

## **GM Air Quality Administration Committee**

Date: 21 September 2021

Subject: GM Clean Air Plan – Bus Replacement Funds

Report of: Simon Warburton, Transport Strategy Director, TfGM

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### **PURPOSE OF REPORT:**

To set out the details of the Clean Bus Fund Replacement scheme designed to distribute the bus replacement funds as set out in the agreed GM Clean Air Plan policy.

### **RECOMMENDATIONS:**

**The Air Quality Administration Committee is requested to:**

1. Approve the establishment and distribution of the bus replacement funds.

### **CONTACT OFFICERS:**

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### **Equalities Impact, Carbon and Sustainability Assessment:**

The GM CAP is a place-based solution to tackle roadside NO<sub>2</sub> which will have a positive impact on carbon.

BOLTON

MANCHESTER

ROCHDALE

STOCKPORT

TRAFFORD

BURY

OLDHAM

SALFORD

TAMESIDE

WIGAN

## **Risk Management:**

Initial risk register set out in Clean Air Plan OBC (March 2019).

## **Legal Considerations:**

The legal consideration have been set out in the GMCA report of the GM Clean Air Plan, published on 21 June 2021<sup>1</sup>.

## **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:** 0 (zero)

**Comments/recommendations from Overview & Scrutiny Committee:** Not applicable

## **BACKGROUND PAPERS:**

- 25 June 2021, report to GMCA: GM Clean Air Final Plan
- 31 January 2021, report to GMCA: GM 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

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<sup>1</sup> <https://democracy.greatermanchester-ca.gov.uk/documents/s15281/GMCA%20210621%20Report%20Clean%20Air%20Plan%20-%20FINAL%20FINAL.pdf>

- 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

<b>TRACKING/PROCESS</b>	
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?	No
<b>EXEMPTION FROM CALL IN</b>	
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?	N/A
GM Transport Committee	N/A
Overview & Scrutiny Committee	N/A

## 1. BACKGROUND

- 1.1 The Government has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) levels following the Secretary of State issuing a direction under the Environment Act 1995. In Greater Manchester, the 10 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 NO<sub>2</sub> Exceedances at the Roadside, herein known as Greater Manchester Clean Air Plan (GM CAP).
- 1.2 The GM CAP is a package of measures to deliver NO<sub>2</sub> reductions to within legal limits within the shortest possible time. Part of the package of measures is to deliver a Clean Bus Fund (CBF) to support the upgrade of non-compliant buses to a minimum of Euro VI standard through either a retrofit grant or a replacement grant.
- 1.3 The GMCA – Clean Air Final Plan report on 25 June 2021 set out the Final Clean Air Plan and policy following a review of all of the information gathered through the GM CAP consultation and wider data, evidence and modelling work has been agreed by the ten GM Local Authorities. This includes the GM Clean Air Plan Policy, that outlines the boundary, discounts, exemptions, daily charges of the Clean Air Zone as well as the financial support packages offered towards upgrading to a compliant vehicle, including the eligibility criteria to be applied.

- 1.4 The GMCA – Clean Air Update report on 29 May 2020<sup>2</sup> detailed that GM had been awarded £15.4m for bus retrofit and as set out in the GMCA - GM Clean Air Final Plan report on 25 June 2022, GM has been awarded £3.4m to support bus replacement by small and medium size companies. This figure includes the JAQU estimated delivery costs at 5%.
- 1.5 The 25 June 2021 GMCA report set out that the Air Quality Administration Committee has the authority to establish and distribute the funds set out in the agreed GM Clean Air Plan policy.
- 1.6 This report outlines the progress made to distribute CBF retrofit monies and the details of the CBF replacement scheme, recommending the launch of the fund.

## **2. CLEAN BUS FUND**

- 2.1 Owners/registered keepers of a non-compliant vehicle that is subject to the GM CAZ charge may be eligible to apply for financial support towards upgrading to a compliant vehicle, subject to meeting eligibility criteria. The aim of the funding is to support an upgrade to a compliant vehicle and to mitigate the negative socio-economic effects of the GM CAZ. The Clean Bus Fund provides financial support for the upgrade of non-compliant buses used on registered bus services within GM.
- 2.2 Bus Operator engagement has taken place in July/ August 2021, with meetings being held with each operator to update on GM Clean Air Plans and impacts on bus operators, including:
  - Exemptions – school contracts (entered into before 31st March 2019 and expire in July 2022);
  - Exemptions – training vehicles;
  - Replacement funds; and
  - Buses on TfGM Tendered routes that run post May 2022 (CAZ launch) where there is no contractual Euro VI requirement.
- 2.3 Some operators have indicated that there is potentially a long lead time to procure compliant buses, therefore TfGM are working to provide operators with as much time as possible ahead of the CAZ launch on 30 May 2022.
- 2.4 Launching the scheme in September will give operators approx. 9 months to apply for replacement funding and procure replacement buses before the CAZ launches in May 2022.

## **3. CLEAN BUS FUND – RETROFIT**

- 3.1 This fund provides a financial support mechanism to retrofit buses with older engine standards to the less polluting Euro VI standard where possible. This funding is available to eligible vehicles used on registered bus services within GM.

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<sup>2</sup> Also considered by the GM Authorities through their own constitutional decision-making arrangements.

- 3.2 The Fund provides a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system. Funding is available to eligible vehicles that have been operating a registered bus service within GM, for not less than six (6) full consecutive calendar months immediately prior to the date of application and are less than 13 years old.
- 3.3 The CBF retrofit scheme opened for applications in December 2020. At the time of writing 72 applications have been made by 21 operators with £11.7m awarded in grants. As part of setting up this scheme TfGM defined the processes required to manage the applications and grant awards, procured a grant administration system, and established a grant administration team.
- 3.4 Bus operators can still apply for retrofit funding through the online portal (<https://retrofitgrant.cleanairgm.com/default.aspx>).
- Retrofit funds are paid directly to Applicants, subject to suitable evidence being provided. Funding is released on the following basis:
  - 25% of the amount on the invoice is released on receipt of an acceptable order confirmation.
  - 75% of the amount on the invoice is released on receipt of a completion certificate issued by the Approved supplier;
  - Alternatively, where a deposit has not been paid, 100% may be paid on receipt of a completion certificate issued by the Approved supplier.

## **4. CLEAN BUS FUND – REPLACEMENT**

- 4.1 This fund provides a financial support mechanism to replace of non-compliant vehicles for small and medium sized bus operators, operating on registered bus services in GM.
- 4.2 A grant of £16,000 is available towards the cost of replacing a non-compliant vehicle used on a registered bus service within GM with a compliant vehicle which meets GM CAZ emission standards.
- 4.3 The CBF replacement scheme will also be administered by TfGM and the development of the scheme has processes defined to support the replacement applications (based on the existing retrofit grant administration processes and utilising the grant administration system).
- 4.4 Bus operators will be invited to apply for replacement funding through the same online portal.
- 4.5 There are eligibility checks for the Replacement fund to ensure that the applicant is a micro, small or medium operator, this has been built into the grant administration process and application form.
- 4.6 Replacement funds will be paid direct to the applicant, subject to suitable evidence being provided. There will be no deposit payments made; funding will be 100% on completion of purchase of a replacement compliant bus.

## **5. RECOMMENDATIONS**

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