

GM Air Quality Administration Committee

Date: 28 February 2022

Subject: GM Clean Air Plan – February 2022 Update

Report of: Councillor Andrew Western, Portfolio Lead for Clean Air

Purpose of Report

This report sets out that the government has confirmed that the current direction to implement a category C charging Clean Air Zone has been revoked and that government and the Greater Manchester authorities have agreed a new plan is required to be submitted to the Secretary of State of Environment, Food and Rural Affairs, by 1st July 2022, as well as recommendations about interim arrangements for changes to delivery arrangements for the Clean Air Zone in the meantime, including signage, funding and discount/exemption applications.

Recommendations:

The Air Quality Administration Committee is requested to:

1. Note *The Environment Act 1995 (Greater Manchester) Air Quality Direction 2020* has been revoked and replaced with a new direction on 8th February 2022 *The Environment Act 1995 (Greater Manchester) Air Quality Direction 2022*, as attached at Appendix 5.
2. Note the submission of the report “Issues Leading to Delayed Compliance Based on the Approved GM CAP Assumptions”, as attached at Appendix 2.
3. Note the approach for the GM Clean Air Plan policy redesign and review.
4. Note HGV/bus funds remain open and HGV has opened to small business.
5. Note process in place to make funding awards for vehicle owners with orders prior to funds being paused at the end of January.

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

6. Note that applications for funding, discounts or exemptions under the current policy will be paused.
7. Note Clean Air Zone infrastructure installation paused.
8. Note opening date of 30th May 2022 Clean Air Zone signs to be covered with a sticker (words to be confirmed).
9. Agree that ANPR cameras that have been installed will be utilised to gather “real time” data to inform the refinement of a new plan, so as to monitor vehicle fleet renewal trends and specific traffic mix at key points of exceedance.

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

Megan Black – Interim Head of Logistics & Environment

megan.black@tfgm.com

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 latest emerging evidence suggests that with the Approved Plan in place, it is no longer more likely than not that compliance would be achieved in 2024. The government has confirmed that the current direction to implement a category C charging Clean Air Zone has been revoked and that government and the Greater Manchester authorities have agreed a new plan is required to be submitted to the Secretary of State of Environment, Food and Rural Affairs, by 1st July 2022. This will allow Greater Manchester to provide further evidence

and a revised plan by July setting out how it will deliver legal levels of NO₂ in the shortest possible time, and no later than 2026.

On 8th February 2022 *The Environment Act 1995 (Greater Manchester) Air Quality Direction 2022* was issued. The new direction which requires that the GM local authorities:

- review the measures specified in the existing Plan; and
- determine whether to propose any changes to the detailed design of those measures,
or any additional measures.

The GM authorities must ensure that the Plan with any proposed changes will secure that:

- compliance with the legal limit value for NO₂ is achieved in the shortest possible time and by no later than 2026; and
- exposure to levels above the legal limit for NO₂ is reduced as quickly as possible.

This new direction revokes the direction dated March 2020 which required the ten Greater Manchester Local Authorities to implement a Category C Clean Air Zone so as to achieve compliance with the legal limit value for NO₂ in the shortest possible time and by 2024 at the latest. The latest Direction is attached as Appendix 5.

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: 7 (seven)

Comments/recommendations from Overview & Scrutiny Committee

Not applicable.

Background Papers

- 2 February 2022, report to CACC: GM Clean Air Plan – update to the temporary exemption qualification date for GM-licensed hackney carriages and private hire vehicles
- 20 January 2022, report to AQAC: GM Clean Air Plan – A628/A57, Tameside – Trunk Road Charging Scheme update
- 20 January 2022, report to AQAC: GM Clean Air Plan – Financial Support Scheme Jan 22 Update
- 20 January 2022, report to AQAC: GM Clean Air Plan – Clean Air Zone Discount & Exemptions Applications
- 18 November 2021, report to AQAC: GM Clean Air Plan – GM Clean Air Funds assessment mechanism
- 18 November 2021, report to CACC: GM Clean Air Plan – GM Clean Air Plan Policy updates
- 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, 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
- 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

- 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 (SoS) 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 development of the GM CAP is funded by the Joint Air Quality Unit (JAQU), the joint DEFRA and DfT unit established to deliver national plans to improve air quality and meet legal limits. The costs related to the business case, implementation and operation of the GM CAP are either directly funded or underwritten by JAQU and any net deficit over the life of the GM CAP will be covered by the New Burdens Doctrine, subject to a reasonableness test¹.
- 1.3 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 endorsed the GM 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. The plan 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.
- 1.4 Throughout the development of the GM Clean Air Plan the Authorities have 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;
 - Replacement of non-compliant buses; and

¹ The new burdens doctrine is part of a suite of measures to ensure Council Tax payers do not face excessive increases. [New burdens doctrine: guidance for government departments - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-burdens-doctrine-guidance-for-government-departments)

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

- A clear instruction to Highways England³ to implement measures which deliver compliance with legal limits for NO₂ on the strategic road network, for which they are responsible, in the shortest possible time⁴.
- 1.5 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 Joint Air Quality Unit (JAQU) estimated delivery costs at 5%.
- 1.6 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%.
- 1.7 The 25 June 2021 GMCA report, as agreed by the Greater Manchester authorities (GM) 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.
- 1.8 On 21 September the Air Quality Administration Committee approved the establishment and distribution of the bus replacement funds.
- 1.9 On 13 October the Air Quality Administration Committee agreed the distribution Clean Air funds set out in the agreed GM Clean Air Plan policy as follows:
- From 30 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.

³ On 19 August 2021 it was announced that Highways England changed its name to 'National Highways' reflecting the new focus the company has on delivering the government's £27bn strategic roads investment programme, while also continuing to set highways standards for the whole UK.

⁴ GM Authorities are directed to take action on the local road network. Those roads managed by National Highways, such as motorways and trunk roads are excluded from the Clean Air Plan.

- 1.10 On 18 November 2021 the Air Quality Administration Committee agreed the assessment mechanism to allow for Clean Air Funds to be adapted, if necessary (including a process for considering whether additional funding is required), if the impacts of the Clean Air Zone prove to be more severe than forecast.
- 1.11 On 20 January 2022 the Air Quality Administration Committee considered the findings of an initial review of conditions within the supply chain of Light Good Vehicles in particular which is impacting the availability of compliant vehicles. The Committee agreed that a request should be made to the Secretary of State (SoS) for Environment, Food and Rural Affairs requesting that he agrees to pause opening of the next phase of Clean Air Funds to enable an urgent and fundamental joint policy review with Government to identify how a revised policy can be agreed to deal with the supply issues and local businesses' ability to comply with the GM CAP.
- 1.12 This report sets out the government's response to that request. The report outlines that government and Greater Manchester have agreed a revised plan is required to be submitted to the SoS by July, as well as recommendations about interim arrangements for changes to delivery arrangements for the Clean Air Zone in the meantime, including signage, funding and discount/exemption applications.

2. Dialogue with government

- 2.1 On 26th January 2022, the GM Mayor met the SoS and relayed the issues considered at this Joint Committee regarding the supply chain and impact on the Clean Air Zone and the formal request that had been made for the second phase of funds to be suspended pending a policy review, see Appendix 1 and 2. The SoS agreed to meet again with the Mayor in the following 7-10 days to agree a way forward.
- 2.2 Following this, the government's Joint Air Quality Unit (JAQU) then requested an overview of the potential implications of the supply chain issues on the ability of the Greater Manchester authorities' current proposals to achieve compliance by 2024. JAQU also requested information on what the GM authorities perceive is the likely risk that this may push compliance later into 2025, and why.
- 2.3 A report ***Issues Leading to Delayed Compliance Based on the Approved GM CAP Assumptions***, attached as Appendix 3, was agreed by the Committee chair, Councillor Western, and sent to JAQU on 2nd February 2022, the report concludes:

- *As part of the CAP, and in preparation for the implementation of the Performance Management Plan, GM has continued to monitor vehicle sales and forecast information, and a range of wider assumptions and metrics that supported the development of the Plan.*
- *This process has now identified two factors where emerging evidence suggests the divergence from expected trends is beyond the thresholds identified in the sensitivity testing as putting compliance by 2024 at risk. Independently either factor could be sufficient to delay compliance beyond 2024. This risk is amplified if both factors are occurring simultaneously.*
- *Firstly, evidence suggests that the used van market has materially changed since the modelling was undertaken, with evidence suggesting that second-hand van prices have increased by between 13% and c.60% since the modelling was undertaken. If van prices have increased, this makes it less likely that van owners will choose to (or be able to) upgrade in response to the CAZ and devalues the funding offer for vans. If fewer vans than forecast upgrade to a cleaner vehicle, emissions reductions will be lower and compliance in 2024 becomes less likely.*
- *Sensitivity testing shows a delayed year of compliance is possible at relatively low proportional changes in LGV upgrade responses to the CAZ charges and associated financial support packages. In particular, an increase of 8% in van prices (all other things being equal) – compared to those assumed in the modelling - could be sufficient to affect behavioural responses such that compliance is delayed by a year.*
- *Therefore, the Plan is very sensitive to LGV prices and to whether businesses can afford to upgrade to a compliant van. Given the evidence supplied on price increases by the research on the van sector, suggesting price rises which clearly exceed the 8% threshold, this aspect in the modelled test increases the risk that the Plan will fail to deliver compliance in 2024.*
- *Secondly, sales of new private cars have been lower than expected in 2021, reducing the natural rate of fleet upgrade. The approach taken by GM to representing local fleet age, which already builds in assumptions around the adverse impacts of Covid-19, plus the suite of sensitivity tests already produced, has provided insight on the scale of potential impacts based on revisions to vehicle sales and fleet on the*

predicted year of compliance. This indicates that the impacts of an older fleet of private cars based on recorded sales (in the absence of a corresponding modelled test), would be expected to lead to a delay in the predicted year of compliance for the Approved GM CAP, irrespective of any other changes to the assumptions (i.e. used van prices).

- *On balance, the latest emerging evidence suggests that with the Approved Plan in place, it is no longer more likely than not that compliance would be achieved in 2024.*

2.4 On 4th February 2022 Jo Churchill, Parliamentary Under-Secretary of State at the Department for Environment, Food and Rural Affairs, Andy Burnham, Mayor of Greater Manchester and Cllr Andrew Western, GMCA portfolio lead for clean air met to find a solution. This resulted in the SoS writing to the GM Mayor and Cllr Western (Appendix 4) and issuing a new Direction (see Appendix 5) and accompanying letter (Appendix 6) to all GM authorities.

2.5 This will allow Greater Manchester to provide further evidence and a revised plan by July setting out how it will deliver legal levels of NO₂ shortest possible time, and no later than 2026.

2.6 On 8th February 2022 *The Environment Act 1995 (Greater Manchester) Air Quality Direction 2022* was issued. The new direction which requires that the GM local authorities:

- review the measures specified in the existing Plan;
- determine whether to propose any changes to the detailed design of those measures; and
- or any additional measures.

2.7 The GM authorities must ensure that the Plan with any proposed changes will secure that:

- compliance with the legal limit value for NO₂ is achieved in the shortest possible time and by no later than 2026; and
- exposure to levels above the legal limit for NO₂ is reduced as quickly as possible.

- 2.8 This new direction revokes the direction dated March 2020 which required the ten Greater Manchester Local Authorities to implement a Category C Clean Air Zone so as to achieve compliance with the legal limit value for NO₂ in the shortest possible time and by 2024 at the latest. The latest Direction is attached as Appendix 5.
- 2.9 The GM Mayor and Cllr Western responded to the SoS (Appendix 7).

3. The Review Process

- 3.1 As previously outlined, government and the GM authorities have agreed to review and redesign the measures within the GM Clean Air Plan. The scope of the Policy review and redesign includes:
- The measures included in the 2021 GM Clean Air Plan Policy following consultation⁵: the boundary, discounts, exemptions, daily charges of the Clean Air Zone (CAZ) and the class of CAZ – the vehicles in scope for a charge as per the government's Clean Air Zone Framework⁶. The financial support packages offered towards upgrading to a compliant vehicle, including the eligibility criteria to be applied will also be reviewed and redesigned.
 - A review of the measures included in the long list of interventions within the Strategic Outline Case⁷ which would still be applicable to the GM CAP.
 - Any new measures that have come to light since the Outline Business Case and preferred option was agreed by the GM Authorities in 2020. This may be due to new technologies coming to the market, or due to the forecasting of where air quality exceedances are likely to be located, which may mean other, previously unexplored options, may meet the requirements of the new direction.

⁵ The GM Clean Air Plan Policy following consultation:

https://assets.ctfassets.net/tlpgbvy1k6h2/2VNncClzejAvGh3CrVn0oo/d45528de22e593c9be285ddf5b26373b/Appendix_1_-_GM_Clean_Air_Plan_Policy_following_Consultation.pdf

⁶ Clean Air Zone Framework:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863730/clean-air-zone-framework-feb2020.pdf

⁷ Strategic Outline Case, four documents at the bottom of this page: <https://cleanairgm.com/technical-documents>

- The process of assessment for the redesign is in discussion with JAQU. Alongside the review and redesign process, officers will also work with the GM authorities to develop a joint programme of engagement.

3.2 In order to meet the 1st July 2022 deadline, evidence gathering, benchmarking research and other preparatory work is underway and the Committee will be updated with progress and detail of the development of the review at future meetings.

4. Funding

- 4.1 At the last meeting of the Committee members requested that arrangements were put in place for those vehicles owners who had already placed orders pending funding opening at the end of January to be able to contact Clean Air GM for advice to ensure they are not detrimentally impacted by the decision to pause the opening of the funds. It was also agreed that awards can be made by the Chief Executive of the GMCA and TfGM, in consultation with the Committee chair, where appropriate.
- 4.2 All communications have set out that anyone who is affected by this should contact Clean Air GM for advice on 0161 244 1333 or by email to info@cleanairgm.com. To date six people have made contact, with funding awards yet to be made.
- 4.3 Funding for HGV and bus replacement and retrofit for eligible people and businesses will remain open and opens to small businesses on 28 February 2022. Those who have applied for funding to upgrade their vehicles or those who have already received a funding award will and can continue in the process under the current policy. Those who have upgraded their vehicle with Clean Air Funds are not required to return any grant money. The emissions reduction for an HGV or bus changing from a non-compliant vehicle to a Euro VI model is greater than for lighter vehicles such as taxis and vans, therefore, the air quality benefits to GM per successful fund application are maximised.
- 4.4 The distribution of funds will be reviewed and aligned to the new plan, as agreed with government.

5. Discounts & exemptions

- 5.1 At the last meeting of the Committee members agreed to agree to open the Clean Air Zone local exemptions and discounts application process on 31 January 2022. To date, 422 successful applications for a discount or exemption have been made. While the review is conducted applications for funding, discounts or exemptions under the current policy will be paused.

6. Clean Air Zone Infrastructure

- 6.1 As reported to the Committee in September, the signs required for a Clean Air Zone have been designed centrally by JAQU to ensure that they meet the Department for Transport (DfT) requirements and match with the design principles of existing Traffic Signs Regulations and General Directions 2016 (as amended). However, as the signs are not prescribed i.e. not detailed in the Traffic Signs Manual their use requires the authorisation of the Secretary of State.
- 6.2 Authorisation from the Secretary of State has been secured to place Clean Air Zone signs on the highway network to support the implementation of the GM CAZ.
- 6.3 Signage implementation commenced on 29th September 2021 with temporary sign faces developed in accordance with existing DfT authorisations to raise awareness about the zone. To date 1,309 signs have been installed, with 1,194 signs referencing the opening date of 30th May 2022.
- 6.4 The report in September 2021 also outlined that the Clean Air Zone would be enforced by a network of Automatic Number Plate Recognition (ANPR) cameras to identify non-compliant vehicles travelling in the zone.

- 6.5 The ANPR cameras are purpose built and mounted on either lamp posts or dedicated poles. They are designed to achieve a specific field of view and are fixed to 'look' at the highway and record the Registration Number of passing vehicles. The cameras are not able to be moved by remote operators. Each camera has a sticker that outlines where the privacy notice can be found on the Clean Air GM website⁸.
- 6.6 The first ANPR camera was installed on Vernon Street, Bolton in August. To date 406 cameras have been installed across Greater Manchester out of a total of 870.
- 6.7 Whilst the review is being conducted the ANPR and signage installation on the local road network will be paused. A sticker to cover the opening date on installed signs is being programmed to be completed as soon as possible.
- 6.8 National Highways are also to pause the installation of signage on the Strategic Road Network for which they are responsible. Details of their sign coverings will be verbally updated at the meeting.
- 6.9 The ANPR cameras that have been installed can be utilised for data capture which would allow the GM authorities to better understand vehicle fleet currently in operation, and their associated emissions. Using this data would allow GM to understand how vehicle fleets have naturally renewed over the course of the project, and whether the impacts of Covid-19 has altered typical cycles. Where ANPR cameras are located adjacent to air quality monitoring, additional analysis can be undertaken to be understand how specific vehicle types might be contributing to overall emissions. It is recommended that the ANPR cameras that have been installed will be utilised to gather "real time" data to inform the refinement of a new plan, with an updated Privacy Notice sticker:

Greater Manchester Clean Air Zone automatic number plate camera testing and monitoring

Greater Manchester is working with Government to deliver a new Clean Air Plan.

⁸ Clean Air Zone ANPR privacy notices <https://cleanairgm.com/clean-air-zone-anpr-privacy-notice/>

Due to this work, the planned launch of the Greater Manchester Clean Air Zone will no longer go ahead on 30 May 2022.

As part of the review with Government, the Zone's automatic number plate recognition (ANPR) cameras will be used to capture data on vehicle fleets and traffic volumes to help inform the new plan.

Greater Manchester's 10 local authorities and Transport for Greater Manchester are joint data controllers for images captured by this camera.

For further information on the Greater Manchester Clean Air Plan, and the privacy notice for the ANPR camera system, please visit cleanairgm.com.

7. Recommendations

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

8. Appendices - Attached as supplementary papers

- 8.1 Appendix 1 – GM Mayor and Clean Air Lead letter to DEFRA SoS – 17 January 2022
- 8.2 Appendix 2 – GM AQAC letter to DEFRA SoS – 20 January 2022
- 8.3 Appendix 3 – Issues Leading to Delayed Compliance Based on the Approved GM CAP Assumptions Report
- 8.4 Appendix 4 – SoS DEFRA letter to GM Mayor and Clean Air Lead – 8 February 2022
- 8.5 Appendix 5 – The Environment Act 1995 (Greater Manchester) Air Quality Direction 2022
- 8.6 Appendix 6 – GM Direction covering letter – 8 February 2022
- 8.7 Appendix 7 – GM Mayor and Clean Air Lead letter to DEFRA SoS – 10 February 2022