

Report of Programme Officer, Sustainable Energy & Climate Change

Report to Director of Resources and Housing

Date: 19th March 2018

Subject: Clean Air Zone Feasibility Funding

Scheme Number : 32749/000/000

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.
- An initial grant of £421,229 was awarded by DEFRA to fund LCC's work to develop Leeds' CAZ proposal. This has now been spent in its entirety, necessitating further funds to complete additional feasibility work to deliver Leeds' final CAZ proposal by September 2018.
- DEFRA have authorised a grant of £578,591.90 for Leeds City Council to undertake further feasibility work.

1 Recommendations

1.1 The Director of Resources and Housing is requested to ;

1.1.1 Authorise an injection and authority to spend £578,591.90 of (DEFRA) grant on measures that will assist in the delivery of a Clean Air Zone for Leeds.

2 Purpose of this report

2.1 This report aims to seek authority to spend a £578,591.90 grant from DEFRA to assist in the delivery of measures to deliver 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, requiring additional measures to robustly achieve compliance – this will result in non-compliant buses, coaches, HGVs and taxi & private hire vehicles being charged. An exercise will be undertaken in conjunction with the Joint Air Quality Unit (JAQU) to agree what is the right target for the city in terms of emissions reduction and this will be assessed by a panel of independent experts who will consider both the local and national model outputs.

3.5 *Previous DEFRA CAZ Feasibility Grant*

3.6 Feasibility funding totalling £421,229 was requested through an initial funding mechanism. This has been processed into budget schemes and has been utilised in full with work either completed and payments to suppliers made, or work committed and ongoing with payments partially made & a payment schedule in process to finalise payment in line with continued outputs and objectives being met

4 Main Issues

4.1 Authority to Spend

4.2 DEFRA have authorised a grant of £578,591.90 for Leeds City Council to undertake further feasibility work. 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. Full details of the projects to be funded are provided below.

Workstream	Value	Resource / Capital	Detail
Project Delivery Resource Costs	£297,191.90	Resource	There is a need to ensure that sufficient resource is available across the cross-directorate teams supporting delivery of the Clean Air Zone work programme. This includes programme delivery costs, modelling resource costs and communication team costs.
Transport Modelling	£30,000	Resource	The ongoing iterative process of modelling requires additional funding so that we have the flexibility to allow for accurate modelling to be carried out as we test any amendments to the proposed CAZ, whether on the basis of boundaries, exemptions or otherwise.
Air Quality Modelling	£30,000	Resource	Further assessment of the sensitivity of existing modelling, plus utilising updated assumptions, guidance and data. Modelling of air quality impact of additional measures to contribute to improved air quality also required.
CAZ	£70,000	Resource	Independent analysis of the consultation

Consultation		£20,000 Capital £50,000	responses, marketing, mail-drops, advertising, forums and event costs.
Economic Modelling	£34,000	Capital	Further economic modelling is required in order to meet the additional requirements that LCC/JAQU have made in terms of economic impact analysis
Consolidation Centres	£90,000	Capital	A study to identify whether city centre SMEs can use a shared services model to reduce deliveries/ vehicle movements resulting in reduced emissions.
Support Packages	£20,000	Resource £10,000 Capital £10,000	Development of support packages for affected businesses and associated vehicle types. Further funding to source external advice to confirm all proposals are state aid compliant.
CAZ Charging Structure	£7,400	Capital	Determination of locally appropriate CAZ charging mechanisms. To be delivered by external consultant.

5 Corporate considerations

5.1 Consultation and engagement

5.1.1 Colleagues in Highways, Financial Services, and City Development have been consulted on these proposals. The Executive Member for Environment & Sustainability has been consulted on this scheme.

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 actions to be funded by DEFRA's grant will improve air quality in Leeds and reduce the air quality health impacts in deprived areas.

5.6 *Legal Implications, access to information and call in*

5.6.1 This decision is a key decision and subject to call in

5.7 *Risk management*

5.7.1 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 infraction fines if targets are not met. As it stands failure would mean that significant infraction 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.

5.7.2 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.

5.7.3 This funding will increase Leeds City Council's capacity to achieve compliance with air quality standards in the shortest possible timescales by providing sufficient resource to deliver the necessary workstreams.

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. For Leeds. This will require delivering a charging CAZ in the shortest possible timescales.

6.2 To support the necessary actions required, DEFRA have authorised a £578,591.90 fund to deliver final CAZ proposals.

7 Recommendations

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

7.1.1 Authorise an injection and authority to spend £578,591.90 of (DEFRA) grant on measures that will assist in the delivery of a Clean Air Zone for Leeds.

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.