

GM Clean Air Quality Administration Committee

Date: 18 November 2021

Subject: GM Clean Air Plan – GM Clean Air Funds assessment mechanism

Report of: Simon Warburton, Transport Strategy Director, TfGM

PURPOSE OF REPORT:

To set out the assessment methodology to allow for Clean Air Funds to be adapted, if necessary, if the impacts of the Clean Air Zone prove to be more severe than forecast.

RECOMMENDATIONS:

The Air Quality Administration Committee is requested to:

1. Approve the assessment mechanism to allow for Clean Air Funds to be adapted, if necessary, if the impacts of the Clean Air Zone prove to be more severe than forecast.
2. Note that the CAP monitoring and evaluation plan will be brought to the December meeting of the committee.
3. Note that, subject to recommendation 1, that the GMCA Clean Air lead will write to JAQU Ministers outlining the importance of this work and the intention to closely monitor the distribution of funding through the monitoring and evaluation plan. Setting out that Greater Manchester will report back regularly on progress and issues, identifying where Implementation Funds are needed to secure success of the GM Clean Air Plan.

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BOLTON
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MANCHESTER
OLDHAM

ROCHDALE
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STOCKPORT
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TRAFFORD
WIGAN

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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

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

- 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
- 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. Background

- 1.1. As set out in the GMCA report of 25 June 2021, 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.
- 1.2. 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, the GMCA lead for Clean Air 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 (see Appendix 1). The Joint Air Quality Unit (JAQU) and TfGM team will discuss the approach to any future consideration and to agreeing milestones for implementation of the CAZ.
- 1.3. The GMCA report set out that the assessment methodology will be agreed by the Air Quality Administration Committee in advance of the funds opening in November 2021 and 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.
 - approve the assessment mechanism agreed with JAQU to ensure that Clean Air Funds can be adapted if necessary.
 - Monitor and evaluate the joint local charging scheme.

2. Introduction

2.1. Government has provided Greater Manchester with an allocation of over £120m of Clean Air Funds (CAF) to support those businesses, individuals and organisations who need to upgrade their vehicle to become compliant in line with the agreed GM Clean Air Final Plan policy. The Government's CAF Fund's objective is to support individuals and businesses affected by local NO₂ plans without reducing the effectiveness of those plans, i.e., mitigation measures. The CAF Fund is distinct from the Implementation Fund which has the objective of funding measures necessary for the achievement of compliance with limit values for NO₂ concentrations.

	GM CAF Ask	Govt CAF award (minus admin costs)
Bus retrofit	£16m	£14.7m
HGV	£8m	£7.6m
Coach	£8m	£4.4m
Minibus	£2m	£2m
LGV	£80m	£70m
PHV	£22m	£10.2m
Hackney Cab		£9.5m
Try before you buy	£1.69m	£0.5m
EVCI Taxi	£6.5m	£3m
Bus Replacement	£9.0m	£3.2m
Hardship Fund	c.£10m	Nil

- 2.2. Government considered this sufficient to mitigate the impacts of the Greater Manchester Clean Air Zone. However, following representations made by Councillor Western on behalf of the ten authorities, they have agreed to work with Greater Manchester to develop a process that ensures a common understanding for how and when further CAF awards will be considered, the factors that will be considered in making such a request, and the evidence requirements in order to inform future decisions. The response from Ministers can be found in Appendix 1.
- 2.3. This report sets out the proposed principles for any future CAF consideration. The approach to future requests from the Government's Clean Air Fund have been negotiated with JAQU.

3. Government approach to future clean air funds need

- 3.1. Appendix 2 sets out the Government's proposed principles for any future CAF consideration, as presented by JAQU. GM Officers have considered the final proposed principles from JAQU and would recommend that they are accepted noting the following points.
- 3.2. Firstly, Members will note that GM must trigger a review before 1st September 2023; this is 3 months after GM's temporary exemptions expire following the CAZ launch on 22 May 2022. GM officers consider that this timeframe will allow for a reasonable assessment of future need as evidence from the impact of the temporary exemption expiration can be taken into account.
- 3.3. The position is based upon a clear understanding that the Transport Act 2000 requirement is that net proceeds are used for the achievement of transport policies rather than environmental or social policies. GM is content that the use of net proceeds from the CAZ for future CAF-related mitigation measures is allowed under the GMCA local transport policy, Policy 9 in the Greater Manchester Transport Strategy 2040 sets out that: We will work with partners and key stakeholders to bring nitrogen dioxide (NO₂) levels on local roads within legal limits, and to reduce levels of particulate matter.

- 3.4. At this stage, there is no guaranteed future CAF (mitigation measures) funding commitment from Government and officials have stressed the need for government to take account of the wider budgetary position. At this stage, there is no guaranteed future funding commitment from Government and officials have stressed the need for government to take account of the wider budgetary position.
- 3.5. Officers are preparing the CAP monitoring and evaluation plan which will set out how the 10 Greater Manchester Local Authorities will monitor the GM Clean Air Zone to ensure that the policy and proposals contained in the GM CAP remain appropriate throughout the lifetime of the interventions. This plan will take account of the principles for any future CAF considerations to ensure that its evidential requirements are captured.
- 3.6. Subject to Members' agreement to the principles set out here it is recommended that the GMCA Clean Air lead will write to JAQU Ministers outlining the importance of this work and the intention to closely monitor the distribution of funding through the monitoring and evaluation plan. Setting out that Greater Manchester will report back regularly on progress and issues, identifying where Implementation Funds are needed to secure success of the GM Clean Air Plan.

4. Recommendations

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

5. Appendix 1: Letter to Cllr Andrew Western from JAQU Ministers Rebecca Pow MP and Rachel Maclean MP



Department
for Transport



Department
for Environment
Food & Rural Affairs

Cllr Andrew Western
Leader of the Council
Trafford Council
The Leader's Office, Trafford Town Hall
Stretford, Manchester, M32 0TH

6th July 2021

Dear Andrew

Thank you for your letter of 14 June about Greater Manchester plans for a Clean Air Zone, and for the constructive discussion we had on 15th June.

We are pleased to see that you published your CAZ proposals on 21 June and welcome the wider package of measures outlined alongside it. These are significant interventions and we look forward to continuing the constructive engagement to tackle air pollution as well as to hearing the outcome of the GMCA and local authority approvals process.

As agreed at our meeting and in previous correspondence, we will continue to keep the wider funding position for the GM CAZ under discussion and our officials will agree a mechanism for keeping this under review. The JAQU and TfGM team will discuss the approach to any future consideration and to agreeing milestones for implementation of the CAZ.

Yours sincerely,

RACHEL MACLEAN MP

REBECCA POW MP

6. Appendix 2: Approach to future Clean Air Fund (CAF) requests by Greater Manchester authorities – process and principles

- 6.1. Government has provided Greater Manchester Authorities with a CAF allocation of £132m which is considered sufficient to mitigate the impacts of the Greater Manchester Clean Air Zone. However, we have agreed to work with Greater Manchester to develop a process that ensures a common understanding for how and when further CAF awards will be considered, the factors that will be considered in making such request, and the evidence requirements in order to inform future decisions. This note sets out JAQU's proposed principles for any future CAF consideration. As noted in the letter of 9 June 2021 from Ministers Pow and Maclean, JAQU cannot make any future funding commitment. While any request will be given serious and full consideration, further funding is not guaranteed and will need to be considered within the context of the wider budgetary position at the time. This note sets out the process for agreeing any future consideration should it be requested.
- 6.2. JAQU will agree to consider a request for further CAF support once the following occurs; the deadline for triggering a review will be 3 months after GM's year one exemptions expire following initial CAZ launch - 1 September 2023. After this point no further requests for additional CAF support will be considered:
- a total of 85% of total CAF funds have been committed
 - a total of 75% of funds allocated by Greater Manchester to a specific CAF scheme have been committed or
 - Greater Manchester projections show that a scheme is going to be depleted within 2 months based on current projected uptake levels and from applications in train.
- 6.3. A review will seek to determine whether there is a robust case for Government providing additional funding for a specific scheme. In order to inform decisions on whether any further CAF allocations will be made Greater Manchester should provide the following:
- Evidence of weekly/daily levels of grant uptake across all schemes; depending on Greater Manchester's process this should be split by expressions of interest/application/funds committed (and any other data indicating uptake trends).

- Evidence of the number of vehicles supported and progress against the anticipated numbers needing support for individual/all schemes
- Funds remaining for each CAF support scheme and estimate of when funds will be depleted based on current uptake levels.
- Estimate of the anticipated number of non-compliant vehicles in the local fleet still in need of support.
- Details on size of fleets upgraded / in train (i.e., if large fleet operators have already submitted bids or had approved CAF awards).
- Any supporting information or evidence to justify a request for additional funding e.g., levels of enquiry indicating interest in/demand for the grant scheme, and or indicating that particular groups or businesses will be unfairly disadvantaged as a result of a shortfall.
- Explanation of the consideration that has been given to addressing any expected shortfall from one scheme by reallocating funds from another support scheme
- Up-to-date projections of predicted and/or realised CAZ net-proceeds /revenue and explanation of how net proceeds/ revenue has been considered in the context of addressing shortfalls in CAF schemes.
- Completed JAQU quarterly reporting templates as required under the grant conditions

6.4. If Greater Manchester propose to raise the grant levels for specific schemes/vehicles in advance of any request this should be raised and discussed with JAQU in advance.

6.5. In addition to the evidence above, the following factors will be taken into consideration by JAQU when advising Ministers on whether to consider any award for further funds:

- JAQU's wider funding position considering the need to work within the bounds of our funding settlement and need to ensure other local authorities receive an equitable share of funding.
- Any changes Greater Manchester have made to grant levels – Greater Manchester is expected to take efforts to manage its CAF scheme within the allocation provided, and as such increases to grant levels for individual schemes or increases in the number of vehicles a single business is eligible to receive support for, will be considered to weaken the case for any further support subsequently.

- Grant levels and uptake levels/rates in other CAZ areas will be considered as a comparator to understand the extent to which any further support in Greater Manchester may be justified
- Any wider funding or support that Greater Manchester has received for transport measures (e.g., buses, cycling and walking) which could help mitigate the impacts of a Clean Air Zone.

Joint Air Quality Unit - October 2021