

Birmingham City Council

Executive Response to Call-in

8th September 2020



Subject: **BIRMINGHAM CLEAN AIR ZONE (CAZ):
IMPLEMENTATION OF MAIN CAZ INFRASTRUCTURE –
CIVIL ENGINEERING AND CAMERAS SOLUTION - FULL
BUSINESS CASE (FBC)**

Report of: **Acting Director Inclusive Growth and Interim Chief
Finance Officer**

Relevant Cabinet Members: **Councillor Waseem Zaffar – Transport and Environment
Councillor Tristan Chatfield – Finance and Resources**

Report Author: Nicholas Richards – Transport Delivery Specialist
Tel: 0121 675 7325
Email: Nicholas.richards@birmingham.gov.uk

Does the report contain confidential or exempt information	YES/NO
If relevant, provide exempt information paragraph number or reason if confidential	

1 Executive Summary

- 1.1 The Resources Overview and Scrutiny Committee (ROSC) met on the 25th of August 2020 and resolved to call in the decision made on 12th August 2020 by the Cabinet Member for Transport and Environment and the Cabinet Member for Finance and Resources in relation to the Clean Air Zone implementation Full Business Case (FBC).

2 Reasons for Call-in

- 2.1 The ROSC resolved to return call-in the decision for reconsideration by Cabinet by a vote of 4 members to 2 on the basis of the following criteria:
- 9 – the decision appears to give rise to significant legal, financial or propriety issues.*
- 2.2 ROSC concluded that it was “concerned that yet again it has seen an instance of the processes not being followed and as a result exposing the Council to financial challenge and risk. It was felt by members that it was necessary to bring this to Cabinet’s attention. Whilst procurement regulations have been followed, there have clearly been governance issues – namely the incorrect reliance on approvals as stated in paragraph 3.6 of the Cabinet Member report – that need to be understood and acted upon.”

3 Response to Reasons for Call-in

- 3.1 The Cabinet Member for Transport and Environment and the Cabinet Member for Finance and Resources note the ROSC decision to call-in the decision made on 12th August 2020 for reconsideration by Cabinet on the 8th September 2020.
- 3.2 As noted in the Cabinet Member report, the service recognises the governance issues that have arisen in the progression of this report. Whilst these issues have occurred in the context of a challenging and fast paced programme of works, these issues must necessarily be addressed and rectified and the report seeks to do so in a transparent manner.
- 3.3 Paragraph 2.6 of the Cabinet Member report noted that procurement activity has taken place in line with procurement protocols; this procurement activity was guided by the procurement strategy agreed by Cabinet on 11th December 2018 and all procurement activity has been conducted in accordance with the Public Contract Regulations 2015. This has also ensured that the Council has met its statutory duty in relation to achieving Best Value.
- 3.4 A number of contracts were awarded prior to the approval of a specific Council FBC related to the implementation works. Although funding specifically for this work was received by the Council in March 2019, an FBC should have been in place to approve the use of that funding prior to on site works commencing. This is an issue of BCC governance, not legality, and the project remains within the allocated budget.
- 3.5 The service has recently implemented a number of additional checks and balances in order to prevent such occurrences in future, including a revised programme board attendance with a renewed focus on governance matters. The Brum Breathes programme board meets on a monthly basis and includes representatives from the corporate support services in addition to all CAZ related project leads; the programme has introduced a tracker to pipeline all future procurement activity and gives increased visibility to the governance processes that must be adhered to as activities progress.
- 3.6 A revised Risk Register has been provided as an addendum to Appendix D of the original report to replace the previous version which was out of date at the time of publishing. The risk register is frequently reviewed at the Brum Breathes programme board, and also at the CAZ Technical board and bi-weekly CAZ progress meetings. Mitigating actions are agreed at these meetings and key issues are escalated to the Brum Breathes Executive Board.

4 Additional Recommendations

- 4.1 That Cabinet notes the governance issues that have occurred in that a FBC was not obtained before contracts were procured for certain Highways Work required in order to implement the CAZ.

- 4.2 That Cabinet notes the remedial measures and safeguards that have been recently implemented by the CAZ Team to ensure compliance with all governance requirements relating to the CAZ going forward.
- 4.3 That Cabinet confirms that it has considered the decision made on 12th August 2020 by the Cabinet Member for Transport and Environment and the Cabinet Member for Finance and Resources, together with the Call-In Report following the Resources Overview and Scrutiny Committee meeting on 25th August 2020, and agrees to confirm the decision made on 12th August 2020 to approve the Birmingham Clean Air Zone (CAZ): Implementation of Main CAZ Infrastructure - Civil Engineering and Cameras Solution – Full Business Case (FBC).

5 Appendices

Appendix 1 – Addendum to Appendix D - Civils Works and Cameras Risk Register