

Report of Programme Officer, Sustainable Energy & Climate Change

Report to Director of Resources and Housing

Date: 20th March 2018

Subject: Air Quality – Early Measures Funding Phase 2

Scheme Number : TBA

Are specific electoral wards affected? If relevant, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

- Air quality is now a major issue of growing interest and significance at a national and international level. Leeds was identified in 2015 by Department for the Environment, Food & Rural Affairs (DEFRA) as one of six locations in England that is not expected to meet air quality standards by 2020 and to require the introduction of a Clean Air Zone (CAZ).
- Air quality in Leeds is required to be compliant with air quality legislation as soon as possible to reduce the health impacts of air quality, and avoid fines from European Union.
- Modelling is ongoing to determine the efficacy of delivering a CAZ in Leeds. A first phase of public consultation on implementing a CAZ B Outer Ring Road was completed on March 2nd.
- 'Early measures' will be implemented to deliver air quality improvements, and support the transition to low-emission vehicles.
- DEFRA have authorised a grant of £1,859,988 for Leeds City Council to deliver a second phase of early measures to improve air quality ahead of the implementation of a Clean Air Zone.

1 Recommendations

1.1 The Director of Resources and Housing is requested to ;

1.1.1 Authorise an injection and authority to spend £1,859,988 of (DEFRA) grant on measures that will assist in improving air quality in Leeds. This spending is broken down into:

- City Dressing - £409,817
- Electric vehicle charging points - £339,680
- School schemes - £151,291
- Ultra-low emission vehicle uptake for small-medium enterprises - £660,000
- Electric taxi leasing scheme - £299,200

2 Purpose of this report

2.1 This report aims to seek authority to spend a £1,859,988 grant from DEFRA to assist in the delivery of early measures projects to reduce emissions from transport in support of the CAZ to result in an improvement to air quality in Leeds.

3 Background Information

3.1 DEFRA carried out a national assessment of air quality based on the requirements of the EU Directive on air quality. As a result of this, in December 2015 DEFRA published their updated air quality action plan that named Leeds, along with Nottingham, Birmingham, Derby, Southampton, and London as places in the UK that will be not be compliant with nitrogen dioxide (NO₂) targets by 2020, in line with EU air quality targets.

3.2 Following legal action by non-governmental organisation Client Earth, the government lost two successive trials at the supreme court resulting in a verdict that previous plans to tackle air quality were illegal on the basis that:

- Best effort was not being made to meet air quality standards as soon as possible
- Over-optimistic pollution modelling had been used, which produced inaccurate representations of air quality in towns and cities.

3.3 A revised National Air Quality Plan was produced, identifying 28 cities that have the greatest air quality problems. The plan places greater responsibility for reaching compliance upon local authorities than previously. The original five cities, including Leeds, that were named must deliver their Clean Air Zones by the end of 2019. The remainder of the cities have to deliver by the end of 2020.

- 3.4 Officers within Leeds City Council are undertaking a detailed modelling exercise utilising local air quality, traffic, and fleet data from a number of sites. Modelling has determined that a CAZ B Outer Ring Road (ORR) would bring Leeds to near compliance – this will result in non-compliant buses, coaches, HGVs and taxi & private hire vehicles being charged. Additional measures are therefore required, which will be detailed within Leeds' CAZ Final Business Cases submitted by 15th September 2018. To accelerate reducing emissions and improving air quality across the city, the following Early Measures have been proposed which are distinct from, but complement both the additional measures and the support packages that will be bid for from the Clean Air Fund to mitigate CAZ impacts on affected groups.
- 3.5 *DEFRA 'Early Measures' Grant Phase I*
- 3.6 The implementation of any form of CAZ will require a significant lead-in time to allow for the installation of necessary infrastructure and preparation of back office systems to capture and charge non-compliant vehicles entering Leeds' CAZ. In recognition of this, central government encouraged affected local authorities to bid for funding in November 2016 to deliver a first phase of 'early measures' – projects that will improve air quality prior to the implementation of the CAZ. Leeds was awarded £1 million in December 2017 to deliver:
- Taxi & Private Hire ULEV Incentive - £700,000
 - Communications campaign - £180,000
 - LCC Fleet Innovating Electric Charge Point Scheme - £80,000
 - Bike Share Scheme - £40,000
- 3.6.2 A second phase of 'early measures' funding was announced in January 2018, with up to £2 million available to Leeds City Council – the requirement of this funding was to deliver additional abatement of nitrogen dioxide emissions prior to implementation of the proposed CAZ.

4 Main Issues

4.1 Authority to Spend

- 4.2 DEFRA have authorised a grant of £1,859,988 for Leeds City Council to deliver a second phase of 'Early Measures'. To most effectively utilise the grant from DEFRA, it is necessary to prepare an appropriate finance mechanism to allow for receipt & dispersal of this funding in line with the various projects to be delivered.

4.3 Early Measures – Phase II

- 4.4 The Early Measures are outlined below – a comprehensive programme of initiatives have been identified that deliver air quality improvements prior to the implementation of the CAZ. Each of these Measures focuses either on producing modal shift to 'cleaner' transport modes, facilitating the uptake of ULEVs, and/or delivering behaviour change through increased access to alternative travel modes. The programme of early measures chosen are all deliverable quickly and

can therefore act as a catalyst of change in the city, supporting the earlier reduction of emissions.

Name	Background	Value (£,000s)	Objectives
City dressing/ car sharing and modal shift promotion (EM2)	Lack of publicly visible air quality information across Leeds, or information on how people can reduce their emissions. Low proportion of car sharing across Leeds and poor promotion of car sharing scheme. Support behaviour change to utilise P&R, car clubs and public transport.	£409.8	Signpost public to existing public transport infrastructure, reducing the number of car journeys No idling signs at schools and key areas Variable signs to display key air quality messages Increase awareness of exposure to pollutants and public knowledge around air pollution. Develop car sharing across West Yorkshire, reducing the number of single-person car journeys. Voucher scheme to target city centre car users to achieve modal shift
EV Charging Points/ ULEV parking (EM3)	Insufficient number of publicly accessible electric vehicle (EV) chargepoints across Leeds as a barrier to ULEV uptake. Lack of grants specifically for public charge points where GUL bids failed & not on residential streets. Analysis of other nations (e.g. Norway) has correlated a link between public charge infrastructure & accelerated EV purchase uptake.	£339.7	Deliver fast and rapid chargers in public spaces, including on LCC assets Deliver on-street residential charging by providing the 25% required funding to match the current OLEV offer Extend free parking in Leeds for ULEVs to March 2020. Increase the number of EV cars in the city and reduce the number of diesel, driving down NOX emissions
School Schemes (EM5)	Some schools have high number of pupils travelling by car.	£151.3	Deliver modal shift from cars to active travel at 30 schools, leading to a reduction in NOX emissions Develop wider behaviour change through the scheme via the parents Air quality workshop and teaching materials
ULEV uptake – business (EM6)	EV uptake across businesses is prevented by key barriers; knowledge of the technology and market / awareness of	£660	Remove barriers to ULEV/EV uptake Accelerate adoption of ULEVs by businesses Identify EV's operational viability Undertake bespoke cost review for diesel vs. EV replacements.

	developing whole life cost business cases and lack of confidence in technology infrastructure. This scheme addresses these in a direct and clear way to provide a roadmap to EV uptake for businesses and organisations to facilitate a clear route to EV use.		Support cost of EVCP installations for businesses Raise awareness of ULEV capability and address charge point access anxieties Reduce emissions from fleet (operational and grey fleet)
Electric Taxi Lease Scheme (EM7)	Hybrid vehicles are increasingly used in the T&PH sector, however uptake of EV's is slow. There is a lack of awareness of their feasibility and a risk-averse approach to purchasing. This slows the potential EV uptake in this sector.	£299.2	Overcome barriers to EV uptake through provision of trial EVs in a risk-free format for drivers and supporting development of business cases through utilising telematics to identify optimal EV benefits. Improve confidence in EVs as operationally suitable Taxis and private hire are used intensely in highly polluted areas and therefore a transition of this fleet to EV would have a disproportionate benefit to NOX emissions

5 Corporate considerations

5.1 Consultation and engagement

- 5.1.1 Colleagues in City Development and Licensing have been consulted on all schemes, with PPPU staff working in tandem with these services to develop the Early Measures bid.

5.2 Equality and diversity / cohesion and integration

- 5.2.1 Those affected by poor air quality are concentrated in our more deprived inner city areas. Deprived areas in cities typically experience heavier than average traffic and consequently potentially higher levels of pollution. Air pollution, deprivation and poor-health status combinations can create increased and disproportionate disease burdens.
- 5.2.2 The above measures to be funded by DEFRA's grant will improve air quality in Leeds and reduce the air quality health impacts in deprived areas.

5.3 Council policies and best council plan

- 5.3.1 The Council's cutting carbon and improving air quality breakthrough project aims to deliver improvements to air quality across Leeds. The spending of this DEFRA funding will assist in the success of this wider programme of works.
- 5.3.2 The Council has an ambition to reduce health inequalities across Leeds. There is a need to reduce air pollution-related risks for all. These projects will assist in the delivery of these ambitions.

Resources and value for money

- 5.3.3 Leeds City Council has sought to bid and secure funding from numerous sources to deliver both independent and collaborative projects that seek to better understand and/or improve air quality in the city. Utilising multiple sources of funding reduces the financial burden on the Local Authority for the implementation of a Clean Air Zone.
- 5.3.4 The potential uses for this DEFRA grant have been carefully considered, with close scrutiny from DEFRA and JAQU. The bulk of the funding provides incentives to facilitate the transition to hybrid & EVs among taxi & private hire – a sector that disproportionately impacts on Leeds air quality per vehicle in areas of key concern due to high annual mileage and urban driving.

5.3.5 Capital & Revenue Funding and Cashflow

Name	Capital (£)	Revenue (£)
City dressing/ car sharing and modal shift promotion (EM2)	359,817	50,000
EV Charging Points/ ULEV parking (EM3)	289,860	50,000
School Schemes (EM5)	101,291	50,000
ULEV uptake – business (EM6)	660,000	0
Electric Taxi Lease Scheme (EM7)	299,200	0

Injection required on this scheme	TOTAL £000's	TO MARCH 2017 £000's	FORECAST				
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020 £000's	2021 £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	599.8			563.0	36.8		
REVENUE	150.0			91.7	58.3		
OTHER COSTS (7)	1110.2			892.9	217.3		
TOTALS	1860.0	0.0	0.0	1547.6	312.4	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2017 £000's	FORECAST				
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020 £000's	2021 £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	599.8			563.0	36.8		
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	1260.2			984.6	275.6		
TOTALS	1860.0	0.0	0.0	1547.6	312.4	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2017 £000's	FORECAST				
			2017/18 £000's	2018/19 £000's	2019/20 £000's	2020 £000's	2021 £000's
DEFRA Capital	1710.0			1455.9	254.1		
DEFRA Revenue	150.0			91.7	58.3		
Total Funding	1860.0	0.0	0.0	1547.6	312.4	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Legal Implications, access to information and call in

5.3.6 This decision is a key decision and subject to call in.

5.4 Risk management

5.4.1 A key risk for Leeds is failure to achieve compliance with air quality standards as defined in EU directives, which have also been incorporated into national legislation. It is unclear what the exit from the EU might mean in terms of the implications for infringement fines if targets are not met. As it stands failure would mean that significant infringement fines could be passed to the local authority by the government utilising the Localism Act. Consequently air quality is included on the Corporate Risk Register and is reviewed by CLT four times a year.

5.4.2 Failure to improve air quality also means a risk of failing to deliver the public health benefit and that the impact in terms of early deaths and ill health associated with poor air quality is not reduced.

5.4.3 All schemes are considered low/medium risk, identified risks can be found in Appendix 1.

6 Conclusions

6.1 Leeds City Council is required to take action to improve air quality in the city region to ensure nitrogen dioxide levels meet international air quality targets by 2020. This will require accelerating the shift to cleaner vehicles for both business

and personal use, as well as a marked behaviour change resulting in increased usage of low emission travel modes such as public transport and active travel.

- 6.2 To support the necessary actions required, DEFRA have made available a second phase of Early Measures funding to implement measures that will improve air quality. Officers have carefully considered which measures could be quickly implementable and produce an air quality improvement in Leeds.

7 Recommendations

- 7.1 It is recommended that the Director of Resources & Housing;

- 7.1.4 Authorise an injection and authority to spend £1,859,988 of (DEFRA) grant on measures that will assist in improving air quality in Leeds. This spending is broken down into:

- City Dressing - £409,817
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9.0 Background documents¹

- 9.1 None

¹ The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.