisory and contract administration for the scheme will be undertaken in accordance with the City Council's Standing Orders and Procurement Governance Arrangements.

E. FINANCIAL CASE

This sets out the cost and affordability of the project

E1. Financial implications and funding

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	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£000	£000	£000	£000	£000	£000	£000
CAPITAL EXPENDITURE							
Preparation & Design	118.6	184.2	289.0	230.0	25.0		846.8
Construction				3,027.6	3,353.9	261.9	6,643.4
Quantitative Risk Assessment					686.8		686.8
Total capital expenditure	118.6	184.2	289.0	3,257.6	4,065.7	261.9	8,177.0
CAPITAL FUNDING							
EZ Secured	118.6	184.2	289.0	100.0			691.8
EZ Requested				2,248.5	4,065.7	261.9	6,576.1
Section 106				459.1			459.1
Hippodrome Theatre				250.0			250.0
Southside BID				100.0			100.0
Arcadia				50.0			50.0
Albany House				50.0			50.0
Total capital funding	118.6	184.2	289.0	3,257.6	4,065.7	261.9	8,177.0

PROJECT NAME: Southside Public Realm Improvement Scheme	Per annum
	£000s
Highway Maintenance	
Standard Highway Assets	2.5
Enhanced Highway Assets	3.5
Trees	1.0
Bespoke Highway Assets	7.0
Energy Costs	-
Highway Horticulture (Parks)	-
Sub totals	14.0
Contingency Provision (50%)	7.0
Total	21.0

E2. Evaluation and comment on financial implications

Capital Costs

The estimated capital cost of the scheme is £8.177m (including contingency) which is to be funded from Enterprise Zone funding £7.268m (of which £0.692m is already secured), Section 106 monies £0.459m, and third-party partners £0.450m.

On 11th December 2019 Greater Birmingham and Solihull Local Enterprise Partnership approved the Outline Business Case for Enterprise Zone funding provisional allocation of £7.268m for Southside Public Realm Improvement Scheme and approval to £0.692m subject to the submission of a GBSLEP FBC. See Appendix F for GBSLEP EZ funding confirmation letter.

Within the Enterprise Zone (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 31 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 has been confirmed with the Planning Contributions Team.

Third Party funding contributions totalling £0.350m have been secured to date, (see Appendix G for confirmation letter), and the remaining funding will have to be confirmed within the City Council FBC in line with the Council's Gateway and related Financial Approval Framework.

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 PFI programme. The estimated additional cost of highway maintenance is £0.021m per annum including a contingency provision (50%). Estimated costs are based on the split between standard assets, enhanced assets, trees and bespoke assets. Any variations are expected to be contained within the contingency provision. The revenue implications and funding source will be finalised as part of the development of the Full

Business Case (FBC) and will continue to be reviewed through the detail design and construction phase. The detail design will be developed with a view to minimising the future maintenance liability on the Council. Should the revenue implications exceed this sum, additional funding will need to be identified and approval sought through the City Council FBC in line with the Gateway and related Financial Approval Framework.

E3. Approach to optimism bias and provision of contingency

The level of additional funding from the EZ would be capped, and any cost overruns will be the responsibility of the City Council.

A level of contingency has been identified (based on experience of similar schemes), amounting to £0.687m, and this has been assessed as sufficient to cover any foreseeable cost overruns and would be further refined and reported in the FBC.

E4. Taxation

Describe any tax implications and how they will be managed, including VAT

There will be no adverse VAT implications for the Council as a result of this scheme as the maintenance of highways is a statutory function of the Council such that any VAT paid to contractors is reclaimable.

F. PROJECT MANAGEMENT CASE

This considers how project delivery plans are robust and realistic

F1. Key Project Milestones	Planned Delivery Dates
Public Consultation	June - July 2019
Detailed design complete	March 2020
Outline Business Case Approval	17 March 2020
Main contract out to tender	April 2020
City Council FBC approval	May 2020
Tender returns	June 2020
GBSLEP FBC approval	July 2020
Contract award	July 2020
Appoint build contractor	July 2020
Place orders with statutory undertakers	July 2020
Construction start	November 2020
Date project operational / complete	December 2021
Date of Post Implementation Review	December 2022

F2. Achievability

Describe how the project can be delivered given the organisational skills and capacity available

This scheme involves standard highway engineering measures and the City Council has 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.

F3. Dependencies on other projects or activities

The project is subject to the following dependencies:

Telecom Facilities

A desire for the number of telephone kiosks has been promoted by City Council officers, with negotiations having taken place with BT to achieve this and to identify areas for relocation of kiosks owned by BT. However, other telecom providers also have telephone kiosks situated in and around the Hippodrome Square and their removal may be less straightforward due to existing planning and telecommunications legislation. This has potential to limit the level of de-cluttering which can be undertaken – and hence the overall improvement to the public realm environment.

Development Growth

The level of future development within Birmingham City Centre is likely to have a considerable impact on the overall success of the scheme. In particular, the masterplan for the Smithfield development site seeks to completely transform the area to the east of the Southside district, following the relocation of the wholesale markets. The development will be mixed use, including new leisure attractions, residential properties and employment opportunities. Upper Dean Street which links to Ladywell Walk will form one of the primary pedestrian routes through the area, with cycle parking also provided in close proximity. The area will also be well connected with public transport, with a new metro stop potentially located within 300 metres of Ladywell Walk.

As a result, the level of development which materialises within the Smithfield area will have a direct impact on the level of footfall and cycling within the Southside district.

F4. Products required to produce Full Business Case

This should be a full list of the items required in order to produce a Full Business Case.

- Financial plan including funding
- Detailed design
- Social Impact assessment
- Environmental impact assessment
- Whole life costings
- Tender details (occasionally tenders may be required during project development)

- Consultation/Stakeholder analysis
- Contract management plan

F5. Estimated time to complete project development to FBC

Give an estimate of how long it will take to complete the delivery of all the products stated above, and incorporate them into a Full Business Case.

Estimated completion of FBC May 2020.

F6. Estimated cost to complete project development to FBC

Provide details of the development costs shown in Section F1 above (capital and revenue). This should include an estimate of the costs of delivering all the products stated above, and incorporating them into a Full Business Case. The cost of internal resources, where these are charged to the project budget, should be included. A separate analysis may be attached.

Estimated cost to complete scheme development to FBC is £0.692m funded through EZ.

F7. Funding of development costs

Provide details of development costs funding shown in Section F1 above.

Award letter from GBSLEP, see Appendix G.

F8. Officer support

Project Manager: Elena Browne – Transport Delivery Manager
Tel: 07584 151 762 Email: Elena.Browne@birmingham.gov.uk

Programme Manager: Jas Chahal – Transport Delivery Manager
Tel: 0121 303 7403 Email: Jaswant.s.chahal@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

F9. Project Management

Describe how the project will be managed, including the responsible Project Board and who its members are

A Project Board has been set up to manage the programme consisting of:

- Executive – Assistant Director Transport and Connectivity – Philip Edwards
- Senior User – Assistant Director Highways – Kevin Hicks
- Finance – Simon Ansell/ Andy Price
- Legal – Brigid Duffy
- Programme Manager – Jas Chahal
- Project Manager – Elena Browne

The Project Board will meet with predefined regularity and together they will be responsible for project control. 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.

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.

G. SUPPORTING INFORMATION

(Please adapt or replace the formats as appropriate to the project)

G1. OBC Options Appraisal records (these are summarised in Section C2)

The following sections are evidence of the different options that have been considered in arriving at the proposed solution. All options should be documented individually.

Option 1	Comprehensive Integrated Approach
Information Considered	<ul style="list-style-type: none"> • Strategic Fit • Impact on the Commonwealth Games • Existing site condition • Costs • Long term sustainability • Available resources and funding opportunities
Pros and Cons of Option	<p>Smallbrook Queensway This option would see the pedestrian island on the eastern crossing removed and replaced by a widened straight-through crossing on the desire line. The carriageway of Hurst Street is reduced to single lane, allowing for more generous footways and the reduced dominance of the carriageway. The footways will be repaved with Yorkstone material, and feature lighting will be included on the underside of the Ringway Centre.</p> <p>Hill Street Subject to further analysis this option sees the width of the carriageway reduced to single wide lane to allow the footway to be extended. The footways would be repaved with high-quality paving to match the Birmingham New Street works. The contraflow cycle lane would be extended to the Station Street junction and would be demarcated from the carriageway and paved with a high-quality granite finish. New lighting columns would be introduced, combined with in-ground street lighting to improve the street environment. The potential for public art exhibitions is included for future development. Efforts would be made to introduce tree planting outside the Holiday Inn.</p>

	<p>Ladywell Walk, Hurst Street and Hippodrome Square</p> <p>This option sees the creation of a civic square outside the entrance to the Birmingham Hippodrome, allowing for a significant increase in pedestrian and cycle space and a decrease in street clutter. This is achieved by removing the through traffic from Ladywell Walk to Hurst Street and expanding the existing square. Remaining carriageways are redesigned to lower vehicle speed. Provision is made for the placement of a Chinese Arch to create a strong visual gateway to the Chinese Quarter. Tree planting and replacement creates an increase in street greening that provides a more pleasing streetscape.</p> <p>The advantages/positive aspects of this option include</p> <ul style="list-style-type: none"> • Provides the long-term benefits, providing the necessary outputs to transition the Southside core into a high-quality destination space. • Supports strategic objectives outlined in Big City Plan, Birmingham Development Plan, Council Plan, Clean Air and Climate Change. • Enables the integration of the HVM within the public realm. • Supports the further daytime pedestrianisation of the Southside. • Supports strategic objectives outlined in Big City Plan, Birmingham Development Plan, Council Plan, Clean Air and Climate Change <p>The disadvantages/negative aspects of this option include</p> <ul style="list-style-type: none"> • Significant capital cost and associated additional revenue costs. • There will be disruption within Southside due to the works to be carried out resulting in the risk of claims from businesses and reduced revenue to the Council. • Time to deliver.
People Consulted	<p>The complex nature of the road and surrounding require joint working with several partners:</p> <ul style="list-style-type: none"> • Birmingham City Council (Planning & Regeneration [Client], Transport Strategy • Southside Business Improvement District (BID) • Local commercial businesses, who were consulted regarding development of key elements of this option
Recommendation	Proceed

Principal Reason for Decision	<p>Delivers on key strategic priorities.</p> <p>Supports the showcase both the Southside and the city as part of the CWG.</p> <p>Ensures the provision of the security measures required prior to the Games.</p> <p>Supports the clean air objectives.</p>
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Option 2	Partial Intervention
Information Considered	<ul style="list-style-type: none"> • Strategic Fit • Impact on the Commonwealth Games • Existing site condition • Costs • Long term sustainability • Available resources and funding opportunities
Pros and Cons of Option	<p>Smallbrook Queensway This option would see both North and Sound crossings replaced by straight through crossings. This would be implemented alongside an all-red phase in the crossing sequence.</p> <p>Hill Street This option retains a two-lane vehicular carriageway and moves the cycle lane on to a level with the footway, demarcated by tactile paving or a flush kerb. Some footway widening is possible by realigning the carriageway but to a lesser extent than Option 1. New lighting columns would be installed on the eastern footway to provide new creative lighting.</p> <p>Ladywell Walk, Hurst Street and Hippodrome Square This option incorporates many of the measures of Option 1, but with several changes. The Hurst Street cycleway is integrated into a widened footway enabled by a narrowed carriageway. Feature lighting columns provide a visual lead into Hippodrome Plaza. This option also includes provisions for a second Chinese Arch at the south of Hippodrome Plaza to create an 'entrance/exit' effect for the Chinese Quarter.</p> <p>The advantages/positive aspects of this option include</p> <ul style="list-style-type: none"> • Focuses attention on high priority streets • Improving crossing times • Reduced work programme and associated delivery timescales ensuring works are completed prior to CWG

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	<p>The disadvantages/negative aspects of this option include</p> <ul style="list-style-type: none"> Does not adequately address the integrated, holistic characteristics of Southside core. Each street has a corresponding impact on its surroundings; by dealing with street in isolation it does not provide the accelerated benefits that would arise from a comprehensive approach.
People Consulted	<p>The complex nature of the road and surrounding require joint working with several partners:</p> <ul style="list-style-type: none"> Birmingham City Council (Planning & Regeneration [Client], Transport Strategy Southside Business Improvement District (BID) Local commercial businesses, who were consulted regarding development of key elements of this option
Recommendation	Abandon
Principal Reason for Decision	Leads to disjointed approach to Southside core public realm. Needs a comprehensive approach looking at the Southside core holistically.

Option 3	Do minimum
Information Considered	<ul style="list-style-type: none"> Strategic Fit Impact on the Commonwealth Games Existing site condition Costs Long term sustainability Available resources and funding opportunities
Pros and Cons of Option	<p>This option would see implementation of a diagonal crossing at Smallbrook Queensway junction, together with the retention of the pedestrian islands in the north-south crossing. The carriageway will undergo a slight realignment to reduce encroachment on the existing footway. This option will require an all-red phase to allow pedestrians to cross unimpeded.</p> <p>The advantages/positive aspects of this option include</p> <ul style="list-style-type: none"> Reduced capital costs Limited impact to commercial premises from project Improving crossing times Reduced work programme and associated delivery timescales, ensuring works are completed prior to CWG.

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	<p>The disadvantages/negative aspects of this option include</p> <ul style="list-style-type: none"> Does not address the required renewal of core streets within the Southside and therefore preventing any benefits that would arise from a comprehensive approach.
People Consulted	<p>The complex nature of the road and surrounding require joint working with several partners:</p> <ul style="list-style-type: none"> Birmingham City Council (Planning & Regeneration [Client], Transport Strategy Southside Business Improvement District (BID) Local commercial businesses, who were consulted regarding development of key elements of this option
Recommendation	Abandon
Principal Reason for Decision	<p>Do minimum approach would not support council and service priorities. Misses opportunities to present high quality experience for CWG visitors and does not appropriately respond to changing retail climate. Does not address the safety and security needs of the Southside.</p>

Option 4	Business as usual (Do nothing)
Information Considered	<ul style="list-style-type: none"> Strategic Fit Impact on the Commonwealth Games Existing site condition Costs Long term sustainability Available resources and funding opportunities
Pros and Cons of Option	<p>The advantages/positive aspects of this option include</p> <ul style="list-style-type: none"> Reduced capital costs Limited impact to commercial premises from project <p>Reduced work programme and associated delivery timescales, ensuring works are completed prior to CWG.</p> <p>The disadvantages/negative aspects of this option include</p> <ul style="list-style-type: none"> Does not address the required renewal of core streets within the Southside and therefore preventing any benefits that would arise from a comprehensive approach.
People Consulted	<p>The complex nature of the road and surrounding require joint working with several partners:</p> <ul style="list-style-type: none"> Birmingham City Council (Planning & Regeneration [Client],

	<p>Transport Strategy</p> <ul style="list-style-type: none"> • Southside Business Improvement District (BID) • Local commercial businesses, who were consulted regarding development of key elements of this option
Recommendation	Abandon
Principal Reason for Decision	Status quo would not support Council and service priorities. Misses opportunities to present high quality experience for CWG visitors and does not appropriately respond to changing retail climate. Does not address the safety and security needs of the Southside.

G2. Outline Risks and Issues Register

Risks should include Optimism Bias, and risks during the development to FBC

Grading of severity and likelihood: High – Significant – Medium - Low

		Risk after mitigation:	
Risk or Issue	Mitigation	Severity	Likelihood
1. Failure to secure full funding to deliver entirety of anticipated scheme	Working with Partners to ensure all available funding streams are unlocked. GBSLEP agreed the Outline Business Case for the EZ funding. Delivery of the scheme subject to a Full Business Case.	Medium	High
2. Programme over run so not complete ahead of CWG	Programme design will include contingency but also allow for works to be halted at suitable points until after the CWG if delays mean that over run is likely. Works to be phased pre and post games.	Medium	High
3. Objections of the scheme being received as a result of the advertisement of the Traffic Regulations Orders (TRO)	Detailed stakeholder management plan produced to ensure the Southside BID are involved throughout the scheme development to alleviate concerns surrounding the TRO implementation. Proposed TROs shown on consultation plans.	Medium	High
4. Design changes leading to increased construction cost	A robust design has been outlined for the tender process to adhere to, while a build contract will be utilised.	Low	Low
5. Lack of contractor availability	Early engagement with framework contractors. Early design to support risk management for contractor and BCC.	Medium	High
6. Costs overrun due to	A contingency of 20% and 40% has	Low	Medium

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unknown factors emerging during construction	been applied to elements of the work to reflect risk, until more detailed design work is complete.		
7. Impact of disruption due to local businesses during works implementation	Development of consultation and stakeholder plan to ensure good communication between the council contractor and business; visitors and other stakeholders.	Medium	Low

Other Attachments <i>provide as appropriate</i>	
• Appendix B – Scheme Plan	
• Appendix C – Risk Register	
• Appendix D – Air Quality Assessment	
• Appendix E – Equality Analysis	
• Appendix F - GBSLEP EZ Funding Letter	
• Appendix G - Third Party Funding Letters (received to date)	
• Appendix H - Ward Member Consultation	