

## PROJECT DEFINITION DOCUMENT (PDD)

## 1. General Information

<b>Directorate</b>	Development	<b>Portfolio/ Committee</b>	Transport, Environment & Regeneration
<b>Project Title</b>	Chester Road Improvements	<b>Project Code</b>	CA-02041
<b>Project Description</b>	<p><u>Introduction</u></p> <p>This PDD seeks outline approval to the A452 Chester Road Improvements project in the Tyburn and Hodge Hill Wards. The total estimated capital cost of the project is approximately £10.6m. It is a condition of Department for Transport (DfT) support for major projects that authorities provide a significant local contribution.</p> <p><u>Location</u></p> <p>The A452 Chester Road runs north-west to south-east through the north-eastern side of Birmingham, forming part of the strategic highway network. It is heavily used by both local and through traffic, and provides an alternative route when there are incidents on the M6 Motorway. The section of Chester Road between Tyburn Road junction and Junction 5 of the M6 is approximately 2.0km long and is constructed to dual carriageway standards with at least two lanes in each direction and three lanes in some sections. There are roundabout junctions where Chester Road meets Tyburn Road / Eachelhurst Road, A38 Kingsbury Road, A47 Fort Parkway and M6 Junction 5.</p> <p>Chester Road provides access to the residential areas around Pype Hayes and Castle Vale estates as well as a route for industrial and business traffic particularly to and from the motorway. Major employers in this area include Jaguar Land Rover, GKN, the Ravenside and Castle Vale Retail Parks, the Fort Dunlop business park, and the industrial estate off Tameside Drive.</p> <p><u>Existing Situation</u></p> <p>Chester Road currently carries over 40,000 vehicles per day and around 4,000 vehicles in the peak hours. Traffic along the road can be subject to significant delay throughout the day and there are also delays to traffic crossing Chester Road (ie from Tyburn Road, Eachelhurst Road, Kingsbury Road and Fort Parkway) at peak times. The pm peak period is extended because of traffic generated by Jaguar Land Rover's works adjacent to the road.</p> <p>Recent trends are for a flattening off of traffic growth in the peaks but increases at off-peak times, which is an indication that the road is already at capacity at certain times of the day. Jaguar Land Rover has now confirmed that they intend to invest further in their works and there are other significant developments in the area, such as the former GKN site, which could lead to more traffic being generated.</p> <p>Congestion can add significantly to business costs and can discourage businesses from investing and locating in this area, as well as reducing access to employment opportunities for local residents. The local area is in the most 20% deprived neighbourhoods in the country according to government statistics, with deprivation characteristics including relatively high unemployment compared with the average for Birmingham and the West Midlands. Tyburn Ward's unemployment rate was 14.2% as at June 2011, which is nearly double the national average.</p> <p>There are also a significant number of accidents along the road, with 195 recorded injury accidents in the five-year period from 1<sup>st</sup> January 2006 to 31<sup>st</sup> December 2010, including 17 pedestrian casualties. The most common type of accident is vehicle shunts approaching the roundabouts and crossings.</p>		

**Project Description**  
(continued)

Previous Proposals

Proposals to improve this section of Chester Road have existed for a number of years. An initial 'Annex E' Major Scheme Business Case was submitted to Department for Transport (DfT) in July 2004, followed by a revised submission in July 2008 (see Option 1). A 'low cost' alternative was also submitted at that time, in accordance with DfT's requirements (see Option 2). DfT had requested further information and had not made a final decision on funding when the new government came into power in May 2010 and announced changes to the bidding and approval process for major projects.

Development of Current Project

The government announced a new appraisal process in Autumn 2010 and the City Council submitted an 'Expression of Interest' to DfT in December 2010 for a new project (see Option 3). This is similar to the previous major scheme but excludes some of the more expensive elements, in order to reduce the project costs in view of the reduced level of funding likely to be available and the need to complete the project within the period of the current Government Spending Review. This revised project is now the recommended option (see Section 2).

The 'Expression of Interest' was successful and the project has now been included in the 'Development Pool' for new major schemes. The City Council is required to submit a 'best and final' funding bid to DfT by 9<sup>th</sup> September 2011. However, the project will be evaluated against projects from other local authorities for a limited amount of government funding and so it cannot be guaranteed that approval will be obtained. It is likely that the DfT will make a final decision in late 2011 or early 2012. This would allow a Full Business Case, detailed design and procurement to be completed in 2012-13 and the work carried out in 2013 and 2014.

Proposed Measures

The preferred project (Option 3) is shown in the attached drawing (Appendix B) and contains the following main elements:

- Improving the width of the circulatory carriageway at the Chester Road / Tyburn Road / Eachelhurst Road roundabout ('Bagot Arms' island).
- Converting the existing zebra crossings at the above roundabout to signalised crossings, and moving them away from the roundabout exits so that traffic is less likely to queue back into the junction.
- Widening the A38 Kingsbury Road entry and exit to the roundabout where it meets Chester Road ('Tyburn House' island).
- Widening Chester Road to three lanes in both directions for the whole length between A38 Kingsbury Road and A47 Fort Parkway roundabouts (this is currently three lanes in one section but two lanes elsewhere).
- Increasing the size of the Chester Road / Fort Parkway roundabout ('spitfire' island), signalizing the main entry arms, and creating a new left-slip lane from Fort Parkway onto Chester Road northbound.
- Widening the Chester Road approach to the roundabout at M6 Junction 5 from two to three lanes, signalising the remaining arms of the roundabout, and increasing the circulatory carriageway from two to three lanes.

The original Option 1 submitted to DfT in 2008 also included proposals to widen the canal bridge north of Chester Road / Kingsbury Road roundabout and create a signalised 'hamburger' lane through the middle of the Chester Road / Fort Parkway roundabout (which would have involved relocating the 'spitfire' sculpture) but these elements have been removed under Option 3 because of the high costs relative to the benefits gained. However, Option 3 will be designed such that these additional elements could still be implemented in the future if the need arises and further funding can be obtained.

<p><b>Project Description</b> (continued)</p>	<p><u>Funding</u></p> <p>It is a requirement of DfT funding that a significant local contribution is obtained. The 'Expression of Interest' proposed a contribution of 20% of the implementation costs, in addition to the development costs already being funded by the City Council. The implementation cost of £10.410m requires a local contribution of £2.082m. It was felt that a local contribution at this level would increase the likelihood that DfT would support the scheme without making the level of contribution unaffordable.</p> <p>The funding process for the local contribution is still to be finalised and full details will be given at Full Business Case (FBC) stage. Part of the required contribution has already been secured from Jaguar Land Rover in the form of a donation of land from their site, and some land owned by the City Council will be utilised which the DfT will accept as part of the local contribution subject to an independent valuation. The land is currently valued at approximately £0.182m.</p> <p>An application will be made to the Integrated Transport Authority (ITA) for the balance of the required local contribution as they have funds allocated to support major transport projects of regional significance. However, the ITA is unlikely to confirm the level of funding that they will support until after the project has been approved by the DfT. The scheme would have to be reviewed if the ITA funding is not realisable.</p> <p><u>Revenue Consequences</u></p> <p>On-going revenue maintenance costs which will arise as a result of the proposed works are currently estimated at £0.025m per year. This is mostly due to the areas of widened carriageway, the conversion of zebra crossings to signal control and the signalisation of one roundabout. The figures have been calculated using rates from the Highways PFI Contract and will be reviewed and confirmed with the Street Services Division prior to Full Business Case.</p> <p>The maintenance cost shown above is an initial estimate and efforts will be made to minimise the revenue implications as the design is developed. A review of existing signing and street furniture will be carried out as part of the detailed design, however the speed and volume of traffic along the route may mean that removing guardrail and other street furniture is not desirable. The revenue cost calculation assumes that existing high-friction surfacing on the approaches to traffic signals will not be replaced where the road is being resurfaced resulting in a revenue saving of around £0.006m per year.</p> <p><u>Procurement</u></p> <p>As the project has a works cost in excess of £3.9 million a tendering process will need to be undertaken in compliance with European Union Procurement Directives. Initial discussions have taken place with contractors with a view to formal 'Early Contractor Involvement' to help define the likely costs, risks and programme as early as possible. A more formal procurement strategy will be developed ahead of the Full Business Case.</p>
<p><b>Links to Corporate and Service Outcomes</b></p>	<p>The project will contribute to the overarching aim in the Council Business Plan 2011+ to <i>'Enjoy A Higher Quality of Life'</i>, particularly by supporting the objectives to <i>'Succeed Economically'</i> by reducing road congestion and encouraging businesses to locate and invest in this area, and to <i>'Stay Safe In A Clean, Green City'</i> by improving road safety and providing measures for pedestrians and cyclists as part of the project.</p> <p>The project will also contribute to the Local Transport Plan 2011-26 (LTP3) objectives K01 <i>'To underpin private sector led growth and economic regeneration in the West Midlands metropolitan area...'</i> by improving access for freight and business travel, increasing the mobility of labour markets, and encouraging investment, and K03 <i>'To improve the health, personal security and safety of people travelling in the West Midlands metropolitan area'</i> by reducing the number of road traffic casualties.</p>

<b>Project Benefits</b>	<p>The project will reduce congestion on this section of the Chester Road which will improve access and encourage businesses to locate and invest in the area, as well as supporting Jaguar Land Rover's proposed investment in their works and the redevelopment of other sites such as the former GKN works.</p> <p>The project also gives wider traffic benefits by providing an improved alternative route during incidents on the M6 Motorway.</p> <p>It will also reduce the impact of traffic congestion on the local environment, such as noise and air pollution, and it includes measures to mitigate the effects of traffic, such as improved pedestrian crossing points, and there are measures to reduce the number of road accident casualties, and to assist pedestrians and cyclists.</p> <p>It is expected that signalling the two of the roundabouts and replacing existing zebras with signalised crossings will significantly improve road safety along the route particularly by reducing the high number of rear-end shunt accidents.</p>
<b>Project Deliverables</b>	<p>The project will provide a widened road and improved junctions on sections of the A452 Chester Road between Tyburn Road junction ('Bagot Arms') and the roundabout at the M6 Motorway Junction 5. The total length of the project is approximately 2km although not all sections are subject to widening works.</p> <p>This includes signalisation and widening of the roundabouts at Chester Road / Fort Parkway ('Spitfire Island') and M6 Junction 5, and new or improved left-slip lanes at Chester Road / Fort Parkway and Chester Road / Kingsbury Road ('Tyburn House') islands.</p> <p>The project will also deliver improved pedestrian facilities, particularly where existing zebras are replaced by signalised crossings, and additional cycling facilities in the form of shared-use footways and toucan crossings.</p>
<b>Key Project Milestones</b>	
	<b>Planned Delivery Date</b>
Obtain approval to PDD from Cabinet	25/07/11
'Best and Final' funding bid to Department for Transport	09/09/11
Funding decision from Department for Transport	Early 2012 (tbc)
<i>Note that the dates below are provisional as they depend on funding decisions from the DfT</i>	
Full Business Case submission to Cabinet	Spring 2012
Detailed Design and Procurement	2012-13
Start of Site Works	Summer 2013
Completion of Site Works	Late 2014
Final Account and Project Review	Late 2015

<b>Dependencies on other projects or activities</b>	<p>The project is largely dependent on funding from external parties:</p> <ol style="list-style-type: none"> <li>1. DfT for the majority of the works, subject to successful bid.</li> <li>2. Identification of a significant 'local contribution' of 20% of the project implementation costs. These are assumed, at this stage, to be mainly met from the Integrated Transport Authority's resources to support major transport projects of regional significance (subject to formal application and approval). Construction of the project is dependent on acquiring land from one corner of Jaguar Land Rover's site off Chester Road, and they have confirmed in writing that they are willing to dedicate this land as highway at no cost.</li> </ol> <p>Funding arrangements for this project will be confirmed as part of the Full Business Case.</p>
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<b>Achievability</b>	<p>The most significant risk for the successful delivery of the project is the funding decision from Department for Transport. They have indicated that only limited funds are available for projects around the country and the Chester Road Improvements will be evaluated against projects in other areas during the bidding process. The project has already moved into the second stage of the evaluation process and a 'best and final' funding bid is due to be submitted to DfT by 9<sup>th</sup> September 2011, however a final decision on whether the project will be funded is not expected until the end of 2011 or early 2012.</p> <p>Implementation will also depend on securing the 'local contribution' towards the project costs.</p> <p>Significant diversions of underground service mains and cables will be required, but it is not expected that these will cause any unusual difficulties. The site works will be planned to minimise disruption to traffic by restricting working hours and maintaining a minimum number of lanes at peak times.</p> <p>The City Council has in-house experience of successfully designing and managing highway schemes of this nature. Expertise can also be obtained through partner consultants (Atkins) if required. It is not envisaged that there would be any difficulty in securing contractors at the present time as there is spare capacity within the construction industry.</p>		
<b>Project Manager</b>	Brett Dennett, Transportation Development (Studies Team) 0121-303 7430, brett.dennett@birmingham.gov.uk		
<b>Project Accountant</b>	Mike Bardsley, Finance Manager – 0121-303 7017, mike.bardsley@birmingham.gov.uk		
<b>Project Sponsor</b>	David Bull, Assistant Director (Development Strategy) – 0121-303 6467, david.bull@birmingham.gov.uk		
<b>Proposed Project Board Members</b>	Project Manager (delivery stage) – to be confirmed Mike Steele, Programme Manager – 0121-303 7629, mike.steele@birmingham.gov.uk		
<b>Head of City Finance (HoCF)</b>	Peter Garghan	<b>Date of HoCF Approval</b>	29/06/11
<i>Other Mandatory Information</i>			
<b>Has project budget been set up on Voyager?</b>			YES
<b>Issues and Risks</b>			YES (see below)

## 2. Options Appraisal Records

<b>Option 1</b>	<p><b>‘Major scheme’ at a cost of approximately £23.0 million, as originally submitted to Department for Transport in 2004.</b></p> <p>This option includes widening the carriageway and junction improvements, with widening of the canal bridge north of Chester Road / Kingsbury Road (‘Tyburn House’) roundabout and a signalised roundabout with signalised ‘hamburger’ lanes through the middle at Chester Road / Fort Parkway.</p> <p>The project was originally submitted to DfT in 2008 but they had not made a final decision when the government changed in May 2010 and the new Secretary of State for Transport announced reduced funding and a new process for major transport project evaluations.</p>
<b>Information Considered</b>	Cost, impact on land and property, likely benefits, service diversion requirements, traffic modelling.
<b>Pros and Cons of Option</b>	<p>Advantages –</p> <ul style="list-style-type: none"> <li>• This project has the greatest benefits out of any of the options considered in terms of improving capacity and reducing delays.</li> </ul> <p>Disadvantages –</p> <ul style="list-style-type: none"> <li>• The level of funding required is unlikely to be available in the near future, and some of the costs may be disproportionate to the benefits gained, which would reduce the benefit-cost ratio and make it less likely that the DfT would consider that the project offers value for money.</li> <li>• The higher project cost would also increase the ‘local contribution’ as it is based on 20% of the implementation costs.</li> <li>• This option has the greatest impact on land and property particularly where the canal bridge would be widened.</li> <li>• The need to acquire land and property and carry out alterations to a structure over a canal would make it more difficult to complete implementation of the project within the period of the current Government Spending Review.</li> <li>• It would require the relocation of the ‘spitfire’ sculpture at Chester Road / Fort Parkway roundabout to a less desirable location and at a significant cost.</li> </ul>
<b>People Consulted</b>	Consultations were carried out on this option prior to its original submission to DfT in 2004. Further consultations have not been carried out as it has been recognised that this option is not achievable at the present time.
<b>Recommendation</b>	This option should not be pursued at the present time due to the high cost. However, if one of the reduced options is implemented then it would be designed such that the more extensive measures within Option 1 could still be implemented in the future if funding became available and the level of traffic justified further works.
<b>Principal Reason for Decision</b>	This option gives the greatest benefits to traffic but the high cost involved does not offer the best value for money. It is unlikely that sufficient funding could be obtained in the near future and the programme would be uncertain.

<b>Option 2</b>	<p><b>‘Low Cost’ Option originally submitted to Department for Transport alongside the original major scheme (Option 1) in 2004. Likely cost in the region of £8.5 million.</b></p> <p>This option consisted of minor widening and other improvements within the existing highway boundary.</p>
<b>Information Considered</b>	<p>Cost, impact on land and property, likely benefits, service diversion requirements, traffic modelling.</p>
<b>Pros and Cons of Option</b>	<p>Advantages –</p> <ul style="list-style-type: none"> <li>• This option would be significantly cheaper than Option 1, and would create less disruption to traffic during implementation.</li> <li>• It would have less impact on adjacent land and property and would not affect the ‘spitfire’ sculpture at the Fort Parkway roundabout.</li> </ul> <p>Disadvantages –</p> <ul style="list-style-type: none"> <li>• The evaluation carried out in 2004 showed that the project only had limited benefits and so did not offer as good value for money as Option 1 despite being cheaper.</li> <li>• If this option was implemented in the short term there would still be a need for further improvements in the future if traffic continues to grow in accordance with DfT’s forecasts.</li> </ul>
<b>People Consulted</b>	<p>Consultations were carried out on this option prior to its submission to DfT in 2004. Further consultations have not been carried out as it is not the current preferred option.</p>
<b>Recommendation</b>	<p>This option should not be pursued at the present time as it does not offer the best value for money.</p> <p>However elements could be considered in the future if the Department for Transport does not approve funding for a larger project, as it may be possible to fund elements of this ‘low cost’ option through the City Council’s own resources particularly if implemented in phases. A new Project Definition Document would be produced in this scenario.</p>
<b>Principal Reason for Decision</b>	<p>At the present time it is felt that other options will give greater benefits and offer better value for money if sufficient funding can be obtained.</p>

<b>Option 3</b>	<p><b>‘Next Best Alternative’ option at a cost of approximately £10.6 million, developed for ‘Expression of Interest’ submission to Department for Transport in December 2010 (see scheme plan in Appendix B).</b></p> <p>This option includes the main elements of the historic scheme (Option 1) but excludes the most expensive elements, ie widening of the canal bridge and the roundabout at Chester Road / Kingsbury Road (‘Tyburn House’) (which would require land outside of BCC’s ownership) and the signalised ‘hamburger’ lanes through the middle of the improved roundabout at Chester Road / Fort Parkway (which avoids the relocation of the ‘spitfire’ sculpture).</p>
<b>Information Considered</b>	<p>Cost, impact on land and property, likely benefits, service diversion requirements, traffic modelling.</p>
<b>Pros and Cons of Option</b>	<p>Advantages –</p> <ul style="list-style-type: none"> <li>• This project would provide many of the benefits of Option 1, particularly in the medium term, but would avoid the need to alter the canal bridge, purchase significant amounts of land, or relocate the spitfire sculpture. The extent of underground service diversions would also be reduced.</li> <li>• The only private land required would be the corner of Jaguar Land Rover’s site near Fort Parkway, which they have already agreed to donate as a contribution to the project.</li> <li>• The reduced cost means that this option still offers good value for money despite some reduced benefits.</li> </ul> <p>Disadvantages –</p> <ul style="list-style-type: none"> <li>• Although the project offers benefits in the medium term there could still be a need for further improvements in the longer term, which could include the remaining elements of Option 1 (ie widening the canal bridge and the ‘hamburger’ element at Fort Parkway roundabout). If Option 3 is chosen as the preferred project then it would be designed such that these additional elements could still be constructed in the future.</li> </ul>
<b>People Consulted</b>	<ul style="list-style-type: none"> <li>• The Ward Councillors have been consulted and no adverse comments have been received.</li> <li>• The Highways Agency has expressed support for the project particularly because it will provide an improved alternative route during incidents on the M6 Motorway.</li> <li>• HS2 Ltd has been consulted as their proposed route runs through the site and would require the replacement of the bridge over the railway. However, this is away from the junction improvements under the highway project and so there would be no abortive work.</li> <li>• Centro, National Express West Midlands and WM NHS Ambulance Trust are in support of the principle of the project and did not have any objections or preferences. WM Police have not raised any objections.</li> <li>• Consultation has taken place with Jaguar Land Rover and they fully support the adoption of the preferred project.</li> <li>• A public consultation exercise was carried out on this option in Spring 2011 as this is a requirement of the DfT funding process. A leaflet and questionnaire was delivered to all properties and businesses within about 200 metres of the road, signs were placed along the route to inform drivers passing through the area, and project details were posted on the City Council’s website. Public exhibitions took place at five locations along the route on six different days.</li> <li>• 1,780 leaflets and questionnaires were delivered and around 100 people</li> </ul>

	<p>attended the public exhibitions over the six days. 194 completed questionnaires had been received by the end of June 2011, which represents a response rate of 11%. 177 people (91%) were in support of the project, 14 were not in support, and 3 people did not express a preference either way.</p> <ul style="list-style-type: none"> <li>The majority of people thought that this option was well thought out and appreciated that a major project was required to solve the existing problems. Those not in favour included three residents who objected to having verge parking outside their properties, a business concerned over loss of parking, a resident concerned over loss of mature trees, concerns over the effect on cyclists, and four comments objecting to the principle of widening roads or saying that the money would be better spent elsewhere. Parking and cycling issues and the replacement of trees will be considered further as part of the detailed design.</li> </ul>
<b>Recommendation</b>	Proceed with this option and submit a 'best and final' funding bid to Department for Transport based on this layout. A Full Business Case report would be submitted to Cabinet if DfT give funding approval.
<b>Principal Reason for Decision</b>	This option gives the highest benefits that could be achieved with the level of funding that is likely to be available at the present time. .

Summary of Options Appraisal – Price/Quality Matrix							
	Score = 1 (poor) to 10 (good)			Weighting (%)	Weighted Score		
	Options				Options		
Criteria	1	2	3		1	2	3
Total Capital Cost	2	8	5	30	60	240	150
Full Year Revenue Cost	4	6	5	10	40	60	50
Impact on land and property	3	7	5	10	30	70	50
Quality Evaluation Criteria							
1) Reduce delay	8	3	6	30	240	90	180
2) Improve safety	6	4	6	10	60	40	60
3) Improve access	6	3	6	10	60	30	60
<b>Total</b>				<b>(100%)</b>	<b>490</b>	<b>530</b>	<b>550</b>

<b>4. Option Recommended</b>	<p>Option 3 is recommended as it gives significant benefits but excludes some of the more expensive elements of Option 1. It would be designed such that the remaining elements of Option 1 could be implemented in the future if the need arises and additional funding could be obtained.</p> <p>Elements of Option 2 could be reconsidered as a short-term solution if funding cannot be obtained from the Department for Transport, a new PDD would be produced in this situation.</p>
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5. Budget information							
	Voyager Code	Prior to 31/03/11	2011/12	2012/13	2013/14	Later Years	Totals
<b>Capital Costs &amp; Funding</b>		£000s	£000s	£000s	£000s	£000s	£000s
<b>Expenditure:</b>							
<u>Options Appraisal prior to PDD:</u>	CA-01088 & CA-02041-01						
Outline Design and PDD		22.3	51.7				74.0
<i>Options Appraisal Sub-Total</i>		<u>22.3</u>	<u>51.7</u>				<u>74.0</u>
<u>Development Costs to FBC:</u>	CA-02041-02						
Prelim Design and FBC			40.0	76.0			116.0
<i>Development Costs Sub-Total</i>			<u>40.0</u>	<u>76.0</u>			<u>116.0</u>
<u>Implementation Costs:</u>	CA-02041-03						
Works (inc contingency) <sup>(1)</sup>					1,669.5	4,286.5	5,956.0
Service Diversions					2,482.5	844.5	3,327.0
Land					182.0		182.0
Detailed Design Fees				308.0	96.0	101.0	505.0
Contract Administration Fees					192.0	248.0	440.0
<i>Implementation Costs Sub-Total</i>				<u>308.0</u>	<u>4,622.0</u>	<u>5,480.0</u>	<u>10,410.0</u>
<b>Totals</b>		<b>22.3</b>	<b>91.7</b>	<b>384.0</b>	<b>4,622.0</b>	<b>5,480.0</b>	<b>10,600.0</b>
<b>Funding</b>							
Integrated Transport Block		22.3	91.7	76.0			190.0
Third-Party Contribution <sup>(2)</sup>					182.0		182.0
DfT Funding (subject to future bidding process)				246.4	3,697.6	4,384.0	8,328.0
Local Contribution <sup>(2)</sup> (source to be identified)				61.6	742.4	1,096.0	1,900.0
<b>Totals</b>		<b>22.3</b>	<b>91.7</b>	<b>384.0</b>	<b>4,622.0</b>	<b>5,480.0</b>	<b>10,600.0</b>
<b>Revenue Consequences</b>							
Maintenance Costs <sup>(4)</sup>			0.0	0.0	0.0	25.0	25.0
Capital Asset Charges			1.1	5.7	24.9	256.0	530.0
<b>Totals</b>			<b>1.1</b>	<b>5.7</b>	<b>24.9</b>	<b>281.0</b>	<b>555.0</b>
<b>Funded By:</b>							
Transport, Environment and Regeneration – Revenue Budget			1.1	5.7	24.9	281.0	555.0
<b>Totals</b>			<b>1.1</b>	<b>5.7</b>	<b>24.9</b>	<b>281.0</b>	<b>555.0</b>

For notes see overleaf

**Notes:**

Forecasts for 2012/13 onwards include an inflation allowance of 5% per year compounded.

- (1) The cost for 'Works' includes a 10% contingency sum and a risk element, based on a Quantified Risk Assessment which is a requirement of Department for Transport for capital projects over £5.0m, which equates to approximately 5% of the total project cost.
- (2) The Third-Party contribution (£0.182m) represents the value of land donated for the project, based on a valuation by Birmingham Property Services. This, together with the application which will be made to the ITA for funding of the local contribution (£1.900m) will, if the latter is confirmed, deliver the required locally funded contribution of 20% of project implementation cost (£2.082m).
- (3) The additional maintenance cost is mostly due to the additional areas of carriageway created, the conversion of zebra crossings to signal-controlled crossings, and the new traffic signals at Chester Road / Fort Parkway roundabout. The figures have been calculated using rates from the Highways PFI Contract and will be reviewed and confirmed with the PFI Contractor prior to Full Business Case. This represents an initial estimate of the maintenance implications, and a review of existing signing and street furniture will be carried out as part of the detailed design. Efforts made to reduce on-going revenue costs where possible, however the speed and volume of traffic along the route may mean that removing guardrail and other street furniture is not desirable.

**Notes – Revenue Consequences****Asset Management / Maintenance Implications**

As part of the City Council's obligations under the Highway Maintenance and Management Private Finance Initiative (HMMPFI) contract, Street Services Division have been formally notified of the proposed changes to the highway inventory arising from this project. A maintainability assessment of the project by Street Services Division will form the basis for the modifications to the highway.

Consultation with Street Services will also be carried out to coordinate the proposed works with other programmed activities on the highway network.

**Maintenance Costs**

Additional annual maintenance costs of £0.025m are currently estimated to arise in respect of the new highway inventory for maintenance of additional carriageway provided as part of the proposed programme of works. Such additional costs represent a commitment against the Transport, Environment and Regeneration Portfolio's Highways Maintenance cash-limited Revenue budgets from the year following implementation of the works.

As part of the City Council's Long Term Financial Plan, provision is made within the Transport, Environment and Regeneration Portfolio's Revenue Budget for the revenue maintenance consequences of highway inventory growth arising from the Local Transport Plan. The additional maintenance costs arising from this proposal will be managed within this overall Revenue Budget provision.

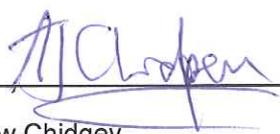
**Capital Asset Charges**

All capital expenditure on highway infrastructure gives rise to notional capital asset charges borne by the Highways Revenue Budget. Asset charges arising from the proposed capital expenditure of £10.6m will be £0.530m in a full year, based on a depreciation charge of 5% over twenty years. Budgetary provision for these charges will be transferred to the Transport, Environment and Regeneration Portfolio's Highways Revenue Budget from the year following completion of the works.

## Key Risks and Issues

Risk or Issue	Risk Likelihood	Risk Impact	Overall Risk Level	Risk Response	Mitigation Plan
There is uncertainty over funding from Department for Transport and a decision is not expected until late 2011 or early 2012.	Significant	Medium	Material	Control / Treat	No work will be carried out on detailed design or the Full Business Case, and no financial commitments entered into, until the funding is confirmed.
It may not be possible to secure any of the 'local contribution' from the ITA or other parties in the current economic circumstances.	Significant	Medium	Material	Control / Treat	If local contributions are not forthcoming then the scheme would have to be reviewed. No financial commitments would be entered into until funding is confirmed.
Costs may increase prior to implementation due to inflation, increased costs of service diversions, or other factors.  Any overspend may fall on the City Council to fund as DfT are unlikely to increase their contribution after the project is approved.	Medium	Medium	Material	Control / Treat	Project costs will be reviewed prior to FBC, including obtaining detailed estimates from utility companies.  Early Contractor Involvement will be considered as part of the procurement strategy to allow costs to be estimated more accurately at an earlier stage.  Any cost variations will be reported at FBC stage.
Works in this area are likely to cause significant disruption to traffic.  This could lead to inconvenience for the public and adverse publicity for the city council.	Significant	Medium	Material	Control / Treat	Advance publicity required to inform drivers of likely disruption during the works.  Phasing of the works will take into account the need to minimise disruption and will be agreed in advance with the Traffic Manager.  Orders placed with contractors will include working restrictions such as minimising lane closures in peak hours.  Consultation will take place with Highways Agency to co-ordinate the works with any planned events on the motorway.

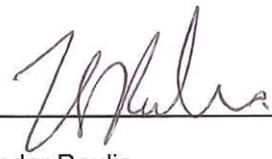
<b>5. Project Development Requirements/Information</b>			
<b>Products required to produce Full Business Case</b>	<ul style="list-style-type: none"> <li>• Confirmation of funding from Department for Transport and any local contributions (including corporate resources);</li> <li>• Further consultations with Highways Agency, bus operators, emergency services and local businesses;</li> <li>• Preliminary Design on preferred option (Option 3) including more detailed cost estimates;</li> <li>• Stage 1 Safety Audit;</li> <li>• Review of costs and programmes for diversions of underground services;</li> <li>• Review of existing TROs and any changes required;</li> <li>• Review land requirements;</li> <li>• Revenue and maintenance cost implications (including a MAS);</li> <li>• Traffic Management plan;</li> <li>• Procurement strategy.</li> </ul>		
<b>Estimated time to complete project development</b>	Producing a Full Business Case is expected to take approximately six months from a confirmation of funding approval from the Department for Transport.		
<b>Estimated cost to complete project development</b>	The estimated cost of developing the project to FBC is £116,000 (£40,000 in 2011/12 and £76,000 in 2012/13). This represents approximately 1.5% of the project cost (works and stats). This is in addition to the fees already spent in completing the Options Appraisal and submission of the Expression of Interest to DfT.		
<b>Funding of development costs</b>	Development costs are being funded through the Local Transport Plan (LTP) Integrated Transport block within the Transportation Capital Programme (Network Improvement Programme (4D)). The project meets the objectives and targets within the LTP.		
<b>Planned FBC Date</b>	Likely to be mid 2012 dependent on the date of DfT's funding decision.	<b>Planned Date for Technical Completion</b>	31 <sup>st</sup> December 2014 (provisional date only)

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