

Birmingham City Council

Report to Cabinet

22 March 2022



Subject: Transport & Environment CAZ Funded Programme
Report of: Strategic Director of Place, Prosperity & Sustainability
Relevant Cabinet Members: Councillor Waseem Zaffar –Transport and Environment, Councillor Tristan Chatfield – Finance and Resources

Relevant O & S Chairs: Councillor Liz Clements – Sustainability and Transport
Councillor Mohammed Aikhlaq – Resources

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Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 009840/2022		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential: Not applicable		

1 Executive Summary

- 1.1 This report seeks permission to create the Transport & Environment CAZ (Clean Air Zone) Programme which will support the delivery of transportation and environmental projects across the city.
- 1.2 The programme is divided into five projects: Continuation and enhancement of the Car Free School Streets; Expansion of the inner Birmingham 20mph zone; Development of next phase of the Birmingham Cycle Revolution; Provision of bicycles to Birmingham residents; and Expansion of the air quality monitoring programme in Birmingham's schools

- 1.3 The programme will deliver a multitude of benefits for Birmingham's residents and visitors, in particularly certain currently disadvantaged groups such as younger people, who currently lack safe access to schools in some parts of the city.
- 1.4 The programme will provide a total of £5.250m of revenue funding to deliver these five projects. Further details of the projects, as listed in 1.2, are available in 3.7.

2 Recommendations

- 2.1 Approves, the utilisation of Clean Air Zone (CAZ) revenue income to create the Transport & Environment CAZ Programme totalling £5.250m.
- 2.2 Approves the release of £0.250m of development funding to progress named projects to Outline Business Case (OBC) and Full Business Case (FBC) stage as detailed in 3.7.
- 2.3 Delegates approval of Outline Business Cases (OBC) and Full Business Cases (FBC) for the projects within the Transport & Environment CAZ Programme detailed in 3.7, to the Strategic Director of Place, Prosperity & Sustainability in conjunction with the Director of Council Management and in consultation with the relevant portfolio holder.
- 2.4 Delegates authority to approve the strategy for the procurement activity and the award of contracts for the professional services and works to support the development and delivery of the named projects as detailed in 3.7 to the Strategic Director of Place, Prosperity & Sustainability in conjunction with the Assistant Director, Procurement, the Director of Council Management and the City Solicitor (or their delegates) for values below the procurement threshold of £10.000m.
- 2.5 Authorises the Acting City Solicitor to negotiate, execute, seal and complete all necessary documentation to give effect to the above recommendations.

3 Background

- 3.1 Birmingham's CAZ commenced operation on 1 June 2021. The CAZ was introduced pursuant to the Transport Act 2000. Part 3 of the Transport Act 2000, schedule 12 para 8, requires that the 'net proceeds' of a charging scheme shall be applied by the authority "for the purpose of directly or indirectly facilitating the achievement of local transport policies of the authority". The 'Tackling Air Quality in Birmingham, Cabinet Report, 26 June 2017 also states that net proceeds will be invested in transport infrastructure measures to benefit the public and to improve air quality. Further to this, Annex 5 of the Birmingham Clean Air Zone Charging Order 2021 details, within Part 1 the ten-year general plan and within Part 2 the detailed opening five year programme. Over the projected lifetime of the CAZ it is expected to generate surplus revenues of approximately £40m.
- 3.2 A number of uses for any surplus revenue have already been identified:
 - Funding for hydrogen buses (£3.355m)

- City centre public realm works (£8.591m)
- Upgrade of University Rail Station (£3.400m)
- Delivery of the new Camp Hill Rail Stations (£5.218m)
- Delivery of Cross City bus projects (£4.225m)
- Creation of a Clean Air Fund (£4.040m)

3.3 Above and beyond the specific goal of reducing the levels of nitrogen dioxide within the shortest possible time it was always expected that the role of the CAZ would be to encourage longer term changes in travel behaviours, by encouraging people to leave a 'non-compliant' vehicle at home in order to avoid the daily fee or through the investment of surplus revenues in infrastructure or schemes that further encourage this change.

3.4 The latest estimates of surplus CAZ revenues for 2021/22 suggest that the levels of useable reserves will be in excess of the estimate provided to Cabinet in January 2019. On that basis the CAZ Scheme in conjunction with colleagues from Transport Planning and Environment are proposals to make use of some of these revenues in order to realise the maximum possible benefit.

3.5 There are two aspects to this:

3.5.1 **Build awareness and understanding around the sources of air pollution.** Initially this will involve increased Air Quality (AQ) monitoring at schools (e.g. the commitment to have at least one AQ monitor in every ward of the city). The data captured through this exercise will be published through an information portal and will be used to help inform the development of future interventions. In the short term we will seek to expand the Clean Air Cops and Car Free School Streets Programmes. This programme of awareness, engagement and action will be delivered through the CAZ and Travel Demand Management Team, Environment Services and Public Health Teams, which recognises the cross-cutting impacts and benefits to be generated from this work. We will also bring forward outline plans as soon as possible to expand the capability and capacity to capture, analyse and share this data (this is line with the priorities and pledges in the Clean Air Strategy).

3.5.2 **Use of the data from the enhanced AQ monitoring and analysis capacity to provide targeted activity at locations of concern.** We will then seek to invest in schemes (highlighted through the Birmingham Transport Plan) that increase access to or the use of active modes of transport and public transport.

3.6 The Transport & Environment CAZ Programme seeks to accelerate some of the measures outlined within sections 3.5.1 and 3.5.2 which support the enhancement of AQ monitoring and seek to deliver the Birmingham Transport Plan's key principal of 'prioritising active travel in local neighbourhoods'.

3.7 The Transport & Environment CAZ Programme will be split into five sub-programmes;

- **Continuation and enhancement of the Car Free School Streets programme:** Seeks to enhance and expand the current road safety and sustainable travel offer to schools. Scope includes an audit and prioritisation process for all schools across the city to identify suitable Car Free School Street (CFSS) locations, an enhanced package of travel planning activity and increased staffing to deliver engagement. Opportunity to explore potential funding for enforcement whether via collaboration with police or exploration of ANPR technology. One of the key benefits relates to the resulting improved road safety and air quality around schools.
- **Expansion of the inner Birmingham 20mph zone to complete the project:** This scheme seeks to build upon the existing 20mph areas delivered in inner parts of Birmingham since 2015 by introducing a range of measures in B3 (North Edgbaston, Winson Green, Soho, Handsworth, Lozells). The on-street measures will be complemented by a driver awareness and behaviour change campaign also funded from this budget. The 20mph zone will support the shift to walking and cycling, generate less traffic noise and emissions, and reduce community severance. Speed restrictions are an important way to increase physical activity because fast-moving vehicles in residential areas discourage people from walking and cycling, raise the risk of injury and increase air pollution.
- **Development of Birmingham Cycle Revolution – Next Generation project:** This scheme seeks to develop Birmingham's overall strategic cycle network, through a refresh of the Local Cycling and Walking Infrastructure Plan. It aims to provide enhanced connectivity across the city centre by prioritising cyclists and pedestrians which will encourage active travel, promoting its many associated benefits for health and wellbeing.
- **Provision of bicycles to citizens across the city:** This scheme seeks to build on the success of previous bike giveaways under the banner of 'Big Birmingham Bikes'. The provision of bikes removes one of the key barriers to people taking up cycling in deprived communities and will have a positive impact on physical activity, air pollution and congestion. A range of non-standard cycles, such as cargo bikes, will also be provided in this scheme which will help attract a wider demographic to cycling.
- **Expansion of the air quality monitoring programme in Birmingham's schools:** This scheme seeks to expand on the current programme of installing air quality monitoring sensors in schools. The current programme commits to installing a sensor in 140 schools for a six-month period each. The expanded programme will see engagement with all Birmingham City Council schools to deliver a minimum of a similar programme at all schools. The benefits will be to increase engagement with schools, students and parents on the risks of air pollution and to inform on the quality of the air at all schools in Birmingham, focussing on a range of pollutants and facilitating our understanding of air quality across the wider city area

4 Options Considered and Recommended Proposal

- 4.1 **Option 1 – Do Nothing:** This alternative option to implementing recommendations 2.1 to 2.5 would result in a loss of a unique opportunity to accelerate the delivery of projects which would contribute towards the delivery one of the key principles of the Birmingham Transport Plan and continuation of AQ monitoring. The available funding would be reallocated elsewhere/added to THCP 2022/23.
- 4.2 **Option 2 – Creation of the Transport & Environment CAZ Programme:** creation and delivery of the programme would allow for the acceleration of the delivery of projects which would contribute towards the delivery one of the key principles of the Birmingham Transport Plan and continuation of AQ monitoring. The proposed projects will support many of the city's communities in accessing better active travel infrastructure, making residential streets safer and enhancing the environment of the journey to school for pupils. The five projects have been chosen as they enable the continued delivery of existing successful projects, whilst aligning with the requirements of Part 3 of the Transport Act 2000.
- 4.3 Based upon the assessment of the two options presented it is recommended that option 2 be taken forward. With all schemes supporting the BTP while providing identifiable benefits for walking and cycling, as well as public transport routes, they promote the ability of the CAZ to encourage modal shift and should be delivered as suggested.

5 Consultation

- 5.1 An appropriate level of external consultation for individual schemes will be undertaken in accordance with existing practise including ward councillors, residents, emergency services, schools, businesses, WMCA/TfWM and special interest groups e.g. cycling groups. Consultation will also be undertaken with Sutton Town Council and New Frankley in Birmingham Parish Council where appropriate.

6 Risk Management

- 6.1 Risks pertaining to each individual project will be determined at the OBC and FBC stage.

7 Compliance Issues

- 7.1 **How are the recommended decisions consistent with the City Council's priorities, plans?** The Transport & Environment CAZ Programme will support a range of programmes and projects that contribute towards achieving the City Council's key policies and priorities as set out in the City Council Plan and Budget 2021-25, West Midlands Strategic Transport Plan, Birmingham Development Plan, Birmingham Connected transport strategy, Birmingham Transport Plan, Local

Walking and Cycling Strategy and Infrastructure Plan, and Clean Air/Climate Change Emergency including Route to Zero.

7.2 Legal Implications

- 7.2.1 Part 3 of the Transport Act 2000, schedule 12 para 8, requires that the 'net proceeds' of a charging scheme shall be applied by the authority "for the purpose of directly or indirectly facilitating the achievement of local transport policies of the authority". In addition to this, Annex 5 of the Birmingham Clean Air Zone Charging Order 2021 details, within Part 1 the ten-year general plan and within Part 2 the detailed opening five year programme
- 7.2.2 The relevant primary legislation required to implement individual projects as part of the Transport & Environment CAZ Programme comprises the Highways Act 1980; Road Traffic Regulation Act 1984; Road Traffic Act 1988; Transport Act 2000; Traffic Management Act 2004; Town and Country Planning Act 1990 and Planning and Compulsory Purchase Act 2004, together with related regulations and guidance.
- 7.2.3 Section 111 of the Local Government Act 1972 empowers local authorities to do anything (whether or not involving the borrowing, expenditure or lending of money or the acquisition or disposal of any of its property) which, is calculated to, or is conducive or incidental to the discharge of any of their functions.

7.3 Financial Implications

- 7.3.1 The total value of the Transport & Environment CAZ Programme is £5.250m. The programme is split into five £1.000m projects all funded from CAZ revenue, plus £0.250m of development funding to be utilised across all schemes. Whilst each project has an indicative £1.000m budget, under-utilised funds may be directed towards other projects in line with each project's individual requirements. The overall programme of the five projects will not exceed £5.250m.
- 7.3.2 Forecasts at Q3 2021/22 indicate a CAZ revenue surplus of £19.3m which will be carried forward into reserve. This is higher than the estimate reported to Cabinet in January 2021 of £2.3m. The additional surplus will be used to fund the proposed programme. Specific details of each scheme will be presented within future OBC/FBCs, including ongoing revenue implications.
- 7.3.3 It is recognised that new capital transport schemes can by their nature attract additional ongoing maintenance costs in respect of improved or new assets and provide opportunities to remove existing assets during works to mitigate cost increases. For all schemes (excluding those deemed to be major schemes), an ongoing corporate policy contingency annual allocation is available to bid for to accommodate basic inventory growth and

expenditure incurred as a result of new capital works and this is monitored to ensure the budget allocation is not exceeded.

- 7.3.4 Alternative funding sources are investigated for the maintenance of enhanced assets but where these cannot be identified, the cost of maintaining enhanced assets may have to be funded from the corporate policy contingency allocation. In this event, options to reduce costs are considered including scheme revisions and scheme deferrals. Each scheme will need to identify revenue maintenance implications and funding, as part of the scheme-specific approval process, including where relevant the use of the corporate policy contingency allocation.

7.4 Procurement Implications

- 7.4.1 This report seeks to delegate the approval of the procurement strategy and the award of contracts for professional services and works above the procurement threshold of £177,898 (excluding VAT) to support the delivery of the named projects. Projects under the procurement threshold will be procured and awarded under Chief Officer delegated authority.

7.4.2 Professional Services

The approved route for the technical professional services to support the delivery of the projects is to use the Council's Transportation and Development Professional Services Framework Agreement (or its replacement) in accordance with the approved call off arrangements of either a direct award or a further competition exercise.

7.4.3 Works

The procurement route for the works will be reported in each project OBC and include the following options:

- Black Country Minor Works Framework Agreement – this is a framework agreement awarded by Sandwell Council which covers the type of works required for the project until the Council's framework agreement below is awarded.
- The Council's Highways and Infrastructure Works Framework Agreement – the procurement strategy for the framework is due to be presented to Cabinet in early Summer 2022 with a commencement date issued shortly thereafter. When the framework agreement is awarded, it is proposed this will be the procurement route for all projects unless it is determined that a procurement process open to the market will result in a more cost-effective solution.
- If the event of the unsuitability of the above two options after a robust review, a procurement process open to the marketplace will be

advertised on Find a Tender, Contracts Finder and www.finditinbirmingham.com.

The evaluation criteria for each project will be set based on its complexity with a higher quality weighting over price for more complex schemes. For projects over the procurement threshold of £4.47m, social value will have a minimum weighting of 20%.

7.5 Human Resources Implications (if required)

7.5.1 N/A

7.6 Public Sector Equality Duty

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

8 Appendices

List of Appendices accompanying this report:

Appendix A – Equality Assessment

9 Background Documents

Birmingham Clean Air Zone Charging Order 2021