

<b>TITLE OF REPORT:</b>	<b>Breathe: The Clean Air Plan for Newcastle and Gateshead, Update Report</b>
<b>REPORT OF:</b>	<b>Sheena Ramsey Chief Executive;</b> <b>Peter Udall Strategic Director, Economy, Innovation and Growth</b>

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### **Purpose of the Report**

1. Cabinet has previously agreed that the Council's approach in responding to the Government's legal Directions to improve air quality in the shortest possible time should look more broadly than government's narrow focus.
2. Since consultation in 2019 and development of the proposed approach, work has continued on updating the Full Business Case for the Clean Air Zone to account for changes in air pollution.
3. This report updates Cabinet on the proposed preferred option and timeline for implementation.
4. The updated package is a Clean Air Zone Class C and, subject to government funding, a wide range of mitigation and support measures including grants for affected businesses and individuals.

### **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. In 2020, following decisions from Cabinet and Full Council, a draft Full Business Case was submitted to the Government's Joint Air Quality Unit (JAQU). This was based around the introduction of a Clean Air Zone Class C, alongside traffic restrictions (reducing lanes and removing some access) on the Tyne Bridge and Central Motorway East at New Bridge Street, as well as in Gateshead. It also included a funding request of £60m to cover operation of the scheme, mitigation of any impacts and support people and businesses.
7. In March 2020, the Councils received a provisional funding allocation of £20m from the Government, this included £4.0m to operate the scheme and £15.0m for mitigation. At the same time the Government issued a new legal Direction.

8. The Council is continuing to work with Joint Air Quality Unit and is seeking to ensure that the steps towards NO<sub>2</sub> compliance is achieved in the shortest possible time and that exposure to levels above the legal limit to nitrogen dioxide are reduced as quickly as possible.

## Proposal

9. As part of the Government's requirements to update modelling to account for the passage of time and the impact of Covid-19, a number of additional tests were run for 2022 to establish compliance.
10. The updated transport and air quality modelling has indicated that:
  - A Clean Air Zone Class C, without further traffic restrictions, is likely to achieve compliance with legal limits for air pollution in 2022 on all roads.
  - Additional traffic restrictions are not required for air quality compliance and therefore the plan is likely to lead to lower levels of rerouting.
  - These changes mean that the plan is also likely to lead to lower total carbon, particulate and nitrogen dioxide emissions than previously expected.
11. Consequently, this is likely to be the Councils' preferred option. We are working with government on that basis, and subject to approval of the Full Business Case by Cabinet in September 2021.
12. The current estimate for the launch of the Clean Air Zone Class C is in July 2022. There may be some refinements to this date based on national capacity to support launches of Clean Air Zones, given that others are going live in this time period.

## Recommendations

13. It is recommended that Cabinet:
  - (i) Note the proposed updated package for the proposed Clean Air Zone, including mitigation measures.
  - (ii) Note the updated timeline for the delivery of the scheme.

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. Successive national governments have failed to tackle air pollution in the UK effectively, leading to a series of legal actions against the government. One of these, in May 2017, led to the Department for Environment, Food and Rural Affairs (Defra) issuing legal directions to a number of local authorities across the country requiring them to improve air quality on specific stretches of road “in the shortest possible time”. Newcastle, Gateshead and North Tyneside received Directions requiring us to improve air quality, with a particular focus on those roads which had been modelled by central government as not being in compliance. These were parts of the Central Motorway and its approaches to the Tyne Bridge, and areas on the Coast Road. Government guidance required authorities to look for solutions that would deliver compliance as quickly as putting in place charges for polluting vehicles (a charging Clean Air Zone). It also defined the categories of the charging zones that authorities should test.
4. Many options that would have delivered changes in longer periods of time, such as adjusting land use patterns or developing park and ride sites and integrated ticketing infrastructure, would not have been an acceptable solution to central government. This is because they do not deliver compliance in the shortest possible time and as such, could only be taken forward outside the context of this work. We continue to work with partners at Nexus and across the region on longer-term solutions, including through the Transforming Cities Fund.
5. Since receiving the Directions the authorities have developed a business case in line with Government guidance. We continue to note that Defra’s narrow approach to NO<sub>2</sub> (and only on specific road links) could exacerbate rather than resolve public health and climate change issues and represents an overly narrow approach to the issue of air pollution. These concerns have been highlighted as individual authorities but also through organisations of which we are a part such as the LGA and Core Cities.
6. Following a government-issued legal Direction to identify the option that will deliver compliance with legal limits for Nitrogen Dioxide (NO<sub>2</sub>) in the area for which the authority is responsible, in the shortest possible time, 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 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.

7. While it is not specifically required by government, cabinet has been clear in feedback to the previous reports on this subject that success should also be measured by whether we 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, rather than following a direction to focus solely on specific stretches of road for one pollutant.
8. In 2020, following decisions from Cabinet and Full Council, a draft Full Business Case was submitted to the Government's Joint Air Quality Unit. This was based around the introduction of a Clean Air Zone Class C, alongside traffic restrictions (reducing lanes and removing some access) on the Tyne Bridge and Central Motorway East at New Bridge Street, as well as in Gateshead. It also included a funding request of £60m to cover operation of the scheme, mitigation of any impacts and support people and businesses.
9. In March 2020, we received a provisional funding allocation of £20m from the Government, this included £4.0m to operate the scheme and £15.0m for mitigation. At the same time the Government issued a new legal Direction.
10. Whilst some timescales set by the Direction have not been achieved, the Council is continuing to work with Joint Air Quality Unit and is seeking to ensure that the steps towards NO2 compliance is achieved in the shortest possible time and that exposure to levels above the legal limit to nitrogen dioxide are reduced as quickly as possible.
11. After the provisional funding allocation, the Councils sought to award a contract for the cameras and systems related to the Clean Air Zone. This procurement was challenged by one of the unsuccessful tenderers, including an action in the High Court which was not successful. This caused a significant delay to progress.
12. Subsequent to this, officers have been working on a number of issues, including:
  - Completing the procurement of systems required to operate a Clean Air Zone.
  - Procuring communications and marketing support.
  - Undertaking transport modelling to understand the long term impact of the Covid-19 pandemic on air quality in the area, as well as any delays caused by the pandemic.
  - Developing an updated mitigation proposal based on feedback from the Joint Air Quality Unit and air quality data.
  - Drafting the legal instrument which will be required to implement the Clean Air Zone.
13. As part of the Government's requirements to update modelling to account for the passage of time and the impact of Covid-19, a number of additional tests were run for 2022 to establish compliance.
14. The updated transport and air quality modelling has indicated that:
  - A Clean Air Zone Class C, without further traffic restrictions, is likely to achieve compliance with legal limits for air pollution in 2022 on all roads.
  - Additional traffic restrictions are not required for air quality compliance and therefore the plan is likely to lead to lower levels of rerouting, particularly through the most deprived neighbourhoods.
  - These changes mean that the plan is also likely to lead to lower total carbon, particulate and nitrogen dioxide emissions than previously expected.
15. Consequently, this is likely to be the Councils' preferred option. We are working with government on that basis, and subject to approval of the Full Business Case by Cabinet in September 2021.

16. Any Clean Air Zone would be delivered with an accompanying programme of mitigation. We anticipate this mitigation, subject to funding from the Joint Air Quality Unit, will be:
- Grants for affected vehicle owners including Taxis and Private Hire Vehicles, Buses and Coaches, HGVs and LGVs
  - 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 such as a behaviour change campaign in schools and workplaces
17. The updates to the Full Business Case have not significantly delayed the implementation of the Clean Air Zone itself, which was primarily delayed through an unsuccessful challenge to the procurement of cameras and associated systems. The procurement process has now been completed and a contractor is in place.
18. 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.
- 19. Timetable for implementation**
20. In order to finalise the Full Business Case, it will be required to be agreed by Cabinet and Full Council, in accordance with the Newcastle Charter. Subsequently, an application will be made to the Joint Air Quality Unit for additional funding. This application cannot be made until the Full Business Case is agreed.
21. It is expected that the Full Business Case will return to Cabinet and Full Council in the September/October meeting cycle.
22. The Clean Air Zone will continue to be developed over this period and it is expected to be launched in July 2022.
23. The updated values and criteria for grants will be subject to agreement from the Joint Air Quality Unit. They are expected to be launched in the Autumn of 2021.
24. The process and criteria for exemptions or for delayed implementation for certain classes of vehicle will be set out in the September Cabinet paper and affected individuals and businesses will be able to apply well in advance of any scheme going live.

## **Consultation**

25. 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). The proposed area covered all the routes identified by government as having high levels of air pollution, and other areas where air quality was known to be an issue; 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.
26. 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, with pollution levels on the Central Motorway proving particularly challenging to address.

27. 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.
28. 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.
29. 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.
30. The updated proposal (a CAZ C with no traffic restrictions on the Tyne Bridge and New Bridge Street) has been identified as a response to the large number of representations received during the consultation process, confirmed by further modelling based on delivery in 2022 which shows that these restrictions are unnecessary in terms of compliance. These traffic restrictions, particularly the closure of the New Bridge Street on-slip and reduction of lanes on the Tyne Bridge were not well received in this consultation process. Officers have considered whether the CAZ C option now proposed results in a fundamental difference between the proposals consulted upon previously.
31. 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, the effect of which is to deliver the other benefits identified in this report compared to the previous option. 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. On this basis, it is not considered that a further public consultation process on these proposals is required.
32. 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 forthcoming 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.

## **Alternative Options**

33. 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.
34. Economic impact analysis highlighted that a CAZ D had significant negative impacts, rerouting (particularly into certain residential areas and onto the A1 and A19) and the size of the 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 (though lower than the clean air zone proposed initially) because it also led to very significant rerouting

and negative impacts on the A1.

35. As set out in paragraph 13 above, updated air quality modelling has indicated that if a Clean Air Zone Class C alone (and without the additional measures to reduce traffic referred to in paragraph 29 above) is delivered in 2022, then it ensures compliance with air quality limit values on all roads (ie not only on roads controlled by the local authorities but also on the A1).

## **Implications of Recommended Option**

36. The Cabinet report and Full Business Case to be presented in September 2021 will contain a complete, quantified analysis of the impacts of the proposals.

37. Based on previous reports and updated analysis, it is considered likely that the impacts will be as follows.

### **38. Legal**

39. 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.

40. 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.

### **41. Fairness**

42. The updated option could have an 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.

43. These are proposed to be mitigated through the award of grants to be set out in the September Cabinet report. Where there are continuing unacceptable impacts on fairness, including significant displacement of polluting vehicles outside the authorities, the authorities will consider whether it is appropriate or feasible to put in place exemptions or grace periods for delayed compliance. These would be required to have a limited impact on air quality and not lead to the authority breaching air quality thresholds.

### **44. Economy**

45. 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.

46. The Full Business Case in September 2021 will contain a quantified assessment of the likely economic impact of the Clean Air Zone. The measures consulted upon in September 2019 had an overall impact of -£59.7m over five years. It is considered likely that the updated preferred option will have lower (ie less negative) economic impacts.

### **47. How will success be measured?**

48. 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 again it must be reiterated that there is no safe level of exposure and other pollutants such as particulate matter also cause significant public health issues.

49. As part of the Full Business Case, there will be a detailed Monitoring and Evaluation plan, which will seek to understand the impact of the proposals in terms of air pollution,

climate and their economic impacts.

50. 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.

**51. Resources:**

**a) Financial Implications –**

The Full Business Case in September will detail the financial impacts of the proposed Clean Air Zone.

Government is required to fund the costs of introducing the proposed option through the Implementation Fund. JAQU may choose to fund mitigation measures necessary to delivery of the proposed option through their Clean Air Fund. The updated Full Business Case in September will provide final details of required funding from these sources.

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. The disbursement of any surplus funds is planned to be governed through a joint council, member-led process.

**b) Human Resources Implications –**

There are no human resources implications.

**c) Property Implications -**

No property implications have been identified.

**52. Risk Management Implication -**

53. Poor air quality is impacting on people's lives and needs to be addressed. 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.

54. 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.

55. While an initial grant has been received, a further risk relates to the availability of 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 more comprehensive package of evidence as compared to the 2020 proposal in order to support mitigation measures, which will be submitted alongside the Full Business Case.

**56. 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.

**57. Crime and Disorder Implications –**

None

**58. Health Implications –**

59. Our updated modelling shows that the CAZ C delivers reductions to the Nitrogen Dioxide limits in the Direction in the same timeframe as the CAZ D or CAZ C plus traffic management measures (2022). 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 are not achieved. Councils could also choose to review the CAZ in response to other environmental concerns.

60. The updated Clean Air Zone Class C without traffic restrictions is likely to lead to lower levels of traffic rerouting either than a larger Clean Air Zone or one with traffic



restrictions in place.

61. Lower levels of traffic rerouting are important in order to ensure that more vulnerable populations are protected from emissions from diverted traffic.
62. **Climate Emergency and Sustainability Implications -**
63. The preferred option is likely to lead to positive impacts in terms of the council's commitment to achieving net zero. This is because fewer trips will be made and that vehicles will be upgraded to newer models, which emit lower levels of carbon. Previous modelling indicated that this could be in the region of 250,000 tonnes of carbon over 5 years across the entire region. Climate implications will be assessed in more detail in the Full Business Case to be presented in September.
64. However, the Government's Clean Air Zone Framework, which does not charge older petrol vehicles, may lead to some users switching to older petrol vehicles with greater greenhouse gas emissions. The communications campaign alongside the Clean Air Zone will seek to minimise any impact of this.
65. **Human Rights Implications – None.**
66. **Ward Implications - All wards will be affected.**

## **Background Information**

67. The DEFRA Air Quality Plan July 2017 - <https://www.gov.uk/government/publications/air-quality-plan-for-nitrogen-dioxide-no2-in-uk-2017>
68. DEFRA Clean Air Zone Framework - <https://www.gov.uk/government/publications/air-quality-clean-air-zone-framework-for-england>
69. 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>