

TITLE OF REPORT:	Breathe: The Clean Air Plan for Newcastle and Gateshead
REPORT OF:	Sheena Ramsey Chief Executive Peter Udall Strategic Director, Economy, Innovation and Growth

Purpose of the Report

1. Cleaning up our air is a key priority for Gateshead Council. Council has previously acknowledged that we must adhere to the Government's Legal Directions to improve air quality in the shortest possible time. We have also joined other authorities in consistently noting disappointment that government's framework has a narrow focus on roadside Nitrogen Dioxide.
2. Since consultation in 2019, we have undertaken work to update the measures needed to bring and maintain air quality within compliant levels. This reflects the consultation responses we received and the reduced funding offer from government for our initial programme.
3. The recommended option for the Full Business Case is a Clean Air Zone Class C and a package of mitigation and support measures including grants for affected businesses and individuals.
4. Cabinet is requested to: note the contents of the Full Business Case; refer the Full Business Case (attached at Appendix 4) to Full Council for decision in advance of formal submission to the Joint Air Quality Unit to fulfil the requirements of the Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Air Quality Direction 2017 and the Environment Act 1995 (Gateshead Council and Newcastle City Council) Air Quality Direction 2020 and delegate authority to the Strategic Director, Economy, Innovation & Growth in consultation with the Leader and Cabinet member for Environment and Transport, to make amendments to the Full Business Case prior to the formal submission to the Joint Air Quality Unit.

Background

5. Outdoor air pollution is a major risk to human health. As outlined in previous reports to Cabinet, based on national estimates, poor air quality is considered to be responsible for hundreds of deaths each year across Gateshead and Newcastle, as well as thousands across the country. The main cause of roadside Nitrogen Dioxide is road transport, which also has wider impacts on public health and is a significant contributor to carbon emissions and climate change.
6. The report submitted to Cabinet in July 2021 and Appendix 1 of this report sets out the procedural background to this report, including the decisions made in 2019/2020. The

July 2021 Cabinet Report indicated that a Clean Air Zone Class C, without further traffic restrictions, was likely to achieve compliance in 2022.

Proposal

7. Subsequent to the July 2021 report, officers have continued to assess a start date of 2022. This has indicated that:
 - A Clean Air Zone Class C, without further traffic restrictions, will achieve compliance with legal limits for air pollution in 2022 on all roads;
 - Given additional traffic restrictions are not required for air quality compliance, the revised plan leads to lower levels of rerouting by vehicular traffic than previous proposals indicated;
 - These changes mean that the plan leads to lower total carbon, particulate and nitrogen dioxide emissions than previous reports predicted; and
 - These changes mean that the plan has fewer economic disbenefits than the previous plan.
8. On this basis, it is recommended that the preferred option for the Clean Air Zone is a Clean Air Zone Class C, based on the area shown by the map attached as Appendix 2, the Clean Air Zone compliance criteria and charges are also set out in Appendix 3.
9. A Clean Air Zone requires engine standards of Euro 6 for diesels and Euro 4 for petrol vehicles.
10. A Clean Air Zone Class C will affect:
 - Buses and coaches;
 - Hackney Carriage and Private Hire Vehicles;
 - Heavy Goods Vehicles; and
 - Light Goods Vehicles.
11. The planned charges are £50 a day for non-compliant Buses and Heavy Goods Vehicles and £12.50 a day for other vehicles.
12. The estimate for the launch date of the Clean Air Zone is July 2022; this was highlighted in the July 2021 Cabinet report.

Recommendations

13. It is recommended that Cabinet:
 - (i) Note the proposed Full Business Case
 - (ii) Refer the Full Business Case (attached at Appendix 4) to Full Council for decision in advance of formal submission to the Joint Air Quality Unit to fulfil the requirements of the Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Air Quality Direction 2017 and the Environment Act 1995 (Gateshead Council and Newcastle City Council) Air Quality Direction 2020; and
 - (iii) Delegate authority to the Strategic Director, Economy, Innovation & Growth in consultation with the Leader and Cabinet member for Environment and Transport, to make amendments to the Full Business Case prior to the formal submission to the Joint Air Quality Unit

For the following reason:

To improve air quality in Gateshead and Newcastle

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Policy Context

1. The proposals in this report are consistent with the Council priorities and the overall strategic approach for Gateshead as set out in “Making Gateshead a Place Where Everyone Thrives” and its policy objectives. In particular, ‘Put people and families at the heart of everything we do’ and ‘Work together and fight for a better future for Gateshead’. They also support the Core Strategy and Urban Core Plan, and the aims and objectives of the North East Transport Plan.
2. Outdoor air pollution is a major risk to human health. As outlined in prior reports to Cabinet, based on national estimates, poor air quality is considered to be responsible for hundreds of deaths each year across Newcastle, Gateshead and North Tyneside. The main cause of roadside air pollution, including nitrogen dioxide, is road transport, which also has wider impacts on public health and is a significant contributor to carbon emissions and climate change.

Background

3. Since receiving the Legal Directions the authorities have developed a business case in line with Government guidance.
4. Following the Legal Direction issued by government, Newcastle, North Tyneside and Gateshead councils worked together to develop a plan which was approved by Council in January 2020. The review of the submitted plan by government’s Joint Air Quality Unit (JAQU) in March 2020 led to North Tyneside having the Direction against them lifted and a new Direction issued to Newcastle and Gateshead. All our options had to be considered against a charging Clean Air Zone and how quickly they could deliver compliance. Potential impacts on the economy could only be considered as a determining factor if more than one option delivered in the same timeframe.
5. Cabinet has been clear in feedback to the previous reports on this subject that success should also be measured by whether we can achieve sustainable changes in air quality (including other pollutants than Nitrogen Dioxide) and in travel behaviour for the long term. Our aim is also to ensure that solutions are fair, support the economy and improve public health.
6. The report submitted to Cabinet in July 2021 (and above) sets out the procedural background to the current position, including the decisions made in 2019/2020. The July 2021 Cabinet Report indicated that a Clean Air Zone Class C, without further traffic restrictions, was likely to achieve compliance in 2022.
7. Subsequent to the July 2021 report, officers have continued to assess a start date of 2022. This has indicated that:
 - A Clean Air Zone Class C, without further traffic restrictions, will achieve compliance with legal limits for air pollution in 2022 on all roads;
 - Given additional traffic restrictions are not required for air quality compliance, the revised plan leads to lower levels of rerouting by vehicular traffic than previous proposals indicated;
 - These changes mean that the plan leads to lower total carbon, particulate and nitrogen dioxide emissions than previous reports predicted; and
 - These changes mean that the plan has fewer economic disbenefits than the previous plan.

8. On this basis, it is recommended that the preferred option for the Clean Air Zone is a Clean Air Zone Class C, based on the area shown by the map attached as Appendix 2, the Clean Air Zone standards and charges are also set out in Appendix 3.
9. Transformative measures that were implemented on a trial basis on Askew Road in support of air quality as well as improving cycling and walking links and reducing delays to buses will remain in place for an extended period and will be reviewed after two years.
10. A Clean Air Zone requires engine standards of Euro 6 for diesels and Euro 4 for petrol vehicles.
11. A Clean Air Zone Class C will affect:
 - Buses
 - Hackney Carriage and Private Hire Vehicles
 - Heavy Goods Vehicles
 - Light Goods Vehicles
12. The planned charges are £50 a day for non-compliant Buses and Heavy Goods Vehicles and £12.50 a day for other non-compliant vehicles.
13. The estimate for the launch date of the Clean Air Zone is July 2022; this was highlighted in the July 2021 Cabinet report.
14. The Clean Air Zone will have an accompanying mitigation programme.
15. The proposed mitigation includes:
 - Grants for affected vehicle owners;
 - Communications and marketing to increase public awareness around clean air, as well as available grant opportunities. We will particularly focus on groups who may face the most challenges, such as Small and Medium Enterprises and LGVs. This will be through a number of methods, including through broadcast media and local press;
 - Other supporting measures, these being a behaviour change campaign in schools and workplaces, as well as coach drop-off improvements; and
 - Provision of permanent or temporary exemptions to the Clean Air Zone
16. This mitigation is known as the Clean Air Fund and is subject to agreement from government (JAQU). Some funding was received from the Clean Air Fund after the initial submission in 2020. The Councils have requested, alongside staff costs:
 - £60,000 for improvements to Coach pick up and drop off areas
 - £280,000 for behaviour change campaigns
 - £22,904,000 for grant upgrades
17. Subject to agreement and additional funding from government (JAQU), the grants are proposed to be set at the following levels and will be administered from the Autumn of 2021 onwards:

Vehicle	Potential grant value	Potential total grant expenditure
Taxis and Private Hire Vehicles	£3,700	£9,006,000
Wheelchair accessible Taxis and PHVs	£4,000	Included in the amount shown above
HGVs	£20,000	£5,000,000
LGVs	£4,500	£6,498,000
Buses	£16,000	£2,400,000

18. The grants will be allocated according to criteria that will be set out in advance of the grants process. Priority will be given to those who are most affected by the Clean Air Zone.
19. It is proposed that the below types of vehicle are permanently exempt from the Clean Air Zone due to their unique status or that they are impossible to upgrade to compliant standards:
- Historic Vehicles
 - Military Vehicles
 - Vehicles for disabled people (vehicles which have been specially adapted, such as those modified under the Motability scheme)
 - Emergency Service Vehicles
 - Agricultural and other specialist vehicles such as road rollers, gritters and snow ploughs
 - Showman's Vehicles
 - Vintage buses
 - Motor Caravans (campervans)
20. The process for applying for these permanent exemptions will be advertised in advance of the Clean Air Zone coming into force.
21. It is proposed that the below types of vehicle are exempt from the Clean Air Zone for a period of 2 years unless otherwise specified in order to provide an extended time to allow for vehicles to be upgraded:
- Commercial vehicles, taxis and private hire vehicles subject to finance agreements
 - Commercial vehicles registered to a business within the Clean Air Zone (2 per company)
 - Community transport vehicles
 - Wheelchair accessible taxi and private hire vehicles
 - Vehicles awaiting retrofit (up to 1 year)
22. The process for applying for these temporary exemptions will be advertised in advance of the Clean Air Zone coming into force. The councils will continue to engage on the possibility for further temporary exemptions where they would not impact air quality compliance in advance of bringing the legal order back to Council for approval.

23. Newcastle and Gateshead Councils are also continuing to pursue a major programme of maintenance on the Tyne Bridge and Central Motorway East. Bids have been submitted through the Levelling Up Fund and the Major Road Network Fund for these schemes and discussions with government continue. When these schemes are delivered, some traffic management may be required for the duration of the works.
24. It is expected that Government will fund the measures (physical, staffing and communication) that are required to improve air quality through the Implementation Fund and a bidding process is required for the Clean Air Fund for the remaining mitigation costs. It should be acknowledged that if government funding is unsuccessful or at a reduced level, implementation and mitigations would have to be reviewed and scaled back appropriately or surplus charging income utilised.
25. Any revenue received in excess of the costs of continuing to operate the scheme is required to be reinvested in transport under the terms of the legal order accompanying it. Newcastle City Council will act as lead authority for the implementation and budget management so the funding will not be represented in the Gateshead revenue budgets or capital programme. The disbursement of any surplus funds is planned to be governed through a joint council, member-led process.
26. Full project details are included within the Full Business Case (Financial Case) but can be summarised as:

	2021/22	2022/23 - 2025/26	Total
Revenue			
Staffing, Operation & Maintenance	561,000	11,655,000	12,216,000
Mitigations (incl. vehicle grants)	400,000	10,237,000	10,637,000
CAZ and Additional Measures costs	0	1,883,000	1,883,000
	<u>961,000</u>	<u>23,775,000</u>	<u>24,736,000</u>
Funded by:			
Clean Air Zone grants	16,511,000		16,511,000
Charging income		8,225,000	8,225,000
	<u>16,511,000</u>	<u>8,225,000</u>	<u>24,736,000</u>
Capital			
Mitigations (incl. vehicle grants)	6,549,000	6,102,000	12,651,000
CAZ and Additional Measures costs	0	1,575,000	1,575,000
	<u>6,549,000</u>	<u>7,677,000</u>	<u>14,226,000</u>
Funded by:			
Clean Air Zone grants	14,226,000		14,226,000
	<u>14,226,000</u>	<u>0</u>	<u>14,226,000</u>

27. As the timing of the grant receipts and associated expenditure spans multiple financial years, the funding will be ring fenced for this scheme.
- 28. Timetable for implementation**
29. Once agreed by both Newcastle and Gateshead Cabinets and Full Councils, the Full Business Case will be submitted to the Joint Air Quality Unit for approval, in addition to a request for additional funding.
30. Further Cabinet decisions will be required to make the legal order to implement the Clean Air Zone and may be required to enter into contractual arrangements with the Joint Air Quality Unit to support the operation of the Clean Air Zone.
31. In line with the Legal Direction on the councils, and the government funding already provided, the Clean Air Zone will continue to be developed over this period and it is expected to be launched in July 2022, as set out in the July 2021 cabinet report.

32. The updated values and criteria for grants are subject to agreement from the Joint Air Quality Unit. They are expected to be launched in the Autumn of 2021, as set out elsewhere in this report.
33. The criteria for temporary and permanent exemptions to the Clean Air Zone is set out in this report, the submission process for these exemptions will be launched in advance of the Clean Air Zone being launched.

Consultation

34. In February 2019 cabinets approved two principal options for consultation with the public. These were:
 - A Clean Air Zone in which vehicles of all types that did not meet minimum emissions standards would be charged to enter the zone (a CAZ D) and
 - A Low Emission Zone forbidding more polluting buses, Heavy Goods Vehicles (HGVs) and taxis/private hire vehicles from entering Newcastle city centre, combined with tolls for all vehicles crossing the Tyne, Swing and Redheugh bridges.
35. Based on our transport and air quality modelling at that time, neither option was able to reduce air pollution sufficiently across all key roads by the end of 2021.
36. Additional consultation took place over six weeks between 14 October and 25 November 2019. This was on a smaller Clean Air Zone Class C, with additional measures to reduce traffic on the Central Motorway, in Gateshead and Tyne Bridge.
37. In line with our approach to the previous consultation, an independent analysis of responses was carried out. Some key messages from this were that:
 - 47% agree with the geography of the CAZ area (compared to 27% in the previous consultation);
 - 56% agree with the overall principle of the CAZ; and
 - there was greater agreement than disagreement for every supporting measure, with peaks for exemptions and fleet planning support and non-financial measures tending to generate greater support than grants.
38. It was therefore agreed at the December 2019 Cabinet and January 2020 Full Council to submit an initial Full Business Case based around a Clean Air Zone Class C, with additional measures to reduce traffic on the Central Motorway, in Gateshead and Tyne Bridge.
39. A number of representations were received raising objection to the additional measures. Subsequent to this submission further modelling was undertaken to reflect the likely date of opening, as well as updated air quality information.
40. The updated proposal to which this report relates (a CAZ C with no traffic restrictions on the Tyne Bridge and New Bridge Street) has now been identified as the proposed option. It responds to the large number of representations received during the last consultation process, and is supported by further modelling based on delivery in 2022 which shows that these additional restrictions are not required in order to meet limit values in 2022.
41. Some of the traffic restrictions previously proposed, particularly the closure of the New Bridge Street on-slip and reduction of lanes on the Tyne Bridge were not well received in the consultation process.
42. Officers have considered whether the CAZ C option now proposed results in a fundamental difference in the options that were consulted upon previously.
43. The CAZ C element was previously the subject of consultation. The CAZ C only option now proposed delivers compliance with the relevant air quality limit values on the same

timescale (i.e. 2022) as the previous option. The only change to that previously consulted on is to remove the traffic restrictions on the Tyne Bridge and the New Bridge Street on-slip. Officers do not consider that the CAZ C option now proposed represents a fundamentally different proposal from that consulted upon previously; rather it is a refinement of the option which was the subject of consultation which has been pursued as a result of the representations received and which is supported by updated modelling which has been undertaken. The CAZ option now proposed delivers compliance with air quality limit values on the same timescale that the previous option would have. On this basis, it is not considered that a further public consultation process on these proposals is required.

44. In July 2021 an outline of the latest proposals was presented to the Corporate Advisory Group. Members noted the legal context, timescales and approach to the implementation of the proposed CAZ; were keen to learn more about mitigation and grants in the business case and identified the importance of monitoring the impact of the proposed measures. They also noted the wider ambitions to improve public transport, cycling and walking.
45. In preparing this report, consultations have taken place with the Leader, Deputy Leader and portfolio holder for Transport and Environment.

Alternative Options

46. The Council is required by the Legal Direction to develop the Business Case for the clean air plan and implement this in the shortest possible time. Economic impacts can only be considered where different measures will achieve compliance in the same time scale.
47. Economic impact analysis highlighted that a CAZ D had significant negative impacts, caused rerouting of trips (particularly into certain residential areas and onto the A1 and A19) and the size of the initially proposed clean air zone area also led to a marginal improvement in air quality and public health across the whole area in the initial years. The Low Emission Zone & toll option was also estimated to impose a negative economic impact and it also led to very significant rerouting and negative impacts particularly on the A1.
48. The updated proposal to which this Report relates (a CAZ C with no traffic restrictions on the Tyne Bridge and New Bridge Street) has now been identified as the proposed option. It responds to the large number of representations received during the last consultation process, and is supported by further modelling based on delivery in 2022 which shows that these additional restrictions are not required in order to meet limit values in 2022.

Implications of Recommended Option

49. Based on previous reports and updated analysis, it is considered likely that the impacts can be summarised as follows.
- 50. Legal**
51. Newcastle and Gateshead Councils are subject to the Environment Act 1995 (Gateshead Council and Newcastle City Council) Air Quality Direction 2020 and the duties set out therein.
52. The councils have the power to create a Clean Air Zone, as set out in the Transport Act 2000 and Local Transport Act 2008, subject to carrying out public consultation and giving consideration to the necessity of holding a public inquiry.

53. Fairness

54. The recommended option could have a negative impact on users of taxis and private hire vehicles and bus services, as well as those who make use of light and heavy goods vehicles.

55. We will attempt to mitigate these impacts through the award of grants and the temporary exemptions from the Clean Air Zone set out in Appendix 1 above of this report.

56. Economy

57. Government guidance requires that economic impacts of the proposed measures include the cost or benefit of changes in greenhouse gas emissions, the cost of inconvenience to residents and businesses of changing travel patterns due to charging, and the economic benefits of improved air quality.

58. Using standard appraisal methodology, the recommended option has a lower economic impact compared to a Clean Air Zone with traffic restrictions.

59. How will success be measured?

60. The primary measure of success will be through the reduction in exposure to air pollutants of the residents of Newcastle, Gateshead and across the region. While a principal focus through this work is the attainment of pollution levels below the legal limit value thresholds as soon as possible, it must be reiterated that there is no safe level of exposure for some pollutants (e.g. NO₂, particulate matter) and other pollutants can cause significant public health issues.

61. The Full Business Case contains a Monitoring and Evaluation plan as part of the Management Case which sets out the way in which the authorities will evaluate the Clean Air Zone.

62. The performance of the CAZ will be kept under review and the authorities are required to consider extending or upgrading any CAZ to incorporate private vehicles if compliance with air quality values is not achieved.

63. Councils could also choose to review the CAZ in response to other environmental concerns such as reducing carbon emissions. This could result in increases to the geographical scope, classification or changes to the pricing of the Clean Air Zone.

64. The Joint Air Quality Unit has also commissioned a programme of national monitoring and evaluation for Clean Air Zones. Newcastle and Gateshead will be participating and providing data for this work.

65. Resources:

a) Financial Implications –

The Strategic Director, Resources and Digital confirms that the proposed option to implement the CAZ measures will have no impact on the council's budget as it is expected to be funded through government grants and income generation specific to this scheme, any shortfalls therein would be mitigated through review and scaling back of the project.

b) Human Resources Implications –

There are no human resources implications.

c) Property Implications -

No property implications have been identified.

66. Risk Management Implication -

67. Poor air quality is impacting on people's lives and health needs to be addressed as the key risk to this project. We have made a number of improvements in recent years but need to continue to do so through this plan and engaging with people about their travel choices. This is linked to wider work the council is undertaking on climate change and investment in our transport networks.
68. A further fundamental risk is failure to achieve compliance with air quality standards as defined in EU directives, which have also been incorporated into UK law. Continued failure to achieve compliance exposes the council to legal risks.
69. While an initial grant has been received, a further risk relates to the availability of further funding from government to implement a solution. The Clean Air Fund is competitive and funding cannot be guaranteed. The risk has been addressed by developing a comprehensive package of evidence in order to support mitigation measures.

70. Equality and Diversity Implications -

The Council will fulfilled its duties under the Public Sector Equality Duty by undertaking an Integrated Impact Assessment on the Charging Clean Air Zone in support of the full business case.

71. Crime and Disorder Implications –

None

72. Health Implications –

73. The CAZ C alone delivers compliance with Nitrogen Dioxide limits in the same timeframe as the CAZ D and CAZ C with traffic restrictions (2022) and more quickly than a 'Do Minimum' case without a CAZ.
74. The lower levels of traffic rerouting in the CAZ C now proposed when compared to a CAZ C with traffic restrictions or a CAZ D results in lower levels of exposure to pollution, including for vulnerable individuals. This is due to the fact that the most polluted links such as urban A roads, have relatively low levels of human exposure and the rerouting associated with a CAZ C with traffic restrictions or a CAZ D options can cause longer distances to be driven. Consequently, this rerouting typically increases exposure to pollution.
75. All versions of the CAZ result in improved public health compared to doing nothing; this is due to reduced exposure to both Nitrogen Dioxide and Particulate Matter.

76. Climate Emergency and Sustainability Implications -

77. The recommended option leads to lower carbon emissions than previously and consequent positive impacts in terms of the Council's commitment to achieving net zero. These impacts occur due to a reduction in the total number of trips made, as well as upgrading vehicles to newer models, which emit lower levels of carbon.
78. It is important to note that the Government's Clean Air Zone Framework, which does not charge older petrol vehicles, could lead to some users switching to older petrol vehicles with greater greenhouse gas emissions. However, this would be unlikely to result in significant changes to the assessment set out above since it is considered that very few users would be likely to switch vehicle in this way.

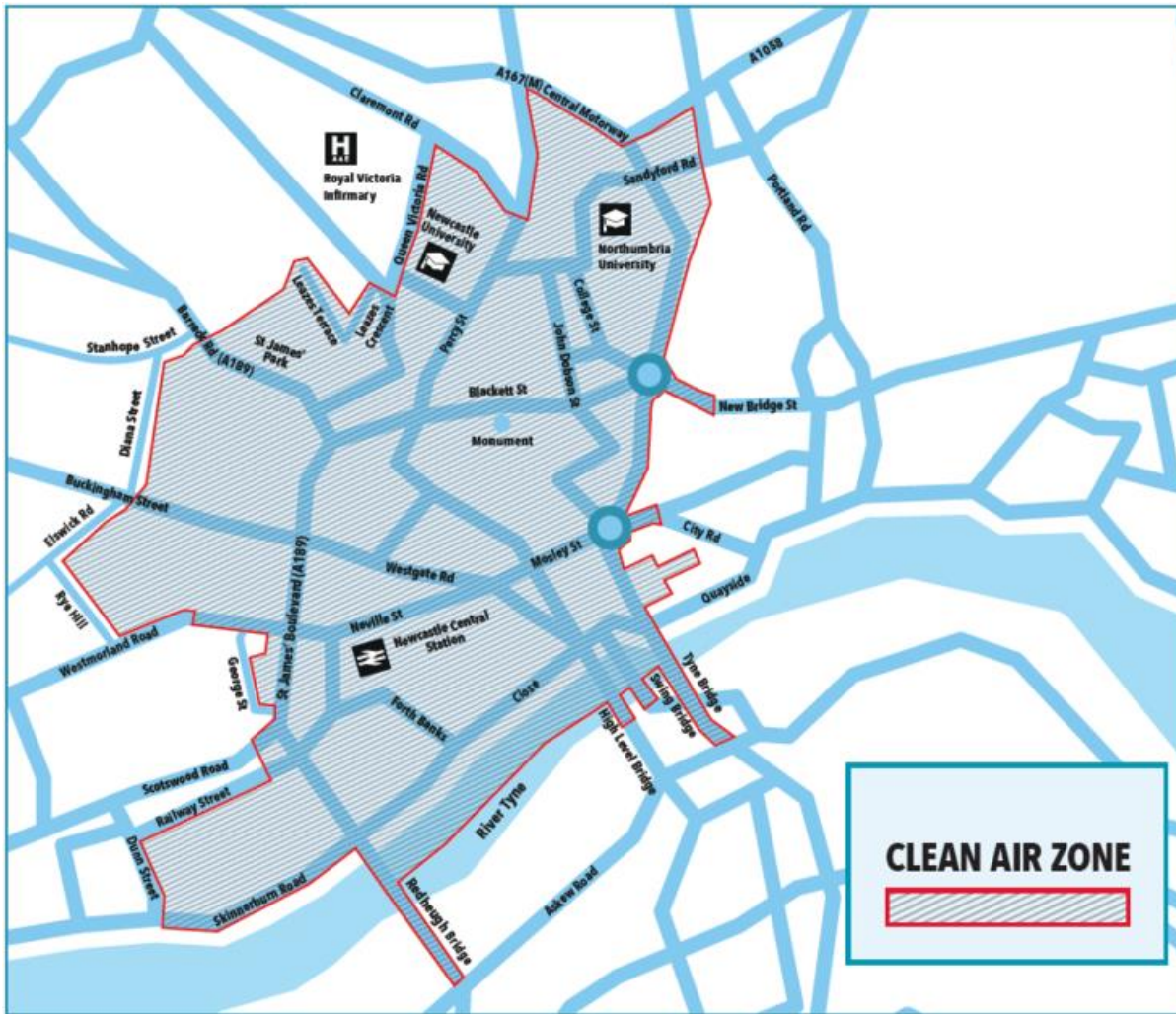
79. Human Rights Implications – None.

80. Ward Implications - All wards will be affected.

Background Information




81. The DEFRA Air Quality Plan July 2017 - <https://www.gov.uk/government/publications/air-quality-plan-for-nitrogen-dioxide-no2-in-uk-2017>
82. DEFRA Clean Air Zone Framework - <https://www.gov.uk/government/publications/air-quality-clean-air-zone-framework-for-england>
83. Minutes of Gateshead Council, 23/1/20, Approval of Breathe: The Clean Air Plan for Gateshead, Newcastle and North Tyneside
<http://democracy.gateshead.gov.uk/ieListDocuments.aspx?CId=140&MId=2373>
84. Minutes of Gateshead Cabinet, 20/7/21, Breathe: The Clean Air Plan for Newcastle and Gateshead, Update Report [Agenda for Cabinet on Tuesday, 20th July, 2021, 10.00 am Gateshead Council](#)

Clean Air Zone Plan



List of Clean Air Zone Charges and Compliance Standards

Compliance Standards

	Type of vehicle	Vehicle registration date required to meet minimum emissions standard	Name of minimum emissions standard
	Taxis	Diesel – after September 2015 Petrol – generally after 2005, although vehicles that meet the standard have been available since 2001	Diesel – Euro 6 Petrol – Euro 4
	Vans (LGVs)	Diesel – after September 2016 Petrol – after January 2006	Diesel – Euro 6 Petrol – Euro 4
	HGVs, buses and coaches	After 2014	Euro VI

Charges

- HGVs, buses and coaches - £50 per day
- Taxis and vans - £12.50 per day

Full Business Case

The revised Full Business Case will be available at: <https://www.breathe-cleanair.com/fbc>