Date: 26 July 2019
Subject: GM Clean Air Plan – Update
Report of: Cllr Andrew Western, Leader of Trafford Council and Green City-Region Portfolio Lead for Greater Manchester

PURPOSE OF REPORT

To update on progress in developing the Greater Manchester Clean Air Plan, to summarise Government’s feedback on the Outline Business Case submitted in March, and to outline plans for the schedule of work to develop the Full Business Case.

RECOMMENDATIONS:

Members are recommended to note the contents of the report.

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**RISK/ FINANCIAL/ LEGAL CONSEQUENCES/DETAILS**

Risk Management – Initial risk register set out in Clean Air Plan OBC (March 2019)
Legal Considerations – No legal considerations for GMCA. Legal considerations rest with local authorities.
Financial Consequences – Revenue - Initial Financial Case set out in Clean Air Plan OBC (March 2019), with all development and delivery costs to be covered by central Government
Financial Consequences – Capital - Initial Financial Case set out in Clean Air Plan OBC (March 2019), with all development and delivery costs to be covered by central Government

**BACKGROUND PAPERS:**

- 1 March 2019, report to GMCA: Greater Manchester’s Clean Air Plan – Tackling Nitrogen Dioxide Exceedances at the Roadside - Outline Business Case
- 11 January 2019, report to GMCA/AGMA: Clean Air Update
- 14 December 2018, report to GMCA: Clean Air Update
- 30 November 2018, report to GMCA: Clean Air Plan Update
- 26 October 2018, report to GMCA: GM Clean Air Plan Update on Local Air Quality Monitoring
- 15 November 2018, report to HPEOS Committee: Clean Air Update
- 16 August 2018, report to HPEOS Committee: GM Clean Air Plan Update
- UK plan for tackling roadside nitrogen dioxide concentrations, Defra and DfT, July 2017

**TRACKING/PROCESS**

| Does this report relate to a major strategic decision, as set out in the GMCA Constitution | No |

**EXEMPTION FROM CALL IN**

| Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? | No |

<table>
<thead>
<tr>
<th>GMTC</th>
<th>Overview &amp; Scrutiny Committee</th>
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1. **GM CLEAN AIR PLAN**

1.1 GMCA and the GM Housing, Planning and Environment Scrutiny Committee have taken a series of reports over the past year that have set out the health challenge presented by poor air quality, the legal context and the tightly specified approach that Government has directed local authorities to follow within very tight timescales in order to address predicted nitrogen dioxide (NO₂) exceedances in the shortest possible time.

1.2 In Greater Manchester, the ten local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM) are working together to develop a Clean Air Plan to tackle air pollution on local roads.

1.3 Greater Manchester is proposing the following package of measures that delivers compliance with legal limits in the shortest possible time, at the lowest cost, least risk and with the least negative impacts. They are:

- A charging Clean Air Zone (CAZ) Category B, which will target the most polluting commercial vehicles including older heavy goods vehicles, buses, coaches, taxis and private hire vehicles from the summer of 2021, that extends to a Category C including older polluting light goods vehicles from 2023. It has been assumed at OBC stage that the Clean Air Zone Charge would be £7.50 per day for taxis, private hire vehicles and light goods vehicles and £100 per day for heavy goods vehicles, buses and coaches.

- A Clean Freight Fund to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support small local businesses, sole traders and the voluntary sector, registered in Greater Manchester. Initial work suggests that circa £59m Government funding will be required to support this fund.

- A Clean Taxi Fund, to support the upgrade of non-compliant Greater Manchester Licensed taxi and private hire vehicles. Initial work suggests that circa £28m Government funding will be required to support this fund.

- A Clean Bus Fund to provide, where possible, the retrofit of older engine standards to the less polluting Euro VI standard for those buses registered to run services across Greater Manchester. Initial work suggests that circa £29m Government funding will be required to support this fund.

- A package of supporting measures including a proposed Loan Finance scheme, sustainable journeys projects, additional EV charging infrastructure.

1.4 GM submitted an Outline Business Case (OBC) that set out these proposals and the evidence to support them to Government at the end of March 2019. This would then be followed by a statutory consultation and submission of a Full Business Case (FBC) by the end of 2019.
1.5 The OBC was also accompanied by the clear expectation that Government would support the plans through:

a. Clear arrangements and funding to develop workable, local vehicle scrappage / upgrade measures;

b. Short term effective interventions in vehicle and technology manufacturing and distribution, led by national Government with local authorities;

c. Replacement of non-compliant buses; and

d. A clear instruction to Highways England with regard to air pollution from the strategic highway network in Greater Manchester.

1.6 Ministerial feedback on the OBC had been expected six to eight weeks after submission of the OBC.

1.7 However, the Ministerial letter providing this feedback and a Ministerial direction were received later, on 10 July. More details on these are provided in Section 3.

2. **CLEAN AIR CONVERSATION**

2.1 A public conversation on the GM Clean Air proposals was held between 13 May and 30 June. Around 3,300 responses to the conversation were received and are currently being analysed. Of the responses received, 70% were from residents in GM, 16% were from GM businesses, a further 10% were from individuals who live outside GM. Along with responses, the conversation also generated high levels of awareness of the outline proposals and GM’s commitment to tackling air pollution.

2.2 The analysis of the responses, which will be available by the end of July, will be used to support the development of the proposals. A statutory consultation will follow take place later in 2019, with exact dates still to be confirmed.

2.3 The statutory consultation required is specifically related to the Clean Air Zone proposals; however, will include further details across the full package of measures. We are working closely with legal advisors on the nature of that consultation. The exact timeline of the consultation will be confirmed pending discussion with government following the Ministerial letter and the Direction, as detailed in Section 3.

2.4 In the meantime, the stakeholder dialogue will continue – to build on engagement to date and ensure the channels are in place for a future consultation.
3. MINISTERIAL LETTER AND DIRECTION

3.1 Dr Thérèse Coffey MP, Parliamentary Under Secretary of State for the Environment, sent a letter setting out the Ministerial feedback on the OBC to Cllr Western, as Green City-region Portfolio Lead for Greater Manchester. The letter was copied to the Leaders of the ten GM authorities and the CEO of the GMCA/TfGM.

3.2 The letter was accompanied by a Ministerial Direction (both appended to this report). It is important to note that it is the Ministerial Direction that has legal effect, not the letter.

3.3 The key messages from the letter are:

- Greater Manchester is to submit further options appraisal information (including transport and air quality modelling as well as due regard to economic, financial and deliverability considerations) prior to public consultation, and by 2nd August 2019 at the latest. This includes:
  - exploring whether measures targeted at the last remaining exceedance locations following implementation of a CAZ in 2021 would achieve compliance quicker;
  - updating the behavioural assumptions used to model the impact of a CAZ and providing further sensitivity testing on vehicle upgrade assumptions
  - demonstrating that a Greater Manchester CAZ Category D (which would include private cars) cannot bring forward compliance, including outlining the delivery challenges discussed for a GM wide CAZ D;
- Provide updated Implementation Fund and Clean Air Fund proposals – these are the supporting measures of Clean Bus, Clean Taxi, and Clean Freight funds.
- Production of an ‘interim’ Full Business Case (FBC) by 31 December 2019, “followed by a final FBC in 2021.” (Note that this latter date is incorrect, and it should read 2020).
- That a Ministerial Direction is attached requiring all ten Greater Manchester councils to implement a charging Clean Air Zone Class C (without a van exemption until 2023) with additional measures; and for local authorities to jointly submit to JAQU revised evidence by 2 August and a Full Business Case by 31 December 2019 at the latest.

3.4 The Ministerial Direction requires local authorities to carry out studies or to implement actions to meet legal limits for NO₂ in the shortest possible time and sets deadlines for when this should be complete. The deadline attached to the letter of 9 July states:

- The [10 GM] authorities must ensure that the local plan for NO₂ compliance is implemented so that compliance with the legal limit for NO₂ is achieved in the shortest possible time, and by 2024 at the latest;
• Exposure to levels above the legal limit for NO\textsubscript{2} are reduced as quickly as possible;
• The FBC must be submitted to the Secretary of State by 31 December 2019 at the latest.

4. NEXT STEPS

4.1 As part of the response to the letter, an urgent meeting has been requested with the Minister and the Secretary of State to talk through the issues and the significant challenges raised by Government’s response to Greater Manchester’s Outline Business Case.

4.2 Alongside this, the further information requested by Government is being collated by officers, and the Clean Air Programme team will liaise with officials on next steps on the timelines of work, including the statutory consultation.

5. RECOMMENDATIONS

5.1 Recommendations are set out at the front of this report.

Cllr Andrew Western
Leader of Trafford Council and Green City-region
Portfolio Lead for Greater Manchester
Dear Councillor Western,

Greater Manchester Local NO₂ Plan

In July 2017, local authorities in Greater Manchester were directed to conduct a feasibility study and submit, by 31 December 2018, a Final Plan for delivering compliance with legal limits for nitrogen dioxide in the shortest possible time.

I am pleased that the joint study has made progress and looks to be on track to deliver compliance in the shortest possible time. On the basis of the evidence provided to date I am content that Greater Manchester authorities should continue to proceed towards developing the implementation and contract arrangements of a charging Clean Air Zone in Greater Manchester and will provide an initial tranche of £36m of funding now to take this forward. However, we need to work together to address some concerns on the evidence presented to allow approval of the details and further funding awards. I request that you:

- Submit further options appraisal information (including transport and air quality modelling as well as due regard to economic, financial and deliverability considerations) that you have been working on prior to public consultation, and by 2nd August 2019 at the latest. Updated analysis is requested that addresses the review panels’ and JAQU’s concerns particularly around the behavioural assumptions that have been used; and provides assurance that your Clean Air Zone will deliver compliance in the shortest possible time, and that you cannot achieve compliance earlier than 2024. This includes:
  - exploring whether measures targeted at the last remaining exceedance locations following implementation of a CAZ in 2021 would achieve compliance quicker;
  - updating the behavioural assumptions used to model the impact of a CAZ following the Technical Independent Review Panels’ suggestions
  - providing further sensitivity testing on your vehicle upgrade assumptions
  - demonstrating that a Greater Manchester CAZ D cannot bring forward compliance, including outlining the delivery challenges discussed for a GM wide CAZ D,
My officials have already requested this and have been in contact with your officials at TIGM to discuss the detail of this request. This evidence should be used to update the measures. In prioritising your approach to evidence we would expect that these asks would take precedence over the development of the Clean Air Fund/mitigation type measures. This will enable decision-making on what additional measures to the charging Clean Air Zone in 2021 are needed to deliver compliance in the shortest possible time and consider whether any targeted exemptions are appropriate. These additional measures could include the proposed inner ring road CAZ.

- **Provide updated Implementation Fund and Clean Air Fund proposals** – I recognise the need to support individuals and businesses affected by the charging Clean Air Zone, and we will provide support for those drivers affected, but this support will be dependent on the measures required to deliver compliance and their impact. I note that you have identified a very significant funding bid and we need fuller justification for each measure identified. As it stands the approach you have taken does not demonstrate the scale of support that is appropriate. The bid maintains that all funding measures are needed to deliver compliance, and does not identify those measures that are needed to mitigate the impacts of a scheme. Therefore, I request you provide updated proposals that are informed by the revised modelling and a clearer understanding of what is specially required to deliver compliance and what is needed for mitigation.

- **Prepare to implement the scheme** - I expect the feedback that has already been fed through to TIGM from JAUQ and the independent review panels to be addressed in developing the commercial, financial and management arrangements for the scheme to be outlined in the Full Business Case. The options appraisal should include a detailed delivery timeline and confirmation of delivery and procurement approaches. I note you have discussed with JAUQ officials your plans for an ‘interim’ FBC stop, followed by a final FBC in 2021 as part of delegated approvals confirming final costs. I accept the approach outlined is pragmatic in dealing with a scheme of this scale. This interim full business case should be received by 31 December 2019 at the latest setting out how a scheme will be implemented in 2021 and include the costs for CAZ implementation. All public consultation necessary in respect of the scheme identified in the full business case should also have been completed.

To ensure delivery of NOx compliance in the shortest possible time, I attach to this letter a Ministerial Direction requiring Greater Manchester councils to implement a charging Clean Air Zone Class C (without a van exemption until 2023) with additional measures, and for local authorities to jointly submit to JAUQ revised evidence and by 2 August and a Full Business Case by 31 December at the latest.

I also note your Outline Business Case contained a number of wider asks for Government that I should also address.

**Clear arrangements and funding to develop workable vehicle renewal scheme/upgrade Measures; and the replacement of non-compliant buses.** We are already liaising with you about your proposed vehicle renewal schemes. While we are not proposing to take forward a national scrappage scheme at this time, we have not restricted the types of measures local authorities could bid for from our Clean Air Fund. It is open to you to propose a local scrappage scheme, as I know has been considered, including considering the needs of the bus sector and taking account of the comments above.

**Action to tackle the air quality impact of the SRN in the region.** Highways England are working up plans for exceedances identified by national modelling on their network. While this is not expected to include charging on the SRN, Highways England are looking at a range of measures such as traffic management, speed limits and barriers. They are also working with Local Authorities to understand the impacts of the local air quality plans and...
maximise the benefits. I know JAQU officials have facilitated senior engagement between TfGM and Highways England on your plan, and to also discuss the role of the £100m Air Quality Designated Fund and Greater Manchester proposals. I would encourage that senior engagement to continue.

Short-term effective interventions in vehicle and technology manufacturing and distribution, led by central Government with local authorities. The Road to Zero Strategy sets out a clear pathway to zero emissions, to give clarity and certainty to both industry and motorists. By 2030 the Government wants at least half of new cars sold, and as many as 70%, to be ultra low emission, alongside up to 40% of new vans. Our mission is to put the UK at the forefront of the design and manufacturing of zero emission vehicles, and for all new cars and vans to be effectively zero emission by 2040. We are investing nearly £1.5bn between April 2015 and March 2021 to do so. Along with the measures in our strategy, this adds up to one of the most comprehensive support packages in the world. Local authorities have a crucial role to play and earlier this year OLEV announced funding awards to Greater Manchester for electric buses and taxi/PHV charging infrastructure.

Reform of taxi and private hire legislation to enable licensing authorities to enforce minimum standards and manage out-of-area operation: The Government response to the report by the Chair Task and Finish Group on Taxi and PHV Licensing set out the thinking on the control of taxis and PHVs working in an area other than that in which they are licensed. The Chair recommended that all journeys start and/or end in the ‘home area’. Government agrees with the principle of this recommendation, and will consider further (with a view to legislation) how it might best work in detail. The Government also agrees that there should be national minimum standards for taxi and PHV licensing, and that there should be national enforcement against these standards, and will legislate for this when time allows. In the interim, Government will continue to review its statutory and best practice guidance.

Powers to act on congestion, including moving traffic offences: My officials have discussed with the Department for Transport, and there are no current plans to enable local authorities outside London to enforce moving traffic offences. These offences remain a matter for the police, who may issue Fixed Penalty Notices accordingly.

Rail devolution and action on outstanding rail commitments in relation to the Northern Hub: I am aware these are longstanding issues and are being discussed with the Department for Transport and addressed on various fronts. I would encourage you to continue this engagement.

I have requested to be kept closely informed of your progress over the coming months and look forward to receiving your evidence and Full Business Case. Thank you for your efforts in getting to this stage.

I have copied this letter to the Leaders of each of the ten Greater Manchester authorities and the CEO for the GMCA.

Yours sincerely,

[Signature]

DR THERESIE COFFEY MP
ENVIRONMENT ACT 1995

Environment Act 1995 (Greater Manchester) Air Quality Direction 2019

The Secretary of State, in exercise of the power conferred by section 85(3) of the Environment Act 1995(a), gives the following direction.

In accordance with section 85(6) a copy of this direction will be published in the London Gazette.

The Secretary of State makes this direction having determined that it is necessary in order to meet obligations placed upon the UK under the EU Ambient Air Quality Directive(b).

Citation, commencement and application

1.—(1) This direction may be cited as the Environment Act 1995 (Greater Manchester) Air Quality Direction 2019 and comes into force on the day after it is made.

(2) This direction applies to—

(a) Bolton Metropolitan Borough Council;
(b) Bury Metropolitan Borough Council;
(c) Manchester City Council;
(d) Oldham Metropolitan Borough Council;
(e) Rochdale Borough Council;
(f) Salford City Council;
(g) Stockport Metropolitan Borough Council;
(h) Tameside Metropolitan Borough Council;
(i) Trafford Metropolitan Borough Council;
(j) Wigan Metropolitan Borough Council.

Interpretation

2. In this direction—

"the 2000 Act" means the Transport Act 2000(c);

"the authorities" means —

(a) Bolton Metropolitan Borough Council;
(b) Bury Metropolitan Borough Council;
(c) Manchester City Council;

(a) 1995 c.25.
(b) 2000/199C Of No. L 152, 11.06.08, p.1.
(c) 2000 c.28.
(d) Oldham Metropolitan Borough Council;
(e) Rochdale Borough Council;
(f) Salford City Council;
(g) Stockport Metropolitan Borough Council;
(h) Tameside Metropolitan Borough Council;
(i) Trafford Metropolitan Borough Council;
(j) Wigan Metropolitan Borough Council.

"AQP" means the UK plan for tackling roadside nitrogen dioxide concentrations 2017, drawn up by the Secretary of State in accordance with regulation 26(1) of the Air Quality Standards Regulations 2010(a);

"full business case" means a document that sets out the commercial and contractual arrangements, affordability, and management arrangements to ensure successful delivery of the scheme detailed in the local plan for NO2 compliance;

"local plan for NO2 compliance" means the detailed scheme (excluding any associated mitigation measures) which the authorities identified as part of the AQP to deliver compliance with the legal limit value for nitrogen dioxide in the shortest possible time that was considered by the Secretary of State on 2 July 2019 the approved measures of which are summarised in Schedule 1;

"local transport policies" has the meaning given by section 108(1) of the 2000 Act(b).

**Duty to implement the local plan for NO2 compliance**

3.—(1) The authorities must take steps to implement the local plan for NO2 compliance for the areas for which they are responsible.

(2) The authorities must ensure that the local plan for NO2 compliance is implemented so that—

(a) compliance with the legal limit value for nitrogen dioxide is achieved in the shortest possible time, and by 2024 at the latest;

(b) exposure to levels above the legal limit for nitrogen dioxide are reduced as quickly as possible.

**Duty to submit additional documentation**

4.—(1) The authorities must submit to the Secretary of State further options appraisal (including transport and air quality modelling as well as due regard to economic, financial and deliverability considerations) by 2nd August 2019 at the latest, in order to provide assurance that the local plan for NO2 compliance will deliver compliance in the shortest possible time and by 2024 at the latest.

(2) The revised air quality modelling provided under paragraph (1) must demonstrate the applicable class of charging Clean Air Zone, appropriate behavioural assumptions, and what (if any) additional measures or adjustments to the local plan for NO2 compliance would need to be implemented by the authorities to deliver compliance in the shortest possible time.

**Duty to prepare and submit a full business case**

5.—(1) The authorities must as part of their feasibility study continue with the work necessary to prepare a full business case for the areas for which they are responsible.

(2) The full business case must be submitted to the Secretary of State as soon as possible and by 31st December 2019 at the latest.

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(b) Section 108(1) was inserted by section 7(1) and (2) of the Local Transport Act 2008 (c.26).
Inquiry in respect of a full business case

6.—(1) The authorities must only exercise their power to hold a local inquiry, whether under section 170(2)(a) of the 2000 Act or otherwise, in relation to any scheme they identify as part of their feasibility study and in preparing the full business case in accordance with this Article.

(2) The authorities may only hold a local inquiry if it is necessary to do so, notwithstanding any other opportunities which the authorities have or could have provided for representations to be made in relation to the scheme.

(3) Before an inquiry is held in accordance with paragraph (2), the authorities must consult the Secretary of State and—

(a) submit to the Secretary of State reasons why the authorities believe an inquiry is necessary,

(b) submit a proposed timetable for the completion of the inquiry, and

(c) inform the Secretary of State whether the inquiry will be in addition to or instead of any other opportunity to make representations about the scheme identified in the full business case.

(4) Where the authorities consult the Secretary of State under paragraph (3), the authorities can only begin the inquiry if it has received consent from the Secretary of State including for the timetable for the completion of the inquiry.

(5) In this direction, a reference to holding a local inquiry includes a reference to causing a local inquiry to be held.

Submission of the full business case to the Secretary of State

7. When submitting the full business case, the authorities must provide the Secretary of State with the following information:

(a) the date on which it is proposed that the scheme identified in the full business case will come into effect;

(b) confirmation that all public consultation necessary in respect of the scheme identified in the full business case, has been completed (including where applicable consultation in accordance with section 170(1A), (1C) or (5)(d) of the 2000 Act);

(c) a summary of any responses received in response to any consultation and of the changes (if any) made to the scheme identified in the full business case following that consultation;

(d) where the full business case proposes a scheme in connection with which the authorities intend to exercise powers under the 2000 Act, confirmation that the scheme facilitates the achievement of the local transport policies (where applicable) which apply in the authorities' area;

(e) confirmation—

(i) that no local inquiry under has been held or is due to be held, or

(ii) that a local inquiry has taken place in accordance with the consent and timetable agreed by the Secretary of State under Article 6 of this Direction.

Variation, revocation or suspension

8. The authorities must not vary, revoke or suspend their implementation of the local plan for NOx compliance pursuant to Article 3, without the prior written consent of the Secretary of State.

(a) Section 170(1) and (1C) were substituted, for subsection (1) as originally enacted, by section 111(2) of the Local Transport Act 2008. Section 170(3) was amended by paragraph 14(2) of Schedule 6 to the Local Democracy, Economic Development and Construction Act 2009. Section 170(5) was amended by paragraph 8(2) of Schedule 5 to the Local Transport Act 2008.
Guidance

9. The authorities, in taking steps under this direction, must have regard to relevant guidance issued by the Secretary of State.

Thérèse Coffey MP

Parliamentary Under Secretary of State for the Environment
Department for the Environment Food & Rural Affairs

17/07/2019

SCHEDULE 1

Article 2

Summary of local plan for NO2 compliance measures

<table>
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<tr>
<th>Measures description</th>
<th>Deadlines</th>
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<tr>
<td>Charging Clean Air Zone Class C with additional measures subject to provision of further evidence to be submitted to the Secretary of State in accordance with Article 4.</td>
<td>To be implemented as soon as possible and at least in time to bring forward compliance to 2024.</td>
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EXPLANATORY NOTE

(This note is not part of the direction)

This direction directs Bolton Metropolitan Borough Council; Bury Metropolitan Borough Council; Manchester City Council; Oldham Metropolitan Borough Council; Rochdale Borough Council; Salford City Council; Stockport Metropolitan Borough Council; Tameside Metropolitan Borough Council; Trafford Metropolitan Borough Council; Wigan Metropolitan Borough Council, for the purposes of this direction are referred to as “the authorities”, to implement its local plan for NO2 compliance and to prepare and submit to the Secretary of State a full business cases in connection with duties in respect of air quality under Part 4 of the Environment Act 1995 and as part of the UK plan for tackling roadside nitrogen dioxide concentrations 2017. The local plan for NO2 compliance was considered by the Secretary of State on 5/7/2019, and the approved measures must now be implemented to ensure compliance with the legal limit value for nitrogen dioxide is achieved in the authorities’ areas in the shortest possible time. The full business case must set out detailed proposals for a scheme which is the authorities’ preferred measure to deliver compliance in their areas with the legal limit value for nitrogen dioxide in the shortest possible time. Under section 85(7) of the Environment Act it is the duty of a local authority to comply with a direction given to it. A copy of this direction is available for inspection at Seacombe Building, 2 Marsham Street, London, SW1P 4DF.