

## **TRAFFORD COUNCIL**

**Report to:** **Executive**  
**Date:** **22nd June 2020**  
**Report for:** **Decision/Information**  
**Report of:** **Executive Member for Environment, Air Quality and Climate Change**

### **Report Title**

Greater Manchester's Clean Air Plan – Update

### **Summary**

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

### **Recommendation(s)**

Executive is recommended to:

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

- g) Agree the position that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable;
- h) Further agree the position that the GM Local Authorities' decision to commence a public consultation should be taken once there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response;
- i) Note the implementation of a GM Clean Air Zone (CAZ) is delayed to 2022 with a revised implementation date to be confirmed in the consultation commencement report;
- j) Note the Department for Transport's (DfT's) positioning paper "Decarbonising Transport – Setting the Challenge";
- k) Note the assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers; and
- l) Note that the GM local Authorities intend to consult on GM's proposed Minimum Licensing Standards for Taxis and Private Hire services ("MLS"), alongside the Clean Air Plan consultation, and agree the position for consultation on when taxi/private hire vehicle fleets should be Zero Emission Capable.

Contact person for access to background papers and further information:

Name: Nigel Smith  
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Background Papers: None

This report has been prepared with regard to the following previously published reports:-

- 31 January 2020, report to GMCA: Clean Air Plan Update
- 26 Jul 2019, report to GMCA: Clean Air Plan Update
- 1 March 2019, report to GMCA: Greater Manchester's Clean Air Plan – Tackling Nitrogen Dioxide Exceedances at the Roadside - Outline Business Case
- 11 January 2019, report to GMCA/AGMA: Clean Air Update
- 14 December 2018, report to GMCA: Clean Air Update
- 30 November 2018, report to GMCA: Clean Air Plan Update
- 26 October 2018, report to GMCA: GM Clean Air Plan Update on Local Air Quality Monitoring
- 15 November 2018, report to HPEOS Committee: Clean Air Update
- 16 August 2018, report to HPEOS Committee: GM Clean Air Plan Update
- UK plan for tackling roadside nitrogen dioxide concentrations, Defra and DfT, July 2017

Implications:

Relationship to Policy Framework/Corporate Priorities	<p>This report links to the Corporate Priorities of:-</p> <ul style="list-style-type: none"> <li>• Health and Wellbeing</li> <li>• Green and Connected</li> </ul>
Relationship to GM Policy or Strategy Framework	<p>Improving air quality is a key policy priority for Greater Manchester. The Greater Manchester Strategy states that Greater Manchester should be ‘a place at the forefront of action on climate change with clean air and a flourishing natural environment’ including by ‘reducing congestion and improving air quality’.</p> <p>Air Quality is also a key focus of the Greater Manchester Transport Strategy 2040, and the 5-Year Environment Plan for Greater Manchester 2019-2024.</p>
Financial	<p>The proposals in the GM Clean Air Plan are conditional upon sufficient funding being provided by Government.</p> <p>In developing the OBC, it was assumed that government will provide funding for all costs relating to the scheme’s implementation, and will underwrite any net operational deficit, as may be necessary, over the life of the scheme until legal compliance is achieved. If scheme operations generate any net surplus, this would be reinvested back into achieving Local Transport Plan objectives, as required by the Transport Act 2000.</p> <p>The commencement of a charging Clean Air Zone scheme and the other measures are subject to the GM authorities receiving the required government funding to enable them to meet the legal limits for nitrogen dioxide concentrations.</p>
Legal Implications:	<p>The GM Clean Air Plan aims to ensure that the authority complies with the Directions served by the Government in 2017, 2019 and 2020, requiring the authority to deliver compliance with legal limits for nitrogen dioxide in the “shortest possible time”.</p>
Equality/Diversity Implications	<p>An Equalities Impact Assessment will be undertaken which will consider the proposals at a GM level.</p>
Sustainability Implications	<p>Air Quality is also a key focus of the 5-Year Environment Plan for Greater Manchester 2019-</p>

	2024.
Resource Implications e.g. Staffing / ICT / Assets	None.
Risk Management Implications	This is detailed throughout the report.
Health & Wellbeing Implications	The GM Clean Air Plan aims to deliver compliance with the requirement to meet legal limits for nitrogen dioxide in the shortest possible time.
Health and Safety Implications	None.

## 1 Executive Summary

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

## 2 Background

- 2.1 Government has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) levels following the Secretary of State issuing a direction under the Environment Act 1995 to undertake feasibility studies to identify measures for reducing NO<sub>2</sub> concentrations to within legal limit values in the "shortest possible time". In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM), collectively referred to as "Greater Manchester" or "GM", are working together to develop a Clean Air Plan to tackle NO<sub>2</sub> Exceedances at the Roadside, referred to as GM CAP.

- 2.2 In its Outline Business Case (OBC) Greater Manchester proposed the following package of measures that delivers compliance in the shortest possible time, at the lowest cost, least risk and with the least negative impacts. They are:
- A charging Clean Air Zone (CAZ) category C which will target the most polluting commercial vehicles including older heavy goods vehicles, buses, coaches, taxis and private hire vehicles from the summer of 2021, and older polluting light goods vehicles from 2023 (i.e. a CAZ C with a van exemption until 2023). It has been assumed at OBC stage that the Clean Air Zone Charge would be £7.50 per day for taxis, private hire vehicles and light goods vehicles and £100 per day for heavy goods vehicles, buses and coaches.
  - A Clean Freight Fund of c.£59m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector.
  - A Clean Taxi Fund of c.£28m, to support the upgrade of non-compliant Greater Manchester Licensed taxi and private hire vehicles.
  - A Clean Bus Fund of c.£30m to provide, where possible, the retrofit of older engine standards to the less polluting Euro VI standard for those buses registered to run services across Greater Manchester.
  - A package of supporting measures including a proposed Loan Finance scheme, sustainable journeys projects, additional EV charging infrastructure.
- 2.3 The OBC made clear the expectation that the UK Government would support the plans through:
- Clear arrangements and funding to develop workable, local vehicle scrappage / upgrade measures;
  - Short term effective interventions in vehicle and technology manufacturing and distribution, led by national Government with local authorities;
  - Replacement of non-compliant buses; and
  - A clear instruction to Highways England with regard to air pollution from the Strategic Road Network (SRN) in Greater Manchester.
- 2.4 The OBC outlining these proposals and the supporting evidence was submitted to Government at the end of March 2019. Ministerial feedback was received in July 2019 along with a further direction under the Environment Act 1995 requiring all ten of the Greater Manchester local authorities to take steps to implement a plan to deliver compliance with the requirement to meet legal limits for nitrogen dioxide in the shortest possible time.
- 2.5 The 2019 Ministerial Direction and accompanying letter included the requirement for the GM authorities to implement a charging Clean Air Zone Class C *without* a van exemption until 2023, with additional measures. The direction also required the GM authorities to jointly submit to the Joint Air Quality Unit (JAQU) revised evidence by 2 August and a Full Business Case (FBC) by 31 December 2019 at the latest.

- 2.6 The July 2019 Ministerial letter set out that the GM plan appeared to be on track to deliver compliance in the shortest possible time and that on the basis of evidence provided as at that date, the Greater Manchester authorities should continue to proceed towards developing the implementation and contract arrangements of a charging Clean Air Zone in Greater Manchester and that the Government would provide an initial tranche of £36m of funding to take this forward.
- 2.7 Full detail of the government's response was set out in the GMCA – Clean Air Update report on 26 July 2019.
- 2.8 The Clean Air Plan update report, which was considered on 6 January 2020 at the Council's Executive meeting, detailed how a delay in receiving Ministerial feedback on the OBC had an impact on the timetable for the GM CAP.

### **3 Progress since last update – the results of the Public Conversation and Focus Groups**

- 3.1 GM held a public engagement exercise known as the 'conversation' between early May and mid-June 2019 to help inform the work, and this was supplemented by more targeted stakeholder engagement with affected businesses. In addition, further deliberative research has also taken place. Stakeholder dialogue has also continued throughout development of the GM CAP to support the detailed design of the packages of measures.
- 3.2 These forms of engagement and dialogue have all informed the further development and detailed design of the measures identified in the OBC, to refine the proposals that will comprise the Full Business Case.
- 3.3 In total, around 3,300 responses were received, via an online survey, paper questionnaire, letters and emails. Over 2,400 of the responses were from individuals, with the vast majority of respondents living in Greater Manchester. As well as this a number of representative bodies (such as the Federation of Small Businesses) responded to the conversation, on behalf of the members they represent.
- 3.4 There were over 550 responses from businesses based in Greater Manchester and further afield. 61% of business were sole traders, 18% were small businesses, 11% were medium-sized businesses and 10% were large businesses.
- 3.5 Those with non-compliant vehicles were asked about their view on the funding proposed to support businesses to upgrade. Many businesses either didn't know what action they were likely to take or thought they wouldn't take any action. Of those who said they would not take action, the reasons why included; the cost of upgrading their vehicle, constraints around their lease arrangement and that they would prefer to pay the daily charge.

- 3.6 Scrappage schemes, loans and additional support were suggestions made by respondents on how the proposed GM CAP vehicle funds could support those with non-compliant vehicles to upgrade. There were also comments on who should be prioritised to receive any funding, those comments focused on supporting smaller businesses first.
- 3.7 The full report from the conversation can be found online at <https://cleanairgm.com/technical-documents>.

#### **4 Progress since last update – Clean Commercial Vehicle & Hardship Funds**

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

- 4.9 The outcome of this work has resulted in an increased ask of £98m for the Clean Commercial Vehicle Fund, replacing the £59m Clean Freight Fund as set out at OBC. The revised funding ask is considered to better reflect the needs of the vehicles in scope, which are HGVs, coaches, vans and minibuses.
- 4.10 GM considers that it is the smallest businesses and individuals who will be at risk of financial ‘hardship’ as a result of the implementation of a GM CAZ and that the proposed amount of grant funding to help upgrade to a compliant vehicle may not be enough to adequately mitigate the potential adverse economic impacts.
- 4.11 The funding asks have been revised as follows:
- A Clean Commercial Vehicle Fund of c.£98m to provide financial support for the upgrade of light and heavy goods vehicles, minibuses and coaches, which will be targeted to support smaller local businesses, sole traders and the voluntary sector, registered in Greater Manchester.
  - The Hardship Fund of c.£10m to support individuals, companies and organisations who are assessed to be most vulnerable to socio-economic impacts from the CAZ.

## 5 Progress since last update – Ministerial Correspondence

- 5.1 On 18 March 2020, the GM Green City Region lead received a letter from Rebecca Pow MP (DEFRA Parliamentary Under Secretary of State), copying in all Local Authority CEOs and Leaders, regarding next steps with GM’s Clean Air Plan proposals. This letter attached as Appendix One was sent alongside a further Ministerial Direction. The letter explains:
- the government’s desire for GM to consult on a Class C Clean Air Zone (accepting GM’s case for exempting LGVs to 2023) with the timings of reporting back on the consultation suggesting that this activity is expected to take place in the summer.
  - that the government will provide an initial tranche of funding of £41m for grants or loans – this is broken down as £15.4m for bus retrofit, £10.7m for PHVs, £8m for HGVs, £4.6m for coaches and £2.1m for minibuses.
  - the government does not support all measures proposed, specifically the Sustainable Journeys measure.
  - the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from the Office for Low Emission Vehicles (OLEV) (who were allocated £500m in the 11 March budget).
  - there is an expectation that GM’s Clean Air Zone will be introduced in 2021 so compliance with NO<sub>2</sub> legal limits is met in 2024.

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

## **6 GM Response to Minister Letter / Direction**

- 6.1 Councillor Western wrote in response to the Minister on 8 April, attached as Appendix Two, welcoming the initial tranche of funding along with the acceptance of GM's case for 2023 being the earliest point possible to bring LGVs into the scope of the charging Clean Air Zone and highlighting to government the following important outstanding elements:
- Ensuring that a clear funding position is agreed for Hackney Carriages – GM has been clear that the development of this funding ask is needed to support the progression of consultation on GM's plan with the taxi trade.
  - Ensuring that a clear policy position is established for LGV fleet support – reflecting that the GM business community relies on the 70,000+ LGVs in operation here in Greater Manchester. It is stressed that this aspect of work needs to progress quickly so funding can be forthcoming as soon as possible, so as to ensure that bureaucratic delay does not use up the valuable time that could otherwise be available to enable vehicle replacement to happen, following the government agreement to exempt Category C vehicles to 2023.
  - Ensuring that a mechanism is put in place for the large-scale rollout of replacement electric buses for the further 600+ vehicles for which there are no accredited retrofit options. The parallel funds for ultra-low emission buses, announced in the March Budget Statement, are highlighted as the logical source for this funding requirement and early confirmation is sought that this is the case.
  - Ensuring that a workable arrangement is in place for JAQU to help to secure funding for Electric Vehicle charging infrastructure, noting that £500m was awarded to OLEV in the March budget statement.
  - Finally, GM has highlighted outstanding issues regarding specific locations on the Highways England trunk road network that are needed for GM to refine the proposed charging CAZ boundary before it proceeds to statutory consultation.
- 6.2 The letter also set out that GM will also need to be mindful of the significant changes that could result from the impacts of the ongoing pandemic, more of which is discussed below.
- 6.3 A summary table of GM's asks v Government offer and commentary, is set out in Appendix Three. Of note, TfGM is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements.
- 6.4 The March 2020 Ministerial Direction means that the July 2019 direction (which required the conclusion of all necessary public consultation activity and submission of the FBC by end of 2019) is revoked. The new Ministerial Direction sets out new submission dates for consultation, delivery plans and FBC. Notably, the new

Direction requires conclusion of all public consultation activity and submission of the Interim FBC by the end of October 2020.

## 7 Impact of Covid-19

- 7.1 The letter and the accompanying direction were dated 16 March, before the enactment of the Coronavirus Act 2020, meaning that the implications of pandemic management policies had not been considered in setting the submission dates. As a result, GM colleagues have been working to understand the wider impacts of the coronavirus outbreak on this programme of work.
- 7.2 Most immediately is the timing of GM's consultation, which is assumed in the letter to be taking place in the summer. The decision regarding when to commence a consultation cannot be confirmed until there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.
- 7.3 On Wednesday 15 April, following consultation with Leaders, GM made a statement placing the consultation on hold – it can be found in full at: <https://cleanairgm.com/news/greater-manchester-clean-air-plan-consultation-update>.
- 7.4 This also means that the implementation of a GM CAZ is delayed to 2022 (a revised implementation date will be confirmed in a future consultation commencement report).
- 7.5 On Tuesday 28 April, Councillor Western received a letter from Rebecca Pow MP which set out that the Government understands the initial analysis that GM has made about the difficulties of holding a consultation at this time. However, she does encourage GM to continue preparations to be ready to launch one as soon as practicable.
- 7.6 The Government's Joint Air Quality Unit confirmed on 1 May that authorities should continue to develop measures and packages to tackle the exceedances predicted from modelling to date, subject to further Emissions Factor Toolkit analysis to be provided by JAQU shortly. Furthermore, that there should be no revised economic analysis undertaken without JAQU consent, on the basis that the outcomes of COVID-19 are not yet understood, and that for now authorities should proceed on the basis of their current proposals.
- 7.7 To understand the wider impacts of the COVID-19 outbreak the GM CAP team will make an assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers. This assessment will include:
  - whether the assumptions underpinning the GM CAP are still valid;
  - whether GM will remain in exceedance of legal nitrogen dioxide limits under the proposals as they currently stand;
  - the measures proposed in the package for consultation; and

- whether the proposed support package will be sufficient.

## 8 The Consultation

- 8.1 GM needs to be mindful of moving its Clean Air Plan forward given the direction to act but also the need to balance this against the impact of COVID-19.
- 8.2 GM has been directed by Government to introduce a category C Clean Air Zone across the region and there is a requirement under Transport Act 2000 to consult 'such a local persons as they consider appropriate about the charging scheme'. The statutory nature of the consultation affords a large degree of discretion to the consulting authority, but would be expected to concern the fundamentals of the CAZ, i.e. the need for a CAZ, the proposed boundary, times of operation and vehicle types that would be subject to charges if non-compliant, the charges and discounts and exemptions. It is the latter two points that could be most affected by responses to the consultation, given that some of the other elements of the CAZ such as the need for a CAZ and the category of CAZ are mandated by the Ministerial Direction.
- 8.3 The supporting measures, the detail of proposals of the funds and vehicle finance are also set out to enable consultees to respond fully to the GM CAP proposals.
- 8.4 Any consultation conducted in a time of COVID-19-related restrictions will be less than perfect and GM would have to do everything it reasonably can to ensure that the consultation is fair.
- 8.5 GM intends to commence a consultation on the Clean Air Plan as soon as it judges that it could conduct a consultation that allows people, particularly impacted groups, the opportunity to consider and respond to the proposals in a meaningful way with particular regard to the context of Government guidance on social distancing at the relevant time. However, as the position regarding lockdown is fluid, it is not possible to definitively confirm that date, ultimately this will be a judgement call.
- 8.6 The judgement call will clearly be influenced by the government's lockdown exit plan, but also by the economic and social conditions that will present themselves after the realities of exiting lockdown and moving to the next phase of the COVID-19 response are known.
- 8.7 As part of the report that members will receive to determine progressing the consultation GM will set out how it has made the judgment to move forward to its consultation taking into account the information set out above.

8.8 Whilst the government has made a number of financial packages available to businesses and the self-employed in this extraordinary situation, GM's residents and businesses are focused on ensuring they and their families and employees stay safe. In addition, GM are very aware that the impact of pandemic management policies are being felt very strongly within the taxi trade. GM recognises that the transport sector has already been hugely impacted by the pandemic, and government policies to stem its spread; and its ability to recover from significant revenue loss whilst also being expected to renew fleet to respond to pre-epidemic policy priorities requires further thought and consideration. Therefore, the groups most affected by GM's Clean Air Plan may need even further assistance than GM had anticipated at the time of GM's previous submission to Government.

## **9 GM'S aspirations around EV charging**

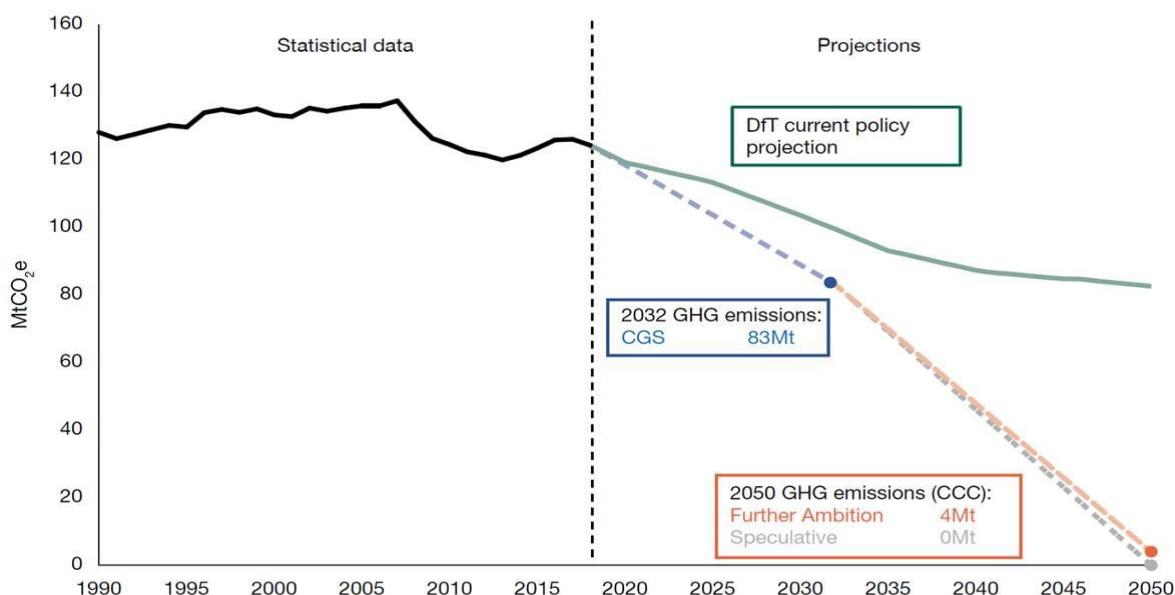
- 9.1 As set out above the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from OLEV.
- 9.2 Securing funding is important as the current Electric Vehicle Charging Infrastructure (EVCI) provision in GM is below the North West and national averages of charge points per 100,000 population. GM's EV registration is also significantly below the national average. Based on engagement and delivery to-date it is considered unlikely that private sector investment will deliver the right infrastructure in appropriate locations to deliver the rapid transition to EVs required to support GM's ambitions.
- 9.3 There is therefore a continued need for substantial public sector intervention, supported by a clear policy position, to influence the scale and distribution of EVCI investment (both public and private) in a future network that supports GM's 2040 Strategy ambitions.
- 9.4 A draft EVCI Strategy is in development to support GM's 2040 Strategy ambitions and, in particular, delivery of GM's CAP. The strategy will set out:
- GM's vision for EVCI in across the region;
  - A set of strategic principles to guide the design and future development of the network; and
  - the estimated size, mix and spatial distribution of the network required to meet anticipated / forecasted demand.

## 10 Decarbonising Transport & GM'S Clean Air Plan

10.1 In March this year the Government published its “Decarbonising Transport – Setting the Challenge” document. In setting the challenge Government identifies that current policies fail to deliver the reduction in emissions needed if transportation is to play its part in meeting the national legal obligation to be carbon neutral by 2050. There is an estimated gap of 16MtCO<sub>2</sub>e projected emissions between the DfT’s current policy projections compared to the Clean Growth Strategy targets and the document identifies that “**there is no plausible path to net zero without major transport emissions reductions and delivered soon**”.

10.2 Figure 1 DfT’s latest domestic Green House Gas (GHG) emissions projections based on current policies, compared to Clean Growth Strategy targets and Committee on Climate Change (CCC) Net Zero ‘Further Ambition and ‘Speculative scenarios’.

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



10.3 Government have set out in the document that they are to produce a Transport Decarbonisation Plan<sup>1</sup> that will set out a credible plan on how to put the UK’s entire transportation system on a pathway to deliver the necessary GHG reductions and identifies that fundamental changes in the way people and goods move around. They state that is key, identifying that the solution lies with innovation, developing further waste derived fuels, fundamentally changing people’s travel behaviour and using smart data to give added value. There are 6 strategic priorities within the document:

- Accelerating modal shift to public and active transport,
- Decarbonising road vehicles,
- Decarbonising how we get our goods
- Place based solutions for emission reduction

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

- The UK becoming a hub for green transport technology and innovation
  - Reducing carbon in a global economy
- 10.4 Government propose to engage stakeholders through a series of three workshops based on the above priorities, test ideas and insight from public feedback and present a range of potential policies.
- 10.5 There are many co-benefits (defined by the IPCC as “positive effects that a policy or measure aimed at one objective might have on other objectives”) of decarbonising transportation which include public health benefits through increased active travel, improved air quality and reduced noise. Taking action to decarbonise transportation will have beneficial effects not only on the environment but also on health, wellbeing and quality of life, especially those living in populated areas.
- 10.6 The GM CAP is a place based solution to tackle roadside NO<sub>2</sub> and proposes measures to secure funding for Electric Vehicle charging infrastructure, as well as ensuring that a mechanism is put in place for the large scale rollout of replacement electric buses, which will have a positive impact on carbon. As GM progress the development of its wider transport policies it will take account of these important environmental agendas to ensure alignment of policies.

## **11 Minimum Licensing Standards and the GM Clean Air Plan**

- 11.1 The taxi/PHV trade represents c.20,000 drivers across GM and is a significant part of GM’s transport offer.
- 11.2 In 2018, GM’s ten local authorities agreed to collectively develop, approve and implement a common set of minimum licensing standards (MLS) for Taxi and Private Hire services that cover the whole of GM. At that time, the primary driver for this work was to improve public safety, but vehicle age and emission standards in the context of the Clean Air agenda are now also a major consideration.
- 11.3 The trade has asked for certainty, funding, and long-lead in times for these changes. This is extremely challenging within the current and emerging policy environment. Officers have been working to develop policy proposals that can meet these needs as far as possible, which is why parallel consultations have been proposed for MLS and GM CAP, and that charging, funding, and licensing policy positions are coherent and joined-up.
- 11.4 The approach seeks to establish a basic and common minimum in key areas, whilst allowing Districts to exceed these minimums where they consider this to be appropriate. As licensing is a local authority regulatory function, the work to devise the Standards has been undertaken by the GM Licensing Managers Network, with TfGM supporting the co-ordination of this work, and alignment with other relevant GM policies, at a GM level.
- 11.5 There are four areas of focus for the MLS:

- Drivers: Criminal Records Checks; Medical Examinations; Local knowledge test; English language; Driver training; Driving Proficiency; Dress Code.
- Vehicles: Vehicle emissions (diesel Euro 6 and above, petrol Euro 4 and above); Vehicle ages (under 5 years at first licensing, no older than 10 years); Vehicle colour (Black for Taxi/Hackney, white for PHV); Vehicle livery (common GM design with Council logo incorporated); Accessibility (all Taxis to be wheelchair accessible); Vehicle testing; CCTV; Executive Hire; Vehicle design and licensing requirements.
- Operators: Private Hire Operators / staff will require basic criminal record check; more stringent requirements in relation to booking records; Operators to take more responsibility for the behaviour of their drivers.
- Local Authorities: Applications may be submitted up to 8 weeks in advance of licence expiry; Once determined, licence issued within 5 working days; Agree to develop common enforcement approach and a framework to which licensing fees are set; Councillors to receive training before they hear applications.

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

11.11 This will provide certainty for investment and maximise the funding through the clean air plan. The risk of an unclear policy is that it potentially drives the purchase of more fossil fueled vehicles, either locking new fleet into 10 years of emissions or putting proprietors at risk of future interventions mid-way through a vehicles useful life as a licensed taxi.

11.12 The dates proposed as the GM Taxi/PHV ZEC roadmap as the position for consultation are suggested as:

- From 2025 all new to licence vehicles would need to be ZEC; and
- From 2028 all vehicles would need to be ZEC, meaning an entirely zero emission taxi/PHV fleet across GM by 2029.

## **12 Next Steps**

12.1 Officers will:

- Continue dialogue with JAQU to secure a clear response from government on GM's outstanding clean air funding asks;
- Continue to undertake the preparatory implementation and contract arrangements that need to be undertaken to deliver the CAZ and other GM CAP measures;
- Continue preparations to be ready to move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable; and
- Bring a report on the consultation proposals to GM Authority decision makers when there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response.

## **13 Recommendations**

13.1 Executive is recommended to:

- a) Note the progress of the Greater Manchester (GM) Clean Air Plan;
- b) Note the progress in the development of the Clean Commercial Vehicle and Hardship funds;
- c) Note the initial funding award of £41m for clean vehicle funds to award grants or loans to eligible businesses;
- d) Note the Government has accepted the need for vehicle replacement funds for Hackney Carriages, and Light Goods Vehicles, but has requested further development of shared evidence on the needs within that complex sector before responding and does not support the sustainable journeys measure;

- e) Note that Transport for Greater Manchester (TfGM) is seeking confirmation that the funding award for Bus Retrofit is a continuation of Clean Bus Technology Funds to be distributed as soon as possible as per previous arrangements;
- f) Note the government will not support electric vehicle charging infrastructure through Clean Air monies but have committed to work with GM on securing funding from the Office for Low Emission Vehicles (OLEV);
- g) Agree the position that the GM Local Authorities will move to a statutory public consultation on the GM Clean Air Plan as soon as reasonably practicable;
- h) Further agree the position that the GM Local Authorities' decision to commence a public consultation should be taken once there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response;
- i) Note the implementation of a GM Clean Air Zone (CAZ) is delayed to 2022 with a revised implementation date to be confirmed in the consultation commencement report;
- j) Note the Depratment for Transport's (DfT's) positioning paper "Decarbonising Transport – Setting the Challenge";
- k) Note the assessment of the possible impacts of COVID-19 to inform a technical briefing note for decision makers; and
- l) Note that the GM local Authorities intend to consult on GM's proposed Minimum Licensing Standards for Taxis and Private Hire services ("MLS"), alongside the Clean Air Plan consultation, and agree the position for consultation on when taxi/private hire vehicle fleets should be Zero Emission Capable.

### **Other Options**

The authorities are demonstrating collective leadership in working together to tackle this air quality issue, and the approach to developing a city-region wide Clean Air Plan has been accepted by government..

There is the option for any one of the authorities to reject this joint approach, however, without an alternative plan to reduce NO<sub>2</sub> emissions in the shortest possible time, this could lead to a potential legal challenge against the authority. This decision could also undermine the collective approach that has been taken to tackle this issue on a Greater Manchester wide basis.

### **Consultation**

A programme of research, analysis, public and stakeholder engagement (including a public conversation during May and June) and a thorough integrated impact assessment has been undertaken throughout 2019.

The commencement of a charging Clean Air Zone scheme and the other measures are subject to a statutory consultation, and the Executive will receive a further report to determine the commencement of a public consultation once there is a clear timeframe for exiting lockdown and moving to the next phase of the COVID-19 response

## **Reasons for Recommendations**

The recommendations will help ensure that the authority complies with the Directions served by the Government in 2017, 2019 and 2020, requiring the authority to deliver compliance with legal limits for nitrogen dioxide in the “shortest possible time”.

**Key Decision** No

**Finance Officer Clearance PC**  
**Legal Officer Clearance JLF**

## **CORPORATE DIRECTOR'S SIGNATURE**



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

## **14 APPENDIX ONE – MINISTERIAL CORRESPONDENCE**



## **15 APPENDIX TWO – GM RESPONSE TO MINISTERIAL CORRESPONDENCE**



## **16 APPENDIX THREE – GM SUMMARY TABLE OF GM'S ASKS V GOVERNMENT OFFER**

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

<b>Measure</b>	<b>GM Ask</b>	<b>Government offer</b>	<b>Commentary</b>
LGV	£80m	TBC	Government have accepted the exemption to 2023 and further evidence is required to demonstrate the size of GM's funding ask.
PHV	£22m for replacement hackney / PHV and hackney try before you buy scheme	£10.7m TBC	The distribution of funding requires a consultation on the Clean Air Zone to have been conducted, evaluated and agreed.
Hackney Cab			Government require further evidence to demonstrate the size of GM's funding ask for hackney cabs.
Bus Replacement	JAQU aware that there are 600+ vehicles for which there are no accredited retrofit options	TBC	GM are seeking solutions for large scale replacement.
Hardship Fund	c.£10m	TBC	Government require further evidence to demonstrate the size of GM's funding ask.