

**Manchester City Council
Report for Resolution**

Report to: Licensing & Appeals Committee – 4 March 2024

Subject: Greater Manchester Clean Air Plan and Clean Taxi Fund Update

Report of: Director of Planning, Building Control and Licensing

Summary

To provide the Committee with an update on the revised Greater Manchester Clean Air Plan (GM CAP) as submitted to the Joint Air Quality Unit (JAQU) for consideration in December 2023, and the related implications for licensing policy.

Recommendations

The Committee is asked to note the latest position on the development of an investment-led Clean Air Plan for Greater Manchester.

The Committee is asked to approve the amendment to the current compliance date for the emissions standard on licensed vehicles from 1 April 2026 to 31 December 2025, in support of the GM CAP.

Wards Affected: All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

The proposed emissions compliance date supports the latest submission to government for a GM wide investment-led Clean Air Plan. The CAP outlines that each of the 10 GM authorities can achieve compliance with the legal directive to reduce harmful roadside levels of Nitrogen Dioxide (NO₂) with a range of measures, including upgrading taxi and private hire fleets using a targeted fund conditioned on a requirement to meet emissions standards by 31 December 2025.

If the Council's emissions compliant date doesn't align with the submitted Clean Air Plan, vehicle licence holders will not be able to access the Clean Taxi Fund.

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable City: supporting a diverse and distinctive economy that creates jobs and opportunities	<p>The Clean Air Plan aims to improve the air quality across Greater Manchester and improve public transport. The licensed vehicle fleets play an important role in achieving that improvement and compliance with the legal directive.</p> <p>Improved air quality supports better health outcomes for Manchester residents and visitors. It will also support the city's ambitions to be a more attractive place to live, work and visit and in turn support a stronger economy.</p> <p>The report outlines how the Manchester licensed taxi and private hire trades can access essential grant funding support to upgrade non-emissions compliant vehicles. This would deliver a fully emissions compliant licensed fleet. In addition to improving air quality, this supports the city's ambition for a high-quality fleet within the wider transport network.</p>
A highly skilled city: world class and home-grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit and work.	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

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Background documents

- 11 January 2024 – Report to Environment and Climate Change Scrutiny Committee
- 20 December 2023 – Report to AQAC; GM Clean Air Plan, Dec 2023 Update
- 17 July 2023 – Report to Licensing and Appeals Committee – Taxi and Private Hire Policy Revisions
- 13 July 2023 - Report to AQAC: GM Clean Air Plan – July 2023 Update
- 1 July 2022, Report to AQAC: GM Clean Air Plan – July 22 Update
- 23 March 2022, Report to AQAC: GM Clean Air Plan – March 22 Update
- 28 February 2022, Report to AQAC: GM Clean Air Plan – February 22 Update
- 2 February 2022, report to CACC: GM Clean Air Plan – update to the temporary exemption qualification date for GM-licensed hackney carriages and private hire vehicles
- 24 January 2022 – Report to Licensing and Appeals Committee; Minimum Licensing Standards – Stage 2 (Vehicles)
- 18 November 2021, report to CACC: GM Clean Air Plan – GM Clean Air Plan Policy updates
- 25 June 2021, report to GMCA: GM Clean Air Final Plan

1. Introduction

- 1.1 The Government has instructed many local authorities across the UK to take quick action to reduce harmful roadside levels of Nitrogen Dioxide (NO₂) with the Secretary of State (SoS) for Environment, Food and Rural Affairs issuing Directions under the Environment Act 1995 in 2017 requiring them to undertake feasibility studies to identify measures for reducing NO₂ concentrations to within legal limit values in the “shortest possible time”.
- 1.2 In March 2020, a legal Direction was issued by government to the 10 Greater Manchester (GM) local authorities to implement a Class C charging clean air zone. The report below outlines how that position has changed over time.
- 1.3 Taxi and private hire vehicles fall into every class of vehicles that are outlined in clean air zones – so whichever Class of clean air zone would be designated within GM, taxi and private hire fleets would be affected and required to become emissions compliant.
- 1.4 The Council's Licensing and Appeals Committee previously considered what licensed vehicle emissions standards were required in order to support the GM Clean Air Plan (GM CAP).
- 1.5 This report sets out the timeline of events, the current emissions policy in Manchester, and recommends changes required to support the new GM CAP submission to government.

2. Background

- 2.1 On 25 June 2021, the GMCA – Clean Air Final Plan report endorsed Greater Manchester's Final CAP and policy (as was) following a review of all of the information gathered through the GM CAP consultation and wider data, evidence and modelling work. Throughout the development of the previous Plan, JAQU reviewed and approved all technical and delivery submissions. The Plan was agreed by the ten Greater Manchester local authorities. This version of the GM CAP assumed that minimum licensing standards (including emissions requirements) would be approved across all 10 authorities as the mechanism for behaviour change for the taxi and private hire fleets to become compliant.
- 2.2 On 24 January 2022, this Committee considered a report on the GM Minimum Licensing Standards – Stage 2 (vehicles). Within that report, a recommendation was made to implement the following policy standards:
 - i. Require all new vehicle licences to have an emissions compliant vehicle attached to it from now on (following decision made 24 Jan 2022)
 - ii. Existing non-compliant vehicle licences to complete transitioning to Euro 4 (petrol) or Euro 6 (diesel) emissions standards by 1 April 2024.

- iii. Note the strong ambition to move existing fleets to Zero Emissions Capable as soon as possible.
- 2.3 The Committee approved these recommendations, and the Clean Taxi Fund was opened for a short period of time before being paused alongside the CAP.
- 2.4 On 8th February 2022, a new Direction was issued by the SoS¹ which confirmed that the March 2020 Direction to implement a Class C charging Clean Air Zone (CAZ) had been revoked and required that a new plan be submitted to the SoS by 1st July 2022. It stated that the GM authorities should:
- review the measures specified in the local plan for NO₂ compliance and associated mitigation measures; and
 - determine whether to propose any changes to the detailed design of those measures, or any additional measures.
- 2.5 The Direction also stated that the local plan for NO₂ compliance, with any proposed changes, must ensure the achievement of NO₂ compliance in the shortest possible time and by 2026 at the latest. It should also ensure that human exposure to concentrations of NO₂ above the legal limit is reduced as quickly as possible.
- 2.6 In July 2022, the 'Case for a new Greater Manchester Clean Air Plan'² was submitted to the Secretary of State. It set out that challenging economic conditions, rising vehicle prices and ongoing pandemic impacts meant that the original plan of a city-region charging CAZ was no longer the right solution to achieve compliance, instead proposing an investment-led, non-charging GM CAP.
- 2.7 The 'Case for a new Greater Manchester Clean Air Plan' proposed using the £123m of Clean Air funding that the Government has awarded to the GM authorities to deliver an investment-led approach to invest in vehicle upgrades, rather than imposing daily charges, and deliver new Zero Emission Buses (ZEBs) as part of the Bee Network (a London-style integrated transport network for Greater Manchester). The new plan would ensure that the reduction of harmful emissions would be at the centre of GM's wider objectives. Within this document, this plan is referred to as the 'New GM CAP'.
- 2.8 Having submitted the Case for a New Clean Air Plan in July 2022 GM was asked by Government in January 2023 to:

¹ [The Environment Act 1995 \(Greater Manchester\) Air Quality Direction 2022 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

²

https://assets.ctfassets.net/tlpgbvy1k6h2/7jtkDc5AODypDQlw0cYwsl/67091a85f26e7c503a19ec7aeb2e8137/Appendix_1_-_Case_for_a_new_Greater_Manchester_Clean_Air_Plan.pdf

(i) provide modelling results for a benchmark CAZ to address the persistent exceedances identified in central Manchester and Salford, in order for these to be compared against your proposals.

(ii) Identify a suitable approach to address persistent exceedances identified in your data on the A58 Bolton Road in Bury in 2025, and to propose a suitable benchmark.

(iii) Set out how the measures you have proposed will be modelled and evidenced overall, and to ensure that they are modelled without any unnecessary delay.

2.9 GM was undertaking this work when in April 2023, Government advised TfGM that it was to pause any new spending on bus retrofit as it had evidence that retrofitted buses have poor and highly variable performance in real-world conditions. In the light of the Government's new evidence, JAQU issued revised general guidance to authorities producing Clean Air Plans nationwide requiring that air quality modelling should no longer assume any air quality benefits from a retrofitted bus. The Government also advised that it anticipated a six-month focused research programme to quickly investigate the causes of poor bus retrofit performance and how it could be improved would be reported in Autumn 2023.

2.10 To date the outputs of this study have not been made available to GM. In the absence of the government's bus retrofit study GM has incorporated the revised guidance from JAQU, requiring that air quality modelling should no longer assume any air quality benefits from a retrofitted bus into the modelling which underpins the development of its Clean Air Plan; this has led to a report that appraises the ability of the Investment-led Plan and a benchmark CAZ to deliver compliance with the legal limit value in the shortest possible time and by no later than 2026.

2.11 On 17 July 2023, members will recall that this Committee considered a report outlining a number of Taxi and Private Hire policy revisions. At that time, there was no clear indication of when a GM CAP could be agreed with government, and licence holders needed to understand what decisions they could make with regards to their vehicles and access to possible grant funding within the GM CAP. In consideration of the continued delay and pause of the Clean Taxi Fund, the Committee resolved to extend the vehicle emissions compliance date from 1 April 2024 to 1 April 2026.

3. New Clean Air Plan

- 3.1 The report “GM Clean Air Plan – December 2023 Update’ was considered by the GM Air Quality Administration Committee on 20th December 2023³. The report, which was agreed by the Committee, provides an update on the ‘Case for a new Greater Manchester Clean Air Plan’ and confirms that an appraisal of GM’s proposed investment-led plan has been undertaken against a benchmark charging Clean Air Zone (CAZ) in the centre of Manchester and Salford.
- 3.2 Using the government’s updated technical guidance, that ‘no air quality benefit’ should be assumed from bus retrofit, GM now has evidence to show that its investment-led, non-charging Clean Air Plan can deliver compliance with the government direction to bring nitrogen dioxide levels within legal limits in 2025.
- 3.3 Modelling predicts if GM did nothing there would be twelve exceedances of nitrogen dioxide in 2025. The majority of these would be in the regional centre - Manchester and Salford. Modelling also shows compliance is not achieved in 2025 or 2026 by a benchmarked category C charging CAZ.
- 3.4 GM’s investment-led plan proposes using £86.7m Clean Air funding (already awarded to GM) for investment in zero-emission buses, taxi and private hire vehicle upgrades (through a Clean Taxi Fund) and measures to manage traffic flows on some roads in the centre of Manchester and Salford.
- 3.5 The GM’s evidence shows that the investment-led, non-charging plan can achieve compliance in 2025. However, it is for government to determine what measures GM is to implement – only the Investment-led Plan complies with the requirement placed on the 10 GM local authorities to deliver compliance in the shortest possible time and by 2026 at the latest.

4. Taxi and Private Hire Vehicle (PHV) Measures in the GM CAP

- 4.1 Taxi and PHV measures represent an important mechanism for reducing exceedances under the Investment-led Plan and are grounded in the ability of the GM authorities to reduce emissions through licensing conditions.
- 4.2 The appraisal of the Investment-led Plan has been developed on the basis that all 10 GM Authorities will have adopted an emissions standard, requiring licensed hackneys and PHVs to be a minimum of Euro 6 (diesel) or Euro 4 (petrol) by 31st December 2025. The modelling demonstrates that if the existing fleet transitioned by this date (alongside the other elements of the CAP), compliance with the legal Direction can be achieved.
- 4.3 In the investment led plan, it is therefore assumed that by 2026 100% of the GM taxi fleet will be compliant with the emission standards. It is intended that the Clean Taxi Fund (CTF) will support this providing sufficient funds for every current non-emissions compliant vehicle licensed to a GM authority to receive grant support (if applicable). It is also intended that the CTF be opened before 2025 enabling earlier upgrades, and helping to mitigate against the risk of

³ [Economic Development \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk/economic-development)

taxis re-licensing with another authority that does not have the same emission standard requirement.

4.4 A Clean Taxi Fund of £30.5m is proposed to offer funding to support upgrades of taxis to cleaner vehicles through two routes. These are:

- Core Fund of £22.5m – based on the 2021 GM CAP Policy; the funding will be eligible to non-compliant, GM-licensed Hackneys and PHV licence holders. The financial support proposed has been uplifted with inflation, with an associated air quality benefit derived from the implementation of minimum emission standards across the 10 GM Authorities.
- Electric Hackney Upgrade Fund of £7.9m – based on the Bradford scheme and feedback received during GM's Participatory Policy Development; the proposed funding offers additional incentive aimed at those licence holders who already have an emissions compliant Internal Combustion Engine (ICE) Hackneys, to upgrade to electric vehicles. This has the additional benefit of releasing emissions compliant Hackneys on to the second hand market, recognising the challenge in the second hand market at present.

4.5 The Air Quality Administration Committee recommended that each GM Authority puts appropriate arrangements in place to facilitate a transitional start date for the implementation of emission standards by the 1st January 2025 with the end transition date being the 31st December 2025. Ultimately it is for the government to determine what measures GM is to implement, the appraisal shows that only the Investment-led Plan complies with the requirement placed on the 10 GM Authorities to deliver compliance in the shortest possible time and by 2026 at the latest.

4.6 The report has been submitted to the Secretary of State for Environment, Food and Rural Affairs setting out that whilst we await their response, the GM Authorities will (on the anticipation of the Clean Taxi Fund being agreed) make preparations to ensure the minimum vehicle emissions standard will have been adopted by all GM Authorities.

5. Manchester's Vehicle Emissions Policy

5.1 Currently the date by which the existing fleet in Manchester are required to have an emissions compliant vehicle attached to the licence is 1 April 2026. All new vehicle licences are already required to have an emissions compliant vehicle.

5.2 To support of the investment led GM CAP, our current compliance date therefore needs to be brought forward by 3 months to 31 December 2025. This is on the basis that every single current licence holder with a non-emissions compliant vehicle now, will be able to apply for a grant from the Clean Taxi Fund to upgrade their vehicle.

- 5.3 Licensees can apply at any time during the currency of their licence to replace the vehicle attached to that licence, and therefore must ensure that they have sourced and purchased an emissions compliant vehicle in good time for it to be licensed by 31 December 2025. Officers will advise the trade further with regards to application deadlines to ensure sufficient time for processing and vehicle testing prior to the licence being issued.
- 5.4 If there are any significant changes to the current investment-led proposals outlined in the submission to Government, or any other significant changes in circumstance affecting licence holders, this Committee may review the emissions policy position at any time.

6. Key Policies and Considerations

a) Equal Opportunities

Whilst we do not have exact demographic data (as we do not collect this data as part of the licensing process), we know from our customer interactions that a significant majority of Hackney Carriage licence holders are from BAME communities. We also know that members of the BAME community (and communities in the North-West), were disproportionately impacted by the pandemic.

Hackney Carriages also provide key accessible transport for passengers with mobility issues or other disabilities and must remain a viable option for these key affected groups.

b) Risk Management

No further considerations for this report.

c) Legal Considerations

Each of the 10 GM authorities directed individually to comply with the Government's Direction in relation to clean air.

7. Conclusion and Officer Recommendation

- 7.1 The report provides an update on the progression of the GM Clean Air Plan and how Taxi and Private Hire licence holders are affected.
- 7.2 Each of the 10 GM authorities are directed individually to comply with the Government's Direction in relation to clean air. Working together, the 10 authorities have developed an investment led plan that meets the legal Direction in all 10 districts by 2026. Part of that plan outlines that the taxi and private hire licensed vehicle fleets across GM will be emissions compliant by 31 December 2025. To enable that transition, a Clean Taxi Fund is proposed supporting every single non-compliant vehicle licensee in GM.

- 7.3 It is important that licence holders are given as much advance notice as possible with regards to policies affecting vehicle purchase decisions.
- 7.4 The Committee is asked to note the latest position on the development of an investment-led Clean Air Plan for Greater Manchester.
- 7.5 The Committee is asked to approve the amendment to the current compliance date for the emissions standard on licensed vehicles from 1 April 2026 to 31 December 2025.