

# **Greater Manchester's Clean Air Plan – Tackling Nitrogen Dioxide Exceedances at the Roadside – Supplementary Information to support the GM Clean Air Plan – Evidence Notes 33 to 38, Economic Appraisal Reports and Delivery Plans**

## **1 BACKGROUND**

- 1.1 In July 2017 the Secretary of State issued a Direction under the Environment Act 1995 requiring seven Greater Manchester local authorities, including Trafford Council to produce a feasibility study to identify the option which will deliver compliance with the requirement to meet legal limits for nitrogen dioxide *in the shortest possible time*.
- 1.2 In accordance with this Direction Trafford Council has been developing the study collectively with the other 9 Greater Manchester local authorities and the GMCA, coordinated by TfGM in line with Government direction and guidance and an Outline Business Case (OBC) was duly submitted in March 2019.
- 1.3 Ministerial feedback was received in July 2019 along with a further direction under the Environment Act 1995 which requires all ten of the Greater Manchester local authorities to take steps to implement a plan to deliver compliance with the requirement to meet legal limits for nitrogen dioxide in the shortest possible time.
- 1.4 The ministerial letter that accompanied the July 2019 direction requested from GM further options appraisal information (including transport and air quality modelling as well as due regard to economic, financial and deliverability considerations) to be submitted prior to statutory consultation.
- 1.5 Trafford Council along with the other 9 Greater Manchester local authorities is now subject to a Ministerial direction dated 16 March 2020 requiring the submission of an Interim Full Business Case (FBC) (along with confirmation that all public consultation activity has been completed) as soon as possible and by no later than 30 October 2020. Under this direction Trafford Council along with the other 9 Greater Manchester local authorities is under a legal duty to ensure that the GM CAP (Charging Clean Air Zone Class C with additional measures) is implemented so that NO<sub>2</sub> compliance is achieved in the shortest possible time and by 2024 at the latest and that human exposure is reduced as quickly as possible.

## **2 INTRODUCTION**

- 2.1 A report that set out the progress that has been made on the development of Greater Manchester's Clean Air Plan following the decision that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable in light of COVID-19 restrictions, and the link to taxi and private hire common minimum licensing standards, considers the formal governance mechanisms that will underpin the delivery of a GM Clean Air Zone (CAZ) and the supporting measures was considered on {insert date} at the Council's Cabinet/ Council meeting.

- 2.2 At this time a delegation was given to Corporate Director, Place to approve the submission of the cases for measures to the Government's Joint Air Quality Unit to support the GM Clean Air Plan.<sup>1</sup>
- 2.3 At the Council's Cabinet/ Council meeting of 28<sup>th</sup> September 2020 a delegation was given to Corporate Director, Place to approve the submission of supplementary information.
- 2.4 The Greater Manchester Clean Air Plan (GM CAP) is underpinned by analysis and modelling using the best data and tools available. The results of this analysis are presented throughout the OBC and were written up in full in a series of Technical Reports. These Technical Reports have been produced in line with JAQU guidance.
- 2.5 An updated version of each of the Technical Reports has been produced, reflecting the updated methodology, data and analysis set out in the series of technical notes. The updated Technical Reports present the analysis underpinning the option for Consultation and will form appendices to the interim FBC.
- 2.6 GM is continuing to progress interim deliverables as set out in the 2020 Ministerial Direction – delivery plans by 31st July 2020 and interim FBC by 30th October 2020<sup>2</sup>. The delivery plans were submitted to JAQU on 28 August 2020. This delay was notified to JAQU in view of the impact of the COVID-19 pandemic on the programme of work

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<sup>1</sup> In March 2020, the Government direction and accompanying ministerial letter (dated 16th March 2020) issued to the Greater Manchester Authorities required draft delivery plans\* for each of the individual measures in its NO<sub>2</sub> plan to be submitted by 31 July 2020, followed by an interim Full Business Case by 30 October 2020.

\* the letter identified delivery plans as documents that set out the strategic, economic, commercial, financial and management details of each measure, ahead of the FBC (except for the Clean Air Zone which will be commercial, financial and management details only).

For each measure Greater Manchester has prepared:

- Case for Measure: setting out the Strategic Case and Economic Case of the measure; and a
- Delivery Plan: setting out the Financial Case, Commercial Case and Management Case of the measure

The content of these documents will be:

- summarised within the respective sections of the programme level interim FBC; and
- updated as part of the final FBC submission based on any changes to the scheme specification (post consultation) and following confirmation of the finalised costs.

<sup>2</sup>The 2020 Ministerial Direction sets out submission dates for consultation, delivery plans and FBC. Notably, the Direction requires conclusion of all public consultation activity and submission of the Interim FBC by the end of October 2020. The direction is dated 16 March, before the enactment of the Coronavirus Act 2020, meaning that the implications of pandemic management policies had not been considered in setting these dates. JAQU have indicated these submission dates maybe reviewed in due course.

2.7 The purpose of this report is to summarise the purpose and contents of five additional supplementary technical Evidence Notes in response to the Minister's feedback and contents of four updated Technical Reports and the draft delivery plans that are required to be formally submitted to JAQU.

### **3 PURPOSE OF THE ANALYSIS AND MODELLING**

3.1 Pursuant to the 2019 Ministerial Direction, and in discussions with the government's Joint Air Quality Unit (JAQU) GM has updated analysis that addresses issues raised around the behavioural assumptions used and provided assurance that the proposed Clean Air Zone will deliver compliance in the shortest possible time, and that compliance cannot be achieved earlier than 2024, such analysis includes:

- exploring whether measures targeted at the last remaining exceedance locations following implementation of a CAZ in 2021 would achieve compliance quicker;
- updating the behavioural assumptions used to model the impact of a CAZ, following the Technical Independent Review Panel (TIRP)'s suggestions;
- providing further sensitivity testing on vehicle upgrade assumptions; and
- demonstrating that a Greater Manchester CAZ D cannot bring forward compliance, including outlining the delivery challenges discussed for a GM wide CAZ D.

3.2 A further five additional supplementary draft technical Evidence Notes (No. 33 to 37) have been produced, namely:

33. Sensitivity testing of electric taxi upgrade responses
34. Vehicle Finance subsidy methodology
35. Forecasting the required number of rapid chargers for taxis
36. Representing the impacts of the Funds in the Cost Models
37. Vehicle population estimates
38. CAZ discounts and exemptions

3.3 A further 4 updated draft Technical Reports on Economic Appraisal have been produced, namely:

- 'E1 Economic Appraisal Methodology Report - Consultation Option Aug 2020'
- 'E2 Implementation Package Economic Appraisal Results - Consultation Option Aug 2020'
- 'E3 Distributional Impacts Report - Consultation Option Sep 2020'
- GM TIRP feedback and responses as at end July 2020

3.4 Nine delivery plans have been produced, namely:

- GM CAP: Clean Bus Fund – Case for Measure
- GM CAP: Bus Retrofit – Delivery Plan
- GM CAP: Bus Replacement – Delivery Plan
- GM CAP: Clean Commercial Vehicle Fund – LGV/HGV – Case for Measure
- GM CAP: Clean Commercial Vehicle Fund – Coach & Minibus – Case for Measure
- GM CAP: Clean Taxi Fund – Case for Measure
- GM CAP: Clean Commercial Vehicle Fund/Clean Taxi Fund/Vehicle Finance – Delivery Plan
- GM CAP: EVI Taxi Delivery Plan
- GM CAP: Clean Air Zone – Delivery Plan

3.5 In the interests of the ongoing working relationship between the 10 GM authorities and JAQU in developing the GM CAP, all of the above reports have been issued to JAQU in draft form, and are now subject to approval.

3.6 The evidence base that will underpin the Full Business Case (FBC) is still being developed. Evidence was supplied to JAQU where it was possible to do so, with the recognition that the Notes represented a work-in-progress and that more work is required to properly understand the implications of the analysis from a policy, delivery, legal and analytical assurance perspective.

3.7 Contents of the further supplementary Evidence Notes:

<b>Number</b>	<b>Title</b>	<b>Description</b>
33*	GM CAP: Sensitivity testing of electric taxi upgrade responses	Describes the sensitivity tests that have been carried out to assess the impacts of changes to the electric taxi assumptions on expected emissions and compliance with Air Quality Standards for NO <sub>2</sub> .
34*	GM CAP: Vehicle finance subsidy	Sets out the development of the Vehicle Finance measure within the CAP, a Vehicle Finance Subsidy Model has been developed to calculate the level of subsidy required across vehicle types to offer the equivalent of an interest free or subsidised vehicle finance offering to prospective and eligible applicants.
35*	GM CAP: Forecasting the required number of rapid chargers for Hackney Cabs and PHVs	Quantifies the number of electric vehicle (EV) chargers that will be required for Hackney Carriages and Private Hire Vehicles (PHVs) (referred to collectively as taxis) across Greater Manchester.
36*	GM CAP: Representing the Funds in the Cost Models and analytical inputs for the Funds/VF models	Describes how the funds are applied within the vehicle cost models, in terms of the methodology and assumptions applied and the nature of the outputs. Describes the calculation of the funds requirements from the cost model outputs and

		analysis developed, including the following tools/analyses that have been developed.
37*	GM CAP: Vehicle population estimates	Sets out the summary of the key vehicle volumetric information used in the project which is used to understand the behavioural responses for vehicle owners to the Greater Manchester Clean Air Plan (GM-CAP).
38*	GM CAP: CAZ discounts and exemptions	Sets out the proposed discounts and exemptions, why GM have proposed them and the outlines the impact on compliance.

### 3.8 Contents of the further supplementary Technical Reports on Economic Appraisal:

Title	Description
E1 Economic Appraisal Methodology Report - Consultation Option Aug 2020**	Sets the methodology applied within the economic appraisal of the GM CAP consultation option at interim FBC, including changes applied since OBC
E2 Implementation Package Economic Appraisal Results - Consultation Option Aug 2020**	Provides tables of the results of the economic appraisal of the implementation package for the GM CAP. Note that these results will be written up in full in the revised Economic Case of the interim FBC.
'E3 Distributional Impacts Report - Consultation Option Sep 2020**	Sets out the methodology and results of a distributional impacts assessment of the implementation package and full GM CAP. This assesses the distributional impacts in terms of air quality, health, accessibility, affordability and impacts of businesses, and considers how the impacts are distributed across vulnerable groups. It also considers the extent to which the proposed mitigation measures are successful in mitigating any negative distributional impacts of the implementation package.
GM TIRP feedback and responses as at end July 2020**	Sets out all the feedback that has been received from JAQU's Technical Independent Review Panel (TIRP) and also includes the feedback set out in T1 and AQ1. It supplies GM's responses to that feedback for further review by JAQU and the TIRP. It acts as an update to the previous version, dated February 2020.

### 3.9 Contents of the delivery plans:

Title	Description
GM CAP: Clean Bus Fund – Case for Measure**	Details the evidence supporting the case for upgrading the bus fleet in the context of the Clean Air Zone (CAZ) proposals. Sets out the rationale for the proposed grants for both the retrofit and replacement of non-compliant buses and includes an assessment of the benefits of the measure, including an economic appraisal.
GM CAP: Bus Retrofit – Delivery Plan**	Sets out the pre-tender costs for the implementation and operation of grants for retrofitting of non-compliant buses. Identifies the preferred option for procurement of the measure and details the management arrangements in terms of delivery.
GM CAP: Bus	Sets out the pre-tender costs for the implementation and operation

<b>Title</b>	<b>Description</b>
Replacement – Delivery Plan**	of grants for the replacement of non-compliant buses that are too old to be retrofitted. Identifies the preferred option for procurement of the measure and details the management arrangements in terms of delivery.
GM CAP: Clean Commercial Vehicle Fund – LGV/HGV – Case for Measure**	Documents the evidence relating to the case for providing financial support to owners of Light Goods Vehicles (LGVs) and Heavy Goods Vehicles (HGVs) in upgrading to compliant vehicles in the context of the CAZ proposals. Sets out the rationale for the proposed grants/finance and includes an assessment of the benefits of the measure, including an economic appraisal.
GM CAP: Clean Commercial Vehicle Fund – Coach & Minibus – Case for Measure**	Documents the evidence relating to the case for providing financial support to owners of Coaches and Minibuses in upgrading to compliant vehicles in the context of the CAZ proposals. Sets out the rationale for the proposed grants/finance and includes an assessment of the benefits of the measure, including an economic appraisal.
GM CAP: Clean Taxi Fund – Case for Measure**	Sets out the evidence relating to the case for providing financial support to owners of Taxis (Hackney and Private Hire Vehicles) in upgrading to compliant vehicles in the context of the CAZ proposals. The document also details the case for enhanced electronic vehicle infrastructure for taxis and for a Try Before You Buy scheme for electric taxis. The rationale for the proposals and an assessment of the benefits of the measure, including an economic appraisal is also provided.
GM CAP: Clean Commercial Vehicle Fund/Clean Taxi Fund/Vehicle Finance – Delivery Plan**	Sets out the pre-tender costs for the implementation and operation of grants/finance to support the upgrade of Taxis (Hackney's and Private Hire Vehicles), LGVs, HGVs, Coaches and Minibuses. Identifies the preferred option for procurement of the components and details the timescales and management arrangements in terms of delivery.
GM CAP: EVI Taxi Delivery Plan**	Sets out the pre-tender costs for the implementation and operation of 40 electric vehicles charging posts dedicated for taxis. Identifies the preferred option for procurement of the measure and details the timescales and management arrangements in terms of delivery.
GM CAP: Clean Air Zone – Delivery Plan**	Sets out the pre-tender costs for the implementation and operation of the CAZ, including the service and the infrastructure requirements. Identifies the preferred option for procurement of each component and details the timescales and management arrangements in terms of delivery.

Reports marked with an \*

- 3.10 The reports marked with an \* are unfinished as they may be subject to change before the start of the statutory consultation.
- 3.11 As such, it is considered that these reports fall within the exception under regulation 12(4)(d) EIR and that, in all the circumstances of the case, the public interest in maintaining the exception outweighs the public interest in disclosing the information.

- 3.12 These reports will be published prior to statutory consultation so there will be an appropriate opportunity for public scrutiny of them. It is not considered that the public interest would be served by disclosing at this stage drafts which are incomplete. Upon publication, copies of these reports will be available at: [www.CleanAirGM.com](http://www.CleanAirGM.com).

Reports marked with an \*\*

- 3.13 The reports / delivery plans marked with an \*\* are unfinished may be subject to change before the publication of the Full Business Case.
- 3.14 As such, it is considered that these reports fall within the exception under regulation 12(4)(d) EIR and that, in all the circumstances of the case, the public interest in maintaining the exception outweighs the public interest in disclosing the information.
- 3.15 These reports will be published upon completion but prior to governance of the Full Business Case so there will be an appropriate opportunity for public scrutiny of them. It is not considered that the public interest would be served by disclosing at this stage drafts which are incomplete. Upon publication, copies of these reports will be available at: [www.CleanAirGM.com](http://www.CleanAirGM.com).

#### **4 Recommendation**

- 4.1 The Corporate Director, Place is recommended to approve the following documents for submission to the government's Joint Air Quality Unit, namely:

Sensitivity testing of electric taxi upgrade responses

- 34. Vehicle Finance subsidy methodology
- 35. Forecasting the required number of rapid chargers for taxis
- 36. Representing the impacts of the Funds in the Cost Models
- 37. Vehicle population estimates
- 38. CAZ discounts and exemptions
- 'E1 Economic Appraisal Methodology Report - Consultation Option Aug 2020'
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- GM CAP: Clean Bus Fund – Case for Measure
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- GM CAP: Bus Replacement – Delivery Plan

- GM CAP: Clean Commercial Vehicle Fund – LGV/HGV – Case for Measure
- GM CAP: Clean Commercial Vehicle Fund – Coach & Minibus – Case for Measure
- GM CAP: Clean Taxi Fund – Case for Measure
- GM CAP: Clean Commercial Vehicle Fund/Clean Taxi Fund/Vehicle Finance – Delivery Plan
- GM CAP: EVI Taxi Delivery Plan
- GM CAP: Clean Air Zone – Delivery Plan