

**Manchester City Council
Report for Resolution**

Report to: Executive - 3 July 2020

Subject: Greater Manchester Clean Air Plan – Tackling Nitrogen Oxide Exceedances at the Roadside – Outline Business Case

Report of: Deputy Chief Executive and the City Solicitor

Purpose of Report

To set out the progress that has been made following the Government's response to Greater Manchester's Outline Business Case to tackle Nitrogen Dioxide Exceedances at the Roadside (OBC), and the implications of pandemic management policies (the extent of which are not yet fully understood) for the 10 Greater Manchester (GM) local authorities in relation to the schedule of work and statutory consultation on the Clean Air Plan and the link to taxi and private hire common minimum licensing standards (MLS).

Recommendations

Executive is recommended to:

1. Note the progress of the Greater Manchester Clean Air Plan;
2. Note the progress in the development of the Clean Commercial Vehicle and Hardship funds;
3. Note the initial funding award of £41m for clean vehicle funds to award grants or loans to eligible businesses;
4. Note the Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but has requested further development of shared evidence on the needs within that complex sector before responding and does not support the sustainable journeys measure.
5. Note that TfGM is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements;
6. Note the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from the Office for Low Emission Vehicles (OLEV);
7. Agree the position that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable;

8. Further agree the position that the GM Local Authorities' decision to commence a public consultation should be taken once there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response;
9. Note the implementation of a GM CAZ is delayed to 2022 with a revised implementation date to be confirmed in the consultation commencement report;
10. Note the DfT's positioning paper "Decarbonising Transport – Setting the Challenge";
11. Note the assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers; and
12. Note that the GM local Authorities intend to consult on GM's proposed Minimum Licensing Standards, alongside the Clean Air Plan consultation and agree the position for consultation, on when taxi/PHV fleets should be Zero Emission Capable.

Wards Affected: All

Manchester Strategy outcomes	Summary of how this report aligns to the OMS
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The Clean Air Plan aims to improve air quality across Greater Manchester. By doing so the city will become a more attractive place to live, work and visit and this in turn is likely to lead to a stronger economy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	A city with improved air quality is likely to be more successful at retaining and attracting talent.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Ensuring that residents can access job opportunities and other facilities in a safe and clean environment, will enable everyone to contribute to the success of the City.
A liveable and low carbon city: a destination of choice to live, visit, work	Reducing congestion and air pollution will improve perceptions of the City, and help to tackle greenhouse gas emissions.
A connected city: world class infrastructure and connectivity to drive growth	Investing in and maintaining the City's transport infrastructure will help to drive growth.

Financial Consequences – Revenue and Capital budgets

The funding for the proposals to support the Clean Air Zone as originally submitted to JAQU, as an OBC, in March 2019 have been significantly developed and the majority of measures to mitigate the economic impact of introducing a CAZ have been agreed in principle. However, the final design, cost and funding package has yet to be agreed between JAQU and GM. Also, the full package of measures and associated costs may change following consultation and the Procurement and therefore is not finalised.

Individual local authorities are not expected to meet any of the costs related to the introduction of the CAZ; the measures associated with mitigating the CAZ; nor fund any operational costs for the running of the CAZ, aside from ensuring that their own fleet meet the required standards.

To the extent that the ongoing revenue and operational cost risks result in an operating deficit, it is expected that the 'New Burdens Doctrine' would ensure any deficits would be underwritten by JAQU.

It should be noted that the costs and risks of not proceeding are considerable in so far that the GM Authorities could be liable for an unlimited daily fine for not implementing the legally binding Ministerial Directive.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- 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

1. Summary

- 1.1 This report provides a comprehensive update on the development of the GM Clean Air Plan, it sets out a proposal for public consultation in light of COVID-19 implications, and highlights that the implementation of a GM Clean Air Zone needs to be delayed to 2022.
- 1.2 The report recaps on work undertaken to date, highlighting new work to develop a Clean Commercial Vehicle Fund and a new Hardship Fund.
- 1.3 It also includes a summary of correspondence between Greater Manchester and the Department for Environment, Food and Rural Affairs (DEFRA), including the DEFRA Minister's 18 March letter to Cllr Western, GM Green City Region lead, which included a further Ministerial Direction to act and expressing the government's desire for GM to consult on a charging Clean Air Zone Category C, and the reply which emphasised the need for government support for key sectors, including the hackney and LGV business users.
- 1.4 The report also highlights the close link with work to develop Minimum Licensing Standards for the taxi and private hire trade in GM, and sets out that it is intended that a public consultation on this is managed in parallel with that for the GM Clean Air Plan, suggesting that GM sets out a clear roadmap to when taxi/PHV fleets should be emission free.
- 1.5 Finally, the report outlines how the GM Clean Air Plan will support the wider programme of activity around decarbonising the transport sector.

2. Introduction

- 2.1 Government has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO₂) levels following the Secretary of State issuing a direction under the Environment Act 1995 to undertake feasibility studies to identify measures for reducing NO₂ 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", are working together to develop a Clean Air Plan to tackle NO₂ Exceedances at the Roadside, referred to as GM CAP.
- 2.2 In its Outline Business Case (OBC) Greater Manchester proposed the following package of measures that delivers compliance in the shortest possible time, at the lowest cost, least risk and with the least negative impacts. They are:
 - 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 from 2023 (i.e. a CAZ C with a van exemption until 2023). It has been 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.

2.3 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.

2.4 The OBC outlining these proposals and the supporting evidence was submitted to Government at the end of March 2019. Ministerial feedback was received in July 2019 along with a further direction under the Environment Act 1995 requiring all ten of the Greater Manchester local authorities to take steps to implement a plan to deliver compliance with the requirement to meet legal limits for nitrogen dioxide in the shortest possible time.

2.5 The 2019 Ministerial Direction and accompanying letter included the requirement for the GM authorities to implement a charging Clean Air Zone Class C *without* a van exemption until 2023, with additional measures. The direction also required the GM authorities to jointly submit to the Joint Air Quality Unit (JAQU) revised evidence by 2 August and a Full Business Case (FBC) by 31 December 2019 at the latest.

2.6 The July 2019 Ministerial letter set out that the GM plan appeared to be on track to deliver compliance in the shortest possible time and that on the basis of evidence provided as at that date, the Greater Manchester authorities should continue to proceed towards developing the implementation and contract arrangements of a charging Clean Air Zone in Greater Manchester and that the Government would provide an initial tranche of £36m of funding to take this forward.

2.7 Full detail of the government's response was set out in the GMCA – Clean Air Update report on 26 July.

2.8 The GMCA – Clean Air Update report on 31 January detailed how a delay in receiving Ministerial feedback on the OBC had an impact on the timetable for the GM CAP.

3. Progress Since Last Update – The Results of the Public Conversation and Focus Groups

3.1 GM held a public engagement exercise known as the ‘conversation’ between early May and mid-June 2019 to help inform the work, and this was supplemented by more targeted stakeholder engagement with affected businesses. In addition, further deliberative research has also taken place. Stakeholder dialogue has also continued throughout development of the GM CAP to support the detailed design of the packages of measures.

3.2 These forms of engagement and dialogue have all informed the further development and detailed design of the measures identified in the OBC, to refine the proposals that will comprise the Full Business Case.

3.3 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 of representative bodies (such as the Federation of Small Businesses) responded to the conversation, on behalf of the members they represent.

3.4 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.

3.5 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 wouldn’t 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.

3.6 Scrappage schemes, loans and additional support were suggestions made by respondents on how the proposed GM CAP vehicle funds 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.

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

4. Progress Since Last Update – Clean Commercial Vehicle & Hardship Funds

- 4.1 At OBC stage, GM set out its funding ask for Freight Vehicles as follows:
- 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.
- 4.2 The GM CAP is underpinned by analysis and modelling using the best data and tools available. The results of the analysis underpinning the OBC were presented throughout the OBC and written up in full in a series of Technical Reports.
- 4.3 JAQU's officer level feedback on the Outline Business Case (OBC) requested further evidence as part of the options appraisal to provide reassurance that the preferred option would deliver compliance in the shortest possible time and to provide further evidence in support of the bid for Funds.
- 4.4 Extensive data gathering, analysis and modelling has been carried out since the submission of the OBC in order to respond to JAQU's questions and to develop more detailed proposals.
- 4.5 Quantitative and qualitative research has been undertaken with owners and drivers of vans, taxis and private hire vehicles, HGVs and coaches (noting that the latter was cut short by the COVID-19 pandemic). This, alongside the feedback from the Conversation, has informed the development of proposed support measures and CAZ policy.
- 4.6 As a result, better evidence has emerged about the vehicle fleets and businesses in scope for the proposed Clean Air Zone charges, and the support they will require.
- 4.7 Further, extensive liaison has been undertaken with JAQU to agree what would constitute effective and appropriate support measures. GM has benchmarked their proposals against other CAP cities and London, and engaged with those cities to understand their lessons learned.
- 4.8 This work has been summarised in a series of 32 evidence notes and further supplementary Technical Reports that were submitted to JAQU in response to the Minister's feedback, earlier in 2020.
- 4.9 The outcome of this work has resulted in an increased ask of £98m for the Clean Commercial Vehicle Fund, replacing the £59m Clean Freight Fund as set out at OBC. The revised funding ask is considered to better reflect the needs of the vehicles in scope, which are HGVs, coaches, vans and minibuses.
- 4.10 GM considers that it is the smallest businesses and individuals who will be at risk of financial 'hardship' as a result of the implementation of a GM CAZ and that the proposed amount of grant funding to help upgrade to a compliant

vehicle may not be enough to adequately mitigate the potential adverse economic impacts.

4.11 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.
- The 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.

5. Progress Since Last Update – Ministerial Correspondence

5.1 On 18 March 2020, the GM Green City Region lead received a letter from Rebecca Pow MP (DEFRA Parliamentary Under Secretary of State), copying in all Local Authority CEOs and Leaders, regarding next steps with GM's Clean Air Plan proposals. This letter attached as Appendix One was sent alongside a further Ministerial Direction. The letter explains:

- the government's desire for GM to consult on a Class C Clean Air Zone (accepting GM's case for exempting LGVs to 2023) with the timings of reporting back on the consultation suggesting that this activity is expected to take place in the summer.
- that the government will provide an initial tranche of funding of £41m for grants or loans – this is broken down as £15.4m for bus retrofit, £10.7m for PHVs, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses.
- the government does not support all measures proposed, specifically the Sustainable Journeys measure.
- the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from the Office for Low Emission Vehicles (OLEV) (who were allocated £500m in the 11 March budget).
- there is an expectation that GM's Clean Air Zone will be introduced in 2021 so compliance with NO₂ legal limits is met in 2024.

5.2 the government would like to be kept informed of progress of the Minimum Licensing Standards for hackney cabs and private hire vehicles, as it complements the GM Clean Air Plan.

6. Gm Response to Minister Letter / Direction

6.1 Councillor Western wrote in response to the Minister on 8 April, attached as Appendix Two, welcoming the initial tranche of funding along with the acceptance of GM's case for 2023 being the earliest point possible to bring LGVs into the scope of the charging Clean Air Zone and highlighting to government the following important outstanding elements:

- Ensuring that a clear funding position is agreed for Hackney Carriages – GM has been clear that the development of this funding ask is needed to support the progression of consultation on GM's plan with the taxi trade.

- Ensuring that a clear policy position is established for LGV fleet support – reflecting that the GM business community relies on the 70,000+ LGVs in operation here in Greater Manchester. It is stressed that this aspect of work needs to progress quickly so funding can be forthcoming as soon as possible, so as to ensure that bureaucratic delay does not use up the valuable time that could otherwise be available to enable vehicle replacement to happen, following the government agreement to exempt Category C vehicles to 2023.
- Ensuring that a mechanism is put in place for the large-scale rollout of replacement electric buses for the further 600+ vehicles for which there are no accredited retrofit options. The parallel funds for ultra-low emission buses, announced in the March Budget Statement, are highlighted as the logical source for this funding requirement and early confirmation is sought that this is the case.
- Ensuring that a workable arrangement is in place for JAQU to help to secure funding for Electric Vehicle charging infrastructure, noting that £500m was awarded to OLEV in the March budget statement.
- Finally, GM has highlighted outstanding issues regarding specific locations on the Highways England trunk road network that are needed for GM to refine the proposed charging CAZ boundary before it proceeds to statutory consultation.

6.2 The letter also set out that GM will also need to be mindful of the significant changes that could result from the impacts of the ongoing pandemic, more of which is discussed below.

6.3 A summary table of GM's asks v Government offer and commentary, is set out in Appendix Three. Of note, TfGM is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements.

6.4 The March 2020 Ministerial Direction means that the July 2019 direction (which required the conclusion of all necessary public consultation activity and submission of the FBC by end of 2019) is revoked. The new Ministerial Direction sets out new submission dates for consultation, delivery plans and FBC. Notably, the new Direction requires conclusion of all public consultation activity and submission of the Interim FBC by the end of October 2020.

7. Impact of COVID-19

7.1 The letter and the accompanying direction were 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 the submission dates. As a result, GM colleagues have been working to understand the wider impacts of the coronavirus outbreak on this programme of work.

7.2 Most immediately is the timing of GM's consultation, which is assumed in the letter to be taking place in the summer. The decision regarding when to commence a consultation cannot be confirmed until there is a clear

timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.

- 7.3 On Wednesday 15 April, following consultation with Leaders, GM made a statement placing the consultation on hold – it can be found in full at: <https://cleanairgm.com/news/greater-manchester-clean-air-plan-consultation-update>.
- 7.4 This also means that the implementation of a GM CAZ is delayed to 2022 (a revised implementation date will be confirmed in a future consultation commencement report).
- 7.5 On Tuesday 28 April, Councillor Western received a letter from Rebecca Pow MP which set out that the Government understands the initial analysis that GM has made about the difficulties of holding a consultation at this time. However, she does encourage GM to continue preparations to be ready to launch one as soon as practicable.
- 7.6 The Government's Joint Air Quality Unit confirmed on 1 May that that authorities should continue to develop measures and packages to tackle the exceedances predicted from modelling to date, subject to further Emissions Factor Toolkit analysis to be provided by JAQU shortly. Furthermore, that there should be no revised economic analysis undertaken without JAQU consent, on the basis that the outcomes of COVID-19 are not yet understood, and that for now authorities should proceed on the basis of their current proposals.
- 7.7 To understand the wider impacts of the COVID-19 outbreak the GM CAP team will make an assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers. This assessment will include:
- whether the assumptions underpinning the GM CAP are still valid;
 - whether GM will remain in exceedance of legal nitrogen dioxide limits under the proposals as they currently stand;
 - the measures proposed in the package for consultation; and
- 7.8 whether the proposed support package will be sufficient.

8. The Consultation

- 8.1 GM needs 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.
- 8.2 GM has been directed by Government to introduce a category C Clean Air Zone across the region and there is a requirement under Transport Act 2000 to consult 'such a local persons as they consider appropriate about the charging scheme'. The statutory nature of the consultation affords a large degree of discretion to the consulting authority, but would be expected to concern the fundamentals of the CAZ, i.e. the need for a CAZ, 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 the latter two points that could 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.

- 8.3 The supporting measures, the detail of proposals of the funds and vehicle finance are also set out to enable consultees to respond fully to the GM CAP proposals.
- 8.4 Any consultation conducted in a time of COVID-19-related restrictions will be less than perfect and GM would have to do everything it reasonably can to ensure that the consultation is fair.
- 8.5 GM intends to commence a consultation on the Clean Air Plan as soon as it judges that it could conduct a consultation that allows people, particularly impacted groups, the opportunity to consider and respond to the proposals in a meaningful way with particular regard to the context of Government guidance on social distancing at the relevant time. However, as the position regarding lockdown is fluid, it is not possible to definitively confirm that date, ultimately this will be a judgement call.
- 8.6 The judgement call will clearly be influenced by the government's lockdown exit plan, but also by the economic and social conditions that will present themselves after the realities of exiting lockdown and moving to the next phase of the COVID-19 response are known.
- 8.7 As part of the report that members will receive to determine progressing the consultation GM will set out how it has made the judgment to move forward to its consultation taking into account the information set out above.
- 8.8 Whilst the government has made a number of financial packages available to businesses and the self-employed in this extraordinary situation, GM's residents and businesses are focused on ensuring they and their families and employees stay safe. In addition, GM are very aware that the impact of pandemic management policies are being felt very strongly within the taxi trade. GM recognises that the transport sector has already been hugely impacted by the pandemic, and government policies to stem its spread; and its ability to recover from significant revenue loss whilst also being expected to renew fleet to respond to pre-epidemic policy priorities requires further thought and consideration. Therefore, the groups most affected by GM's Clean Air Plan may need even further assistance that GM had anticipated at the time of GM's previous submission to Government.

9. Gm's Aspirations Around EV Charging

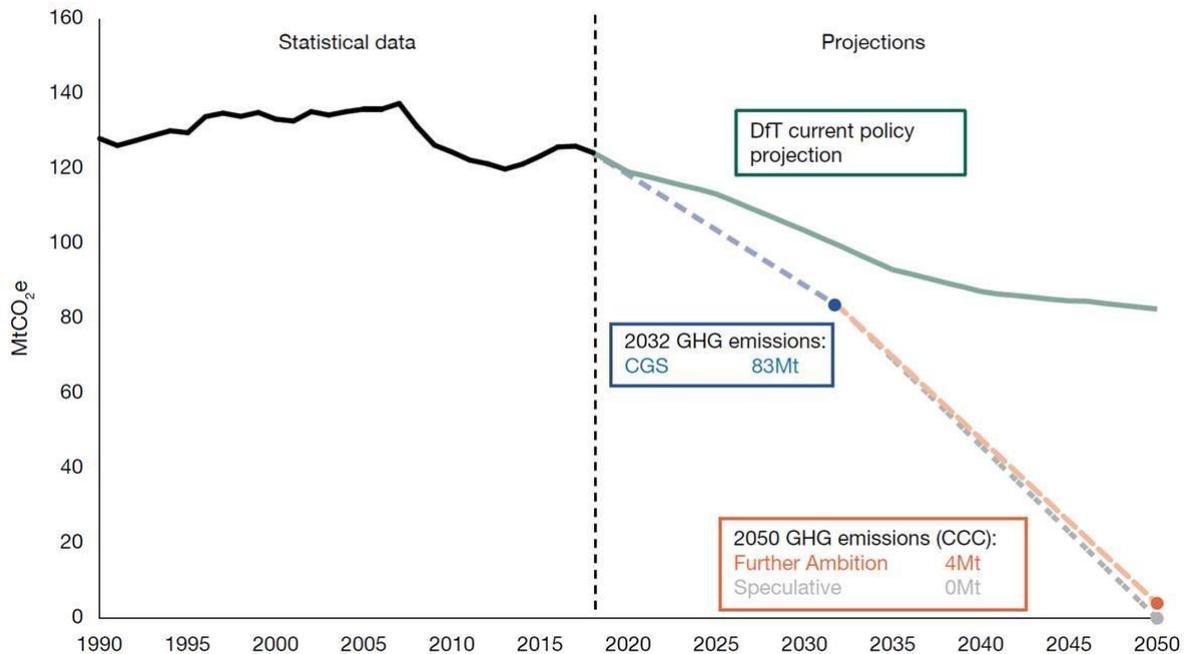
- 9.1 As set out above the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from OLEV.

- 9.2 Securing funding is important as the current Electric Vehicle Charging Infrastructure (EVCI) provision in GM is below the North West and national averages of charge points per 100,000 population. GM's EV registration is also significantly below the national average. Based on engagement and delivery to-date it is considered unlikely that private sector investment will deliver the right infrastructure in appropriate locations to deliver the rapid transition to EVs required to support GM's ambitions.
- 9.3 There is therefore a continued need for substantial public sector intervention, supported by a clear policy position, to influence the scale and distribution of EVCI investment (both public and private) in a future network that supports GM's 2040 Strategy ambitions.
- 9.4 A draft EVCI Strategy is in development to support GM's 2040 Strategy ambitions and, in particular, delivery of GM's CAP. The strategy will set out:
- GM's vision for EVCI in across the region;
 - A set of strategic principles to guide the design and future development of the network; and
 - the estimated size, mix and spatial distribution of the network required to meet anticipated / forecasted demand.

10. Decarbonising Transport & GM's Clean Air Plan

- 10.1 In March this year the Government published its "Decarbonising Transport – Setting the Challenge" document. In setting the challenge Government identifies that current policies fail to deliver the reduction in emissions needed if transportation is to play its part in meeting the national legal obligation to be carbon neutral by 2050. The City Council's and GM's ambition is, of course that the city and wider city region should become zero carbon by 2038, 12 years in advance of the national target. There is an estimated gap of 16MtCO₂e projected emissions between the DfT's current policy projections compared to the Clean Growth Strategy targets and the document identifies that **"there is no plausible path to net zero without major transport emissions reductions and delivered soon"**.
- 10.2 Figure 1 DfT's latest domestic Green House Gas (GHG) emissions projections based on current policies, compared to Clean Growth Strategy targets and Committee on Climate Change (CCC) Net Zero 'Further Ambition and 'Speculative scenarios'.

Figure 18: DfT's latest domestic GHG emissions projections based on current policies, compared to Clean Growth Strategy (CGS) targets and CCC Net Zero 'Further Ambition' and 'Speculative' scenarios¹



10.3 Government have set out in the document that they are to produce a Transport Decarbonisation Plan¹ that will set out a credible plan on how to put the UK's entire transportation system on a pathway to deliver the necessary GHG reductions and identifies that fundamental changes in the way people and goods move around. They state that is key, identifying that the solution lies with innovation, developing further waste derived fuels, fundamentally changing people's travel behaviour and using smart data to give added value. There are 6 strategic priorities within the document:

- Accelerating modal shift to public and active transport,
- Decarbonising road vehicles,
- Decarbonising how we get our goods
- Place based solutions for emission reduction
- The UK becoming a hub for green transport technology and innovation
- Reducing carbon in a global economy

10.4 Government propose to engage stakeholders through a series of three workshops based on the above priorities, test ideas and insight from public feedback and present a range of potential policies.

10.5 There are many co-benefits (defined by the IPCC as "positive effects that a policy or measure aimed at one objective might have on other objectives") of decarbonising transportation which include public health benefits through increased active travel, improved air quality and reduced noise. Taking action to decarbonise transportation will have beneficial effects not only on the

¹ was planned to be published in the autumn, ahead of COP 26 in November 2020 but has now been postponed due to the COVID-19 epidemic

environment but also on health, wellbeing and quality of life, especially those living in populated areas.

- 10.6 The GM CAP is a place based solution to tackle roadside NO₂ 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. As GM progress the development of its wider transport policies it will take account of these important environmental agendas to ensure alignment of policies.

11. Minimum Licensing Standards and the GM Clean Air Plan

- 11.1 The taxi/PHV trade represents c.20,000 drivers across GM and is a significant part of GM's transport offer.
- 11.2 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.
- 11.3 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 been working to develop policy proposals that can meet these needs as far as possible, which is why parallel consultations have been proposed for MLS and GM CAP, and that charging, funding, and licensing policy positions are coherent and joined-up.
- 11.4 The approach seeks to establish a basic and common minimum in key areas, whilst allowing Districts to exceed these minimums where they consider this to be appropriate. 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.
- 11.5 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); Vehicle ages (under 5 years at first licensing, no older than 10 years); Vehicle colour (Black for Taxi/Hackney, white for PHV); 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 licence expiry; Once determined, licence 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.

- 11.6 The GM CAP will require taxi/PHV vehicles to meet stricter emissions standards than at present, which will mean a significant proportion of the trade will need to upgrade their vehicles to meet these emissions standards to avoid a charge. The CAP has the potential for a significant pot of funding to support the trade to upgrade their vehicles.
- 11.7 In addition, The GM Five Year Environment Plan (5YEP) sets an ambition for GM to be carbon neutral by 2038. This means sectors such as transport need to take very significant action now to reduce carbon emissions. For transport this means a rapid shift to vehicles that are not powered by fossil fuels.
- 11.8 From a policy perspective, GM wants to develop a position that minimises the impact on the trade while meeting the targets set out in the GM CAP and 5YEP. Incentivising a switch to an electric (or zero-emission capable, “ZEC”) vehicle, using clean air funding, provides a long-term solution to compliance and meets climate obligations.
- 11.9 To invest in ZEC vehicles, taxi proprietors also require long term confidence in the local policy landscape, including future interventions and supporting infrastructure. Other local authorities have a ZEC requirement now or have set out a clear roadmap to when their taxi/PHV fleets should be emission free.
- 11.10 For MLS, this means introducing two future dates within the MLS for:
- “new to licence vehicles” to be ZEC; and
 - All vehicles must be ZEC.
- 11.11 This will provide certainty for investment and maximise the funding through the clean air plan. The risk of an unclear policy is that it potentially drives the purchase of more fossil fueled vehicles, either locking new fleet into 10 years of emissions or putting proprietors at risk of future interventions mid-way through a vehicles useful life as a licensed taxi.
- 11.12 The dates proposed as the GM Taxi/PHV ZEC roadmap as the position for consultation are suggested as:
- From 2025 all new to licence 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.

12. Next Steps

12.1 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 be ready to move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable; and
- Bring a further report on the consultation on proposals to the Executive when there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.

13. Recommendations

13.1 Recommendations are set out at the front of this report.

Appendix 1 – Ministerial Correspondence

Department
for Environment
Food & Rural Affairs

Seacole Building
2 Marsham Street
London
SW1P 4DF

T 03459 335577
defra.helpline@defra.gov.uk
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Cllr Andrew Western
Trafford Council,
Trafford Town Hall,
Talbot Road,
Stretford,
M32 0TH

16th March 2020

Dear Andrew

I am grateful for the work Greater Manchester authorities and the team at TfGM have undertaken on your plan to deliver nitrogen dioxide (NO₂) compliance in the shortest possible time. Following the submission of your OBC last year, we asked you to provide further evidence on a number of aspects. I am satisfied that, with the further evidence submission provided by TfGM at the end of January 2020, the main evidence queries set out in earlier correspondence from then Minister Coffey have been suitably addressed. There are some technical clarifications my officials will discuss with you to provide final assurances, however, I am content that you should continue to consult and implement your Class C Clean Air Zone (CAZ).

I am aware that you have also provided further evidence and justification to JAQU for an exemption to 2023 for LGVs in the Clean Air Zone. Following a review of this evidence I am prepared to accept your case for the exemption for LGVs to 2023.

Upon reviewing the evidence provided for the preferred option to achieve compliance, we do not support all of the measures proposed. While the modelling shows some additional support measures alongside a CAZ are required to enable delivery of NO₂ compliance in the shortest possible time, our assessment indicates that not all would be needed

From the evidence provided, we are not convinced the sustainable journeys measure is necessary. The evidence shows this contributes a minimal amount to NO_x reduction in key locations. We can only support, from the Implementation Fund, measures that are needed to meet compliance as soon as possible so I regret we will not be supporting this measure in your plan. Similarly, I know you have been discussing electric vehicle charging infrastructure with JAQU. It is not a measure needed for compliance, so cannot be supported by the Implementation Fund. The JAQU will continue to discuss with TfGM other funding opportunities for this.

I am also aware that you have been looking for assurances to support drivers affected by the Clean Air Zone. We have always been clear that funding will be provided from the Clean Air Fund for businesses and individuals most affected by the

Greater Manchester Clean Air Zone and least able to adapt, based on evidence of need. It is disappointing that this has led you to delay the consultation on the plan, and thus failing to meet the legal requirement to provide an FBC by the end of 2019.

Despite this, I am satisfied that you have continued to prepare and develop arrangements for the CAZ. I believe there is a case for releasing some funds from the Clean Air Fund now, ahead of your final plan to support businesses most impacted by the CAZ. I am pleased to provide an initial £41m in funding, comprising £15.4m to support bus retrofit; and the upgrade of PHVs (£10.7m), HGVs (£8m), coaches (£4.6m), and minibuses (£2.1m) through grant or loans.

The JAQU will continue to work with TfGM on a timeline for delivery of these schemes. This is without prejudice to further funding decisions. We will provide additional CAF funding for sectors affected by your plan based on demonstration of need once the final plan is approved. This is in addition to funding for implementing the CAZ, where we have already provided £36m and will make further funding awards based on your final plan.

I understand alongside the NO2 plan, Greater Manchester authorities will also be consulting on minimum emission licensing standards for taxi and private hire vehicles. This will be an important complementary measure to the NO2 plan to support raising the standard of the fleet, alongside CAF funding. I looking forward to the conclusion of that consultation and confirmation of the standards and timing for when these will be in place. I would be grateful if you could keep JAQU informed of progress.

I look forward to Greater Manchester authorities commencing the consultation on your Clean Air Plan, and providing a final plan as soon as possible. As you know the requirement is to meet compliance with legal NO2 limits in the shortest possible time. We are still expecting that, in line with the timetable Greater Manchester authorities have set out, that the Clean Air Zone will be in place in 2021 in order to meet compliance in 2024. According, I attach a revised direction to Greater Manchester authorities setting out delivery dates for key business case documentation based on your plans, requiring

- (i) a draft delivery plan for each of the individual measures in your NO2 plan by 31 July 2020;
- (ii) an interim FBC by 30 October 2020; and
- (iii) a report by 30 November 2020 that details: the results and analysis of the consultation; any proposed changes to individual measures; and the steps to FBC.

The delivery plans should set out the strategic, economic, commercial, financial and management detail of each measure, ahead of the FBC (and for the Clean Air Zone the outstanding commercial, financial and management detail).

We recognise that the draft delivery plans and interim FBC, under (i) and (ii), will be prepared ahead of the consultation and will be subject to change, further we also recognise that some documentation requested may be subject to formal governance by the 10 Greater Manchester authorities, so draft versions that have been prepared

for governance to meet these dates are acceptable, so we can consider these documents in parallel recognising they may not be approved during the decision making process.

My officials will shortly be issuing grant letters for the Clean Air Fund award.

I am copying this letter to the leaders of each of the Greater Manchester authority councils and the Mayor.

Yours sincerely

REBECCA POW MP

Appendix 2 – GM Response to Ministerial Correspondence

Rebecca Pow MP
Parliamentary Under Secretary of State
Department for Environment, Food and Rural Affairs
Seacole Building
2 Marsham Street
London
SW1P 4DF

08 April 2020

Dear Minister

I write further to your letter received on 18 March, regarding next steps with Greater Manchester (GM)'s Clean Air Plan proposals. My response to your letter is made with advice from TfGM ahead of a formal discussion with my Local Authority colleagues.

I welcome the confirmation that you are satisfied with the additional options appraisal evidence with the main evidence queries having been suitably addressed, recognising there are some further technical clarifications that are needed for final assurances; and the steps forward that are contained within your letter. In particular, I noted that your letter outlines:

- the government's desire for GM to consult on a Class C Clean Air Zone (accepting our case for exempting LGVs to 2023) with the timings of reporting back on the consultation suggesting that this activity is expected to take place in the summer;
- that the government will provide an initial tranche of funding of £41m for grants or loans – and that this is broken down as £15.4m for bus retrofit, £10.7m for PHVs, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses; and
- that there is an expectation that GM's Clean Air Zone will be introduced in 2021 so compliance with NO₂ legal limits is met in 2024.

Whilst the initial tranche of funding is welcome along with the acceptance of our case for 2023 being the earliest point possible to bring LGVs into the scope of the charging Clean Air Zone, there are a number of aspects within our Plan that your letter has not yet been able to provide certainty over.

Firstly, I have noted that the initial release of funds outlined in the letter does not currently set out an offer of funding for Hackney Carriages as proposed by Greater Manchester, however, I do note the intention to review this further with GM officials. Further development of this funding ask is crucial if consultation on our plan with the taxi trade is to be progressed in a fully informed manner.

I also noted that the initial release of funds outlined in the letter does not currently set out an offer of funding for the business community that relies on the 70,000+ LGVs in operation here in Greater Manchester. Again, I must encourage the work on this aspect to progress quickly so funding can be forthcoming as soon as possible, so as to ensure that bureaucratic delay does not use up the valuable time that could otherwise be available to

enable vehicle replacement to happen, following your agreement to exempt Category C vehicles to 2023.

The funding for buses in your letter will provide the basis for developing a model to retrofit the circa 1,000 buses in Greater Manchester that are capable of being converted. However, there remain a further 600+ vehicles for which there are no accredited retrofit options. We anticipate the parallel funds for ultra-low emission buses, announced in the March Budget Statement, may provide a source for this funding requirement, but we would welcome early confirmation that this is the case. Similarly, we would welcome clarification from JAQU, to help us to secure funding for Electric Vehicle charging infrastructure. I note that £500m was awarded to OLEV in the March Budget Statement.

Finally, we need to ensure that funding routes remain open to the other elements in our Plan that have not been supported by the letter, including the proposed Clean Air Hardship Fund; and the mobilisation/delivery costs for vehicle funds; and there remain outstanding issues regarding specific locations on the Highways England trunk road network that will be crucial to a coherent consultation proposal.

I note that your letter and the accompanying direction were dated 16 March, before the enactment of the Coronavirus Act 2020. Clearly since this time the focus of the nation has shifted dramatically to responding to the global COVID-19 pandemic. As a result, GM colleagues are working to understand the wider impacts of the coronavirus outbreak on this programme of work.

Most immediately, I would like to highlight the timing of GM's consultation, which is assumed in the letter to be taking place in the summer. The planning for this activity cannot be progressed until there is more clarity around the implications of the national response to coronavirus.

As you will appreciate, whilst the government has made a number of financial packages available to businesses and the self-employed in this extraordinary situation, our residents and businesses are rightly focused on ensuring they and their families and employees stay safe. In addition, we are very aware that the impact of pandemic management policies will be felt very strongly within the taxi trade. Furthermore, conducting a consultation in this lock down situation would seem inappropriate as many consultees may not have the opportunity or capacity to consider and respond to the proposals in a meaningful way as required by the public law principles of fair consultation.

Therefore, the proposition of consultation during this immediate period would not seem either viable or appropriate. Nonetheless, we remain committed to meeting our clean air obligations at the earliest opportunity and will be ready to continue to work as the circumstances change.

In doing so, we will also need to be mindful of the significant changes that could result from these exceptional times. We know that the transport sector has already been hugely impacted by the epidemic, and government policies to stem its spread; and its ability to recover from significant revenue loss whilst also being expected to renew fleet to respond to pre-pandemic policy priorities requires further thought and consideration. Therefore, the groups most affected by our Clean Air Plan may need even further assistance than we had anticipated at the time of our previous submission to Government.

More broadly, there will be wider economic impacts that may be sustained and that could significantly change the assumptions that sit behind our plans. Our officials have begun to consider this; and it is highly likely that we will need to update you and the JAQU team as the picture becomes clearer over time. I note that in recent days the JAQU team have made contact with TfGM to clarify that they understand that COVID-19 may impact our ability to progress this work and deliver to previously agreed timelines. They have also confirmed that they do not wish to create additional burdens on Local Authorities at this time. We understand they are committed to keeping an open dialogue with us keeping the situation under regular review, this position is welcomed.

Finally, we remain committed to continue to pursue dialogue with Government on supporting measures that we consider important in achieving plan outcomes, namely powers to act on congestion including moving traffic offences, and reforms to taxi and private hire legislation, in particular to end the practice of out-of-area operation which currently prevents effective local regulation of agreed standards for private hire services.

I hope that this letter helps to show that our commitment to clean air remains strong. However, given the extraordinary circumstances that will remain for some time, I hope that we can continue to work closely to ensure that its achievement is reached in a pragmatic and adaptable manner.

Yours sincerely,

Cllr Andrew Western

Leader of Trafford Council and Greater Manchester Portfolio Lead for Green City

Appendix 3 - GM summary table of GM's asks v Government offer

Measure	GM Ask	Government offer	Commentary
Clean Air Zone	£84m	£36m awarded to date and further funding promised.	GM continues to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures
Sustainable Journeys	£7m	Does not support measure proposed.	Travel behaviour change measures are now emerging as a key component of a COVID-19 response plan for Transport across Greater Manchester and TfGM will pursue alternative funding with DfT.
EV Infrastructure	£19m to include taxi only charging points	£0, but commitment to work together to secure other government funding.	TfGM will pursue alternative funding with DfT.
Bus retrofit	£16m	£15.4m	TfGM to confirm that this monies is an continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements.
HGV	£8m	£8m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Coach	£8m	£4m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Minibus	£2m	£2.1m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
LGV	£80m	TBC	Government have accepted the exemption to 2023 and further evidence is required to demonstrate the size of GM's funding ask.
PHV	£22m for replacement hackney / PHV and hackney try before you buy scheme	£10.7m	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Hackney Cab		TBC	Government require further evidence to demonstrate the size of GM's funding ask for hackney cabs.

Measure	GM Ask	Government offer	Commentary
Bus Replacement	JAQU aware that there are 600+ vehicles for which there are no accredited retrofit options	TBC	GM are seeking solutions for large scale replacement.
Hardship Fund	c.£10m	TBC	Government require further evidence to demonstrate the size of GM's funding ask.