

# Greater Manchester's Clean Air Plan to Tackle Nitrogen Dioxide Exceedances at the Roadside

## Policy for Consultation



Salford City Council



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<b>Reviewed by:</b> <b>Date:</b>	MEGAN BLACK JULY 2020		

## **1 Purpose of this document<sup>1</sup>**

- 1.1 Government has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) 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 NO<sub>2</sub> Exceedances at the Roadside, referred to as GM CAP.
- 1.2 This is the GM CAP Policy. This document sets out the proposed policy position at consultation for each of the proposed measures to enable key audience groups who will be most affected by the proposed measures to engage with the consultation and respond in a meaningful way.
- 1.3 It provides the proposed policy positions for each of the measures, which together constitute the GM CAP. This document includes reference to specific technical materials which are published as part of the consultation. In doing so, it is intended to assist consultees in navigating the different materials published as part of the consultation.
- 1.4 This document does not and is not intended to provide detailed information on the processes that underpin the delivery of the Policy for the GM CAP, e.g. how discounts and exemptions will be applied for.
- 1.5 The intention is that GM CAP Policy will be reviewed in line with the findings from the statutory consultation.
- 1.6 The proposals set out within this document reflect analysis undertaken prior to the coronavirus (COVID-19) pandemic. Therefore, in addition to consultation feedback, the future development of this policy will be informed by further assessment of the impacts of COVID-19 on the GM CAP.
- 1.7 The public sector body which will be responsible for day to day operation of the CAZ, the implementation of other GM CAP measures, is assumed to be TfGM. An options appraisal concluded that TfGM should take on responsibilities for the CAZ integrating GM CAP delivery within their wider strategic GM responsibilities to operate the GM Clean Air Service.

## **2 Background**

- 2.1 As a result of elevated NO<sub>2</sub> concentrations in major urban areas, since 2010 the UK has been in breach of the legal Limit Value for annual mean concentrations of nitrogen dioxide (NO<sub>2</sub>)<sup>2</sup>, as set by the European Ambient Air Quality Directive (2008/50/EC), which incorporates many World Health Organisation air quality standards into European Law. This legislation is transposed into English law through the Air Quality Standards Regulations 2010.

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<sup>1</sup> Yellow highlights indicate where cross references/links to wider consultation documents will need to be added once approved.

<sup>2</sup> The legal Limit Value for annual mean concentrations of NO<sub>2</sub> is 40µg/m<sup>3</sup>

- 2.2 The UK Government's Air Quality Plan<sup>3</sup> requires local authorities with persistent exceedances of the legal Limit Value, including those within GM, to undertake local action to consider the best option to meet legal NO<sub>2</sub> limits in the shortest possible time.
- 2.3 GM submitted an Outline Business Case (OBC) setting out the GM CAP proposals to the Government at the end of March 2019. In July 2019 a ministerial direction under the Environment Act 1995, the Environment Act 1995 (Greater Manchester) Air Quality Direction 2019 was made, which requires all ten of the Greater Manchester (GM) local authorities to implement a charging Clean Air Zone Class C across the region, hereafter referred to as the Greater Manchester Clean Air Zone (GM CAZ).
- 2.4 The OBC included six measures to support implementation of the GM CAZ and to reduce the adverse impacts identified:
- Clean Bus Fund
  - Clean Commercial Vehicle Fund
  - Clean Taxi Fund
  - Vehicle Finance
  - Electric Vehicle Infrastructure
  - Sustainable Journeys
- 2.5 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. 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 package of measures.
- 2.6 These forms of engagement and dialogue have all informed the policy positions set out in this document. The full report from the conversation can be found online at <https://cleanairgm.com/technical-documents>.
- 2.7 In March 2020, a further ministerial direction, the Environment Act 1995 (Greater Manchester) Air Quality Direction 2020<sup>4</sup> was made, requiring all ten of the Greater Manchester (GM) local authorities to implement a charging Clean Air Zone Class C across the region so that:
- (a) Compliance with the legal limit value for nitrogen dioxide is achieved in the shortest possible time and by 2024 at the latest,
  - (b) Exposure to levels above the legal limit value for nitrogen dioxide are reduced as quickly as possible

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<sup>3</sup> Department for Environment, Food & Rural Affairs. 2017. UK plan for tackling roadside nitrogen dioxide concentrations. Available at: <https://www.gov.uk/government/publications/air-quality-plan-for-nitrogen-dioxide-no2-in-uk-2017>

<sup>4</sup> Environment Act 1995 (Greater Manchester) Air Quality Direction 2020. Available at: [\[Insert link to where the March 2020 Ministerial direction letter is published on the GM Clean Air website\]](#)

The March 2020 ministerial direction supersedes the July 2019 ministerial direction<sup>5</sup>.

- 2.8 In March 2020, GM were advised that the Government does not support the Sustainable Journeys measure as it would only contribute to a minimal reduction in emissions of nitrogen oxides (NO<sub>x</sub>) in key locations. Government also provided feedback that Electric Vehicle Infrastructure is not needed for compliance and so would not be supported by implementation fund monies, but that they would commit to working with TfGM on securing alternative funding. The Office for Low Emission Vehicles (OLEV) was allocated £500m in the 11 March 2020 budget. TfGM, on behalf of GM, will be developing the case for funding electric vehicle charging infrastructure within GM for submission to OLEV/Department for Transport.
- 2.9 Since submission of the OBC, GM has done further analysis to understand who is likely to be who economically vulnerable to the impacts of the GM CAZ. It may also be the case that the proposed amount of grant funding set out in this document to help upgrade to a compliant vehicle, may not be enough to adequately mitigate the potential adverse economic impacts for all those most vulnerable by the GM CAZ. GM is addressing this through the introduction of a Hardship Fund.
- 2.10 This document sets out the policy position at consultation for each of the proposed measures, which together constitute the GM CAP, namely:
- Greater Manchester Charging Clean Air Zone (Section 3)
  - Clean Bus Fund (Section 5)
  - Vehicle Finance (Section 6)
  - Clean Commercial Vehicle Fund (Section 7)
  - Clean Taxi Fund (Section 8)
  - Hardship Fund (Section 9)

### **3 Greater Manchester Charging Clean Air Zone (GM CAZ)**

- 3.1 GM has been directed by the Government to introduce a charging Clean Air Zone Class C across the region. This means that owners or registered keepers of the following vehicle types will be required to pay a daily charge for driving within the zone, if the vehicle does not comply with the vehicle emission standards in the Government's Clean Air Zone Framework<sup>6</sup>:
- Licensed Hackney Carriages
  - Licensed Private Hire Vehicles (PHVs)

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<sup>5</sup> Environment Act 1995 (Greater Manchester) Air Quality Direction 2019. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/817395/air-quality-direction-greater-manchester.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/817395/air-quality-direction-greater-manchester.pdf)

<sup>6</sup> Department for Environment, Food & Rural Affairs and Department for Transport. 2020. Clean Air Zone Framework. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/863730/clean-air-zone-framework-feb2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863730/clean-air-zone-framework-feb2020.pdf)

- Buses
- Coaches
- Minibuses
- Light Goods Vehicles (LGVs)
- Heavy Goods Vehicles (HGVs)

Vehicles which meet the emissions standards will not be subject to charges. The CAZ vehicle categories and minimum emission standards as set out in the Clean Air Zone Framework<sup>7</sup> are provided in **Appendix 1**.

- 3.2 A central government database (vehicle checker) will determine if a vehicle is in scope for a charge. This vehicle checker is primarily linked to the Driving and Vehicle Licensing Agency (DVLA) database holding information on the classification of vehicles (often found on a V5C document). The vehicle checker can be accessed online at: <https://www.gov.uk/check-clean-air-zone-charge>. Any queries relating to the classification of vehicles is a matter for the registered keeper and the DVLA.
- 3.3 The GM CAZ will be implemented through a Road User Charging Scheme Order<sup>8</sup> with an estimated start date in Spring 2022.
- 3.4 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 the Legal Limit value for NO<sub>2</sub> of an annual mean of 40 µg/m<sup>3</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 CAZ.
- 3.5 **Table 1** provides a summary of the key characteristics of the proposed GM CAZ.

<sup>7</sup> Department for Environment, Food & Rural Affairs and Department for Transport. 2020. Clean Air Zone Framework, Annex A – Clean Air Zone minimum classes and standards. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/863730/clean-air-zone-framework-feb2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863730/clean-air-zone-framework-feb2020.pdf)

<sup>8</sup> Secondary legislation which empowers traffic authorities to charge road users, in accordance with the Transport Act 2000.

**Table 1: Key Characteristics of the GM CAZ**

Clean Air Zone: Boundary	Primarily aligned with the administrative boundary of Greater Manchester Authorities, excludes the Strategic Road Network (SRN) <sup>9</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, 365 days per year
Clean Air Zone: Vehicles Affected	Licensed Hackney Carriages Licensed PHVs Buses Coaches Minibuses LGVs HGVs
Clean Air Zone: Exemptions	Certain vehicle types may be eligible for exemptions as detailed in para 3.8
Clean Air Zone: Discounts	Certain vehicle types may be eligible for discounts as detailed in para 3.8
Clean Air Zone: Daily Charges	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. <ul style="list-style-type: none"> <li>• Licensed Hackney Carriages – £7.50 per 'Charging Day'</li> <li>• Licensed Private Hire Vehicles – £7.50 per 'Charging Day'</li> <li>• Buses – £60 per 'Charging Day'</li> <li>• Coaches – £60 per 'Charging Day'</li> <li>• Minibuses – £10 per 'Charging Day'</li> <li>• LGVs – £10 per 'Charging Day'</li> <li>• HGVs – £60 per 'Charging Day'</li> </ul> Owners or registered keepers of non-compliant vehicles used within the GM CAZ will be required to pay the relevant charge via a Central Government Payment Portal. The Government intends that a user can pay 7 days in advance, including the journey date (Charging Day), or 7 days retrospectively including the journey date (Charging Day).
Penalty for non/late payment of CAZ charge	£120 (in addition to the daily charge) will be applied to all relevant vehicles (reduced to £60 plus the daily charge if paid within 14 days of Penalty Charge Notice being issued)

<sup>9</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>

- 3.6 **Enforcement** of the GM CAZ will be undertaken in accordance with the prescribed process set out within Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013.
- 3.6.1 The GM CAZ will use a network of automatic number plate recognition (ANPR) cameras to identify vehicles which are non-compliant. Where non-compliant vehicles are identified by the ANPR system to be travelling within the GM CAZ and charges have not been paid, owners or registered keepers will be notified of a penalty charge via a Penalty Charge Notice (PCN). Data collected through the ANPR system will be used for the purposes of managing the GM CAZ and will be handled in accordance with the General Data Protection Regulations (GDPR) and Data Protection Act 2018.
- 3.6.2 If the person or organisation named on the PCN pays the amount specified on the PCN within 14 days, the amount payable is reduced to £60 (in addition to the daily charge).
- 3.6.3 If the person or organisation named on the PCN does not either pay the amount specified on the PCN (known as a 'representation') within 28 days of it being issued, then a Charge Certificate would be issued and the penalty charge would be increased to £120 (in addition to the daily charge).
- 3.6.4 A representation to challenge a PCN cannot be made once the Charge Certificate has been served. However, the person or organisation named on the Charge Certificate can make a Statutory Declaration if they did not receive the PCN or they have not received a response to a representation. Failure to pay the cumulative fine specified on the Court Order may result in enforcement agents being instructed to recover the monies owed.
- 3.7 **Discounts and Exemptions** – whilst there is a general presumption that the requirements for charging CAZs will apply to all vehicles according to the relevant zone class, there will be certain circumstances where discounts or exemptions from a charge will be appropriate.
- 3.7.1 The Government's Clean Air Zone Framework<sup>3</sup> sets out the permanent exemptions i.e. those which will be exempt from charges for all CAZs including the GM CAZ. These are in place due to some types of vehicle being particularly difficult or uneconomic to adapt to comply with the framework's requirements. They also cover vehicles that are engaged in particularly unique or novel operations. National, permanent exemptions that apply to all CAZs are set out in **Table 2**.

**Table 2: Permanent Exemptions to CAZ Charges, set by the Government**

Permanent exemptions	Description	Rationale	Further Information
Historic vehicles	Vehicles with a 'historic' vehicle tax class (vehicles built or first registered more than 40 years ago)	Exempt due to age and unsuitability for compliant retrofitting	A database of these nationally exempt vehicles will be managed via the Central Government Payment Portal, so vehicles will be automatically exempt with no additional action required by the owner or registered keeper.
Military vehicles	Vehicles in use by UK Armed Forces	Exempt from charges by virtue of Section 349 of the Armed Forces Act 2006	
Disabled Passenger Vehicle	Vehicles within the DVLA Disabled Passenger Vehicle tax class, used by organisations providing transport for disabled people.	This group of vehicles may include a range of specialist and/or novel or adapted vehicles, where it may generally not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ.	
Specialist Emergency Service Vehicles	Specialist vehicles in use by emergency services, such as aerial ladders and major incident command vehicles.	This group of vehicles may include a range of specialist and/or novel or adapted vehicles where it may generally not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ.	

3.8 In addition to stipulating national exemptions, the Government's Clean Air Zone Framework<sup>3</sup> makes provision for local authorities to consider allowing additional exemptions or discounts based on particular local circumstances, specifically highlighting the need to liaise with emergency services operating in the area to understand the type of vehicles in their fleets and the activities for which they are used. Further local exemptions and discounts can be proposed on this basis so long as they do not undermine the ability to achieve compliance in the shortest possible time.

3.9 GM is proposing the following local exemptions and discounts for the GM CAZ. These exemptions and discounts fall into three categories:

- Permanent local exemptions (set out in **Table 3**);
- Temporary local exemptions<sup>10</sup> (set out in **Table 4**); and
- Permanent local discounts (set out in **Table 5**).

<sup>10</sup> A temporary local exemption is time limited exemption, applied for a fixed period. Within this temporary local exemption period, eligible vehicles would not pay a charge. Following the expiry of a temporary local exemption, non-compliant vehicles will be charged. Note there may be a requirement to apply for discounts and exemptions.

**Table 3: Permanent local exemptions proposed by Greater Manchester**

Permanent local exemptions	Description	Rationale	Further Information
Specialist Heavy Goods Vehicles	Certain types of heavily specialised HGVs, such as certain vehicles used in construction or vehicle recovery.	This group of vehicles includes certain novel or adapted road going HGVs of a particularly specialised nature, meaning it may not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ.	It is proposed that owners or registered keepers of specialist HGVs will need to apply for this exemption, as there is no national database of these vehicles.
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	This group of vehicles includes a range of specialist and/or novel or adapted vehicles, where it may generally not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ.	It is proposed that owners or registered keepers of non-road going vehicles not identified through DVLA vehicle classification will need to apply for this exemption.
Vehicles used by emergency services	Certain types of vehicles used by emergency services front line emergency and certain non-emergency vehicles	This group of vehicles includes a range of vehicles, associated with front line emergency response, and where it may generally not be practical to upgrade to a vehicle compliant with the emission standards of the GM CAZ, which are not captured by the national exemption.	It is proposed that a locally managed database of vehicles exempted will be developed in liaison with emergency services.
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	These vehicles provide important access to employment, education and training for people who may otherwise be isolated, including those with mobility issues and located in areas with poor public transport accessibility. They also facilitate inclusion in social and community activities.	It is proposed that owners or registered keepers of community minibuses will need to apply for this exemption, as there is no national database of these vehicles.

Permanent local exemptions	Description	Rationale	Further Information
Showmen's Guild vehicles	Fairground/funfair vehicles which are registered with the Showmen's Guild	This group of vehicles includes a range of specialist and/or novel or adapted vehicles, where it may generally not be practical to upgrade to a vehicle compliant with the standards of the GM CAZ.	It is proposed that the Showman's Guild will notify GM of the vehicles registered with the Showman's Guild and that these vehicles will be exempted.
Driving within the zone because of a road diversion	<p>Vehicles driving within the zone because of a road diversion who would otherwise not have entered the GM CAZ.</p> <p>Applies only while the diversion is active and subject to non-compliant vehicles being on the designated diversion route.</p>	<p>This exemption is aimed at protecting road safety and recognises that vehicles may enter the GM CAZ for reasons outside of the driver's control.</p> <p>The exemption will apply to vehicles which enter the GM CAZ as a direct result of a road diversion only.</p>	It is intended that no additional action will be required by the owner or registered keeper of a non-compliant vehicle driving on a diversion route who would otherwise not have entered the GM CAZ.
Disabled Tax Class vehicles	Vehicles used by, or for the purposes of a disabled person which are exempt from vehicle tax.	<p>This exemption is complementary to the vehicle tax exemption for Disabled Tax Class vehicles.</p> <p>An exemption certificate will have been secured for vehicles within this group, following a successful application to the Driver and Vehicle Licensing Authority (DVLA) for exemption from vehicle tax. The vehicle must be used solely for the purposes of the disabled person.</p>	A database of these nationally exempt vehicles will be managed via the Central Government Payment Portal, so vehicles will be automatically exempt with no additional action required by the registered keeper.

**Table 4: Temporary local exemptions proposed by Greater Manchester**

Temporary local exemptions	Description	Rationale	Further Information
<p>LGVs and minibuses  (which are not a licensed taxi or PHV or used to provide a registered bus service)</p>	<p>Light Goods Vehicles (LGVs) and minibuses which are not used as a licensed taxi, PHV or on a registered bus service, will be eligible for a temporary exemption until 31<sup>st</sup> December 2022.</p> <p>After 31st December 2022, non-compliant vehicles will be charged.</p>	<p>GM evidence indicates that the cost and availability of new, second and third hand compliant LGVs will not provide a viable or an affordable option for many operators (especially for the smallest businesses and sole traders) to upgrade to a compliant vehicle in 2022, given the scale of the GM CAZ.</p> <p>Introducing a charge in 2022 risks many operators having to switch from using an LGV to a pre-Euro 6 diesel car or stop trading.</p> <p>Given the number of LGVs operating in GM, there is also a high risk of there being insufficient time in advance of 2022 to administer the funding required to support affected parties to upgrade to compliant LGVs.</p>	<p>As proposed, this temporary exemption for LGVs and minibuses does not affect the projected year of legal Limit Value compliance with the GM CAZ in place, or the number of exceedances in 2023.</p> <p>It is proposed that this exemption will be managed centrally so eligible vehicles will be automatically exempt with no additional action required by the registered keeper.</p>
<p>GM licensed Wheelchair Accessible Taxi &amp; PHVs</p>	<p>Wheelchair Accessible Taxi and Private Hire Vehicles (PHVs), which are licensed to one of the 10 GM Authorities, as of the [date of the close of the consultation] will be eligible for a temporary exemption until 31st December 2022.</p> <p>After 31st December 2022, non-compliant vehicles will be charged.</p>	<p>Wheelchair accessible Taxis and Private Hire Vehicles offer a vital service for disabled people and are often the only mode of travel available to them.</p> <p>26% of taxi users report that they have a health problem or disability that limits their day-to-day activities, and 26% of taxi users over 65s say that they cannot use buses due to a disability<sup>11</sup>.</p> <p>The cost of upgrade to a wheelchair accessible vehicle (WAV) is high and</p>	<p>As proposed, a temporary exemption for wheelchair accessible taxis and PHVs does not affect the year of compliance or the number of exceedances in 2023.</p> <p>It is expected that this exemption will be facilitated through the Government's Hackney Cab and PHV Centralised Database, which forms part of the wider digital infrastructure that is being developed to support the introduction of charging Clean Air Zones.</p>

<sup>11</sup> November 2019 Hatch Regeneris "CAZ Commercial Vehicle Socio-Economic Impacts Research"

Temporary local exemptions	Description	Rationale	Further Information
		<p>availability of second-hand vehicles is poor (especially for London-style Taxis).<sup>12</sup></p> <p>The application of GM CAZ charges in 2022 could therefore affect disabled people's access to taxi/PHV services, by reducing the number of wheelchair accessible vehicles operating in the region.</p>	<p>Therefore, no additional action will be required by the registered keeper.</p>
<p>Coaches and buses registered to a business address within GM and not used on a registered bus service within GM.</p>	<p>Coaches and buses 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.</p> <p>After 31st December 2022, non-compliant vehicles will be charged.</p>	<p>Although compliant Euro VI coaches have been available since 2013, the majority (67%) of the fleet operating within GM is not compliant with the GM CAZ emission standards<sup>13</sup>.</p> <p>This is because coaches have a long running life and upgrade to a compliant vehicle is very expensive.</p> <p>69% of coach operators are small businesses and have very small fleets of 1-5 vehicles.</p> <p>There is a risk that even with funding support - coach operators cannot reasonably comply with the GM CAZ emission standards by 2022 and that this creates a risk of reduced coach operations.</p> <p>In comparison to buses, retrofit solutions are also relatively immature, affecting availability.</p>	<p>Analysis shows that coaches make up under 0.5% of total traffic<sup>14</sup> and as proposed, a temporary exemption for coaches is not projected to affect the year of compliance or the number of exceedances of the legal Limit Value in 2023.</p> <p>Owners or registered keepers of coaches and buses registered to a business address within GM and not used on a registered bus service within GM will need to apply for this exemption, as there is no database of these vehicles.</p>

<sup>12</sup> Insert source of evidence based upon final suite of consultation deliverables

<sup>13</sup> Insert source of evidence/analysis based upon final suite of consultation deliverables

<sup>14</sup> Insert source of evidence/analysis based upon final suite of consultation deliverables

Temporary local exemptions	Description	Rationale	Further Information
		<p>This in turn risks affecting accessibility and the provision of services for vulnerable groups, particularly children, elderly people and those on low incomes.</p> <p>We also recognise that there are buses used within GM for private enterprise, such as wedding transport, which if non-compliant may be subject to a GM CAZ charge.</p>	
Outstanding finance or lease on non-compliant vehicles	<p>Non-compliant vehicles subject to finance or lease agreements entered into before [date of the close of the consultation] which will remain outstanding at the time at which the GM CAZ becomes operational, will be eligible for a temporary exemption until the agreement ends or until 31st December 2022, whichever is sooner.</p> <p>After 31st December 2022, non-compliant vehicles will be charged.</p>	<p>A move to a compliant vehicle is not considered feasible due to outstanding finance, which was entered into before information on the GM CAZ had been made publicly available.</p>	<p>Owners or registered keepers of non-compliant vehicles which are subject to outstanding finance or lease agreements at the time at which the GM CAZ becomes operational will need to apply for this exemption, as there is no national database of these vehicles.</p>
Limited supply (awaiting delivery of a compliant vehicle)	<p>Owners or registered keepers of non-compliant vehicles that can demonstrate they have placed an order for a compliant replacement vehicle or retrofit solution, will be eligible for a temporary exemption until such a time as they are in receipt of the compliant replacement vehicle or retrofit solution, or for 12 weeks, whichever is sooner.</p>	<p>Upgrade to a compliant vehicle is not immediately possible due to an issue with the supply of a compliant vehicle or retrofit solution on order, which is considered outside of the control of the applicant.</p>	<p>Registered keepers of non-compliant vehicles who can evidence that they have placed an order for a compliant replacement vehicle or retrofit solution, which is yet to be received, will need to apply for this exemption, as there is no national database of these vehicles.</p>

**Table 5 Permanent local discounts proposed by Greater Manchester**

Permanent local discounts	Description	Rationale	Further Information
<p>PHVs (owned or exclusively contracted by 1 person) licensed to one of the 10 GM Local Authorities and also used as a private car</p>	<p>Owners or 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 (proposed to be £37.50 per week) from 2022.</p>	<p>This responds to previous consultation feedback which highlighted the large proportion of PHVs that are also used as a private car when not in service, and private cars will not be subject to charges under the GM CAZ.</p> <p>The discounted charge is based upon the proportion of the week that vehicles could reasonably be expected to be in service.</p>	<p>Owners or registered keepers of non-compliant PHVs licensed to one of the 10 GM Local Authorities which are also used as a private car will need to apply for this exemption.</p>
<p>Leisure vehicles in private ownership (&gt;3.5t)</p>	<p>Owners or registered keepers of leisure vehicles (&gt;3.5t) in private ownership (e.g. motor caravan (&gt;3.5t), motorised horse box (&gt;3.5t)), and registered to an address in GM for not less than twelve (12) full consecutive calendar months prior to the date of application, will be eligible to apply for a discounted charge.</p> <p>The vehicle would be eligible for consideration for a charge equivalent to the LGV daily charge (proposed to be £10 a day), rather than the HGV daily charge (proposed to be £60 a day).</p> <p>The discount will be subject to providing evidence that the vehicle is not used for commercial purposes.</p>	<p>A small proportion of HGVs will be in private ownership, largely used for leisure purposes, e.g. motor caravans (&gt;3.5t) and motorised horseboxes (&gt;3.5t). This group of vehicles includes a range of specialist and/or adapted vehicles, which are often bought second or third hand where it may generally not be feasible to upgrade to a vehicle compliant with the emission standards of the GM CAZ.</p> <p>This approach recognises feedback received during the "Clean Air Conversation".</p>	<p>Owners or registered keepers of leisure vehicles in private ownership which have a gross weight above 3,500kg will need to apply for this discount.</p>

## 4 Funding to upgrade to compliant vehicles

4.1 GM proposes the following package of funding support to help owners or registered keepers of non-compliant vehicles with the cost of upgrading their vehicles so they are compliant with the emission standards required by the implementation of a GM CAZ, so as not to be subject to a charge. The aim of the funding is to mitigate the negative socio-economic effects of the GM CAZ. The funding proposals are:

- A Clean Commercial Fund to provide financial support for the upgrade of non-compliant LGVs and HGVs, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders, individuals and the charity/voluntary sector.
- A Clean Taxi Fund to provide financial support for the upgrade of non-compliant GM Licensed Hackney Carriage and private hire vehicles.
- A Clean Bus Fund to provide financial support for the upgrade of non-compliant buses registered to run services across Greater Manchester.
- A Hardship Fund to support individuals, companies and organisations who are considered to be the most vulnerable to the potential economic impacts of the GM CAZ.

4.2 This means that the owners or registered keepers of a non-compliant vehicle that will be subject to the GM CAZ charges may be eligible to apply for financial support towards upgrading to a compliant vehicle, subject to meeting eligibility criteria.

4.3 GM is proposing that financial support is:

- only offered for vehicles that do not comply with the relevant GM CAZ emission standards and are not eligible for a permanent national or local exemption;
- provided for the replacement of a non-compliant vehicle with a compliant vehicle on a 'like-for-like' basis – i.e. financial support will not be available to facilitate upgrade of a non-compliant vehicle to a compliant vehicle of a different vehicle type (e.g. LGV, HGV) or Euro Category (e.g. N1, N2) (see Appendix A, **Table A1** for details of vehicle types and Euro Categories);
- facilitated directly with accredited suppliers of retrofit and replacement upgrade options, to ensure maintenance of a comprehensive audit trail, accountability for public funding and to reduce the risk of fraudulent activity and misappropriation of funds. The exceptions to this are the Clean Bus Fund and running cost grants under the Clean Taxi Fund;
- with the exception of the Clean Bus Fund, limited to a maximum of 10 vehicles per Applicant, with a maximum of 8 vehicles for Hackney Carriages and 5 vehicles for HGV retrofit;
- managed and administered centrally on behalf of the 10 GM authorities; and

- only available insofar as it complies with UK government and European requirements, including but not limited to State Aid Regulations<sup>15</sup>.

## 5 Clean Bus Fund

- 5.1 **Retrofit** – In the OBC, GM set out that the Clean Bus Fund would provide a financial support mechanism to, where possible, retrofit buses with older engine standards to the less polluting Euro VI standard. This funding would apply to buses registered to run services across the region.
- 5.2 In March 2020 the Government awarded £14.7m as an initial tranche of funding to retrofit buses running services in GM that have older engines which are not compliant with the GM CAZ emission standards. The Government’s Joint Air Quality Unit<sup>16</sup> (JAQU) has confirmed that this funding can be delivered as a continuation of Clean Bus Technology Funds and is to be distributed as soon as possible.
- 5.3 As such, a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system will be available and administered through an extension of the existing system in place under the Clean Bus Technology Fund (CBTF). Financial support will be available to vehicles that have operated for a minimum of 6 months on a GM registered bus service and are less than 13 years old. As this funding mechanism is distinct from the wider delivery of the GM CAP, no consultation feedback is requested on this aspect of the policy.
- 5.4 **Replacement** – In the OBC GM estimated 350 buses could not be retrofitted and it would be for the market to find a solution. This estimate has now been revised based on further evidence and it has been established that there are more than 500 non-compliant buses that cannot be retrofitted operating in GM. GM is proposing to the Government that it requires circa £9m of funding to support the replacement of non-compliant vehicles operating on registered bus services in GM.
- 5.5 On the award of government funding GM proposes that a grant of up to £16,000 will be available towards the cost of replacing a non-compliant bus registered to run services across GM with a compliant vehicle which meets GM CAZ emission standards.
- 5.6 Applicants would need to be able to demonstrate that:
- they are the registered operator for a registered bus service operating in GM;
  - they have not been in receipt of, or be subject to a current Application for, public sector clean air funding in GM or elsewhere in the United Kingdom for upgrade (retrofit or replacement) of the same vehicle(s) that is to be upgraded through the GM Clean Bus Fund;

<sup>15</sup> The UK has left the EU and is now in a transition period, while the UK and EU negotiate additional arrangements before new rules come into place from 1 January 2021. The current rules on state aid continue to apply during the transition period. The final GM CAP policy will need to comply with any government state aid rules or subsidy control framework that are in place.

<sup>16</sup> A joint unit of the DfT and the Department for Environment, Food and Rural Affairs, has led the Government’s current work to try and ensure the UK is compliant with EU limit values for nitrogen dioxide in the shortest time possible.

- they have been operating on a registered bus service, within GM, for not less than twelve (12) full consecutive calendar months prior to the date of application;
- the vehicle has been registered to the applicant for not less than twelve (12) consecutive calendar months prior to the date of application, evidenced through the V5C Registration Document;
- the vehicle has a valid MOT, road tax and suitable insurance to operate a bus passenger service at the date of application;
- the upgraded vehicle will be compliant with the GM CAZ emission standards as a minimum;
- the upgraded vehicle will continue to operate on a registered bus service within GM for a minimum of 5 years following receipt of funding. If it is replaced or taken out of service in GM it must be replaced by a vehicle which meets the same emissions standard and passenger capacity, or better, e.g. a compliant double decker bus must be replaced with another compliant double decker bus, and must be of the same age or younger.

5.7 **Management of funds** – If the fund is oversubscribed, it is proposed that, in addition to applicants meeting the eligibility criteria, a process could be applied which seeks to maximise air quality benefits, i.e. funding could initially be targeted towards the upgrade of the oldest vehicles first.

## 6 Vehicle Finance

6.1 In its OBC, GM said it would investigate a scheme to offer loans at preferential rates for those taking advantage of the Clean Air funds.

6.2 Feedback received as part of the Clean Air conversation in 2019 indicated 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.

6.3 In response to this 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 GM CAZ.

6.4 The Vehicle Finance measure will provide access to affordable finance for eligible applicants who require assistance in funding the cost of upgrading to a compliant HGV, LGV, Coach, Minibus, GM licensed Hackney Carriage or GM licensed Private Hire Vehicle. It has been designed to address some of the potential reasons that finance might typically be refused, including:

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

6.5 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 of either a lump sum grant or a finance contribution towards vehicle finance for upgrade to a compliant vehicle. Applicants will therefore be able to choose the option which best suits their individual circumstances. These options are as follows:

- Lump sum grant contributes to the cost of replacement or retrofit – the Applicant funds the remaining costs with their own capital or financing arrangements; or
- Vehicle Finance contributes to the cost of financing a replacement vehicle through the GM scheme, through either a lease or Hire Purchase – the Applicant pays monthly for an agreed finance period.

6.6 All financial support set out in the following sections includes a proposed amount of grant funding and the alternative figure, available as a contribution towards vehicle finance. Eligibility criteria for both of these options is detailed in Sections 7 – Clean Commercial Vehicle Fund and 8 – Clean Taxi Fund.

6.7 In addition to meeting the eligibility criteria set out in Sections 7 and 8, those seeking vehicle finance will need to:

- hold a UK bank account in the name of the applicant or business;
- consent to the Lending Body carrying out credit reference searches on their credit history;
- require a 10% deposit contribution (cash or vehicle trade-in value);
- note that lending decisions will rest with finance provider; and
- recognise that whilst they may be eligible for a non-repayable grant through Clean Air Funds, they may not be able to secure a vehicle finance agreement due to their individual circumstances.

## 7 Clean Commercial Vehicle Fund

7.1 GM has set out to the Government an ask of £98m for the Clean Commercial Vehicle Fund (CCVF), to provide a financial support mechanism for the upgrade of LGVs and HGVs, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector.

7.2 **HGVs** – In March 2020, the Government awarded GM £7.6m as an initial tranche of funding towards the upgrade of HGVs, by either retrofitting vehicles currently in use, so that they subsequently meet the GM CAZ emission standards, or replacing non-compliant vehicles with compliant vehicles. Funding will be available to both commercial and private owners or registered keepers of non-compliant HGVs.

- 7.3 GM is proposing that a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system will be available, OR a replacement grant of up to £5,500 per vehicle, dependent on vehicle size. Alternatively, access to vehicle finance will be available for replacement of non-compliant vehicles, offering an average finance contribution of up to £5,500 with the finance contribution per vehicle capped at £8,000.
- 7.4 Replacement grants for upgrade of non-compliant HGVs are proposed to be tiered as follows:
- 44t articulated up to £4,500 per vehicle
  - 32t rigid up to £5,500 per vehicle
  - 26t up to £4,500 per vehicle
  - 18t up to £3,500 per vehicle
  - <7.5t up to £2,500 per vehicle
- 7.5 **LGV** – GM is proposing to the Government that it requires £80m of funding towards replacing non-compliant vehicles with those that meet the GM CAZ emission standards.
- 7.6 Subject to the award of government funding to GM, it is proposed that a replacement grant of up to £3,500 per vehicle will be available, OR access to vehicle finance, offering an average finance contribution of £3,500, with the finance contribution per vehicle capped at £5,000.
- 7.7 **Minibuses** (which are not a GM licensed taxi or PHV or used on a GM registered bus service) – In March 2020 the Government awarded £2m as an initial tranche of funding towards replacing non-compliant vehicles with those that meet the GM CAZ emission standards.
- 7.8 GM is proposing that a replacement grant of up to £5,000 per vehicle will be available, OR access to vehicle finance, offering an average finance contribution of £5,000, with the finance contribution per vehicle capped at £7,000.
- 7.9 **Coaches and Buses** (which are not used on a GM registered bus service) – In March 2020 the Government awarded £4.4m as an initial tranche of funding towards the upgrade of coaches, by either retrofitting vehicles currently in use, so that they subsequently meet the GM CAZ emission standards, or replacing non-compliant vehicles with compliant vehicles.
- 7.10 GM is proposing that a grant of up to £16,000 towards retrofit to a compliant standard via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified system will be available, OR a replacement grant of up to £16,000 per vehicle. Alternatively, access to vehicle finance will be available for replacement of non-compliant vehicles, offering an average finance contribution of £16,000, with the finance contribution per vehicle capped at £23,000.

## 7.11 Applicants for the CCVF would need to be able to demonstrate that:

- they are either:
  - a small business<sup>17</sup>,
  - a micro business/entity<sup>18</sup>;
  - Self-employed / sole trader<sup>19</sup>;
  - an entity regulated by the Charity Commission (including registered, active charities and active charities exempted from registration);
  - a social enterprise<sup>20</sup> (including non-profit organisations); or
  - a private owner (owner or registered keeper) of non-compliant vehicles<sup>21</sup> which are not used for commercial purposes.
- they have had a registered address within GM for not less than twelve (12) full consecutive calendar months prior to the date of Application.
- they have not already been in receipt of government clean air funding for the purpose of upgrade of the same non-compliant vehicle that is the subject of the application, in GM or elsewhere in the United Kingdom;
- they are not in receipt of, or have made a successful application for, an Office of Low Emission Vehicle (OLEV) grant for the acquisition of the same compliant vehicle that is the subject of the GM CCVF application;
- they have not received and do not expect to receive more than 200,000 Euros (or equivalent) of state aid from any source over a period of three fiscal years, if seeking funding support for the upgrade of a non-Road Freight Transport vehicle<sup>22</sup>. This figure is inclusive of any discounts, exemptions, grants or Vehicle Finance secured through the GM CAP or any other funding source, including the grant applied for.

<sup>17</sup> A business/company will be considered 'small' if it has any 2 of the following:

- a turnover of £10.2 million or less;
- £5.1 million or less on its balance sheet;
- 50 employees or less;

As defined by Companies House, August 2019

<sup>18</sup> A company will be considered a micro-entity if it has any 2 of the following:

- a turnover of £632,000 or less;
- £316,000 or less on its balance sheet;
- 10 employees or less;

As defined by Companies House, August 2019

<sup>19</sup> Applicants are probably self-employed / a sole trader if any of the following apply:

- you are paid for goods and services you provide;
- you need to prove you're self-employed, for example to claim Tax-Free Childcare or you make voluntary Class 2 National Insurance payments to help you qualify for benefits;
- you submit tax returns (last financial year) for your income;
- you have business insurance or employer's liability insurance;
- you are considered self-employed by HMRC;
- you have a business bank account.

<sup>20</sup> A business is a social enterprise if it is able to demonstrate it:

- operates as a business with primarily social/environmental objectives, whose surpluses are principally reinvested for that purpose in the business or community rather than mainly being paid to shareholders and owners;
- does not pay more than 50 per cent of profit or surplus to owners or shareholders, as a social enterprise principally reinvests profit or surplus into the enterprise instead of paying it to owners or shareholders
- is registered with Companies House as an active company in the UK (or the Financial Conduct Authority if a cooperative); AND
- According to the legal structure may be beneficiary of government funds.

<sup>21</sup> LGVs, HGVs, minibuses, or buses and coaches which are not used to operate a registered bus services within GM.

<sup>22</sup> This category includes all HGVs and LGVs which are used for the purposes of performing road freight transport for hire or reward.

- the non-compliant vehicle must be registered to the Applicant, or an authorised employee, director or trustee of the Applicant/organisation, for not less than twelve (12) consecutive calendar months prior to the date of Application, evidenced through the V5C Registration Document provided with the Application;
- the non-compliant vehicle must have been registered to an address in GM for not less than twelve (12) consecutive calendar months prior to the date of Application, evidenced through the V5C Registration Document provided with the Application;
- the non-compliant vehicle has a valid MOT (or annual test)<sup>23</sup>, road tax and insurance, as appropriate for the vehicle use/organisation, at the date of Application;
- the non-compliant vehicle will be replaced by a compliant vehicle, or upgraded via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) certified emission reduction system, to meet GM CAZ emission standards;
- where in private ownership, the vehicle must not be used for commercial purposes;
- the business / organisation / trader / private owner will continue to have a base location in GM for not less than twelve (12) full consecutive calendar months following receipt of funding.

7.12 **Management of Funds** – It is proposed that financial support will be available through sequential funding rounds. These would target funding towards individuals and the smallest businesses within GM, and initially directed towards those who are likely to be most economically vulnerable to the impacts of the GM CAZ. GM is particularly interested in views on the management of the Clean Commercial Vehicle Fund through the consultation [[hyperlink to Consultation questions](#)]. The proposed funding rounds are set out below:

- an initial round of funding will be open to eligible owners or registered keepers of a non-compliant vehicle of Euro Emission standard 4 (Euro 4) or older, with the exception of small businesses;
- a second round of funding would be open to eligible owners or registered keepers of a non-compliant vehicle, with the exception of small businesses; and
- subject to available funds, a third round of funding would be open to eligible owners or registered keepers of a non-compliant vehicle, inclusive of small businesses.

<sup>23</sup> An annual test (MOT) applies for a lorry, bus or trailer. Further information is available at: <https://www.gov.uk/getting-an-mot/vehicles-exempt-from-mot>

## 8 Clean Taxi Fund

- 8.1 The Clean Taxi Fund (CTF) will provide a financial support mechanism to support the upgrade of non-compliant Hackney Carriages<sup>24</sup> and private hire vehicles (PHVs).
- 8.2 The GM CAP Policy assumes that the Minimum Licensing Standards proposed by GM<sup>25</sup> for Hackney Carriages and PHVs, which complement the GM CAP, are implemented in parallel with the GM CAZ.
- 8.3 **Hackney Carriages** – GM is proposing to the Government that it requires £10.4m of funding towards replacing or retrofitting (Liquid Petroleum Gas (LPG) conversion) non-compliant vehicles to meet the GM CAZ emission standards.
- 8.4 Subject to the award of government funding to GM, it is proposed that the following grants will be available:
- A grant of up to £10,000 will be available towards the running costs of purpose-built wheelchair accessible ZEC vehicles; OR,
  - Access to vehicle finance towards the cost of upgrade to a purpose-built wheelchair accessible ZEC vehicle, offering an average finance contribution of £10,000, with the total finance contribution capped at £14,000; OR,
  - A grant of £5,000 towards the LPG retrofit of a Euro 5 vehicle less than ten years old will also be available.
- 8.5 **PHVs** – In March 2020, the Government awarded £10.2m as an initial tranche of funding towards replacing non-compliant vehicles with compliant alternatives to meet the GM CAZ emission standards.
- 8.6 The following grants will be available for:
- Private Hire WAV or minibus – a grant of £5,000 towards the cost of a compliant 6+ seater vehicle, OR access to vehicle finance, offering an average finance contribution of £5,000, with the finance contribution per vehicle capped at £7,000.
  - Non-wheelchair accessible Private Hire Vehicles:
    - a grant of £1,000 towards the cost of a compliant internal combustion engine vehicle OR access to vehicle finance, offering an average finance contribution of £1,000, with the finance contribution per vehicle capped at £2,000.
    - OR a grant of £2,000 towards the cost of a compliant hybrid or plug-in hybrid<sup>26</sup> OR access to vehicle finance, offering an average finance contribution of £2,000, with the finance contribution per vehicle capped at £3,000.

<sup>24</sup> i.e. those vehicles with a Hackney Carriage License.

<sup>25</sup> [Link to MLS Consultation Pages]

<sup>26</sup> Which is not eligible/supported by an Office for Low Emission Vehicles (OLEV) Plug-In Grant. <https://www.gov.uk/plug-in-car-van-grants>

- OR a grant of £2,500 will be available towards the running costs of a ZEC vehicle<sup>27</sup>.

8.7 Applicants for the CTF would need to be able to demonstrate that:

- they have been trading and operating as a licensed Hackney Carriage or private hire driver or operator with one of the 10 Local Authorities in GM for not less than twelve (12) uninterrupted consecutive calendar months prior to the date of Application;
- they are the owner or registered keeper of a non-compliant vehicle which is and has been licensed for the purposes of Hackney Carriage or a private hire services with one of the 10 Local Authorities in GM for not less than twelve (12) uninterrupted consecutive calendar months prior to the date of Application;
- the non-compliant vehicle to be upgraded has been registered to the Applicant for not less than twelve (12) uninterrupted consecutive calendar months prior to the date of Application, evidenced through the V5C Registration Document provided with the Application;
- the non-compliant vehicle will be replaced by a compliant vehicle, or upgraded via a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) approved emission reduction system, to meet GM CAZ emission standards.
- the non-compliant vehicle has current road tax and business insurance at the date of Application, with evidence of such provided with the Application;
- they will declare that they will remain licensed with one of the 10 GM Local Authorities for the purpose of performing Hackney Carriage or private hire duties within GM for two (2) years following the receipt of funding; and
- they have not received and do not expect to receive more than 200,000 Euros (or equivalent) of state aid from any source over a period of three fiscal years, if seeking funding support for the upgrade of a non-Road Freight Transport vehicle. This figure is inclusive of any discounts, exemptions, grants or Vehicle Finance secured through the GM CAP or any other funding source, including the grant applied for.

8.8 **Management of Funds** – It is proposed that funding will be offered on a first-come-first-served basis, once an applicant has evidenced that the eligibility criteria are met.

8.9 **Try Before You Buy Hackney Scheme** – the GM CAP and the proposed GM MLS will require Hackney Carriages 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)<sup>28</sup> for GM to be carbon neutral by 2038, which will be supported by the uptake of ZEC vehicles.

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<sup>27</sup> Which is eligible/supported by an Office for Low Emission Vehicles (OLEV) plug-in grant. <https://www.gov.uk/plug-in-car-van-grants>

<sup>28</sup> Greater Manchester Five Year Plan. Available at: [https://www.greatermanchester-ca.gov.uk/media/1986/5-year-plan-branded\\_3.pdf](https://www.greatermanchester-ca.gov.uk/media/1986/5-year-plan-branded_3.pdf)

- 8.10 To invest in ZEC 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 common Minimum Licensing Standards (MLS) - including 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 Black Cab' 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.
- 8.11 Deliberative research undertaken in October 2019 identified that some Hackney Carriage and PHV drivers and operators noted the attractiveness of EVs, but would not consider upgrading to one, even with the suggested investment in charging infrastructure. 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.
- 8.12 Research undertaken in October 2019 has shown taxi drivers are concerned about the cost and suitability of electric vehicle upgrades and the ability to charge EVs when out and about on shift. Measures will therefore be needed to target affordability and other barriers to switching to an EV, as well as the current perceived lack of charging infrastructure.
- 8.13 To tackle the barriers to making the switch to an EV, GM is proposing a 'Try Before You Buy' initiative for GM-licensed Hackney Carriage drivers. The opportunity to hire the vehicle prior to making an investment should help to address identified uncertainties around operating costs, range anxiety and availability of charging infrastructure. Nottingham City Council have run a trial of 3 EV Hackneys 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% conversion rate of those taking up the trial. Support to drivers will be further enhanced in any onward transition to EV with the Hackney EV running cost grant (see paragraph 8.4).
- 8.14 **Taxi Electric Vehicle Infrastructure** – As set out above research has shown taxi drivers are concerned about the ability to charge EVs when out and about on shift. Therefore, dedicated electric vehicle infrastructure will be key in supporting the transition to ZEC taxis.
- 8.15 GM is 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.

## **9 Hardship Fund**

- 9.1 Since submission of the OBC and following the feedback received as part of the Clean Air conversation in 2019, GM considers that it is individuals and the smallest businesses who will be most economically vulnerable to the GM CAZ charge 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.
- 9.2 GM is proposing a Hardship Fund of at least £10m to support individuals, companies and organisations who are assessed to be most economically vulnerable to the CAZ charge.
- 9.3 GM is currently considering the scope and scale of support required. This assessment is also being considered in light of the impact of the COVID-19 pandemic. It is possible that the groups affected by the GM CAP may require different levels of financial assistance than had been assessed at the time of the submission of the OBC to the Government.
- 9.4 GM knows that the transport sector has already been impacted by the pandemic, and government policies to stem its spread. The sector's ability to recover from revenue loss, whilst also being expected to respond to pre-pandemic clean air policy priorities by upgrading to a cleaner fleet, will clearly require further assessment and consideration. Therefore, the consultation [\[hyperlink to Consultation questions\]](#) is asking questions about the impact of COVID-19 to inform a technical briefing note for decision makers and the amount of hardship funding to be made available.

## **10 Fraudulent Activity and Misappropriation**

- 10.1 GM is proposing that if an applicant is found to have abused the application process for the funds, vehicle finance, discounts or exemptions (e.g. falsified information), such that there is a risk of misappropriation, the right is reserved to terminate applications for funding or take enforcement action to recover awarded grants where information provided is not truthful or accurate.
- 10.2 Furthermore, any applicants found to have abused the application process or made a fraudulent application will not be eligible for any existing GM CAZ exemptions, discounts or financial support and GM will refer the matter to the relevant authorities where applicable.

## Appendix A – Clean Air Zone vehicle categories and minimum emission standards as set out in the UK Government’s Clean Air Zone Framework

**Table A1 – CAZ vehicle categories and minimum emission standards as set out in the Clean Air Zone Framework<sup>29</sup>**

Vehicle Type	Euro Category	Minimum <sup>30</sup> CAZ Compliant Euro Emission Standard	Example vehicles <sup>31</sup>
Bus	<b>M3</b> (Gross Vehicle Weight over 5000kg and more than 8 seats in addition to the driver)	Euro VI	Public Buses (single decker, double decker and midi), Coaches (single and double decker).
Coach		Euro VI	
HGV	<b>N2</b> (Gross Vehicle Weight <sup>32</sup> over 3500 kg and ref. mass over 2610 kg) <b>N3</b> (Gross Vehicle Weight over 5000 kg)	Euro VI	Articulated vehicles, rigid HGVs, flatbed lorries, concrete mixers, 2-axle lorry, some motorised caravans (>3.5t) and motorised horseboxes (>3.5t).
Minibus	<b>M2</b> (Gross Vehicle Weight not exceeding 5000 kg, reference. mass not exceeding 2840 kg and more than 8 seats in addition to the driver)	Euro 6 and VI (diesel) Euro 4 and IV (petrol)	Minibuses (excluding those which are licensed as a Taxi or Private Hire Vehicle – see Taxi and Private Hire Vehicles below).
LGV	<b>N1</b> (Gross Vehicle Weight not exceeding 3500 kg and reference. mass not exceeding 1305 kg)	Euro 6 (diesel) Euro 4 (petrol)	Vans (short and long wheelbase), some car derived vans, some light 4x4 utility vehicles and pickups.
Hackney Carriage and Private Hire Vehicles	Minibus – <b>M2</b> (Gross Vehicle Weight not exceeding 5000 kg, reference. mass not exceeding 2840 kg and more than 8 seats in addition to the driver) <b>M1</b> Passenger vehicle with up to 8 seats in addition to the driver	Euro 6 (diesel) Euro 4 (petrol)	Vehicles licensed as Hackney Carriages and/or Private Hire Vehicles.

<sup>29</sup> Defra and DfT. 2020. Clean Air Zone Framework, Annex A. Available at: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/863730/clean-air-zone-framework-feb2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/863730/clean-air-zone-framework-feb2020.pdf)

<sup>30</sup> Note the minimum compliant standard is specified in Table 3.1.2. Vehicles which meet Euro 5 (V) and 6 (VI) petrol standards will also be compliant.

<sup>31</sup> As set out by Greater Manchester. These example vehicles do not feature in the Government Guidance and are provided for guidance only.

<sup>32</sup> The weight of a vehicle or trailer, including the maximum load, that can be safely carried when it is being used on the road. This will be listed in the owner’s manual. Also known as the maximum authorised mass (MAM) or permissible maximum weight.