

# Updated Revised Full Business Case (URFBC)

## A. GENERAL INFORMATION

### A1. General

<b>Project Title</b> <i>(as per Voyager)</i>	<b>Perry Barr Regeneration Scheme</b>		
<b>Voyager code</b>	Various		
<b>Portfolio /Committee</b>	Leader's Portfolio	<b>Directorate</b>	Inclusive Growth
<b>Approved by Project Sponsor</b>	Ian MacLeod	<b>Approved by Finance Business Partner</b>	Guy Olivant

### A2. Business Case approvals *(Date and approving body)*

This document is an update to the Birmingham 2022 Perry Barr Regeneration Scheme Revised Full Business Case. Approvals to date as follows:

- Outline Business Case (OBC) was approved by Cabinet on 26 June 2018.
- Full Business Case was approved through delegated authority by the Cabinet Member and Chief Officer on 6 June 2019.
- Revised Full Business Case was approved by Cabinet on 17 March 2020.

### A3. Project Description

#### Introduction

The Perry Barr Regeneration Scheme (PBRs) consists of three sub-programmes which will deliver 1,414 new homes and unlock several development sites with the potential for a further 500 or more new homes. Some of the residential plots are currently under construction whilst plans are being put in place to prepare the remainder for development or disposal.

#### Purpose

This document updates the Revised Full Business Case (RFBC) for the PBRs which was approved by the City's Cabinet on 17 March 2020.

Since the RFBC was approved, two key events have initiated change in the PBRs:

- In March 2020 the World Health Organisation (WHO) declared COVID-19 as a global pandemic. In response the PBRs was reviewed in line with social distancing measures, safe-working guidance and the impact to the construction supply chain. The project implemented a series of mitigation measures to manage the impact and continue working safely, however progress was impacted.
- In August 2020 the Commonwealth Games Federation (CGF) confirmed the decision to accommodate athletes and officials at alternative locations around the city, omitting the Perry Barr Athletes' Village from Games-time usage.

Following the CGF's decision in August 2020, BCC initiated a transition programme to remove the PBRs from the Birmingham 2022 Programme and accelerate delivery of legacy plans. This paper sets out the case for delivering the additional fitout works to Plots 6, 7, 8 and 9, revised the delivery strategy for Plots 3, 4 and 5, and delivering additional demolition and remediation works to the Wider Village sites. It also provides details of the Disposal Strategy developed for the Council which provides details of which markets are best placed to purchase the homes being built in order to ensure the Council generates the maximum capital receipts from their sale.

In addition, and since the approval of the RFBC, the UK has completed its transition out of the EU. Despite the market uncertainty throughout 2020 caused by the potential for a no-trade-deal BREXIT, the PBRs has managed the risk without incurring any material adverse impact.

## **Project Overview**

The PBRS is structured into three sub-programmes:

**1. Residential:** planning consent is in place for the construction of 1,414 residential units and 9 commercial units across eleven plots and a public realm on the Perry Barr site. A plan of the site is provided in G7. Delivery of the plots is phased:

- **Plots 1, 2, 10 and 11:** planning consent in place, plots to be developed at a later date.
- **Plots 3, 4 and 5:** planning consent in place, plots to be redesigned and developed at a later date.
- **Plots 6, 7, 8 and 9:** construction work underway, this paper seeks authority for additional fitout works.

Property mix – as approved via planning			
Plots	Property Type	Residential Units	Commercial Units
Plots 1, 2, 10 & 11	Apartments / Townhouses	389*	5
Plots 3, 4 & 5	Townhouses	57*	0
Plots, 6, 7, 8 & 9	Apartments	968	4
		<b>1,414</b>	<b>9</b>

\*Number of units on Plots 3, 4 and 5 is subject to change following confirmation of the redesign and gaining planning consent. Any change to the number of units on Plots 3, 4 and 5 will impact upon the number of units within Plots 1, 2, 10 and 11 to ensure delivery within the overall consent of 1,414.

**2. Wider Village:** the acquisition, demolition and remediation of a number of sites which sit adjacent to the Residential site, including Holford Corner, Wellhead Lane Houses, The Coppice, National Express Bus Depot, Job Centre Plus, Oscott Gardens, Doug Ellis Sports Centre and the site which the Prince Albert Trust High School occupied before its demolition (construction of the new school at a new location is being delivered by another project and is outside of the scope of this business case).

**3. Birchfield Gateway:** the acquisition, demolition, and remediation of a number of sites which sit within proximity of the Residential site, including Perry Barr Shops and the African Village.

## **Updates since RFBC approval, 17 March 2020**

Since March 2020, the Council has progressed in line with the intent set out in the March 2020 RFBC. Progress is summarised below:

- The construction of Plots 6-9 is well underway; construction of the vertical structure is now complete and window installation, cladding, brickwork and internal fitout are now progressing.
- Following a commercial viability and affordability assessment and considering the impact of COVID-19, the delivery of Plot 1 was omitted (via change control) from the scope of the project in June 2020.
- All site-wide infrastructure works are complete, final sign off and certification is being progressed.
- A landscape architect has been appointed by Lendlease to develop the design for the Public Realm.
- Planning approval for the redesigned Plots 3-5 was received 16 July 2020 with the reduction in homes within Plot 4 from 23 to 22 (revised Plots 3, 4 and 5 - total of 57 units). A review into the tenure of Plots 3, 4 and 5 has been undertaken and a revised proposal which optimises the disposal strategy is presented in this paper (subject to finalising the design and gaining planning consent)
- The compulsory acquisition of all existing buildings on the Wider Village sites is now complete and demolition works are underway.
- The disposal strategy for Plots 3-9 has been developed and is presented as part of this paper.
- The project has delivered in line with the planned social value commitments including upskilling local young people, providing job opportunities for local people, supporting local SMEs and Social Enterprises and committing volunteering hours to local charities.

## **COVID-19**

In March 2020, the World Health Organisation declared COVID-19 as a global pandemic. In response, the Construction Leadership Council (CLC) published guidance by which construction sites should adhere to continue with safe operations whilst maintaining social distancing. Lendlease Construction (LLC) took the

decision to temporarily cease site operations (26 March 2020) to undertake an assessment of the working procedures and confirmed compliance with CLC guidance. The site returned to operations on 20 April 2020, albeit with a reduced rate of productivity due to social distancing requirements.

In response to the impact of COVID-19 the Council undertook an extensive risk and opportunity assessment against the delivery programme for the PBRS; to determine the deliverability for Games-time usage. This assessment considered a variety of delivery options which were presented to Government and the Birmingham 2022 Organising Committee for consideration.

An early outcome of this review was to cease design works (RIBA Stage 4 design partially complete) on Plot 1 and to omit it from the scope of the Games-time development. This decision was taken following a review into the commercial viability of Plot 1 and affordability to the Council. This decision was approved via change control as part of the programme's governance process.

Following further review into the deliverability and affordability to the Council of the remaining plots under construction, and when considering the additional costs required to accelerate the programme in response to COVID-19, a decision was taken to omit the PBRS from Games-time usage and bring forward the legacy development, creating an opportunity to complete the homes earlier than originally planned and dispose of them to the market, generating capital receipts. On 12 August 2020, the CGF confirmed the decision to omit the Perry Barr Athletes' Village from the scope of the Games.

Following the 12 August 2020 decision, the Council has continued to progress the construction work, whilst revising the requirements to bring forward the legacy development (authority sought in this paper), generating the following additional benefits:

- Progressing straight to the legacy development improves the sustainability credentials of the project by eliminating sacrificial fixtures, fitting and building materials that would have been used only for Games-time.
- Additional fitout works to Plots 6, 7, 8 and 9 will be undertaken earlier than originally planned to enable earlier occupation of the new homes.

### **Summary of updates to the RFBC**

Following the decision to omit the PBRS from the Birmingham 2022 Commonwealth Games, the scope of the project has been reviewed to optimise the commercial viability of the scheme. This Business Case sets out the proposed solution for maximising the benefits to the Council and the local community, including the associated cost and estimated receipts from each of the assets.

The long-term benefits of the PBRS are unchanged (summarised in Section B3) from the RFBC and remain on track to be successfully delivered, albeit with revised timescales; due to the units being available earlier than originally planned.

Since the decision to remove the PBRS from the Birmingham 2022 Programme, the Council has reviewed the requirements and delivery plans for the scheme. This paper provides an overview of the options and assessed and details the preferred options for:

**Constructing and disposing of Plots 3, 4 and 5:** a strategic review has been undertaken as part of the disposal strategy. This paper recommends that the design is revised to optimise the use of available land within the plots and consider the potential incorporation of the Hare of the Dog public house (subject to planning approval) to deliver more units than originally planned. The net internal area of the homes will achieve National Space Standards and deliver an increase in the overall square footage of residential space and a broader tenure mix and range of home sizes. The overall affordable housing provision has been reviewed as part of the Disposal Strategy, concluding that distribution between Plots 7, 8 and 9 will enable the Council to meet the planning condition requirements. This will allow Plots 3, 4 and 5 – and all other uncommitted development plots - to be optimised commercially as well as contributing more effectively to the regeneration of Perry Barr and improving the 'placemaking' opportunities.

**Fitting out and disposing of Plots 6, 7, 8 and 9:** an options analysis was undertaken to determine the optimum delivery approach for fitting out Plots 6, 7, 8 and 9 (budget for post Games interior fitout works were excluded from the RFBC March 2020 and were planned to be delivered post Games and were subject to further approval and funding). This paper seeks authority for:

- Plot 6 to become extra-care housing and as such is disposed of to an extra-care housing provider. The additional fitout works to Plot 6 will be agreed with the chosen operator and either undertaken by the Council prior to the operator taking occupation or undertaken post occupation by the operator.
- Plot 7 to be disposed sold to an investor and leased back by the Council. The additional fitout works to Plot 7 to be undertaken by the existing plot contractor and negotiated and instructed via Lendlease's Construction Delivery Agreement (CDA) subject to demonstrating best value.
- Plot 8 to be disposed of via direct sales to the market. The additional fitout works to be tendered by the Council and delivered by the successful contractor.
- Plot 9 to be disposed of either on a sale and leaseback agreement with an investor or via direct sales to the market, subject on a review of the effectiveness of the disposal of Plots 7 and 8. The additional fitout works to be tendered for delivery by the Council (potential opportunity to gain economies of scale by tendering the additional fitout works to Plots 8 and 9 via a single contract - recommended).

**Remediating the Wider Village sites:** the scope of the Wider Village set out in the RFBC included some demolition and remediation works and was focused on delivering the sites ready for handover to the OC such that they could complete their temporary works required for Games. As the sites are no longer required for Games, this paper seeks authority for additional remediation works to prepare the sites to a state which is optimal for disposal / future development. This applies to Holford Corner, Oscott Gardens, The Coppice and Wellhead Lane.

This paper also includes funding for the demolition and remediation of the National Express (NX) Bus Depot in line with the existing outline planning consent. However, there may be an opportunity to utilise the existing building temporarily as a mixed-use facility (e.g. retail, commercial, food and beverage, sports, etc.), subject to a separate business case. The demolition of the NX Bus Depot would not commence until long-term use of the site has been determined via the masterplan for the future phases of work around Perry Barr.

**Remediating the Birchfield Gateway sites:** the scope of the Birchfield Gateway set out in the March 2020 RFBC was focused on the acquisition and demolition of the sites; African Village, High St Shops and the Station Shops. The African Village site is currently being utilised as a site compound for the Perry Barr Station redevelopment project. This paper seeks authority for undertaking additional remediation works to the African Village site, following completion of the Station works, in order to optimise the site for disposal.

#### **Additional works**

Planning consent for the PBRS included several conditions to be satisfied by the Council and the contractors. Most of these conditions have now been addressed however there is an outstanding condition regarding the impact of the noise emanating from the Tufnols plant located south of the scheme, which is the responsibility of the Council (as the developer). The noise has an impact principally on the properties within Plots 5 and 6 and the Council is currently taking advise on how best to remediate the matter with the most suitable option to deal with the issue at source. Once a solution has been determined, a procurement exercise will be undertaken to award a contract to design and install the recommended solution.

The opportunity to use the Oscott Gardens buildings as temporary accommodation has been reviewed. Works will be required to remediate the internals of the buildings to a standard suitable for occupation as temporary accommodation – the works will be procured in due course by the Council subject to further approval.

Plot 10 is being utilised by the A34 Highways team as a compound for their works until Q1 2022. Following that, there is an opportunity to utilise the plot as a sales and marketing suite for the PBRS which would create further opportunity for small and local businesses (food, beverage and retail) on a temporary basis prior to the commencement of development works on Plot 10. This opportunity is being developed to align with the Games timescales such that visitor footfall can be captured by the sales and marketing suite enabling the Council to optimise potential sales of new homes. This report seeks approval for a leasehold disposal of Plot 10 to a specialist operator for a minimum term of five years. The specialist operator will be responsible for procuring the

required works to create the sales and marketing suite and other units to facilitate small business operations (above).

#### **A4. Scope**

As outlined above.

#### **A5. Scope exclusions**

The following exclusions apply to this case:

- Development of Plots 1, 2, 10 and 11 is excluded from this Business Case.
- Development of the Wider Village and Birchfield Gateway sites (Phase 2) is excluded from this Business Case.
- All Games-time requirements have been de-scoped and are excluded from this case, including the provision for the Games Partners to utilise any of the PBRs sites for Games-time operations.
- The A34 Highways Scheme (Perry Barr Flyover) continues to progress under the authority set out in a separate Business Case – no changes are proposed by this case.
- The Perry Barr Rail Station and A34 Sprint projects are being delivered by Transport for West Midlands and are not part of this Business Case.
- Development and planning of the Perry Barr 2040 masterplan is excluded from the scope of this case.

### **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*

The Council has utilised the opportunity presented by the removal of Games-time constraints to bring forward the delivery of the strategic outcomes of the PBRs:

**Programme mandate:** *Perry Barr will be an exemplar neighbourhood which offers a high quality, healthy living and working environment for all ages that is vibrant, well connected, and sustainable and encourages wellbeing.*

##### **Programme objectives:**

1. Creating an environment which provides sustainable housing through innovative and energised designs to contribute towards the targets set out in the Birmingham Development Plan 2031.
2. Improving connectivity between Perry Barr and the City centre with sustainable transport infrastructure improvements.
3. Improving employment opportunities in the wider Perry Barr area through construction, and the creation of new business space.
4. Providing new public spaces to improve the community's access to green spaces and sports facilities.
5. Providing a fit-for-purpose affordable housing solution to meet the City's demands.
6. Improving the quality of life for the citizens of Perry Barr by delivering a truly sustainable and environmentally friendly hub, where people can live, work, learn and visit.

##### **Programme outcomes**

1. The Residential project will eventually deliver 1,414 new homes when all 11 plots are complete, with a property mix consisting Affordable Housing, an Extra Care Facility and a portfolio of houses and apartments which will be a combination of private sales and rentals via an investor.
2. The Wider Village project will deliver an area of land situated in the heart of Perry Barr and suitable for disposal to a developer; an outline planning consent is in place for an additional 500 residential properties.
3. The Birchfield Gateway project will deliver an area of land situated in the heart of Perry Barr and suitable for disposal to a developer, in line with and subject to market demand conditions.

#### **B2. Project Deliverables**

*These are the outputs from the project e.g. a new building with xm2 of internal space, xm of new road, etc*

This report seeks approval to undertake demolition, remediation and/or final fitout works across the various sites – Section G6 sets out a summary of the deliverables and draws comparison against the RFBC which was approved by Cabinet in March 2020.

### B3. Project Benefits

*These are the social benefits and outcomes from the project, e.g. additional school places or economic benefits.*

1. **Birmingham is an aspirational city to grow up in:** the redevelopment of Perry Barr will lead to a step change in the local neighbourhood and ensure a safe, warm, sustainable and connected environment in which our children can thrive.
2. **Birmingham is a great city to live in:** the Council is committed to the development of enough high quality new homes to meet the needs of a growing city, and the proposals within this report seek to support housing growth in the city.
3. **Birmingham is an entrepreneurial city to learn:** work and invest in activity within the construction sector will create jobs and apprenticeships in the city, and activity in the supply chain industries, supporting the local economy through the Birmingham Business Charter for Social Responsibility.
4. **Birmingham is a fulfilling city to age well in:** the links between health and housing are well recognised. The scheme will see the construction of new thermally efficient, economical to run new homes which are designed to high standards of quality and internal space standards, will be more affordable for residents and will offer a higher quality of life leading to better health outcomes.

Under the term of the main works contract, Lendlease has provided commitments as part of its certification to the Birmingham Business Charter for Social Responsibility. The commitments are being delivered by Lendlease and its supply chain. Delivery against each of the commitments is well-progressed, a summary of the commitments which will be delivered by April 2022 is set out below.

Commitment (to be delivered by April 2022)	KPI	Progress (End May 2021)
Employment opportunities created (including apprenticeships)	400	268
Young people engaged	10,000	4,290
Volunteering hours	1,000	1,507
People upskilled	1,000	1,091
Work placement hours	10,500	23,225
% of contract value spend with local businesses (within 30 miles of Perry Barr)	40%	>40%
% of local employment (within 30 miles of Perry Barr)	60%	73%
% of contract value spend with Voluntary Social Enterprises	1%	<1%

Social value outcomes required to be addressed from future procurement activity outside of the Lendlease contract is detailed in the FBC Cabinet report.

### B4. Benefits Realisation Plan

*Set out here how you will ensure the planned benefits will be delivered*

The benefits realisation plan remains unchanged from the Full Business Case (6 June 2019) and the Revised Full Business Case (17 March 2020).

### B5. Stakeholders

A detailed breakdown of the stakeholder map is set out in G4.

## 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. Summary of options reviewed

*(including reasons for the preferred option which has been developed to FBC)*

*If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.*

## 1. Residential

Plots 1, 2 and 11: no additional works sought via this Business Case.

**Plot 10:** Plot 10 is being utilised by the A34 Highways team as a compound for their works until Q1 2022. Following that, there is an opportunity to utilise the plot as a sales and marketing suite for the PBRs which would create further opportunity for small and local businesses (food, beverage and retail) on a temporary basis prior to the commencement of development works on Plot 10. This opportunity is being developed to align with the Games timescales such that visitor footfall can be captured by the sales and marketing suite enabling the Council to optimise potential sales of new homes. This report seeks approval for a leasehold disposal of Plot 10 to a specialist operator for a minimum term of five years. The specialist operator will be responsible for procuring the required works to create the sales and marketing suite and other units to facilitate small business operations (above).

**Plots 3, 4 and 5:** the March 2020 RFBC set out the intent to deliver 57 homes across Plots 3, 4 and 5 for appropriation to the Housing Revenue Account following the Games. The Disposal Strategy (summarised in Appendix 1) recommends that the affordable housing required by the planning condition is delivered across Plots 7, 8 and 9. This strategy enables the Council to consider a redesign of Plots 3, 4 and 5 to increase the number of homes, refine the range of house types, size and tenures, and deliver optimised commercial returns as well as contributing more effectively to the regeneration of Perry Barr and improving the 'placemaking' opportunities. A proposal is being developed in consultation with the Planning department and this report seeks to delegate authority for approval of the developed design and instruction of the necessary works. An analysis was undertaken into two options:

- **Option 1:** proceed in line with the intent set out in the RFBC and deliver 57 homes for disposal to BMHT.
- **Option 2:** revise the design to optimise the use of available land within the plots and consider the potential incorporation of the Hare of the Dog public house (subject to planning approval) to deliver more units than originally planned. The net internal area of the homes will achieve National Space Standards and therefore deliver an increase in the overall square footage of residential space and a broader tenure mix and range of home sizes. The overall affordable housing provision has been reviewed, concluding that distribution between Plots 7, 8 and 9 will enable the Council to meet the planning condition requirements. This will allow Plots 3, 4 and 5 – and all other uncommitted development plots - to be optimised commercially.

When considering the benefits associated with a wider range of affordable housing across Plots 3-9 and the ability to optimise the receipts generated by Plots 3, 4 and 5, this paper seeks authority to progress **Option 2**.

Plots 6, 7, 8 and 9: informed by the Disposal Strategy an assessment has been undertaken into the options for delivering the legacy fitout to Plots 6, 7, 8 and 9. A total of eight options were considered:

- **Option 1:** Lendlease undertake the fit-out work to all plots and complete the public realm in line with the Stage 3+ design.
- **Option 1A:** Lendlease undertake the fit-out work to Plots 7, 8 and 9 and complete the public realm in line with the Stage 3+ design. The fit-out of Plot 6 is delivered via a contracted awarded by the Council.
- **Option 2:** Lendlease complete the public realm in line with the Stage 3+ design. The Council tenders the fit-out work to all plots awarded to a single contractor.
- **Option 2A:** Lendlease complete the public realm in line with the Stage 3+ design. The Council tenders the fit-out work to Plots 7, 8 and 9 awarded to a single contractor. The fit-out of Plot 6 is completed by the extra-care housing provider.
- **Option 3:** Lendlease complete the public realm in line with a reduced scope as proposed by Lendlease in December 2020. The Council tenders the fit-out work to all plots awarded to a single contractor. The Council also tenders the works required as a separate contract to replace and complete the public realm in line with the Stage 3+ design.
- **Option 4:** Lendlease undertakes the additional fitout work for Plot 7 and complete the public realm in line with the Stage 3+ design. The Council tenders the additional fitout work to Plots 8 and 9 awarded

to new contractor(s). The additional fitout works for Plot 6 is completed either by the extra-care housing provider/purchaser or by the Council, whichever optimises cost efficiency.

- **Option 5:** Lendlease complete the construction of all plots (e.g. not fit-out) and vacates the site without undertaking any of the public realm works. The Council tenders for the fit-out of all plots and the public realm (in line with the Stage 3+ design) as two separate contracts (e.g. fitout as one contract and public realm as another).
- **Option 6:** Lendlease complete the construction of all plots (e.g. not fit-out) and complete the public realm in line with the Stage 3+ design however they do not allow access for any other contractors awarded by the Council until Lendlease works are complete.

An Options Assessment Panel was convened to review the analysis and evaluate the options using a pre-determined, objective set of criteria. The evaluation considered the following priorities – scoring was weighted according to the order of precedence set out below:

- **Cost efficiency:** the option minimises cost to the Council whilst delivering the total scope of the works to the specified quality.
- **Scope / Quality:** the option delivers the total scope of the project in line with quality requirements, as per the needs of the sales / disposal strategy.
- **Risk/Complexity:** the option can be procured via established arrangements (e.g. existing contract or framework agreement) and does not introduce unreasonable delivery or commercial liabilities / responsibilities for BCC.
- **Schedule:** the option delivers the total scope of work, whereby fitout to all plots is completed before the end of 2023. The delivery schedule contains efficient logic which minimises excessive prelims and care-taking periods for the Council (where Facility Management/Estates Management costs may be incurred).

From the evaluation Option 4 will deliver best value for the Council: Lendlease undertakes the additional fitout work for Plot 7 (subject to demonstrating best value) and complete the public realm in line with the Stage 3+ design. The Council tenders the additional fitout work to Plots 8 and 9 awarded to a new contractor(s). If Lendlease cannot achieve best value in delivering the fitout for Plot 7, then the Council will tender the work. The additional fitout works for Plot 6 is completed either by the extra-care housing provider/purchaser or by the Council, whichever optimises cost efficiency. The outcome from the panels scoring is set out below:

- **Cost Efficiency** | in terms of cost, Option 4 represents a mid-range solution when compared with the other options. The panel concluded that the cost associated with Option 4 provides sufficient benefit - earlier delivery of Plot 7 and subsequent receipts – to justify the relatively higher cost (when compared with Options 2A, 5 and 6).
- **Scope/Quality** | Option 4 gained the highest score for Scope/Quality as the panel determined that it best meets the need of the disposal strategy; Plot 6 is completed by either the operator or the Council, Plot 7 is brought to market as early as possible and Plots 8 and 9 are delivered later, such that the market is not overloaded with new properties. The public realm is completed in line with the Stage 3+ design, providing the Council with a completed development. The panel considered the impact of ongoing public realm works whilst Plot 7 disposal is underway and concluded that this did not pose any material impact to the city's ability to dispose of the properties.
- **Risk/Complexity** | When compared with the other options, Option 4 represents low risk to the Council as Lendlease will continue to deliver the public realm in line with the Stage 3+ design (therefore no requirement for negotiation). Lendlease will also deliver the fit-out of Plot 7, enabling an earlier completion and earlier disposal. Plot 7 is located in the South-Western corner of the development; earlier completion of this plot has logistical benefits as opposed to a later completion of Plot 7. By procuring Lendlease to undertake the fit-out of Plot 7 there is a perceived benefit in that Lendlease will have an incentive to cooperate with the Council in providing access to another contractor to fit-out Plots 6, 8 and 9.
- **Schedule** | Whilst the completion date for Option 4 (Q2 2023) is comparatively later than some of the other options it meets the overall criteria of completion within 2023 and also provides an earlier completion of Plot 7 (Q4 2022), enabling the Council to dispose and gain earlier receipts.

## 2. Wider Village & Birchfield Gateway

The scope of the March 2020 RFBC for the Wider Village and Birchfield Gateway sites was focused on facilitating Games-time operations and set out the scope and budget for completing some demolition and remediation works. Additional demolition and remediation works are required to optimise the sites for development/disposal. Two options have been considered:

- **Do nothing:** no additional works over-and-above those agreed in the March 2020 RFBC. Sites could be disposed of to the market, however due to the additional work required to make them ready for development, the sales value would be sub-optimal.
- **Undertake additional demolition and remediation:** in line with the deliverables set out in Section B2, bringing all of the sites to a standard that can be developed/disposed of for the next phase of housing.

The preferred option is to undertake additional demolition and remediation work in line with the deliverables set out in Section B2. This will then ensure that the sites are well placed for subsequent development, which will be the subject of subsequent reports.

### Disposal Strategy

Avison Young was appointed in 2020 to devise and implement a disposal strategy which will inform the approach to sales and marketing of the PBRs project. The scope for the appointment covers PBRs Phase 1 - consent for 1,414-homes (312 Affordable) across 11 development plots; PBRs Phase 2 - outline consent for 500-homes; Birchfield Gateway

The immediate priority is a holistic, comprehensive disposal strategy for Phase 1, with particular focus on the four development plots which are under construction presently - Plots 6, 7, 8, and 9 – which will deliver 968 homes (418 1-bedroom, and 550 2-bedroom apartments) to the market.

The disposal strategy has been developed to optimise the outcome for the Council by balancing these key factors: Market absorption rates - how quickly completed homes can be sold, rented or occupied;

- Sales receipts for each plot - whether capital value or investment value;
- That the property and tenure type is attractive to a broad range of occupier and customer demographics;
- The sequence of plot-by-plot construction completions and subsequent occupation of homes will kick-start and sustain a thriving new community;
- The planning condition requirement for delivery of Affordable Housing across Phase 1;
- The strategic approach to the seven uncommitted development plots within Phase 1 (Plots 1, 2, 3, 4, 5, 10, and 11).

The strategy identifies the plot-by-plot approach, and the plots as a combined, cohesive development. The summary is as follows:

PLOT	Sale Strategy	Residential Tenure
6	Sale to single extra-care housing provider	Extra-care housing
7	Sale and Leaseback with institutional investor	Built to Rent (BtR)
8	Direct sale to owner occupier market	Private sales
9	Informed by sales / rent market	Private sales / Build to Rent

The strategy for Plot 9 will respond to evidence of emerging market demand from Plot 7 and Plot 8. Discussions with Homes England are ongoing for the possible use of Plot 9 as part of the Ministry for Housing, Communities and Local Government (MHCLG) First Homes initiative, which would further diversify the market demographic.

The approach to discharging the Affordable Housing planning condition for 312 homes is then overlaid over the plot-by-plot strategy

PLOT	Open Market Tenure Homes	Affordable Tenure Homes	TOTAL HOMES	Affordable Homes Provision / %
7	149 (55%)	121 (45%)	<b>270</b>	39%
8	120 (55%)	97 (45%)	<b>217</b>	31%
9	119 (56%)	94 (44%)	<b>213</b>	30%
Total	<b>388 (55%)</b>	<b>312 (45%)</b>	<b>700</b>	<b>100%</b>

The strategy to deliver the entirety of the planning condition target of 312 homes within Plots 7, 8, and 9 should enable the Council to achieve an optimal sale receipt for Plot 6 as other public sector funding sources could be available to the purchaser e.g. grant funding in relation to the Plot 6 housing provision.

Key features of the strategy are:

- a balanced approach to proportion of homes for sale and homes for rent;
- a balanced approach to disposal to institutional investors with owner occupiers;
- a balanced approach to immediate sales receipt with long-term on-going letting-risk;
- a plan to discharge fully the planning condition affordable housing target;
- delivering Affordable Housing within the earliest completion

The disposal strategy identifies the optimal sequence for construction completions as 1<sup>st</sup>: Plot 7; 2<sup>nd</sup>: Plot 6; 3<sup>rd</sup>: Plot 8; 4<sup>th</sup>: Plot 9

As an extra-care residential building, the market for purchasers of Plot 6 is narrowly defined and impacted less by concerns over market absorption rate for new-build apartments in the Perry Barr location. Therefore, the completion of the construction, while important, is less of a concern in terms of securing optimised value.

Plot 7 will act as the "gateway" to the scheme and is both the largest and most prominent of the four Plots and features the tallest building within the scheme. As a rental scheme, the block will be attractive to a broad and varied range of tenants who are seeking the flexibility that renting provides. Proximity to efficient and frequent public transport enhances the appeal of the Plot. With Plot 7 completing before Plot 8 or 9, there will be useful period for the building to become occupied and establish PBRS as a vibrant new place. This should also enhance the attractiveness to potential buyers for Plot 8.

Uncommitted development plots will be paused and reconsidered once sufficiently robust market demand evidence has been collected.

Plot 10 features consent for 209 apartments and is being used presently for the A34 highway works. The disposal strategy recommends that development of this plot commences once the market has absorbed the apartments under construction. Given its prominent location on the A34, and its proximity to Plot 7, the disposal strategy recommends a short-term, "meanwhile" use such as a shipping container village in readiness for the Games-time period. This will provide vibrancy, broaden the offering to potential residents of the PBRS, and provide an ideal location for the sales and marketing suite for the scheme.

Commercially, the decision to de-scope and re-time the delivery of the uncommitted development plots is positive. The incremental delivery of future plots and phases brings forward the need for the Estates Management Strategy which is coordinated with the disposal strategy and ensures the placemaking qualities are delivered throughout.

In conclusion, the Disposal Strategy:

- is coordinated with the optimal sequence of plot-by-plot and public realm construction completions.

- is devised to appeal to a broad cross-section of purchasers and occupiers to mitigate the impact of the narrow product offering.
- identifies a balanced approach to managing absorption rates.
- diversifies the target disposal groups from institutional funds through to individual owner-occupiers.
- balances capital value receipt from sales with investment value receipts from sale-and-leaseback.
- addresses the planning condition requirement for delivery of Affordable Housing across Phase 1.

The strategy provides a balanced, risk-adjusted approach to disposal of the four plots under construction. In addition, it will enable BCC to take a more commercially balanced approach to the uncommitted development plots within Phase 1.

Decisions to proceed with future development will be underpinned by robust market evidence for demand from the four completed plots, and, without the deadline-driven target of the Commonwealth Games, procurement of new buildings can be more cost-effective.

The development opportunities presented by Phase 2 and Birchfield Gateway can build on the foundation created by Phase 1. Phase 2 offers opportunities to intensify land-use, increase density and deliver against BCC's medium-term housing delivery and placemaking targets.

There is an opportunity to deliver more than 500-homes on the Phase 2 land, leading to leading to improved commercial returns if costs are managed, as set out in Section E1. While smaller in scale than Phase 1 or Phase 2, the development opportunity provided by Birchfield Gateway will enhance the 'placemaking' ambitions of the regeneration programme.

Market predictions are challenging at the best of times, however, the quantum of homes and the scale of the plots under construction are sufficiently big for PBRs to be catalytic for Perry Barr and to kick-start a new neighbourhood for Birmingham. Approval of the disposal strategy is the next step towards realising the long-term ambitions for Perry Barr.

## C2. Evaluation of key risks and issues

*The full risks and issues register is included at the end of this FBC*

A thorough review of the risks associated with delivering the remainder of the construction phase and with the implementation of the proposed fitout option has been undertaken as part of the business-as-usual risk management process and to inform this business case. The key risks associated with the delivery of the scheme are:

- COVID-19 may continue to impact productivity throughout and beyond 2021 – social distancing, self-isolation and absenteeism may persist and continue to reduce productivity from the supply chain. **Mitigation:** the project will operate within Government guidance and keep measures under continuous review to ensure that they fully comply with guidance. BCC has worked with the supply chain to mitigate the impact to productivity moving forwards.
- Costs for additional fitout Plots 6, 7, 8 and 9 may exceed the estimates set out in this paper. **Mitigation:** benchmark data has been used to derive the cost estimates, inflation applied in line with the programme to undertake the works and a suitable contingency included to account for the risk of change in market conditions.
- The market conditions may fluctuate due to the residual impact of COVID-19 and Brexit, reducing market appetite for new apartments in Perry Barr. **Mitigation:** specialist consultant procured to develop the Disposal Strategy which considers market risk and incorporates latest intelligence. Conditions to be continuously reviewed as the marketing approach is developed.

A risk register is included at Section G3.

## C3. Other impacts of the preferred option

*Describe other significant impacts, both positive and negative*

Positive impacts:

1. Aligns to the emerging Perry Barr 2040 Masterplan and complements the vision for Perry Barr.

2. Unlocks development potential and on-going regeneration of the area, including new commercial and residential development within the centre.
3. Provides capital receipts from sale of accommodation and land.
4. Following occupation, income from Council Tax and Business Rates will commence.

Negative impact:

1. Additional cost to the Council for completing the additional fitout works exceeds the budget included in the FBC (approved June 2019) – albeit these costs were listed as a specific exclusion.

## 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*

Not applicable.

### D2. Procurement implications and Contract Strategy:

*What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).*

The following procurement considerations apply:

- The additional fitout works for Plot 7 to be delivered through the Lendlease CDA and will be instructed via a variation to the existing contract in line with paragraph 2.5, subject to demonstrating best value via this procurement route. If best value is not demonstrated, then the works will be procured by the Council via an alternative route and completed once the buildings are handed over from Lendlease.
- A procurement strategy for the delivery of the additional fitout works for Plots 6, 8 and 9 will be developed and approved – it should be noted that the works are planned to commence after the buildings are handed over from Lendlease.
- The additional demolition and remediation works required to the Wider Village sites (as set out in Appendix 1) will require a procurement exercise to be undertaken. As these works are not proposed to commence until late 2022/2023 a procurement strategy will be developed and approved when the latest market conditions can be considered and to align with the delivery programme.
- A procurement strategy to deliver the works required to discharge the planning condition associated with noise generated from the Tufnols site will be developed and approved.
- Procurement of enabling works required to develop Plot 10 (Gailey Park) as a sales and marketing suite: the site will be leased to a specialist operator who will take full responsibility for procuring the required enabling works including the fitout of the sales and marketing suite, subject to demonstrating reasonable value.

### D3. Staffing and TUPE implications:

#### Staffing

The Council is providing support, skill and expertise from within existing resources. Where there is a gap in these resourcing requirements, external resource and services have been engaged.

The Council has entered into a number of contracts to support the delivery of the scheme as detailed in the table below:

Service	Provider
Employers Agent, Quantity Surveying, NEC Project Management and Supervision of the Residential Scheme including legacy fitout. Project Management and Quantity Surveying of the Wider Village.	Arcadis LLP
Demolition and remediation services (various sites)	DSM Demolition Ltd
Professional advice on acquisitions/disposals.	Avison Young Ltd and Ove Arup & Partners Ltd

Design Assurance and quality inspections	Acivico
Programme Management, Controls and Governance	Turner & Townsend Project Management Ltd
Site investigations and geotechnical services	Tetra Tech Ltd
Planning services	Arcadis LLP

## TUPE

There are no TUPE implications with this project.

## E. FINANCIAL CASE

*This sets out the cost and affordability of the project*

### E1. Financial implications and funding

The table below sets out a summary of the capital investment and associated funding position resulting from enacting the proposed option (Column C) compared with the position approved at RFBC (Column B).

Column A	Column B	Column C	Column D
Cost component	RFBC March 20 (£m)	Updated RFBC July 21 (£m)	Delta Column B-C (£m)
Land Acquisitions	54.9	54.1	(0.8)
Housing Construction	296.8	285.2	(11.6)
Retrofitting	-	19.3	19.3
Site Infrastructure	32.4	35.0	2.6
Additional costs post-CDA	12.1	6.4	(5.7)
Highways	27.1	27.1	-
School Relocation	5.6	5.6	-
Demolition Costs	8.9	14.5	5.6
Fees	30.6	33.0	2.4
Bus Depot	28.8	27.8	(1.0)
Capitalised Interest	29.3	20.5	(8.8)
Contingency	15.0	11.4	(3.6)
<b>Gross Capital Expenditure</b>	<b>541.5</b>	<b>539.9</b>	<b>(1.6)</b>
Sale Proceeds	(317.1)	(279.3)	37.8
Grants	(171.1)	(168.5)	2.6
Capital Receipts	(20.0)	(20.0)	-
Capital Contingency	(15.7)	(15.7)	-
Revenue Contributions	(17.6)	(10.6)	7.3
<b>Gross Income / Funding</b>	<b>(541.5)</b>	<b>(494.1)</b>	<b>47.7</b>
<b>Net Cost</b>	<b>Nil</b>	<b>45.8</b>	<b>45.8</b>

Whilst full delivery details have not yet been finalised, the redevelopment proposals as set out in the revised FBC present a number of substantial opportunities for future phases of regeneration in and around Perry Barr, that as well as continuing the transformation of the area will deliver substantial financial returns to the Council that are anticipated to fully offset the net costs identified in the above table. The key opportunities include:

Measure	Net Impact
Revise property mix and quantum on plots 3/4/5	£7.6million
Develop plots 1/2/10/11 prior to disposal	£14.6million
Develop Phase 2 sites prior to disposal	£35.3million
Develop Birchfield Gateway sites prior to disposal	£7.0million
<b>Potential Net Benefit</b>	<b>£64.5million</b>

The year-by-year cost and income plan is provided in section G1.

The revenue costs and income associated with the delivery of the scheme are set out in the following table:

	Prior Years £'m	2021/22 £'m	2022/23 £'m	2023/24 £'m	Later Years £'m	Total £'m
Void Council Tax	-	-	0.9	0.8	0.4	2.1
Fees	2.7	1.1	1.1	0.2	-	5.1
Interest Costs	-	-	-	1.2	1.4	2.6
Revenue costs	2.7	1.1	2.0	2.2	1.8	9.8
Direct Revenue Funding of Capital Expenditure	0.6	5.2	4.8	-	-	10.6
<b>Gross Costs</b>	<b>3.3</b>	<b>6.3</b>	<b>6.8</b>	<b>2.2</b>	<b>1.8</b>	<b>20.4</b>
Funding from policy / CWG	(0.5)	-	-	-	-	(0.5)
Capitalised Interest Adjustment	(2.8)	(6.3)	(6.8)	-	-	(15.9)
<b>Net revenue Impact</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>1.8</b>	<b>4.0</b>

It is anticipated that the net revenue costs identified for future years can be fully mitigated through the capitalisation of interest arising through the implementation of future phases of development as set out above.

## **E2. Evaluation and comment on financial implications:**

The core elements of the PBRS that are the subject of the revised FBC include substantial investment in land assembly and remediation for future phases of the wider regeneration of Perry Barr, creating a substantial opportunity for later phases of the overall programme to achieve the twin objectives of placemaking and helping to ensure the creation of vibrant and sustainable new developments, together with the delivery of significant financial returns on the Council's initial investment.

The design and delivery of plots 6 to 9 of the scheme have been undertaken under the constraints firstly of needing to be completed in an unusually short timescale to allow for usage for the Commonwealth Games, with the further constraints of the key construction phase then coinciding with the unprecedented COVID-19 pandemic. Whilst every effort has been made to contain the adverse impacts of these constraints, a funding deficit from the early phases of the overall scheme became unavoidable, but the beneficial impact on the area of the successful delivery of this phase has allowed the identification of compensating financial benefits from later phases of development that have the potential to extinguish this funding deficit.

## **E3. Approach to optimism bias and provision of contingency**

The financial plan for the delivery of the scheme as set out above includes total contingencies amounting to £11.4million (approximately 5% of remaining anticipated expenditure). Whilst this is a relatively modest sum given the complexity of the overall regeneration scheme, much of the future expenditure is already largely certain with contract already in place, and a substantial proportion of any future financial risk is borne by the contractors.

The calculation of the appropriate level of contingency required for the PBRS has been informed by a robust Quantified Risk Assessment (undertaken utilising a "Monte Carlo" simulation), which has identified an overall contingency requirement to cover known risks with 90% certainty of £8.4million. A further allowance of £3million has also been included to allow for any emerging unknown risks.

Given the level of project maturity and the approach taken to the inclusion of a risk-based level of contingency in the overall financial plan, it is not considered that any further adjustment to take account of optimism bias is necessary.

The identified future opportunities for later phases of development have not been developed to a sufficient stage to allow for a similar level of assurance in terms of risk or contingency requirement at this stage. The likely financial impacts of the identified opportunities have however been estimated based on existing industry benchmarks for development schemes of the scale and housing mix envisaged, with estimates taking a prudent view of both potential build costs and disposal proceeds. The identified surplus contribution of £64.5million from these opportunities is therefore subject to some likely variation as details of individual phases of development are progressed but remains very likely to offset all deficits from the elements of the longer-term scheme that are the subject of this report.

## **E4. Taxation**

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

Land acquisition costs included within the FBC include SDLT to the extent that they are payable by the Council, together with any irrecoverable VAT incurred by owners or occupiers of land being acquired whether under CPO powers or voluntarily.

Given the nature of the expenditure it is considered that all VAT directly incurred by the Council in relation to the PBRS will be fully recoverable.

## F. PROJECT MANAGEMENT CASE

*This considers how project delivery plans are robust and realistic*

F1. Key Project Milestones	Planned Delivery Dates
<i>The summary Project Plan and milestones is attached at G1 below</i>	
Plots 3, 4 and 5 construction and fitout complete	TBC Note 1
Plot 6 construction complete	Q2 2022
Plot 6 additional fitout works complete	Q2 2023
Plot 6 disposal	Q2 2023
Plot 7 construction complete	Q2 2022
Plot 7 additional fitout works complete	Q4 2022
Plot 7 disposal commencement	Q1 2023
Plot 8 construction complete	Q3 2022
Plot 8 additional fitout works complete	Q1 2023
Plot 8 disposal to private residential market commencement	Q2 2023
Plot 9 construction complete	Q3 2022
Plot 9 additional fitout works complete	Q1 2023
Plot 9 disposal commencement	Q2 2023
PBRs Public Realm complete	Q4 2022
Holford Corner additional remediation works complete	Q4 2023
Wellhead Lane additional remediation works complete	Q4 2023
National Express Bus Depot demolition and remediation works complete	TBC Note 2
Oscott Gardens demolition and remediation works complete	TBC Note 3
The Coppice additional remediation works complete	Q3 2024
African Village additional remediation works complete	Q2 2024

***Delivery programme for all elements of work is being finalised – dates above subject to confirmation.***

- **Note 1:** delivery programme for Plots 3, 4 and 5 is subject to finalising the design and gaining planning consent.
- **Note 2:** demolition programme for the National Express bus depot is subject to confirmation of temporary usage as an indoor food and beverage, retail, culture and leisure facility.
- **Note 3:** demolition programme for Oscott Gardens is subject to confirmation of temporary usage by the Council's Temporary Accommodation team.
- **Note 4:** Holford Corner and the Coppice are currently in use as temporary car parking for the Residential Scheme – programme for additional remediation works is subject to continued need for temporary car parking.

## F2. Achievability

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

In addition to the skills and resources provided by Birmingham City Council, specific expertise has been procured to support the Council in the successful delivery of the scheme, specifically:

- **Arcadis LLP:** Project Management and Commercial Management of the Residential and Wider Village projects.
- **Turner & Townsend:** Programme Management and Controls support to the Perry Barr Regeneration Scheme.
- **Avison Young:** development of disposal strategy for each element of the Programme.  
**Acivico:** Project Management, Quantity Surveying (Wider Village), Quality inspections, and design expertise.

## F3. Dependencies on other projects or activities

Several schemes are being delivered in the adjacent areas to the Perry Barr Regeneration Scheme, the interface with each of these projects, including logistics coordination, is actively managed by the project team via a range of working groups and forums. Interfacing projects include:

- Alexander Stadium Redevelopment.
- A34 Highways Scheme (Perry Barr Flyover).
- Perry Barr Rail Station Refurbishment.
- A34 Sprint.

#### F4. Officer support

**Project Sponsor:** Ian Macleod  
 Email: [Ian.Macleod@birmingham.gov.uk](mailto:Ian.Macleod@birmingham.gov.uk)

**Programme Director:** Scott Muir  
 Email: [Scott.Muir@birmingham.gov.uk](mailto:Scott.Muir@birmingham.gov.uk)

**Project Accountant:** Guy Olivant  
 Email: [Guy.Olivant@birmingham.gov.uk](mailto:Guy.Olivant@birmingham.gov.uk)

**Programme Manager:** Mumtaz Mohammed  
 Email: [Mumtaz.Mohammed@birmingham.gov.uk](mailto:Mumtaz.Mohammed@birmingham.gov.uk)

#### F5. Project Management

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

The Project Execution Plan sets out the specific programme management and controls which are in place to ensure that the PBRS is delivered with a structured and governed approach.

The principal governance meeting is the PBRS Programme Board which takes place monthly and is convened to review and scrutinise progress, manage interfaces, engage senior stakeholders and make decisions within its delegation of authority. The PBRS Programme Board is coordinated with other interfacing Boards to ensure that accurate information is available and swift decision making enabled. The diagram below shows the linkage between key meetings.

### Governance & interfaces

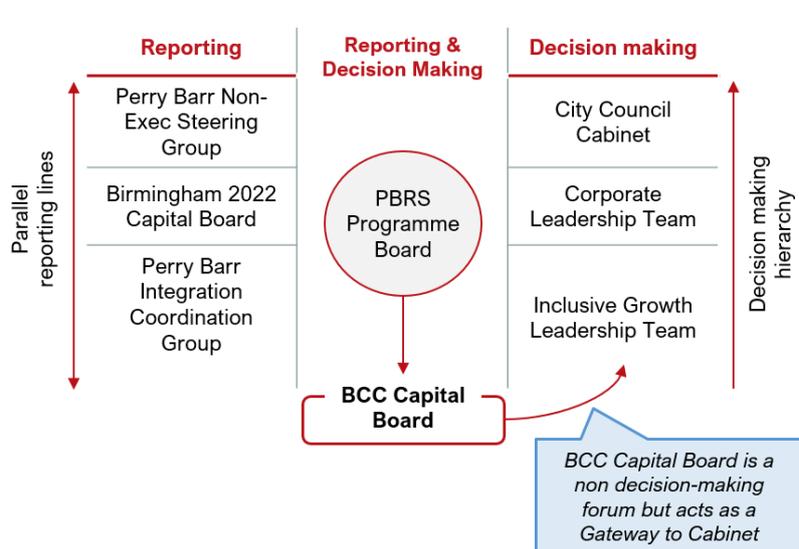
Governance for the programme is focused around the **PBRS Programme Board**, which has a dual function to present and report information and make decisions within the delegations of authority.

The PBRS Programme Board is held monthly and is chaired by the Director of Inclusive Growth.

There are three key interfacing meetings which must be reported to, from the PBRS Programme Board.

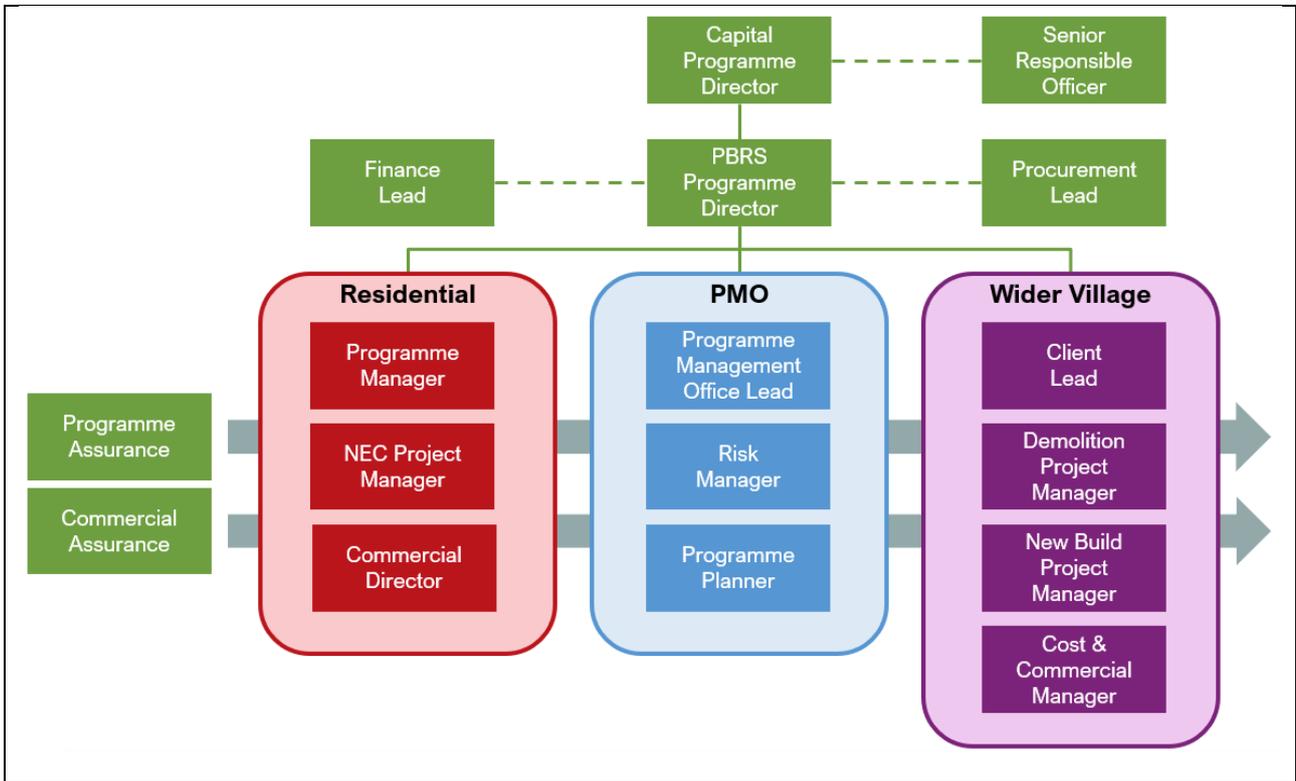
Decisions which are escalated from the PBRS Programme Board should be done so via the Council's scheme of delegations through to Cabinet.

PBRS Programme Board reports to the BCC Capital Board and acts as a gateway for key decisions which are escalated to Cabinet, albeit it does not hold delegated authority.



An updated scheme of delegations has been developed to enable timely and robust decisions to be made, mitigating delivery risk and driving programme performance.

The Council's delivery team has been augmented with specialist expertise to provide specific Programme Management and Controls functions. Organogram below.



## G. SUPPORTING INFORMATION

### G1. Year by Year Capital Expenditure Plan

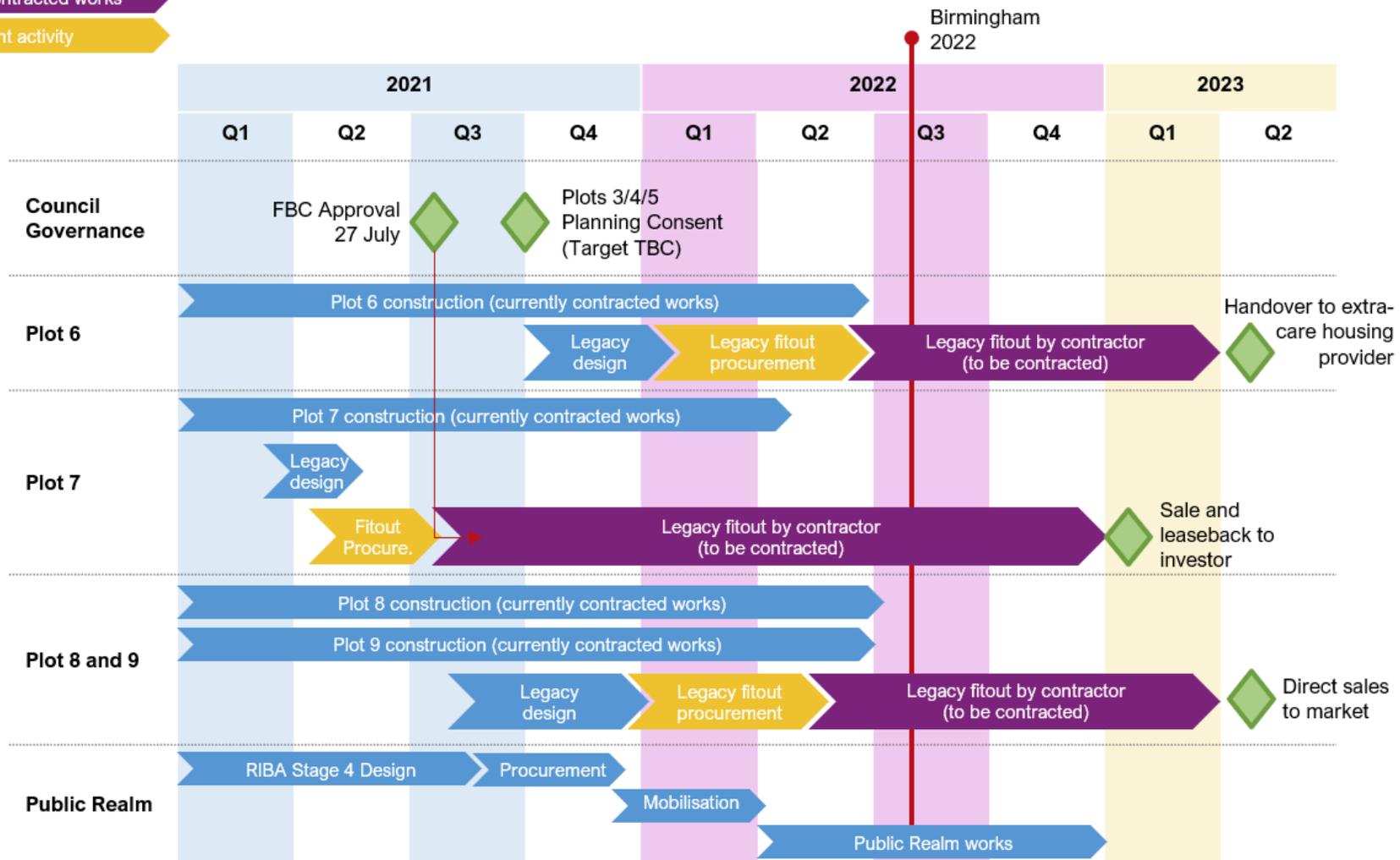
	Prior Years Actual	2019/20 Actual	2020/21 Actual	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Land Acquisition	10.481	32.890	10.159	0.600	-	-	-	54.130
Housing Construction	2.710	35.133	103.558	116.167	22.365	2.873	2.360	285.166
Retrofitting	-	-	-	-	12.088	6.732	0.493	19.313
Site Infrastructure & Services	0.263	13.162	4.879	2.249	14.495	-	-	35.048
Post CDA Costs			0.561	3.299	2.500	-	-	6.360
Highways	0.126	2.536	9.264	14.256	0.921	-	-	27.103
EFA Relocation	-	5.112	-	0.500	-	-	-	5.612
Demolition inc Abnormals	1.238	3.372	1.339	3.804	1.250	3.370	0.150	14.253
Fees	5.090	7.889	8.164	6.727	3.855	0.500	-	32.225
Bus Depot	5.975	5.080	1.939	15.268	0.233	-	-	28.495
Capitalised Interest	0.140	0.714	2.883	8.039	8.657	-	-	20.433
Contingency	-	-	-	11.444	-	-	-	11.444
<b>Total</b>	<b>26.023</b>	<b>105.887</b>	<b>142.747</b>	<b>182.353</b>	<b>66.364</b>	<b>13.475</b>	<b>3.003</b>	<b>539.852</b>

# G. SUPPORTING INFORMATION

## G2. Project Plan

- ▶ Contracted works
- ▶ Not yet contracted works
- ▶ Client activity

### PBRS Level 1 Strategic Programme



## G. SUPPORTING INFORMATION

### G3. Summary of Key Risks

# Top 5 programme risks

Risk Event 'There is a Risk that .....	Risk Cause 'The Risk is caused due to.....'	Risk Impact 'The impact of the Risk is .....	Pre Mitigation Impact	Mitigation measures	Post Mitigation Impact
Instruction of Plot 7 fitout works may be delayed until post Public Realm completion.	Impact of Plot 7 fitout on the Public Realm (PR) programme results in significant shift to PR completion date.	Delay to the disposal of Plot 7 and inability to take advantage of efficiencies gained by instructing during Vinci's works.	H	Impact to PR programme is being assessed and the proposal for legacy fitout works has taken account of the impact.	H-M
Legacy fitout costs may exceed estimates specified in Updated RFBC	The Council may not be able to conclude negotiations for fixed price lump sum for legacy fitout works within budget.	RFBC budget maybe insufficient for fitout of some plots, additional funding / value engineering required.	H	Inflation applied to estimated costs. QRA undertaken to model cost risk exposure and contingency allocated accordingly. Benchmark pricing prior to negotiation and award of contracts. Agreement of contract access dates as part of the Deed of Variation. Undertake alternative procurement.	M
BCC's ability to commence fitout works and maintain progress on all plots may be impacted.	Logistical constraints associated with on-going public realm construction works may impact on legacy fitout works and vice versa.	Delay to the disposal of all plots which may delay capital receipts from plot disposal.	H	Access to be agreed via the Deed of Variation to the CDA. Preparation of an alternative procurement route.	M
BCC may be liable to NX for costs under the agreement for which NX has raised heads of claim	Legal agreement with NX excluded certain costs which can be claimed for, subject to substantiation and agreement.	Cost impact to BCC if the claims cannot be successfully negotiated away.	H	Weekly working group established with legal colleagues to respond to and rebut claims by NX.	M
Reduced productivity may persist through 2021.	Ongoing impact of the COVID-19 pandemic	Reduced productivity as a result of social distancing requirements and sickness/ill-health of the workforce.	M	COVID-19 claims up to end June now agreed for Plots 7-9. Confirmed no further impact to Plot 8&9. Continue to review the impact of measures in line with SOPs.	M-L

## G. SUPPORTING INFORMATION

### G4. Stakeholder Matrix

Name	Role	Organisation	Category
Cllr Ian Ward	Leader of Council	Birmingham City Council	Consult
Cllr Morriam Jan	Cllr for Perry Barr	Birmingham City Council	Consult
Cllr Jon Hunt	Cllr for Perry Barr	Birmingham City Council	Consult
Cllr Khalid Mahmood	Member of Parliament for Perry Barr	Birmingham City Council	Consult
Cllr Sharon Thompson	Cabinet Member for Homes and Neighborhoods	Birmingham City Council	Consult
Cllr Tristan Chatfield	Cabinet Member for Finance and Resources	Birmingham City Council	Consult
Deborah Cadman	Interim Chief Executive Officer	Birmingham City Council	Consult
Ian MacLeod	Interim Director Inclusive Growth	Birmingham City Council	Consult
Kathryn James	Assistant Director Property	Birmingham City Council	Consult
Kris Kowaleski	Press Officer	Birmingham City Council	Inform
Ben Woods	Head of Capital Projects, Birmingham 2022	Dept. Digital, Culture, Media & Sport	Inform
Andy Middleton	Transport Programme Manager, Birmingham 2022	Birmingham City Council	Consult
Andy Everest	A34 Highways Project Manager	Birmingham City Council	Consult
Dave Wagg	Client Lead, Alexander Stadium	Birmingham City Council	Inform
Craig Cooper	Programme Director, Birmingham 2022	Birmingham City Council	Inform
James Hamilton	Capital Programme Director, Birmingham 2022	Birmingham City Council	Inform

## G. SUPPORTING INFORMATION

### G5. Delegations of Authority

Section F5 sets out a summary of the PBRs' governance framework. Efficient and effective decision making on the programme is underpinned by delegations of authority to key people and Boards – summarise below. Delegations of authority were endorsed by the Perry Barr 2040 Steering Group and SRO.

Level of Authority	Financial Impact	Schedule Impact	Scope Impact
<b>6. City Council Cabinet</b>	Decisions which require additional funding, value >£1,000,000, subject to funding source being confirmed.	Impact to Completion or Sectional Completion, > 1-month delay.	Impact of decision contained within the remit of the City Council.
<b>5. Cabinet Member</b>	Decisions which require contingency drawdown, value >£2,500,000.  Decisions which require additional funding, value £200,000 - £1,000,000, subject to funding source being confirmed.		Impact of decision contained within the remit of the Cabinet Member Portfolio.
<b>4. Director of Inclusive Growth</b>	Decisions which require contingency drawdown, value £1,000,000 - £2,500,000.  Decisions which require additional funding, value ≤ £200,000, subject to funding source being confirmed.		Impact of decision contained within scope of the wider regeneration of Perry Barr, e.g. Transport projects and Alexander Stadium.
<b>3. PBRs Programme Board</b>	Decisions which require contingency drawdown, value £200,000 - £1,000,000.	Impact to Completion or Sectional Completion, < 1-month delay.	Impact of decision contained within scope of the Perry Barr Regeneration Scheme – see WBS.
<b>2. PBRs Programme Director &amp; Finance Lead</b>	Decisions within the approved budget, not requiring contingency drawdown, value > £200,000.  Decisions which require contingency drawdown, value ≤ £200,000.	No impact to Completion or Sectional Completion.	
<b>1. PBRs Programme Manager</b>	Decisions within the approved budget, not requiring contingency drawdown, value ≤ £200,000.		Impact of the decision within the existing contract scope.

## G. SUPPORTING INFORMATION

### G6. Project Deliverables

The table below sets out a summary of the deliverables associated with each element of the project.

Plot	RFBC (approved March 2020)				Additional approvals updated RFBC (June 2021)				
	Demolition	Remediation	Development	Final fitout	Demolition	Remediation	Development	Final fitout	Comments
Plot 1	✓	✓	✓						Plot 1 development omitted via change control (June 2020)
Plot 2, 10 and 11	✓	✓							No change since March 2020 RFBC approval
Plot 3, 4 and 5	✓	✓	✓				✓	✓	Subejct to revised design
Plot 6	✓	✓	✓					✓	Additional fitout works to final specification
Plot 7	✓	✓	✓					✓	Additional fitout works to final specification
Plot 8	✓	✓	✓					✓	Additional fitout works to final specification
Plot 9	✓	✓	✓					✓	Additional fitout works to final specification
Holford Corner	✓	Partial		NA		✓			Remediation to a level suitable for development/disposal
Wellhead Lane	✓	Partial		NA		✓			Remediation to a level suitable for development/disposal
The Coppice	✓	Partial		NA		✓			Remediation to a level suitable for development/disposal
Oscott Gardens				NA	✓	✓			Demolition and remediation to a level suitable for development/disposal
New Job Centre Plus	NA	NA	✓	NA					No change since March 2020 RFBC approval
National Express Bus Depot				NA	✓	✓			Demolition subject to confirmation via masterplan
New National Express Bus Depot	✓	✓	✓	NA					No change since March 2020 RFBC approval
African Village	✓	Partial		NA		✓			Remediation to a level suitable for development/disposal
High St Shops	✓	Partial		NA					No change since March 2020 RFBC approval
Station Shops	✓	Partial		NA					No change since March 2020 RFBC approval

**G. SUPPORTING INFORMATION**

**G7. Plot Site Plan**

