

GM Air Quality Administration Committee

Date: 17 August 2022

Subject: GM Clean Air Plan – August 2022 Update

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

Purpose of Report

This report provides an update on the Case for a new Greater Manchester Clean Air Plan.

Recommendations:

The Air Quality Administration Committee is requested to:

1. Note that those authorities that wished to consider the Case for a new Greater Manchester Clean Air Plan through their local governance arrangements have now done so.
2. Agree to submit the 'Case for a new Greater Manchester Clean Air Plan' attached as Appendix 1 and associated appendices A to E to the Secretary of State as a final Case for a new Greater Manchester Clean Air Plan;
3. Approve the *Case for a New Plan - Air Quality Modelling Report* attached as Appendix 2 for submission to the government's Joint Air Quality Unit; and
4. Note the targeted engagement being undertaken with key stakeholders to inform the policy development process.

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BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

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

On 8th February 2022 *The Environment Act 1995 (Greater Manchester) Air Quality Direction 2022* was issued. The new direction 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 revoked the direction dated March 2020 which required the ten Greater Manchester Local Authorities to implement a Category C Clean Air Zone to achieve compliance with the legal limit value for NO₂ in the shortest possible time and by 2024 at the latest.

This report seeks agreement to submit the 'Case for a new Greater Manchester Clean Air Plan' document attached as Appendix 1 and associated appendices A to E to the Secretary of State as a final document.

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: eight

Comments/recommendations from Overview & Scrutiny Committee

Not applicable.

Background Papers

- 1 July 2022, Report for AQAC: GM Clean Air Plan – July 22 Update
- 23 March 2022, Report for AQAC: GM Clean Air Plan – March 22 Update
- 28 February 2022, Report for AQAC: GM Clean Air Plan – February 22 Update
- 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 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 (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 Government and is overseen by 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 Government acting through 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 and by 2026 at the latest.
- 1.4 Throughout the development of the GM Clean Air Plan the ten GM local 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/guidance/new-burdens-doctrine)

- A clear instruction to Highways England² 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 time³.
- 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. These figures include Joint Air Quality Unit (JAQU) estimated delivery costs at 5%.
 - 1.6 The GMCA – Clean Air Final Plan report 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. These figures include JAQU estimated delivery costs at 5%.
 - 1.7 The GMCA – Clean Air Final Plan report on 25 June 2021⁴ 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. This included the GM Clean Air Plan Policy, that outlined the boundary, discounts, exemptions, daily charges of the formerly proposed 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 former GM CAZ.
 - 1.8 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.
 - 1.9 On 21 September 2021, the Air Quality Administration Committee approved the establishment and distribution of the bus replacement funds.

² 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.

³ 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.

⁴ Also considered by the GM authorities through their own constitutional decision-making arrangements.

- 1.10 On 13 October 2021, the Air Quality Administration Committee agreed the distribution of Clean Air funds set out in the agreed GM Clean Air Plan policy as follows:
- From 30 November 2021 applications for funding would open for HGVs.
 - Opened the funds to applications from LGV, Hackney, PHV and Minibus owners who were detrimentally impacted by the decision of the AQAC to defer the wider opening of the Financial Support Scheme.
- 1.11 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 once opened.
- 1.12 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 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 to agree to pause the 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.
- 1.13 On 28 February 2022, the Air Quality Administration Committee noted the submission of a report "*Issues Leading to Delayed Compliance Based on the Approved GM CAP Assumptions*", attached as Appendix 3. The report concluded that on balance, the latest emerging evidence suggests that with the Approved Plan [Summer 2021 Clean Air Plan] in place, it is no longer more likely than not that compliance would be achieved in 2024. The Government subsequently issued a new direction which stated that a revised plan was required to be submitted to the SoS by 1st of July, requiring the achievement of compliance with the legal limit value for NO₂ in the shortest possible time and by no later than 2026. The committee also noted the interim arrangements for delivery arrangements for the Clean Air Zone in the meantime, including signage, funding, and discount/exemption applications.
- 1.14 On 23 March 2022, the Air Quality Administration Committee noted the scope of the review of the Clean Air Plan and the participatory policy development approach, as well as delivery arrangements, including signage and funding.

1.15 On 1 July 2022 the Air Quality Administration Committee noted the 'Case for a new Greater Manchester Clean Air Plan' document and associated appendices would be submitted to the Secretary of State on the 1 July as a draft document subject to any comments of Greater Manchester local authorities.

2 Overview

2.1 The primary focus of the 'Case for a new Greater Manchester Clean Air Plan' is to achieve compliance in a way that considers the current cost of living crisis and associated economic challenge faced by businesses and residents. An investment-led approach will be combined with all the wider measures that GM is implementing and aims to reduce NO₂ emissions to within legal limits, in the shortest possible time and at the latest by 2026. Unlike the previous charging-led scheme defined by Government guidance, the investment-led scheme seeks to factor in the cost-of-living crisis, it will actively consider the impacts of the pandemic and wider global economic instability on supply chains, can be delivered from summer 2023, and crucially considers the significant beneficial effects that the delivery of electric bus can have along key routes. In particular:

- The **cost-of-living crisis** means that businesses are less able to afford to invest in vehicle upgrades, whilst households are less able to absorb any costs that may be passed on to them.
- This is exacerbated by **rising vehicle prices** and – for some vehicle types – lower residual values of non-compliant vehicles. There is evidence that illustrates the demand for new and compliant second-hand vehicles is exceeding supply, leading to longer wait times and rising prices.
- A charging Clean Air Zone could therefore cause **unacceptable financial hardship** and contribute to business failures.
- In addition, **new opportunities have arisen** – via the approval of bus franchising and new funding for electric buses – this means that GM has the opportunity to tackle emissions in a different way.
- The exceedances become more localised in 2025 and 2026, therefore **action can be targeted** at those locations suffering the worst air quality.
- It is clear that the GM-wide Clean Air Zone category C as approved in summer 2021 could lead to hardship in GM and that implementing a materially revised charging

CAZ, for example with a different boundary, vehicles in scope or discounts and exemptions, would take time to design and consult upon and then implement.

- 2.2 The 'Case for a new Greater Manchester Clean Air Plan' will use the £120 million of Clean Air funding that the Government has awarded to Greater Manchester to deliver an investment led approach to invest in vehicle upgrades, rather than imposing daily charges and in particular through the delivery of zero emission buses in the Bee Network (a London-style integrated transport network). The new plan will ensure that the reduction of harmful emissions is at the centre of GM's wider objectives.
- 2.3 As set out in the July 2022 report whilst Greater Manchester has put in place governance arrangements to enable the joint discharge of relevant GM local authority and GMCA functions in respect of the Greater Manchester Clean Air Plan via the Air Quality Administration Committee, local authorities have had the opportunity for the 'Case for a new Greater Manchester Clean Air Plan' document to be considered, through the local governance arrangements of the individual authorities where they have wished to do so.
- 2.4 Those authorities that wished to consider the case through their local governance arrangements have now done so. The committee are therefore now recommended to submit the 'Case for a new Greater Manchester Clean Air Plan' attached as Appendix 1 and associated appendices A to E to the Secretary of State as a final document.

3 Feedback from Government

- 3.1 Greater Manchester Authorities are awaiting Ministers passing a view on the drafted documents provided.
- 3.2 In line with AQAC recommendations noted at the July meeting, GM is continuing to progress the policy development for the new GM CAP in support of a non-charging, investment-led approach, subject to Government feedback.

4 Air Quality Modelling

- 4.1 In July's report, members noted that GM has forecast expected NO₂ exceedances in each future year to 2027, if no further action is taken. The forecasts show that the number of sites in exceedance reduces over time, moving from a GM-wide problem in 2023 to a localised problem from 2025 focussed on the regional centre.
- 4.2 The document a *Case for a New Plan - Air Quality Modelling Report*, attached as Appendix 2, sets out the results of modelling carried out in Summer 2022 to forecast air quality in Greater Manchester (GM) in future years, taking into account the impacts of Covid-19 on vehicle fleet renewals and new investment in the bus fleet in GM.
- 4.3 The report documents minor refinements that have been reflected within the modelling methodology to reflect the impacts of the Covid-19 pandemic on air quality, and other changes that have been made to reflect the newest evidence on investment in ultra-low emission buses, as well as any other methodological changes that have been made to the 'Do Minimum'⁵ modelling methodology. These changes to the modelling apply the assumptions and methodology developed in agreement with JAQU (in Spring 2021) and the TIRP, based on the extant JAQU guidance for assessing the impact of Covid-19 provided to GM in 2021.
- 4.4 The report sets out how the relevant methodological changes have been reflected within the modelling to forecast the air quality without the GM CAP in place. The modelling has been conducted for 2025.

⁵ The 'Do Minimum' forecast, is a forecast of future air quality if no action was taken to improve air quality (i.e.: without a GM Clean Air Plan), but if other schemes that are planned, funded and committed were implemented.

- 4.5 The report concludes as a result, there is an increase in the number of points of exceedance from the previous GM CAP model Do Minimum as modelled in spring/summer 2021 (from 71 to 79 in 2023, and from 11 to 13 in 2025). However, this Do Minimum scenario is considered pessimistic, because the GM CAP has already delivered a significant amount of support funding to buses and HGVs to help them upgrade. Much of the approved funding in the Clean Bus Fund is already out on the GM network, with further funding still to be deployed. This is considered the most representative scenario of future air quality that the New Plan needs to tackle.
- 4.6 Under the Do Minimum with Clean Bus Fund (CBF) Grants scenario, there is a predicted decrease in the number of points of exceedance in 2023 from the Do Minimum from 79 to 44. This is primarily associated with the regional centre inside the IRR, where bus emissions comprise a greater proportion of total emissions, alongside the arterial routes that lead into the IRR on wider road network outside of the regional centre.
- 4.7 By 2025, the number of exceedances reduces due to the natural upgrade of the vehicle fleet. Compared with the Do Minimum scenario, there would be a decrease in the overall number of exceedances from 13 to 5 as a result of the CBF.
- 4.8 By 2025, whilst there are fewer exceedances predicted, the key locations remain as per the Do Minimum scenario:
- Inside the IRR, including the A34 Bridge St /John Dalton St;
 - A57 Regent Rd, Salford; and
 - A58 Bolton Road, Bury.
- 4.9 The modelling indicates that exceedances would only remain in 2026 at one site, on the A57 Regent Road. All sites are predicted to be compliant by 2027 in the Do Minimum with CBF Grants scenario.
- 4.10 A further scenario has been run to investigate what the potential improvement to air quality would be if electric buses were in operation. This information can be used to prioritise where the CRSTS funding would deploy electric buses to assist in delivering the maximum improvements to air quality and work towards compliance in the shortest possible time.

- 4.11 By 2025, the number of exceedances reduces due to the natural upgrade of the vehicle fleet. Compared with the Do Minimum with CBF Grants scenario, there could be a decrease in the overall number of exceedances from 5 to 1 as a result of prioritised electric bus deployment, with the only remaining exceedance at the A57 Regent Road, Salford.
- 4.12 Whilst electric buses will be targeted for this location, GM is developing an additional package of measures aimed at further improving air quality at the A57 Regent Road, such that all of GM is predicted to be compliant in 2025.
- 4.13 GM's investment-led approach will develop, assess, and agree a package of measures forming a proposed new GM CAP. This package of measures will be consulted upon in early 2023 and implemented in the summer of 2023.
- 4.14 On 29 July 2022 the GMCA approved, and delegated authority to deliver, a number of key components of the Bee Network including affordable bus fares, zero emission buses, the acquisition of a number of bus depots, and the allocation of City Region Sustainable Transport Settlement (CRSTS) funds into the capital programme. [Delivering the Bee Network \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk)
- 4.15 In contrast a charging CAZ would take time to design and consult upon and then implement, including the reconfiguration of ANPR cameras, signs and completion of the integrated technology platform, that will also be connected to the payment and vehicle checking services which have been established by central government. In addition, the operational teams of both TfGM, the Local Authorities and the chosen supplier will need to be recruited, trained, and mobilised.
- 4.16 Whilst much of this technology is tried and tested, implementation of a scheme that has been fully developed, consulted upon and all of the component parts tested is a minimum of autumn 2023 and therefore the earliest date that any charging CAZ in GM could launch would be winter 2023, which would be considerably later than the investment-led approach set out in the 'Case for a new Greater Manchester Clean Air Plan'.

5 Participatory approach to the development of a new plan

- 5.1 GM leaders have committed to a participatory approach to the development of the new Plan to ensure that GM's proposals are well-grounded in evidence in terms of the circumstances of affected groups and possible impacts of the Plan on them, and therefore the deliverability and effectiveness of that Plan.
- 5.2 Following submission of the draft Case for a new Clean Air Plan on 1st July GM is now undertaking targeted engagement with key stakeholders – vehicle-owning groups and other impacted individuals, such as community and equality-based groups. This engagement consists of:
- Stakeholder engagement sessions – all groups
 - An online survey and supporting qualitative research activity – vehicle-owning groups only
- 5.3 Input from those engaged will inform the policy development process and GM will develop a package of measures forming a proposed new GM CAP. A public consultation on the new Clean Air Plan proposals will take place in early 2023.
- 5.4 GM will then review the responses to the consultation and, if needed, make any adaptations to the proposals, as necessary. It is anticipated that a decision could be made to proceed with the new GM CAP thereafter.

6 Recommendations

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

7 Appendices

- 7.1 Appendix 1 – Case for a New GM Clean Air Plan – attached as a supplementary paper.
- 7.2 Appendix A – Technical Note: Vehicle Sector Review – HGV Sector – attached as a supplementary paper.

- 7.3 Appendix B – Technical Note: Vehicle Sector Review – Taxis (Hackney Carriages and Private Hire Vehicles) – attached as a supplementary paper.
- 7.4 Appendix C – Technical Note: Current issues in the Van Sector – attached as a supplementary paper.
- 7.5 Appendix D – Technical Note: Vehicle Sector Review – Coach and Minibus – attached as a supplementary paper.
- 7.6 Appendix E – Changes in economic context since July 2021 – attached as a supplementary paper.
- 7.7 Appendix 2 – Case for a New Plan - Air Quality Modelling Report – attached as a supplementary paper.
- 7.8 Appendix 3 – Issues Leading to Delayed Compliance Based on the Approved GM CAP Assumptions Report – attached as a supplementary paper.