

LUF Round 2: Application Template

Word counts are included for several questions throughout the application, these are provided as a guide only. The level of detail you provide in the online application form should be proportionate to the amount of funding that you are requesting. For example, bids for more than £10m should provide proportionally more information than bids for less than £10m.

Whilst there are some annexes that we ask applicants to complete (via the pro forma documents supplied) and some additional documents we request as evidence, applicants must point to specific additional text that they have submitted if they wish it to be considered in the assessment. Any answer referencing any information contained in annexes must be relevant to a specific question in the application form and referenced within the answer.

The application portal opens on Tuesday 31 May 2022 and will close at **12:00 noon, on Wednesday 6 July 2022**. Please ensure that the online application is complete and all supporting documents are uploaded by this deadline.

All of the proformas referred to in the table below can be downloaded in a zip file on [Application guidance](#) page along with the costings and planning workbook.

Part 1 – Gateway

Part 2 – Subsidy control and State aid analysis

If the Levelling Up Fund is used to provide a subsidy, expenditure must be compliant with the UK's obligations on subsidy control. All bids that have the potential to be a subsidy must consider how they will deliver in line with subsidy control principles (or State aid for aid in scope for **Northern Ireland only**) as per [UK Government guidance](#).

All applicants must establish if the direct award of LUF funds could constitute a subsidy. It is vital that all applicants complete this section of the application form. **Where applicants do not adequately demonstrate that the LUF award is compliant under the UK Subsidy Control Regime or State aid rules then the project could be considered ineligible and the application may be rejected.**

2.1. All applicants must establish if the direct award of LUF funds from UK Government to you (as the applicant) could constitute a subsidy.

Applicants must consider whether any of the planned activities meet each of the four key characteristics which indicate if it would be considered a subsidy.

If any of the four responses is a 'No' then the award is not considered to be a subsidy.

<p>2.1.1 Is the support provided by a ‘public authority’ and does the support constitute a financial (or in kind) contribution such as a grant, loan or guarantee? Y <input type="checkbox"/> N <input type="checkbox"/></p>
<p>2.1.2 Does the support measure confer an economic advantage on one or more economic actors? Y <input type="checkbox"/> N <input type="checkbox"/></p>
<p>2.1.3 Is the support measure specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services? Y <input type="checkbox"/> N <input type="checkbox"/></p>
<p>2.1.4 Does the support measure have the potential to cause a distortion in or harm to competition, trade or investment?</p>
<p>2.1.5 Did you respond ‘Yes’ to all the above? If so, the planned activities meet all four key characteristics which indicates it would be considered a subsidy. Y <input type="checkbox"/> N <input type="checkbox"/></p>
<p>2.2. Please demonstrate how the direct award of LUF monies from UK Government to you (as the applicant) has been considered under each of the subsidy principles.</p> <p>This will involve consideration of the how the subsidy can be provided in accordance with the following Subsidy Control principles listed in the Subsidy Control Bill:</p> <p>If the proposed LUF activities do represent a subsidy and all principles have been met, the LUF application will be considered compliant.</p>
<p>2.2.1 Subsidies should pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns (“the objective”) Please demonstrate how your bid meets this principle.</p>
<p>2.2.2 Subsidies should be proportionate and limited to what is necessary to achieve the objective Please demonstrate how your bid meets this principle.</p>

2.2.3 Subsidies should be designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided.

Please demonstrate how your bid meets this principle.

2.2.4 Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.

Please demonstrate how your bid meets this principle.

2.2.5 Subsidies should be an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means.

Please demonstrate how your bid meets this principle.

2.2.6 Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition or investment within the United Kingdom.

Please demonstrate how your bid meets this principle.

2.2.7 Subsidies' positive contributions to achieving the objective should outweigh any negative effects, in particular the negative effects on trade or investment between the Parties.

Please demonstrate how your bid meets this principle.

2.3 All non-public sector applicants delivering in Northern Ireland. If the award of funds is or isn't considered to be a subsidy please set out in detail how you will deliver the funds compliantly under the subsidy regime.

If you are proposing to allocate some of the grant funds to third parties, such as project partners working with you to deliver the project, (e.g. sub-granting) please identify how you will ensure disbursement of the grant is done so in accordance with the UK subsidy control regime.

The department will need to assess how funds will be awarded and how risk is managed.

2.3.1 All non-public sector applicants delivering in Northern Ireland.

Confirm that you have obtained and uploaded independent legal advice that is aligned to your response in this section and verifies that the award of funds is considered to be UK subsidy control regime and/or State aid compliant.

Y N

2.4 Public authorities only.

Please confirm if you will be disbursing the funds as a potential subsidy to third parties.

Y N

2.5 Public authorities only.

Confirm that you have completed pro forma 5 statement of compliance signed by your Chief Finance Officer.

Y N

2.6. Public and private sector applicants for delivery in Northern Ireland only.

Is the direct award of funds from UK Government to you (as the applicant) considered to be as State aid under the four EU State aid rule tests?

Y N

2.6.1 Is the support granted by the state or through state resources?

Y N

2.6.2 Does the support confer a selective advantage to an undertaking?

2.6.3 Does the support distort or have the potential to distort competition?

2.6.4 Does the support affect trade between EU member states?

2.6.5 Do the planned activities meet all four key State aid tests?

If all four tests are met then the award constitutes State aid and **must** comply with the State aid law.

Y N

2.7 For **private sector applicants**, what is the size of the enterprise applying for funding?

Refer to the official [SME definition](#).

2.8 Please list all the organisations (if known) which may benefit from the funding of the project and any economic benefit they may receive as a result of the funding.

2.9 Applicants must consider whether the award meets all the tests for each beneficiary.

If beneficiaries are considered to be in receipt of State aid then you must consider how this is compliant under the State aid rules.

Applicants may wish to refer to the European Commission's "[Notion of State aid](#)" guidance.

(see table in guidance note)

2.9.1 Where a project is funded under an exemption based on the General Block Exemption Regulations (651/2014), the Applicant is required to either

- a) confirm that the project falls within the scope of Regulation 6(5) or
- b) submit a separate document to demonstrate incentive effect in line with Regulation 6(2) containing the following information:
 - i) the applicant undertaking's name and size
 - ii) a brief description of the project, including start and end dates
 - iii) the location of the project
 - iv) a full list of the project costs used to determine the allowable level of funding
 - v) the form of the aid
 - vi) the amount of public money needed for the project.

2.9.2 Do you confirm that the project falls within the scope of Regulation 6(5) under the General Block Exemption Regulations(651/2014)

Y N

2.9.3 If no, confirm that you have attached document containing the required information.

2.9.4 If you intend to use an exemption(s) under GBER to deliver the project, please confirm you have read the terms of the scheme and meet all the relevant terms.

Y N

2.9.5 Identify the GBER provision, the title of the scheme and the amount of LUF award to be delivered under the provision. Describe how you meet all the relevant terms of the exemption.

2.10 As the bidding organisation are you subject to an outstanding recovery order in respect of State Aid? If 'Yes', provide brief details.

Y N

2.11 Describe the system in place for collecting and recording the required information for State aid audits and returns.

2.12 All non-public sector applicants delivering in Northern Ireland.

Confirm that you have obtained and uploaded independent legal advice that is aligned to your response in this section and verifies that the award of funds considered to be State aid compliant.

Bidders are invited to outline how their bid will promote good community relations, help reduce disparities amongst different groups, or strengthen integration across the local community

Erdington is a suburb of Birmingham five miles northeast of the city centre. The area started out as a village which was subsumed by Birmingham's expansion during the industrial revolution. Erdington High Street covers a 0.85km long route through Erdington ward and serves North Birmingham generally including parts of Stockland Green, Gravelly Hill, Pype Hayes, Perry Common, Kingstanding, Wylde Green and Boldmere.

It was previously a leading retail destination for the North of Birmingham, but since 1998 there has been a major loss of footfall due to competing shopping parks nearby. This decline has been associated with an increase in anti-social behaviour including begging, gang activity, drug taking and street drinking taking place on the High Street. Many residents have communicated that crime and anti-social behaviour in the town centre puts them off spending more time there. In the Birmingham City Council's recent survey of residents and shoppers 29.6% felt unsafe in the daytime, rising to 85.1% at night-time.

The scheme directly addresses these issues by providing facilities that will encourage community engagement, help regenerate the local economy and provide a safer more inclusive environment for residents and all users of the high street. The bid has widespread support from the local community with letters of support from:

- Local Councilors
- Witton Lodge Community Association
- St Barnabas Church
- Erdington Business Improvement District
- Godwin Developments
- The Police and Crime Commissioner.
- Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP).
- Highclare School.
- Abbey Catholic Primary School.
- Erdington Litter Busters.
- Individual letters and emails from the Local community

These are detailed in Annex 1.

The equalities impact of the scheme has been assessed against the Public Sector Equality Duty. Aspects such as the High Street and St Barnabas connectivity improvements will have a positive impact on disabled users, whilst the scheme will have a positive impact on the community immediately surrounding the site and will enhance the quality of life for residents and workers in an area with a high proportion of unemployed and BAME residents. Further details are given in the EA screening assessment in Annex 2. Overall the screening assessment concludes:

“The facilities and measures proposed within this bid for the Levelling Up fund proposals are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity, disability, marriage / civil partnership or religion / belief.”

Part 3 – Bid summary

In this section applicants should provide the core details of their bids; clarifying what, where, how and how much. If your bid is a package bid you should also complete Application Form [Annexes A – C](#).

To note, word counts are included for several questions throughout the application form, these are provided as a guide only. The level of detail you provide should be proportionate to the amount of funding that you are requesting.

3.1 Bid Name: Erdington High Street

3.2 Please provide a short description of your bid, including the visible infrastructure that will be delivered/upgraded and the benefits that will be felt in the area

(100 words max)

The scheme includes:

- Redevelopment of a delict building into a Community and Enterprise Hub providing employment, skills training, and a sense of community.
- Pedestrianisation of the High Street improving connectivity throughout the high street and encouraging active modes.
- Upgrading the public footpath through St Barnabas Churchyard adding disabled access and lighting improving connectivity, safety and reducing anti-social behaviour.
- Creation of a community square linking St. Barnabas churchyard the High Street and Central Square, providing green space, amenity, and health benefits.
- Enhancing pedestrian access to the train station improving connectivity to sustainable transport and linking the community to wider employment opportunities.

(100 words)

3.3 Please provide a more detailed overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component projects are aligned with each other and represent a coherent set of interventions.

(500 words)

This ambitious scheme consists of five interrelated components that will transform Erdington High Street and represents the stakeholder group's vision of a vibrant urban local centre. Erdington High Street will be transformed to become a destination of choice for the local community, which is inclusive, safe, green and active.

Improvements in retail, cultural, leisure, community and social activities for all ages will enable this to happen and re-establish Erdington as the accessible beating heart of the community with a strong sense of place and priority for pedestrians and cyclists.

The fund will support a transformative scheme with five interrelated components that combined will contribute to the longer term and wider vision for the high street as a thriving local centre.

The components are:

1. The redevelopment of a former swimming baths into a Community and Enterprise Hub which will provide incubation space for new start-ups, office accommodation for nascent businesses complemented by specialist advisors to support business start-ups. A range of wellbeing services and cultural activities will bring communities together contributing to the community wellbeing. The scheme will provide skills training for 100 local residents per year and directly generate 126 jobs.
2. Pedestrianisation of a section of the high street, and improved connectivity within the High Street, including improved pedestrianisation and enhanced footways in the middle section of the High Street and public space/village green to the north along with measures to slow vehicular traffic and improve public realm.
3. Upgrading the public footpath through St Barnabas Churchyard to the High Street, adding disabled access and lighting to make it accessible and safe at night. This will improve connectivity for local communities through to the High Street.
4. The creation of a community square with an outdoor gym linking St. Barnabas churchyard, the High Street and Central Square, providing community well-being and health benefits and creating a greener safer high street.
5. Train station connectivity pedestrian enhancements on various routes between the station, to encourage walking, improve public realm and make it safe for pedestrians. This includes pavement enhancements between Cross Keys and the Station, improvements to a central parking reservation on Sutton New Road, upgrading pedestrian crossing Gravelly Lane/Station Road and redesign of public space at Six Ways Island.

This focussed scheme is designed to regenerate Erdington High Street and provide community facilities to foster and support economic renewal and growth and link the local community into the wider employment opportunities in Birmingham. There is a strong community looking to bring forward positive change evidenced by several active community initiatives including the Business Improvement District, Witton Lodge Community Association and St Barnabas Church. The area has a library, a new pool / leisure centre and has a rail station on the Birmingham Cross City line which are all ingredients for success. Furthermore, improvements to public realm connecting the station and the high street will help reduce crime and anti-social behaviour in the area as well as improve accessibility to wider employment opportunities for the residents of Erdington

485 words

3.4 Please provide a short description of the area where the investment will take place. If complex (i.e. containing multiple locations/references) please include a map defining the area with references to any areas where the LUF investment will take place.

For transport projects include the route of the proposed scheme, the existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.

(500 words)

The investment will take place within Erdington Town Centre and the routes that people take to access it. This map is shown in the attachment – Erdington Plan and highlights the key areas within the town centre which are part of the Erdington High Street Scheme.

1. The Community and Enterprise Hub will be located at the former swimming baths to the east side of the high street on Mason Road.
2. The High Street connectivity and public realm will see improvements between the former swimming baths on Mason Road and Barnabas Road. The pedestrianisation will be between New Street and Church Road.
3. St Barnabas connectivity is within the churchyard.
4. Community Square will replace 152-156 High Street which is located at the site of the existing Poundland building.
5. The train station connectivity improvements are located between Cross Keys and the station, Sutton New Road, Station Road/Gravelly Lane and Six Ways Island.

142 words

3.5 Please confirm where the investment is taking place (where the funding is being spent, **not** the applicant location or where the bid beneficiaries are located).

If the bid is at a single location please confirm the postcode and grid reference for the location of the investment.

If the bid covers multiple locations please provide a GIS file. If this is unavailable please list all the postcodes / coordinates that are relevant to the investment.

For all bids, please confirm in which constituencies and local authorities the bid is located. Please confirm the % investment in each location.

The Erdington bid is predominantly within Erdington High Street, the specific components have locations as described below:

1. The redevelopment of a former swimming baths into a Community and Enterprise Hub – this is located (52.522659588806924, -1.8380040341832236), B24 9EJ.
2. Pedestrianisation of a section of the high street, and improved connectivity within the High Street, including improved pedestrianisation and enhanced footways in the middle section of the High Street and public space/village green to the north along with measures to slow vehicular traffic and improve public realm. From Grid Ref (52.526242149019716, -1.837113685338114 B23 6RP to 52.52302708065907, -1.8402793614926602, B23 6S)
3. Upgrading the public footpath through St Barnabas Churchyard to the High Street, adding disabled access and lighting to make it accessible and safe at night. (From Grid Ref 52.52314004472037, -1.8390189233980838, B23 6RS to 52.52205640605218, -1.8367980544775788 B23 6RS)
4. The creation of a community square linking St. Barnabas churchyard, the High Street and Central Square. (52.52346819645095, -1.8389535823935088, B23 9DH)
5. The train station connectivity between the train station and the High Street Cross Keys to the Station From 52.527200017450724, -1.8366139366677259 to 52.52811577253596, -1.8398462400645326 B23 6PU) Sutton New Road Parking Reservation Grid Ref (52.52392519773886, -1.841462312832689), Six Ways Island (52.52330099565764, -1.8426822561273333 B23 6TH)

The bid is 100% within the Birmingham Erdington constituency and within Birmingham City. All coordinates are not exact measurements, given the size of the elements, but give an indication of the locality of the Scheme elements

Location 1

Enter location postcode	B23 6RT	Change
------------------------------------	---------	------------------------

Enter location grid reference	Easting 411224 , Northing 291987	Change
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Percentage of bid invested at the location	48%	Change
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Optional GIS file upload for the location		Change
--	--	------------------------

Location 2

Enter location postcode	B23 6SA	Change
------------------------------------	---------	------------------------

Enter location grid reference	Easting 411078 , Northing 291864	Change
--	----------------------------------	------------------------

Percentage of bid invested at the location	11%	Change
---	-----	------------------------

Optional GIS file upload for the location		Change
--	--	------------------------

Location 3

Enter location postcode	B23 6RS	Change
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Enter location grid reference	Easting 411089 , Northing 291655	Change
--	----------------------------------	------------------------

Location 3

Enter location postcode B23 6RS [Change](#)

Enter location grid reference Easting 411089 , Northing 291655 [Change](#)

Percentage of bid invested at the location 7% [Change](#)

Optional GIS file upload for the location [Change](#)

Location 4

Enter location postcode B23 6RS [Change](#)

Enter location grid reference Easting 411031 , Northing 291741 [Change](#)

Percentage of bid invested at the location 24% [Change](#)

Optional GIS file upload for the location [Change](#)

Location 5

Enter location postcode B23 6UB [Change](#)

Enter location grid reference Easting 411160 , Northing 292167 [Change](#)

Percentage of bid invested at the location 9% [Change](#)

Optional GIS file upload for the location [Change](#)

233 words

3.6 Please confirm the total grant requested from LUF (£).

£10,826,033

3.7 Please specify the proportion of funding requested for each of the Fund's three investment themes:

Regeneration and town center (100%)

3.8 Please tick one or more sub-categories that are relevant to your investment:

Regeneration

Commercial ✓

Civic ✓

Residential

Other

Cultural

Arts & Culture

Creative Industries

Visitor Economy

Sports and athletics facilities

Heritage buildings and sites

Other

Transport

Active Travel

Buses

Strategic Road

Rail

Aviation

Maritime

Light Rail

EV Infrastructure

Local Road

Other

3.9 Please provide details of any applications made to other funding schemes for this same bid that are currently pending an outcome. Where a successful outcome might lead to you no longer requiring the LUF grant please provide details and confirm when might you expect the outcome to be known.

(150 words)

None.

none

Part 4 – Strategic Fit

4.1 Member of Parliament Endorsement (England, Scotland and Wales ONLY)

4.1.1 Has an MP given formal priority support for this bid? Y

4.1.2 Please confirm which MP has provided formal priority support: (name)

Paulette Hamilton MP

4.1.3 Which constituency does this MP represent?

Birmingham Erdington

Please also complete **pro forma 6**.

4.2 Stakeholder Engagement and Support

Applicants are encouraged to engage with a wide range of local stakeholders and the local community to inform proposals in the bid and to secure buy in.

4.2.1 Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses). How has this informed your bid and what support you have from them? (500 words)

This section summarises the key stakeholders who have been consulted throughout the development of the proposal. This is inclusive of local and regional stakeholders who have engaged in consultations and provided letters of support.

- **Paulette Hamilton, MP Birmingham, Erdington** – Attendance at stakeholder meetings and direct engagement with BCC.
- **Mayor Andy Street.**
- **Local Councillors** - Attendance at stakeholder group meetings.
- **Witton Lodge Community Association** - Engagement between BCC and Witton Lodge. Agreement between BCC and Witton Lodge over Community and Enterprise Hub. Attendance at stakeholder group meetings.
- **St Barnabas Church** - Engagement between BCC and St Barnabas Church. Attendance at stakeholder group meetings.
- **Erdington Business Improvement District** - Attendance at stakeholder group meetings.
- **Godwin Developments** – Engagement between BCC and Godwin Developments.
- **Police and Crime Commissioner.**
- **Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP).**
- **Highclare School.**
- **Abbey Catholic Primary School.**
- **Erdington Litter Busters.**
- **Local community** – There was an initial consultation event carried out by local councillors in March 2019 to identify key challenges. Engagement surveys between 5th April 2020 and 12th April 2020 on the shortlisted scheme. Recent emails have also been received supporting the proposed LUF bid which are attached.

Letters of support are provided in the Annex 1.

Initial stakeholder engagement with the local community was carried out by local councillors in March 2019 to identify key challenges on the high street. This engagement event confirmed that residents felt there was a need to transform the high street.

Further engagement with the local community was carried out between 5th April 2020 – 12th April 2020. In total, 269 respondents participated (93% lived in Erdington). The survey results found that for 75% of respondents, grocery shopping was either the primary or secondary purpose of visiting the high street, followed by other types of shopping. Less common reasons given included for leisure (including meeting friends or family), work, eating and drinking, and beauty treatments.

Respondents of the survey highlighted several factors which prevent them from utilising the high street. It was identified that there is a limited selection of shops and that the number of beggars, street drinkers and drug dealers on the high street contribute to visitors feeling unsafe.

These issues were further highlighted when respondents were asked to provide a list of interventions that they believe could improve the High Street. Most respondents suggested implementing measures that would reduce the number of beggars, combat anti-social behaviour, increasing police presence in the area, investing to enable local businesses to thrive and the provision of more shops and supermarkets. If such measures were to be put in place, then respondents claim they would be inclined to visit the high street more often (83%) and stay for longer (70%). The full community engagement report can be found in Annex 3.

441 words

4.2.2 Has your proposal faced any opposition? Please provide a brief summary, including any campaigns or particular groups in support or opposition, and if applicable, how will you work with them to resolve any issues. (250 words)

No – There is widespread support for the scheme including the community groups noted in this application and wider public support.

20 words

4.2.3 Do you have statutory responsibility for the delivery of all aspects of the bid?

If no:

- Please confirm those parts of the project for which you do not have statutory responsibility
- Please confirm who is the relevant responsible authority
- Please confirm that you have the support/consent of the relevant responsible authority

Yes

4.3 The Case for Investment

Applicants should use this section to detail a compelling case for why the proposed investment supports the economic, community and cultural priorities of their local area.

Applicants should upload their completed Theory of Change model that supports this section at the time of submission.

For package bids, an explanation should be provided as to how the component projects are aligned with each other and represent a coherent set of interventions.

4.3.1 Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (500 words)

Current Situation

The High Street has become run down with many shop closures (particularly within the shopping centre). Erdington Constituency is in the 10% most deprived areas of the UK and has crime levels that have continually increased over the last three years. The shops on the High Street that have remained open are predominantly serving local needs with essential groceries as well as coffee shops and cafes. Erdington was previously a leading retail destination for the North of Birmingham, but since 1998 there has been a major loss of footfall due to competing shopping parks nearby. The area currently suffers from high levels of anti-social behaviour that have a significant impact on local residents and have been highlighted as a major concern in at community engagement sessions.

Photographs of the current run-down High Street are displayed in Annex 4 Table and Figures, Figure 4.3.1.

The Opportunity

Erdington is changing – more people are moving into the area; there are excellent public transport links into the city centre which can provide for increased economic opportunities; the local community feels strongly about their high street and will provide additional support to it if it can be improved and become safe and secure for people of all ages, genders and ethnicities at all times of the day.

Market failure is a barrier that is stopping Erdington fully contributing to the wider growth agenda in Birmingham, this is set out fully later within this application. This application aligns with regeneration and town centre investment themes outlined in LUF2:

- **Removing derelict buildings and other eyesores to make way for new developments:** - The redevelopment of a former swimming baths into a Community and Enterprise Hub will house space for community activities and events.
- **Improving the public realm including high streets, parks and green spaces, designing out opportunities for crime and anti-social behaviour–** The creation of a new community square linking Central Square and the St Barnabas Church yard and the High Street, pedestrianisation of the High Street, the upgrading of the footpath through St Barnabas Church yard and the train station connectivity improvements will all contribute to an enhanced public realm around the high street area which will help deter anti-social behaviour and crime.

Together these improvements will deliver improved perceptions of Erdington which can be measured through increased Land Values and footfalls and reduced vacancy rates.

When this scheme progresses, Erdington High Street will be transformed to become a destination of choice for the local community, which is inclusive, safe, green and active. Improvements in retail, cultural, leisure, community and social activities for all ages will enable this to happen and re-establish Erdington as the accessible beating heart of the community with a strong sense of place and priority for pedestrians and cyclists. These improvements will also draw shoppers and visitors from a much wider area allowing

Erdington to reassume its historic position as a main centre of choice within North Birmingham.

(486 words)

4.3.2 Explain why Government investment is needed (what is the market failure)? (600 words)

Erdington is a suburb of Birmingham five miles northeast of the city centre. Erdington High Street includes retail space, three markets, a shopping centre (Central Square), as well as a library, walk-in health centre, and a church with conference centre and café. Today the High Street has become run down with many shop closures. The shops on the High Street that have remained open are predominantly serving local needs with essential groceries as well as coffee shops and cafes. Erdington was previously a leading retail destination for the North of Birmingham, but since 1998 there has been a major loss of footfall due to competing shopping parks nearby and a lack of investment.

With the LUF investment Erdington High Street will be transformed to become a destination of choice for the local community, which is **inclusive, safe, green and active**. Improvements in retail, cultural, leisure, community and social activities for all ages will enable this to happen and re-establish Erdington as the **accessible beating heart of the community** with a strong sense of place and priority for pedestrians and cyclists. With a range of complementary initiatives, local communities will be supported access employment, apprenticeship and enterprise resulting from the investment and developments.

There is a strong rationale for Government intervention overarching market failures are described for each element:

- **Community and Enterprise Hub** – The Community and Enterprise Hub are not a commercial enterprise and would be under-provided if left to market forces.
- **High Street Connectivity** - Provision of urban realm and connectivity would be under-provided if left to market forces due to the lack of associated revenue streams.
- **St Barnabas Connectivity** - Provision of urban realm and connectivity would be under-provided if left to market forces due to the lack of associated revenue streams. St Barnabas Church has continued to invest time and funding in the development of this proposal, resulting in a scheme that is ready to construct.
- **Community square** - Demolition of a commercial property and replacing it with a community square would not be carried out if left to market forces.
- **Train Station Connectivity** – Pedestrian improvements to enhance connectivity between the centre and the train station, these improvements would not be carried out if left to the market.

The public realm and connectivity improvements are public goods. These are goods that are provided for the benefit of the public, without charge, and consequently would be under-provided if left to market forces due to the lack of associated revenue.

(415 words)

4.3.3 Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (750 words)

This should be demonstrated through a well-evidenced Theory of Change. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1) and [MHCLG's appraisal guidance](#).

For large transport bids

£20M - £50M applicants should submit an Option Assessment Report (OAR).

The intention of the Levelling Up Fund is to invest in infrastructure to improve everyday life across the UK, including regenerating town centre and high streets, upgrading local transport, and investing in cultural and heritage assets. The focus of this application is to facilitate a transformation of Erdington high street, creating incubation space for start-up businesses and creating an environment where visitors would feel safe whether during the day or night, enjoying the varied retail, café, and cultural activities on offer.

The investment programme set out in this application is directly responding to long-term strategic market changes at a macro-level and for Erdington in particular. The proposals respond to the changing nature of high streets and retail, supporting a more vibrant and resilient high street economy with investments that will be attractive to the market. Driving value through vibrancy throughout the day by serving a base of workers, residents, and visitors, high streets generate more footfall over a longer period of the day and week and through high-quality public spaces and accessibility and facilitating economic growth and reducing deprivation.

The theory of change indicates that, as well as of increased footfall on the high street, the connectivity schemes will help reduce crime and decrease anti-social behaviour rates which are currently high, helping to make Erdington a safer place.

Summary - Community and Enterprise Hub

Witton Lodge Community Association have planning permission (Annex 13) to redevelop a former swimming baths facility owned by BCC into a Community and Enterprise Hub which will house community and business (start-up) spaces/activities/services (a new leisure centre for Erdington High Street has already opened on Orphanage Road). The Hub will include a community café, a community room, workspace and a multi-purpose coworking space of 11,000 square feet. The proposal would create a vibrant use adding to the diversity of the local centre, including a community and arts centre. The services provided will focus on business support, digital workshops and materials workshop.

Challenge/Barrier

Provision of the enterprise hub would be under-provided if left to market forces. This addresses the need for more community-based activities to reduce isolation of local people, and for more business support and affordable office space for start-ups.

Summary - High Street Connectivity

Revised traffic regulations orders and car parking arrangements designed to increase

dwelling time for visitors to the High Street and make the area more attractive and safer for people to enjoy and to improve cycling access.

Challenge/Barrier

Provision of urban realm and connectivity would be under-provided if left to market forces due to the lack of associated revenue streams. Local authority lacks funds to invest in urban realm.

Summary -St Barnabas Connectivity

Improvements to public footpath through St Barnabas Churchyard to include re-surfacing, disabled access and lighting. Safety fears at night/other times due to lack of lighting and anti-social behaviour. The church plan to upgrade the churchyard in due course.

Challenge/Barrier

Provision of urban realm and connectivity would be under-provided if left to market forces due to the lack of associated revenue streams. Local authority lacks funds to invest in urban realm and lighting.

Summary - Community square

Acquisition of 152-156 High Street. The site would provide public open space with the potential to incorporate an outdoor gym off the High Street and would improve connectivity in all areas of the High Street and St. Barnabas. BCC would acquire the site and be responsible for the ongoing management of the public space.

Challenge/Barrier

Demolition of a commercial property and replacing it with a community square would not be carried out if left to the market

Summary - Train Station Connectivity

Improvements to the pavement, public realm and safety on various routes between the train station and the high street. Including pavement works, re-surfacing, adding pedestrian crossing and public realm enhancements such as increased planting.

Challenge/Barrier

Provision of pedestrian urban realm, connectivity and safety would be under-provided if left to market forces due to the lack of associated revenue streams. Local authority lacks funds to invest in urban realm and pedestrian enhancements.

(651)

4.3.4 Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. (500 words)

Benefits will be realized from a variety of outcomes as a result of the scheme. Some of these outputs are as follows:

- Direct creation of 126 jobs.
- Improvement in skills for 100 residents per year.
- Increase in community well-being for all local residents.
- Journey quality and sense of 'pride' in the high street.
- Economic growth.

Counter factual

The LUF funding would deliver an essential regeneration to Erdington High Street, which when linked to the existing funding and planned projects in the broader area would create a transformational social and economic impact in a deprived area with a run-down high street, which is in need of direct investment, and Erdington itself, to one which demonstrates change in social, economic and place based regeneration.

Outputs

To understand the benefits which can be realised from the Scheme, the outputs need to be developed to get an understanding of the outcomes. The Community and Enterprise Hub will provide a platform to increase start ups, training and skills and people attending community activities. The connectivity elements will help increase pedestrians, cyclists and people undertaking activity within the area and help improve safety and reduce ant-social behaviour. The community square will increase footfall around the site and people taking up community activities.

Outcomes and Impacts

The Community and Enterprise Hub will provide outcomes such as the direct creation of new jobs, increases in the numbers and size of businesses and increased community involvement of Erdington. Furthermore, it will also increase the training and skill level of the people within Erdington. The connectivity elements increase local resident's connectivity and accessibility to the high street and other key destinations such as the train station, increase footfall on the high street as well as reducing crime and antisocial behaviour. The Community square outcomes include facilitating improved health, high street footfall and further development.

This will all have a beneficial impact on 'sense of pride' in the high street as well as well-being and economic growth in Erdington. Overall, there are a variety of mechanisms where beneficial outcomes and impacts are expected to flow from the project.

A Theory of Change is available for each element, see attachment.

(359 words)

4.3.5 For package bids you should clearly explain how the component projects are aligned with each other and represent a coherent set of interventions. (250 words)

Not applicable

4.3.6 Applicants should also briefly set out how other public and private funding will be leveraged as part of the intervention. (500 words)

The proposed scheme is the first phase in the delivery of a wider regeneration plan for Erdington, led by BCC with Witton Lodge and St Barnabas. This scheme focusses on key local assets, including the church, old swimming baths and Poundland building to act as a catalyst for future regeneration of Erdington High Street.

The existing challenges within Erdington require a coordinated response to allow the local centre to thrive. Whilst the interventions proposed to be funded through the LUF seek to address many of these, there is a need for multiple future funding sources to be explored simultaneously, maximising the regeneration of Erdington.

BCC is already discussing the opportunities that will arise from this project with potential developers. This includes a complementary scheme to re-develop Central Square that is currently being taken forward by the owner of the shopping centre and West Midlands Combined Authority.

The proposals for the upgrade in connectivity have stimulated St Barnabas to commit their own funds to contribute to their wider regeneration of the church to provide a safe and respectful place of peace and sanctuary that all can benefit from.

Just to the northwest of Erdington Local Centre is the former Lyndhurst Estate, now known as Abbey fields. The City Council has worked with the community to redevelop and regenerate this former unpopular municipal estate with 270 new homes and open space (including a football pitch and MUGA). To date a total of 249 new homes have been provided (148 homes for social rent and 101 homes for sale) and the final phase of 21 homes is complete with handover imminent. The LUF bid will complement and support the investment in this new community which is within walking distance of the local centre.

Overall, it is intended that the scheme will be the first phase in wider plans that will deliver real regeneration and economic prosperity to Erdington. Providing a diverse portfolio of proposals means there are multiple private sector investment opportunities to explore, reducing the overreliance on a single investment strand.

(348 words)

4.4 Alignment with the local and national context

In this section, applicants should clearly articulate their alignment with any relevant local

and national strategies and objectives concerning investment, infrastructure and levelling up. Applicants should explicitly state how the bid will substantially support the delivery of local and national policy objectives.

4.4.1 Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up. (500 words)

The vision for Erdington as set out in this LUF application aligns with the wider policies and plans for the local area. The bid fully supports Birmingham City Council's Levelling Up Strategy 2022, specifically the objects of:

- Skills;
- Jobs;
- Infrastructure and Connectivity; and
- Living Environment.

The adopted Birmingham Development Plan 2031¹ identifies Erdington as a District Centre with potential for growth. The Plan set ambitious goals for regeneration, traffic and congestion management, which all the schemes in this bid will contribute towards. The Urban Centres Framework, an adopted Birmingham strategy to support urban centres, identifies Erdington as a centre for transformation and highlights a need to reinvigorate the public realm. Amongst the core focus areas for Erdington are a vibrant mix of retail and leisure uses; distinctive local identity; and High Street transformation. The strategy encourages retail development, improved pedestrian environment and investment in public realm.

The Erdington Community Plan² 2016 – 2020 outlines priorities based on local stakeholders' opinions and views. The key priority areas have been identified as: investment in transport infrastructure; and creating a city for young people - facilitating their learning and skills. The Erdington Ward Plan 2018 – 2022, is one of the main mechanisms by which citizens and communities can participate in setting local priorities themselves. The ward plan sets out key priorities:

- Cleaner greener and safer - Improving and enhancing the local environment.
- A thriving Erdington – Regeneration.
- A cleaner Erdington - Keeping Erdington tidy.
- Developing Erdington's future – Education, skills and young people.

The proposed scheme addresses all these priorities in particular picking up on the regeneration of the High Street and the creation of a community hub focused on skills, business start-ups and community development.

In addition, the wider policy context of the West Midlands Combined Authority (WMCA) Industrial Strategy are supportive of the need to develop thriving towns and local centres and put communities at the heart of investment decisions. The WMCA Industrial Strategy³ confirms that the West Midlands is ambitious for its town centres and determined to help them evolve; to enable them to re-establish themselves as important social and economic hubs that meet the needs of residents and local businesses and provide accessible locations, in attractive environments. The project also supports the goals set out in Birmingham's Walking and Cycling Strategy, and its subsequent cycling and walking infrastructure delivery plan, which are to develop walking and cycling opportunities, inspire residents to take them up and reduce carbon emissions

This application is supported by BCC and is documented in various Cabinet reports including the report of 28th June 2022 which gave approval for the City Councils tranche 2 LUF bids.

4.4.2 Explain how the bid aligns to and supports the UK Government policy objectives. (500 words)

The National Planning Policy Framework⁴ (Section 7, paragraphs 85-90) sets out the national policy position to ensure the vitality of town centres. It also outlines the need for the retention and enhancement of existing markets, due to its important role in ensuring the vitality of town centres.

This project addresses barriers to investment, by providing confidence in the market, public realm improvements, as well as jobs, retail, and leisure opportunities in a town that falls within one of the most deprived wards nationally according to the IMD Index. The additional goods and services that the project will make available through new retail and entertainment outlets, will make Erdington a much more sustainable destination by reducing the need for longer journeys. The project will offer improved opportunities to be able to walk and cycle throughout the area as well as better connections to the wider public transport network. This directly supports the Climate Change Act 2008 which requires a reduction in greenhouse gas emissions by at least 80% in 2050 against 1990 levels and section 8 para 91c of the NPPF: Promoting Healthy Communities.

The town regeneration strategy sets out the vision to town centres into vibrant places to live, work and visit and transforming derelict buildings. This application is in line with the town regeneration strategy by transforming the derelict swimming baths into a community hub. Furthermore, by improving connectivity between the High Street, St Barnabas and train station as well as public realm, the scheme contributes to making Erdington a more vibrant place to live and visit.

The Governments 'Build Back Better': Our Plan for Growth document mentions the creating opportunities to improve the skills of people in all regions is critical to the future success of the country, tackling climate change and high-quality infrastructure is crucial for economic growth, boosting productivity and competitiveness.

The 'Build Back Better' High Street s vision sets out how the government plan to support places by focussing on five key priorities: Breathing new life into empty buildings; Supporting high street businesses; Improving the public realm; Creating safe and clean spaces; Celebrating pride in local communities.

This scheme contributes to both of the 'Build Back Better' documents by developing a derelict building into a thriving community hub, also providing jobs and skills training. Furthermore, the community square to improve public realm, increase pride in Erdington and increase community activity. Furthermore, the connectivity elements will help provide and clean and safe space, supporting the high street and improving public realm.

(427 words)

⁴ National Planning Policy Framework. Department for Communities and Local Government, June 2019

4.4.3 Where applicable explain how the bid complements / or aligns to and supports existing and / or planned investments in the same locality. (100 words max per fund)

A funding application was successfully awarded to Witton Lodge Community Association for the Community and Enterprise Hub development from the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). The GBSLEP Strategic Economic Plan⁵ supports the growth of indigenous businesses and the regeneration of the High Street, strengthening local cultural and environmental assets and improving connectivity within towns and local centres. Witton Lodge Community Association used this funding to further develop the proposal through the design and pre application stages resulting in a scheme that has planning permission and barring full funding, is ready for construction.

Single Commissioning Framework - In April 2022 Witton Community Association was successfully awarded £2,100,000 of match funding from West Midlands Combined Authority. This has been agreed and the terms are set out in the attached Heads of Terms agreement (details are shown in Annex 5). It should be noted that £100,000 of this sum is to be returned to WMCA for project management, hence £2,000,000 m is available for capital works and that sum is shown as match funding in the Cost and Planning workbook.

Just to the northwest of Erdington Local Centre is the former Lyndhurst Estate, now known as Abbey fields. The City Council has worked with the community to redevelop and regenerate this former unpopular municipal estate with 270 new homes and open space (including a football pitch and MUGA). To date a total of 249 new homes have been provided (148 homes for social rent and 101 homes for sale) with the final phase of 21 homes complete and the handover imminent. The LUF bid will complement and support the investment in this new community which is within walking distance of the local centre.

Heritage Lottery Fund - St Barnabas Church are committing their own funds to contribute to the wider regeneration and masterplan of the church to provide a safe and respectful place of peace and sanctuary that all can benefit from, therefore, the connectivity scheme will support the vision by the church.

The Birmingham Cycle Revolution and Bike North Birmingham projects will also support this by providing funding for new routes, and opportunities for bike hire, supporting the take up of the opportunities delivered by the project.

(378 words)

⁵ GBSLEP Strategic Economic Plan, 2016 - 2030

4.4.4 Please explain how the bid aligns to and supports the Government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required. (250 words)

This bid is not considered to be a local road project. However, the High Street and train station connectivity scheme includes enhancements to the pedestrian infrastructure which aligns and supports the Government's ambitions for active travel improvements.

This includes the pedestrianisation of a portion of the High Street to improve pedestrian safety, improve connectivity within the High Street, enhance footways, provide a public space/village green to the north of the High Street with traffic calming measures to reduce vehicle speeds along with public realm improvements. Furthermore, the pedestrian enhancements between the high street and the station will further improve connectivity to the high street and provide safety, journey quality and potentially encourage people to walk between the two locations. There are also proposals to enhance a public footpath through the St Barnabas Churchyard to enable step-free access and provide lighting to improve accessibility and safety of pedestrians at night.

In addition to the proposals in this bid the city council is also developing a scheme to improve pedestrian infrastructure between Erdington High Street and Erdington rail station through pedestrian safety measures and enhanced wayfinding. This will further encourage the use of rail to bring visitors into the High Street in a more sustainable manner.

(204 words)

4.4.5 Please tick to confirm which of the following [Levelling Up White Paper](#) Missions (p.120-21) your project contributes to:

- Living Standards
- Research and Development (R&D)
- Transport Infrastructure
- Digital Connectivity
- Education
- Skills ✓
- Health ✓
- Wellbeing ✓
- Pride in Place ✓
- Housing
- Crime ✓
- Local Leadership

- Skills - The Community and Enterprise Hub will provide skills training for the unemployed improving skills level within Erdington as well as delivering new jobs
- Health and well-being - The Community and Enterprise Hub and community square give people a place to carry out well-being activities, socialize and improve skills and qualifications. Furthermore, redesigning the high street to include space for physical activity also contributes to both health and wellbeing.
- Pride in place - Improving the attractiveness of the High Street, as well as delivering a better environment for pedestrians and cyclists
- Crime - Improving both access to and the area and increasing the attractiveness of the area will also help reduce crime and antisocial behavior.

Part 5 – Economic Case

All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [DLUHC Appraisal Guidance](#). Please also see [Technical note](#).

5.1 Appropriateness of data sources and evidence

5.1.1 Please provide up to date evidence to demonstrate the scale and area; comparisons should be made between the significance of local problems and issues. (500 words)

Erdington High Street suffers from a declining retail environment that is unattractive to inward investment and does not meet the needs of the local community. It suffers from high retail vacancy rates, low footfall and declining rental rates.

Birmingham City Council collects vacancy rate data on Erdington High Street retail units. In April 2021 circa 15% of retail units were vacant. This is similar to the previous year and slightly above the years of 2016-19. This data supports the case for its redevelopment given the increase in vacant units over recent years. See Annex 4, Tables and Figures. Figure 5.1.1a.

Retail rent price data has previously been collected from CoStar. This suggests that there has been a steady decline in the Erdington high street area since 2015. Across Birmingham, rental growth has varied greatly across the different retail subsectors and locations. See Annex 4, Tables and Figures. Figure 5.1.1b.

Retail rents Erdington High Street

This trend suggests that the proposed improvements in Erdington High Street would bring greater footfall to the nearby shops in the coming years and could support a more vibrant high street.

The ratio of businesses per 1000 residents grew from 30%-50% between 2011 and 2019. When looking at data for one of the administrative areas (MSOA E02001857) in which the High Street is located, that growth amounted to 47%. Growth in the two MSOAs containing the High Street was driven by a concentration of micro companies (+35% and 57%), the number of small and especially medium enterprises dropped (-57% and -9%). Whilst this growth in micro companies is encouraging it suggests that projects such as the community centre, that offers support for this type of business, will have an increasingly positive impact on the local economy.

As has been noted previously, Erdington High Street is in an area of relative deprivation. Half of the population in Erdington (49%) live in the 10% most deprived neighbourhoods in England. Child poverty is also high with 35.6% of all children in the ward living in poverty. Birmingham as a whole has high rates of deprivation, with about 40% of its population living in England's 10% most deprived areas. The unemployment rate in Erdington ward at 21.6%, is above the city rate of 15.3% but is substantially higher than the UK unemployment rate of 7.8%. A summary of the local demographics is provided in the strategic case and more details are provided in Annex 6.

The recorded crime rate in Birmingham, measured as per 1,000 population/households for headline offences, was 101 in 2019. This is the highest record crime rate in the West Midlands. (UK crime stats). Anti-social behaviour, violent crime and concern about community safety are the three largest issues related to crime in Erdington with overall

crime numbers showing a steady rise of the last 3 years. See Annex 4, Table and Figures. Figure 5.1.1c.

(470 words)

5.1.2 Please demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (500 words)

Footfall data was collected from two monitoring sites on Erdington High Street during March 2019 to form a baseline that future footfall can be compared against. Cardiff University have created a footfall estimator tool to model annual estimated footfall. The footfall estimator creates centre-type templates based on different activity patterns (two to show activity patterns across hours of the day, and two across days of the week). The manual counts have been used to calibrate the estimated footfall pattern for Erdington High Street, and this has then been matched against those templates. The estimated annual footfall on Erdington High Street is 3.46 million.

Footfall was significantly reduced during the first lockdown due to Covid-19. Even though the lockdown wasn't announced until Monday the 23rd of March, its effects started to be seen beforehand. On Sunday 15th of March footfall volumes across the UK were 31.2% down when compared to the same date the previous year.

The long-term impact of Covid-19 on the High Street has yet to be fully quantified. It is likely to have a significant adverse effect on many retail stores. Essential stores such as groceries, however, are likely to have seen an increase in trade during this time. The details of the footfall analysis are provided in Annex 7.

The deprivation data has been taken from the latest Department for Communities and Local Government (2019) Indices of Multiple Deprivation. Furthermore, employment and population data has been taken from the Office for National Statistics Census data. Health data of the population has been taken from Public Health England (2018) Local Authority Health Profiles.

Crime statistics are taken from the Police database for West Midlands area and are those recorded for the Erdington area from July 2019 through to March 2022.

292 words

5.1.3 Please demonstrate that the data and evidence supplied is appropriate to the area of influence of the interventions. (250 words)

All the data used to support this application is directly applicable to Erdington High Street and the surrounding area.

Vacancy data is collected by BCC directly for Erdington High Street. This is an ongoing survey that is completed for both Local and Primary shopping areas throughout Birmingham. Rental data for the High Street for both retail rental has been taken from a commercial database CoStar. Footfall has been estimated for the High Street using High Streets Task Force footfall estimator developed by Cardiff University. This is a software model used to predict levels of footfall along with on-site manual calibration. The footfall estimator can help understand the popularity of Erdington High Street. Manual counts have been used to calibrate the estimated footfall pattern to Erdington High Street, which has then been matched against these standard templates. Two locations were counted on Erdington High Street over three time periods:

- Tuesday 10th March 2019,
- Saturday 14th March 2019; and
- Sunday 15th March 2019.

The model outputs suggest that footfall is low and locally focussed. Suggesting that footfall is steady Monday to Friday, with a slight peak on Saturday, followed by a large drop on Sunday. It also suggests that there are different activity peaks throughout the day, with more customers towards lunch time and afternoon rush hour. Footfall volume differences are not as pronounced across different times of the day.

(236 words)

5.2 Effectiveness of proposal in addressing problems

In this section applicants should clearly set out how the activity described in the bid will address the challenges identified.

5.2.1 Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should be forecasted using a suitable model. Theory of Change evidence should be identified and referenced. (750 words)

Objectives

The intention of the Levelling Up Fund is to invest in infrastructure to improve everyday life across the UK, including regenerating town centre and high streets, upgrading local transport, and investing in cultural and heritage assets. The focus of this application is to facilitate a transformation of Erdington high street, creating incubation space for start-up businesses and creating an environment where visitors would feel safe whether during the day or night, enjoying the varied retail, café, and cultural activities on offer.

The objectives are to:

- Support enterprise start-ups and community activity on the High Street.
- Increase the vitality of and footfall in the High Street.
- Maximise the area's cultural, leisure and social activities and respond to the needs of the local community.
- Take advantage of the opportunity to improve safe and secure local connections/routes to the High Street and to other local destinations.
- Improve the quality of the existing public realm; introduce additional planting and greenery, prioritise walking and cycling and create a strong sense of place.
- Contribute to an increase in well-being and address social isolation and crime in the area.

Inputs and Activities

The investment programme set out in this application is directly responding to long-term strategic market changes at a macro-level and for Erdington in particular. The proposals respond to the changing nature of high streets and retail, supporting a more vibrant and resilient high street economy with investments that will be attractive to the market.

Driving value through vibrancy throughout the day – by serving a base of workers, residents, and visitors, high streets generate more footfall over a longer period of the day and week and through high-quality public spaces and accessibility and facilitating economic growth and reducing deprivation. The main inputs in the various elements are, LUF funding, WMCA funding and BCC match funding. The activities include the capital works, wayfinding, creation of community rooms and space and the maintenance of the high street, these works will help provide outputs, outcomes and impacts which can be quantified in order to help tackle the problems and issues within Erdington.

Outputs and Outcomes

The theory of change indicates that, as well as of increased footfall on the high street, the connectivity schemes will help reduce crime and decrease anti-social behaviour rates which are currently high, helping to make Erdington a safer place. Current crime rates have been quantified and can be continually quantified at regular intervals post implementation of the Scheme.

Furthermore, creation of a Community and Enterprise Hub will help to generate new

business and employment and increase skills of local residents. This is through the Community and Enterprise Hub providing new jobs, training and a space for businesses. Furthermore, the community hub can reduce isolation and improve well-being through community events which can be quantified. The improved connectivity and urban realm will help also increase land value uplift, which whilst not a primary aim, this will help to regenerate the High Street and the economic situation of local residents. Land Value Uplift of the Scheme has been quantified based on VOA rates.

The Scheme will also help improve the 'sense of pride' within the high street which will also help lead to a reduction in vacancy rates. Vacancy rates have been calculated prior to the implementation of the Scheme and can continue to be quantified.

(551 words)

5.2.2 Please describe the robustness of the analysis and evidence supplied such as the forecasting assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis, the quality of the evidence and the accuracy and functionality of the models used. (500 words)

The methodology and assumptions on this appraisal have been chosen to follow appraisal guidance and provide the most robust basis for this economic case. The appraisal methodology and assumptions follow those used in an earlier business case developed for the Future High Streets Fund (FHSF) and an earlier LUF application.

The benefits of the scheme have been appraised using a bespoke economic model to assess Land Value Uplift (LVU), amenity values, public realm improvements, community wellbeing and improved skill levels. The model follows MCLHG appraisal guidance and contains a number of key assumptions. These assumptions and their source are set out in the table below.

The key assumptions and the references are detailed below:

- **General Assumptions:**
 - Inflation Rate: consistent with the GDP deflator (TAG Data Book v1.18 May 2022)
 - Scheme Opening year 2025
- **Community and Enterprise Hub**
 - Land Value Uplift: Existing Land Value is zero due to it being a derelict building. Future Land Value has been developed from Valuation Office Agency (VOA) for office edge of CBD. Deadweight 15% and Displacement 7% (Source: Additionality Guide Table 3.3 and Table 4.4)
 - Amenity Benefits: these include Community Wellbeing and Improved Skills benefits. –
 - Community Wellbeing assumptions include: Community Users Per Annum: 1000, build-up rate in first 3 years 50%, 75%, 100% (source: Witton Lodge), % Engaged: 100%, % Retained 75%, % Impact 80%, (all sourced: Witton Lodge benchmarked against similar schemes), % Deadweight 19% (English partnerships- Additionality guide), Value is £3,241 per community hub user (2020 prices) (Source: Bespoke calculation based on New Economy's Social Value Methodology report (2012)⁶), optimism bias 40% (Source: CBA tool v.4.5.1 (New Economy, 2019)).
 - Improved Skills assumptions include: Beneficiaries without level 2 and 3 qualifications – 50 people p.a. (Source: Witton Lodge benchmarked against other scheme and impacts observed by Witton Lodge) % Engaged: 100%, % Retained 95%, % Impact 75% (all sourced: Witton Lodge benchmarked against similar schemes), Deadweight 0% (Source: Supporting public service transformation: cost benefit analysis guidance for local partnerships", (HM Treasury / New Economy, April 2014)), Economic benefit of achieving level 2 qualifications - £461 (2020 prices), Economic benefit of achieving level 3 qualifications - £958 (2020 prices), Optimism bias -40% (all sourced: CBA tool v.4.5.1 (New Economy, 2019))
- **Community square, High Street and Train Station Connectivity,**
 - Land Value Uplift: Existing land value has been developed from Valuation Office Agency (VOA) for office edge of CBD. Future Land Value is an

uplift based on empirical evidence of 4.6% (explained in more detail in 5.3.2)

- Public Realm benefits based on population data (ONS mid-year 2020 population estimates), household occupancy rate of 2.37 (ONS 2020)

(449 words)

5.3 Analysis of costs and benefits

In this section applicants should describe and explain the costs and benefits in the relevant **Costings and Planning Workbook – Tables A – Economic Benefits and Table A - Economic Costs**. They should provide an explanation of how benefits and costs are analysed and estimated, and how this approach is proportionate for the proposal being submitted.

All costs and benefits must be compliant or in line with [HMT's Green Book](#) (including supplementary guidance), [DLUHC Appraisal Guidance](#), and if appropriate [Transport Analysis Guidance](#).

Package bids need to demonstrate both the overall package costs and benefits, and the disaggregated costs and benefits for each component project. Supplementary tables for component projects should be completed in full.

⁶ New Economy, 2012, "Social Value: Understanding the wider value of public policy interventions"

5.3.1 Please explain how the economic costs of the bid have been calculated, including the whole life costs. (500 words)

In accordance with HM Treasury's Green Book Guidance, the appropriate optimism bias has been included to reflect the tendency for appraisers to be over-optimistic when estimating the cost of implementing and operating projects. As the scheme consists of several elements of both buildings and infrastructure capital spend and these elements are in differing stages of design a weighted optimism bias figure has been calculated in accordance with guidance. The overall optimism bias is developed as a weighted average based on each element as per Supplementary Green Book Guidance – Optimism Bias. Therefore, the total applied is 18%.

This includes the following optimism bias calculations:

- Community and Enterprise Hub: 10% (this is the lower end of the optimism bias for standard buildings – Table 1 Supplementary Guidance – Optimism Bias, as this is a well-developed scheme)
- Train Station, High Street and St Barnabas Connectivity: 44% (this is the upper end of the optimism bias for standard civil engineering – Table 1 Supplementary Guidance)
- Community square: 24% (this is the upper end of the optimism bias for standard buildings – Table 1 Supplementary Guidance – Optimism Bias)
- Monitoring and Evaluation and CPO costs have a 0% optimism bias included.

Cost Estimates

The costs to inform the economic analysis are based on the various capital cost estimations for each of the five components, provided by BCC, Witton Lodge Community Association (PMP Consultants Ltd) and St Barnabas Church (CFP Consultants) respectively. Please note, although it is best practice (as recommended by HM Treasury's the Green Book) to include the operating costs when estimating the BCR, we have not included the operating costs and revenue for this economic analysis. The operating costs are not available at this stage for all schemes except the Community and Enterprise Hub. For the latter, the operating costs will be funded by the revenue stream. Any operating cost deficit would be funded by Witton Lodge. As we do not anticipate the operating costs to be funded by this LUF application, we have excluded this cost item from the economic analysis. For further details on the cost estimations, please refer to the Financial Case.

Risk

The risk of cost overruns has been assessed for each individual component, and we have applied the appropriate contingency allowance and optimism bias, in compliance with the Green Book guidance. The magnitude of the two cost adjustments have been determined based on the granularity and development of the cost estimations at this stage. A sensitivity test has been undertaken on the BCR increasing the Community and Enterprise Hub OB to 24% (upper end buildings estimate) and the Community square OB to 44%, furthermore, the Monitoring and Evaluation and CPO costs as a 10% optimism bias. This increases the overall OB to 28%.

(450 words)

5.3.2 Please describe how the economic benefits have been estimated, including a discussion and evidence to support your assumptions. (750 words)

Economic benefits have been estimated in accordance with DLUHC appraisal guidance. The benefits fall under six areas:

Land Value Uplift

The GDV of the Community and Enterprise Hub is anticipated to increase as a direct result of the proposed plans. The land uplift from a derelict site (existing land use) to a social / community square was quantified based on the methodology set out in the DLUHC Appraisal guidance. The proposed site in its new use is categorised as the equivalent to a mix-use development of office and retail use. The proposed new site was calculated based on VOA land values (2019) for Commercial (edge of city centre), this is for Birmingham values for 1,584 square metre including all common areas.

We have assumed the implementation of the High Street, Train Station, St Barnabas connectivity schemes and the Community square will collectively lead to an uplift in the value of the properties along the Erdington high street. Evidence-based studies such as *The Pedestrian Pound – The business case for better streets and places* (Living Streets, 2018) have demonstrated the potential link between public realm improvements and increases in property prices. We have assumed the two connectivity schemes will lead to a 3.2% land value uplift across the existing retail and office properties along the High Street. The 3.2% uplift assumption is based on the median value of the most conservative land value uplift (0.5%) and the most optimistic land value uplift (5.9%). Furthermore, we have assumed the Community square will deliver a further 1.1% land value uplift. A more detailed explanation of these estimates is contained in the methodology note attached. The value of the high street has been developed from estimates of the total area and VOA land values (2019) for commercial edge of city (Birmingham) costs per square metre.

Amenity Benefits

In compliance with the DLUHC Appraisal guidance, the economic appraisal includes the estimation of amenity benefits. The amenity benefits have been estimated to capture the external amenity benefit gained from converting the 152-156 High Street site into a green space (Community square). We have applied the amenity values provided in the DLUHC Appraisal guidance (pg. 91) for the land type 'Urban Core'. The amenity benefit value was converted from 2016 prices, resulting in an updated amenity benefit value of £12.15 per sqm (2022 prices) for the total floor area of 152-156 high street.

Public realm benefits

In addition to the LVU delivered by the High Street and St Barnabas connectivity schemes, the value of public realm improvements to the local residents have been estimated using willingness to pay values derived from the MHCLG research paper "Valuing the Benefits of Regeneration". The research paper estimates a WTP value of £30.44 per resident per annum (in 2020 prices). The benefits have been quantified based on the assumption the households within the four LSOAs which Erdington High Street and train station lies within and surrounds (3,558 households), would be willing to pay £30.44 for the improvements to the public realm.

Community well-being

The proposed Community and Enterprise Hub endeavours to improve community cohesion and tackle local issues such as unemployment and poor well-being. The diverse range of community initiatives and activities that will be offered are designed to help individuals improve mental and physical well-being, reduce isolation and create a sense of trust and belonging. We have quantified and monetised the social value of improved community well-being (sense of trust & belonging) based on the New Economy's Cost-Benefit Analysis (CBA) (v 4.5.1) tool, as recommended by the DLUHC Appraisal guidance.

Improved skills levels

The Community and Enterprise Hub will also offer employment, enterprise and skills training. The aim of the support is to help beneficiaries move closer to the labour market and secure employment through improved skills and accredited qualifications, addressing long term unemployment and youth employment. Similar to the benefit of improved community well-being, the benefit of improved skills levels has been captured for this economic appraisal based on the New Economy's CBA tool (v4.5.1).

(665 words)

5.4 Value for money

In this section applications should set out the Value for Money (VfM) of their bid, taking account of monetised and non-monetised impacts and risks and uncertainties.

Prior to completing this section the application should complete the relevant **Costings and Planning Workbook – Table A – VfM**.

Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios (BCR). (500 words)

The overall value for money of the proposal has been estimated following DLUHC appraisal guidance. The economic appraisal results are presented below. The scheme has an Initial **BCR of 1.29**, based on the inclusion of all benefits. Please see Costings and Planning workbook for details. This represents Acceptable Value for Money.

The following make up the Present Value of Benefits (PVB) of £20.1m (2022 prices and values):

- Land Value Uplift: £6.4m
- Amenity Benefits: £0.2m
- Public Realm: £1.4m
- Community Well-being and Skills: £12.1m

The Present Value of Costs (PVC) is £15.5m (2022 prices and values).

A sensitivity test was undertaken to understand what happens to the BCR if the optimism bias is increased to 28% (details of how this value was calculated are contained in later in the application). This changes the BCR to 1.19 which means the scheme remains Acceptable Value for Money and demonstrates that the scheme has a robust economic case.

One of the main limitations to the economic analysis encountered was the appropriateness of demonstrating the benefit(s) of the schemes mainly through land value uplift. The majority of the scheme is not primarily designed to unlock LVU benefits. The collective scheme was developed to deliver mainly wider economic, and social and community benefits. Whilst these align well with the Regeneration and Town Centre investment theme of the LUF they do not translate well into quantifiable benefits. The approach used to estimate each of the benefits is set out in the previous question.

(243 words)

5.4.1 Please describe the non- monetised impacts the bid will have and provide a summary of how these have been assessed, including the expected scale of these impacts. These will be factored into the overall Value for Money assessment of the bid. (500 words)

When this scheme progresses, Erdington High Street will be transformed to become a destination of choice for the local community, which is inclusive, safe, green and active. Improvements in retail, cultural, leisure, community and social activities for all ages will enable this to happen and re-establish Erdington as the accessible beating heart of the community with a strong sense of place and priority for pedestrians and cyclists. These improvements will also draw shoppers and visitors from a much wider area allowing Erdington to reassume its historic position as a main centre of choice within North Birmingham. There are a wide range of non-monetized benefits that will be generated by this scheme.

The **Community and Enterprise Hub** will:

- Directly create 126 jobs to deliver the services it provides.
- Provide incubation space for new start-ups 11,000 sq.f.
- Provide a café to generate revenue and be a space for residents to meet.

The **Community Square** will create a multi-functional public space (including an urban gym) linking the High Street, adjacent Church and Central Square, it will:

- Provide health benefits for everyone across ages and ethnicities in Erdington.
- Increase the long-term viability of the High Street.
- Provide a space for physical activities giving health benefits.
- Reduce social isolation and improving mental wellbeing.

The **Train Station Connectivity, High Street connectivity and St Barnabas footpath** will:

- Extensive impact on the overall impression of the Erdington High Street and surrounding roads.
- Improve the quality of the environment, the accessibility for pedestrian and cyclists.
- Improve safety, security and attractiveness of the High Street including some of the key pedestrian and cycling routes to and from the High Street.

Overall, the scheme will improve life opportunities for local residents by providing access to skills and education that have not been present locally. It will deliver health benefits through encouraging the use of active modes to access the high Street and directly through the use of the outdoor gym. Additionally, the scheme will make a major contribution towards reducing crime and anti-social behaviour through anti-crime design, improved connectivity and generating a sense of place.

(344 words)

5.4.2 Please provide an assessment of the risks and uncertainties that could affect the overall Value for Money of the bid. (250 words)

Three key risks and uncertainties have been identified that would impact the overall value for money of the scheme:

- **All Elements** – All cost estimates in the proposal are subject to uncertainty, these are discussed in more detail in Section 8. Cost increases have been tested through alternate optimism bias assumptions reported in section 7.
- **Community Centre** – Some of the benefits of this element are based on usage of the centre. This usage has been based on Witton Lodge estimates benchmarked against similar projects, which provide a robust basis for these benefits. Sensitivity tests suggest that the scheme is robust to variations of up to -40% in this figure with no change in the overall Value for Money category.
- **Community Square** - Possible CPO of the commercial property required for community square could extend timescales. A formal CPO process could delay the delivery of the LVU and amenity benefits associated with this element of the scheme. These benefits make up a small (around than 1%) proportion of the benefits and hence the overall case is robust to significant slippage in delivery of these benefits.

Cost overruns and inflation – Risks have been assessed and the appropriate contingency allowance and optimism bias has been applied. The magnitude of the two cost adjustments have been determined based on the granularity and development of the cost estimations at this stage. A sensitivity test has been undertaken increasing optimism bias to account for the increases costs and see the impact on the BCR.

Community square - The demolition of the existing commercial property and its replacement with community square could result in the requirement to formally obtain a Compulsory Purchase Order (CPO) for the site which could extend timescales for this element of the bid. The City Council will strive to acquire the building on a voluntary basis and has had initial discussions with the owner which will be advanced once funding is confirmed. The cabinet report of 28th June 2022 gave the assistant director of property at the Council authority to negotiate the acquisition and authorised the acting solicitor to undertake all necessary steps to carry out preparatory work for a potential CPO.

(358 words)

5.4.4 We would expect an Appraisal Summary Table, to be completed to enable a full range of impacts to be considered. This should be consistent with the relevant appraisal guidance for the bid.

For package bids, please provide an Appraisal Summary Table for each component project.

For Regeneration or Cultural bids, the Appraisal Summary table should be consistent with the DLUHC appraisal guidance. For Transport bids it should be consistent with the [Transport Analysis Guide](#).

Any additional evidence to support your responses to this section should be referenced within your responses (5.1.1 – 5.4.3) and attached as a single annex.

Part 6 – Deliverability

6.1 Financial

Within this section applicants are required to provide clear and robust details of the financial aspects of the bid, including sources, secured status, and type of match funding, project costs, financial risks and mitigation measures, and how funding is structured – e.g. if you are intending to further disburse the LUF grant bid with partners.

Management and consultancy costs should be clearly shown within the project budget, and any work to be sub-contracted explained within the application form.

Prior to completing this section applicants should complete the relevant **Costings and Planning Workbook – Table B – Funding Profile and Table C – Cost Estimates**

6.1.1 Please confirm the total value of your bid.

The total cost of the Scheme is £14,251,147

6.1.2 Please confirm the value of the capital grant you are requesting from LUF.

This level of co-funding results in a funding-gap of £10,826,033 which is anticipated to be closed through LUF grant funding.

6.1.3 Please confirm the value of match funding secured.

Where match funding is still to be secured please set out details below. If there any funding gaps please set out your plans for addressing these. (250 words)

Match funding has been secured from two sources:

1. **West Midlands Combined Authority** - £2,100,000 is to be contributed by the West Midlands Combined Authority to the Community and Enterprise Hub. WMCA will provide a grant to support the redevelopment of E3 Hub (Former Erdington Baths). The match funding is secured and is the subject of a Heads of Terms agreement dated 6th April 2022. This Heads of Terms is included in Annex 5. Note the contribution noted in Costings and Planning workbook as £2,000,000 as £100,000 is to be paid back to WMCA for project management fees.
2. **Birmingham City Council** - £1,425,115 is to be contributed by Birmingham City Council. This will either be provided through prudential borrowing or draw down from the CIL fund. Details are to be agreed. This was approved at BCC cabinet in June 2022. A copy of the BCC cabinet report approving this is included in Annex 8.

(154 words)

6.1.4 If you are intending to make a land contribution (via the use of existing owned land), please provide further details below and confirm who currently owns the land, details of any restrictions and the estimated monetary value. (250 words)

The former swimming baths is currently owned by Birmingham County Council (BCC). It is anticipated that the ownership of the baths will be transferred to Witton Lodge Community Association. BCC has initiated a licensing process for Witton Lodge in the short term to enable Witton Lodge to take on the site, the City Council have completed a Tenancy at Will for their occupation. The intention is to move quickly to a Community Asset Transfer. Witton Lodge has already held constructive discussions with senior BCC Officers and agreed the asset transfer in principle. The details of the approach to the transfer are agreed in an MOU.

100 Words

6.1.5 Please confirm if your budget includes unrecoverable VAT costs and describe what these are, providing further details below. (250 words)

Two elements of the scheme will be delivered by organizations that are not VAT exempt.

- **Community and Enterprise Hub** – This will be delivered by Witton Lodge Community Association – VAT has been included in project cost estimates at 20% of total costs (£1,096,000).
- **St Barnabas Connectivity** – This will be delivered by St Barnabas Church – VAT has been included in project cost estimates at 20% of total costs (£154,000).

The project cost for these two elements have been uplifted to allow for VAT. All other elements of the project will be delivered by BCC and are VAT exempt.

(96 Words)

6.1.6 Please describe what benchmarking or research activity you have undertaken to help you determine the costs you have proposed in your budget. Please advise on any assumptions. (750 words)

Cost estimates have been prepared for each of the scheme elements separately. Each estimate has been developed by experienced Chartered Quantity Surveyors and reflects the relevant design stage of each element and current price data:

- **Community and Enterprise Hub** - A detailed cost estimate has been provided by the QS dated June 2022. This is in line with RIBA Stage 4 detail drawings. This cost plan allows for a 10% risk allowance provision as shown (split into 4x 2.5% for the RICS NRM sections). Survey work has also been carried out to confirm cost assumptions and reduce risk, including a CCTV survey that confirms the site drains to be in condition and a bat survey that confirms no issues.
- **High Street Connectivity** - Cost estimates have been developed by Arup dated 2020 based on concept design. These have been updated to reflect changes in construction costs and inflation.
- **St Barnabas Connectivity** - A detailed cost estimate has been provided by the QS dated June 2022. This is in line with concept design drawings.
- **Community Square** – Cost estimates have been developed by Arup dated 2020 based on concept design. An allowance for the CPO of the building is based on BCC surveyors estimates and current property prices and BCC experience of CPO procedures. BCC surveyors have undertaken survey of commercial property prices across Birmingham to establish a robust benchmark for the property price.
- **Train Station Connectivity** – Cost estimates have been developed by BCC dated June 2022 based on concept design drawings and their internal database of outturn costs derived from similar projects that is used to benchmarking the estimates produced. This database is based on a wide range of projects that have been delivered by BCC throughout the city.
- **Monitoring and Evaluation** – Costs estimate developed by Springboard and Arup based on similar M&E projects.

268 words

6.1.7 Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (500 words)

Birmingham City Council is experienced in the management of risk having adopted these procedures in the delivery of their investment programmes. They have adopted a strict budget control procedure, where the design and costs are reviewed at each stage gate. If the project exceeds the funding available, then it will not proceed until the estimate is back within budget.

The cost estimate for the project is based on the latest market information, with the input of a Chartered Quantity Surveyor experienced in schemes of this nature and size. This means that the base estimate, is as secure as possible and that the allowances made for risk and contingency will cover construction issues and design development rather than estimate deficiencies. Therefore, we believe that the allowance is sufficient to develop the design based on current assumptions and knowledge of the project.

The source of our cost estimates and the assumptions underpinning the scheme are presented below. Detailed cost estimates for each component of the scheme along with accompanying assumptions can be found in Annex 9.

Contingency figures for the Community and Enterprise Hub and St Barnabas Connectivity were included in the original estimating process at 10%. The Train station connectivity element has contingency added on at 5% to 10%, based on Birmingham City Council's prior experience with this type of scheme, and is dependent on the specific component. Contingency for the Community square and High Street connectivity were added on top of the original figures at 10% to be consistent with the other Scheme elements.

The economic costs have optimism bias figures that are based on HMT Green Book supplementary guidance: optimism bias. This recommends standard buildings range from 2–24% and Civil Engineering projects range from 3–44%.

The Community hub uses a value of 10% which is a central value for Standard Buildings. The community square has an optimism bias value of 24% based on the upper end of the standard buildings range. This reflects the advanced stage of this project design. The High Street, St Barnabas and Train Station connectivity all use 44% the upper end of the range for Civil Engineering projects.

355 words

6.1.8 Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UK Government funding partners. (You should cross refer to the Risk Register Annex 11). (750 words)

The following risks have been identified as the main financial risks of the scheme and how they might be mitigated throughout the lifecycle. The risk numbers quoted refer to the scheme specific and general risks from the attached workbook, Risk Register.

Element - Community hub development

Risk Observation

- **Risk A001, Market Inflation** - Nationwide unpredictability of material costs and uplifts may impact the supply and delivery of materials to the site. **Mitigation** - This has been factored into the cost plan by the provision of contingency and inflation for the expected start date of construction and the project programme. We have also provided detailed drawing packages, along with detailed survey and structural survey reports to reduce risk of design changes impacting any uplift in cost when on site. The design is at an advanced stage, planning and match-funding has been secured and the project is ready to commence on site, hence cost certainty is increasing.
- **Risk A004, State Aid** - State aid implications regarding transferring Council property. **Mitigation** - We have assumed that market value will be paid for the property. Indications from Witton Lodge is that the current value is nil. All Community Asset transfers within the city to date have been through the Valuing Worth exercises that indicated a zero value.
- **Risk A005, Revenue** - Estimated revenue from operations of the community hub may not materialise as forecast. **Mitigation** - Market and revenue risk will remain with Witton Lodge and will be covered by the wider Association revenue streams.

Element - High Street, Train Station Connectivity and St Barnabas Connectivity

Risk Observation

- **Risk C001, Costs** - Cost overruns or delays to the construction schedule may result in programme outturn exceeding the initial cost estimate. **Mitigation** - This remains a risk to Council, however, the proposals are well developed, and a contingency has been allowed for.
- **Risk D001, Costs** - Cost overruns or delays in construction schedule may result in programme exceeding initial cost estimate. **Mitigation** - Initial cost planning using known rates, with allowances for inflation. Project contingency has been included @ 10%. This application has also applied further allowances in line with Treasury Green Book. More detailed cost planning to be carried out at RIBA with the appointment of a suitably qualified and experienced QS. Some flexibility in scope of project and there may be opportunities to seek further external funding.
- **Risk E001, Labour shortages** - On-going supply chain issues and competing demands from HS2 public realm works and other schemes. **Mitigation** - Completion of scheme design early and engage contractor early to secure materials. Also, include design flexibility to use alternative materials. Use Councils existing procurement frameworks to leverage buying power. Additional lessons learned gained through the delivery of HS2 and The Commonwealth Games projects will be applied to this project.

Element - Community Square

Risk Observation

- **Risk B001, CPO Costs** - Cost of purchasing Poundland building is more expensive than expected. **Mitigation** - This remains a risk to Council. Council has sought a market valuation for the property and has been provided with an indicative range. The upper limit has been used in our analysis. The report to Cabinet of 28th June that gave authority to submit the tranche 2 LUF bids also included authority to both undertake negotiations to acquire the leasehold interests.

General

Risk Observation

- **Risk F001, Economic downturn** - Effect of potential economic downturn and cost inflation. **Mitigation** - Contingency included in individual schemes. Inflation based on government's GDP deflator has been included in all schemes. Track costs and forecast cost at completion making adjustments as necessary. Build in contingency on cost and scheduling of 10%. Track schedules and include schedule review as an agenda item in every project team meeting.

(589 words)

6.1.9 If you are intending to award a share of your LUF grant to a partner via a contract or sub-grant, please advise below. (750 words)

NB: You must ensure any further disbursement of the grant is done so in accordance with subsidy controls and public procurement rules.

The grant from this LUF bid will be shared with two partners:

Witton Lodge Community Association

87 Witton Lodge Road,
Perry Common,
Birmingham.
B23 5JD

Delivery Partner for: Community and Enterprise Hub.

St Barnabas Church

St. Barnabas Church Centre
High Street
Erdington,
Birmingham.
B23 6SY.

Delivery Partner for: St Barnabas Connectivity Scheme

Witton Lodge Community Association (WLCA- company number 02903760) will refurbish and create a community training hub from the former swimming pool owned by the Council. The works will be commissioned by WLCA and the Council will have a Funding Agreement or Conditions of Grant Aid (COGA), whereby they are required to submit periodic grant claims based upon evidence of defrayal of expenditure directly related to the delivery of this project. The applicant will be responsible for VAT. The COGA will stipulate conditions relating to public procurement and award of contracts in compliance with subsidy control to ensure value for money and grant claims will be processed based upon supply of this information and invoices as direct evidence of delivery of this project. WLCA are based in the Birmingham, Erdington Constituency (Perry Common), have delivered projects on Erdington High Street and are a named partner because they have already submitted a planning application for this scheme (approved 8th July 2022), which utilises the disused Council swimming pool which will become a community training hub which supports their social and community objectives stated in their business plan for the area. In accepting the COGA and a legal charge on the property, the WLCA will be required to continue to community activities for up to 20 years and accept responsibility for the ongoing maintenance and running costs of the building when completed rather than the Council. It is anticipated that there will be a Community Asset Transfer in due course, otherwise the Council will secure the tenancy through a lease.

Saint Barnabas Church (SBC) is located within the boundary of the LUF bid and will reinstate and improve a pedestrian route through the graveyard, lighting and

environment improvement, which will complement the aspirations of the LUF application. SBC are a registered charity and will also complete a COGA which will ensure that there is a public procurement of works which will be scrutinised by the Council, with grant claims made retrospectively based upon defrayal of spend. A 20-year legal charge will ensure that they maintain the route and will not be financial liability to the Council.

Annex 12 contains a copy of the COGA for information.

436 words

6.1.10 What legal / governance structure do you intend to put in place with any bid partners who have a financial interest in the project? (750 words)

Birmingham City Council - Capital Board

Project delivery will be scrutinised by the City Council's Capital Board which receives all reports and dashboards for major capital projects, this includes the Levelling Up projects. The Board is led by the Leader (Chair), Portfolio Holder Finance & Resources, Director of Council Management (s151) and supported by senior finance, property and Inclusive Growth officers. Presentation of reports at this board is a pre-requisite to submission of all reports for decision making, including submission of business cases.

Birmingham City Council - Council Constitution

The Constitution describes the structure for Cabinet and Member reporting, Officer decisions & delegations and Overview and Scrutiny. The requirement for robust governance is driven from the BCC Senior Leadership Team (SLT) and cascaded through the council. Levelling Up projects require cross-directorate teams that come together to provide proven expertise in the delivery of major capital investment. Surrounding these operations is a framework of risk-based audit review by the Internal Audit team, reporting to project managers, directors and in summary to SLT who are held accountable for implementation of recommendations.

As a consequence of the above frameworks, policies and procedures BCC is able to monitor, measure and scrutinise the delivery of the Levelling Up Funds and that processes are in place to ensure an adequate response if risks or performance are perceived to be unacceptable or not in accordance with the terms of the grant or any future Memorandum of Understanding signed by the Council in regard to this project.

In the event of a successful bid, delegated approval has been granted to the Strategic Director of Place, Prosperity & Sustainability, and the S151 Officer, with the relevant portfolio holder(s) to approve an Outline Business Cases (OBC's) and Full Business Cases (FBC's), including revised financial appraisals. In addition, all expenditure will comply with BCC financial regulations and standing orders in relation to public procurement regulations and obtaining value for money, recording financial transactions and grant claims which are subject to scrutiny by the Council's internal and external auditors.

All spend will be recorded within BCC's finance and accounting system which is subject to regular internal and external audit. Spend will be monitored through the Project Board and will be in line with the Grant Offer Letter and MoU. BCC also has an anti-fraud and corruption policy in place. All successful LUF projects will be part of the Internal Audit forward plan for 22/23 and for the duration of delivery.

Both Witton Lodge Community Association and St Barnabas will be required to complete the Council's COGA and accept a legal charge of 20-years to ensure that there is continuity of provision and does not form a liability to the Council. The COGA will ensure that there is a public procurement process which ensure transparent and value for money, which will be overseen by the Council. Grant claims will only be paid upon evidence of defrayal and compliance with the Council Standings Orders on procurement which include demonstration of successful delivery of the outcomes.

(494 words)

6.2 Commercial

Within this section, applicants should set out their commercial and procurement strategy for effectively awarding and managing any contracts for goods, works or services to be funded by the grant. The strategy should include all key procurement lifecycle activities, timescales and who will lead on procurement / contractor management.

6.2.1 Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. (1500 words)

Commercial Structure

The City Council will lead on the overall management and delivery of the bid including all commercial, risk and procurement aspects. Where individual elements are delivered by either Witton Lodge Community Association or St Barnabas Church these will be governed and controlled by a COGA which will stipulate conditions relating to public procurement and the award of contracts in compliance with subsidy control to ensure value for money. Grant claims will be processed based upon the supply of appropriate information and invoices as well as direct evidence of delivery of these elements of the project. The organisations responsible for the management of each element of the scheme and their organisational structure summarised in Annex 4, Figures and Tables. Figure 6.3.1. The individual project delivery areas are discussed below.

Community and Enterprise Hub: Witton Lodge Community Association has established a project board drawing together expertise and representation of key stakeholders and appointed a professional team of designers and business strategists to advise and be accountable to it. Design and consultation were completed over 2020 to 2021. The Project Lead is an experienced Capital Projects and Programme Manager, he is developing a comprehensive project management framework and will be accountable to the Project Board in addition to the Witton Lodge Board. The Design team will be instructed to update project expenditure forecasts on a monthly basis and advise on how to achieve any savings required to keep the project on budget.

The Community square, Train Station and High Street Connectivity: These will be led by Birmingham City Council. The local authority led Program Delivery Group's Project Manager will appoint a contractor to manage the construction of the schemes. The contractor will be directly accountable to the Program Delivery Group's Project Manager.

St Barnabas Connectivity: This will be overseen by a steering group with representatives from the PCC. The Church will employ professionals to support the delivery of the project as required. The delivery of the St Barnabas Scheme and wider Landscape Strategy will allow management and maintenance to be transferred to BCC who will then maintain the new churchyard in perpetuity.

Payment Mechanisms. A single incoming payment will be received directly by BCC's Corporate Finance team from the LUF, and necessary individual separate accounts will be identified for each delivery model. The payments to Witton Lodge will be phased to create incentive to ensure that their delivery is in line with their plans.

Contractual Issues BCC has consulted with its legal team to ensure compliance with European State Aid requirements. Guidance and assurance have been obtained from its internal legal advisors which has determined this award does not constitute a subsidy.

The former swimming baths is currently owned by BCC. It is anticipated that the ownership of the baths will be transferred to Witton Lodge Community Association. BCC

is currently initiating a licensing process for Witton Lodge in the short term to enable Witton Lodge to take on the site. In the longer term two options are being considered: Pre-allocated Community Asset Transfer and Open Market Community Asset Transfer. Witton Lodge has already held constructive discussions with senior BCC Officers and agreed the asset transfer in principle. The details of the approach to the transfer are agreed in an MOU.

Procurement Strategy

All procurement activity will be undertaken by the Council's procurement team within Corporate Procurement in accordance with the requirements set out in the Public Sector Procurement Regulations (PSPR), the Council's Constitution and Procurement and Contract Governance Rules (PCGR). A summary of the procurement strategy to be undertaken by the value of individual contracts is:

Contracts below the Procurement Threshold of £177,896

The procurement activity for contracts below this threshold will involve either the use of a compliant framework agreement in accordance with its rules or a tender process advertised to the open market on Find it in Birmingham website and Contracts Finder. Tenders will have a pre-set evaluation criterion and will be evaluated as stated in the tender documentation. A report to approve the award of contract will be authorised by the designated officer detailing the route to market and the outcome of the evaluation as a minimum. The Negotiated Process may be used where the activity is considered to meet the rules as set out in the PSPR and PCBR.

Contracts above the Procurement Threshold of £177,896

The procurement activity for contracts above this threshold will follow the above process with the addition of the following:

- i) Cabinet will approve activity over £10m with a procurement strategy to include market analysis and procurement approach to the route to market, adherence to Government and Council policies including construction guidance, Route to Zero and social value, route to market, evaluation criteria and methodology, risk, legislative compliance, indicative award timescales and contract management approach as a minimum
- ii) Cabinet will be advised of each procurement activity in the monthly Planned Procurement Activities Report for the values between £177,896 and £10m which delegates authority to award a contract to officers.
- iii) For ii above, a procurement strategy will be approved incorporating the points in i.
- iv) All procurement activity will be advertised on Find it in Birmingham website, Contracts Finder and Find a Tender (except where a framework agreement is the procurement route)
- v) Following completion of the evaluation process, an award report will be produced in accordance with Regulation 67 for approval by the designated approver(s).
- vi) A Contract Award Notice will be published

6.2.2 Who will lead on the procurement and contractor management on this bid and explain what expertise and skills do they have in managing procurements and contracts of this nature? If the procurement is being led by a third party and not the lead applicant, please provide details below. (500 words)

Project Management Framework

The City Council will lead on the overall procurement contractor management of the scheme, with two exceptions, as set out below. Further information on the roles and responsibilities of each of the organisations is summarised in Annex 4, Figures and Tables. Figure 6.3.1. Where elements are delivered by either Witton Lodge Community Association or St Barnabas Church this will be governed and controlled by a COGA which will stipulate conditions relating to public procurement and the award of contracts in compliance with subsidy control to ensure value for money. Grant claims will be processed based upon the supply of appropriate information and invoices as well as direct evidence of delivery of these elements of the project. BCC will establish the following project structure.

Strategic Board

A Strategic Board, Sponsor Group and Programme Delivery Group will be established by the local authority. The Strategic Board will comprise representatives from BCC Inclusive Growth and the Neighbourhoods Directorate, local Councillors, and the Chair of the Business Improvement District. It will provide overarching governance for the LUF delivery at the local level.

Programme Delivery Group

A local authority led Programme Delivery Group will provide the necessary support to the Strategic Board whilst ensuring the oversight and delivery of the individual schemes and overall project co-ordination. It will be chaired by a Project Manager and will be accountable to the Strategic Board. The project delivery group will manage the workstream groups:

Procurement

In terms of the elements that will be directly procured by the City Council, BCC has an experienced in-house procurement team that will lead on the procurement of these services. They have significant experience bringing forward successful regeneration projects in collaboration with public and private sector partners. This has included the transformation of New Street Station (the Birmingham Gateway Project); the redevelopment of the Paradise area within the City Centre; and the progression of proposals for the delivery of the Commonwealth Games in 2022 which will secure the physical, economic and social transformation of the Perry Barr area. The City has also worked with the private sector, stakeholders and the community to secure the transformation and regeneration of local centres similar to Erdington, including Shard End, the Swan Centre and Soho Road Local Centre.

(379 words)

6.2.3 Are you intending to outsource or sub-contract any other work on this bid to third parties? For example, where you have identified a capability or capacity gaps. (750 words)

Birmingham City Council will lead the project overall and retains full accountability for project delivery. However, some areas of the project are better delivered by partners with specialist knowledge of their areas. Two elements of this project, the Community and Enterprise Hub and St Barnabas Connectivity will be delivered by Witton Lodge Community Association and St Barnabas Church respectively.

The Community and Enterprise Hub – Will be delivered by Witton Lodge Community Association. WLCA has over 25 years' experience of developing and managing capital projects and programmes. It is a grass roots community organisation that was born out of the redevelopment of the Perry Common Estate in Erdington in the 1990s. It now manages 200 homes and the Perry Common Community Centre and runs a range of training, job and well-being initiatives in the Erdington area. Witton Lodge Community Association have recently completed construction of the Witton Lakes Eco Hub.

Working in partnership with BCC it has developed and delivered the Perry Common Masterplan that has seen the clearance and re-provision of 908 new homes, creation of new parks of open spaces, new health and community facilities. This has been complemented by a range of economic, health, enterprise and community development initiatives which has transformed the Perry Common neighbourhood.

St Barnabas Connectivity – Will be delivered by St Barnabas Church. St Barnabas Church have considerable experience in delivering projects in challenging projects within the specialist requirements imposed by works within churches and their grounds. The church renovated St Barnabas Church from a derelict building, restoring it to a fully functioning church, community center and café and are now embarking a complementary scheme to fully restore the church grounds as part of their wider masterplan. They will be assisted by Adrian Spray from consultants Fira Ltd. Fira is a nationally recognized practice of landscape architects, urban designers, master planners and architects.

All other elements of the bid will be delivered by the City Council.

(325 words)

6.2.4 How will you engage with key suppliers to effectively manage their contracts so that they deliver your desired outcomes. What measures will you put in place to mitigate supplier/contractor risks and what controls will you implement to ensure they deliver on quality. (1000 words)

Contract Management

Contract compliance and achievement of targets on each of the projects will be secured by establishing and monitoring against a robust detailed master programme which identifies key stages of progress during pre and post contract durations. This will ensure that the programme includes realistic and achievable timescales for activities such as design development, stakeholder engagement, statutory undertakings, funding drawdown targets, achievable start and completion date and any specific scheme requirements.

Prior to entering into contract we will ensure that all contractors submit a compliant bid without any qualifications, clarifications or provisional sums. We will undertake a thorough tender return evaluation process. We will also request either a parent company guarantee or a performance Bond (10% of the Contract Sum) is provided depending on the value of the works. There will be robust Employer's Requirements. Should the contractor go into administration or cease to trade etc., the Employer has financial security of 10%, which they can call upon to proceed with the project and to mitigate the delay of appointing a new contractor.

During construction the contractor/s will be requested to provide short term programmes to address any immediate issues so that closer monitoring can be undertaken.

Regular formal meetings both pre and post contract will be held, with comprehensive agenda's and actions followed through as agreed. Roles and responsibilities will be identified at the outset, with clear lines of communication established throughout the complete duration of any scheme.

Risk management

Risk management will form part of these regular meetings. We will establish and regularly update a Risk Register and Risk Management Plan for each project which details some of the potential key risks associated with the programme delivery. We will seek, through a series of meetings and workshops to fully develop this to form a bespoke risk mitigation strategy. Our structured approach to Risk Management will be used to manage risk for the Erdington High Street in order to identify, classify, analyse and respond to the risks in the project

To effectively manage risk all stakeholders will be involved, to ensure all stakeholders take responsibility for risk and understand the key role they have to play. The risks for this project will be managed and controlled within the constraints of time, scope, and cost. All identified risks will be evaluated to determine how they affect this triple constraint. The Project Manager, with the assistance of the project team, will determine the best way to respond to each risk to ensure compliance with these constraints.

Having achieved firm price lump sum contracts, control of cost will be maintained throughout the development process and final accounts agreed and issued immediately following practical completion. During the contract period we will operate a formal change control process to ensure that any proposed changes are costed, with any time implications or additional project risks detailed ahead of any contract instruction being issued. Monthly cost and status reports will be reviewed which detail the financial status of each project, a progress summary and key project risks. BCC will regularly value the work on site to ensure that payment is only made for works completed to a good standard in accordance with the contract. Prior to entering into a contract, we will cross reference the final specification / proposals submitted by the contractor against the employer's requirements, continuing to do so once on site to ensure we deliver a high-quality product for the community and in accordance with the LUF grant conditions.

Quality Assurance

Quality of standards once on site will be monitored by the contractor as part of their own quality control methodologies and will form a key part of the agenda for regular site progress meetings. In addition, the Clerk of Works will visit site regularly and provide site inspection reports noting progress against programme, issues that might affect progress of the works, any quality or standards issues and any health and safety requirements. Any issues will be addressed with the contractor immediately and tracked to a suitable resolution.

Key Performance Indicators

Key Performance Indicators will be utilised and reviewed during both pre and post contract to ensure that supply chain and developer partners are meeting the required criteria on each project. KPI's will be monitored based on the following items which we are currently applying on existing Birmingham City Council contracts: Client Care, Procurement, Mobilisation, Construction, Project Management, Service Quality, Standards and Accuracy, Defects, Health & Safety and Social Values.

(732 words)

6.3 Management

Prior to completing this section applicants should complete the relevant **Costings and Planning Workbook - Table D – Milestones Delivery**

6.3.1 Please set out how you plan to deliver the bid (this should be a summary of your Delivery Plan). (1000 words)

Project Management Framework

The organisations responsible for the management of this scheme and their organisational structure are set out below. Further information on the roles and responsibilities of each of the organisations is summarised in Annex 4, Figures and Tables. Figure 6.3.1.

Strategic Board

A Strategic Board, Sponsor Group and Programme Delivery Group will be established by the local authority. The Strategic Board will comprise representatives from BCC Inclusive Growth and the Neighbourhoods Directorate, local Councillors, and the Chair of the Business Improvement District. It will provide overarching governance for the LUF delivery at the local level.

Programme Delivery Group

A local authority led Programme Delivery Group will provide the necessary support to the Strategic Board whilst ensuring the oversight and delivery of the individual schemes and overall project co-ordination. It will be chaired by a Project Manager and will be accountable to the Strategic Board. The project delivery group will manage the workstream groups:

- Workstream group 1: The creation of the **Community and Enterprise Hub** will be managed by Witton Lodge Community Association. They will also be responsible for the operations of the Hub. (**Afzal Hussain - Chief Officer, Witton Lodge Community Association**)
- Workstream group 2: The delivery of the **High Street Connectivity Scheme** will be managed by BCC. The responsibility for maintenance of the High Street will continue to be with the Highways Directorate within BCC (**Richard Paige, Transport Delivery Manager**).
- Workstream group 3: The **St Barnabas Connectivity Scheme** will be managed by St Barnabas Church. Once the improvement works have been carried out the responsibility for maintaining the path and graveyard will be passed on to BCC with the support of St Barnabas and local Job Centre Volunteers. (**Revd Emma Sykes, St Barnabas Parish Church Council**)
- Workstream group 4: The **Community Square** will be delivered and maintained by BCC with the support of the BID (**Allyson Marke-Wilson, Valuations and Acquisitions Manager, Birmingham Property Services**).
- Workstream group 5: The delivery of the **Train Station Connectivity Scheme** will be managed by BCC. The responsibility for maintenance of the Scheme will continue to be with the Highways Directorate within BCC (**Richard Paige, Transport Delivery Manager**).

Outline Programme

6.3.3 Risk Management: Applicants are asked to set out a detailed risk assessment. (500 words)

Project and Programme Management Strategy

A project and quality plan will be prepared and kept up to date by the Programme Delivery Group's Project Manager. Building on work to date, a draft risk register has been prepared (see Attachment – Risk Register) and will also be kept up to date throughout the programme. These documents will be owned by the Project Manager. Each of the delivery partners will also maintain their own project and quality plans and risk registers which will feed into the programme delivery level plans. The project management will be guided by the principals and processes of Prince 2. The local authority has a number of existing systems and tools which it has used on other similar projects to support the management of contracts and capture all aspects of the project management including performance and delivery with change management, early warnings, compensation events, technical queries, and payments assessment.

Risk Management Strategy

The Council is in the process of developing an active risk register which will be periodically updated by the responsible officer. The draft programme level risk register is presented in the Risk Register. Each of the delivery partners will also maintain their own risk registers which will feed into the programme level version. The risks are categorised by their likelihood of occurring and severity of their impact on the programme. Mitigation measures are provided, and the impact post mitigation is rated. Where risks require further action, this will be recorded in the register. Risks will then be flagged for future actions by a relevant date along with current status. This will be managed by the Project Manager and Programme Delivery Group. It will be regularly updated and reviewed by the Programme Delivery Group. Changes to the risk register will be reported to the Strategic Board.

Top Risks

The top risks, based in the risk rating calculation, have been extracted from the draft risk register. These are presented below in summary form, full details on contained in the risk register.

- **Risk F019** - Acts of God for example, extreme weather, leads to loss of resources, materials, premises, pandemic. The mitigation is to ensure insurance in place, familiarise project team with emergency procedures and where cost effective put back up systems in place.
- **Risk E001** - On-going supply chain issues and competing demands from HS2 public realm works and other schemes. The mitigation is as follows: 1. Complete scheme design early and engage contractor early to secure materials. 2. Design flexibility to use alternative materials.
- **Risk E003** - On-going upward pressures on material, labour and fuel costs, including changes to the availability of red diesel. The mitigation is as follows: 1. Complete scheme design early as above, engage with contractor early securing labour, materials, plant and resources. 2. Adequate project contingencies allowances.
- **Risk E002** - On-going competing resources issues and competing demands from HS2 public realm works and other schemes. The mitigation is as follows: 1. Complete scheme design early and engage contractor early to secure appropriate skilled labour resources.

6.3.4 Please provide details of your core project team and provide evidence of their track record and experience of delivering schemes of this nature. (750 words)

Please explain if you are intending to sub-contract any of this work or if a third party is managing the project and not the organisation applying.

The City Council will lead on the procurement contractor management of the bid apart from the elements that are delivered by either Witton Lodge Community Association or St Barnabas Church. These descriptions should be read in conjunction with figure 6.3.1 that sets out our core team structure.

Birmingham City Council

Overall Project Lead

[Redacted text block]

Project Management

[Redacted text block]

High Street Connectivity

[Redacted text block]

Trains Station Connectivity

[Redacted text block]

Community and Enterprise Hub

[Redacted text block]

[Redacted text block]

St Barnabas Connectivity

[Redacted text block]

[Redacted text block]

(742 words)

6.3.5 Please set out what governance procedures will be put in place to manage the grant and project. (750 words)

We will require Chief Financial Officer confirmation that adequate assurance systems will be in place.

For large transport bids, you should also reference your Integrated Assurance and Approval Plan, which should include details around planned health checks or gateway reviews.

Annex 11 is the Birmingham City Council Corporate Assurance Framework. This provides a full outline and process description of the way in which the council gains assurance over its operations. It summarises this under the following sections:

- Purpose of the Assurance Framework
- What is an Assurance Framework
- Three Lines of Defence
- Reporting
- Annex A – Key Assurance Areas
- Annex B – Annual Assurance process
- Annex C – Assurance at Service Level

More specific to the Erdington LUF bid are the:

Levelling Up Project Board – This is chaired by the Assistant Director Inclusive Growth, supported by Director Group & Capital Finance. The Board is attended by all project leads together with their finance business partners, legal support and other colleagues as appropriate. The board will receive updates on progress, including procurement and papers on any issues for resolution. Reports for Capital Board or decision (Chief Officer, Cabinet Member, Cabinet) will be presented at this board prior to submission and the board members will provide feedback and debate as appropriate. Monitoring returns to DLUHC will be reviewed by this board prior to submission to the relevant director and/or s151 officer for approval.

Capital Board – Led by the Leader (Chair), Portfolio Holder Finance & Resources, Director of Council Management (s151) and supported by senior finance, property and Inclusive Growth officers. This board receives and scrutinises all reports and dashboards for major capital projects, this includes the Levelling Up projects. Presentation of reports at this board is a pre-requisite to submission of all reports for decision making, including submission of business cases.

Council Constitution – structure for Cabinet and Member reporting, Officer decisions & delegations and Overview and Scrutiny. Ultimately the decision process for submission of options appraisals, outline and full business cases will follow the Council's Constitution.

The requirement for robust governance is driven from the senior leadership team (SLT) and cascaded through the council. With regard to the Levelling Up projects there are cross-directorate teams coming together with proven expertise in the delivery of major capital investment. Surrounding these operations is a framework of risk based audit review by the Internal Audit team, reporting to project managers, directors and in

summary to SLT who are held accountable for implementation of recommendations. As a consequence of the above frameworks, policies and procedures the the council is able to monitor, measure and scrutinise the delivery of the Levelling Up Funds and that processes are in place to ensure an adequate response if risks or performance are perceived to be unacceptable or not in accordance with the terms of the grant or any future Memorandum of Understanding signed by the Council and the DLUHC in regard to this project.

In the event of a successful bid for Erdington High Street, delegated approval has been granted to the Strategic Director of Place, Prosperity & Sustainability, and the S151 Officer, with the relevant portfolio holder(s) to approve an Outline Business Cases (OBC's) and Full Business Cases (FBC's), including revised financial appraisals. The OBC/FBC will identify the following; financial implications (both during delivery and ongoing), legal implications, procurement (including the Council's Social Responsibility requirements), equality implications, benefits, risk management and policy compliance. Ongoing project delivery is subject to individual service project boards and where the total value of the scheme is £20m+ then the Council has a separate Capital Board to rigorously monitor performance, track changes and ensure successful delivery. In addition, all expenditure will comply with the City Council financial regulations and standing orders in relation to public procurement regulations and obtaining value for money, recording financial transactions and grant claims which are subject to scrutiny by the Council's internal and external auditors.

All spend will be recorded within BCC's finance and accounting system which is subject to regular internal and external audit. Spend will be monitored through the Levelling Up Programme Board and will be in line with the Grant Offer Letter and MoU.

BCC also has an anti-fraud and corruption policy in place. When successful the project will be part of the Internal Audit forward plan for 22/23 and for the duration of delivery.

Levelling Up Round 1 delivery is in progress within the City and there is an established monitoring, reporting and governance process. This process will be expanded as Round 2 projects and programmes are approved and move into delivery. The Programme Board will continue to review and ensure that the full suite of review, challenge, support and governance activity remains robust.

All projects:

1. Each to have BCC project lead responsible for monitoring delivery performance, funding condition compliance and reporting into either directly or through Programme Board to the AD Inclusive Growth.
2. LUF Programme Board, chaired by AD Inclusive Growth, with deputy Chair, Director Group and Capital Finance, Deputy s151 - will meet monthly and receive project updates and monitoring reports. Challenge and actions as appropriate.
3. Monthly financial monitoring reports will be provided by BCC Finance in conjunction with project leads.
4. Non-BCC projects to supply financial reports via BCC Finance Business Partner for s151 assurance purposes.
5. Each project a dashboard, approved at LUF Board, will be submitted to Capital Board. Capital Board is chaired by the Leader and comprises the Cabinet member for Finance & Resources, the Directors of Council Management and Inclusive Growth (or their representatives) and senior officers. In addition to

6.3.6 If applicable, please explain how you will cover the operational costs for the day-to-day management of the new asset / facility once it is complete to ensure project benefits are realised. You should also consider any ongoing maintenance and servicing costs. (750 words)

Please note that these costs are not covered by the LUF grant.

There are three areas of ongoing costs in this project:

- **Community and Enterprise Hub** - The operational and maintenance costs will be funded by the revenue stream generated by the center. Witton Lodge have developed a detail business plan that supports this assumption. Any operating cost deficit would be funded by Witton Lodge Community Association.
- **High Street Connectivity** - Any maintenance costs will be met by BCC.
- **St Barnabas Connectivity** – Any maintenance costs would be met by the church in the short term, although as part of the churchyard master plan (a complementary scheme, but not part of this application) the churchyard will be brought up to a suitable standard and then handed over to BCC for ongoing maintenance.
- **Community Square** - Any maintenance costs will be met by BCC.
- **Trains Station Connectivity** - Any maintenance costs will be met by BCC.

All maintenance costs will be included as the scheme progresses through Outline and Full Business Case (OBC/FBC) stages and hence will be accounted for in the appraisal.

(107 words)

6.4 Monitoring and Evaluation

Prior to completing this section applicants should complete the relevant **Costings and Planning Workbook - Table E – Monitoring and Evaluation**

6.4.1 Monitoring and Evaluation Plan: Please set out proportionate plans for monitoring and evaluation. (1000 words)

KPIs, Monitoring and Oversight

BCC in conjunction with the deliver partners and the Erdington BID will monitor the impacts of the schemes that are supported by the LUF2 funding. The impacts of the individual schemes and the programme as a whole on Key Performance Indicators (KPIs) will be monitored. The monitoring will draw on the requirements that are set out in the LUF Monitoring and Evaluation guidance. The Programme Delivery Group will be responsible for collecting this data and monitoring quarterly change.

The KPIs include footfall, vacancy rates, business diversity, land value uplift, community events, number of SMEs and start-ups and number of crimes reported. A number of the KPIs are specific to the performance of the individual elements of the Scheme, such as the number the number of business-related trainings delivered by the Community and Enterprise Hub and number of people attending community events at the hub. The majority of KPIs should be monitored annually or quarterly dependent on the type e.g. footfall monitored quarterly and well-being annually.

Logic maps have been prepared for each of the schemes individually and collectively to provide an indication of the outputs, outcomes and impacts that are planned. More details on the Theory of Change for the schemes and wider high street transformation are provided in the Theory of Change, attached in Section 6.

The monitoring and evaluation arrangements will be set out in the Programme Delivery Group's project plan. The partner organisations will support this process. Quarterly monitoring results will be shared with the project board to inform the project progress and an impact evaluation will be carried out.

Resources within the BCC Finance Department will provide monthly monitoring arrangements, including forecasting and budget review to identify and inform the Strategic Group and Project Manager on a regular basis. The O&M service will provide an overview and monitoring reports to each Board meeting.

The project delivery partners will work closely with BCC in supporting the gathering of monitoring data. In particular Witton Lodge Community Association are planning to monitor the success of the Community and Enterprise Hub by commissioning their own external evaluator. Witton Lodge will work with the local authority to ensure their monitoring and evaluation feeds into the local authority's work. BCC will be responsible for general ones such as the high street footfall, well-being and land value uplift (in partnership with Erdington BID).

The full Monitoring and Evaluation plan is presented in Costing and Planning Workbook Table E This is split into the various elements of the overall regeneration scheme.

Evaluation and Benefits Realisation

It is proposed that BCC will commission an external consultant to carry out an impact evaluation of the scheme. As discussed above, logic models have been prepared for

the individual schemes and collectively to demonstrate the theory of change, presenting the objectives, activities, outputs, outcomes and impacts for the schemes. The key indicators that will be monitored align with the logic models for each of the schemes individually and the performance indicators for the High Street as a whole. The evaluation will assess the extent to which the planned activities, outputs, outcome and impacts identified in the logic models have been achieved. The monitoring data for each of the indicators that will be collected will be used to inform the evaluation. It is intended that an external consultant will be commissioned to carry out the impact evaluation. At least a Tier 2 (longer term) evaluation will be carried out. Assessing the counterfactual and the causal impact of the schemes as for any social science evaluation can be challenging in the absence of a control group. Historical baseline data can be used to inform forecasts for how the situation may have been without the LUF. Comparing the actual change that occurs on the high street with these forecasts will help to demonstrate the change that may have been caused by the LUF. However, that does not account for other influences on the High Street's performance. Identifying other interventions and wider trends in Birmingham and nationally that have taken place during the time period will help to indicate whether other factors have affected the change in performance of the High Street.

(681 words)

Part 7 – Declarations

7.1 Senior Responsible Owner Declaration

Please complete pro forma 7 Senior Responsible Owner Declaration

7.2 Chief Finance Officer Declaration

Please complete pro forma 8 Chief Finance Officer Declaration

7.3 Data Protection

Please note that the Department for Levelling Up, Housing and Communities (DLUHC) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to DLUHC.

The Department, and its contractors, where relevant, may process the Personal Data that it collects from you as part of your application to the Levelling Up Fund, in accordance with its privacy policies. The Department will use the Personal Data provided to contact you, if needed, as part of the assessment, selection and/or monitoring process.

For the same purposes, the Department may need to share your Personal Data with other government departments (OGDs), their Arm's Length Bodies and contractors, where relevant, and departments in the Devolved Administrations, and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

You can find more information about how the Department deals with your data [here](#).

7.4 Publishing

When authorities submit a bid for funding to the UK Government, 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, if the bid is successful they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of the successful bids by UK Government. UK Government reserves the right to deem the bid as non-compliant if this is not adhered to.

Please tell us the website where this bid will be published:

ANNEXES A – C: PROJECT SUMMARIES

These should be completed individually for each component within a **package bid**.

A1. Project Name:
A2. Please provide a short description of this project (100 words maximum)
A3. Please provide a more detailed overview of the project and how this project aligns with the other projects in the package bid, representing a coherent set of interventions. (250 words)

A4. Please provide a short description of the area where the investment will take place. If complex (i.e., containing multiple locations/references) please include a map defining the area with references to any areas where the LUF investment will take place.

For transport projects include the route of the proposed scheme, the existing transport infrastructure and other points of particular interest to the bid e.g., development sites, areas of existing employment, constraints etc. (250 words)

A5. Please confirm where the investment is taking place (where the funding is being spent not the applicant location or where the project beneficiaries are located).

If the project is at a single location please confirm the postcode and grid reference for the location of the investment.

If the project covers multiple locations please provide a GIS file. If this is unavailable please list all the postcodes/coordinates that are relevant to the investment.

For all projects, please confirm in which constituencies and local authorities the project is located.

Please confirm the % investment in each location.

A6. Please confirm the total grant requested from LUF for this individual project component (£)

£

A7. Please specify the proportion of funding requested for each of the Fund's three investment themes (%)

Transport investment:
Regeneration and town centre investment:
Cultural investment:

A8. Value of match funding secured for the component project (£):
Where funding is still to be secured please set out details below. If there are any funding gaps please set out your plans for addressing these.
(250 words)

£

A9. Value for Money

Please set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, applicants should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment.

(500 words)

A10. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be provided at Question 5.5 in the main application. If it is not possible to provide an overall BCR for your package bid, please explain why.

(250 words)

A11. Where available, please provide the initial and adjusted BCR for this project.

Initial BCR:

Adjusted BCR:

A12. Does your proposal deliver non-monetised benefits? Please set out what these are and a summary of how these have been assessed.

(250 words)

A13. Does this project include plans for some LUF expenditure in 2021-22?

Yes

No

A14. Could this project be delivered as a standalone project or do it require to be part of the overall bid?

Yes

No

A15. Deliverability: Please demonstrate that the project can be delivered in 2022-23?

Yes

No

Statutory Powers and Consents

A16. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.

A17. Please list separately any outstanding statutory powers / consents etc, including the timetable for obtaining them.

Attachment checklist

Where possible, please zip attachments under the headings provided to reduce the number of attachments being uploaded. Applicants will not be able to submit more than 25 annexes in total. Zipped files will however be accepted. We cannot accept embedded links or file sharing, and information submitted in this way will not be considered.

1: Workbook	
Have you completed the Costings and Planning Workbook? <i>For package projects please complete the Costings and Planning Workbook for package bids</i> <i>If N, your bid will not be assessed as LUF grant spend in 2022/23 needs to be demonstrated via the workbook.</i>	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
2: Northern Ireland: Gateway for non-public sector applicants	
For NI non-public sector applicants: Have you attached audited financial statements covering the last three financial years (or audited annual accounts for registered charities)? For joint bids with non-public sector partners, financial statements/accounts will be required from partners and applicants (if applicable). <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
For NI non-public sector applicants: Have you provided evidence of experience of delivering two capital projects of similar size and scale in the last five years? For joint bids with non-public sector partners, evidence will be required from partners and applicants (if applicable). <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
3: Evidence of Support – Transport Bids	
For applicants using their transport allowance: Have you attached pro forma 1 from the relevant authority with statutory responsibility for transport? <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
For large transport bids (£20M - £50M): Have you attached pro forma 1 from the relevant authority with statutory responsibility for transport? <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
For NI applicants submitting transport projects: Have you attached pro forma 4 from the Northern Ireland Executive and relevant local council with responsibility for transport? <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
4: Evidence of Support – Joint Bids	

For Joint Bids in England, Scotland, and/or Wales: Have you attached pro forma 2 evidencing support of participating local authorities organisations? <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
For Joint Bids in Northern Ireland: Have you attached pro forma 3 evidencing support of participating organisations? <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
5: Evidence of MP formal priority support	
For bids in England, Scotland, and/or Wales only: Have you attached pro forma 6 : MP formal priority support for this bid?	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
6: State Aid/Subsidy	
For all non-public sector applicants delivering in Northern Ireland: Have you attached independent legal advice that is aligned to your response in this section and verifies that the award of funds considered to be UK subsidy control regime compliant? <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
For public and private sector applicants for delivery in Northern Ireland only: if the direct award of funds from UK Government is considered to be state aid under the four EU state aid rule tests and is funded under an exemption based on the General Block Exemption Regulations (651/2014) , and does not fall within the scope of Regulation 6(5). Have you attached a document to demonstrate incentive effect in line with Regulation 6(2)? <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
For non-public sector applicants for delivery in Northern Ireland only: Have you attached independent legal advice that is aligned to your response in this section and verifies that the award of funds considered to be State aid compliant? <i>If N, your bid will not be assessed</i>	Y <input type="checkbox"/> N <input type="checkbox"/>
For all public authorities in England, Scotland and Wales only, disbursing funds as a potential subsidy to third parties. Have you attached pro forma 5 : statement of compliance relating to subsidy signed by your Chief Finance Officer? <i>If N, your bid will not be assessed</i>	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
7: GIS Files	
Have you attached a GIS file (this is recommended for projects that cover multiple locations)?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
8: Maps and Drawings	
Have you attached a map defining the area with references to any areas where the LUF investment will take place?	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
Have you attached any drawings/plans to support your bid?	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>
9: Strategic Fit	

Have you attached evidence of stakeholder engagement (E.g. letters of support)?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you provided an Option Assessment Report (OAR)?	Y <input type="checkbox"/>	N <input checked="" type="checkbox"/>
Have you attached a Theory of Change?	Y <input type="checkbox"/>	N <input type="checkbox"/>
10: Economic Case for Investment		
Have you attached an explanatory note explaining how the BCR has been calculated?	Y <input type="checkbox"/>	N <input type="checkbox"/>
For transport bids: have you attached an Appraisal Summary Table?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you provided additional documents to support the Economic Case (section 5)? <i>For transport bids, applicants should provide specific appraisal output spreadsheets where available. Including: Active Mode Appraisal Toolkit, Local Highways Maintenance Appraisal toolkit, Small Scheme Appraisal toolkit or transport user benefit appraisal (TUBA) outputs.</i>	Y <input type="checkbox"/>	N <input type="checkbox"/>
11: Deliverability		
Have you appended copies of confirmed match funding?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you attached evidence in the form of a letter from an independent valuer to verify the true market value of the land?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you attached a Delivery Plan?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you attached evidence relating to statutory consents/land ownership and/or acquisition?	Y <input type="checkbox"/>	N <input type="checkbox"/>
Have you attached an integrated Assurance and Approval Plan?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
Have you attached a copy of your Risk Register?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
For cultural bids, have you attached a document to set out how you will sustainable manage your asset/facility in the long term?	Y <input type="checkbox"/>	N <input type="checkbox"/>
12: SRO and CFO Bid Declarations		
Have you attached pro forma 7: SRO declaration? <i>If N, your bid will not be assessed</i>	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
Have you attached pro forma 8: CFO declaration? <i>If N, your bid will not be assessed</i>	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
13: Business Case		
Have you attached an outline or full business case?	Y <input type="checkbox"/>	N <input checked="" type="checkbox"/>