North Tyneside Council
Report to Cabinet
Date: 25 February 2019

ITEM 5(d)

Title: Tyneside Air Quality Feasibility Study

Portfolio:	**Environment and Transport**	**Cabinet Member:**	**Councillor Carl Johnson**

Report from Service Area:	**Environment, Housing and Leisure**	
Responsible Officer:	**Phil Scott, Head of Environment, Housing and Leisure**	**Tel: (0191) 643 7295**
Wards affected:	**All**	

PART 1

1.1 Executive Summary:

While it is important to recognise that air quality is improving, so too is our understanding of the serious public health implications of poor air quality on people. Based on national estimates, poor air quality is considered to be responsible for around 360 deaths each year across Newcastle, Gateshead and North Tyneside and around 40,000 across the UK.

North Tyneside's Transport Strategy sets out as one of its key principles that we will seek to *"Improve safety, health and well-being outcomes and sustainability"* and ensure local air quality continues to meet good standards. Through an investment of around £150m in major highway improvements that contribute to improving local air quality through providing improved opportunities for sustainable travel, improved journey time reliability for public transport services, and the removal of pinch-points along key commuting corridors across the Borough. This is supported through our on-going Go Smarter North Tyneside behavioural change programme which is working with schools, major employers and large residential developments to increase awareness of this new infrastructure and encourage a shift towards more sustainable modes of travel.

On 27th July 2017 the Secretary of State issued a Direction to a number of local authorities across the country where there was predicted to be an exceedance of UK air quality thresholds. The Direction required these authorities to produce a feasibility study to identify an option which will deliver compliance with legal limits for nitrogen dioxide in their administrative area in the shortest possible time. Within North Tyneside the exceedance area is a short section of the A1058 Coast Road between the A186 Station Road and the City of Newcastle boundary. As traffic patterns across North Tyneside Council, Newcastle City Council, and Gateshead Metropolitan Borough Council are interlinked, the three authorities commenced work to prepare a joint Air Quality Feasibility Study covering their respective areas.

Since receiving the Direction from the Secretary of State significant progress has been made on developing, and testing, measures that would help to improve air quality in the area. The three authorities have aimed to develop measures that seek to address exceedance locations, but to do so fairly and in a way that supports the local economy and improves public health, rather than focusing solely on certain roads, or certain groups of road users. This work has included a successful bid to the Department for Transport for funding to retrofit buses primarily travelling along the A1058 Coast Road. As illustrated in the Outline Business Case attached as Appendix 1, this funding has contributed to bringing North Tyneside into compliance within the Government's timescales.

This report presents the findings from the on-going joint study undertaken by the authorities and sets out a proposed set of measures for consultation with the public and wider stakeholders at a formative time in the decision making process. No decisions have been made as to what measures it will be appropriate to adopt to address air quality; rather, the decision-making process will be informed by consultation on a set of measures that officers have identified to be appropriate for consideration by the public at this stage. All responses received as a result of the consultation process will be considered and further analysis will be undertaken. This will then feed into the preparation of a Full Business Case which must then be submitted to government.

This report seeks approval to submit the jointly prepared Outline Business Case (OBC), included at Appendix 1, and commence public consultation on the options identified in the OBC.

Cabinet is also asked to note that both Gateshead and Newcastle Cabinets are being asked to approve the same recommendations as set out below.

1.2 Recommendations:

It is recommended that Cabinet:

i. approve the submission of the Outline Business Case (included in Appendix 1 to this Report) to the Government's Joint Air Quality Unit thereby meeting the requirements of the Secretary of State's legal direction of 27 July 2017;
ii. approve entering into a period of consultation with the public and stakeholders on the potential measures to be implemented to deliver compliance with legal limits for nitrogen dioxide in the Authority's administrative area in the shortest possible time as outlined in the Outline Business Case and in sections 1.5.5-1.5.6 of this report;
iii. authorise the Head of Environment, Housing and Leisure in consultation with the Cabinet Member for Environment and Transport to finalise the consultation materials taking into account any comments from Cabinet;
iv. approve further collaborative work by the authorities to undertake further detailed analysis of the range of measures that might be implemented including non-charging measures and – where appropriate – those highlighted as a result of the consultation process in order to inform a final decision as to which measures to implement; and
v. note that responses received as a result of the consultation process will be considered and further analysis will be undertaken. This will then feed into the preparation of a Full Business Case which will be brought back to Cabinet to seek approval of submission.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 25 January 2019.

1.4 Council Plan and Policy Framework

The proposals in this report relate to a number of priorities in Our North Tyneside Plan 2018-2020; in particular:

- Our places will:
  - Provide a clean, green, healthy, attractive, safe and sustainable environment. This will involve creating a cycle friendly borough, investing in energy efficiency schemes and by encouraging more recycling.
  - Have an effective transport and physical infrastructure - including our roads, pavements, street lighting, drainage and public transport.

1.5 Information:

1.5.1 Background

Whilst it is important to recognise that air quality in North Tyneside is improving, so too is the Authority's understanding of the serious public health implications of poor air quality on residents. Since the Secretary of State issued the Direction (a legal order) requiring the three local authorities in Gateshead, Newcastle and North Tyneside to produce a feasibility study to identify measures to deliver compliance with legal limits for nitrogen dioxide in the Authority's administrative area in the shortest possible time, significant progress has been made on developing, and testing, measures that would help to improve air quality in the area. The aim has been to develop measures that seek to do so fairly and in a way that supports the local economy and improves public health, rather than focusing solely on certain roads, or certain groups of road users.

Jointly the three authorities have consistently highlighted their concern about the need to undertake this work within constrained timescales and resources, and with a focus on specific pollutants in particular areas.

Outdoor air pollution is a major risk to human health. Based on national estimates, poor air quality is considered to be responsible for around 360 deaths each year across Newcastle, Gateshead and North Tyneside and around 40,000 across the UK. Related causes of death include circulatory disease, respiratory disease and cancer. As a comparison, over the past five years there are around 11 deaths per year caused by road traffic collisions across the three local authorities.

Much of the action to improve air quality has been driven by European legislation. This has included EU Directives on both emissions and the levels of pollutants in the air. The Directives have been automatically transposed into UK law for a number of years. The Government has not announced any plan to change the law relating to the regulation of air after Britain leaves the European Union.

The Government has lost a number of legal challenges relating to its obligations to ensure that measures are taken in order to reduce nitrogen dioxide to levels below the limits required. In particular, it has been established that the Government is now under an obligation to take measures to achieve these limits in the shortest possible time. The

most recent UK Plan for tackling roadside Nitrogen Dioxide identified a number of areas across the country that, based on government modelling, would not be compliant with legal limits for roadside Nitrogen Dioxide (NO_2) by 2021.

As part of the UK Plan, many local authorities including Newcastle, Gateshead and North Tyneside were subject to a Direction from the Secretary of State dated 27 July 2017 to:

> *"Undertake as part of the UK plan for tackling roadside nitrogen dioxide concentrations 2017, a Feasibility Study in accordance with the HM Treasury's Green Book approach, to identify the option which will deliver compliance with legal limits for nitrogen dioxide in the area for which the Authority is responsible, in the shortest possible time"*.

After receiving the Direction, Newcastle, Gateshead and North Tyneside have undertaken a joint Feasibility Study in recognition of the complex and interlinked travel patterns in the region. This Study has been funded by the Government who are responsible for:

- ensuring that funding is made available to implement measures to improve air quality (the Implementation Fund); and
- taking decisions on which measures it chooses to put in place to mitigate the impact of implementation (the Clean Air Fund).

Development of the joint Feasibility Study has been overseen by a Steering Group incorporating representation from Chief Executives, Officers from Transport, Public Health and Environmental Protection services along with other key partners including Highways England. Regular discussions have also taken place with the Leaders, Elected Mayor and Cabinet Members to ensure the views of democratically elected Councillors are taken into account throughout the process. It is also important to note that the authorities have consistently sought to extend their focus beyond a narrow compliance with DEFRA requirements and recognise that it is not only nitrogen dioxide that has an impact on public health. We have sought to ensure that our work delivers outcomes that will improve public health as a whole, support our economy and protect vulnerable communities.

1.5.2 Air Quality now across North Tyneside, Newcastle and Gateshead

In order to have a greater understanding of air quality across the whole area, the three authorities have developed computer models that aim to illustrate the position now, and what it would be like in the future if certain decisions were taken with regards to how the authorities manage and maintain the highways network. Unlike the national model used by the Government, these models have used local monitoring and data to underpin their assumptions and outputs. The results of these modelling exercises are summarised later in this report and in Appendix 1.

As a whole, the monitoring and modelling shows that Air Quality is generally below legal limits across the three local authority areas, particularly in residential areas. However, there are some areas where air pollution exceeds the legal limits for nitrogen dioxide. These are typically in proximity to major roads or within Newcastle City Centre, where there are both topographical issues and complex demands made of the City's road network.

The Government's model also identified the following three areas that it considered required attention:

- the approach to the Tyne Bridge from the north and the south and the Tyne Bridge itself;
- a stretch of the Coast Road between the A186 Station Road and the City of Newcastle boundary with North Tyneside; and
- parts of the A1 Western Bypass (where Highways England have responsibility).

The authorities more locally focussed approach has included consideration of these areas. However, following modelling, the particular area of concern has been identified to be the Central Motorway in Newcastle.

1.5.3 Developing options - Clean Air Zones (CAZs)

As part of its UK Plan the Government has published a framework that sets out the principles for the establishment and maintenance of 'Clean Air Zones' (CAZs) in the country. CAZs can take the form of 'charging' or 'non-charging' zones. However, the Government guidance is clear and specific that any non-charging measures have to be tested against the effectiveness of implementing a charging CAZ and that the measure that brings compliance in the shortest possible time is to be preferred.

Charging CAZs mean that vehicles that do not comply with certain emissions requirements and enter a defined zone are charged a set amount by the local authorities. In order to avoid a charge, vehicle engines must be EURO 4 or later for petrol vehicles (most new vehicle registrations after January 2006) and EURO 6/VI for diesel vehicles (most new vehicle registrations after September 2015). The framework also indicates that there are four different classes of CAZ to consider, as specified by Government, defined by reference to the type of vehicles that would be subject to charges:

CAZ class	Vehicles included
A	Buses, coaches and taxis
B	As A with the addition of heavy goods vehicles (HGVs)
C	As B with the addition of light goods vehicles (LGVs)
D	As C with the addition of private cars and the option to include motorbikes and mopeds

1.5.4 Developing options

The three local authorities have conducted a detailed process in order to appraise various potential options, each of which were made up of a number of sub-measures. This process is detailed in the Outline Business Case at Appendix 1. The *"Critical Success Factor"* for this work was defined by the Government and was *"whether a measure had an impact on air quality in the shortest possible time and was deliverable by 2021 at the latest."*

Measures considered at the longlisting stage ranged from; upgrading various junctions or road corridors, to implementing a Workplace Parking Levy, removing existing bus lanes or making changes to parking or cycling facilities, to amendments to school hours.

A full list of measures is incorporated within the Appendix to the Outline Business Case in Appendix 1. During the process of determining the measures, and their deliverability, the authorities undertook an engagement exercise with a group of key stakeholders that

included representatives from the Freight Transport Association, Public Transport Operators and User Groups, and local NHS Trusts in addition to independent consultancies working with the authorities on this project.

Due to the pressing timescales of the study, the time required to build the necessary transport and air quality models, and the need to compare all measures against charging CAZs, the Options that were shortlisted to be tested in the transport model in the first instance were:

- Do Minimum (i.e. only committed investment and schemes)
- CAZ Class B at both a wide area (using the A1 and A19 as an outer boundary) and one focused on an 'inner' area (focused on Newcastle & Gateshead Town / City Centres stretching onto the A1058 and including the Gosforth Air Quality Management Area)
- CAZ Class C at the 'inner' level referenced above
- CAZ Class D at the 'inner' level
- A non-charging option (all measures that were considered to be deliverable by 2021 but that did not involve financial charging).

1.5.5 Analysis of air quality modelling on CAZs

The intention behind the modelling work was to use best practice techniques to determine how effective certain measures would be in delivering air quality improvements. As part of this, the authorities needed to determine a proposed charging regime. In order to ensure consistency of approach the authorities have liaised with Birmingham and Leeds City Councils who had also been given a Direction to undertake this work around a year before North Tyneside, Newcastle and Gateshead. Notwithstanding an expressed intention to do so, Government has not yet defined minimum and maximum charging levels. It is important to note that a number of local authorities who have been subject to Directions have altered both their proposed charging regimes and the geographical spread of potential CAZs following public consultation. The daily charges tested as a part of the study are outlined below:

Vehicle Class	**Charge for Non-Compliant Vehicles**
Buses/Coaches	£50
HGVs	£50
Taxi and Private Hire	£12.50
Light Goods Vehicles	£12.50
Private Car	£12.50

Based on the results of this modelling, it was concluded that no form of charging CAZ as outlined in the Government's framework would enable the Central Motorway to meet Air Quality limits in 2021. All areas within local roads in Gateshead and North Tyneside would be in compliance, and the A1 Western Bypass would have areas that would not be compliant. However the authorities have no powers to implement changes to the A1 and despite the authorities being mandated to implement charges if required, the Government have confirmed no such changes will take place on the national road network. Rather, the Government has indicated that it is Highways England that is responsible for measures on the strategic road network.

Of the options outlined within Government's CAZ framework tested to date the CAZ Class D, with a series of additional or mitigating measures, would get the authorities closest to complying with the legal limit. The Class D charge tested would cover the geography described in section 1.5.4 (and illustrated in Appendix 1) though such an area could be altered following consultation. A number of elements are included in this option, such as:

- HGV Retrofit / Scrappage, in order to ensure that HGVs travelling within the zone are compliant;
- LGV Retrofit / Scrappage, in order to ensure that LGVs travelling within the zone are compliant; and
- Taxi (Hackney Carriages) / Private Hire Vehicles Retrofit / Scrappage, in order to ensure that vehicles travelling within the zone are compliant.

The assessment of a Charging CAZ also highlights significant concerns about the impact such measures would have on particular communities. The Integrated Impact Assessment undertaken can be found in Appendix 1 and clearly shows that a CAZ D affects a significant number of people but also does so disproportionately in lower income households and in areas of deprivation. Furthermore, it is clear that the charging framework also disproportionately affects smaller businesses, including taxi drivers / firms and could also disproportionately impact the disabled, young and elderly more due to the knock-on effects of a charge reducing the number of services going into the CAZ and the increased cost of travelling there.

1.5.6 Additional / alternative measures to improve air quality

Having satisfied the Direction with regards to considering charging CAZ options to improve air quality to legal limits it was seen that none would ensure compliance by 2021. As such the authorities are re-examining the shortlist to determine which additional measures could be delivered and would meet the aims of fairness, improving health and protecting the economy. The authorities are therefore considering alternative measures that would help to accelerate the ability to deliver cleaner air in the shortest time possible and are undertaking additional transport and air quality modelling of a range of options that the authorities wish to seek the public's views on.

It is clear that taking action to meet air quality limits requires a complex decision making process which inevitably involves a number of trade-offs. The intention throughout the appraisal process has been to find the most appropriate solution for the residents of this area. The additional measures being considered and that the authorities wish to consult the public on are listed below:

- Other means of charging certain road users that would not focus solely on older vehicles and therefore could be seen to be more equitable. By applying to a wider range of vehicles than government's approach, this option could also be set at a lower level in order to remain effective. These options include tolls on city centre bridges that could be set at the same level as those for the Tyne Tunnel (£3.40 for HGVs, £1.70 for LGVs / cars). Under such a scenario it would be proposed that public transport (buses and taxis) and ultra low emission vehicles would be exempt from charges. Options such as variable charging (e.g. where charges during peak hours are more than off peak) will also be considered as part of the consultation.
- A Low Emission Zone (LEZ) to ensure a minimum emissions standard (EURO VI/6) for buses, HGVs and taxis in Newcastle city centre. This would be a smaller area than the area modelled for the CAZ and would be focused on Newcastle City

Centre with an option to implement a similar LEZ in Gateshead Town Centre around the Interchange
- A ban on use of the Central Motorway East between the Tyne Bridge and Coast Road in the peak hours (07:00-10:00 and 16:00-19:00) for HGV & LGVs
- Significant investment in cycling infrastructure, particularly to public transport interchanges
- Junction changes to alter access on / off the Central Motorway and the Tyne Bridge
- Local measures to improve air quality by removing pollutants from the atmosphere, one such example is moss walls.

Depending on the measures taken to change infrastructure to improve air quality it is considered likely that certain individuals or communities may be disproportionately impacted. Therefore, in addition to the measures outlined in 1.5.5 we also propose to consult on a range of measures to support those most impacted, these include:

- Grants for upgrades / scrappage for particular types of vehicles if owned by people meeting certain criteria
- A public behaviour change campaign that incorporates engagement with businesses and schools to look at implementing new working practices and ways to get around. This is particularly important given that the larger reduction we can see in single occupancy car trips, particularly in peak hours, the better the area's transport network will function and the cleaner our air will be
- Travel credits for people on lower incomes living within or commuting to the impacted area to ensure there are realistic options for alternative ways of getting around.

There are also a number of measures which could result in improved air quality and could be funded from either the Clean Air Fund or alternative funding sources that the authorities also wish to consider through the consultation. The principal source of funding for larger measures is considered to be the Transforming Cities Fund, where the North East has been shortlisted to submit a bid by November 2019.

The types of measures the authorities are considering are also focused on enabling sustainable and active ways of travelling in the area. These measures include:

- Transforming Newcastle City Centre to improve bus, pedestrian and cycle access;
- Potential removal of major infrastructure such as the Gateshead Flyover that act as barriers to movement;
- Significant investment in cycling infrastructure, particularly to Metro stations to expand upon Cycle City Ambition Funding;
- Investment in Intelligent Transport Systems and other measures to improve traffic flow and public transport priority on key corridors;
- Consideration of measures such as a Workplace Parking Levy;
- New Metro stations in areas such as North Tyneside facilitated by adding another Metro track east of Pelaw; and
- New Park and Ride facilities and Metro / light rail extensions / improvements.

1.5.7 <u>Measuring success</u>

The primary measure of success will be through the reduction in exposure to air pollutants of the residents of North Tyneside, Newcastle, and Gateshead. 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 that other pollutants such as Particulate Matter also cause significant public health issues.

As identified elsewhere in this report, authorities have identified a number of crucial secondary objectives to be met through this work. Correspondingly, success will also be measured through:

- Impacts on public health;
- Impacts on the economy; and
- Impacts on people, particularly the most vulnerable, in our society.

The ways in which these will be measured and monitored is set out in a comprehensive Monitoring and Evaluation Plan, presented in the Management case of the Outline Business Case, included in Appendix 1. This complies with both Joint Air Quality Unit (JAQU) guidance and the Government's Magenta Book guidance on evaluation of projects and policy.

1.5.8 Timetable for implementation

The Direction to which the authorities are subject to currently requires the submission of a Feasibility Study, rather than the implementation of any plan. However, in recent correspondence it has been made clear that the Government is likely to make a further Direction which will require the identification of a final package of measures to achieve compliance with limits values in the shortest possible time and then the implementation of that package.

The Government is working toward achieving compliance in the shortest possible time, ideally by 2021, and this is the timescale to which local authorities have been required to work.

A number of elements have already been delivered, which will improve air quality within the area. These include:

- Improvements to cycling infrastructure;
- Improvements to traffic signals on the Quayside;
- Providing real-time occupancy data for more car parks; and
- Retrofitting buses to the latest engine standards.

Dependent on the final package of measures adopted, there are differing timescales for implementation due to the range of measures being considered. These have been considered and incorporated into an overall Project Plan.

The option that would be likely to take the longest time to implement would be that of the Clean Air Zone. This is due to the complexity of the installation and integration of local databases and a proposed national charging system.

It is considered that both options would be able to be implemented by January 2021, if consultation were to proceed and as many procurement elements as possible were to occur in parallel with this, though recognising no decision would be made until all necessary approvals were in place and views arising through consultation had been considered.

It is proposed that the public consultation exercise proposed in this report would run from 6 March to 17 May 2019 enabling the public and stakeholders sufficient time to engage in the process. Views would primarily be sought through the use of a questionnaire with supporting information provided to ensure respondents can make representations with sufficient information to enable intelligent consideration of the issues and indeed an intelligent response. To supplement this, targeted work is proposed to be done with specific stakeholders including business representative groups and representatives of groups identified within our Integrated Impact Assessment.

Major elements of the timetable to implementation include:

- Submission of Outline Business Case to JAQU – February 26 2019
- Completion of Consultation – 17 May 2019
- Submission of Final Business Case to JAQU and confirmation of funding award – to be confirmed after consultation but likely to be August / September 2019 and be subject to Call-In of that decision
- Issue and award tender documents for preferred option elements – as soon as possible
- Begin implementation of final option - as soon as possible
- Installation of relevant systems – 2020
- System operational – January 2021

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1
Cabinet approves the recommendations at paragraph 1.2 of this report.

Option 2
Cabinet does not approve the recommendations at paragraph 1.2 of this report.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Approval to submit the Outline Business Case and commence consultation will satisfy the legal direction government issued requiring local authorities to create plans to address air quality issues on specific road links.

1.8 Appendices:

Appendices 1 – 5: Tyneside Air Quality Feasibility Study Outline Business Case. Please see the following web link:

https://my.northtyneside.gov.uk/meeting/23260

1.9 Contact officers:

Nicholas Bryan, Highway Network Manager, 0191 643 6622
Colin MacDonald, Senior Manager, Technical and Regulatory Services, 0191 643 6620
Claire Emmerson, Senior Manager, Financial Strategy and Planning, 0191 643 8109
Stephen Ballantyne, Legal Manager, Governance and Employment, 0191 643 5329

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

(1) Air Quality Plan for Nitrogen Dioxide (NO2) in UK (2017)

(2) DEFRA Clean Air Zone Framework

(3) Clean Air Strategy 2019

(4) Environment Act 1995

(5) Air Quality Standard Regulations 2010

(6) North Tyneside Transport Strategy

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Funding for the Tyneside Feasibility Study has been provided by DEFRA through a grant process. The total funding awarded thus far is £1,35M and a further grant request has been submitted in order to cover expenditure up to Final Business Case, including costs for consultation. The authorities have also received £1,7M in Early Measures Funding to deliver early infrastructure improvements relating to Air Quality.

The recommendations in this report do not have direct financial implications for the Authority. Capital works which would be required to implement any preferred option, including a Clean Air Zone, would be funded by the Government through the Implementation Fund, which is needs-based. The current estimate for funding from the Implementation Fund is £13,089,000.

Capital and revenue funds which would be required in order to mitigate the impacts from any preferred option, including a potential Clean Air Zone, would be funded by the Government through the Clean Air Fund, which is competition-based. Elements of an initial submission to that fund are incorporated within paragraphs 1.5.5 – 1.5.6 of this report, and the attached Outline Business Case. The current estimate for funding from the Clean Air Fund is £16,536,000.

Details of the final costs of the preferred option will be included with the Full Business Case when it is submitted. This will comply with the Authority's financial regulations.

Currently, it is estimated that the total cost to implement a Class D Clean Air Zone over 5 years is £3,772,555, including the relevant optimism bias, proposed to be funded from the Implementation Fund

The operating costs are heavily driven by the expected traffic flows within the network. It is considered that there is a 'fixed' operational expenditure of £7,425,938 over 5 years and all other costs are relating to traffic flows and consequent vehicle number plate checks.

Both the implementation and operation costs would be requested from the Implementation Fund.

As identified in section 1.5.5, our work to date indicates that of the Charging Clean Air Zones tested, a Charging CAZ D is that which brings the local authorities closest to the legal limit by 2021. We are required by government to consider the impact on our local area and this includes a number of elements that are not felt directly by people or the local economy, such as carbon emissions or additional journey times. Our current analysis is that government's CAZ D approach would have a significant negative impact that is forecast to be in the region of £140 million over a five-year period from 2021-2026. It is important to note that this is not a cost that would be directly borne by the local economy and represents estimates about the impact of factors that are not monetised.

It is also important to consider that the local authorities are currently only legally required to deliver a study identifying the option that delivers compliance in the shortest time and while we are yet to receive a formal direction to implement such an option, government have been clear that in doing so it will override other considerations, including the impact on the local economy.

Our current estimate of net revenue raised by the government's CAZ D approach is an average of £43million per year over five years. This estimate does not consider potential exemptions and is based on a geographical area and charge levels that are likely to change following consultation. As a comparison, the estimated revenue from an alternative approach of tolls as identified in 1.5.6 would be an average of £17.5million over the same period. A net surplus funding would be reinvested into the area's transport network.

Any future financial implications that might arise, and which cannot be contained within existing budgets, would be reported to Cabinet for approval before additional spend is committed.

2.2 Legal

The Authority is required to submit a Feasibility Study identifying the preferred option for delivering compliance with legal limits for nitrogen dioxide in the shortest possible time pursuant to the Air Quality Direction 2017.

The Authority has 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.

Other measures set out in this report are within the powers of the Authority, subject to consultation and the relevant statutory procedures, including the making of Traffic Regulation Orders.

The Authority has fulfilled its duties under the Public Sector Equality Duty by undertaking an initial Integrated Impact Assessment on the Charging Clean Air Zone Classes, including the level D option. Further impact assessment will also be undertaken to inform future decision-making

2.3 Consultation/community engagement

This report seeks permission to commence wider public consultation on the Outline Business Case options if approved.

Consultation to date has involved the Cabinet Member for Environment and Transport and the Head of Environment, Housing and Leisure. The Outline Business Case has been informed by a wide evidence base including stakeholder consultation with interested organisations, business groups, transport operators, Nexus, public health representative, environmental health representatives, and local health care trusts.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

There are no equalities and diversity implications directly arising from this report.

Note: A summary of the Integrated Impact Assessment (IIA) on the options considered is included within the Strategic Case of the Outline Business Case in Appendix 1.

2.6 Risk management

Strategic and operational risks associated with Air Quality matters are assessed via the established corporate process. As outlined in the report the Authority will have no local roads in exceedance of the legal directive in 2021 and therefore comply with UK law.

The key risk is continuing failure to achieve compliance with air quality standards as defined in EU directives, which have also been incorporated into UK law. While it is unclear what the exit from the EU might mean in terms of the implications if targets are not met. As it stands, it is possible that failure would mean significant infraction fines could be incurred. If the council were not to take action to reach compliance, the government could impose a solution on the city. In order to address this risk the Authorities have sought advice from external legal counsel.

With such significant policy changes, one key risk is causing significant adverse impact on the residents of the city or protected groups. In order to identify and mitigate this risk, the authorities have undertaken Impact assessments and identified appropriate mitigations to be funded through the Clean Air Fund.

Transport and air quality models are necessarily representations of reality, rather than expressions of on the ground conditions. While proportionate updates and calibrations have been undertaken with models in order to reduce risk, no model is 100% accurate. The authorities are continuing to develop updated transport and air quality models to better represent interventions.

A further risk relates to the availability of funding to implement a solution. While the Authority is required to submit business cases to Government, it is not guaranteed to receive funding.

While the authorities would pre-judge consultation by finalising procurement of implementation measures in advance of consulting, it is important to note that if the procurement process of potential solutions does not begin during the consultation, the

project would not be able to be completed in the required timescales and the risks referred to above will become more acute. In order to mitigate this risk, the authorities have undertaken early supplier engagement with potential providers and will continue to develop specifications where possible in advance of the Final Business Case. We are expecting to receive a further instruction from Government directing us to deliver the measures that bring compliance in the shortest possible time and preparing procurement of different options will reduce the risks in this regard.

2.7 Crime and disorder

There are no crime and disorder implications arising directly from this report.

2.8 Environment and sustainability

The Air Quality Feasibility Study outlined in the report aims to address the exceedance in the Authority's area identified by DEFRA in the Air Quality Plan 2017. The proposals in the report seek to positively contribute towards improving air quality. The Outline Business Case highlights that the Authority is already satisfying the legal direction and that no roads will be in exceedance in 2021.

PART 3 - SIGN OFF

• Chief Executive	X
• Head of Service	X
• Mayor/Cabinet Member(s)	X
• Chief Finance Officer	X
• Monitoring Officer	X
• Head of Corporate Strategy and Customer Service	X