

Date: 23 March 2021

Subject: GM Clean Air Plan: Governance

Report of: Eamonn Boylan, Chief Executive Officer, GMCA & TfGM

PURPOSE OF REPORT:

To set out the joint committee functions and progress in making preparatory arrangements to ensure that the 10 GM authorities are in a position to implement a charging clean air zone in Spring 2022.

RECOMMENDATIONS:

Members are requested to:

1. Note the joint committees functions as set out in this report at paragraph 3.3 and the terms of reference, as set out in Appendix 1.
2. Note the progress that has been made in the preparatory arrangements that are required to implement a charging Clean Air Zone in Spring 2022 to ensure the achievement of Nitrogen Dioxide compliance in the shortest possible time and by 2024 at the latest as required by the Ministerial Direction.

CONTACT OFFICERS:

Liz Treacy – liz.treacy@greatermanchester-ca.gov.uk

Simon Warburton – simon.warburton@tfgm.com

Megan Black – megan.black@tfgm.com

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

Equalities Implications: Equality Impact Assessment was completed for consultation and can be found at [here](#). This will be updated and published with the final plan.

Climate Change Impact Assessment and Mitigation Measures: The GM CAP is a place based solution to tackle roadside NO₂ and proposes measures to secure funding for Electric Vehicle charging infrastructure, as well as ensuring that a mechanism is put in place for the large scale rollout of replacement electric buses, which will have a positive impact on carbon.

Risk Management: Initial risk register set out in Clean Air Plan OBC (March 2019)

Legal Considerations: legal considerations are set out in the body of the report.

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

Number of attachments to the report: 2 (two)

BACKGROUND PAPERS:

- 29 January 2021, report to GMCA: Clean Air Plan Consultation
- 31 July 2020, report to GMCA: Clean Air Plan Update
- 29 May 2020, report to GMCA: Clean Air Plan Update
- 31 January 2020, report to GMCA: Clean Air Plan Update
- 26 Jul 2019, report to GMCA: Clean Air Plan Update
- 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?		None
GM Transport Committee	Overview & Scrutiny Committee	
n/a		

1. INTRODUCTION

- 1.1 Poor air quality is the largest environmental risk to the public's health. Taking action to improve air quality is crucial to improve population health.
- 1.2 Whilst air quality has been generally improving over time, particular pollutants remain a serious concern in many urban areas. These are oxides of nitrogen (NO_x) and its harmful form nitrogen dioxide (NO₂), and particulate matter (PM).
- 1.3 In Greater Manchester, road transport is responsible for approximately 80% of NO₂ concentrations at roadside, of which diesel vehicles are the largest source.
- 1.4 Long-term exposure to elevated levels of particulate matter (PM_{2.5}, PM₁₀) and NO₂ may contribute to the development of cardiovascular or respiratory disease and may reduce life expectancy¹. The youngest, the oldest, those living in areas of deprivation, and those with existing respiratory or cardiovascular disease are most likely to develop symptoms due to exposure to air pollution^{2,3}.
- 1.5 Public Health England estimate the health and social care costs across England due to exposure to air pollution will be £5.3 billion by 2035 for diseases where there is a strong association with air pollution, or £18.6 billion for all diseases with evidence of an association with air pollution⁴.
- 1.6 The Secretary of State has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO₂) levels, issuing a direction under the Environment Act 1995 to many local authorities to undertake feasibility studies to identify measures for reducing NO₂ concentrations to within legal limit values in the "shortest possible time". In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as "Greater Manchester" or "GM", have worked together to develop a Clean Air Plan to tackle NO₂ Exceedances at the roadside, referred to as GM CAP.
- 1.7 The core goal of the GM CAP is to address the legal requirement to remove ALL roadside concentrations of NO₂ that have been forecast to exceed the legal Limit Value (40 µg/m³), identified through the target determination process, in the "shortest possible time" in line with Government guidance and legal requirements.
- 1.8 Throughout the development of the plan GM has considered a range of options to deliver compliance, overseen by the GM Steering Group⁵, and to understand the type and scale of intervention needed to reduce NO₂ to within legal Limit Values in the "shortest possible time" across Greater Manchester.

¹ Air Quality – A Briefing for Directors of Public Health (2017), <https://www.local.gov.uk/air-quality-briefing-directors-public-health>

² Air Quality – A Briefing for Directors of Public Health (2017), <https://www.local.gov.uk/air-quality-briefing-directors-public-health>

³ RCP and RCPCH London, Every breath we take lifelong impact of air pollution (2016), <https://www.rcplondon.ac.uk/projects/outputs/every-breath-we-take-lifelong-impact-air-pollution>

⁴ <https://www.gov.uk/government/news/new-tool-calculates-nhs-and-social-care-costs-of-air-pollution>

⁵ Members include Directors or Assistant Directors from each GM authority.

- 1.9 A best performing option was recommended within an Outline Business Case (OBC) for further consideration and discussion with stakeholders and the public to aid the development of the Full Business Case.
- 1.10 In March 2019 the GM Authorities agreed the submission of the OBC that proposed a package of measures that was considered would deliver compliance in the shortest possible time, at the lowest cost, least risk and with the least negative impacts.
- 1.11 The OBC made clear the expectation that the UK Government would support the plans through:
- Clear arrangements and funding to develop workable, local vehicle scrappage / upgrade measures;
 - Short term effective interventions in vehicle and technology manufacturing and distribution, led by national Government with local authorities;
 - Replacement of non-compliant buses; and
 - A clear instruction to Highways England with regard to air pollution from the Strategic Road Network (SRN) in Greater Manchester⁶.
- 1.12 The timescales for GM CAP are determined by a Ministerial Direction. GM needs to launch a Clean Air Zone in 2022 to meet the requirement of the direction to secure compliance with NO₂ standards in the shortest possible time and by 2024 at the latest.
- 1.13 GM must make a final plan no later than Summer 2021 in order to be in a position to launch a Clean Air Zone in 2022. The GM Authorities' report on the Final Clean Air Plan will include the consultation results, the assessment of the impacts of COVID-19 and a final recommended package of measures to ensure the achievement of NO₂ compliance in the shortest possible time as required by the Ministerial Direction. The report will be supported by the following documents:
- AECOM Consultation Report⁷
 - GM Authorities Response to the Consultation
 - Impacts of COVID-19 Report
 - GM CAP Equality Impact Assessment following Consultation
 - GM CAP Policy following Consultation
 - Modelling report of final CAP package
 - Economic implications of CAP
- 1.14 That plan will need to determine:
- the boundary, discounts, exemptions and daily charges of a Clean Air Zone.
 - the amount of supporting funds.

⁶ GM Authorities are directed to take action on the local road network. Those roads managed by Highways England, such as motorways and trunk roads are excluded from the Clean Air Plan.

⁷ AECOM – the independent agency who are managing and analysing the consultation responses

- 1.15 In determining the final funding amounts this will in turn start the process of distributing the secured funding to those eligible, as set out in the 'final plan' GM CAP policy.

2 CLEAN AIR ZONE PREPARATORY ARRANGEMENTS

- 2.1 In July 2019 on the basis of evidence provided as at that date, a Ministerial letter set out that the GM Plan appeared to be on track to deliver compliance in the shortest possible time and that the Greater Manchester authorities should continue to proceed towards developing the implementation and contract arrangements of a charging Clean Air Zone in Greater Manchester. Government provided an initial tranche of £36m of funding to take this forward.
- 2.2 The ten Greater Manchester Local Authorities have been directed by Government to introduce a category C Clean Air Zone across the region, therefore the key elements of the Clean Air Zone including the intended boundary and times of operation, proposed discounts/exemptions, vehicles affected and daily charges, have been subject to a statutory consultation. The supporting measures, the detail of proposals of the funds and vehicle finance were also set out at consultation to enable consultees to respond fully to the GM CAP proposals. Given that the 10 Local Authorities are subject to the direction to implement the CAZ, the preparatory procurement arrangements have commenced without a risk of the consultation outcome being pre-judged.
- 2.3 The ten Greater Manchester Local Authorities are undertaking the preparatory implementation and contract arrangements required to deliver the CAZ and other GM CAP measures. Preparatory work is required in order to maintain delivery momentum in line with the funding arrangements agreed with JAQU, for example in relation to automatic number plate recognition (ANPR) cameras, back office systems and service providers.
- 2.4 A description of the main procurements is set out in Appendix 2. This includes the date when formal contract awards are expected to be made to enable GM to deliver a charging Clean Air Zone in Spring 2022 to meet the timescales required by the Ministerial Direction.
- 2.5 TfGM is running the procurement exercise with potential suppliers to final evaluation and to provide a report to allow the authorities to make a decision to award to the successful supplier(s) on receipt of funding from JAQU. As set out below arrangements will be made to delegate authority to TfGM to enter into the relevant contracts
- 2.6 The GM Authorities considered the proposed Governance arrangements for the CAZ and it was subsequently agreed by all 10 Greater Manchester Local Authorities and GMCA that TfGM will act as an 'operating body' responsible for day to day operation of the CAZ and the implementation of other GM CAP measures.

3 GM CLEAN AIR PLAN - GOVERNANCE

- 3.1 This section sets out the formal governance mechanisms and joint working arrangements that will be required to ensure that the 10 GM Authorities implement a charging Clean Air Zone in Spring 2022 so as to ensure the achievement of NO₂ compliance in the shortest possible time and by 2024 at the latest as required by the Ministerial Direction.
- 3.2 The formal governance mechanisms include the political oversight arrangements (to include the oversight of the CAZ including monitoring and policy setting) and operating arrangements.
- 3.3 As there are several key charging authority functions that can only be discharged by the charging authorities (and as the GMCA is not a charging authority), the approach that GM has taken has been to establish:
- a Joint Committee of charging authorities to enable decisions to be taken that are required to be taken jointly by the Constituent Authorities' as charging authorities in relation to the Greater Manchester Clean Air Zone ("**Clean Air Charging Authorities Committee**"); and
 - a Joint Committee of the charging authorities and the GMCA to enable the joint discharge of the GMCA's and Constituent Authorities' functions under sections 82 to 84 of the Environment Act 1995 (Air Quality) and in relation to the Greater Manchester Clean Air Plan (excluding such decisions that must be taken by the charging authorities jointly under Part 3 of, and Schedule 12 to, the Transport Act 2000 and regulations made thereunder) ("**Air Quality Administration Committee**").
- 3.4 These formal governance arrangements have been put in place before the GM Authorities make a decision to award the contracts necessary, as set out in Appendix 2, to deliver a charging Clean Air Zone and other measures to successful supplier(s). The terms of reference including the functions requiring delegation to the joint committees are set out in Appendix 1. These governance arrangements enable GMCA via TfGM, acting as its officer, to discharge relevant local authority functions before decisions are made to award contracts to successful suppliers.
- 3.5 Only the Air Quality Administration Committee is to meet before the final plan has been determined. This is to demonstrate that the GM CAP is a co-operative arrangement between all of the authorities working to a common aim. It will allow the authorities to award contracts via TfGM to maintain delivery of the programme and ensure that compliance is achieved by 2024, as set out in the latest direction from the Secretary of State, through the implementation of a Clean Air Zone in 2022.
- 3.6 The GM authorities have provided delegations for each Authority to award the necessary contracts.
- 3.7 A description of the main procurements is set out in Appendix 2. This table includes the date when formal contract awards are expected to be made to enable GM to deliver a charging Clean Air Zone in Spring 2022 as required by the Ministerial Direction. They are imminent with the first being in March 2021 through the Summer of 2021.

- 3.8 Furthermore it is prudent and conventional on such a complex, multi-authority project, for there to be an agreement put in place between the 10 local authorities and GMCA/TfGM to clarify the rights, responsibilities and obligations of the authorities in relation to the collective GM CAP, and setting out how all parties will work together to deliver the GM CAP up to and beyond the determination of the final plan.
- 3.9 The GM authorities have provided delegations for each Authority to be a party to the collaboration agreement between the 10 local authorities and GMCA/TfGM to clarify amongst other matters the rights, responsibilities and obligations of the authorities in relation to those contracts set out in Appendix 2.

4 NEXT STEPS

4.1 GM is to:

- Review all the information gathered through the GM CAP and MLS consultations.
- Fully consider all the information and evidence gathered, so that it can understand the impact that COVID-19 has had on vehicle owners and trades affected by the GM CAP and MLS.
- Undertake the subsequent equalities, air quality and emissions impact assessments, this work will be vital to inform future decisions on each aspect of the final plan.

4.2 It is proposed that for the GM CAP a final plan will be brought forward for decision makers as soon as is reasonably practicable and no later than summer 2021, and at this time the outputs of the MLS consultation will also be reported.

4.3 In relation to the functions of the Air Quality Administration Committee officers will:

- Continue to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures; and
- Continue to assess the findings of the consultation and develop a final Clean Air Plan (as set out at paragraph 1.13) for consideration by the 10 Greater Manchester Local Authorities.

5 RECOMMENDATIONS

5.1 The recommendations are set out at the front of the report.

6 APPENDIX 1 – JOINT COMMITTEES TERM OF REFERENCE

Clean Air Charging Authorities Committee – Terms of Reference

General

The Clean Air Charging Authorities Committee is a joint committee created by the ten Greater Manchester local authorities (“the Constituent Authorities”) under section 101(5) of the Local Government Act 1972 and Part 4 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

Membership of the Committee

The membership of the committee shall be ten, consisting of the lead executive member for clean air of each of the Constituent Authorities from time to time. The Constituent Authorities shall also each nominate a substitute executive member to attend and vote in their stead.

Role of the Committee

To enable decisions to be taken that are required to be taken jointly by the Constituent Authorities’ as charging authorities in relation to the Greater Manchester Clean Air Zone.

Powers to be discharged by the Committee

The Committee shall have power to take all such decisions of the Constituent Authorities (as charging authorities) that must be taken jointly under Part 3 of, and Schedule 12 to, the Transport Act 2000 and any regulations made thereunder.

This includes, but is not limited to:

- Making and varying a joint local charging scheme order;
 - Decisions of the charging authority under such a joint local charging scheme and the Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013.

Operation of the Committee

- The Committee shall appoint a chair at its first meeting;
- The Quorum of the Committee shall be 8 members;
- Each member shall have one vote;
- The Chair shall not have a casting vote;
- Unless required by law, decisions shall be made by a simple majority.

Air Quality Administration Committee – Terms of Reference

General

The Air Quality Administration Committee is a joint committee created by the ten Greater Manchester local authorities (“the Constituent Authorities”) and the Greater Manchester Combined Authority (“the GMCA”) under section 101(5) of the Local Government Act 1972 and Part 4 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

Membership of the Committee

The membership of the committee shall be eleven, consisting of the lead executive member for clean air of each of the Constituent Authorities and the relevant portfolio holder responsible for clean air of the GMCA from time to time. The Constituent Authorities and the GMCA shall also each nominate a substitute executive member/assistant portfolio holder to attend and vote in their stead.

Role of the Committee

To enable the joint discharge of the GMCA’s and Constituent Authorities’ functions under sections 82 to 84 of the Environment Act 1995 (Air Quality) and in relation to the Greater Manchester Clean Air Plan (excluding such decisions that must be taken by the charging authorities jointly under Part 3 of, and Schedule 12 to, the Transport Act 2000 and regulations made thereunder).

Powers to be discharged by the Committee

The Committee shall have the power to discharge jointly:

- the GMCA’s and the Constituent Authorities’ functions under sections 82 to 84 of the Environment Act 1995
 - the GMCA’s functions in relation to the Greater Manchester Clean Air Plan (including the taking of action likely to promote or improve the economic, social or environmental well-being of Greater Manchester in connection with it and the use of grants made by the Secretary of State under section 31 of the Local Government Act 2003 to implement that plan).
- the Constituent Authorities functions under the Greater Manchester Clean Air Plan including those under Part 3 of, and Schedule 12 to, the Transport Act 2000 and regulations made thereunder (excluding any decision thereunder that must be taken jointly by charging authorities) including, but not limited to:
 - action required under the Environment Act 1995 (Greater Manchester) Air Quality Direction 2020 (other than the making of the joint local charging scheme);
 - the exercise of their powers under sections 176, 177 and 192 of the Transport Act 2000;
 - the application of the Constituent Authorities’ shares of any net proceeds of a joint local charging scheme made by them.

The discharge of such functions includes the doing of anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of those functions.

Operation of the Committee

- The Committee shall appoint a chair at its first meeting;
- The Quorum of the Committee shall be 8 members;
- Each member shall have one vote;
- The Chair shall not have a casting vote;
- Unless required by law, decisions shall be made by a simple majority.

7 APPENDIX 2 – MAIN PROCUREMENTS TO ENABLE GM TO DELIVER A CHARGING CLEAN AIR ZONE IN SPRING 2022

Procurement Activity	Reason for Procurement	Procurement Approach	Estimated Contract Value £m*	Anticipated Contract Award Date	Funding Required from JAQU to enable contract award
CAZ Signage	Signs are required to be placed on the highway network to support the implementation of the GM CAZ. The signage will need to be placed within the GM CAZ and at entry and exit points on the Strategic Route Network and neighbouring authorities ⁸ .	A procurement exercise has been undertaken for entry, exit and advance, repeater and advance direction signage, to cover the manufacture, installation, management and de-commissioning of such signs. Advanced warning signs on the Strategic Road Network required for CAZ are to be procured separately by Highways England, who manage this network.	£2.55m(CAPEX)	March 2021	n/a funded by £36m initial funding award
CAZ Service	Automatic Number Plate Recognition (ANPR) cameras will be used to detect vehicles through the capture of Vehicle Registration Marks (VRMs) and record evidential data of their entry into the GM CAZ. ANPR cameras will be installed at key locations across the region.	Procurement is being run through a competitive dialogue procedure to acquire the following services under a single contract: 1) A Vehicle Detection and Processing Service to operate and maintain the ANPR devices; 2) A CAZ Office Service that will: <ul style="list-style-type: none"> service customers, so as to handle individual queries from members of the public regarding the GM CAZ; and enable integration with the via a Central Government Payment Portal. 3) A Penalty Enforcement Service that will enable 'case management', and interface to the DVLA, to issue Penalty Charge Notices (PCNs) and where necessary the Traffic Enforcement Centre (TEC), Traffic Penalty Tribunal (TPT) and the Enforcement Agents, and track the progress of the PCN.	£62.0m (CAPEX) £98.5m (OPEX)	Summer 2021	£38m plus £24m from the initial funding award
CAZ Debt Recovery	A Debt Recovery Service will be required to progress debt management and to secure payment of outstanding fines, penalties and any charges as directed by the TEC and TPT.	This contract will be a call-off from the Crown Commercial Services (CCS) framework to recover outstanding debts both nationally and internationally.	£40.7m	May 2021	n/a will be funded by the operational revenues of the Clean Air Zone
Vehicle Funds - Clean Vehicle Funds Service	Owners or registered keepers of a non-compliant vehicle that will be subject to the GM CAZ charges may be eligible to apply for financial support towards upgrading to a compliant vehicle, subject to meeting eligibility criteria. The Clean Vehicle Administration of the Clean Air Funds will be delivered through a Financial Conduct Authority (FCA) authorised Clean Vehicle Fund Service (CVFS)	<ul style="list-style-type: none"> Provide a "digital first" entry point for the customer, and an automated process so applicants will quickly be able to access information on funding options available to them and to make an application. Manage a network of dealerships accredited to receive grant payments. Provide applicants with non-compliant vehicles who successfully passed eligibility testing the option of either a grant or vehicle finance funding option and progress sourcing a vehicle. An Applicant who chooses the grant option will be able to access an accredited dealership¹⁰ list to redeem the grant monies through a voucher issued through the CVFS. A database of all applications made for grant and vehicle finance and the funding route chosen. Interface management between the CVFS and the Financiers in order to deliver a digital customer journey. 	£4.56m	May 2021	£4.56m

⁸ Formal agreement of the precise location of the CAZ signage, this can only be decided once the boundary is finalised in the Final Plan Report.

¹⁰ Dealerships will be able to apply through the platform for accreditation to the Clean Funds Scheme and therefore receive grant payments. Dealerships will be required to be FCA authorised (or exempt as appointed representatives of FCA authorised Principal firms); and agree electronic Term's and Condition's for the scheme.

Procurement Activity	Reason for Procurement	Procurement Approach	Estimated Contract Value £m*	Anticipated Contract Award Date	Funding Required from JAQU to enable contract award
	and a panel of FCA authorised Financiers ⁹ .	<ul style="list-style-type: none"> A robust process for monitoring of the funds. N.B. if there is a lower take up of the Clean Funds Scheme than expected volumes (or higher than expected in a particular funding tranche), GM can widen the eligibility criteria through the CVFS without prejudice to existing Applicants contained within the CVFS database. 			
Vehicle Funds - Vehicle Financiers		<ul style="list-style-type: none"> Provide applicants with non-compliant vehicles who successfully passed eligibility testing and choose the vehicle finance funding option access to asset finance and leases at contributory rates to owners of eligible vehicles with the GM CAP Clean Funds Scheme providing the value of the contribution. Interface with the CVFS for hand-over of data through the CVFS on all applicants who have passed the eligibility checks and chosen to take the contributory vehicle finance funding option. Be required to supply all management information requirements of the fund measures. 	£114m ¹¹	May 2021	£6.1m
Diffusion Tubes & Air Quality Monitoring	Air Quality monitoring will be critical in confirming that the GM CAP is delivering the necessary trajectory of air quality improvement and compliance with air quality standards. Air Quality will be measured via a combination of Diffusion Tubes and Continuous Monitors	The diffusion tubes tender was issued to market in November 2020. The scope of the procurement for diffusion tube air quality monitoring includes the supply, installation and decommissioning of the diffusion tubes at 467 monitoring sites, monthly monitoring and provision of analysis to support the GM CAP programme.	£C£1.5m	April 2021	n/a will be funded by the operational revenues of the Clean Air Zone
EV Taxi Try before You Buy (TBYB)	<p>The GM CAP and the proposed GM MLS will require Hackney Carriages to meet stricter emissions standards, which will mean a significant proportion of the trade will need to upgrade to compliant vehicles.</p> <p>The Hackney ZEC/EV rental initiative for drivers that are uncertain about transitioning straight to ZEC.</p>	TBYB scheme is awaiting a Government offer of funding. The procurement strategy will be defined during early 2021s	£1.0 m	Autumn 2021	£1.0m

*With the exception of the Signage, the contract values are estimates which will be firmed up once bids are received.

⁹ TfGM, the ten Greater Manchester local authorities and GMCA will not be party to any vehicle selection, specification and supply or to any of the financial agreements between the Financiers and the vehicle owners. TfGM will not be required to be FCA authorised.

¹¹ This sum represents the maximum that could be disbursed to Financiers should all applicants apply for finance.