

GM Clean Air Charging Authorities Committee

Date: 18 November 2021

Subject: GM Clean Air Plan – GM Clean Air Plan Policy updates

Report of: Simon Warburton, Transport Strategy Director, TfGM

PURPOSE OF REPORT:

This report sets out a proposal to correct a reference in the DVLA Private HGV Tax Class discount, and that the owner will need to apply for this discount as the CAZ Central Service cannot identify these vehicles.

It also sets out that the CAZ Central Service can administer the Disabled Tax Class exemption and that as a database of these vehicles is managed by the DVLA, so no additional action is required by the owner or registered keeper to obtain this exemption. The report also proposes to correct the description column of specialist HGV vehicles, to provide the correct statutory reference to the Road Traffic Act 1988.

To reflect the UK government's position on the Small Amounts of Funding Exemption Limit following the outcome of UK government's consultation on the Subsidy Control regime, the limit of financial support for the funds (except Clean Bus Fund) per applicant requires amendment from £325,000 to £315,000.

The report also proposes to correct the wording in the policy for the replacement funding options available for HGVs to link the wheel plan and weight.

RECOMMENDATIONS:

The Clean Air Charging Committee is requested to:

1. Agree that the GM Clean Air Plan policy is updated for the Private Heavy Goods Vehicle (HGV) discount to reference *para 4(2) (bb) of Part IV of Schedule 1 to the VERA*.

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

2. Agree that the GM Clean Air Plan policy is updated for the Private HGV discount to state that that the owners or registered keepers of Private HGV's must apply for the discount, as there is no national database of these vehicles.
3. Agree that the GM Clean Air Plan policy is updated for the Disabled Tax Class Vehicles permanent exemption to state that a *database of these vehicles is managed by the DVLA. Therefore, no additional action is required by the owner or registered keeper to register the vehicle for an exemption.*
4. Agree that the description column of specialist HGV vehicles in the GM Clean Air Plan policy is updated to the reference to: *Vehicles in the DVLA Special Types Tax Class 13 and specified in an Order under Section 44 of the Road Traffic Act 1988.*
5. Reflect the outcome of UK government's consultation on the Subsidy Control regime in the GM Clean Air Plan policy and amend the limit of financial support for the funds (except Clean Bus Fund) per applicant from £325,000 to £315,000.
6. Agree that the GM Clean Air Plan policy funding options available for HGVs towards a compliant replacement vehicle is updated to '*44t articulated HGV (over 3.5t and up to 44t articulated HGV).*

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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 has 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

- 13 October 2021, report to AQAC: GM Clean Air Plan – Operational Agreement for the Central Clean Air Service
- 13 October 2021, report to CACC: GM Clean Air Plan – Showmen’s Vehicle Exemption
- 13 October 2021, report to CACC: GM Clean Air Plan – Clean Air Zone daily charge refund policy
- 13 October 2021, report to CACC: GM Clean Air Plan – A628/A57, Tameside – Trunk Road Charging Scheme
- 21 September 2021, report to AQAC: GM Clean Air Plan – Clean Air Zone: Camera and Sign Installation
- 21 September 2021, 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

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

- 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
- 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?

No

GM Transport Committee Not applicable

Overview and Scrutiny Committee Not applicable

1. Introduction/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 core goal of the GM CAP is to address the legal requirement to achieve compliance with the legal Limit Value (40 µg/m³) for NO₂ identified through the target determination process in Greater Manchester in the “shortest possible time” in line with legislation and Government guidance.
- 1.3. The Secretary of State has issued a direction to the 10 local authorities in Greater Manchester in March 2020 that requires them to take steps to implement the local plan for NO₂ compliance, so that compliance with the legal limit for nitrogen dioxide is achieved in the shortest possible time, and by 2024 at the latest, and so that exposure to levels above the legal limit for nitrogen dioxide are reduced as quickly as possible.
- 1.4. An eight-week statutory consultation on the GM CAP proposals took place in Autumn 2020. A report that set out the Greater Manchester Final Clean Air Plan and policy following a review of all the information gathered through the GM CAP consultation and wider data, evidence and modelling work has been agreed by the ten GM Local Authorities.
- 1.5. 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.

2. Purpose of Report

- 2.1. This report sets out:
 - a proposal to correct a reference to the Vehicle Excise and Registration Act 1994 in the DVLA Private HGV Tax Class discount, and that as JAQU have confirmed that

the CAZ Central Service cannot identify these vehicles due to the fact that there is no national database of private HGVs, owners or registered keeper of Private HGV's will need to apply for this discount.

- to update that JAQU have confirmed that the CAZ Central Service can administer the Disabled Tax Class exemption. Therefore, it is recommended to update the wording of the GM CAP Policy exemption to reflect that a database of these vehicles is managed by the DVLA, and no additional action is required by the owner or registered keeper to register the vehicle for an exemption.
- to reflect the position following the outcome of UK government's consultation on the Subsidy Control regime, the limit of financial support for the funds (except the Clean Bus Fund) per Applicant requires amendment from £325,000 to £315,000.
- a proposal to correct the description column of specialist HGV vehicles, the reference to: "Vehicles in the DVLA Special Types Tax Class 13 and specified in an Order under Section 44 of the Road Traffic Act 1994;" – this requires correction to "Vehicles in the DVLA Special Types Tax Class 13 and specified in an Order under Section 44 of the Road Traffic Act 1988;".
- a proposal to correct the funding options available for HGVs towards a compliant replacement vehicle, the reference to '44t HGV (up to 44t HGV) – up to £6,500' need to be linked to the wheel plan and weight – this requires correction to "44t articulated HGV (over 3.5t and up to 44t articulated HGV) – up to £6,500".

3. Private Heavy Goods Vehicle discount

- 3.1. In the agreed GM Clean Air Plan Policy², a permanent discount is listed for Private Heavy Goods Vehicles. The discount is described as:

Owners or registered keepers of vehicles in the DVLA Private HGV Tax Class³ and meeting the definition of a "special vehicle" in paragraph 4(2) (bb) of Schedule 2 to

²https://assets.ctfassets.net/tlpgbvy1k6h2/2VNncClzejAvGh3CrVn0oo/827368f3971b13b9d79525c7c7a60094/GM_Clean_Air_Plan_Policy_following_Consultation.pdf

³ Information on tax classes for vehicles is available at: <https://www.gov.uk/government/publications/v3551-notes-about-tax-classes>

the VERA⁴. The vehicle would be subject to a charge equivalent to the LGV daily charge (£10 a day), rather than the HGV daily charge (£60 a day).

- 3.2. It sets the rationale for the discount as:

HGVs in the DVLA Private HGV Tax Class are used unladen, privately or for driver training purposes.

- 3.3. And provides further information of:

A database of these vehicles is managed by the DVLA. Therefore, no additional action is required by the owner or registered keeper to register the vehicle for a discounted charge.

- 3.4. As stated above, the Policy references a specific paragraph of the VERA: para 4(2) (bb) of Schedule 2, however, since the GM Clean Air Plan Policy was finalised and agreed, it has come to light that this reference should be: para 4(2) (bb) of Part IV of Schedule 1 to the VERA.

- 3.5. It is recommended that the GM Clean Air Plan Policy is updated to include the correct reference to the VERA so that it says:

Owners or registered keepers of vehicles in the DVLA Private HGV Tax Class and meeting the definition of a “special vehicle” in paragraph 4(2) (bb) of Part IV of Schedule 1 to the VERA.

- 3.6. As per paragraph 2.3, the Private HGV discount description states that a database of these vehicles is managed by the DVLA. However, since the GM Clean Air Plan Policy was finalised, JAQU have confirmed that the CAZ Central Service will not be able to automatically identify these vehicles. Therefore, owners or registered keepers of these vehicles will need to apply for this discount, as there is no national database of these vehicles.

- 3.7. It is recommended that the GM Clean Air Plan Policy is updated to reflect the need for an application. The revised wording would be:

That owners or registered keepers of Private HGVs will need to apply for this discount, as there is no national database of these vehicles.

⁴ VERA = Vehicle Excise and Registration Act 1994

4. Disabled Tax Class vehicles

- 4.1. In the agreed GM Clean Air Plan Policy², a permanent exemption is listed for Disabled Tax Class vehicles. The exemption is described as:

Vehicles used by, or for the purposes of a disabled person which are exempt from vehicle tax, i.e., those in the DVLA Disabled Tax Class and meeting the definitions and criteria in paragraphs 18 and 19 of Schedule 2 of the VERA are eligible to apply for exemption.

- 4.2. However, in the further information columns within the Policy, for this exemption it states that no additional action is required as there is a national database. JAQU have now confirmed that the CAZ Central Service can administer the Disabled Tax Class exemption. Therefore, it is recommended to update the wording of the exemption to reflect this. The proposed wording in the exemption description would say:

A database of these vehicles is managed by the DVLA. Therefore, no additional action is required by the owner or registered keeper to register the vehicle for an exemption.

5. Small amounts of funding exemption limit

- 5.1. In the agreed GM Clean Air Plan Policy², the policy sets out at paragraphs 3.4, 8.13 and 9.7 that financial support with the exception of the Clean Bus Funds (CBF) is limited to a monetary value of £325,000 per Applicant, so as ensure compliance with the UK's subsidy control regime.⁵
- 5.2. To reflect the position on the Small Amounts of Funding Exemption limit following the outcome of UK government's consultation on the Subsidy Control regime⁶, the limit of financial support for the funds (except CBF) requires amendment from £325,000 to £315,000 (inclusive of any cumulative financial benefit from discounts, exemptions, grants, or Vehicle Finance secured through the GM CAP or any other applicable public funding source).
- 5.3. This amendment is necessary as the Small Amounts of Funding Exemption Limit threshold of 325,000 Special Drawing Rights (SDR)⁷ over a period of 3 fiscal years has been confirmed as £315,000 in sterling terms (a more cautious approach than was expected given that at the time of publication of the government's Subsidy Control consultation document, 325,000 SDR was equivalent to approximately £340,000).

6. Specialist HGVs

- 6.1. In the agreed GM Clean Air Plan Policy² the description column of specialist HGV vehicles, makes reference to: "Vehicles in the DVLA Special Types Tax Class 13 and specified in an Order under Section 44 of the Road Traffic Act 1994;" – this requires correction to "Vehicles in the DVLA Special Types Tax Class 13 and specified in an Order under Section 44 of the Road Traffic Act 1988;".

7. Correction to HGV wheel plan and weights

- 7.1. In the agreed GM Clean Air Plan Policy², the funding options available for HGVs towards a compliant replacement vehicle are set out dependent on the size of non-compliant vehicle for replacement. The first bullet point sets out '44t HGV (up to 44t HGV) – up to £6,500' and has no clarification on the wheel plan of either rigid or articulated, whereas the other weights are clear that they are for rigid vehicles.

7.2. As set out in the Consultation document, it was intended that the funding for ‘44t HGV (up to 44t HGV)’ is for articulated vehicles. Therefore, it is recommended to update the wording of the policy to ‘44t articulated HGV (over 3.5t and up to 44t articulated HGV) – up to £6,500’

8. Recommendations

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

⁵ The UK-EU Trade and Cooperation Agreement (TCA) set out that Small Amounts of Financial Assistance of up to 325,000SDR awarded to a single economic actor over a three-year fiscal period would be generally exempt from the requirement to comply with the principles in the TCA.

⁶ [Complying with the UK's international obligations on subsidy control: guidance for public authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/complying-with-the-uk-s-international-obligations-on-subsidy-control-guidance-for-public-authorities).

⁷ Special Drawing Rights (SDR) are an International Monetary Fund (IMF) unit.