

## **Manchester City Council Report for Resolution**

**Report to:** Executive - 9 September 2020

**Subject:** Greater Manchester Clean Air Plan – Tackling Nitrogen Oxide Exceedances at the Roadside and Greater Manchester Minimum Taxi Licensing Standards – Agreement to Consult

**Report of:** Deputy Chief Executive and City Solicitor

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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 introduce 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.

### **RECOMMENDATIONS:**

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 Clean Air Plan;
4. Agree that Manchester City Council along with the other nine GM local Authorities hold an 8-week public consultation on the GM Clean Air Plan commencing in October 2020;
5. Note that the GM local Authorities intend to consult on GM's proposed Minimum Licensing Standards, alongside the Clean Air Plan consultation;
6. Agree that TfGM act as the Operating Body for the GM CAZ and supporting measures as set out at paragraph 7.5;
7. Agree that Manchester City Council along with the other nine GM Authorities individually be a 'charging authority' for the purposes of the CAZ, pursuant to the Transport Act 2000;

8. Endorse the GM Clean Air Plan Policy for Consultation at Appendix 3;
9. Note the Equalities Impact Assessment on the Clean Air Plan, as set out at Appendix 5;
10. Note that further reports will be brought forward to set out the formal governance mechanisms that will underpin the delivery of a GM Clean Air Zone (CAZ) and the supporting measures, including the full scope of the suite of powers that will be needed to be delegated to the Operating Body;
11. Agree a delegation to Chief Executive in consultation with the Executive member for Planning Transport and the Environment to approve the submission of the cases for measures to the Government's Joint Air Quality Unit to support the GM Clean Air Plan;
12. Agree a delegation to the Chief Executive, in consultation with the Executive member for planning, Transport and the Environment to approve the GM Clean Air Plan consultation materials, to include the Equalities Impact Assessment on the consultation; and
13. Note that response to DfT's Decarbonising Transport – setting the challenge, as set out at Appendix 1, has been submitted to Government.

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

**Climate Change Impact Assessment and Mitigation Measures:** The GM Clean Air Plan is a place based solution to tackle roadside NO<sub>2</sub> 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 and Capital budgets**

1. 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.
2. 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.

3. 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.
  4. 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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**Number of attachments to the report:** 7 (seven)

**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

# 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 Light Goods Vehicles (LGV) and hackney carriage 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 hire vehicles, 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 taxi and private hire vehicle 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 services 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 BACKGROUND (*all but Oldham, Rochdale and Wigan*)

- 2.1 In July 2017 the Secretary of State issued a Direction under the Environment Act 1995 requiring seven Greater Manchester local authorities, including Manchester City Council, to produce a feasibility study to identify the option which will deliver compliance with the requirement to meet legal limits for nitrogen dioxide *in the shortest possible time*.
- 2.2 In accordance with this Direction [Council Name] has been developing the study collectively with the other 9 Greater Manchester local authorities and the GMCA, coordinated by TfGM in line with Government direction and guidance and an Outline Business Case (OBC) was duly submitted in March 2019.
- 2.3 Manchester City Council along with the other 9 Greater Manchester local authorities is now subject to a Ministerial direction dated 16 March 2020 requiring the submission of an Interim Full Business Case (FBC) (along with confirmation that all public consultation activity has been completed) as soon as possible and by no later than 30 October 2020. Under this direction Manchester City Council along with the other 9 Greater Manchester local authorities is under a legal duty to ensure that the GM CAP (Charging Clean Air Zone Class C with additional measures) is implemented so that NO<sub>2</sub> compliance is achieved in the shortest possible time and by 2024 at the latest and that human exposure is reduced as quickly as possible.

## 2 INTRODUCTION

- 2.4 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.
- 2.5 Whilst air quality has been generally improving over time, particular pollutants remain a serious concern in many urban areas. These are oxides of nitrogen (NO<sub>x</sub>) and its harmful form nitrogen dioxide (NO<sub>2</sub>), and particulate matter (PM).
- 2.6 In Greater Manchester road transport is responsible for approximately 80% of NO<sub>2</sub> concentrations at roadside, of which diesel vehicles are the largest source.
- 2.7 Long-term exposure to elevated levels of particulate matter (PM<sub>2.5</sub>, PM<sub>10</sub>) and NO<sub>2</sub> may contribute to the development of cardiovascular or respiratory disease and may reduce life expectancy<sup>1</sup>. The youngest, the oldest, those living in areas of deprivation, and those with existing respiratory or

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<sup>1</sup> Air Quality – A Briefing for Directors of Public Health (2017), <https://www.local.gov.uk/air-quality-briefing-directors-public-health>

cardiovascular disease are most likely to develop symptoms due to exposure to air pollution<sup>2,3</sup>.

- 2.8 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<sup>4</sup>.
- 2.9 The Secretary of State has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) levels, issuing a direction under the Environment Act 1995 to undertake feasibility studies to identify measures for reducing NO<sub>2</sub> 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<sub>2</sub> Exceedances at the Roadside, referred to as GM CAP.
- 2.10 The core goal of the GM Clean Air Plan is to address the legal requirement to remove ALL concentrations of NO<sub>2</sub> that have been forecast to exceed the legal Limit Value (40 µg/m<sup>3</sup>) identified through the target determination process in the “shortest possible time” in line with Government guidance and legal rulings.
- 2.11 Throughout the development of the plan, GM has considered a range of options to deliver compliance, overseen by the GM Steering Group<sup>5</sup>, and to understand the type and scale of intervention needed to reduce NO<sub>2</sub> to within legal Limit Values in the “shortest possible time” across Greater Manchester.
- 2.12 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.
- 2.13 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

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<sup>2</sup> Air Quality – A Briefing for Directors of Public Health (2017), <https://www.local.gov.uk/air-quality-briefing-directors-public-health>

<sup>3</sup> 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>

<sup>4</sup> <https://www.gov.uk/government/news/new-tool-calculates-nhs-and-social-care-costs-of-air-pollution>

<sup>5</sup> Members include Directors or Assistant Directors from each GM authority.

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.

2.14 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.

2.15 The GMCA – Clean Air Update report on 29 May 2020<sup>6</sup> 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.

2.16 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%].

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<sup>6</sup> Also considered by the GM Authorities through their own constitutional decision-making arrangements.

- 2.17 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.
- 2.18 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 2020, 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<sub>2</sub> 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<sub>2</sub> exceedances that are not being addressed by the Highways England plan and therefore are not being addressed at all. The letter set out GM's observations and concerns regarding the consistency of the directions applied by JAQU to Local Authorities and Highways England.
- 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<sub>2</sub> 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/m<sup>3</sup>.
- 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.

- 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 Work to assess the possible 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 The Government have been working with local authorities, including Greater Manchester, to review the impacts of COVID-19 on local delivery plans and NO<sub>2</sub> levels. Unless there is specific local evidence to show an alternative plan would be as effective, the Government's overall approach is to expect local authorities to continue with existing work. On 14 July the Government wrote to Greater Manchester leaders to instruct them that, based on their assessment, the proposed Category C Clean Air Zone measures are still required to bring forward compliance in Greater Manchester.
  - 3.5.2 Members may have seen that it has recently been reported that Leeds City Council has suspended the city's Clean Air Zone for the foreseeable future and Bristol City Council are looking for an alternative option to improve air quality without the introduction of a charging Clean Air Zone. What hasn't been widely reported is that both areas have been asked by Government to continue with their preparations for Clean Air Zones. The Government's Joint Quality Air Unit (JAQU) have confirmed that they are currently working with both Leeds and Bristol to confirm whether Clean Air Zones are still required or if compliance can be achieved and maintained in the long-term in other ways. In both cases, Government expects decisions to be made in the Autumn on whether their proposed Clean Air Zones remain the best way of achieving and maintaining compliance. This follows confirmation from the Government that implementation of Clean Air Zones will be postponed until at least January 2021 as a result of the pandemic.

- 3.5.3 As far as the position in Greater Manchester is concerned JAQU has confirmed its 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.
- 3.5.4 Accordingly, GM is continuing to progress interim deliverables as set out in the 2020 Ministerial Direction – delivery plans by 31<sup>st</sup> July 2020 and interim FBC by 30<sup>th</sup> October 2020<sup>7</sup> – 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.
- 3.5.5 GM is also working with other local authorities to share knowledge as it emerges.
- 3.5.6 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 considered 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.
- 3.5.7 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

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<sup>7</sup> 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.

and economic recovery. GM is therefore carrying out an assessment of what factors are most influential for the CAP.

3.6 Response to Government's Decarbonising Transport Document – As reported on 29 May 2020 - 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 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 of 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, the ten GM local authorities and the GMCA set out that they needed to be mindful of moving the 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 Subject to the considerations detailed in paragraph 6.6, is now proposed to move forward to consultation on the Clean Air Plan starting in October 2020 as there is a plan for the easing of restrictions and moving to the next phase of the COVID-19 response through the Government's COVID-19 recovery strategy<sup>8</sup> published on Monday 11 May 2020. In this document the Government published a staged plan for the reopening of the economy and the gradual easing of restrictions following the introduction of national lockdown measures on 23 March 2020.

5.4 In his televised address on Sunday 10 May 2020, the Prime Minister outlined plans for the easing of national lockdown restrictions and the reopening of some businesses. This was organised into three main steps:

- **Step one** was initiated on **Wednesday 13 May 2020** 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).

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[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](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)

- **Step two** began on **Monday 1 June** 2020 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** 2020 and will permit the opening of all other non-essential retail.
- **Step three** began on **Saturday 4 July** 2020 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. The Government has indicated that if it sees a sudden and concerning rise in the infection rate then it may have to re-impose some restrictions and that it would seek to do so in as limited and targeted a way as possible, including reacting by re-imposing restrictions in specific geographic areas (local/regional restrictions) or in limited sectors where it is proportionate to do so, possibly at short notice.

5.6 It is noted that as at 31<sup>st</sup> July 2020, parts of the North of England, including the 10 Greater Manchester local authorities, were placed under additional regional restrictions prohibiting people who do not live together from meeting in a private home or garden (except for limited exceptions)<sup>9</sup> which are enforceable from 5<sup>th</sup> August 2020 under The Health Protection (Coronavirus, Restrictions on Gatherings) (North of England) Regulations 2020 (SI 828). Although within Greater Manchester regional social distancing measures are in place from 31<sup>st</sup> July 2020 (to be initially reviewed by 19<sup>th</sup> August 2020 at the latest), under these measures the majority of businesses remain open and it is not considered at this time that the situation in terms of ability of consultees to engage in any meaningful consultation activity has materially changed from that which was in place prior to 31<sup>st</sup> July 2020. Nevertheless, the GM authorities recognise the changing landscape and the situation regarding the consultation (to include any equalities impact considerations) is being kept under constant review. Should the Greater Manchester local authorities consider it necessary to do so, they may make adjustments to the consultation process or consider pausing it. GM will need to conduct a consultation that will adhere to the Government guidance around social distancing and any regulations in place and undertake engagement activity that will enable residents, businesses and visitors to engage with the consultation materials and respond in a meaningful way, taking into account that Government guidance and stage of recovery both nationally and locally regionally can change very quickly. 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 2020 will enable the GM Authorities

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<sup>9</sup> <https://www.gov.uk/government/collections/local-restrictions-areas-with-an-outbreak-of-coronavirus-covid-19>

to consider the matters reported here through their own constitutional decision-making arrangements between August 2020 and September 2020.

- 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, and social media will be used in order to answer questions and engage.
- 5.10 A delegation is sought to give the Chief Executive, in consultation with the Executive member for Planning, Transport and the Environment the necessary authority to approve the GM CAP consultation materials which will include the consultation summary document, survey questions and Equalities Impact Assessment on the consultation activity.
- 5.11 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 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.

## **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 the 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 7.14 to 7.21 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 7.4 to 7.13. 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 licensed in GM (hackney carriages and private hire vehicles)
- 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
- Licensed Hackney carriage/Private hire vehicle i 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 carriages 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<sub>2</sub> of an annual mean of 40 µg/m<sup>3</sup><sup>10</sup> 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.
- 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.

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<sup>10</sup> as set by the Ambient Air Quality Directive (2008/50/EC)

- 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<sup>11</sup> 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 Carriages 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<sup>12</sup>. To maintain accessibility for disabled people and mitigate a risk of a reduction in the number of WAV Hackney Carriages and PHVs operating in the region, GM licensed Wheelchair Accessible Hackney Carriages & 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 Carriages and PHVs does not affect the year of compliance with NO<sub>2</sub> 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 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<sub>2</sub> legal limits.
- 6.10 Personal Use Discount for Private Hire Vehicles licensed with one of the ten Greater Manchester Local Authorities

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<sup>11</sup> taxi & PHV need to be licensed in GM

<sup>12</sup> November 2019 Hatch Regeneris “CAZ Commercial Vehicle Socio-Economic Impacts Research“

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 Carriages 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<sup>13</sup> 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.

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

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<sup>13</sup> This means having CO<sub>2</sub> emissions of no more than 50g/km and a minimum 30 mile zero emission range.

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) <sup>14</sup> . <a href="https://cleanairgm.com/which-roads-are-affected/">https://cleanairgm.com/which-roads-are-affected/</a> |
| Clean Air Zone: Times of Operation | 24 hours a day, 7 days a week  |
| Clean Air Zone: Vehicles Affected  | <ul style="list-style-type: none"> <li>• Licensed Hackney Carriage</li> <li>• Licensed Private Hire Vehicle</li> <li>• Bus</li> <li>• Coach</li> <li>• Minibus</li> <li>• LGV and HGV</li> </ul>   |

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 by 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. |
|----------------------------|--|

<sup>14</sup> 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: Discounts    | None   |
| Clean Air Zone: Daily Charge | £7.50 per charging day (midnight to midnight)  |
| Clean Vehicle Funding        | <p>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.</p> <p>OR a grant of £5,000 towards the LPG retrofit of a Euro 5 vehicle less than ten years old.</p> <p>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.</p> |

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        | <p>Private Hire WAV or minibus:<br/>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.</p> <p>Non-wheelchair accessible Private Hire Vehicles:<br/>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.</p> <p>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.</p> <p>OR a grant of £2,500 towards the running costs of a Zero Emissions Capable vehicle.</p> |

|  |   |
|--|---|
|  | 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<br>Bus replacement - Up to £16,000 for purchase or lease of a compliant vehicle<br>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.<br><br>OR a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS)<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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        | <p>A grant of up to £5,500 per vehicle, dependent on vehicle size<br/>OR access to vehicle finance, offering an average subsidy of up to £5,500 with the subsidy per vehicle capped at £8,000.</p> <p>OR a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS)</p> <p>Funding ask of £7.6m would provide funding to upgrade around 2,000 vehicles, around half the in scope non-compliant fleet.</p> |

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<sub>2</sub> 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.

### Operating Body

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<sub>2</sub> 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 On 3<sup>rd</sup> August 2020, the GM local authorities received a letter from the Greater Manchester Taxi Trade Coalition requesting that the GM CAP and MLS consultations be delayed until such time as the full impact of COVID-19 on the taxi trade can be assessed. A copy of this letter is attached at Appendix 7. As at the time of the drafting of this report, a response is being prepared, but it is noted that the 10 GM authorities remain under a legal duty to comply with the ministerial direction dated 16<sup>th</sup> March 2020 which requires them to consult on the GM CAP proposals as soon as reasonably practicable and requires the implementation of a category C clean air zone (with additional measures) so as to achieve NO<sub>2</sub> compliance in the shortest possible time, and by 2024 at the latest. Given the overlap of proposed MLS vehicle age and emission standards with the Clean Air plan agenda, there is a need for parallel consultations to be undertaken for MLS and GM CAP so that charging, funding, and licensing policy positions are coherent and joined-up. The wider points raised by the Coalition, including COVID-19 impacts, will be considered as part of the GM CAP and MLS consultations as set out in section 6 above.
- 8.8 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.
- 8.9 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 delivery of 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.