

Birmingham City Council

Report to the Cabinet Member for Transport & Environment, Jointly with the Chief Finance Officer and Director Inclusive Growth

Date: 28th March 2019



Subject: Clean Air Zone: Grant Acceptance
Report of: Assistant Director Transport & Connectivity
Relevant Cabinet Member: Councillor Waseem Zaffar – Transport and Environment
Relevant O &S Chair(s): Councillor Liz Clements – Sustainability and Transport

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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:		
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 :		

1 Executive Summary

- 1.1 On 11th December 2018 Cabinet approved the submission of a Full Business Case (FBC) to Government for the implementation of a Clean Air Zone (CAZ) in the city, which included a bid for £50.861m from the Clean Air Fund (CAF) and £17.845m from the Implementation Fund (CIF). Further to a detailed analysis of the bid by the Joint Air Quality Unit (JAQU) of Government and the updating of civil engineering works estimates by the Council, a final award of £37.958m CAF and £14.214m CIF was announced by the Parliamentary Under-Secretary of State for

Environment on 13th March 2019. This report seeks authority to accept these grant resources in accordance with the recommendations contained within the 11th December 2018 Cabinet report and notes that the final detail of the Council's CAZ will be reported to Cabinet in June 2019 in respect of the CAZ Charging Order.

2 Recommendations

- 2.1 Approves the acceptance of £37.958m (Clean Air Fund) and £14.214m (Implementation Fund) grant from the Joint Air Quality Unit to fund the implementation and administration of the Council's Clean Air Zone.
- 2.2 Notes that the final detail of the Council's Clean Air Zone and the required Clean Air Zone Charging Order will be reported to Cabinet in June 2019.
- 2.3 Authorises the City Solicitor to negotiate, execute, seal and complete all necessary documentation to give effect to the above recommendations.

3 Background

- 3.1 On 11th December 2018 Cabinet approved the submission of a Full Business Case (FBC) to Government for the implementation of a Class D Clean Air Zone (CAZ) in the city, which responds to National and European requirements for Birmingham to achieve compliance with the EU Directive on legal Nitrogen Dioxide limits in the shortest possible time. Several reports have been approved by Cabinet in respect of the CAZ as listed in section 9 of this report.
- 3.2 The FBC bid was for £50.861m from the Clean Air Fund (CAF) and £17.845m from the Implementation Fund (CIF), the former funding a range of mitigations and exceptions to offset the social and economic impacts of the CAZ, and the latter the implementation costs. Further to a detailed analysis of the bid by the Joint Air Quality Unit (JAQU) of Government and the updating of civil engineering works estimates by the Council, a final award of £37.958m CAF and £14.214m CIF was announced by the Parliamentary Under-Secretary of State for Environment on 13th March 2019.
- 3.3 Whilst the reduced CIF award reflects refined civil engineering estimates provided by the Council and the non-award of a small amount of funding for air quality monitoring (£0.140m), the reduced CAF award has seen the removal of funding by Government for a number of proposed mitigations to offset the impacts of the CAZ. These comprise: measures to address parking in areas outside of the CAZ (£5.0m); credit for ULEV vans to use the city's charging network (£0.75m); and mobility support for individuals residing outside of the CAZ (£6.5m). Whilst specialist consultants engaged by the Council do not believe that these reductions will impact upon air quality compliance, there are potentially social and economic impacts for residents and businesses. Alternative options in this respect are currently being assessed and will be reported to Cabinet in June 2019 as part of the final CAZ Charging Order.

4 Options considered and Recommended Proposal

- 4.1 The options appraisal for Birmingham's CAZ D plus additional measures has been detailed in previous reports to Cabinet, as listed in section 9 of this report.
- 4.2 Options to potentially offset the impact of grant funding reductions will be presented to Cabinet as appropriate, as financial values would be in excess of delegations to the Cabinet Member for Transport and Environment jointly with the Chief Finance Officer and Director Inclusive Growth.

5 Consultation

- 5.1 A statutory public consultation was undertaken by the Council between July and August 2018. This was reported to Cabinet in September 2018.

6 Risk Management

- 6.1 Risks were reported to Cabinet in December 2018. A live risk register is maintained by the Brum Breathes project board in accordance with the Council's project governance procedures and arrangements.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The recommendations of this report are fully consistent with the Council Plan 2018-2022, with clean air a key corporate priority.

7.2 Legal Implications

- 7.2.1 Government issued a Ministerial Direction in December 2017, which required the Council to submit a business case to Government by 15th September 2018 for measures to deliver compliance with legal nitrogen dioxide limits in the shortest possible time.
- 7.2.2 The CAZ will be introduced pursuant to the Transport Act 2000. A Charging Order is currently being drafted and will be submitted to Cabinet for approval in June 2019.
- 7.2.3 The full extent of the legal implications for the Council were detailed in a report to Cabinet in June 2018.

7.3 Financial Implications

- 7.3.1 This report seeks approval to accept three grant awards from JAQU as follows and as set out in the grant award letters provided as appendices to this report. Clean Air Fund: Revenue £10,237,529.00 Capital £27,720,000.00 Implementation Fund £14,214,722.00. Grant conditions are also set out within the award letters and have been discussed in detail with

Government. They are not considered to be onerous and changes and/or variations can be discussed and agreed with JAQU as required.

7.4 Procurement Implications (if required)

7.4.1 Procurement arrangements have previously been agreed by Cabinet.

7.5 Human Resources Implications (if required)

7.5.1 Human resource implications have been previously agreed by Cabinet, with new posts or agency worker requests to be handled by the Council's Review Board in accordance with normal practise.

7.6 Public Sector Equality Duty

7.6.1 An equality assessment has been undertaken previously and reported to Cabinet in December 2018. This will be updated in respect of the report to Cabinet in June 2019 covering the CAZ Charging Order.

8 Appendices

- 8.1 Appendix A Clean Air Fund – Capital Award Letter
- 8.2 Appendix B Clean Air Fund – Revenue Award Letter
- 8.3 Appendix C Implementation Fund – Capital Award Letter

9 Background Documents

- 9.1 Tackling Air Quality in Birmingham, Cabinet Report, 26th June 2017.
- 9.2 Birmingham Clean Air Zone submission of a Preferred Option Business Case to Government, Cabinet report 10th September 2018.
- 9.3 Joint Cabinet Member/Chief Officer report “Joint Air Quality Unit Early Measures Fund for Local NO2 Compliance – Application for and acceptance of funding” 19th September 2018.
- 9.4 Birmingham Clean Air Zone Submission of Full Business Case and Request to Proceed with Implementation, Cabinet Report, 11th December 2018.