

GM Clean Air Quality Administration Committee

Date: 13th October 2021
Subject: GM Clean Air Plan – Financial Support Scheme
Report of: Simon Warburton, Transport Strategy Director, TfGM

PURPOSE OF REPORT:

This report sets out a proposal for the arrangements to distribute Clean Air funds to support Private Hire Vehicles, Hackney Carriages, HGVs, coaches, minibuses, and Light Goods Vehicles.

RECOMMENDATIONS:

The Air Quality Administration Committee is requested to:

1. Agree to establish and distribute Clean Air funds set out in the agreed GM Clean Air Plan policy as follows:
 - From 30th November 2021 applications for funding will open for HGVs.
 - From the end of January 2022 applications for funding will open for Private Hire Vehicles, Hackney Carriages, coaches, minibuses and Light Goods Vehicles.
2. Note a report that will set out the assessment mechanism agreed with JAQU to ensure that Clean Air Funds can be adapted if necessary will be brought to the Committee in advance of the funds opening in November 21.

CONTACT OFFICERS:

Eamonn Boylan – Chief Executive, GMCA and TfGM

eamonn.boylan@greatermanchester-ca.gov.uk

Simon Warburton – Transport Strategy Director, TfGM

simon.warburton@tfgm.com

Liz Treacy – GMCA Solicitor and Monitoring Officer

liz.treacy@greatermanchester-ca.gov.uk

Frank Tudor – GM Clean Air Plan Delivery Sponsor, TfGM

frank.tudor@tfgm.com

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

Equalities Impact, Carbon and Sustainability Assessment:

The GM CAP is a place-based solution to tackle roadside NO₂ which will have a positive impact on carbon.

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 2021¹

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:

- 21 September, report to AQAC: GM Clean Air Plan – Clean Air Zone: Camera and Sign Installation
- 21 September, report to AQAC: GM Clean Air Plan – Bus Replacement Funds
- 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

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

- 30 November 2018, report to GMCA: Clean Air Plan Update
- 15 November 2018, report to HPEOS Committee: Clean Air Update
- 26 October 2018, report to GMCA: GM Clean Air Plan Update on Local Air Quality Monitoring
- 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? 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 (NO₂) 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 NO₂ 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 NO₂ reductions to within legal limits within the shortest possible time. The GMCA – Clean Air Final Plan report on 25 June 2021² 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 (CAZ) as well as the financial support packages offered towards upgrading to a compliant vehicle, including the eligibility criteria to be applied. 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.

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

- 1.3 The GMCA Clean Air Update report of 29 May 2020² detailed that in March 2020 the government provided initial funding of £41m for clean vehicle funds to award grants or loans to eligible businesses: £15.4m for bus retrofit, £10.7m for Private Hire Vehicles, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses. Note: These figures include JAQU estimated delivery costs at 5%.
- 1.4 The GMCA – Clean Air Final Plan detailed that GM had been awarded £14.11m for Hackney Carriages and £73.5m for Light Goods Vehicles. The Hackney Carriage award comprises £10.61m to support grants and loans to upgrade vehicles. Note: These figures include 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 On 21 September the Air Quality Administration Committee approved the establishment and distribution of the bus replacement funds.
- 1.7 The GMCA – Clean Air Final Plan detailed that it was envisaged that owners of non-compliant vehicles would be able to apply for funding to support their vehicle upgrades in November 2021.
- 1.8 This report sets out a proposal for the arrangements to distribute funds to support Private Hire Vehicles, Hackney Carriages, HGVs, coaches, minibuses and Light Goods Vehicles as set out in the agreed GM Clean Air Plan policy.

2. GM CAP FINANCIAL SUPPORT SCHEME

- 2.1 The GM CAP Financial Support scheme supports the upgrade of non-compliant vehicles to through either:
 - a lump sum grant, which contributes to the cost of retrofit, replacement or running costs – the Applicant funds the remaining costs with their own capital or financing arrangements; or,
 - Vehicle Finance, which contributes to the cost of financing a replacement vehicle through the GM scheme – the Applicant pays monthly for an agreed finance period.
- 2.2 Applicants will be able to choose the option which best suits their individual circumstances. If an applicant is unsuccessful in securing a vehicle finance agreement, the replacement grant option will always remain available to the applicant.
- 2.3 The arrangements to distribute funds are proposed as follows:
 - From 30th November 2021 applications for funding will be open for HGVs.
 - From the end of January 2022 applications for funding will open for Private Hire Vehicles, Hackney Carriages, coaches, minibuses and Light Goods Vehicles.
- 2.4 This proposal is made to de-risk the implementation of the Financial Support Scheme whilst giving HGV Owners the maximum possible time to apply and upgrade or retrofit.

- 2.5 Issuing in two waves gives an opportunity to understand any issues with the system and address before Private Hire Vehicles, Hackney Carriages, coaches, minibuses and Light Goods Vehicles owners apply.
- 2.6 The table below sets out the time period between the opening of applications to the daily charging by vehicle type.

Vehicle type	Funds Open	CAZ Daily charges	Application window before the commencement of CAZ charging
HGV	November 2021	May 2022	6 months
LGVs, Taxis, Coaches and Minibuses	January 2022	June 2023	17 months

3. CLEAN AIR FUNDS ASSESSMENT MECHANISM

- 3.1 As set out in the GMCA report of 25 June 2022, the final GM Clean Air Plan does not include a Hardship Fund. Although feedback from the consultation and the impact of COVID-19 research found that further support was required for GM businesses, Government Ministers did not agree that a Hardship Fund would be the best way to mitigate the impact of uncertainty due to the pandemic. Ministers cite other government schemes being available to address wider business impacts.
- 3.2 However, Government confirmed that they wish to ensure that Clean Air Funds can be adapted if necessary; and, that they will continue to work with GM to understand the situation, including the funding position, if the impacts prove to be more severe than forecast. On 6th July 2021, Ministers Rachel Maclean MP and Rebecca Pow MP wrote to Councillor Western, GM's Clean Air Lead to confirm that they will continue to keep the wider funding position for the GM CAZ under discussion and that their officials will agree a mechanism for keeping this under review.
- 3.3 The Joint Air Quality Unit (JAQU) and TfGM team continue to discuss the approach to any future consideration and to agreeing milestones for implementation of the CAZ and a report that will set out the assessment methodology will be brought to the next Air Quality Administration Committee in advance of the funds opening in November 21.

4. RECOMMENDATIONS

- 4.1 The recommendations are set out at the front of the report.