GMCA GREATER MANCHESTER COMBINED AUTHORITY

Date: 31 July 2020

Subject: GM Clean Air Plan: Consultation

Report of: Cllr Andrew Western, Portfolio Lead for Green City-Region Portfolio Lead and Leader of Trafford Council

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PURPOSE OF REPORT

To set out the progress that has been made on the development of Greater Manchester's Clean Air Plan following the decision that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable in light of COVID-19 restrictions, and the link to taxi and private hire common minimum licensing standards. The report also considers the formal governance mechanisms that will underpin the delivery of a GM Clean Air Zone (CAZ) and the supporting measures.

This report is not seeking a decision on whether to make a scheme as that has been mandated by the Secretary of State. It is setting out a position for consultation on the daily charge, discounts and exemptions of a Category C GM Clean Air Zone, and the proposals for the supporting funds that have been developed taking stakeholder engagement and statistical modelling into account. It is seeking agreement to consult and endorsement of the policy for consultation. The policy will be reviewed in line with the findings from the statutory consultation.

GMCA RECOMMENDATIONS:

The GMCA is requested to:

1. Note the progress of the Greater Manchester Clean Air Plan;

2. Note that TfGM have confirmation that the funding award for Bus Retrofit should be distributed as soon as possible as per arrangements put in place for the Clean Bus Technology Funds;

3. Note the update on the possible impacts of COVID-19 on the GM CAP;

4. Note that the GM local Authorities intend to consult on GM's proposed Minimum Licencing Standards, alongside the Clean Air Plan consultation;

5. Agree submission of the response to DfT's Decarbonising Transport – setting the challenge, as set out at Appendix 1;

6. Commend the position that the GM local Authorities hold an 8-week public consultation on the GM Clean Air Plan commencing in October 2020;

7. Agree that TfGM can act as the Operating Body for the GM CAZ and supporting measures as set out at paragraph 7.5;

8. Endorse the GM Clean Air Plan Policy for Consultation at Appendix 3;

9. Note the Equalities Impact Assessment, as set out at Appendix 5; and

10. Note that further reports will be brought forward to set out the formal governance mechanisms that will underpin the deliver a GM Clean Air Zone (CAZ) and the supporting measures.

CONTACT OFFICERS:

Eamonn Boylan – Chief Executive, 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

Equalities Implications: Initial Equality Impact Assessment is attached at Appendix 5.

Climate Change Impact Assessment and Mitigation Measures: The GM CAP is a place based solution to tackle roadside NO_2 and proposes measures to secure funding for Electric Vehicle charging infrastructure, as well as ensuring that a mechanism is put in place for the large scale rollout of replacement electric buses, which will have a positive impact on carbon.

Risk Management: Initial risk register set out in Clean Air Plan OBC (March 2019)

Legal Considerations: legal considerations are set out in the body of the report.

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: 6 (six)

Comments/recommendations from Overview & Scrutiny Committee: To be reported verbally.

BACKGROUND PAPERS:

- 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
- 26 October 2018, report to GMCA: GM Clean Air Plan Update on Local Air Quality Monitoring
- 15 November 2018, report to HPEOS Committee: Clean Air Update
- 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?	n/a	
GM Transport Committee	Overview & Scrutiny Committee	
n/a	29 July 2020	

1 EXECUTIVE SUMMARY

1.1 The severe and long-lasting health implications of poor air quality as well as the legal obligations placed on Greater Manchester local authorities means that authorities need to act decisively and swiftly to reduce harmful air pollutants, and nitrogen oxides in particular.

1.2 Greater Manchester authorities in deciding to work together to respond to this vital issue are demonstrating collective leadership, which is essential to help clean the air for our combined population of nearly three million residents. Greater Manchester authorities have been formally directed by the Secretary of State under section 85 of the Environment Act 1995 to take steps to implement a local plan for compliance with limits for nitrogen dioxide, as analysis revealed that locations of damaging roadside nitrogen dioxide concentrations can be found in every district.

1.3 Given that air pollution does not respect boundaries, this coordinated approach is also the most effective way to deal with a problem that affects all parts of Greater Manchester, and cannot be remedied on a site by site or district by district basis.

1.4 This report provides an update on recent developments of the GM Clean Air Plan including the LGV and hackney funding position, and interaction with the strategic route network and Highways England. It confirms arrangements for distributing funding received for bus retrofit and highlights separate discussions with DfT about funding for bus replacement.

1.5 It also sets out the results of the public conversation that was held last year and the key points from a number of focus groups that were held with key impacted stakeholders.

1.6 It then sets out a proposal for consultation, within current Government COVID-19 guidelines, over an eight-week period starting in October 2020. It then sets out the positions for consultation on the daily charge, discounts and exemptions, and the proposals for the supporting funds that have been developed taking stakeholder engagement and statistical modelling into account. Key highlights here include:

- A revision to the proposed daily charges, including a reduction in the charge for HGVs and buses from £100 per day to £60, an increase in the charge levels for LGV and minibuses from £7.50 to £10 as modelling has shown this will have a greater impact in behavioural responses to the charge, and the taxi and private hire charge has been held at £7.50 per day;
- That the Clean Air Zone (CAZ) will be implemented in Spring 2022;
- That the government has accepted an exemption for LGVs and minibuses to 2023;
- Details of the vehicle finance offer;

- Details of temporary exemptions, including a temporary exemption to 2023 for wheelchair accessible taxi and private hire vehicles licensed with a Greater Manchester authority, and a temporary exemption to 2023 for coaches registered within Greater Manchester. Additionally, owner-drivers of GM-licensed PHVs (and PHVs leased full-time by 1 person), will be offered a discounted weekly charge of 5/7 of the total from implementation as these vehicles are used for personal use and private cars are not charged under the CAZ.

1.7 There are details of a "Try Before You Buy" scheme that will give the opportunity for GM-licensed Hackney drivers to trial an electric hackney vehicle.

1.8 The report then sets out the proposed funding offer for each of the supporting funds – the Clean Commercial Vehicle Fund for HGVs, LGVs, Coaches, and Minibuses that are not a licensed private hire vehicle, the Clean Bus Fund, the Clean Taxi fund for GM-licensed taxi and private hires, and the Vehicle Finance offer.

1.9 The report then considers the proposed Governance arrangements for the CAZ and that TfGM will act as an 'operating body' responsible for day to day operation of the CAZ in particular and the implementation of other GM CAP measures.

1.10 The report also highlights the link to link to taxi and private hire common minimum licensing standards (MLS). In 2018, GM's ten local authorities agreed to collectively develop, approve and implement a common set of minimum licensing standards (MLS) for Taxi and Private Hire services that cover the whole of GM.

1.11 At that time, the primary driver for this work was to ensure public safety and protection, but vehicle age and emission standards in the context of the Clean Air and the decarbonisation agendas are now also major considerations. MLS is an important mechanism that permits the systematic improvements to taxi and private hire service across Greater Manchester.

1.12 Finally, there are six appendices to the report, these are:

- Response to DfT Decarbonising Transport Policy Paper – TfGM's response to the Government's proposals for decarbonising the transport system.
- 2020 Ministerial Direction – the most recent ministerial direction from Government.
- Policy for Consultation – the detailed policy proposals including the charge levels, discounts and exemptions, and the supporting funds.
- Vehicle Finance Measure – further detail of the proposed vehicle finance offer.
- Equalities Impact Assessment – the initial equalities impact assessment of the proposed CAZ and supporting measures.
- Operating Body & Responsibilities – further details of the proposed arrangements.

2 INTRODUCTION/BACKGROUND

2.1 Poor air quality is the largest environmental risk to the public's health. Taking action to improve air quality is crucial to improve population health.

2.2 Whilst air quality has been generally improving over time, particular pollutants remain a serious concern in many urban areas. These are oxides of nitrogen (NOx) and its harmful form nitrogen dioxide (NO_2), and particulate matter (PM).

2.3 In Greater Manchester road transport is responsible for approximately 80% of NO_2 concentrations at roadside, of which diesel vehicles are the largest source.

2.4 Long-term exposure to elevated levels of particulate matter (PM2.5, PM10) and NO_2 may contribute to the development of cardiovascular or respiratory disease and may reduce life expectancy[1]. The youngest, the oldest, those living in areas of deprivation, and those with existing respiratory or cardiovascular disease are most likely to develop symptoms due to exposure to air pollution[2,3].

2.5 Public Health England estimate the health and social care costs across England due to exposure to air pollution will be £5.3 billion by 2035 for diseases where there is a strong association with air pollution, or £18.6 billion for all diseases with evidence of an association with air pollution[4].

2.6 The Secretary of State has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO_2) levels, issuing a direction under the Environment Act 1995 to undertake feasibility studies to identify measures for reducing NO_2 concentrations to within legal limit values in the "shortest possible time". In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as "Greater Manchester" or "GM", have worked together to develop a Clean Air Plan to tackle NO_2 Exceedances at the Roadside, referred to as GM CAP.

2.7 The core goal of the GM Clean Air Plan is to address the legal requirement to remove ALL concentrations of NO_2 that have been forecast to exceed the legal Limit Value (40 $\mu g/m^3$) identified through the target determination process in the "shortest possible time" in line with Government guidance and legal rulings.

2.8 Throughout the development of the plan GM has considered a range of options to deliver compliance, overseen by the GM Steering Group[5], and to understand the type and scale of

[1] Air Quality – A Briefing for Directors of Public Health (2017), https://www.local.gov.uk/air-quality-briefing-directors-public-health
[2] Air Quality – A Briefing for Directors of Public Health (2017), https://www.local.gov.uk/air-quality-briefing-directors-public-health
[3] RCP and RCPCH London, Every breath we take lifelong impact of air pollution (2016), https://www.rcplondon.ac.uk/projects/outputs/every-breath-we-take-lifelong-impact-air-pollution
[4] https://www.gov.uk/government/news/new-tool-calculates-nhs-and-social-care-costs-of-air-pollution
[5] Members include Directors or Assistant Directors from each GM authority.

intervention needed to reduce NO_2 to within legal Limit Values in the "shortest possible time" across Greater Manchester.

2.9 A best performing option was recommended within an Outline Business Case (OBC) for further consideration and discussion with stakeholders and the public to aid the development of the Full Business Case.

2.10 In March 2019 the GM Authorities agreed the submission of the OBC that proposed the following package of measures that was considered would deliver compliance in the shortest possible time, at the lowest cost, least risk and with the least negative impacts. They were:

- A charging Clean Air Zone (CAZ) category C which will target the most polluting commercial vehicles including older heavy goods vehicles, buses, coaches, taxis and private hire vehicles from the summer of 2021, and older polluting light goods vehicles and minibuses from 2023 (i.e. a CAZ C with a van exemption until 2023). It was assumed at OBC stage that the Clean Air Zone Charge would be £7.50 per day for taxis, private hire vehicles and light goods vehicles and £100 per day for heavy goods vehicles, buses and coaches.
- A Clean Freight Fund of c.£59m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector.
- A Clean Taxi Fund of c.£28m, to support the upgrade of non-compliant Greater Manchester Licensed taxi and private hire vehicles.
- A Clean Bus Fund of c.£30m to provide, where possible, the retrofit of older engine standards to the less polluting Euro VI standard for those buses registered to run services across Greater Manchester.
- A package of supporting measures including a proposed Loan Finance scheme, sustainable journeys projects, additional EV charging infrastructure.

2.11 The OBC 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 with local authorities;
- Replacement of non-compliant buses; and
- A clear instruction to Highways England with regard to air pollution from the Strategic Road Network (SRN) in Greater Manchester.

2.12 The GMCA – Clean Air Update report on 29 May[6] detailed that the funding asks have been revised as follows:

- A Clean Commercial Vehicle Fund of c.£98m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector, registered in Greater Manchester.
- A Hardship Fund of c.£10m to support individuals, companies and organisations who are assessed to be most vulnerable to socio-economic impacts from the CAZ.

2.13 It also set out the government's response providing 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 JAQU estimated delivery costs at 5%]

2.14 In addition, Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but requested further development of shared evidence on the needs within that complex sector before responding to the specific ask.

2.15 The Report considered the implications of pandemic management policies for the 10 Greater Manchester (GM) local authorities in relation to the schedule of work and statutory consultation on the Clean Air Plan. The link to taxi and private hire common minimum licensing standards (MLS) was also highlighted.

3 PROGRESS SINCE LAST UPDATE

3.1 Hackney Carriages & LGV fleet support – as reported in May Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but requested further development of shared evidence on the needs within this complex sector before responding to the specific ask. GM have submitted this information, however at the time of writing the Government have not made an offer of funding. GM will therefore need to consult on the financial position at the date of consultation. Currently the ask is £80m and for Hackney Carriages it is £10.4m, plus delivery costs.

3.2 Strategic Road Network managed by Highways England – In December 2019, TfGM wrote to JAQU to formally set out the concerns of the 10 Greater Manchester (GM) Local Authorities, that Highways England has not been directed to act in relation to tackling NO_2 exceedances in the same way as GM has been and that this will leave some publicly accessible areas of GM which are adjacent to the Strategic Road Network (SRN) managed by Highways England, with NO_2 exceedances that are not being addressed by the Highways England plan and therefore are not being addressed. The letter set out GM's observations and concerns regarding the consistency of the directions applied by JAQU to Local Authorities and Highways England.

[6] Also considered by the GM Authorities through their own constitutional decision-making arrangements.

3.2.1 In April 2020 Tameside's Chief Executive also wrote to JAQU highlighting that the inconsistency in approach is leaving many of their most vulnerable residents unprotected, particularly, around the A628/A57, a strategically important trans Pennine route that passes through the villages of Hollingworth and Mottram as a single carriageway. This route, managed by Highways England, will be left with NO_2 exceedances that are not being addressed, despite the area being declared as part of GM's Air Quality Management Area with annual average nitrogen dioxide concentrations regularly in excess of 55 µg/m3.

3.2.2 This was also echoed in Councillor Western's letter to Rebecca Pow stating that there remain outstanding issues regarding specific locations on the Highways England trunk road network that will be crucial to a coherent consultation proposal.

3.2.3 Officers continue to press to include the route in the GM Clean Air Zone and on 21 July 2020 a meeting was held between Rachel MacLean – Parliamentary Under Secretary of State for Transport, Councillor Brenda Warrington, Councillor Andrew Western, Jonathan Reynolds MP and Robert Largan MP. Minister MacLean listened to the concerns of GM politicians and committed to reviewing the options to deal with this issue. Councillor Warrington will provide a verbal update at the meeting.

3.3 Clean Bus Fund – Retrofit – TfGM have confirmation that the funding award for Bus Retrofit should be distributed as soon as possible as per arrangements put in place for the Clean Bus Technology Funds.

3.4 Clean Bus Fund – Replacement – it was assumed at OBC stage that an estimated 350 buses could not be retrofitted and that it would be for the market to find a solution. GM is looking to secure funding from the £5 billion of new funding for buses and cycling announced in the March budget. [Budget 2020 suggested c.£2 billion/4,000 zero-carbon buses nationally.] Alongside this, GM is proposing to the Government that it requires circa £9m of funding plus delivery costs to support the replacement of non-compliant vehicles operating on registered bus services in GM that cannot be retrofitted. Separate discussions are underway with DfT to secure funding from the national fund.

3.5 Impacts of COVID-19 – The GM CAP team are working to prepare the assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers to consider with the outcome of the consultation. To date GM have developed a broader plan of analysis and sensitivity testing to assess the possible impacts of COVID-19 on the CAP; this plan has been agreed with JAQU.

3.5.1 JAQU have confirmed their continued commitment to delivering the GM CAP and have asked GM to continue to develop the CAP and refrain from incorporating any possible economic impacts into the analysis prematurely.

3.5.2 Accordingly, GM is continuing to progress interim deliverables as set out in the 2020 Ministerial Direction – delivery plans by 31st July 2020 and interim FBC by 30th October

2020[7] – towards the production of the Full Business Case (FBC) based on existing modelling and assumptions whilst work to assess the possible impacts of the COVID-19 pandemic is underway. JAQU have set out initial guidance on sensitivity tests that should be carried out by local authorities to assess the potential impact of the COVID-19 pandemic on their plans; these have been incorporated into GM's plans.

3.5.3 GM is also working with other local authorities to share knowledge as it emerges.

3.5.4 The GM CAP has been developed based on a number of reasonable assumptions, derived from data and evidence, about traffic and travel patterns, vehicle ownership, the costs of living and doing business, and economic circumstances. The COVID-19 pandemic has affected many of these in the short term and may lead to longer term changes, for example, the following impacts are possible:

- Revised 'Do Minimum' position – it is more likely that this would be worse rather than better by 2023/2024 as the impact of delayed/cancelled vehicle purchases on the age of the fleet may outweigh the emissions benefits from any traffic reductions;
- A change (likely to be an increase) in the proportion of vehicles therefore in scope for charging;
- Changes to behavioural responses, reflecting changes in the cost and availability of compliant vehicles / retrofit options and changes in the economic circumstances of those affected (for example, reduced turnover / profitability, loss of equity, greater indebtedness);
- Increased requirements for support or changes to the number and needs of those in scope for the proposed support packages; and
- Possible delays to, or revisions of, related policies and strategies that affect GM CAP assumptions and predicted behavioural responses.

3.5.5 The impacts will change over time. In the short term (next 6 months), there may still be considerable uncertainty about the trajectory of the pandemic and economic recovery. GM is therefore carrying out an assessment of what factors are most influential for the CAP.

3.6 Decarbonising Transport – As reported on 29 May - In March this year the Government published its "Decarbonising Transport – Setting the Challenge" document. GM's response to this document is set out at Appendix 1 which gives GM's views on the actions required to put the UK's entire transportation system on a plausible pathway to deliver the

[7] The 2020 Ministerial Direction sets out submission dates for consultation, delivery plans and FBC. Notably, the Direction requires conclusion of all public consultation activity and submission of the Interim FBC by the end of October 2020. The direction is dated 16 March, before the enactment of the Coronavirus Act 2020, meaning that the implications of pandemic management policies had not been considered in setting these dates. JAQU have indicated these submission dates maybe reviewed in due course.

greenhouse gas reductions urgently needed to achieve carbon neutrality. The summary of the response is:

- Whilst new vehicle technologies are important, delivering carbon neutrality will not be possible without a significant change in travel behaviours and a fundamental shift in the way people and goods are moved. The DfT Plan to Decarbonise Transport, whilst a welcome initiative in principle, does not yet set out a set of measures that are realistically capable of achieving the changes in the required timeframe.

- Rapid and urgent action is needed to put the UK on the trajectory necessary to achieving carbon neutrality in 2050 – the next five years are critical to set us on the right path to meet our carbon budgets.

- If active travel and public transport are to be the first, natural choice, then they must also be the most convenient and cost-effective ways to travel.

- A reduction of passenger kilometres travelled is needed and whilst local polices can influence this, it is Government policy that will underpin its delivery. The Transport Decarbonisation Plan needs to set a consistent National Policy aligned with international agreements, that regions and localities can deliver to make rapid, meaningful progress in reducing transport's contribution to the climate emergency.

- Policies to tackle carbon emissions must be integrated into wider policy-development to reduce the possibility of unintended consequences and to ensure a holistic approach is taken. Embodied carbon in infrastructure and vehicles; and the need for low-carbon electricity generation must all be included in the final strategy.

- The next stage in the Government's approach to decarbonising transport, scheduled for autumn 2020, will be crucial. Whilst Government may have fairly assessed the scale of the challenge to date, the final plan will need to set out a clear set of tangible actions and measures of the scale and impact required for implementation in the shortest time possible, so that all stakeholders can play their full role in the challenge to decarbonise transport.

4 THE RESULTS OF THE PUBLIC CONVERSATION AND FOCUS GROUPS

4.1 GM held a public engagement exercise known as the 'conversation' between early May and mid-June 2019 to help inform the GM CAP, and this was supplemented by more targeted stakeholder engagement with affected groups and businesses.

4.2 In total, around 3,300 responses were received, via an online survey, paper questionnaire, letters and emails. Over 2,400 of the responses were from individuals, with the vast majority of respondents living in Greater Manchester. As well as this a number or representative bodies (such as the Federation of Small Businesses) responded to the conversation, on behalf of the members they represent.

4.3 There were over 550 responses from businesses based in Greater Manchester and further afield. 61% of business were sole traders, 18% were small businesses, 11% were medium-sized businesses and 10% were large businesses.

4.4 When it came to air pollution, individuals were generally concerned about air pollution (75%) and felt it needed to be improved (80%) and businesses were less concerned about air pollution (54%) and were less inclined to feel it needs improving (55%).

4.5 When asked about the impact of the proposals individuals were generally quite positive about the proposals and their potential impact on health (79%), air quality (76%) and quality of life (67%). However, businesses thought the proposals would have a negative effect on the economy (54%), and two-thirds felt they would have a negative impact on their business.

4.6 The survey asked about the proposed Clean Air Zone, including the boundary and the timescales for introducing the zone. The views on the daily charges for non-compliant vehicles to enter the zone were split, with roughly a third of individuals saying they were about right, a third saying they were too low and a third saying they were too high. Businesses were more likely to say they daily charges were too high (around two thirds responding with that answer).

4.7 Those with non-compliant vehicles were asked about their view on the funding proposed to support businesses to upgrade. Many businesses either didn't know what action they were likely to take or thought they would not take any action. Of those who said they would not take action, the reasons why included; the cost of upgrading their vehicle, constraints around their lease arrangement and that they would prefer to pay the daily charge.

4.8 Scrappage schemes, loans and additional support were suggestions made by respondents on how we could support those with non-compliant vehicles to upgrade. There were also comments on who should be prioritised to receive any funding, those comments focused on supporting smaller businesses first.

4.9 More than half of all respondents thought it was important to provide support and advice to help people use less-polluting transport. Almost half of respondents thought travel planning and events at schools would encourage the use of sustainable transport.

4.10 60% thought installing more electric vehicle charging points across Greater Manchester was important. The top suggested locations were: public car parks, service stations, taxi ranks, Retail centres and workplaces.

4.11 Overall, 68% of individuals and 38% of businesses supported the proposal. When asked on a scale of 1 – 10, where 10 was fully supporting the proposals, 41% of individuals gave the proposals a score of 10.

4.12 The full report from the conversation can be found online at https://cleanairgm.com/technical-documents.

5 THE CONSULTATION

5.1 In May 2020, GM set out that it needed to be mindful of moving its Clean Air Plan forward given the direction to act but also the need to balance this against the impact of COVID-19.

5.2 It further recognised that any consultation conducted in a time of COVID-19-related restrictions will be different to previous consultations and GM would have to do everything it reasonably can to ensure that the consultation is fair.

5.3 It is now proposed to move forward to consultation on the Clean Air Plan starting in October 2020 as there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response through the Government's COVID-19 recovery strategy[8] published on Monday 11 May. In this document the Government published a staged plan for the reopening of the economy and the easing of restrictions on some types of social interaction following the introduction of lockdown measures on 23 March.

5.4 In his televised address on Sunday 10 May, the Prime Minister outlined plans for the easing of lockdown restrictions and the reopening of some businesses. This was organised into three main steps:

- **Step one** was initiated on **Wednesday 13 May** and required all workers who could not work from home to travel to work if their workplace was open. It also eased restrictions on social contact, allowing people to meet one other person in an outdoor public place. Restrictions on exercise were eased to allow people to exercise as many times as they choose each day and to travel as far as they wish to do so (providing no borders between UK nations are crossed).
- **Step two** began on **Monday 1 June** and allowed some non-essential retail to open including outdoor markets and car showrooms. The Government also clarified that homeware stores were permitted to remain open. This step also included a phased return of early years settings and schools beginning with reception, year one and year six pupils and further relaxing of social restrictions. The second phase of Step Two will begin on **Monday 15 June** and will permit the opening of all other non-essential retail.
- **Step three** began on **Saturday 4 July** and included the opening of many remaining businesses including hospitality, leisure and personal care businesses.

5.5 Each of the steps is contingent on the current risk posed by COVID-19 and the status of the Government's five tests.

5.6 GM will need to conduct a consultation that will adhere to the government guidance around social distancing and undertake engagement activity that will enable residents,

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8 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/884760/Our_plan_to_rebuild_The_UK_Government_s_COVID-19_recovery_strategy.pdf

businesses and visitors to engage with the consultation materials and respond in a meaningful way. It is proposed that:

- Consultation will take place within the COVID-19 Secure guidelines in place at the relevant time and run for 8 weeks from early October 2020. A commencement date of early October will enable the GM Authorities to consider the matters reported here through their own constitutional decision-making arrangements between August and September.

5.7 It is considered that an 8-week consultation is a reasonable period of time and will provide an opportunity for meaningful feedback on the proposals for the following reasons:

- the GM Authorities will undertake pre-consultation engagement around the proposals explaining why a GM CAP is important for GM;
- since the 7-week public conversation impacted groups have been regularly informed of the development of the GM CAP proposals;
- the consultation will be conducted primarily through digital channels with specific arrangements to ensure that there is parity of access for all groups; and
- the full detail of the proposals will have been in the public domain for 10 weeks prior to the consultation launch.

5.8 The GM Authorities engagement activity will use the CleanAirGM visual identity and will be coordinated by TfGM at a Greater Manchester-wide level and each GM authority will be supported to implement their own delivery plans for consultation with their residents and businesses.

5.9 The GM Authorities will use both online and offline channels to promote the consultation, (including social media, digital advertising, out of home advertising, media and PR, working with stakeholders and other routes). It is not thought likely that traditional consultation-style events and drop-in sessions will be able to be hosted due to the restrictions on large gatherings and therefore online events, webinars, social media will be used in order to answer questions and engage.

5.10 Alongside this engagement activity, GM Authorities will also undertake qualitative research looking at the impact of the clean air proposals on the most impacted groups – which may include any of all of small and micro businesses, taxi and private hire trade, the freight and logistics trade, public transport users, those with respiratory conditions and others. This research will be conducted whilst the consultation is ongoing and will be reported within the consultation findings report.

5.11 The GM Authorities are mindful that if, after lifting restrictions, the Government sees a sudden and concerning rise in the infection rate then it may have to re-impose some restrictions and it will seek to do so in as limited and targeted a way as possible, including reacting by re-imposing restrictions in specific geographic areas or in limited sectors where

it is proportionate to do so, possibly at short notice. In the event that GM returns to extensive social distancing requirements i.e. those in place from 13 May, Greater Manchester may pause the consultation.

6 THE CONSULTATION PROPOSALS

6.1 The GM authorities have been directed by Government to introduce a Category C Clean Air Zone across the region. There is a requirement under Transport Act 2000 to consult 'such a local persons as [the GM authorities] consider appropriate about the charging scheme'. The statutory nature of the consultation affords a large degree of discretion to the consulting authorities about the manner in which such persons are consulted, but it will need to address the contents of the scheme and how it will promote relevant local transport policies and explain the fundamentals of the CAZ, i.e. the proposed boundary, times of operation and vehicle types that would be subject to charges if non-compliant, the charges and discounts and exemptions. It is likely that the charges, discounts and exemptions may be most affected by responses to the consultation, given that some of the other elements of the CAZ, such as the need for a CAZ and the category of CAZ are mandated by the Ministerial Direction – see Appendix 2.

6.2 The supporting measures, the detail of proposals of the funds and vehicle finance, should also be set out to enable consultees to respond fully to the GM CAP proposals. The measures are also subject to state aid restrictions.

6.3 The tables set out at paragraphs 6.14 to 6.21 indicate the GM CAP measures that will be the subject of consultation. The main changes to highlight from the public conversation are highlighted in the list below and detailed in paragraphs 6.4 to 6.13. The full Policy for Consultation can be found at Appendix 3.

- Clean Air Zone Daily Charges
- Clean Air Zone Implementation Date
- Clean Air Zone Exemption for LGV's and minibuses to 2023
- Vehicle Finance Offer
- Temporary exemption for Wheelchair accessible taxis
- Temporary exemption for GM registered coaches
- Personal Use Discount for Private Hire Vehicles licensed with one of the ten Greater Manchester Local Authorities
- Try Before You Buy Hackney Scheme
- Taxi Electric Vehicle Infrastructure
- Removal of Sustainable Journeys and Electric Vehicle Infrastructure

6.4 Clean Air Zone Daily Charges

6.4.1 Daily charges would apply for each day a non-compliant vehicle is used within the GM CAZ, with one charge imposed per vehicle, per 'Charging Day' (midnight to midnight), however much a vehicle drives within the GM CAZ in that 24-hour period. The aim of the daily clean air zone charges is to:

- reduce NOx emissions sufficiently (and not to target other pollutants, although benefits are likely) by encouraging drivers to upgrade to a cleaner vehicle.
- for as few people as possible to choose to 'stay and pay', accepting that this may remain the best choice for infrequent visitors.
- be as low as possible whilst achieving these objectives.

6.4.2 Why have the proposed charges been modified since the initial conversation in 2019?

- Better understanding of the vehicle fleets and markets in GM and nationally.
- Better understanding of the likely behavioural response to the charges.
- A range of options have been tested to identify the lowest, most effective charge.

6.4.3 It is proposed to base the consultation on a revised charge for LGV's and minibuses, set at £10 compared to £7.50 per day in the conversation. The reason for this increase is that since the conversation the data and modelling that underpins the development of the GM CAP has been significantly updated particularly in terms of the behavioural changes GM expects to see. In the analysis used to assess the effectiveness of different charge levels for LGVs, a CAZ charge set at £7.50 delivered upgrades of under 48%, meaning that over half of non-compliant vehicles were choosing to stay and pay the charge or switch to a car, whereas the analysis suggested that increasing the charge to £10 would increase the upgrade to around 70%. At a lower charge level, the risk is that the scheme imposes costs through charges without delivering the necessary benefits of emissions reductions. It is assumed that minibus operators would respond in a similar way, but this could not be modelled because there was not sufficient information available to reliably assess cost sensitivity in the minibus sector.

6.4.4 It is proposed to base the consultation on a revised charge for HGV's, buses and coaches of £60 compared to £100 per day in the conversation. The reason for this decrease is that since the conversation the data and modelling that underpins the development of the GM CAP has been significantly updated particularly in terms of the behavioural changes GM expects to see. In the analysis used to assess the effectiveness of different charge levels for HGVs, a CAZ charge set at £60 per day was shown to deliver very similar upgrade responses and benefits to compliance as a charge of £100 per day. £60 was assessed to be the lowest possible charge delivering equivalent benefits. It is considered that coach and bus operators would respond in a similar way, but this could not be modelled because there

was not sufficient information available to reliably assess cost sensitivity in these sectors. It is therefore recommended that the same charge of £60 per day is applied to all heavy vehicles.

6.4.5 The proposed daily charge for licensed hackney cabs and licensed private hire vehicles remains at £7.50 per day.

6.5 Clean Air Zone Implementation Date

6.5.1 In the May GMCA report GM advised that the implementation of a GM-wide CAZ was delayed. It can now be confirmed that the programme is now working to an implementation date of Spring 2022.

6.5.2 GM anticipates that once implemented the Clean Air Zone will remain in full operation until at least the second half of 2026. If it is demonstrated by the second half of 2026 that two consecutive years' of compliance with legal limit value for NO_2 of an annual mean of 40 µg/m3[9] has been met, and there is confidence that compliance will continue to be maintained then, subject to GM governance processes, GM will notify the Secretary of State of its intention to revoke the Charging Scheme Order and commence the decommissioning of the GM Clean Air Zone.

6.6 Clean Air Zone Exemption for LGVs and minibuses until 2023

6.6.1 The government have accepted GM's case for exempting LGVs and minibuses to 2023.

6.7 Vehicle Finance Offer

6.7.1 In its Outline Business Case (OBC) Greater Manchester said it would investigate a scheme to offer loans at preferential rates for those taking advantage of the Clean Air funds.

6.7.2 The Clean Air conversation in 2019 showed that vehicle finance is needed to help owners upgrade their vehicle as introduction of the GM Clean Air Zone is disrupting vehicle renewal cycles and some will need help in getting access to finance.

6.7.3 In response to this Greater Manchester (GM) has developed a Vehicle Finance measure to address and reduce the adverse impacts on individuals, companies and organisations of financing an upgrade to a compliant vehicle without reducing the effectiveness of the Clean Air Zone.

6.7.4 This measure has been designed to facilitate access to vehicle finance to a wider range of applicants than would ordinarily be the case and where access to credit isn't normally an issue the cost of the monthly finance will be more affordable.

[9] as set by the Ambient Air Quality Directive (2008/50/EC)

6.7.5 Vehicle Finance will utilise the GM CAP Clean Commercial Vehicle Fund and Clean Taxi Fund to offer eligible owners of a non-compliant vehicle the option to seek funding as either a lump sum grant or as a contribution towards vehicle financing, they will be able to choose the option which best suits their individual circumstances.

- Lump sum grant contributes to the cost of replacement – the applicant funds the remaining costs with private purchase or their own financing arrangements.
- Vehicle finance contributes to the cost of financing a replacement vehicle through GM's arrangements either a lease or Hire Purchase – the applicant pays monthly for an agreed finance period.

6.7.6 The measure will be available to small, micro businesses, sole traders, self- employed, charities & and social enterprises, registered[10] in GM and in ownership of a non-compliant vehicle (HGVs, LGVs, Coaches, Minibuses, Hackneys and Private Hire Vehicles). More information on the measure can be found at Appendix 4.

6.8 Temporary exemption for Wheelchair accessible taxis

6.8.1 Wheelchair accessible (WAV) Hackney Cabs and Private Hire Vehicles (PHV) offer a vital service for disabled people and are often the only mode of travel available to them. 26% of taxi users, compared to 9% of users of other modes, report that they have a health problem or disability that limits their day-to-day activities, and 26% of over 65s say that they cannot use buses due to a disability – both demonstrating the importance of taxis in providing accessibility for disabled and elderly people[11]. To maintain accessibility for disabled people and mitigate a risk of a reduction in the number of WAV Hackney Cabs and PHVs operating in the region, GM licensed Wheelchair Accessible Hackney Cabs & PHVs will be given a temporary exemption until 2023. Other areas have offered exemptions for WAV taxis on this basis and the temporary exemption for WAV Hackney Cabs and PHVs does not affect the year of compliance with NO_2 legal limits.

6.9 Temporary exemption for GM registered coaches

6.9.1 Compliant Euro 6 coaches have been available since 2013, however the majority of the fleet registered and believed to be operating in GM is non-compliant, with Euro 3 the most common age category. This is because coaches have a long running life and upgrade to a compliant vehicle is very expensive, at up to £280k for a new vehicle. Most coach operators are small businesses and have very small fleets of 1-5 vehicles, operating within tight margins. Coaches provide services for vulnerable groups, particularly children, elderly people and those on low incomes. To maintain accessibility for these groups and mitigate

[10] taxi & PHV need to be licensed in GM

[11] November 2019 Hatch Regeneris "CAZ Commercial Vehicle Socio-Economic Impacts Research"

a risk of reduced coach operations, coaches registered to a business address within GM will be eligible to apply for a temporary exemption until 2023, subject to legal review including state aid implications. Vehicles that are used on a registered bus service in GM are not eligible for this exemption. A temporary exemption for coaches does not affect the year of compliance with NO_2 legal limits.

6.10 Personal Use Discount for Private Hire Vehicles licensed with one of the ten Greater Manchester Local Authorities

6.10.1 The Clean Air conversation in 2019 showed that a proportion of PHVs are used as a private car when not acting as a PHV. Private cars are not included in GM's Clean Air Zone and therefore owner drivers of GM-licensed PHVs (and PHVs leased full-time by 1 person), will be offered a discounted weekly charge of 5/7 of the total from implementation. This is in line with the position taken in other cities e.g. Leeds and can be facilitated through the Government's Hackney Cab and PHV Centralised Database which forms part of the wider digital infrastructure that is being developed to support the introduction of charging Clean Air Zones.

6.11 Try Before You Buy Hackney Scheme

6.11.1 The GM CAP will require Hackney Cabs and PHVs to meet stricter emissions standards, which will mean a significant proportion of the trade will need to upgrade their vehicles to meet these emissions standards to avoid a charge. There is also the ambition in the GM Five-Year Environment Plan (5YEP) for GM to be carbon neutral by 2038.

6.11.2 To invest in Zero Emission Capable[12] vehicles, taxi proprietors also require long term confidence in the local policy landscape, including future interventions and supporting infrastructure. GM has recently agreed to introduce a position for consultation on when GM Taxi/PHV ZEC should be ZEC. The MLS further proposes that all Hackney Carriages must be London-style wheelchair accessible vehicles. Due to the lack of second-hand ZEC Hackney Carriages on the market, all operators looking to upgrade to electric would likely to have to purchase new vehicles.

6.11.3 Deliberative research undertaken in October 2019 identified that Hackney and PHV drivers and operators noted the attractiveness of EVs, but showed concern about whether EV taxis were suitable, and whether there would be sufficient dedicated charging infrastructure available. To be persuaded to upgrade to an EV, it is likely participants would need to be confident that use of the vehicles is demonstrably feasible. Measures will need to target affordability and other barriers to switching to an electric vehicle, as well as the current lack of charging infrastructure.

[12] This means having CO_2 emissions of no more than 50g/km and a minimum 30 mile zero emission range.

6.11.4 GM are proposing a 'Try Before You Buy' initiative for GM-licensed Hackney Carriage drivers to address uncertainties such as operating costs, range anxiety and availability of charging infrastructure. Nottingham City Council have run a trial of 3 EV Hackney's for 1-month periods and since its launch in January 2019 have covered 43 trials and have successfully converted 20 of those drivers to electrified Hackneys. The GM scheme would aim to encourage a 40% increase in drivers moving to EV. Support to drivers will be further enhanced in this transition to EV with the Hackney EV running cost grant.

6.12 Taxi Electric Vehicle Infrastructure

6.12.1 As set out above research has shown taxi drivers are concerned about the ability to charge EVs when out and about on shift. Therefore, electric vehicle infrastructure will be key in supporting the transition to ZEC taxis.

6.12.2 GM are proposing a network of 40 taxi only rapid electric vehicle charging points, tailored to locations to support ZEC taxis to operate across GM. This measure is complementary with the financial support offered through the Clean Taxi Fund, within which one of the proposed financial support mechanisms is a running-costs grant for those who upgrade from a non-compliant vehicle to a ZEC vehicle.

6.13 Removal of Sustainable Journeys and Electric Vehicle Infrastructure

6.13.1 In the update report on 29 May it was detailed that the government does not support the Sustainable Journeys measure as it only contributes to a minimal amount of NOx reduction in key locations. It also set out that Electric Vehicle Infrastructure is not needed for compliance and so would not be supported by implementation fund monies but government have committed to work with GM on securing alternative funding. The Office for Low Emission Vehicles (OLEV) were allocated £500m in the 11 March 2020 budget and TfGM on behalf of GM will be developing a business case to make the case to OLEV/Department for Transport.

6.14 **Proposals for the Clean Air Zone** – Government has awarded GM £36m for the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures.

Clean Air Zone: Boundary	Primarily aligned with the administrative boundary of Greater Manchester Authorities excludes the Strategic Road Network (SRN)[13]. https://cleanairgm.com/which-roads-are-affected/
Clean Air Zone: Times of Operation	24 hours a day, 7 days a week

[13] The SRN consists of roads which are not managed by local and regional GM authorities, namely motorways and trunk roads managed by Highways England. The SRN is illustrated on the Highways England Network Management Map available at: https://www.gov.uk/government/publications/roads-managed-by-highways-england

Clean Air Zone: Vehicles Affected	• Licensed Hackney Carriage • Licensed Private Hire Vehicle • Bus • Coach • Minibus • LGV • HGV

6.15 **Proposals for Licensed Hackney Carriages** – GM has asked for £10.4m of funding plus delivery costs.

Clean Air Zone: Exemptions	Wheelchair Accessible (WAV) Hackney Carriages which are licensed to one of the 10 Greater Manchester Authorities, as of the [end date of GM CAP consultation] will be eligible for a temporary exemption until 31st December 2022.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£7.50 per charging day (midnight to midnight)
Clean Vehicle Funding	A one off grant of £10,000 towards the running costs of a Zero Emissions Capable Vehicle OR access to vehicle finance, offering an average subsidy of £10,000 with the total subsidy capped at £14,000. OR a grant of £5,000 towards the LPG retrofit of a Euro 5 vehicle less than ten years old. Funding ask of £10.4m would provide funding to upgrade around 1,050 vehicles. Total in-scope non-compliant fleet is estimated to be 1,200 vehicles at the point of CAZ implementation.

6.16 **Proposals for Licensed Private Hire Vehicles** – Government has awarded GM £10.2m as an initial tranche of funding. Further funding is required to support delivery costs.

Clean Air Zone: Exemptions	Wheelchair Accessible (WAV) Private Hire Vehicles which are licensed to one of the 10 Greater Manchester Authorities, as of the [end date of GM CAP consultation] will be eligible for a temporary exemption until 31st December 2022.
Clean Air Zone: Discounts	PHVs (owned or leased full-time by 1 person) licensed to one of the 10 GM Local Authorities and also used as a private car - Registered keepers of non-compliant PHVs which are also used as a private car will be eligible to apply for a discounted charge of 5/7 of the weekly total from 2021.
Clean Air Zone: Daily Charge	£7.50 per charging day (midnight to midnight)

Clean Vehicle Funding	Private Hire WAV or minibus: A grant of £5,000 for a compliant 6+ seater vehicle OR access to vehicle finance, offering an average subsidy of £5,000, with the subsidy per vehicle capped at £7,000. Non-wheelchair accessible Private Hire Vehicles: A grant of £1,000 for replacement with a compliant internal combustion engine vehicle OR access to vehicle finance, offering an average subsidy of £1,000, with the subsidy per vehicle capped at £2,000. OR a grant of £2,000 for replacement with a compliant hybrid or plug-in hybrid OR access to vehicle finance, offering an average subsidy of £2,000, with the subsidy per vehicle capped at £3,000. OR a grant of £2,500 towards the running costs of a Zero Emissions Capable vehicle. Funding ask of £10.2m would provide funding to upgrade around 4,600 vehicles. Total in-scope non-compliant fleet is estimated to be 5,300 at the point of CAZ implementation.

6.17 **Proposals for Buses** – Government has awarded GM £14.7m as an initial tranche of funding. As set out at paragraph 3.7 alongside this, GM is proposing to the Government that it requires circa £9m of funding plus delivery costs to support the replacement of non-compliant vehicles operating on registered bus services in GM that cannot be retrofitted.

Clean Air Zone: Exemptions	None
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	Bus retrofit - Up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system Bus replacement - Up to £16,000 for purchase or lease of a compliant vehicle Funding ask would provide funding to retrofit or towards upgrade of all non-compliant buses operating in GM, around 1,500 vehicles in total (noting that a further c350 are being retrofitted under the CBTF).

6.18 **Proposals for Coaches** – Government has awarded GM £4.4m as an initial tranche of funding.

Clean Air Zone: Exemptions	Coaches registered to a business address within GM and not used on a registered bus service within GM will be eligible for a temporary exemption until 31st December 2022.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of £16,000 per vehicle for replacement OR access to vehicle finance, offering an average subsidy of £16,000, with the subsidy per vehicle capped at £23,000. OR a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) Funding ask of £4.4m would provide funding to upgrade around 275 vehicles.

6.19 **Proposals for Minibuses** – Government has awarded GM £2m as an initial tranche of funding.

Clean Air Zone: Exemptions	Community Minibuses – Those operating under a permit under section 19 or section 22 of the Transport Act (1985), issued by a body designated by the Secretary of State are eligible for a permanent exemption. Minibuses which are not used as a licensed taxi, PHV or on a registered bus service, will be eligible for a temporary exemption until 31st December 2022.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£10 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of £5,000 per vehicle OR access to vehicle finance, offering an average subsidy of £5,000, with the subsidy per vehicle capped at £7,000. Funding ask of £2m would provide funding to upgrade around 400 vehicles.

6.20 **Proposals for LGV** – GM has asked for £80m of funding plus delivery costs.

Clean Air Zone: Exemptions	Light Goods Vehicles (LGVs) will be eligible for a temporary exemption until 31st December 2022.
Clean Air Zone: Discounts	None
Clean Air Zone: Daily Charge	£10 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of £3,500 per vehicle OR access to vehicle finance, offering an average subsidy of £3,500, with the subsidy per vehicle capped at £5,000. Funding ask of £80m would provide funding to upgrade around 23,100 vehicles, around 40% of the in-scope non-compliant fleet.

6.21 **Proposals for HGV** – Government has awarded GM £7.6m as an initial tranche of funding.

Clean Air Zone: Exemptions	Specialist Heavy Goods Vehicles – Certain types of heavily specialised HGVs, such as those used in construction or vehicle recovery. Non-road-going vehicles – Certain types of non-road going vehicles which are allowed to drive on the highway such as agricultural machines; digging machines; and mobile cranes (T1, T2 or T3 vehicle types)
Clean Air Zone: Discounts	Registered keepers of privately-owned commercial vehicles <3.5t)), and registered to an address in GM, will be eligible to apply for a discounted charge of that of an LGV.
Clean Air Zone: Daily Charge	£60 per charging day (midnight to midnight)
Clean Vehicle Funding	A grant of up to £5,500 per vehicle, dependent on vehicle size OR access to vehicle finance, offering an average subsidy of up to £5,500 with the subsidy per vehicle capped at £8,000. OR a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) Funding ask of £7.6m would provide funding to upgrade around 2,000 vehicles, around half the in scope non-compliant fleet.

6.22 An Equalities Impact Assessment that considers the draft proposals at a GM level, can be found at Appendix 5.

7 GOVERNANCE

7.1 TfGM has been leading on the development of the GM CAP on behalf of the ten GM local authorities. However, the duty to secure compliance with the March 2020 ministerial direction falls on the 10 GM local authorities. The latest direction by the Secretary of State under section 85 of the Environment Act 1995 places a duty directly on each of the GM authorities to take steps to implement the relevant local plan for NO_2 compliance.

7.2 Once the GM CAZ is operational there will be a number of aspects which will require continued joint working across the GM Authorities, which may be achieved through delegations, agreements, memoranda of understanding or a combination of these. The CAZ will incur operating costs and generate revenues, any net surplus of which must be applied in accordance with restrictive rules in the TA 2000, in facilitating the achievement of local transport policies.

7.3 Some aspects of the delivery of the CAZ will require formal arrangements to be put in place. This section of the report considers the formal governance mechanisms to underpin the delivery of a GM Clean Air Zone (CAZ) and the supporting measures, namely;

- the GM 'Operating Body', a public sector body which will be responsible for day to day operation of the CAZ in particular, the implementation of other GM CAP measures.

<u>Operating Body</u>

7.4 The 'Operating Body' should be a public sector body which will be responsible for day to day operation of the CAZ in particular, and the implementation of other GM CAP measures. Appendix 6 sets out further detail on the assumed responsibilities / activities of the 'Operating Body'.

7.5 The GM Clean Air Steering Group have reviewed a number of options – see Appendix 6 – and this options analysis has concluded that TfGM should act as the Operating Body and take on responsibilities for the CAZ integrating GM CAP delivery within their wider strategic GM responsibilities to operate the GM Clean Air Service.

7.6 Given that the ten GM local authorities are to cooperate and put in place arrangements with a view to achieving objectives they have in common no particular public procurement implications are anticipated from the proposal to appoint TfGM as the Operating Body.

7.7 Further information on the assumed responsibilities of the Operating Body can be found at Appendix 6.

7.8 A further report will be submitted in due course setting out the details of the proposed delegations to the Operating Body.

Charging Authorities

7.9 The relevant powers for ensuring compliance with the Direction also rest with the 10 GM local authorities as the "local plan for NO_2 compliance" referred to in the Direction involves "a Charging Clean Air Zone Class C," which in legal terms is a charging scheme under the Transport Act 2000 (TA 2000).

7.10 Such a charging scheme may be made by an authority (known as a 'charging authority') in respect of roads for which it is the local traffic authority or jointly by a number of them. It can also be made by one or more such authorities with a combined authority.

7.11 It is proposed that a further report will be brought forward to set out the formal governance mechanisms that will underpin the deliver a GM Clean Air Zone (CAZ) and the supporting measures.

Political oversight

7.12 If the GM local authorities agree that TfGM will act as the Operating Body it is considered prudent and good practice for an 'Authority' to act as an oversight body in respect of the GM CAP, responsible for holding the Operating Body to account and also to exercise functions relating to the oversight of the CAZ including monitoring and policy setting.

7.13 It is proposed that a further report will be brought forward to set out the formal governance mechanisms that will underpin the deliver a GM Clean Air Zone (CAZ) and the supporting measures.

Management Group

7.14 To ensure that each participating authority retains Strategic Management of the GM Clean Air Service as it impacts on them, it is proposed that a "Clean Air Management Group" is established to have responsibility for management oversight of the GM Clean Air Service in line with the policies and decisions of the participating authorities. It would comprise senior nominated officers of the participating authorities who would have responsibility for day to day liaison with the service. Appendix 6 sets out further detail on the assumed responsibilities of the Clean Air Management Group.

8 MINIMUM LICENSING STANDARDS AND THE GM CLEAN AIR PLAN

8.1 Taxi/PHV services are a significant part of GM's transport offer. In 2018, GM's ten local authorities agreed to collectively develop, approve and implement a common set of minimum licensing standards (MLS) for Taxi and Private Hire services that cover the whole of GM. At that time, the primary driver for this work was to improve public safety, but vehicle age and emission standards in the context of the Clean Air agenda are now also a major consideration.

8.2 As licensing is a local authority regulatory function, the work to devise the Standards has been undertaken by the GM Licensing Managers Network, with TfGM supporting the co-ordination of this work, and alignment with other relevant GM policies, at a GM level.

8.3 There are four areas of focus for the MLS:

- Drivers: Criminal Records Checks; Medical Examinations; Local knowledge test; English language; Driver training; Driving Proficiency; Dress Code.
- Vehicles: Vehicle emissions (diesel Euro 6 and above, petrol Euro 4 and above with an ambition for a zero-emission capable fleet); Vehicle ages (under 5 years at first licensing, no older than 10 years); Vehicle colour (Black for Taxi/Hackney, white for Private Hire Vehicles); Vehicle livery (common GM design with Council logo incorporated); Accessibility (all Taxis to be wheelchair accessible); Vehicle testing; CCTV; Executive Hire; Vehicle design and licensing requirements.
- Operators: Private Hire Operators/staff will require basic criminal record check; more stringent requirements in relation to booking records; Operators to take more responsibility for the behaviour of their drivers.
- Local Authorities: Applications may be submitted up to 8 weeks in advance of license expiry; Once determined, license issued within 5 working days; Agree to develop common enforcement approach and a framework to which licensing fees are set; Councillors to receive training before they hear applications.

8.4 Given the decarbonisation challenge, highlighted elsewhere in this report, sectors such as transport need to take very significant action now to reduce carbon emissions. For taxis and PHVs to contribute will require them to switch to zero-emission capable (ZEC) vehicles. To invest in ZEC vehicles, taxi proprietors also require long term confidence in the local policy landscape, including future interventions and supporting infrastructure.

8.5 Therefore, the following dates for ZEC adoption are proposed as part of the MLS consultation:

- From 2025 all new to license vehicles would need to be ZEC; and
- From 2028 all vehicles would need to be ZEC, meaning an entirely zero emission Taxi/PHV fleet across GM by 2029.

8.6 The trade has asked for certainty, funding, and long lead in times for these changes. This is extremely challenging within the current and emerging policy environment. Officers have developed policy proposals that can meet these needs as far as possible, which is why parallel consultations will be undertaken for MLS and GM CAP, and that charging, funding, and licensing policy positions are coherent and joined-up.

8.7 Ultimately the collaborative approach that the MLS represents will help achieve the vision of a strong, professional and healthy taxi and private hire sector providing safe and high-quality services to residents and visitors across the whole of Greater Manchester. This vision sees taxis and Private Hire as a crucial part of the overall transport mix, that can consistently deliver safe and high-quality services for the public. The proposed MLS will help deliver improved safety, customer focus, higher environmental standards and accessibility.

8.8 In addition, GM understands that, like many parts of the economy, and in particular the transport sector, the taxi and private hire trade have been severely impacted by COVID-19, lockdown and the effects of social distancing policies. Therefore, the MLS consultation, which is a matter for the 10 district councils, will include questions designed to elicit a fuller and more informed understanding of the wider effects of COVID-19 on the economic health and sustainability of the taxi and private hire trades.

9 NEXT STEPS

9.1 Officers will:

- Continue dialogue with JAQU to secure a clear response from government on GM's outstanding clean air funding asks;
- Continue to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures;
- Continue preparations to move to a statutory public consultation on the GM Clean Air Plan;
- Continue work to understand the possible impacts of COVID-19 on the GM CAP; and
- Prepare further reports to set out the formal governance mechanisms that will underpin the deliver a GM Clean Air Zone (CAZ) and the supporting measures.

10 RECOMMENDATIONS

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

11 APPENDIX 1 – GM RESPONSE TO DFT'S DECARBONISING TRANSPORT – SETTING THE CHALLENGE

1. Greater Manchester welcomes the opportunity to feedback on DfT's Decarbonising Transport – Setting the Challenge ['the document'] and give our views on the actions required to put the UK's entire transportation system on a plausible pathway to deliver the greenhouse gas reductions urgently needed to achieve carbon neutrality. GM broadly agrees with the 6 strategic priorities and welcomes the opportunity to participate in the workshops to help develop these further.

2. Greater Manchester agrees with the acknowledgement in the document that the decarbonisation of transportation is not optional and that urgent action is needed to put the UK on a trajectory of becoming carbon neutral by 2050. It is encouraging that government, in addition to identifying freight and logistics as playing a key role, has recognised within its strategic priorities the need to accelerate modal shift to public transport and active travel and that many of the solutions lie within the localities where unique opportunities and challenges lie. As mentioned throughout the document, delivering carbon neutrality will not be possible without a major change in travel behaviours and a fundamental shift in the way people and goods are moved.

3. Greater Manchester aims to be a carbon neutral city-region by 2038. The pathway to the Greater Manchester 2040 Transport Strategy's Right Mix vision focuses on changing travel behaviour towards public transport, active travel, more local travel, and more travel to town and city centres in order to reduce car mode share from 61% of trips in 2017 to no more than 50% of trips in 2040. Although the Right Mix takes us some way towards Greater Manchester's carbon neutral target, more challenging reductions in car travel are likely to be necessary if Greater Manchester is to meet the carbon budgets that underlie the target. Central government will need to take the lead if Greater Manchester is to achieve those major changes in travel behaviour.

4. It is disappointing to note that government policies and strategies do not appear at present to be joined up. The document explicitly states that embodied carbon is out of scope, as is that of the power generation and distribution for transport and construction of infrastructure, as these are considered elsewhere by Government. Whilst GM recognises that travel energy carbon costs are often most easily understood and addressed in the near-term, the carbon costs of infrastructure is a necessary component for a coherent decarbonisation strategy. The need for joined-up thinking was identified in HMT Infrastructure Carbon Review[14] which states "the overarching recommendation is that

[14] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/260710/infrastructure_carbon_review_251113.pdf

Government and industry clients should work together to make carbon reduction a requirement on all infrastructure projects and ….real value will come from joining up the value chain and unleashing innovation". PAS 2080[15] mirror these aspirations and promote carbon reduction in the value chain and it is recommended that a similar PAS be developed for transport.

5. The apparent lack of a joined-up approach may lead to inappropriate technologies and solutions being pursued and implemented; as was the case with the promotion of diesel vehicles over petrol to help reduce carbon emissions where siloed decision-making resulted in much higher traffic-generated emissions of nitrogen dioxide (NO_2) and contributed to the UK government's failure to meet the 2010 legal limit for roadside NO_2. In addition, an urgent review of the Bus Service Operators' Grant[16] (BSOG) is needed, as it is based on annual fuel consumption and therefore is actively encouraging the use of fossil fuels: instead, subsidy ought to encouraging and stimulating the adoption and use of electric vehicles for bus, the most heavily used public transport mode in GM and throughout the country. Additionally the 2011 Budget saw a freeze on fuel duty which has meant that its real value is currently the lowest since November 1994.[17]

6. Finally, the valuation of carbon in transport appraisal is not raised within the consultation document. The economic value of reducing carbon as contained in the DfT Transport Appraisal Guidance is in need of urgent revision to ensure that it plays a driving role in the economic case for transport interventions and investments. Indeed, it is questionable whether we have sufficient information about the social costs of carbon emissions to justify trading-off those costs against other benefits in a transport appraisal. If that practice is to continue, a precautionary approach should be used to valuing carbon, reflecting uncertainty about its true long-term costs.

Moving People

7. The principle focus of the document in its discussion of carbon neutrality by 2050 is around the shift to the use of electric vehicles. Although it accepts that car travel will need to be reduced, the work undertaken for the GM Environment Plan by the Tyndall Centre has demonstrated that it is not plausible that such a reduction in carbon could be achieved without a substantial reduction in total kilometres travelled, if the UK is to remain within its carbon budgets. The omission of a range of impactful actions that realistically will enable the carbon reductions to be made is a serious shortcoming and must be addressed in the Plan. Changes to mode of transport alone will not be enough; changes to the pattern of trip origins and destinations will also be needed. It is surprising that in fig 6 an EV is identified as zero carbon yet an electric train is not.

[15] PAS 2080:2016 Carbon Management in Infrastructure – BSI Group
[16] BSOG is a grant paid to operators of eligible bus services and community transport organisations to help them recover some of their fuel costs.
[17] Petrol and diesel prices – House of Commons Briefing Paper, Number 4712, 16 June 2020

8. Greater Manchester has a significant strategic road network comprising approximately 170km of mostly motorway, carrying around 5.5million kilometres of vehicle traffic per annum. There is a greater length of strategic road network in GM than in any other City Region area. It is for this reason that GM needs a joined-up approach to managing local and strategic roads and clear policy alignment around highway capacity enhancements which could lead to more car travel. The cost of travel plays an important role in the choice of transport mode and as a result of freezing fuel duty, this has meant that once a vehicle has been purchased it is relatively cheap to run, making this a challenge for public transport to compete.

9. It is also important to recognise that there is concern over the potential increase in non-exhaust fine particulate matter generated by EVs, when compared to the equivalent conventional vehicle. The Air Quality Expert Group (AQEG) identified that EV's can weigh up to 24% more than a conventional ICE equivalent, resulting in more brake, tyre and road wear[18]. The AQEG have recommended an immediate priority that non-exhaust emissions are recognised as a source of ambient concentrations of airborne particulate matter, even for zero exhaust emissions vehicles.[19] It is these fine particulates that have been linked to the poor health outcomes and loss of life years.

10. The document identifies the fact that most journeys are made for leisure purposes and that for 87% of car users, their current lifestyles mean that they need to own a car. Again, it is not realistic that simply nudging people into "the purchase of a new type of vehicle, moving to greater sharing of transport to increase utilisation, or switching modes" will be sufficient to achieve the behaviour changes that in turn will enable the very challenging carbon reduction targets to be met. In the short term there may be merit in providing more information to the public on the real cost of vehicle ownership and comparing this to other more sustainable modes of transport. Beyond this, the Transport Select Committee and others have identified the need for future policies, as the shift to electromobility will no longer provide even the limited road transport pricing impact that fuel duty currently provides to encourage behaviour change. Any national policy to encourage more journeys by active travel or public transport modes will need to consider how best to shift the relative pricing of transport to more fully take into account the carbon costs in the absence of current motoring duties and taxes. A similar approach is also required in the context of future transport interventions, particularly for large scale transport infrastructure.

11. For Greater Manchester to decarbonise transport to meet its 2038 target, it is estimated that 63% of cars will need to be zero-tailpipe-emission by 2025. Based on current car ownership, that is a shortfall of 800,000 vehicles, out of a current car/van fleet of 1.3

[18] Air Quality Expert Group – Non-Exhaust Emissions from Road Traffic

million. With global production of passenger EVs projected to be 8.5m by 2025 (10% of total vehicle sales) and 54m (58% of sales) by 2040[20], the carbon neutral aspirations of GM and the UK government cannot rely on only EVs as the solution. Work undertaken by Anthesis[21] for GM has suggested that by 2030 a reduction of 25% in passenger-kms travelled is needed in addition to decarbonising transportation by 51%. Place-based solutions are fundamental to delivering this, creating attractive walkable residential areas that encourage shorter walk-trips instead of longer car-trips.

12. Rapid and urgent action is needed to put the UK on the trajectory necessary to achieving carbon neutrality in 2050 and meeting its agreed carbon budgets. Early work undertaken by Greater Manchester has shown that delaying action by 5 years would adversely affect the achievement of its cumulative carbon budget to the extent that our target would not be met.

13. The infrastructure needed to support the decarbonisation agenda of both transportation and heat requires the electricity grid to be fit for purpose. The document refers to installing EV charging points in new-build, however there is no reference to retrofitting these to existing property other than by grants applied for by EV owners, nor the ability of the substations to sustain the power needed to charge EVs and the projected electricity needed to heat homes. The document makes no reference to the insight used to determine the best location for EV charging points and the suitable mix of fast/rapid and ultra-rapid chargers. There needs to be joined up thinking to ensure that suitable locations are chosen, particularly given the heavy reliance on on-street parking in many residential areas. Research underpinning our draft Electric Vehicles Charging Infrastructure (EVCI) strategy identifies that whilst the private sector contribution to the network will be valuable, there is limited evidence of it delivering the network needed to meet our clean air and low carbon targets and to support the ambitions of the 2040 transport strategy. Government must support a robust and widespread network of alternative fuel infrastructure necessary to accelerate the uptake of zero tailpipe emission vehicles, to facilitate the move away from ICE vehicles.

14. Furthermore, if active travel and public transport are to be the first, natural choice, then it must also be the most convenient and cost-effective method to travel. Insight is needed to determine the appropriate mix of EV charger types and location to ensure the early uptake of EVs but also support the promotion of modal shift to active and sustainable transport. EVs are not carbon neutral, with embodied carbon accounting for 50% less life-time carbon than a typical internal combustion engine car22. Therefore, it is important to achieve the

[20] Bloomberg's New Energy Finance – Electric Vehicle Outlook 2019 https://about.bnef.com/electric-vehicle-outlook/
[21] Scatter for GMCA – Technical Annex June 2019
[22] ICCT – Effects of battery manufacturing on electric vehicles life-cycle greenhouse gas emissions - February 2018

right mix of modes of transport early on, to ensure future carbon budgets are not put at risk.

15. It is disappointing that Government does not have a current carbon target for buses and that it has left that to the Confederation for Passenger Transport CPT). The Document misquotes the CPT's strategy, suggesting that all buses are to be ultra-low or zero emission by 2025 (2023 in some urban areas), when in fact the commitment from the CPT is only to purchase next generation ultra-low or zero emission buses from 2025 (but starting from 2023 in some urban areas). With buses operating for at least 15 years from purchase, this risks excessive delay and further carbon costs. Moreover, with buses providing the primary source of NOx emissions in a number of our town centres and contributing an average of 822g/km[23]; GM is very concerned about the very slow adoption of zero emission vehicles in the bus industry. At the current rate of progress it will take 300 years before the UK bus fleet is fully composed of zero emission vehicles, according to the Low Carbon Vehicle Partnership[24].

16. If a shift to public transport is a strategic priority, then it is concerning to see that Government is waiting for a natural renewal of the fleet; and that is even more the case given the likely impact of the Covid pandemic on fleet replacement plans. Additionally, current polices that support retrofitting buses to Euro VI are also counter-intuitive and although they will help improve the quality of the air locally, they will not improve the efficiency of the vehicles, instead reducing their efficiency by up to 3%[25] in an urban setting and consequently increasing carbon emissions. Carbon emissions need to be considered holistically together with local air quality. Furthermore, the current policy to subsidise bus operators' use of fuel through the Bus Service Operators Grant (BSOG) is counter-intuitive. It is however encouraging that a National Bus strategy is to be launched in 2020 and that the BSOG is to be reviewed by Government to ensure that it supports the environment.

17. The Greater Manchester 2040 Transport Strategy identifies that the bus network plays a vital role in tackling congestion and providing access to work, leisure and other destinations and that there is a need to increase bus patronage. The Strategy proposes Quality Bus Transit corridors where whole-route upgrades of key bus corridors, with a strong focus on quality and reliability will attract new users.

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[23] Carbonindependent.org using DEFRA's carbon calculator https://www.carbonindependent.org/20.html#:~:text=the%20CO2%20emissions%20relate%20purely,buses%20is%20822%20g%20%2F%20km

[24] TfGM research

[25] Bus retrofitting with diesel particulate filters: Real world fuel economy and road worthiness. https://www.sciencedirect.com/science/article/pii/S1001074217317643
https://ars.els-cdn.com/content/image/1-s2.0-S1001074217317643-fx1_lrg.jpg

18. There is also no reference to the role that light rail or long-distance bus/coach travel can play in decarbonising leisure travel, especially (in the latter case) since the majority of long-distance journeys are for leisure purposes.

19. The document does little to progress the decarbonisation agenda for rail and largely reflects a direction of travel set by existing Government policy. Despite a clear manifesto commitment by the Government for "more electrification", details on the scale, design and location of such programmes remain vague, although there is an industry expectation that more will be known following the publication of the Traction Decarbonisation Strategy, which Network Rail are leading, later this year. The document is right to state that rail is a relatively low-carbon form of transport and efficient in moving high volumes into city centres and for long distance trips. Heavy rail moves the highest volume of people into Greater Manchester's regional centre during the am peak. Data on carbon dioxide (CO_2) emissions per passenger km in GM estimated that rail produces 60.9g CO_2 per passenger kilometre, bus in comparison was estimated at 102.9g CO_2 per passenger kilometre[26.] However, rail tends to have longer term investment requirements for rolling stock and infrastructure compared to other modes, so there is a risk that technological development in other modes of transport could undermine rail's comparative advantage in relation to carbon if decisions regarding the decarbonisation of rail are not made soon.

20. The document highlights the need for coordinated investment in both rail infrastructure and rolling stock which will be key to meeting decarbonisation targets. Crucial to this will be the ability to identify the right interventions for the right locations as innovation in hydrogen and battery power cannot be relied upon to deliver the scale and pace of change needed.

21. There is widespread support for electrification both politically and within the rail industry, as it is considered a proven technology and has several benefits, such that electrification[27]:
    - means 60% lower carbon emissions than diesel trains;
    - is 35% cheaper than diesels to operate;
    - has 20% lower lease costs;
    - offers better reliability - between 140% and 230% increase in distance travelled between failures;
    - delivers improved passenger comfort;
    - enables faster journey times due to superior braking and acceleration; and
    - ensures quieter operation[28].

[26] Carbon Footprinting of Policies, Programmes and Projects – AEA Technology 2009
[27] RIA electrification Cost Challenge (2019)
[28] RIA electrification Cost Challenge (2019)
https://www.riagb.org.uk/RIA/Newsroom/Stories/Electrification_Cost_Challenge_Report.aspx

22. Government must also consider that the UK finds itself with a shortage of suitable diesel trains and electrics are available for cascade from other franchises. Given the Government's aspiration to reduce, and ultimately end, the use of diesel trains by 2040, companies will struggle to justify investment in diesel stock even where the lack of infrastructure requires them. Conversely, electrification could allow for a closer alignment between the banning of diesel and petrol cars by 2035 and new diesel trains in a similar timeframe.

23. Government must reconsider the role of cycling and walking if they are to be a serious contender to replace car journeys. The transport authorities have been implementing the activities discussed within the document to promote these modes of transport for many years and appreciates that much more is needed to support carbon neutrality. Greater Manchester's Bee Network contributes is one such activity with a vision for the city region to become the very first to have a fully joined up cycling and walking network, covering over 1000miles.

24. Government need to actively introduce polices to enable significant and rapid change at levels that we have not seen to date. The light touch approach taken throughout the document may not be enough to ensure that cycling and walking are the preferred option. Policies, strategies and decision-making need to be joined up with comprehensive, interlinked, cross- boundary infrastructure that is suitable to make cycling and walking the easiest option for travel; where people are given priority over cars, rather than the other way around. In this context, regulatory reform that equips local transport and highway authorities with the right powers to plan and deliver safe walking and cycling routes is crucial, for example in terms of innovative road layouts including measures such as implied zebra crossings, and enforced where appropriate, for example in relation to moving traffic offences. Most importantly, holistic land-use and transport planning is needed in order to create the conditions suitable for the shorter journeys for which active travel is relevant and not designed around the car. Will the government's proposed speeding-up of the planning system in England reflect the need for holistic planning of land-use and transport to achieve rapid reductions in GHG emissions from transport? Or will it accelerate the creation of car-dependent development, undermining alternatives to car travel?

Moving Goods

25. Although freight is identified as a key player in decarbonising transport, there is no clear direction on how this will be achieved. The current approach to voluntary reductions in GHG emission of 15% by 2025 and the introduction of regulations to set binding CO2 emission reductions, are too little too late. As identified earlier, to meet the targets set by Government, urgent action is necessary. Investing in technology that only reduces emissions by 15% risks locking those vehicles into the fleet for 10-15 years to come. Rather, the accelerated advancement in alternative technologies such as hydrogen is

necessary or, alternatively, the acceptance that in the short term there is no alternative to diesel power for freight vehicles and that the associated carbon emissions must be offset elsewhere. E-cargo bikes for last mile delivery are a sustainable solution to the increased popularity of vans. Micro-consolidation centres do not appear within the document, nor the recognition that out-of-town consolidation centres give the opportunity of greater efficiency for the distribution of goods to the final customer by low carbon means. This leads to the need for a national freight strategy with enough resilience to make a difference and reduce -tonne-km moved.

26. Freight trains makes a significant contribution to the economy and environment of Greater Manchester because each freight train replaces up to 60[29] HGVs that would need to be operated in their place, according to the Rail freight Group (RfG). The RfG also highlights that rail freight reduces CO2 emissions by up to 76% compared to road transport, produces ten times less small particulate matter and as much as fifteen times less nitrogen oxide for the equivalent mass hauled.

27. Rail freight is wholly in the private sector and operated on purely commercial terms (by independent businesses with long term investments and commitments in capital, people, terminals and rail network access); therefore, the aspirations of the industry are not always shared in a wider strategy domain. The vast majority of freight trains are currently hauled by diesel locomotives. Only a very few freight trains operated into Greater Manchester are hauled by electric locomotives and the freight terminals and routes are largely not electrified and historically it has made more economic sense for the Freight Operating Companies (FOCs) or Rolling Stock Companies (ROSCOs) to invest in diesel locomotives.

28. If the Government commits to greater electrification, then the sector will be incentivised to invest in new equipment (circa £3 million per loco). Electric locomotives are a tried and tested existing technology. They are able to haul longer aggregates trains, thereby improving the economics for both FOCs and ROSCOs and potentially mitigate the need for some additional paths; there appears to be no reason railways serving quarries might not also be electrified. Government must work closely with the freight industry to provide assurance for the long-term investment in electric locomotives and to ensure the business is viable by guaranteeing freight paths under a mixed-use network.

29. Neither of the alternative technologies of battery or hydrogen have the energy density, range or sustained power capability to match the performance of diesel trains on freight services. This means that it is essential that electrification is extended to include all freight routes if there is any chance of achieving decarbonisation. With the small profit margins of the freight operators and limited network capacity, there is no option to reduce the length or weight of freight services to match other technologies. There is a possibility that battery

[29] http://www.rfg.org.uk/rail-freight/facts-figures/

technology may be suitable for last mile haulage or for shunting in freight terminals, but this will need to support rather than replace the need for electrification.

Aviation & Maritime

30. Greater Manchester recognises the challenges faced by both the aviation and maritime sectors in decarbonising their fleet, from both a weight and range perspective and that further research and development is needed. Regarding aviation, Greater Manchester's five-year Environment Plan recognises the carbon emissions as a national issue, with an assumption that emissions nationally from all flights should hold steady to 2030 and then reduce to zero by 2075 and that such emissions are monitored.

Summary

31. Whilst new vehicle technologies are important, delivering carbon neutrality will not be possible without a significant change in travel behaviours and a fundamental shift in the way people and goods are moved. The DfT Plan to Decarbonise Transport, whilst a welcome initiative in principle, does not yet set out a set of measures that are realistically capable of achieving the changes in the required timeframe.

32. Rapid and urgent action is needed to put the UK on the trajectory necessary to achieving carbon neutrality in 2050 – the next five years are critical to set us on the right path to meet our carbon budgets.

33. If active travel and public transport are to be the first, natural choice, then they must also be the most convenient and cost-effective ways to travel.

34. A reduction of passenger kms travelled is needed and whilst local polices can influence this, it is Government policy that will underpin its delivery. We need the Transport Decarbonisation Plan to set a consistent National Policy aligned with international agreements, that regions and localities can deliver to make rapid, meaningful progress in reducing transport's contribution to the climate emergency.

35. Policies to tackle carbon emissions must be integrated into wider policy-development to reduce the possibility of unintended consequences and to ensure a holistic approach is taken. Embodied carbon in infrastructure and vehicles; and the need for low-carbon electricity generation must all be included in the final strategy.

36. The next stage in the Government's approach to decarbonising transport, scheduled for autumn 2020, will be crucial. Whilst Government may have fairly assessed the scale of the challenge to date, the response outlined in their approach to date is insufficient. The final plan will need to set out a clear set of tangible actions and measures of the scale and

impact required for implementation in the shortest time possible, so all stakeholders can play their full role in the challenge to decarbonise transport.

Actions GM recommends are needed to be addressed in the Transport Decarbonisation Plan

Policy

- A clear and biding framework is needed for joined up policy and strategic decisions, where whole life carbon is considered, to included embodied carbon and carbon from power production not just carbon in use, together with a review of the national roads investment strategy to take into account the impact on carbon.
- Planning policy must change to ensure that future developments do not encourage the increased need to travel, particularly by car. (There are worrying signs that proposed changes in planning policy by the government could have the opposite effect).
- National plans are needed to ensure that investment in cycling and walking infrastructure is joined up and effective.
- Policies that encourage employers to allow employees to work from home.
- Polices that make the cost of travelling by car relatively more expensive than sustainable and public transport modes.
- The economic value of reducing carbon as contained in the DfT Transport Appraisal Guidance is in need of urgent revision to ensure that it plays a driving role in the economic case for transport interventions and investments.

Behavioural

- There needs to be less travel, with active and sustainable transport becoming the first choice because it is easier, cheaper, or faster than non-sustainable modes. This may only be possible by increasing the cost of using non-sustainable modes of transport or reducing the relative cost of sustainable modes.
- Active Travel must be convenient with due regard given to the need for shower facilities at places of work and difficulties of storing bikes at home, when living in high rise buildings. In addition, means of securing valuable e-bikes at transportation hubs need to be available when using mixed-mode travel options.
- E-bikes can play an important role in filling the gap in suburban areas where public transport may not be an option. Carefully planned and robust EV charging infrastructure will help support and encourage the uptake.
- New and emerging modes such as E-scooters are also important in bridging gaps and connecting transport modes.

Rail

- Emerging technologies (battery and hydrogen) might help with the reach of the solutions but will not act as a silver bullet to the problems and will not replace the need for significant additional electrification.

- Evidence from the rail industry suggests that electrification can be delivered at a lower cost if design and funding methods are improved.
- A national rolling programme of electrification is needed to enable the rail industry to deliver schemes at significantly lower cost, through supply chain certainty, while retaining learning and skills and incentivising investment and innovation.
- Replace bi-mode trains with full electric trains where possible and cascade bi-modes to other routes without continuous electrification as a medium-term solution.
- Don't forget the significant commercial incentives required to attract longer term sustainable investment in the freight industry.
- This needs to happen quickly to meet the timescales – lots of network still to be electrified.

Car

- Appreciation that EVs alone are not the solution and that a reduction in miles travelled is also necessary.
- Early and rapid electrification of the car fleet is needed.
- Sustainable infrastructure that allows recharging of vehicles in a way that supports behaviour and transport mode change and the reduction in distance travelled.
- There is a need for standardisation of charging connectors (Universal Plug/socket) for EV charging to simplify charging and make all charging points suitable for any vehicle – at the moment there are several types in use.

Bus

- The consultation paper notes that 5% of journeys were made by bus in the uk but that these journeys only accounted for 3% of GHG emissions. (Paragraph 2.21 of the consultation document). Bus is already comparatively green and Battery Electric Bus technology is now a reality on our streets that can make the industry even greener. Unfortunately, up-front costs of investment are far higher than for diesel buses while the BSOG system reduces the operating cost differential in favour of retaining diesel operation. As a result, at the current rate of conversion, it will take over 300 years before the entire UK fleet is converted.
- Therefore, the investment announced so far (funding for 4,000 zero emission buses) is very welcome, GM would like to see more details on how this money will be made available to the industry and over what time period.

12 APPENDIX 2 – GM MINISTERIAL DIRECTION – MARCH 2020

12.1 Attached as a supplementary paper.

13 APPENDIX 3 – GM CAP POLICY FOR CONSULTATION

13.1 Attached as a supplementary paper.

14 APPENDIX 4 – VEHICLE FINANCE OFFER

14.1 In its Outline Business Case (OBC) Greater Manchester said it would investigate a scheme to offer loans at preferential rates for those taking advantage of the Clean Air funds.

14.2 The Clean Air conversation in 2019 showed that vehicle finance is needed to help owners upgrade their vehicle as introduction of the GM Clean Air Zone is disrupting vehicle renewal cycles and some will need help in getting access to finance.

14.3 In response to this Greater Manchester (GM) has developed a Vehicle Finance measure to address and reduce the adverse impacts on individuals, companies and organisations of financing an upgrade to a compliant vehicle without reducing the effectiveness of the Clean Air Zone.

14.4 The Vehicle Finance measure will provide access to affordable finance amongst eligible applicants who require assistance in funding the cost of a compliant vehicle upgrade. It has been designed to address some of the potential reasons that finance might typically be refused:

- Affordability – the ability or otherwise of applicants to meet finance re-payments.
- Thin credit file – applicants not having enough information in their credit reports to generate a high enough credit score to be approved for credit.

14.5 Vehicle Finance will utilise the GM CAP Clean Commercial Vehicle Fund and Clean Taxi Fund to offer eligible owners of a non-compliant vehicle the option to seek funding as either a lump sum grant or as a contribution towards vehicle financing, they will be able to choose the option which best suits their individual circumstances.

- Lump sum grant contributes to the cost of replacement – the applicant funds the remaining costs with private purchase or their own financing arrangements.
- Vehicle finance contributes to the cost of financing a replacement vehicle through GM's arrangements either a lease or Hire Purchase – the applicant pays monthly for an agreed finance period.

14.6 The measure will be available to small, micro businesses, sole traders, self- employed, charities & and social enterprises, registered[30] in GM and in ownership of a non-compliant vehicle (HGVs, LGVs, Coaches, Minibuses, GM Licensed Hackneys and Private Hire Vehicles).

14.7 Access to the clean air vehicle funds will be via a dedicated website which will guide applicants through a series of steps to:

- Quickly understand if they are eligible for the scheme against set criteria;
- Create of a user account to facilitate their application for funding and to supply information about their business to evidence that they are eligible;
- Detail the non-compliant vehicle they wish to replace; and
- Access a panel of lenders, if they wish to apply for finance.

14.8 Those seeking the vehicle finance will need to:

- Hold a UK bank account in the name of the applicant or business; and
- Consent to the Lending Body carrying out credit reference searches on their credit history.

14.9 Those seeking the vehicle finance will benefit in the following way:

- More affordable vehicle prices from lenders due to the anticipated volume of vehicles to be replaced.
- Monthly repayments made more affordable through the assistance of Clean Air funding.
- Payments spread out over a period of time to minimise the impact on business budgets.

14.10 It should be noted that:

- Applicants for vehicle funding will require a 10% deposit contribution (cash or vehicle trade-in value).
- Lending decisions will rest with finance provider.
- Some applicants eligible for Clean Air Funds may not be able to secure finance due to their circumstances however they will still be eligible for a lump sum grant.
- Funds will NOT be paid directly to Applicants, they will be issued with an electronic voucher and advised of the options available to them.

[30] taxi & PHV need to be licensed in GM

14.11 Why is the GM Vehicle Finance offer more affordable? The key objectives of the measure serve to:

i. Facilitate access to vehicle finance to a wider range of applicants than would ordinarily be the case

ii. Where access to credit isn't normally an issue the cost of the monthly finance will be more affordable.

14.12 Through the procurement of a vehicle finance supplier, GM will gain for all prospective applicants:

- Savings through the negotiation power of a larger buying population (versus a single applicant) and procurement to enable more applicants to meet the prospective affordability criteria set by vehicle funders.
- Access to more affordable finance by allowing the clean air vehicle funding to subsidise the cost of lending (dependent on the status of the applicant and the amount of credit they are seeking to obtain).
- Transparency over the cost of vehicles through the procurement process to ensure value for money for public funds.

15 APPENDIX 5 – EQUALITY IMPACT ASSESSMENT

15.1 Attached as a supplementary paper.

16 APPENDIX 6 – OPERATING BODY OPTIONS & RESPONSIBILITIES

16.1 The 'Operating Body' will be a public sector body which will be responsible for day to day operation of the CAZ in particular, and the operation of other GM CAP measures. Paragraph 16.7 sets out further detail on the responsibilities / activities of the 'Operating Body'.

16.2 The Clean Air Steering Group assessed seven options for the potential bodies that could discharge the role of the Operating Body. They were:

1. TfGM;
2. GMCA;
3. One (or more) of the ten Greater Manchester local authorities on behalf of remaining nine (or less);
4. An arms-length body of a Greater Manchester family organisation – established through the setup of a Teckal company;
5. A Local Authority Trading Company (LATC) to offer services to other Local authorities with similar requirements;
6. External local authority to Greater Manchester to deliver on behalf of Local authorities (e.g. Leeds / Birmingham etc.); and
7. Partnership with other local authority(ies) external to Greater Manchester (e.g. Pan Northern Clean Air Plan Delivery Body / Partnership).

16.3 Based on an initial high-level assessment, the group determined that Options 1 to 4 should be shortlisted for further assessment. That assessment subsequently led to it being agreed that TfGM were best placed to become the Operating Body and there were two options (Option 1 – TfGM and Option 4 – Teckal company established by TfGM) to be taken forward by TfGM for consideration in further detail.

16.4 TfGM is willing accept the Operating Body function and take on responsibilities for the CAZ integrating GM CAP delivery with wider strategic GM responsibilities which would be known as the "GM Clean Air Service" (Option 1).

16.5 There are a number of tax implications with TfGM becoming the Operating Body, the principles of which are yet to be agreed by HMRC, primarily around the corporation tax liability and VAT.

16.6 The corporation tax liability might arise if the charging scheme creates a surplus, at which point the surplus would be taxed at TfGM's standard rate. If the scheme operates at a deficit no corporation tax will be payable. TfGM are in dialogue with HMRC about including

this activity within TfGM's 'Simplification Agreement' which would take the activity outside the scope of taxation.

16.7 The status of the VAT treatment is yet to be agreed between TfGM and HMRC. The expectation, and the current working assumption, is that all input VAT incurred will be recoverable on the implementation and operation of the scheme, although the mechanism for this needs to be agreed.

16.8 Operating Body – assumed responsibilities: Activities that may not be contracted out by the Operating Body:

- Issuing PCNs on behalf of the charging authorities to individuals who have failed to pay and managing refunds as appropriate (within agreed policy).
- Consideration of representations against PCN notices (internal appeals).
- Making of representations on behalf of the charging authorities' on any appeal to an external adjudicator.
- The making of any arrangements under section 192 of the 2000 Act.
- Authorising those to act as "authorised persons" for the purpose of exercising powers under Part 6 of The Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013
- Management of the suppliers contracted to deliver the three discrete elements of the Charging Zone, namely Signage, CAZ Service and Debt Recovery.
- Keeping policy under review particularly in relation of discounts and exemptions.
- Financial Management of received funds and application of net proceeds.
- Deciding whether to Issue Charge Certificates where a penalty charge notice is not paid before the end of a relevant period (within agreed policy framework).
- Any decision to recover non-payments through Debt Management.
- Determining whether the circumstances are ones in which a PCN is not to be issued within the agreed policy e.g. when a HE Emergency Diversion Route (EDR) is activated.
- Provision of a set of accounts for the scheme.
- The monitoring and evaluation of the measures.
- Reporting performance of the CAZ and supporting measures to the Clean Air Committee.
- Proposing changes to the Clean Air Policy Framework.
- Complying with any direction given by the SoS in respect of traffic signs or the provision of specified information (assuming the necessary delegations have been provided by the charging authorities to the Operating Body) in relation to the CAZ.

16.8.1 Activities that may be contracted out by the Operating Body to approved suppliers:

- Capturing imagery from ANPR Cameras.
- Manage relationship, and interface, with JAQU Portal. Ensure data is transferred between local and central system securely, expeditiously and in the correct format.
- Manage relationship with other data utilising bodies as directed by the Operating Authority (as directed by Home Office guidance).
- Reconciling Payments from JAQU Portal.
- Identifying captured ANPR data with the reconciled payment data.
- Answering customer complaints & queries.
- Recovery of non-payments through Debt Management.
- Installing and maintaining the ANPR and signage network.
- Manage mobile ANPR camera deployment.
- Process applications for exemptions (and discounts) on behalf of the charging authorities within the agreed scheme rules as contained in the charging scheme order'.
- Maintain and ensure accuracy of GM Whitelist (vehicles exempt from charges).
- Identifying and working with repeat payment avoiders within the agreed policy. Framework.
- The monitoring of the GM Diffusion tubes network.
- Undertake and align CAZ communications / Marketing campaigns with wider GM campaign activity.
- When instructed by the Operating Body, decommission the CAZ.
- Operational Administration of the Clean Commercial Vehicle Fund within the agreed policy.
- Operational Administration of the Clean Taxi Fund within the agreed policy.
- Operational Administration of Vehicle Finance Scheme within the agreed policy.

16.9 Clean Air Management Group – assumed responsibilities

16.9.1 Responsible for management oversight of the GM Clean Air Service in line with the policies and decisions of the participating authorities.

- To have day to day oversight of the performance of the GM Clean Air Service and supporting measures and holding the operating body to account;
- To oversee Clean Air Zone communications / Marketing campaigns and interfaces with wider GM campaign activity;

- To ensure the GM Clean Air Service is adequately resourced to achieve its objectives;
- To brief the Authorities Leadership Teams on progress, development of solutions and any risks/issues associated with the service;
- To provide appropriate steer for the direction of the GM Clean Air Service and development of measures/solutions;
- To receive and appropriately challenge information presented on the GM Clean Air Service;
- To provide input to general GM Clean Air Service-related decisions; and
- To brief senior officers and elected members within their organisations on the information presented and agreed at the Management Group in particular prior to consideration of matters by the Clean Air Committee.