

## **GM Air Quality Administration Committee**

Date: 26<sup>th</sup> October 2022

Subject: GM Clean Air Plan – Expenditure Update

Report of: Eamonn Boylan, Chief Executive of GMCA and TfGM

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### **Purpose of Report**

This report provides an update on the funding received from Government, the expenditure made and the funding requirements that have emerged as the new Greater Manchester Clean Air Plan is developed.

### **Recommendations:**

The Air Quality Administration Committee is requested to:

1. Note the funding received from Government, the expenditure made and the funding requirements that have emerged as the Greater Manchester Clean Air Plan has been developed;
2. Note an additional c£4 million of expenditure, for the FY 2022/23, requires funding from JAQU and is subject of an additional funding request to cover the additional development work that the new Direction and review has brought;
3. Note that TfGM are in active discussions with JAQU over the funding required to fill the gap that would have been covered by the CAZ revenues for items such as the CAZ Operational Costs and the operation of the Financial Support Scheme;
4. Note that until the Secretary of State has provided feedback on the 'Case for a new Greater Manchester Clean Air Plan', TfGM is unable to materially change or terminate the contracts that have been put in place for the delivery of a charging Clean Air Zone.

BOLTON  
BURY

MANCHESTER  
OLDHAM

ROCHDALE  
SALFORD

STOCKPORT  
TAMESIDE

TRAFFORD  
WIGAN

- Note that whilst much of the activities on the implementation of the CAZ and Financial Support Scheme have been paused, any requirement to remobilise will result in increased costs as the contracts were established on the basis of a fixed price with the suppliers taking the financial risk associated with implementation.

## Contact Officers

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## Equalities Impact, Carbon and Sustainability Assessment:

The GM CAP is a place-based solution to tackle roadside NO<sub>2</sub> 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 8<sup>th</sup> 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 NO<sub>2</sub> is achieved in the shortest possible time and by no later than 2026; and
- exposure to levels above the legal limit for NO<sub>2</sub> 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 NO<sub>2</sub> in the shortest possible time and by 2024 at the latest.

## **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:** None

## **Comments/recommendations from Overview & Scrutiny Committee**

Not applicable.

## **Background Papers**

- 17 August 2022, Report for AQAC: GM Clean Air Plan – August 22 Update
- 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 Introduction

- 1.1 The Government has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) 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 NO<sub>2</sub> 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 test<sup>1</sup>.
- 1.3 In July 2017 the Secretary of State issued a Direction under the Environment Act 1995 requiring seven Greater Manchester local authorities to produce a feasibility study to identify the option which will deliver compliance with the requirement to meet legal limits for nitrogen dioxide in the shortest possible time<sup>2</sup>.
- 1.4 GM has been awarded a total of £190.5m in respect of the Clean Air Plan which is made up of awards across the following areas:

Clean Air Plan Development Phase	£29.6m
Early Measures	£3.0m

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<sup>1</sup> 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 \(www.gov.uk\)](http://www.gov.uk)

<sup>2</sup> Oldham Metropolitan Borough Council (MBC) was not directed along with the other Greater Manchester local authorities (alongside Rochdale MBC and Wigan MBC) in 2017, however following a court ruling in 2018 the UK Government was ordered to produce supplements to the UK 2017 Air Quality Plan. Consequently, Oldham MBC was directed to conduct a feasibility study and provide the Secretary of State with a document setting out the measure(s) that would achieve compliance with the Legal Limits in the shortest possible time. In October 2018 the UK Government produced a supplemental plan, which acknowledged that, as Oldham MBC is part of the Greater Manchester Plan, the Oldham exceedances were being considered as part of the GM CAP. Local modelling in the Target Determination exercise also identified exceedances in Rochdale and Wigan.

Clean Air Zone Implementation	£26.0m <sup>3</sup>
Vehicle Funds (including Bus)	£122.3m
Vehicle Funds Administration	£6.1m
Taxi Electric Vehicle Charging Infrastructure	£3.5m

1.5 The purpose of the report is to provide an update on the funding received from Government, the expenditure made and the funding requirements that have emerged as the Greater Manchester Clean Air Plan has been further developed.

1.6 The report outlines the funding received and the expenditure made to the end of September 2022 unless otherwise stated. It should be noted that during the programme the grants and their expenditure have been closely monitored by JAQU.

## 2 Scheme Design, Development, Evidence, Programme Management and Public Engagement Funding & Expenditure

2.1 The individual funding awards made by JAQU for the Development phase are outlined below:

Date	Funding Received
26-Oct-17	£ 100,000
20-Feb-18	£ 1,200,000
16-Oct-19	£ 2,450,000
27-Mar-19	£ 4,000,000
28-Mar-19	£ 2,000,000
15-Nov-19	£ 9,980,000
25-Mar-20	£ 6,500,000
25-Mar-21	£ 3,400,000
<b>Total</b>	<b>£ 29,630,000</b>

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<sup>3</sup> JAQU agreed that the initial tranche of £36m of funding from Government to deliver the CAZ and other GM CAP measures awarded in March 2019 was to be split £26m for CAZ Implementation and £10m for the feasibility study.

2.2 To end of September 2022, these funds have been spent against the following high-level work packages:

<b>GM CAP Development phase Expenditure (£000)</b>							
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
Programme Management	-	639	1,427	1,514	952	(86)	4,446
Business Case & Measures development	78	1,239	5,526	7,140	1,475	20	15,478
Communications	2	269	1,074	730	191	0	2,266
Customer Experience	-	-	100	318	155	0	573
Data, Evidence & Modelling	218	952	1,537	1,039	961	(4)	4,703
Legal / Governance / Policy	1	127	1,058	510	311	43	2,050
Review of CAP	-	-	-	-	-	793	793
<b>Total</b>	<b>299</b>	<b>3,226</b>	<b>10,722</b>	<b>11,251</b>	<b>4,045</b>	<b>766</b>	<b>30,309</b>

2.3 The difference of £0.679m between the value of the funding awarded and the total expenditure represents the spend to date on the work required subsequent to the agreement with Government on the review of the Clean Air Plan.

2.4 The level of expenditure has been necessary to deliver a feasibility study that met JAQU's technical and assurance requirements. Also, due to the complexity of the subject being tackled, the feasibility study has required a deep level of expertise in specialist areas such as Air Quality science and modelling which was not available within TfGM or the Local Authorities.

- 2.5 Developing the economic, air quality and equality impacts across a scheme that is region wide has been complex and time consuming. There has been a public conversation in addition to two statutory consultations. These have informed the development of the “Green Book”<sup>4</sup> compliant Business Cases. There has also been the requirement to implement the CAZ, including the preparatory procurement arrangements together with the design of the CAZ which included 870 ANPR Cameras and 2200 signs.
- 2.6 The funding for the “Development phase” as described above was intended to see the development of the feasibility study through to the submission of a Final Business Case which was originally scheduled for March 2022.
- 2.7 In January 2022 GM requested that the Secretary of State (SoS) for Environment, Food and Rural Affairs 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.
- 2.8 In February 2022 the Government subsequently issued a new direction which stated that a revised plan was required to be submitted to the SoS by 1<sup>st</sup> of July, requiring the achievement of compliance with the legal limit value for NO<sub>2</sub> in the shortest possible time and by no later than 2026.
- 2.9 Greater Manchester submitted the ‘Case for a new Greater Manchester Clean Air Plan’ to the Secretary of State and as set out in the report *GM Clean Air Plan – October 22 Update* are awaiting Government feedback on the documents provided.
- 2.10 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.

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<sup>4</sup> <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

- 2.11 An additional c£4 million of expenditure (not including any costs that might be incurred for a consultation), for the FY 2022/23, has been indicated as requiring funding and included in the latest letter sent to JAQU 6 October to fund the additional feasibility work that the new Direction and review has brought. This sum covers the anticipated value required to complete the review and participatory policy development (c£1.5m) and the additional project delivery costs as a result of implementation of the charging Clean Air Zone being revoked and Clean Air Plan being reviewed (c£2.5m).
- 2.12 JAQU Officers have advised that the financial settlement as a result of the additional work required due to the new Direction will be advised once the Minister has considered the new plan.

### 3 Clean Air Zone Funding & Expenditure

- 3.1 JAQU provided a single funding award for £26 million for the implementation of a category C charging Clean Air Zone, in November 2019, following Government approval of the Outline Business Case that was submitted in March 2019. The award allowed TfGM acting on behalf of the GM Authorities to procure the necessary contracts required to deliver the Clean Air Zone. There are three main contracts underpinning the Clean Air Zone all of which were competitively tendered with the GM Authorities approving the award of contracts in accordance with TfGM's existing Constitutional arrangements.

Date	CAZ Funding Received
15-Nov-19	£ 26,020,000

#### 3.2 Clean Air Zone Service Contract – Egis Projects SA

- 3.2.1 This is a contract for the delivery of three inter-related services.

- *GM CAZ Office*: that will provide 'end to end' service operations, management and maintenance of the GM CAZ Service, customer channels, scheme management for application and administration of business rules, integration of GM CAZ Services and supporting systems, integration to the Central CAZ Service (developed by JAQU) and the GOV.UK Pay Payment Service Provider.

- *Field Equipment and Vehicle Detection and Processing Service* to collectively enable the supply installation, configuration and deployment of ANPR cameras across Greater Manchester and the provision of a service to enable the detection and processing of Vehicle Registration Marks in accordance with the business rules of the GM CAZ Scheme,
- *The Penalty Enforcement Service*: that will enable the issue of Penalty Charge Notices to Registered Keepers (whose vehicles are liable for a CAZ Charge that has not been settled in accordance with the GM CAZ Scheme business rules), provide enforcement of the PCN's in the event that they are not settled by the Registered Keeper, and provide Debt Recovery Management.

3.2.2 This contract was awarded to Egis Projects SA in July 2021 at a total value of £48.1 million and covers the implementation, operation and decommissioning of the GM CAZ Service. The contract at the time of award was envisaged to be in place for 5.5 years, with three optional one-year extensions. The contract allows for decommissioning once the recommended levels of NO<sub>2</sub> have been achieved.

### 3.3 **Clean Air Zone Signage Contract – J McCann & Co Limited**

3.3.1 A contract for the manufacture, installation, maintenance and decommissioning of circa 2,200 signs required for the GM Clean Air Zone across 18 local Authorities. These included the ten GM Authorities and 8 the neighbouring Authorities of Calderdale, Kirklees, Derbyshire, Cheshire East, Warrington, St Helens, Lancashire and Blackburn with Darwen.

3.3.2 This contract was awarded to J McCann & Co Limited for the value of £3.04 million.

3.3.3 In February 2022, after the review of the GM CAP was announced, a further order under the contract was awarded to J McCann & Co Limited for £120,000 to manufacture the 1,309 “Under Review” Sticker and apply the stickers to the signs in Manchester, Oldham, Rochdale, Calderdale, Kirklees, Derbyshire, Cheshire East, Warrington, St Helens, Lancashire and Blackburn with Darwen. The following Local Authorities applied the stickers to the signs in their own jurisdiction at a total cost of £69,300; Bolton, Bury, Salford Stockport, Tameside, Trafford, Wigan.

#### 3.4 **Clean Air Zone Debt Recovery Contract**

3.4.1 The final CAZ contracts were for three Debt recovery companies to recover any debts and fees resulting from unpaid Penalty Charge Notices (PCN’s) through a Warrant of Control which would be issued by the Courts. These contracts were scheduled to be awarded in February 2022, however due to the review of the Clean Air Plan, no contracts have been signed. These contracts are effectively zero value as the fees for the debt recovery companies are set by legislation and paid by the debtor.

#### **Clean Air Zone Expenditure to end of September 2022**

3.4.2 The following table summarises the expenditure for the implementation of the Clean Air Zone:

	<b>Total to 30 September 2022</b>
Signage Contract	£2,216,277
CAZ Service Contract	£11,673,688
Staff/Advisor/Districts	£6,291,184
<b>Total</b>	<b>£20,181,149*</b>

\*includes accruals for anticipated spend

- 3.4.3 Additional Payments will be made to the suppliers over the next few months for work already completed. In addition, the review of the GM CAP has resulted to changes in the contract specification. These are currently estimated at £353,000 for the Signage Contract, which includes the £120,000 for the stickers outlined 3.3.33.3 above and £1,183,060 for the CAZ Service Contract which covers project elongation costs currently to the end of October. Funding for these changes is contained within the £26 million JAQU grant.
- 3.4.4 In line with JAQU Guidance, the Operational Costs of the Clean Air Zone, including the contractual and staff costs, were to be covered by CAZ Revenues. Due to contractual obligations, several of the CAZ Services have been fully commissioned even though the CAZ has not been activated. These include the discounts and exemptions system which was used for a short period at the end of January and the 407 deployed ANPR Cameras. As a result, Egis Projects SA have been paid £3,517,000 for the operational period February to September 2022; based on current numbers of deployed ANPR Cameras there is a monthly liability of c£375,000.
- 3.4.5 Across all operational elements of the CAZ, the current expenditure forecast that will require funding to March 2023 is c£7 million.
- 3.5 TfGM are in active discussions with JAQU over the funding required to fill the gap that would have been covered by the CAZ revenues for items such as the CAZ Operational Costs outlined above, and the operation of the Financial Support Scheme summarised below. A verbal update will be provided at the meeting.

## GM CAP Financial Support Scheme (FSS)

- 3.6 JAQU has awarded funding towards the upgrade of non-compliant vehicles. The breakdown of the awards is shown in the table below:

<b>Grant Awarded</b>	<b>Purpose</b>	<b>Value</b>
20-Mar-2020	HGV <sup>5</sup>	£ 8,000,000
	PHV	£ 10,744,811
	Coach and Minibus Admin Costs	£ 322,400
25-Mar-2020	Bus Retrofit	£ 15,439,200
	Coaches	£ 4,448,000
	Minibus	£ 2,000,000
26-Mar-2021	LGV Administration Costs	£ 3,500,000
	Hackney Administration Costs	£ 510,000
26-Mar-2021	LGV	£ 70,000,000
	Hackney	£ 10,100,000
	Taxi Electric Vehicle Charging Infrastructure	£ 3,000,000
	Hackney Try Before You Buy <sup>6</sup>	£ 500,000
15-Oct-2021	Bus Replacement	£ 3,248,000
	Bus Replacement Administration Costs	£ 162,400
		<b>£ 131,974,811</b>

3.7 These figures include JAQU estimated delivery costs at 5%. GM made a case to JAQU that the administration of the Financial Support Scheme would require greater than 5% of the fund value. JAQU subsequently agreed that the 5% would cover the implementation costs of the scheme and the operational costs would be recovered through by the anticipated CAZ Revenues.

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<sup>5</sup> The initial HGV and PHV funding awards also included 5% for the administration of the funds which was separated out in subsequent awards

<sup>6</sup> Following feedback from the public consultation Local Authorities approved the reallocation of funding from the Try Before You Buy scheme to provide additional electric vehicle charging points dedicated for use by taxis

### 3.8 Distribution of Grants at End of September 2022

3.8.1 To date the Air Quality Administration Committee approved the establishment and distribution of the bus retrofit, bus replacement and HGV funds. Grants have been made using the scheme eligibility criteria as set out in the current GM Clean Air Plan Policy<sup>7</sup> to impacted vehicle owners. Grants have also been made to a very small number of Hackney, PHV, LGV and Motorhome vehicle owners who had already placed orders pending funding opening at the end of January to ensure they are not detrimentally impacted by the decision to pause the opening of the funds, this is referred to as the Early Financial Support Scheme.

<b>Purpose</b>	<b>Value of Total Grant</b>	<b>Value Committed<sup>8</sup></b>	<b>Value Paid out<sup>9</sup></b>	<b>Vehicles Upgraded</b>
Heavy Goods Vehicles	£8,000,000	£2,640,135	£677,136	106
Private Hire Vehicles	£10,744,811	£29,000	£20,000	5
Coaches	£4,448,000	£0	£0	0
Minibus	£2,000,000	£5,000	£0	0
Light Goods Vehicles	£70,000,000	£68,000	£36,000	8
Hackney	£10,100,000	£115,000	£115,000	18
Bus Retrofit	£15,439,200	£15,154,000	£9,833,009	704
Bus Replacement	£3,248,000	£1,184,000	£912,000	64

### 3.9 Financial Support Scheme Implementation and Operational Costs

3.9.1 There are a number of technology contracts which were put in place to enable TfGM to effectively distribute grants to eligible customers and the most significant of these

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<sup>7</sup> [GM Clean Air Plan Policy following Consultation](#)

<sup>8</sup> Value Committed is the value of the total number of applicants who have applied and have been awarded a grant

<sup>9</sup> Value Paid out is the value of the total number of grants paid out once a non-compliant vehicle has been traded in for a compliant vehicle and is on the road.

is the Clean Vehicle Financial System (CVFS) which was contracted to Quotevine Limited after a competitive tender.

- 3.9.2 The contract value of £3,457,750 includes £467,750 for implementation and £2,990,000 for operational costs. From the total contracted figure inclusive of which c£984,000 has been paid to September 2022 inclusive of development and operational costs.
- 3.9.3 The CVFS system went live with its first wave of functionality in October 2021 and since then operational costs incurred to September 2022 (including staff, contract and administration) totals £1,687,665. The current contracted liability with the service provider is £49,750 per month.
- 3.9.4 Across all operational elements of the Financial Support Scheme, the current expenditure forecast that will require funding to March 2023 is c£2 million.

## **4 EV Charging Infrastructure**

- 4.1 The transition to low and zero emission vehicles is a key priority of Greater Manchester's Transport Strategy and ambition to become carbon neutral by 2038, as well as a key component of the GM Clean Air Plan.
- 4.2 JAQU have made 3 funding awards for the purpose increasing the number of publicly accessible of EV Charging Points and following feedback from the public consultation, Local Authorities approved the reallocation of funding from the Try Before You Buy scheme to the Taxi EV Charging scheme to provide additional electric vehicle charging points dedicated for use by taxis.
- 4.3 The funding awards received for EV Charging and the expenditure against them are summarised below:

<b>Date</b>	<b>Purpose</b>	<b>Value</b>	<b>Expenditure to date</b>	<b>Number of Chargers Planned / Installed</b>
22 March 2018	Early Measures – EV Awareness and Infrastructure	£3,000,000	£2,619,847	25/22
26 March 2021	Dedicated Taxi Electric Vehicle Charging Infrastructure	£3,000,000	£1,020,072	30/0
26 March 2021	Hackney Try Before You Buy (Repurposed)	£ 500,000 <sup>5</sup>		

## **5 Conclusion**

- 5.1 Until the Secretary of State has provided feedback on the ‘Case for a new Greater Manchester Clean Air Plan’, TfGM is unable to materially change or terminate the contracts that have been put in place for the delivery of a charging Clean Air Zone.
- 5.2 Whilst much of the activities on the implementation of the CAZ and Financial Support Scheme has been paused, any requirement to remobilise will result in increased costs as the contracts were established on the basis of a fixed price with the suppliers taking the financial risk associated with implementation. Similarly, the TfGM team working on the implementation has been effectively wound down and remobilisation will take both time and expense.
- 5.3 Negotiations with the suppliers, particularly Egis Projects SA, have been ongoing since the Government direction to review the GM CAP in February 2022. Those negotiations will continue in order to minimise the financial exposure until we have agreement with Government on the final plan and an ability to either fully or partly terminate the contracts as required.

5.4 JAQU is aware of the complex financial landscape of the contracts we have in place, and we have been advised that their funding deliberations are taking this issue in to account. TfGM have been clear that the GM Authorities will not be willing to fund any aspect of the Clean Air Plan including the costs associated with the review of the Plan, the pause in implementation and any termination costs that become liable. The Joint Head of JAQU confirmed by letter to TfGM's Strategy Director on 1st August that "JAQU will reimburse reasonable and appropriate costs that are incurred."

## **6 Recommendations**

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