

National Productivity Investment Fund for the Local Road Network Application Form



Department
for Transport

The level of information provided should be proportionate to the size and complexity of the project proposed. As a guide, for a small project we would suggest around 10 -15 pages including annexes would be appropriate.

One application form should be completed per project and will constitute a bid.

Applicant Information

Local authority name(s)*:

West Midlands Combined Authority (WMCA) (Lead Authority)

Birmingham City Council

**If the bid is for a joint project, please enter the names of all participating local authorities and specify the lead authority.*

Bid Manager Name and position: Danny Gouveia – Bus Scheme Development Manager

Contact telephone number: 0121 214 7288 **Email address:** danny.gouveia@tfwm.org.uk

Postal address: West Midlands Combined Authority (Transport for West Midlands)
16 Summer Lane
Birmingham
B19 3SD

Combined Authorities

If the bid is from an authority within a Combined Authority, please specify the contact, ensure that the Combined Authority has provided a note ranking multiple applications, and append a copy to this bid.

Name and position of Combined Authority Bid Co-ordinator: Sandeep Shingadia, Head of Programme Development

Contact telephone number: 0121 214 7169 **Email address:**

Sandeep.Shingadia@tfwm.org.uk

Postal address: West Midlands Combined Authority
16 Summer Lane
Birmingham
B19 3SD

When authorities submit a bid for funding to the Department, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within two working days of submitting the final bid to the Department. The Department reserves the right to deem the business case as non-compliant if this is not adhered to.

Please specify the weblink where this bid will be published:

<https://westmidlandscombinedauthority.org.uk/what-we-do/investment/>

A5. Has any Equality Analysis been undertaken in line with the Equality Duty?

Yes No

A6. If you are planning to work with partnership bodies on this project (such as Development Corporations, National Parks Authorities, private sector bodies and transport operators) please include a short description below of how they will be involved.

Birmingham City Council

Birmingham City Council (BCC) acts as Local Planning and Highway Authority covering the proposal area. The Council is committed to supporting its Development Plan through its Birmingham Connected 20-year transport strategy which sets a framework for increasing emphasis on mass-transit and active travel. BCC is also responsible for delivering a Clean Air Zone in the City by 2020 (at the latest). As well as being a joint bidder, BCC will assume responsibility for delivery.

National Express West Midlands

National Express West Midlands (NX) operates most bus services in the area and will be a key delivery partner for the scheme, making a significant match contribution. NX's letter of support and confirmation of match contribution can be found in **Appendix B**.

University Hospitals Trust Birmingham Trust

The Trust comprises Queen Elizabeth (QE) Hospital, Birmingham Women's Hospital, Birmingham and Solihull Mental Health NHS Foundation Trust. Buses penetrate the QE Hospital site with up to 23 services per hour and generating over 5,000 daily bus trips. The Trust will be a key partner in delivering a solution to the severe congestion within the site, providing a further match contribution. The Trust's letter of support and confirmation of match contribution can be found in **Appendix C**.

Selly Oak and Life Sciences Green Travel District

Green Travel Districts (GTD) were established in areas of Birmingham with high economic, social and civic activity to achieve a reduction in the use of the private car to realise economic, social and health benefits across the City. The Selly Oak and Life Sciences GTD is now well established with a track record of engaging positively with stakeholders to bring forward changes to infrastructure and intervention to promote mode-shift. This GTD will become an important partner in both scheme development but particularly in engagement with stakeholders.

A7. Combined Authority (CA) Involvement

Have you appended a letter from the Combined Authority supporting this bid? Yes No

A8. Local Enterprise Partnership (LEP) Involvement and support for housing delivery

Have you appended a letter from the LEP supporting this bid? Yes No

For proposed projects which encourage the delivery of housing, have you appended supporting evidence from the housebuilder/developer?

Yes No

SECTION B – The Business Case

B1: Project Summary

Please select what the project is trying to achieve (select all categories that apply)

Essential

- Ease urban congestion
- Unlock economic growth and job creation opportunities
- Enable the delivery of housing development

Desirable

- Improve Air Quality and /or Reduce CO2 emissions
- Incentivising skills and apprentices

- Other(s), Please specify -

B2 : Please provide evidence on the following questions (max 100 words for each question):

a) What is the problem that is being addressed?

The Birmingham-Development-Plan identifies Selly Oak/South Edgbaston and the City-Centre as growth-points where accelerated development is planned up to 2031 to provide 14,000-new homes, 780,000sqm-office and 185,000sqm-retail.

This growth is set within a highway network exhibiting significant and worsening peak-hour congestion where some peak-hour bus-speeds between the growth-points are at walking pace, perpetuating a cycle of fewer bus passengers leading to more car trips and yet more congestion. Transport is now, in itself, a barrier to the realisation of the City's growth agenda.

The City has been mandated to implement a Clean Air Zone (CAZ) by 2020; intervention to support/prioritise low-emission public-transport will be integral to CAZ delivery.

A detailed summary of problems to be addressed can be found in Appendix D.

b) What options have been considered and why have alternatives been rejected?

A Bus Rapid Transit scheme has been considered between Bartley Green and City as part of the HS2 Connectivity Package. Further feasibility work did not, however, identify the scheme as a priority due poor value for money being demonstrated. This was primarily a product of the high cost of vehicles and large-scale highway interventions (e.g. new bridge) proposed. One scheme element identified within the feasibility study (Quinton Road) does, however, form part of this proposal.

c) What are the expected benefits/outcomes? For example, could include easing urban congestion, job creation, enabling a number of new dwellings, facilitating increased GVA.

The investment will immediately accommodate increased travel demand through a transformation in the bus user experience, achieved by significant journey time savings, reliability benefits and bus quality/ambiance/information improvements. The scheme would

transfer trips to bus from car, freeing up road capacity for further growth and thereby unlocking housing and jobs growth within the Selly Oak/Edgbaston and City Centre Growth Points.

Benefits to bus-users will be realised by maximising existing roadspace with no material detrimental impacts to other modes. The scheme safeguards bus access to QE Hospital, averting potential significant mode-transfer to car for staff/visitors. Low-emission buses will reduce NO₂, supporting CAZ delivery.

A detailed breakdown of scheme benefits can be found within the appended business case **(Appendix E)**.

d) Are there any related activities that the success of this project relies upon? For example, land acquisition, other transport interventions requiring separate funding or consents?

The proposal includes the implementation of the next generation of real time journey information, focused on real-time estimated time of arrival. This would be an innovative project, initially implemented on a route basis as part of this proposal but pursuant to further network wide roll-out.

This project would require a further work-stream to deliver a suitable platform allowing highways data to be input into the TfWM web-API that pushes out data on web-based and on-bus applications. Private sector partners have yet to be identified/appointed.

e) What will happen if funding for this project is not secured - would an alternative (lower cost) solution be implemented (if yes, please describe this alternative and how it differs from the proposed project)?

No alternative funding is available for the project.

Without funding, the growth potential of the Selly Oak/South Edgbaston and City Centre Growth Points will be severely hindered by transport, caused by record levels of traffic and associated worsening congestion. This would further undermine the role of public transport as an attractive mode of travel.

Bus operators would potentially cease to serve the QE Hospital due to continued severe congestion, transferring more trips to car and compounding wider network congestion and reducing accessibility to the Hospital.

An opportunity to secure low-emission, euro-6 hybrid buses to support CAZ delivery would also be missed.

f) What is the impact of the project – and any associated mitigation works – on any statutory environmental constraints? For example, Local Air Quality Management Zones.

The UK's 2015 Air Quality Plan set-out that Birmingham would not be compliant with NO₂ limit values before 2020 and would be mandated to introduce CAZ's. This includes a requirement to consider measures to reduce NO₂ to below the annual mean limit value as soon as possible. A programme is being developed to deliver CAZ targets, including a strategy of reducing emissions from public transport. The commitment from NX to complement the scheme with state of the art hybrid, euro-6 platinum buses will introduce a

step-change in low emission buses, immediately reducing NO₂ emissions and setting a benchmark for CAZ delivery.

B3 : Please complete the following table. **Figures should be entered in £000s** (i.e. £10,000 = 10).

Table A: Funding profile (Nominal terms)

£000s	2018-19	2019-20
DfT funding sought	2512	
Local Authority contribution	100	
Third Party contribution	658	
TOTAL	3270	

Notes:

- 1) Department for Transport funding must not go beyond 2019-20 financial year.
- 2) Bidders are asked to consider making a local contribution to the total cost. It is indicated that this might be around 30%, although this is not mandatory.

B4 : Local Contribution & Third Party Funding : Please provide information on the following questions (max 100 words on items a and b):

- a) Provide an outline of all non-DfT funding contributions to the project costs, the level of commitment, and when the contributions will become available.

TfWM / WMCA will be funding all scheme development costs (estimated at £100k) to progress the scheme to 'shovel ready' stage which is expected to cover design fees and in-kind resources associated with project management and development.

National Express West Midlands has committed to upgrading 38 buses on the 22/23 corridor, operating between Bartley Green and City Centre (via Harborne) with new low-emission euro-6 hybrid buses. The total contribution represents a £608,000 investment and covers the relative capex differential in renewing the existing fleet with like-for-like. New buses will be in service upon completion of the scheme.

University Hospitals Birmingham Trust has committed to contributing £50,000 for the scheme at New Fosse Way/Hospital Way loop road with funding available in 2017/18.

- b) List any other funding applications you have made for this project or variants thereof and the outcome of these applications, including any reasons for rejection.

N/A

B5 Economic Case

This section should set out the range of impacts – both beneficial and adverse – of the project. The scope of information requested (and in the supporting annexes) will vary, including according to whether the application is for a small or large project.

A) Requirements for small project bids (i.e. DfT contribution of less than £5m)

- a) Please provide a description of your assessment of the impact of the project to include:

- Significant positive and negative impacts (quantified where possible) including in relation to air quality and CO₂ emissions.
- A description of the key risks and uncertainties;
- If any modelling has been used to forecast the impact of the project please set out the methods used to determine that it is fit for purpose

Please see economic case and methodology attached as **Appendix E**.

** Small projects bids are not required to produce a Benefit Cost Ratio (BCR) but may want to include this here if available.*

b) Small project bidders should provide the following in annexes as supporting material:

- | | | | |
|--------------------------------------------------------------|-----------------------------------------|-----------------------------|------------------------------|
| Has a Project Impacts Pro Forma been appended? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| Has a description of data sources / forecasts been appended? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| Has an Appraisal Summary Table been appended? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

Other material supporting your assessment of the project described in this section should be appended to the bid.

** This list is not necessarily exhaustive and it is the responsibility of bidders to provide sufficient information to demonstrate the analysis supporting the economic case is fit-for-purpose.*

B) Additional requirements for large project bids (i.e. DfT contribution of more than £5m)

c) Please provide a short description (max 500 words) of your assessment of the value for money of the project including your estimate of the Benefit Cost Ratio (BCR) to include:

- Significant monetised and non-monetised costs and benefits
- Description of the key risks and uncertainties and the impact these have on the BCR;
- Key assumptions including: appraisal period, forecast years, optimism bias applied; and
- Description of the modelling approach used to forecast the impact of the project and the checks that have been undertaken to determine that it is fit-for-purpose.

d) Additionally detailed evidence supporting your assessment, including the completed [Appraisal Summary Table](#), should be attached as annexes to this bid. **A checklist of material to be submitted in support of large project bids has been provided.**

- | | | | |
|-----------------------------------------------|-----------------------------------------|-----------------------------|------------------------------|
| Has an Appraisal Summary Table been appended? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
|-----------------------------------------------|-----------------------------------------|-----------------------------|------------------------------|

- Please append any additional supporting information (as set out in the Checklist).

**It is the responsibility of bidders to provide sufficient information for DfT to undertake a full review of the analysis.*

B6 Economic Case: For all bids the following questions relating to **desirable criteria** should be answered.

Please describe the air quality situation in the area where the project will be implemented by answering the three questions below.

i) Has Defra's national air quality assessment, as reported to the EU Commission, identified and/or projected an exceedance in the area where the project will be implemented?

Yes No

ii) Is there one or more Air Quality Management Areas (AQMAs) in the area where the project will be implemented? AQMAs must have been declared on or before the 31 March 2017

Yes No

iii) What is the project's impact on local air quality?

Positive Neutral Negative

- Please supply further details:

NX will be upgrading bus fleets on the 23/24 bus corridor to provide 38 new luxury, platinum euro 6 hybrid buses. These low emission vehicles are a step-change in bus quality and emissions and will support delivery of the Birmingham Clean Air Zone by reducing NO₂.

iv) Does the project promoter incentivise skills development through its supply chain?

Yes No N/A

- Please supply further details:

B7. Management Case - Delivery (Essential)

Deliverability is one of the essential criteria for this Fund and as such any bid should set out, with a limit of 100 words for each of a) to b), any necessary statutory procedures that are needed before it can be constructed.

a) A project plan (typically summarised in Gantt chart form) with milestones should be included, covering the period from submission of the bid to project completion.

Has a project plan been appended to your bid? Yes No

b) If delivery of the project is dependent on land acquisition, please include a letter from the respective land owner(s) to demonstrate that arrangements are in place to secure the land to enable the authority to meet its construction milestones.

Has a letter relating to land acquisition been appended? Yes No N/A

c) Please provide in Table C summary details of your construction milestones (at least one but no more than 6) between start and completion of works:

Table C: Construction milestones

Estimated Date

Start of works

Jul 2018

TRO Changes

Sept 2018

Opening date

Nov 2018

Completion of works (if different)

d) Please list any major transport projects costing over £5m in the last 5 years which the authority has delivered, including details of whether these were completed to time and budget (and if not, whether there were any mitigating circumstances)

Birmingham City Council will be managing the development of the scheme from bid award through to delivery. The City Council has a track record in working collaboratively in delivering major projects, as set-out within the table below

Scheme	Cost	To time?	To budget?	Comments
New Street Gateway (in partnership with Network Rail)	£600m	Yes	Yes	
Metro Extension (in partnership with Centro)	£127m	No	Yes	Failure of tracks upon testing
Chester Road (sole lead)	£10m	No	Yes	Complexities around utility diversions
Tame Valley Viaduct Bridge (Deck Waterproofing)	£5m	Yes	Yes	Successful collaboration between BCC & HA in combining M6 and A38(M) bridge works

B8. Management Case – Statutory Powers and Consents (Essential)

a) Please list if applicable, each power / consent etc. already obtained, details of date acquired, challenge period (if applicable), date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.

N/A

b) Please list if applicable any outstanding statutory powers / consents etc. including the timetable for obtaining them.

Consent and technical approval to the proposals within the QE Hospital will be required by Birmingham University Hospital Trust Board. This process would effectively commence upon completion of detailed design, anticipated in February 2018 and continue alongside other associated activities up to delivery, to commence in June 2018.

Further Birmingham City Council Cabinet Member approval would be required. This is programmed for Spring 2017

B9. Management Case – Governance (Essential)

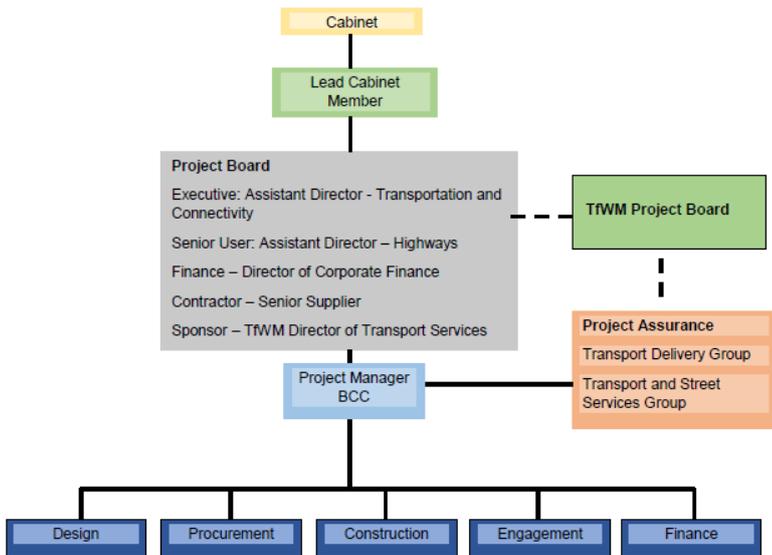
Please name those who will be responsible for delivering the project, their roles (Project Manager, SRO etc.) and responsibilities, and how key decisions are/will be made. An organogram may be useful here.

The project will be managed at a senior level by a Project Board consisting of the Executive, Senior User, Finance and Contractor. These three Birmingham City Council Directors will be joined by a senior member of the contractor’s team and TfWM’s Director for Transport Services, acting as project sponsor/SRO.

The project board will meet with predefined regularity and together will be responsible for the project control. They will make decisions within the scope of the Cabinet approval and where appropriate decision on any minor scope alterations are required. Any exceptional decisions, including decisions outside of the approved scope of the scheme, will be referred to the relevant Cabinet Member and, if necessary, full Cabinet.

The Project Manager will manage the project, tracking progress against scope, time and budget. They will give direction to officers across the authority with a specific role in delivering the project, meeting with each area regularly to ensure any risks or issues are identified and providing challenge were needed. They will also report to the Board on a regular basis, escalating any issues for discussion or decisions outside of their remit. Members of the project team will work together to deliver the project, ensuring a joined up approach. The engagement & consultation section of the project team will engage with key stakeholders as well as conduct public consultation. This will be used to inform decision making across the project.

As part of the City Council’s obligations under the HMMPFI contract, the Service Provider, Amey will be fully consulted to ensure close coordination between its programmed routine maintenance works and the proposed developments. This will avoid duplication enable better overall use of resources and improved overall value. Two well established officer groups within the authority, the Transport Delivery Group (TDG) and Transport & Street Services Group (TSSG), will provide project assurance. They will scrutinise delivery, finances and procedures, providing challenge to the Project Manager and Project Board and recommendations for improvements where appropriate.



B10. Management Case - Risk Management (Essential)

All projects will be expected to undertake a Quantified Risk Assessment (QRA) and a risk register should be included. Both should be proportionate to the nature and complexity of the project. A Risk Management Strategy should be developed that outlines how risks will be managed.

Please ensure that in the risk / QRA cost that you have not included any risks associated with ongoing operational costs and have used the P50 value.

Has a QRA been appended to your bid? Yes No

Has a Risk Management Strategy been appended to your bid? Yes No

Please provide evidence on the following points (where applicable) with a limit of 50 words for each:

a) What risk allowance has been applied to the project cost?

The project costs includes an allocation of £90,750, which provides for the identified P50 risk figure as per the QRA. At this stage, this is considered to be an appropriate amount of risk included within project costs. A 44% optimism bias has also been considered within the economic case in deriving the BCR.

b) How will cost overruns be dealt with?

Robust project and risk management procedures will be implemented by Birmingham City Council to minimise the likelihood and scale of cost overruns. However, if cost overruns occur due to unforeseen circumstances, these will be funded by the delivery partners, i.e. WMCA / Transport for West Midlands, Birmingham City Council, National Express West Midlands and Birmingham University Hospital Trust.

c) What are the main risks to project timescales and what impact this will have on cost?

Consultation, particularly in gaining political/stakeholder support for the scheme, and possible complexities around utility diversions represent the main risks to the project. Amendments to scheme design to secure support may be necessary, which could impact upon costs. The project cost includes and allocation of £90,750 level of risk based on the QRA which is considered appropriate at the stage of the project.

B11. Management Case - Stakeholder Management (Essential)

The bid should demonstrate that the key stakeholders and their interests have been identified and considered as appropriate. These could include other local authorities, the Highways England, statutory consultees, landowners, transport operators, local residents, utilities companies etc. This is particularly important in respect of any bids related to structures that may require support of Network Rail and, possibly, train operating company(ies).

a) Please provide a summary in no more than 100 words of your strategy for managing stakeholders, with details of the key stakeholders together with a brief analysis of their influences and interests.

A stakeholder consultation matrix has been developed with assistance of the City Council which provides an exhaustive list of stakeholders that would be consulted. Allied to the matrix, a stakeholder mapping exercise will identify stakeholders that either need to be keep completely informed and/or managed most thoroughly. For stakeholders with high influence,

individual engagement strategies will be developed. e.g, for bus operators, in-depth consultation on scheme designs will be required in addition to regular update meetings to keep informed of work progress. Conversely, however, the Police would only be kept updated on work schedule.

b) Can the project be considered as controversial in any way? Yes No

If yes, please provide a brief summary in no more than 100 words
N/A

c) Have there been any external campaigns either supporting or opposing the project?

Yes No

If yes, please provide a brief summary (in no more than 100 words)
N/A

d) For large projects only please also provide a Stakeholder Analysis and append this to your application.

Has a Stakeholder Analysis been appended? Yes No N/A

e) For large projects only please provide a Communications Plan with details of the level of engagement required (depending on their interests and influence), and a description of how and by what means they will be engaged with.

Has a Communications Plan been appended? Yes No N/A

B12. Management Case – Local MP support (Desirable)

e) Does this proposal have the support of the local MP(s);

Name of MP(s) and Constituency

1 Yes No

2 Yes No

3 Yes No

etc.

B13. Management Case - Assurance (Essential)

We will require Section 151 Officer confirmation (Section D) that adequate assurance systems are in place.

Additionally, for large projects please provide evidence of an integrated assurance and approval plan. This should include details of planned health checks or gateway reviews.

SECTION C – Monitoring, Evaluation and Benefits Realisation

C2. Please set out, in no more than 100 words, how you plan to measure and report on the benefits of this project, alongside any other outcomes and impacts of the project.

Data will be collected to identify a baseline performance of the network along with development of metrics to assess outcomes delivery. This will include existing bus & car journey times, patronage and job/housing data. Post-scheme data collection will then be undertaken at 6 monthly intervals for 24 months. The conclusions will inform benefit realisation assessment using a Logic Map, which will identify and illustrate the contribution of the improvement measures to the overall objectives derived for the project. This will be based upon inputs, outputs and outcomes. Measurement of change will be related back to the scheme objectives – a contributor to the wider Birmingham Development Plan.

SECTION D: Declarations

D1. Senior Responsible Owner Declaration

As Senior Responsible Owner for Birmingham Growth Point Public Transport Package, I hereby submit this request for approval to DfT on behalf of West Midlands Combined Authority and confirm that I have the necessary authority to do so.

I confirm that Linda Horne will have all the necessary statutory powers in place to ensure the planned timescales in the application can be realised.

Name: Steve McAleavy

Signed:

Position: Director of Transport Services



D2. Section 151 Officer Declaration

As Section 151 Officer for West Midlands Combined Authority I declare that the project cost estimates quoted in this bid are accurate to the best of my knowledge and that West Midlands Combined Authority

- has allocated sufficient budget to deliver this project on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the DfT contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the project
- accepts that no further increase in DfT funding will be considered beyond the maximum contribution requested and that no DfT funding will be provided for this bid in 2020/21.
- confirms that the authority has the necessary governance / assurance arrangements in place and, for smaller project bids, the authority can provide, if required, evidence of a stakeholder analysis and communications plan in place
- confirms that if required a procurement strategy for the project is in place, is legally compliant and is likely to achieve the best value for money outcome

Name: Linda Horne

Signed:



HAVE YOU INCLUDED THE FOLLOWING WITH YOUR BID?

Combined Authority multiple bid ranking note (if applicable)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Map showing location of the project and its wider context	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Combined Authority support letter (if applicable)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
LEP support letter (if applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Housebuilder / developer evidence letter (if applicable)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> N/A
Land acquisition letter (if applicable)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
Projects impact pro forma (must be a separate MS Excel)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Appraisal summary table	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Project plan/Gantt chart	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A