

All Member Briefing



GM Clean Air Final Plan

June 2021

This pack covers



- Summary of Policy Changes and Funds
- Background
- A summary of the GM Clean Air Plan consultation findings
- COVID-19 impacts on air quality
- An update on funding
- An update on the strategic road network
- The final proposed GM Clean Air Plan
- Next steps on delivering the GM Clean Air Plan

FINAL PROPOSED

Clean Air Zone Policy Changes – at a glance



GM-wide CAZ C implemented from 31st May 2022* - with more time, more money and more options for those most affected

*Temporary exemptions to 31 May 2023 for LGVs, Coaches, GM Licensed Hackney and PHVs

Propose to consult on the inclusion of the A575 and A580 at Worsley.

No change to the hours of operation or management of the scheme proposed.

Propose to consult on inclusion of M1 motorhomes for parity between vehicles of the same type.

Daily charge levels

No change to charges proposed.

Lower charges mean more people stay & pay imposing costs on businesses without delivering air quality benefits so improving support (more time / more money) is a better mitigation.

Permanent discounts & exemptions

Public support for principles.

New exemptions proposed for specific groups in line with principles; and definitions of discounts & exemptions improved to better meet objectives.

PHV discount replaced with temporary exemption as more appropriate means of support

***Temporary exemptions**

Feedback that vulnerable groups needed more time due to pandemic.

Propose widening scope so all LGVs, minibuses, coaches, GM-licensed Hackney cabs and PHVs can benefit and a temporary exemption for these groups until to 31 May 2023 to allow more time without affecting the year of compliance.






FINAL PROPOSED support measures – at a glance

 = Given more time

 = increased funding

 = New offer



Vehicle type		Daily Charge	When charged from	Replacement Funding	Retrofit Funding
	Bus	£60	End May 2022	£16k	£16k
	HGV	£60	End May 2022	Up to £12k 	£16k
	Coach	£60	End May 2023 	£32k 	£16k
	Van	£10	End May 2023 	Up to £4.5k 	£5k 
	Minibus	£10	End May 2023 	£5k	£5k 
	GM Hackney Cab	£7.50	End May 2023 	Up to £10k 	£5k 
	GM PHV	£7.50	End May 2023 	Up to £6k 	£5k 

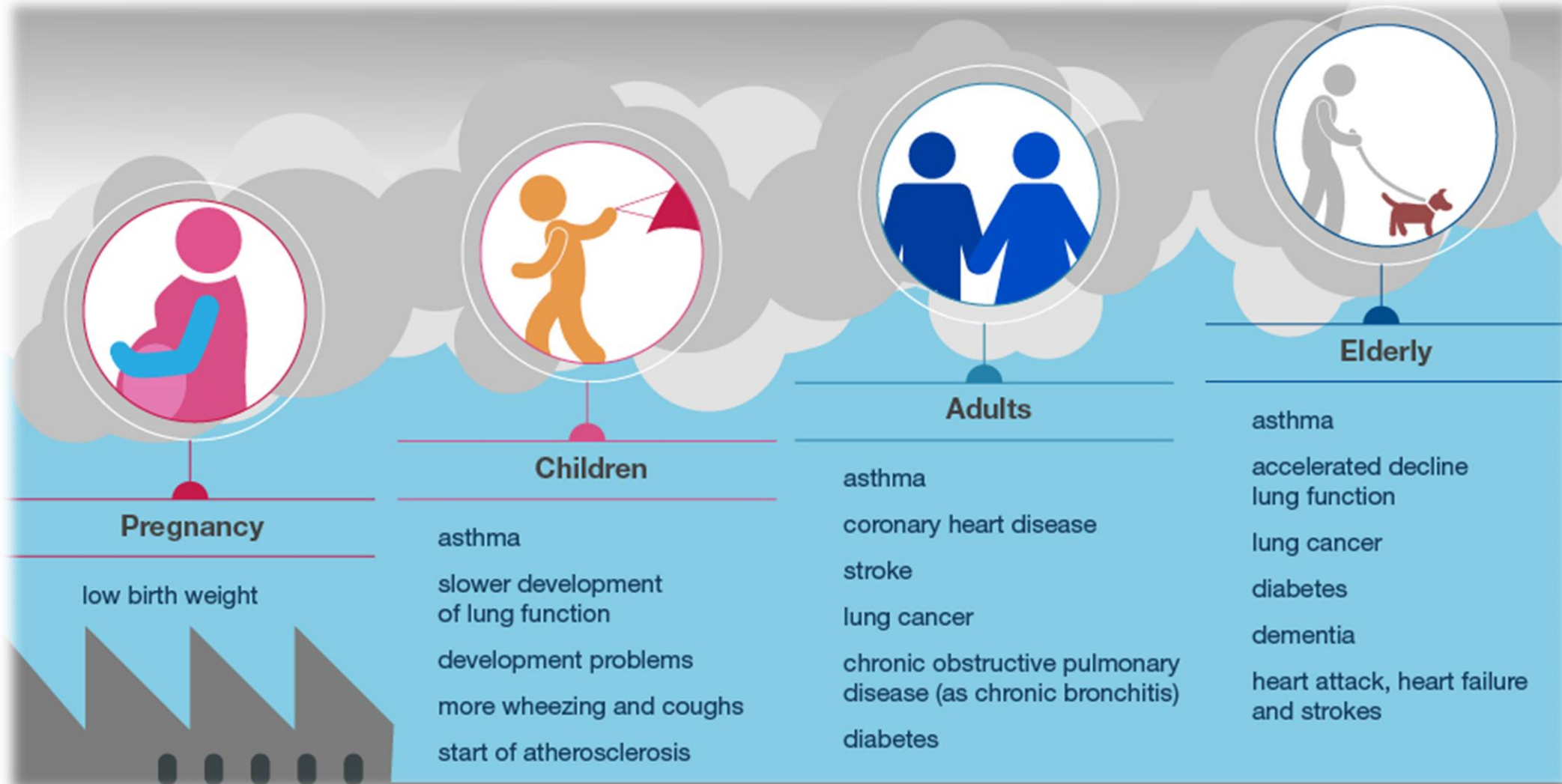
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Clean Air
Greater
Manchester

Background

Air quality and health



Legal responsibility to act to reduce NO₂ concentrations has been delegated to local authorities



As a result of legal action, the UK Government has delegated individual responsibility Local Authorities.



GM Authorities **MUST** address roadside Nitrogen Dioxide compliance.
Reduce NO₂ concentrations to within legal limit values in the “shortest possible time”.



Government have set out the process and timescale.
Local authorities **must** consider implementing a Clean Air Zone unless they can identify alternative measures which are as effective in reducing NO₂ air pollution at least as quickly.

Development timeline [1 of 2]



Clean Air
Greater
Manchester

March
2018

October
2018

March
2019

May/June
2019

July
2019

Strategic Outline Business Case

- 96 measures identified in a long list
- Sifting exercise reduced this to 17 and then 14 measures

Target Determination

- Agreed with JAQU the extent of the Air Quality problem
- Modelling shows that illegal levels of NO₂ will span all GM Local Authorities in 2021 if no action is taken

Measure development

- Options combining the shortlisted measures were developed and assessed to determine which delivered compliance in the shortest possible time

Outline Business Case

- GM determined the best performing option to reduce NO₂ across GM
- A charging Clean Air Zone (CAZ) C
- Funds to support business upgrade
- Electric Vehicle Infrastructure and Promotion
- Sustainable Journeys (behaviour change activity)
- Consider Loan Finance

Public conversation on proposals

- Over 3,300 responses
- 75% of people were supportive of the proposals
- 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.

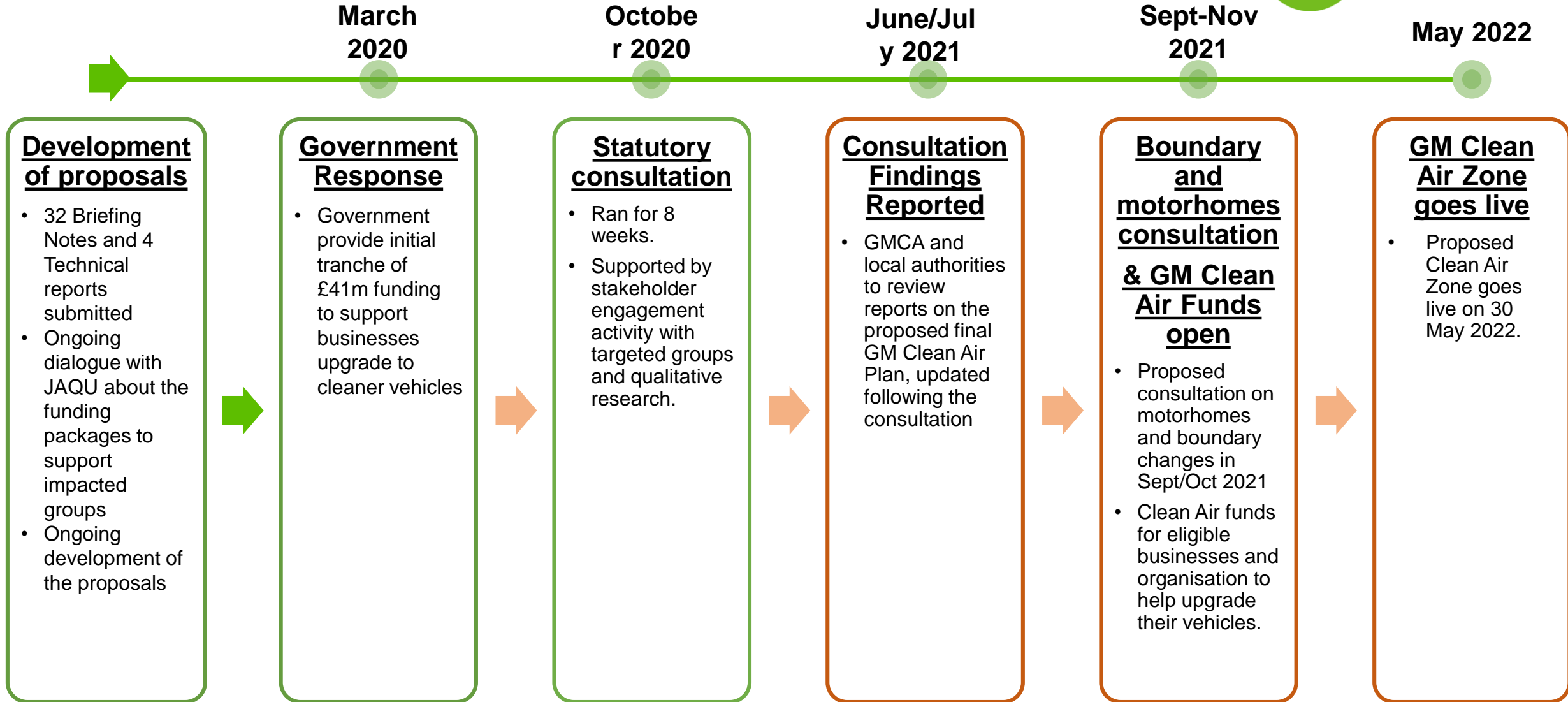
Government Response

- Government require all ten of the Greater Manchester authorities to implement a charging Clean Air Zone Class C with additional measures.
- Requests further options appraisal information to be submitted

Development timeline [2 of 2]



Clean Air
Greater
Manchester





The GM Clean Air Plan consultation

Clean Air Consultation



- The ten Greater Manchester authorities conducted an eight-week consultation from **8 October to 3 December**.
- The purpose of the consultation was to seek views from residents, visitors, stakeholders and businesses on the proposals to achieve compliant NO₂ levels in Greater Manchester.
- The consultation was **not** seeking a decision on whether to introduce a scheme as that has been mandated by the Secretary of State.
- **4,768 responses** received on key elements such as the proposed Clean Air Zone boundary, daily charges for affected commercial and passenger vehicles, and the proposed £150m government funding support package.
- The consultation also sought feedback on how COVID-19 has affected businesses and organisations in Greater Manchester.



Consultation Summary



4768 responses received in total:

- 3954 online questionnaires
- 770 emails including:
 - 172 identical emails in support of a Stronger Environment Bill for Clean Air
 - 484 identical emails asking for higher charges, stricter measures and more financial support from Govt
- 43 paper questionnaires
- 1 telephone

Qualitative research

- 22 online focus groups and 6 individual depth interviews with those likely to be affected by the proposals
- 40 depth interviews with hackney / PHV drivers, owners and operators and 4 groups with hackney / PHV users

Summary Outcome

Members of the public agreed that air quality must be improved as quickly as possible, with some stating that the proposals should go further.

Businesses haven't agreed with the proposals, citing that they can't afford the charge or to upgrade and/or think the CAZ should be delayed.

There was a high level of support for the Funds but businesses had concerns that the proposed funding amounts weren't enough and believed that they wouldn't be eligible.

The vast majority of in-scope businesses and vehicle owners responding to the consultation said that they had been affected financially by the pandemic, including reduced turnover and profitability, higher level of debt and having used up business reserves / savings

Minimum Licensing Standards – current position

- A consultation on the Minimum Licensing Standards (MLS) was undertaken at the same time as the GM Clean Air Plan consultation.
- Various options were considered for delivery, but a decision has been taken to take forward the two programmes separately.
- **Therefore, the CAP is being developed without any assumptions about MLS implementation – it is designed to be effective in achieving compliance in the shortest possible time with or without MLS delivery.**
- This means that GM is not making any assumptions about age limits (beyond those already in place by local authorities), roadmap to Zero Emissions Capable vehicles or requirement for Hackneys to be wheelchair accessible.
- Some changes to the funding proposals have been made as a result of this decision, where limits on funding options were based on new standards being imposed (e.g. assuming that all Hackneys must upgrade to WAV).

COVID-19 impact on air quality in GM



- The GM Clean Air Plan monitors NO₂, using diffusion tubes at 222 sites where “target determination” modelling predicted illegally high levels of NO₂ in 2021.
- Air pollution reduced in 2020 as a result of the travel and economic restrictions in place due to the COVID-19 pandemic.
- In 2020, 16 of the 222 locations measured NO₂ concentrations exceeding the legal annual average standard of 40 µg/m³. Exceedances were recorded in Manchester, Tameside, Stockport, Bolton and Rochdale.
- This compares to 129 locations that were measuring concentrations above 40 µg/m³ in 2019.
- The significant improvement in air quality during the lockdown period does demonstrate that traffic is the primary factor causing exceedance, and that reducing vehicle emissions will lead to improvements in NO₂.
- However, travel patterns and the associated pollutant emissions returned to near pre-COVID-19 levels towards the end of 2020, and it is expected these improvements in NO₂ will not be sustained through 2021.

Update on Clean Air Funds



- Government have awarded GM £125m* of funding to help businesses, individuals and organisations to upgrade their non-compliant vehicles.
- Government Ministers do not agree that a Hardship Fund is the best way to mitigate the impact of uncertainty due to the pandemic.
- Ministers cite other COVID-response government schemes (not specific to Clean Air Plans) being available to address wider business impacts.
- However, Government have confirmed that Clean Air Funds can be adapted if necessary; and, that they will continue to work with GM to as we understand the situation, including the funding position if the impacts prove to be more severe than forecast.

Measure	Govt Award
Bus retrofit	£14.7m
HGV	£7.6m
Coach	£4.4m
Minibus	£2m
LGV	£70m
PHV	£10.2m
Hackney Cab	£9.5m
Try before you buy	£0.5m
EVCI Taxi	£3m
Bus Replacement	£3.2m
Total	£125.1m*

*An additional 5% has been awarded to administer this funding

Update on bus retrofit



- Government awarded £14.7m to retrofit buses running services in GM that have older engines which are not compliant with the GM CAZ emission standards.
- This fund offers operators of locally registered bus services with up to £16k of funding towards the retrofit of non-compliant vehicles before the launch of the Clean Air Zone in Spring 2022.
- Applications opened in December 2020 and as at the end of May, there have been 63 applications made by 18 operators. The total number of buses eligible for retrofit funding that has been approved is 756. The total funding that has been approved is just over £11.7 million
- 7 operators having commenced retrofitting their vehicles.



Update on Strategic Road Network



- The 10 GM Authorities continue to ask the Government to direct Highways England to tackle NO₂ exceedances on the Strategic Road Network (SRN).
- Tameside MBC have highlighted to Ministers particular concerns around the A628/A57. This route, managed by Highways England, will be left with NO₂ exceedances that are not being addressed.
- In early 2021, an assessment looking at extending Greater Manchester's Clean Air Zone (CAZ) charges to the sections of the A628/A57 which form part of the Strategic Road Network, within the proposed CAZ boundary.
- In June 2021, Ministers wrote to the Tameside MBC to advise that following consideration of assessment, **Ministers have agreed to the inclusion of the identified section of the A57 and A628 within the Greater Manchester charging Clean Air Zone.**
- Government will now work collaboratively with Tameside MBC, TfGM and Highways England to establish the most appropriate solution for the charging mechanism to be applied on this section of the Strategic Road Network within the current legislation and timeframe available.



The final proposed GM Clean Air Plan



In developing the proposed Final GM Clean Air Plan the following has been considered:

- The feedback received from the consultation
- The impact of COVID-19 on Greater Manchester
- The Economic Implications of the GM CAP
- The average 'funding gap' by vehicle to upgrade to a new or used compliant vehicle
- Benchmarking of similar grants offered elsewhere (where new information has become available)
- Evidence from other cities in terms of take-up and issues with funding offered

Air Quality Modelling has been undertaken which demonstrates compliance with the legal limit value for nitrogen dioxide is achieved in the shortest possible time and by 2024 at the latest, as required by the Ministerial Direction.



Final Proposed Plan: The GM Clean Air Zone

Key elements of the final proposed GM Clean Air Zone



CATEGORY C CLEAN AIR ZONE

Boundary	Minimal changes. Largely coincidental with the Greater Manchester administrative boundary. The Strategic Road Network (SRN) is excluded. Will now consult to include the A575 and A580 at Worsley.
Time of operation	Remains the same: 24 hours a day (midnight to midnight), 7 days a week, 365 days per year
Date for introduction	30 May 2022.
Non-compliant vehicles impacted and daily charge	<p>All remain the same: lower charges mean more likely to stay and pay imposing costs on businesses without delivering air quality benefits so improving support (more time / more money) is a better mitigation.</p> <p>Licensed Hackney Carriages £7.50 Licensed PHVs £7.50 Buses £60 Coaches £60 HGVs £60 Minibuses £10 LGVs £10</p> <p>Propose to consult on inclusion of M1 motorhomes for parity between vehicles of the same type.</p>
Payment	Remains the same: Central government payment portal, by registered keepers

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Key elements of the updated proposed GM Clean Air Zone



Clean Air
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Discounts and exemptions

National permanent exemptions	Remains the same Historic vehicles Military vehicles Disabled Passenger Vehicle Specialist Emergency Service Vehicles
Local permanent exemptions	Specialist heavy goods vehicles Non-road-going vehicles Vehicles used by emergency services Community minibuses Showmen's Guild vehicles Driving within the zone because of a road diversion Disabled tax class vehicles All previous local exemptions remain. Additional exemptions: LGVs and Minibuses specially adapted for use by a disabled user Heritage buses not used for hire and reward Driver training buses New exemptions proposed for specific groups in line feedback from consultation.

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Key elements of the final proposed GM Clean Air Zone



Discounts and exemptions

<p>Temporary local exemptions</p>	<p>Temporary exemptions in place until 31 May 2023 (one year after launch of CAZ), extended reflecting feedback from consultation that people needed more time</p> <p>Vans and minibuses (which are not a licensed hackney carriage or PHV or used to provide a registered bus service) Remains</p> <p>GM-licensed Wheelchair Accessible hackney carriages & PHVs Changed to <u>all GM-licensed</u> hackney carriages & PHVs</p> <p>Coaches and buses registered to a business address within GM and not used on a registered bus service within GM. Changed to <u>all</u> coaches</p> <p>Outstanding finance or lease on non-compliant vehicles Remains Limited supply (awaiting delivery of a compliant vehicle) Remains</p> <p>New: Buses used on a GM school bus service tendered prior to March 2019 exempt to end July 2022</p>
<p>Permanent local discounts</p>	<p>PHVs (owned or exclusively contracted by one person) licensed to one of the 10 GM Local Authorities and also used as a private car Replaced with temporary exemption as more appropriate means of support</p> <p>Leisure vehicles in private ownership (>3.5t) changed to all vehicles classified under the Private HGV tax class to be eligible for a discounted charge of £10 per day.</p>

FINAL PROPOSED

Clean Air Zone Policy Changes – at a glance



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Final Proposed Plan: The support measures

Support for buses

Support at consultation



Buses

Proposed support for those eligible and have a non-compliant bus which is used on a registered bus service in GM.

Grant of up to £16,000 per vehicle for replacement or retrofit.

Bus operators will not be offered access to the vehicle finance scheme.

No proposed cap on number of vehicles per applicant.

Updated support

- Grant for retrofit and replacement **remains the same, £16k**
- No proposed cap on the number of vehicles per applicant also **remains the same.**

Rationale

- Limited feedback from bus operators during the consultation regarding the grant amounts
- Informal feedback indicates that the proposed support meets operators' needs
- Retrofit fund is open and large number of applications already received

Support for coaches

Support at consultation



Coaches

Proposed support for those eligible with a non-compliant coach.

Applies to these four vehicle types¹⁷

Grant of up to £16,000 per vehicle for replacement or retrofit or vehicle finance contribution.

Limit of 10 vehicles per applicant.

Updated support

- **Support increased:** grant for replacement increases to £32k
- Grant for retrofit remains the same, £16k per vehicle
- Limit of 5 vehicles per applicant.

Rationale

- Coach industry heavily hit by COVID-19, and impact likely to continue through 2021
- Has led to many business closures including GM's largest operator
- Cost to upgrade is very high and existing fleet is very old
- Non-compliant vehicles mainly owned by very small businesses

Support for hackney carriages

Support at consultation



Hackney carriages

Proposed support for those eligible with a non-compliant hackney carriage licensed with the Greater Manchester Authorities.

£10,000 per vehicle for a running costs grant or a contribution for vehicle finance, for a replacement zero emissions capable wheelchair accessible vehicle.

or

£5,000 grant towards an LPG retrofit.

There is also a UK government grant available of up to £7,500 for purchasing a new zero emissions capable vehicle.

Limit of 8 vehicles per applicant.

Updated support

- **New support:** grant available for compliant wheelchair accessible vehicle (WAV) - £5k
- Remains the same: Grant for zero emissions capable (ZEC) WAV – £10k
- **Increase in grant** for a compliant vehicle – £3k (open to those drivers licensed in authorities not requiring WAV)
- **Increase in grant** for a ZEC – £6k (open to those drivers licensed in authorities not requiring WAV)
- Remains the same: grant for LPG conversion – £5k
- **New option** for retrofit grant of £5k
- Limit of 5 vehicles per applicant.

Rationale

- Taxi industry heavily hit by COVID-19
- De-coupling from MLS means that a non-WAV offer was also required
- Strong feedback from industry that ZEC not suitable/available to all – Taxi EVI investment aims to make ZEC a better option for more drivers

Support for private hire vehicles

Support at consultation



Private hire vehicles

Proposed support for those eligible with a non-compliant private hire vehicle licensed with the Greater Manchester Authorities.

£1,000 grant or vehicle finance contribution towards replacement to a compliant petrol or diesel vehicle

or

£2,000 grant or vehicle finance contribution towards replacement to a hybrid or plug-in hybrid

or

£2,500 running costs grant for replacement with a zero emissions capable vehicle.

or

£5,000 grant or vehicle finance contribution towards replacement of a minibus or WAV.

Limit of 10 vehicles per applicant.

Updated support

- **Increase in grant** for a compliant vehicle – £3k
- **Increase in grant** for a zero emissions capable (ZEC) – £6k
- **New support:** grant available for compliant wheelchair accessible vehicle (WAV) - £5k
- **New support:** Grant for zero emissions capable (ZEC) WAV – £10k
- Remains the same: Grant for compliant minibus – £5k
- **New option** for retrofit grant of £5k
- Limit of 5 vehicles per applicant.

Rationale

- Taxi industry heavily hit by COVID-19
- Strong industry feedback that upgrade wasn't affordable with the grants on offer
- Government has reduced support for purchase of ZEC cars

Support for heavy goods vehicles

Support at consultation



Proposed support for those eligible with a non-complaint HGV

Applies to these four vehicle types¹⁷

A grant of up to £5,500 per vehicle for replacement or vehicle finance contribution. Limit of 10 vehicles per applicant.

or

A grant of up to £16,000 per vehicle for retrofit. Limit of five vehicles per applicant.

Updated support

- **Support increased:** funding for replacement updated and dependent on vehicle size:

<7.5t	£5k
<18t	£7k
<26t	£9k
<32t	£12k
<44t	£6.5k

- Grant for retrofit remains the same, £16k
- Limit of 5 vehicles per applicant.

Rationale

- Compliant vehicles have been available since 2013
- Those with non-compliant vehicles likely to need more support to upgrade – less affected by Covid than some other vehicles, but lower turnover and profits common
- Evidence from other cities suggests original grant levels might not be sufficient to achieve good take-up

Support for LGVs

Support at consultation



Light Goods Vehicles (vans)

Proposed support for those eligible with a non-compliant van.

Applies to these four vehicle types¹⁷

A grant of £3,500 per vehicle for replacement or vehicle finance contribution.

Limit of 10 vehicles per applicant.

Updated support

- **Support increased:** grant for replacement increased to up to £4.5k (under 1.6t LGV: £3,500 over 1.6t LGV and up to 3.5t: £4,500)
- **New:** grant for retrofit now available £5k
- Limit of 5 vehicles per applicant.

Rationale

- Feedback shows that increase in grant for replacement would support more smaller biz and sole traders to upgrade
- Retrofit options are becoming available for more LGVs
- Although some sectors have been resilient to impacts of COVID 19 others have been badly impacted by lockdowns or experienced lower turnover/profitability

Support for minibuses

Support at consultation



Minibuses

Proposed support for those eligible and have a non-compliant minibus.

Applies to these four vehicle types¹⁷

A grant of up to £5,000 for replacement or vehicle finance contribution for replacement of minibuses (which are not licensed taxis or PHVs or used on a registered bus service in GM).

Limit of 10 vehicles per applicant.

Updated support

- Grant for replacement remains the same, £5k
- **New option** for retrofit grant of £5k
- Limit of 5 vehicles per applicant.

Rationale

- New options available for retrofit, which will be a more cost effective option for some
- Existing grant already covered a higher proportion of upgrade costs than for many other vehicle types
- Very limited feedback received from minibus operators during consultation or previous conversation.

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FINAL PROPOSED support measures – at a glance

 = Given more time

 = Offer increased per vehicle

 = New offer



Vehicle type		Daily Charge	When charged from	Replacement Funding	Retrofit Funding
	Bus	£60	End May 2022	£16k	£16k
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	GM Hackney Cab	£7.50	End May 2023 	Up to £10k 	£5k 
	GM PHV	£7.50	End May 2023 	Up to £6k 	£5k 

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Other supporting measures



Taxi EVI

- CAP will still support shift to EV, but our funding takes a more pragmatic view for taxi sector
- EV approach has changed, with £3.5m funds made available from GMCAP being focused on supporting EVCI, alongside £3m early measures funding and £2.4m OZEV taxi, and approaches to OZEV to partner with the £10m from Transforming Cities Fund 2.
- This will all contribute to targets set by GM mayor to build on c.700 connectors with further 95 this year and up to 200 year after.

Try Before You Buy

- JAQU have offered £0.5m towards GM's ask of £1.69m. This is not sufficient to deliver TBYB. GM therefore propose to reallocate the funding to provide an additional 6-8 charge points dedicated for use by taxis, meaning GM can deliver a total of 34-38 charge points, close to the original goal of 40.

Next steps for GM Clean Air Plan



Governance



The GMCA report was published on 21 June 2021. The report includes:

- GM CAP Policy following Consultation
- GM CAP Equality Impact Assessment following Consultation
- AECOM Consultation Report
- GM Authorities Response to the Consultation
- Impacts of COVID-19 Report
- Air Quality Modelling Report following Consultation and with COVID-19 impacts
- Economic Implications of CAP following Consultation and with COVID-19 impacts
- Update on Other Cities' Clean Air Plans
- Note on Compliance with the Government Direction

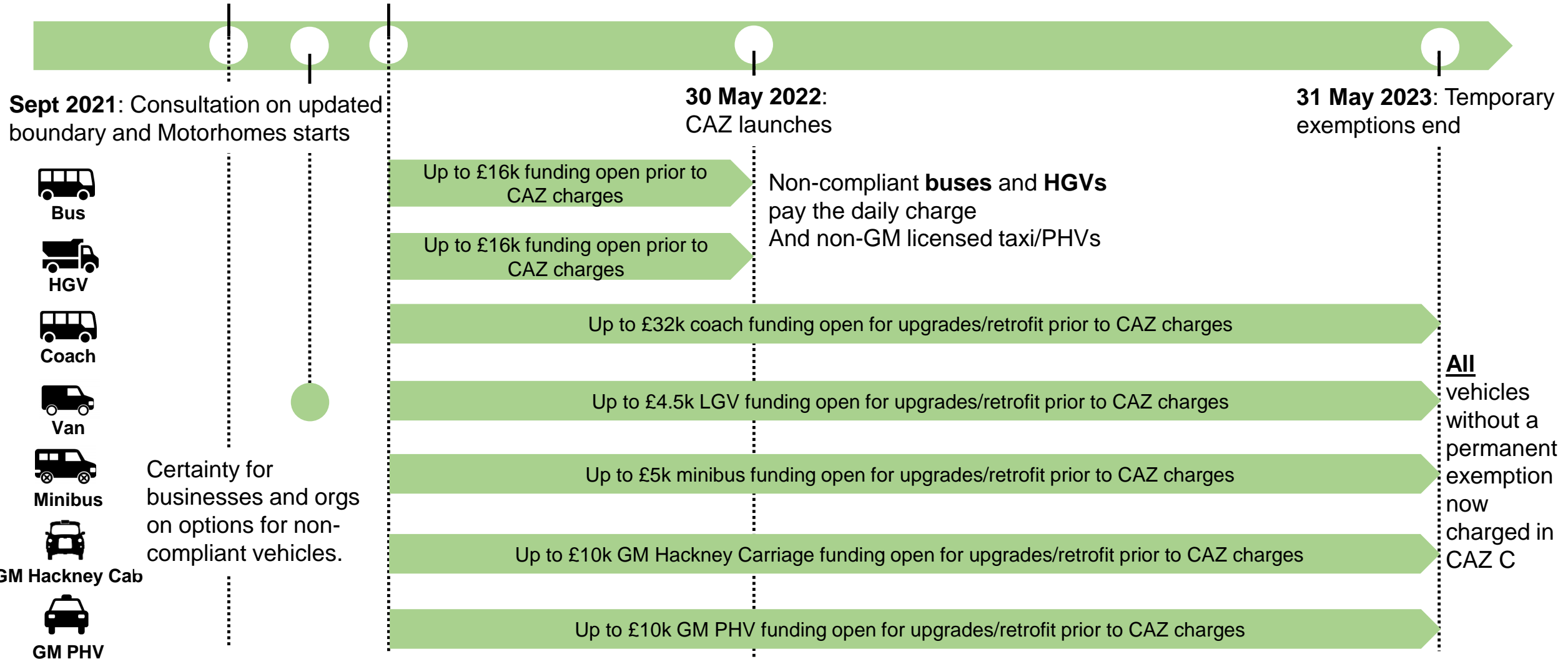
Following the GMCA meeting on 25 June it will be discussed by decision makers at each of the 10 GM Local Authorities.

Proposed Forward Timeline



July 2021:
Local Authority
governance

November 2021:
Funding
applications open



Other Cities Clean Air Plans



- **Bath & North East Somerset** launched their Clean Air Zone, a city centre CAZ C, on 15 March 2021. This was initially due to launch in November 2020 but was delayed by the COVID-19 pandemic.
- **Birmingham** launched their Clean Air Zone on 1 June 2021. However, the daily fee didn't come in until 14 June 2021. This was to provide those with non-compliant vehicles with extra time to get ready for the Clean Air Zone. The scheme, which is a city centre CAZ D, was initially due to launch in January 2020 but was delayed by issues with the Government's vehicle checker and then by the COVID-19 pandemic. Prior to launch, Birmingham opened up their clean vehicle funds to enable impacted groups to access funding and upgrade their vehicle prior to the scheme's launch.
- **Bristol** consulted on their city centre CAZ proposals between 8 October and 13 December 2020. The Full Business Case was submitted to Government on 26 February. Bristol plan for a CAZ to be in place by 29 October 2021 at the latest.
- **Portsmouth's** CAZ B is expected to go live in November 2021. The city centre scheme will charge buses, coaches, taxis, private hire vehicles and HGVs who drive in the CAZ B boundary.
- Other Clean Air Zones are expected in **Bradford, Tyneside, Sheffield and Liverpool**.
- **London's** Ultra Low Emissions Zone (ULEZ), although not required under the same legislation as local authority clean air plans which are part of the clean air zone framework, but has similar principles of charging the most polluting vehicles, is to be extended to the North and South Circular roads of inner London on 25 October 2021.



Questions