

Birmingham City Council

Report to Cabinet

11 February 2020



Subject: TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME 2020/21 TO 2025/26 – ANNUAL PROGRAMME UPDATE

Report of: INTERIM DIRECTOR, INCLUSIVE GROWTH

Relevant Cabinet Member: Councillor Waseem Zaffar – Transport and Environment, Councillor Tristan Chatfield – Finance and Resources

Relevant O &S Chair(s): Councillor Liz Clements – Sustainability & Transport Councillor Sir Albert Bore – Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 007111/2020		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1 Executive Summary

- 1.1 To seek approval to the Annual Programme Update (APU) for the Transportation and Highways Capital Programme (THCP) for the period 2020/21 to 2025/26 at a total estimated cost of £256.211m. The THCP supports delivery of the City Council's key policies and priorities, facilitating streamlined and efficient delivery. The APU reflects new resources, revised project costings and programmes, expenditure profiles and policy changes that have occurred since approval of the previous THCP on 26th March 2019. Within this update, approval is sought to allocate new Integrated Transport Block (ITB) capital funding, available through the West Midlands Combined Authority (WMCA) devolved transport grant

process (£5.145m in 2020/21), to support a range of projects and programmes that contribute towards key City Council priorities.

- 1.2 Full Council declared a climate emergency in June 2019 and set a target to be carbon neutral by 2030. To achieve this a Route to Zero taskforce has been set up which is formulating a strategy and action plan to enable the council to meet its target. This report incorporates a new sub programme covering Brum Breathes and Route to Zero which commits £47.855m to tackling these issues in 2020/21. The Birmingham Clean Air Zone (CAZ) forms a key part of the Council's strategy under this sub-programme and is due to be implemented in summer 2020. As well as improving air quality in the city centre, the CAZ will provide an income stream which under legislation must be used to deliver sustainable transport interventions to support the CAZ objectives. This THCP includes CAZ revenue surplus as a funding stream, where its use has been approved through an FBC or other process. The THCP 2020/21 to 25/26 (and subsequent annual updates) will include further schemes to support this sub-programme at the appropriate time if the City Council has a role in their delivery and subject to available funding.
- 1.3 The THCP also contributes to the delivery of wider priorities including the West Midlands Strategic Transport Plan: Movement for Growth, Birmingham Development Plan, Birmingham Connected transport strategy and emerging Birmingham Transport Plan (BTP) – Consultation in Spring 2020, and to allow the City Council to fulfil its obligations as Host City for the 2022 Commonwealth Games (CWG).
- 1.4 The CWG Transport Plan has been consulted on in autumn 2019. This includes projects which will be required to be delivered by 2022 to facilitate the delivery of the games and the scope of the works will be subject to finalisation of the CWG budget. However, some schemes which are already being developed and have been accelerated for the games are included in this APU including the CWG Sprint routes – the A34 Sprint Full Business Case (approved by Cabinet on 17th December 2019) and the A45 Sprint Full Business Case (due to be presented to Cabinet in Spring 2020). Once the CWG Transport Plan is published, CWG budget is agreed with Government and the full scope of transport works is identified and funded, further schemes will be added to the THCP at the appropriate time if the City Council has a role in their delivery.
- 1.5 The report also seeks approval to release development funding of £1.121m Integrated Transport Block (ITB) to progress individual projects to Outline Business Case (OBC) or Full Business Case (FBC) stage in accordance with the City Council's Gateway and Related Financial Approval Framework (GRFAF) and the delegations proposed within this report, to expedite project delivery and enable a rapid response to emerging grant funding opportunities.

2 Recommendations

- 2.1 Approves the Annual Programme Update (APU) provided as Appendix A to this report at a total estimated capital cost of £256.211m, including Annexes A to G

setting out Major Schemes, programme governance and prioritisation criteria, as an update to the Transportation and Highways Funding Programme 2019/20 to 2024/25 approved by Cabinet in March 2019 at a total estimated capital cost of £221.024m.

- 2.2 Approves subject to the City Council's Gateway and Related Financial Approval Framework (GRFAF), and pursuant to the delegations set out in recommendations 2.8 to 2.13.
 - 2.2.1 An allocation of £5.145m in 2020/21 of new ITB funding provided through the WMCA devolved transport grant process, to named projects.
 - 2.2.2 The allocation of £1.325m prior years ITB funding held in reserves to named projects set out in paragraph 7.3.3.
 - 2.2.3 The release of ITB development funding of £1.121m to progress named projects to Outline Business Case (OBC) and Full Business Case (FBC) stage.
- 2.3 Notes that approved prudential borrowing (PB) detailed in Appendix B and associated PB financing will be formally committed at project FBC stage in accordance with the City Council's GRFAF, with new resources and windfalls used to offset the requirement for borrowing wherever possible;
- 2.4 Delegates approval of the FBC for the Victoria Square, Colmore Row and Waterloo Street sections of the City Centre Public Realm project, estimated to total up to £5.000m, to a report of Interim Director, Inclusive Growth and Interim Chief Finance officer to the relevant portfolio holder and notes this FBC will be presented ahead of the FBC to Cabinet for the remaining sections of the City Centre Public Realm Project (scheduled for Spring 2020). Refer to Appendix A (Annex G).
- 2.5 Notes the contribution of £0.500m of ITB to West Midlands Rail Executive (WMRE) as a contribution towards the delivery of University Rail station improvements in 2021/22, subject to a separate funding agreement and governance.
- 2.6 Notes the contribution of £0.500m of ITB to Transport for West Midlands (TfWM) as a contribution to the Alcester Road Bus Priority rejuvenation project in 2020/21, subject to a separate funding agreement and governance.
- 2.7 Approves acceptance of £2.660m from the HS2 Road Safety Fund, noting that individual projects funded from this resource will be subject to separate OBC and FBCs in accordance with the City Council's GRFAF, pursuant to the delegations set out in recommendations 2.8 to 2.13.
- 2.8 Delegates approval of all OBCs, FBCs and related reports including revised financial appraisals for named projects and programmes detailed in Appendix A (Annex F) of this report to the Interim Director, Inclusive Growth in conjunction with the Interim Chief Finance Officer and in consultation with the relevant portfolio holder, up to a maximum value of £2.000m.

- 2.9 Delegates approval of all OBCs, FBCs and related reports including revised financial appraisals for named projects and programmes detailed in Appendix A (Annex F) to a report of Interim Director, Inclusive Growth and Interim Chief Finance officer to the relevant portfolio holder, up to a maximum value of £10.000m.
- 2.10 Delegates authority to bid for and accept external capital and revenue resources in line with City Council priorities and consistent with the policies and objectives of the West Midlands Strategic Transport Plan, Birmingham Development Plan and Birmingham Connected transport strategy to the Interim Director, Inclusive Growth, in conjunction with the Interim Chief Finance Officer, and in consultation with the relevant portfolio holder, up to a maximum value of £2.000m, noting that such bids are to be subject to initial Capital Board oversight.
- 2.11 Delegates authority to bid for and accept external capital and revenue resources in line with City Council priorities and consistent with the policies and objectives of the West Midlands Strategic Transport Plan, Birmingham Development Plan and Birmingham Connected transport strategy to a report of Interim Director, Inclusive Growth and Interim Chief Finance Officer to the relevant portfolio holder, up to a maximum value of £10.000m, noting that such bids are to be subject to initial Capital Board oversight.
- 2.12 In line with City Council policies and objectives, and the City Council GRFAF, delegates authority to approve virement of funding between named projects within Annex F of the Transport and Highways Capital Programme, to Assistant Director Transport and Connectivity, for values below £0.500m.
- 2.13 In line with City Council policies and objectives, and the City Council Gateway Approval Framework delegates authority to approve virement of funding between named projects within Annex F of the Transport and Highways Capital Programme, to Assistant Director Transport and Connectivity, in conjunction with the Interim Chief Finance Officer, and in consultation with the relevant portfolio holder, for values from £0.500m up to a maximum value of £1.000m.
- 2.14 Authorises the Interim City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

3 Background

- 3.1 The Transportation and Highways Capital Programme (THCP) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the City Council's key policies and priorities, as set out in the West Midlands Strategic Transport Plan, Birmingham Development Plan, Birmingham Connected transport strategy, and the emerging Birmingham Transport Plan (BTP)
- 3.2 The THCP was previously updated and approved by Cabinet on 26th March 2019 for a rolling six year period up to 2024/25. This report reflects new programmes,

resources, priorities, opportunities, revised project costings, expenditure profiles and policy changes that have occurred since this time. Such changes include:

- 3.2.1 The declaration of a Climate emergency by Birmingham City Council on 11th June 2019, and the establishment of the Route to Zero taskforce to achieve a carbon neutral Birmingham by 2030.
 - 3.2.2 Further certainty over the delivery of the Birmingham CAZ, and associated works including CAZ grant and likely levels of CAZ revenue surplus;
 - 3.2.3 Support for the delivery of the Birmingham 2022 Commonwealth Games Transport Strategy, following the announcement of Birmingham as the Host City, with new and accelerated infrastructure schemes being a key part of the post games legacy;
 - 3.2.4 Programme alignment opportunities with WMCA, Network Rail and Highways England.
- 3.3 As part of the West Midlands Devolution Deal, HM Government agreed to devolve a consolidated local transport budget and provide a multi-year transport funding settlement, for which the WMCA Mayor became accountable from 2018/19. Devolved grant resources comprising ITB, Highways Maintenance Block, Highways Maintenance Incentive Funding and Bus Services Operating Grant (BSOG) have been confirmed until 2020/21, with annual allocations (£41.578m in 2019/20, of which £17.618m is ITB) to be paid to the WMCA as the relevant 'accountable body'.
- 3.3.1 Funding for highway maintenance is 'passported' directly to Councils, with the exception of Birmingham, whose allocation is deemed to be included within funding arrangements for the Highways Maintenance and Management Private Finance Initiative (HMMPFI).
 - 3.3.2 BSOG will be paid directly to TfWM as revenue funding for tendered bus services.
 - 3.3.3 The WMCA have allocated ITB funding to Birmingham and the other Metropolitan District Councils to be used for 'small transport improvement projects' on a per capita basis. This is in accordance with the intention of Government that funding is used by transport authorities to help stimulate local economies by reducing congestion, improving road safety, improving accessibility and supporting the use of active and sustainable modes of travel. A total of £5.145m of new ITB capital funding has been allocated to Birmingham for integrated transport projects in 2020/21.
- 3.4 The structure of the THCP comprises the following programmes as described in Appendix A: Major Schemes; Inclusive and Sustainable Growth; Walking and Cycling; Brum Breathes and Route to Zero, Local Measures (including Road Safety, Safer Routes to School, Ward Minor Measures and Local Schemes); and Infrastructure Development. A summary of ITB allocations is provided in the Finance Section at paragraph 7.3 of this report.

- 3.5 The TCHP 2020/21 introduces a new programme to cover Brum Breathes and Route to Zero. This recognises key policy decisions including the implementation of the CAZ in summer 2020/21 and the Climate Emergency declaration made by Full Council in June 2019. This programme will contain existing schemes such as Hydrogen buses, CAZ Implementation, CAZ Mitigations, and future schemes related to air quality and carbon reduction.
- 3.6 ITB allocations have been determined on the basis of previously agreed commitments, particularly in relation to the Major Schemes, Inclusive and Sustainable Growth, Walking and Cycling and Brum Breathes and Route to Zero programmes. Other allocations reflect rolling programmes in respect of Road Safety and Safer Routes to Schools.
- 3.7 The West Midlands Combined Authority (Functions and Amendment) Order 2017 allows the WMCA to undertake works on the Key Route Network with the agreement of the City Council. The WMCA will take the lead role on projects such as Sprint, along with a number of smaller projects that provide transport benefits for which it is the main funder. These will be developed and introduced to the programme throughout the year. All projects on the public highway undertaken by WMCA will be subject to a Section 8/Section 278 (Highways Act 1980) Agreement and the appropriate approvals being secured through the City Council's GRFAF. The City Council's relevant fees will be recovered from WMCA and administered through Voyager.
- 3.8 As set out in paragraph 3.2, the process of updating the THCP provides an opportunity to reflect new programmes, resources, priorities, opportunities, revised project costings, expenditure profiles and policy changes. In this context it is proposed to continue on a rolling basis the now complete three year pilot programme for the prevention of damage to grass verges introduced following work by the former Economy, Skills and Transport Overview and Scrutiny Committee. This programme had an allocation of £1.000m of ITB funding to introduce prevention, regulation and accommodation measures over three financial years, with specific projects to be determined by Ward Councillors and implemented by the Local Engineering service. Further guidance for this programme is provided in Appendix A (Annex C).
- 3.9 In the development of previous iterations of the THCP a number of funding pressures were identified, and a strategy formulated to resource these projects over a number of years using a mixture of PB and direct allocation of net Bus Lane Enforcement (BLE) surplus. The 2020/21 THCP continues to support this strategy and work is ongoing to minimise the amount of prudential borrowing which is eventually required through the wider ongoing management of the existing THCP resources and new resources as they become available. Further information is provided in the finance section.
- 3.10 In the context of emerging City Council future operating models, there is a clear rationale to streamline project development and delivery processes associated with the THCP to maximise delivery, enhance the City Council's reputation,

minimise costs and offset reduced officer resources in relevant departments. In addition, there is a need to respond more expediently to external funding opportunities that become available (Air Quality, CAZ, Transforming Cities Fund and Commonwealth Games as examples in this report), often at short notice, and enable more effective budget and resource management within the confines of an agreed six year investment programme. To this end, in line with previous years the delegations in recommendations 2.8 to 2.13 of this report are being sought.

4 Options Considered and Recommended Proposal

- 4.1 Alternative options have been explored as part of the Annual Programme Update provided at Appendix A to this report, with the proposed option selected on the basis of best achieving the City Council's key policies and priorities within finite resources, whilst maximising delivery and minimising risks.

5 Consultation

- 5.1 Full external consultation will be undertaken as part of individual OBCs and FBCs in accordance with normal practise including Ward Councillors, residents, emergency services, businesses, WMCA/TfWM and the Cycling Forum. Consultation will also be undertaken with Sutton Town Council and New Frankley in Birmingham Parish Council where appropriate.
- 5.2 Consultation has been undertaken with the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) in respect of Local Growth Fund (LGF) resources who support this approach.

6 Risk Management

- 6.1 Key risks are outlined in Appendix A (Annex E). It should be noted that a significant shortage of consultant and contractor resources in the marketplace could impact upon programme delivery and increase project costs. Such risks will be managed by senior Transportation and Highways officers in conjunction with the relevant portfolio holders.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The Transportation and Highways Capital Programme (THCP) performs an essential role in supporting a range of programmes and projects that contribute towards achieving the City Council's key policies and priorities as set out in the City Council Plan and Budget 2018-22 (as updated in 2019), West Midlands Strategic Transport Plan, Birmingham Development Plan, Birmingham Connected transport strategy, emerging Birmingham Transport Plan, Clean Air/Climate Change Emergency and Commonwealth Games agendas.

- 7.1.2 In the context of inclusive economic growth, the THCP has a strong focus on supporting the City Council's core mission to be a 'city of growth where every child, citizen and place matters'. In addition, the programme seeks to make a significant contribution towards the key priorities of children, jobs and skills, housing and health by reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality, encouraging active and sustainable modes of travel, and tackling the climate emergency.

7.2 Legal Implications

- 7.2.1 The relevant primary legislation required to implement individual projects contained within the THCP comprises the Highways Act 1980; Road Traffic Regulation Act 1984; Road Traffic Act 1988; Transport Act 2000; Traffic Management Act 2004; Town and Country Planning Act 1990 and Planning and Compulsory Purchase Act 2004, together with related regulations and guidance. The Bus Lanes Contraventions Regulations 2005 are also directly relevant to this report in terms of the use of bus lane enforcement surpluses, alongside the Ambient Air Quality and Cleaner Air for Europe Directive 2008 and the Air Quality Standards Regulations 2010 in relation to Clean Air Zone implementation.
- 7.2.2 Section 111 of the Local Government Act 1972 empowers local authorities to do anything (whether or not involving the borrowing, expenditure or lending of money or the acquisition or disposal of any of its property) which, is calculated to, or is conducive or incidental to the discharge of any of their functions.

7.3 Financial Implications

- 7.3.1 The capital programme proposed in this report is consistent with the Council's draft Financial Plan 2020-2024, also being brought before Cabinet on the February 2020 agenda.

Capital

- 7.3.2 The total forecast capital cost of the six year THCP 2020/21 to 2025/26 is £256.211m This programme profile is summarised in the table below, which is also split per programme:

Programme	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
	£m	£m	£m	£m	£m	£m	£m
Inclusive and Sustainable Growth	12.760	9.734	5.747	4.873	1.675	1.675	36.464
Brum Breathes & Route To Zero	47.855	0.811	0.701	0.100	0.100	0.100	49.667
Infrastructure Development	0.961	0.893	1.145	1.045	1.045	1.045	6.134
Major Schemes	31.253	40.087	25.647	17.367	19.884	8.794	143.032
Walking and Cycling	3.966	2.092	1.000	1.762	1.000	1.000	10.820
Local Measures	3.469	1.325	1.325	1.325	1.325	1.325	10.094
TOTAL	100.264	54.942	35.565	26.472	25.029	13.939	256.211

7.3.3 The six year programme is split by funding source as follows:

Funding Source	£m
ITB Funding	30.870
Grants from Central Government	89.301
Contribution 3 rd Party	2.636
S278	2.247
Local Growth Fund	64.632
Bus Lane Enforcement/Highways Resources/CAZ	40.510
S106	0.620
Prudential Borrowing	9.790
Prior years ITB	4.434
Capital Grants Reserves	3.774
BCR Phase 3	0.303
Enterprise Zone	7.094
Total Forecast Programme	256.211

Integrated Transport Block (ITB) funding

7.3.4 ITB Capital funding of £17.618m is to be allocated to the WMCA for 2020/21 as part of a multi-year transport funding settlement agreed as part of the West Midlands Devolution Deal. The WMCA is responsible for reallocating ITB funding to Metropolitan District Councils and Transport for West Midlands. A total of

£5.145m of new ITB capital funding has been allocated to Birmingham for integrated transport projects in 2020/21.

- 7.3.5 The newly allocated ITB is supplemented within the programme by prior years ITB. This programme includes £4.304m of prior year ITB, of which £2.979m was already allocated to specific schemes, and £1.325m is from prior year ITB reserves. This leaves a residual £0.100m in ITB reserves. The tables below show the overall change in reserves, and then schemes which have been allocated prior year ITB reserves in this report.

Prior Year ITB Reserves	Prior Year ITB reserves allocated through 2020/21-2021/22 programme	Residual Prior Year ITB reserves
£m	£m	£m
1.425	1.325	0.100

Scheme	Prior Year ITB from Reserves (£m)	Year allocated
Birmingham Connected	0.085	20/21
CWG 2022	0.100	20/21
Route to Zero Transport Programme	0.100	20/21
HS2 Infrastructure Development	0.086	20/21
Ward Minor Measures	0.320	20/21
BCR 3	0.634	21/22
Total	1.325	

- 7.3.6 Total ITB funding split across key themes within the programme structure is shown in the table below. The confirmed values for 2020/21 include both the new 2020/21 allocation and prior years' allocations. The allocations shown from 2021/22 onwards are yet to be confirmed.

	Confirmed	Provisional			Forecast		
ITB Programme Allocations	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m	£m
Inclusive and Sustainable Growth	1.102	0.500	1.575	0.913	1.675	1.675	7.440
Infrastructure Development	0.961	0.893	1.145	1.045	1.045	1.045	6.134
Major Schemes	2.254	0.869	0	0	0	0	3.123
Walking and Cycling	1.651	2.092	1.000	1.762	1.000	1.000	8.505
Brum Breathes and Route to Zero	0.100	0.100	0.100	0.100	0.100	0.100	0.600
Local Measures	2.877	1.325	1.325	1.325	1.325	1.325	9.502
Total	8.945	5.779	5.145	5.145	5.145	5.145	35.304

7.3.7 ITB funding is significantly supplemented by bidding to Government and GBSLEP for other grant funding including Local Growth Fund (LGF) as detailed below, Cycle City Ambition Grant (CCAG), Air Quality Grant (AQG), National Productivity Investment Fund (NPIF), Enterprise Zone (EZ), Transforming Cities Fund (TCF), and HS2 Road Safety Fund. In addition, there is also funding from Corporate Resources including Prudential Borrowing (PB). These additional funding sources over the six year programme are shown in the funding source table above.

7.3.8 LGF Major Projects - The City Council also has two major projects within its LGF programme:

- A457 Dudley Road major transportation improvements;
- A38 (M) Tame Valley Viaduct (TVV) critical strengthening works.

7.3.9 Final approval of these projects is retained by the DfT, with approval based upon the submission of green book compliant major scheme business cases. Submissions are expected in summer 2020 and on the basis of current estimates the local contribution required for these schemes totals £28.403m (£7.053m Dudley Road and £21.350m TVV) and is within the range expected by the DfT for major schemes (between 10% and 20% of overall project costs). The contributions will be required between 2021/22 and 2024/25 to lever a total of £94.450m from the LGF Growth Deal One programme.

- 7.3.10 A457 Dudley Road, the funding strategy is set out in the Cabinet report, approved on 26 June 2018, which includes prudential borrowing of £7.044m funded from net Bus Lane Enforcement (BLE) surplus and £0.009 ITB. Further details in respect of BLE are provided in Appendix B.
- 7.3.11 A38(M) TVV, since the 2019/20 Transportation and Highways Capital Programme, work has been on-going to develop a funding strategy for the TVV scheme. The funding gap identified in the 2019/20 THCP was removed using Highways and Infrastructure resources as set out in the TVV cabinet report approved on 30th July 2019. The local contribution comprises of £6.009m ITB and £15.341m Highways and Infrastructure resources.
- 7.3.12 Net Bus Lane Enforcement Surplus Direct Allocation - In the development of previous iterations of the THCP a number of funding pressures were identified, and a strategy formulated to resource these projects over a number of years using direct allocation of net Bus Lane Enforcement (BLE) surplus. The 2020/21 THCP continues to support this strategy.
- 7.3.13 Corporate Resources including Prudential Borrowing (PB) – The existing programme is part funded through corporate resources including PB, as detailed in the funding source table above. PB costs are funded from in year net BLE surplus as shown in Appendix B. The need to use corporate resources, including PB, will be minimised wherever possible through the wider ongoing management of the existing THCP resources and the identification of alternative funding streams/new resources. Further information on PB is provided in Appendix B.
- As stated in paragraph 1.3 CAZ revenue surplus is included for the first time in the 2020/21 THCP. It will be included where its use has been approved through an FBC or other process, such as the £15.000m contribution to the £25.000m City Centre Public Realm project approved by Cabinet on 29th October 2019. Further schemes will be added to the THCP at the appropriate time if the City Council has a role in their delivery, and subject to available funding.
- 7.3.14 This report approves acceptance of £2.66m from the HS2 Road Safety Fund, subject to separate OBC/FBCs for individual projects, and meeting the grant conditions set by DfT for draw down of the funds. The HS2 Road Safety Fund will provide up to £30.000 million to support road safety schemes along the Phase One line of route. A light touch application is required to be submitted to DfT for approval of each scheme. More details are provided in Appendix A.
- 7.3.15 It has been noted in this report that subject to separate approvals the City Council will make contributions to two schemes from ITB funding, Alcester Road Bus Priority Revitalisation and University Station:
- 7.3.15.1 Alcester Road Bus Priority Revitalisation is a £2.357m scheme being delivered by TfWM which will improve bus journey times along the Alcester Road (A435) corridor which carries over 6.7m bus passengers per annum (ppa) The City Council will provide a contribution of £0.500m

which will be used to improve road safety along the corridor alongside the bus priority improvements.

7.3.15.2 University Station is a £40.000m rebuild and expansion of the current 1980s station which is a central big move in the emerging Masterplan for the area. The current station is designed to cater for up to 400,000 ppa, but current patronage is over 3m p.p.a. The City Council will provide a £0.500m contribution of ITB in 2021/22 as part of a wider funding strategy, to enable the project to be delivered.

7.3.16 Cabinet approved the Outline Business Case (OBC) for the City Centre Public Realm project on 29th October 2019, it was reported in the OBC that a Full Business Case (FBC) would be presented to Cabinet February 2020. During the drafting of the FBC, further information has come to light that affects the procurement strategy set out in the OBC, requiring certain elements to be brought forward. To achieve this programme, it is necessary to present a separate FBC for this element of the City Centre Public Realm works (estimated at £5.000m funded from Transforming City Fund). The FBC for the main Public Realm works along New Street, including the fountain refurbishment and hostile vehicle mitigation measures is expected to be presented to Cabinet April / May 2020. Further information is available in Appendix A-Annex G.

7.3.17 The complete capital programme is provided in Appendix A – Annex F, detailing projects and associated funding sources on an annual and all years' summary basis.

Revenue

Revenue Maintenance Costs

7.3.17 New capital transport projects by nature can attract additional ongoing maintenance costs in respect of improved or new assets. In addition, there is also the opportunity to remove existing assets during works to mitigate cost increases. All projects will need to identify revenue maintenance implications and funding as part of the OBC and FBC governance processes.

7.3.18 For projects approved during 2020/21 (excluding those deemed to be major projects), an ongoing annual corporate policy contingency allocation of up to £0.250m is available to accommodate inventory growth and expenditure incurred as a result of new capital works and will be monitored to ensure this budget allocation is not exceeded. In the unlikely event that potential pressures are identified, measures to mitigate, including project revisions or deferral of projects will be considered.

7.3.19 For projects deemed to be major projects, (for example Metro and HS2), the corporate policy contingency allocation is not normally available to fund associated revenue maintenance impacts and as a result, associated OBCs and FBCs will be required to identify a funding source. In some cases, these projects

are funded by external bodies and contributions to revenue costs and ongoing maintenance will specifically be explored as part of the project development.

Prudential Borrowing Costs

7.3.20 As detailed above the existing programme is part funded through corporate resources including PB. The revenue cost of PB is funded from in year net BLE surplus. Further information on PB is provided in Appendix B. Revenue consequences of PB will continue to be managed within Inclusive Growth Directorate budgets.

7.4 Procurement Implications (if required)

7.4.1 There are no direct procurement implications contained within this report. However, it should be noted that schemes will be delivered by the City Council and the procurement strategy will be reported in individual OBC and FBC reports in accordance with the Council's Constitution and Procurement Governance Arrangements, with demonstration of value for money and compliance with the Birmingham Business Charter for Social Responsibility clearly set out.

7.5 Human Resources Implications (if required)

7.5.1 N/A

7.6 Public Sector Equality Duty

7.6.1 An initial screening for an Equality Analysis (EA) has been undertaken for the THCP and has concluded that a full EA is not required at this time, with no adverse impacts on the protected groups and characteristics under the Equality Act 2010. This position will be reviewed for each composite project and/or programme at OBC and FBC stage as necessary. The initial EA screening is provided as Appendix C to this report.

8 Appendices

- 8.1 Appendix A – Options Appraisal (including Annexes A to G)
- 8.2 Appendix B - Usage and Forecasts of Net Surplus Bus Lane Enforcement Income
- 8.3 Appendix C - Equalities Assessment Initial Screening

9 Background Documents

- 9.1 Council Financial Plan 2019-23
- 9.2 West Midlands Strategic Transport Plan
- 9.3 Birmingham Connected Transport Strategy
- 9.4 Birmingham Development Plan
- 9.5 Greater Birmingham and Solihull LEP Strategic Economic Plan
- 9.6 West Midlands Devolution Deal

- 9.7 Devolved Transport Grant - WMCA Board Report
- 9.8 Updated Transportation and Highways Funding Strategy (2019/20 to 2024/25)
- 9.9 Options Appraisal – Report of the Director Inclusive Growth to Cabinet – 26th March 2019