Department
for Environment
Food & Rural Affairs

Clean Air Fund

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We've published Section 2 of the summary of responses in this document for ease of reference.

Objective of the Clean Air Fund

1. The Clean Air Fund's objective is to support individuals and businesses affected by local nitrogen dioxide plans. Government has encouraged local authorities to prioritise approaches that achieve compliance with legal limits in the shortest possible time whilst minimising the impact on those living and working in and around the area. However, it is likely that in some cases local authorities will identify measures that could impact individuals and businesses – such as charging clean air zones – as the fastest means of achieving compliance. Depending on the scope of vehicles covered by such a zone this could particularly impact on low income families, small businesses and people living or working in a particular area. The objective of the Clean Air Fund is to help local authorities to support those impacted by their specific local plan. The objective can be delivered in three main ways:

    a) By introducing measures that will make it easier, more attractive or more affordable for individuals and businesses to change to cleaner modes of transport that will not face any restrictions under local plans. For instance, if a local authority has concluded that reaching compliance will require it to restrict vehicle access to the city centre for three days each week, the Clean Air Fund could support measures that would make it easier to change to alternative modes of transport such as improving the cycling and walking infrastructure, boosting local bus services or supporting park and ride facilities. This would give individuals better options on days their cars are not a viable transport mode.

    b) By enabling the local authority to implement local plans that collectively impact on fewer people. For example if a local authority identified the following two approaches that achieve compliance equally as quickly: a) implementing a class C[1] charging Clean Air Zone; or b) implementing a class B[2] charging Clean Air Zone[3] and additional measures (for instance a freight consolidation centre). Option b) would impact less people as vans would no longer be in scope for charging but has an additional cost to fund the additional measures - the Clean Air Fund could potentially support these additional measures.

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[1] Class C charging CAZ includes buses, coaches, taxis, private hire vehicles (PHVs), heavy goods vehicles (HGVs) and light goods vehicles (LGVs)

[2] Class B charging CAZ includes uses, coaches, taxis, PHVs and HGVs

[3] Further information on charging zone classes is available in section 7.4.1.1 of the NO_2 Plan: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633270/air-quality-plan-detail.pdf

c) By reducing transport costs for people; for instance if a local authority identified that the measure that would bring forward compliance in the shortest time was a class D charging Clean Air Zone (which applies to all vehicle types), the Clean Air Fund could support local travel discounts for low income households in the area to help provide them with alternative transport options in the zone.

2. Evidencing the need for Clean Air Fund intervention will be part of local authorities developing their local plans, which will include an assessment of the distributional impacts i.e. how the proposed measures to reduce nitrogen dioxide pollution will impact different groups of individuals and businesses. A strong application from a local authority for the Clean Air Fund will both robustly evidence the need for funding by clearly setting out the impacts of the local plan on individuals and businesses, and establish how the proposals for the Clean Air Fund minimise these impacts.

Funding available

3. There is £220 million of funding available through the Clean Air Fund over the period of 2018/19 to 2020/21. It is our intention that successful local authorities will receive the funding award from the Clean Air Fund at the same time as they are awarded funding from the Implementation Fund. The funding may be paid out in tranches over several financial years.

4. Successful applicants to the Clean Air Fund will be expected to deliver measures supported through the fund in parallel to their local plan. Funding from the Clean Air Fund will be allocated on a rolling basis to support local authorities in delivering their plans in the shortest possible time.

5. Funding is allocated according to the quality of proposals, with particular importance being placed on the extent to which the Clean Air Fund bid addresses a real need (as evidenced by a distributional analysis).There is no upper limit for awards that can be made to any single authority and there is no guarantee of a minimum award. Clean Air Fund proposals will need to set out that the intervention has no negative impact on air quality, that there is a clear rationale for intervention, that it addresses the spending objective, has a credible delivery plan and can demonstrate value for money.

6. English local authorities that are named in the UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations as having to undertake feasibility studies are eligible to apply for support from the Clean Air Fund. The Greater London Authority has separate funding arrangements in place with HMG. London received a £5.7 billion settlement from the government for the period between 2016 and 2021 and has received a further £92 million for other measures to address air pollution, including low emission buses. Reflecting that previous funding to London, this new targeted fund is for local authorities outside London. Air quality is a devolved matter

and local authorities in the devolved administrations are therefore not eligible to apply for the Clean Air Fund.

7. The Clean Air Fund was launched alongside publication of this response. The development, submission and assessment of proposals for the Clean Air Fund will happen as part of the development of the local plan feasibility studies. The five local authorities included in the 2015 plan for tackling nitrogen dioxide (Birmingham, Derby, Leeds, Nottingham and Southampton) will follow an accelerated version of this process as their business cases are already in progress.

Scope of the Fund

8. As set out in the consultation responses, there is broad support for a wide range of measures that could be funded through the Clean Air Fund. The most appropriate measures will depend on the local situation and the results of the local authority's analysis of the distributional impacts in their plans. We have concluded that the Clean Air Fund should be intervention-neutral and outcome-focussed to enable local authorities to put forward proposals that best fit their local situation. Therefore, the Clean Air Fund could support a wide range of measures including, but not limited to:

    - community-wide measures such as road layout changes, changes to cycling or walking infrastructure, improved public transport, park and ride schemes, promoting car clubs, vehicle retrofit; or better travel planning services; or

    - measures aimed directly at supporting individuals or businesses such as local travel discounts (which could be linked to smart ticketing), cycle to work schemes, local scrappage schemes or support for upgrading to a new vehicle (including ultra low emission vehicles).

9. We will work closely with local authorities as they develop their proposals and will continue to facilitate the exchange of best practice between local authorities. Clean Air Fund proposals will need to set out:

    - **Rationale for intervention**: Clearly set out the need for mitigation by providing a robust distributional analysis of the impact of local plans on individuals and businesses, following the options appraisal guidance.

    - **Addressing the spending objective:** Clearly set out the way in which the projects proposed for Clean Air Fund address these impacts and reduce them.

    - **Value for money:** Demonstrate strong value for money by setting out how the investment made will deliver benefits that meet the Fund's objectives. Proposals will also have to demonstrate additionality; that is funding will not be allocated to existing projects that have received financial support from

central government. In cases where proposals include measures that could be funded through other government grants (e.g. electric vehicle chargepoint infrastructure) applications for the Clean Air Fund will have to demonstrate why this intervention should be funded through the Clean Air Fund rather than through alternative funding routes.

- **Deliverability:** Set out a credible delivery plan for the measures proposed, ensuring that these can be put in place alongside local plans to improve air quality.

- **Air quality impact:** Proposals must demonstrate that the identified interventions have no negative impact on air quality, and that the proposed mitigation measures do not endanger reaching compliance with the applicable limit values for pollutants (and do not delay reaching such compliance).

10. The text below summarises some of the ways that the Clean Air Fund could support individuals and businesses impacted by local air quality plans. The following examples are intended as illustrations of the types of measures that could be supported through the Clean Air Fund. They are not intended as a guide as to what measures are most likely to receive support. Local authorities will need to ensure that Clean Air Fund bids are in line with State Aid rules.

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Buses/Coach companies and bus passengers

13. In a local authority where a charging Clean Air Zone is implemented, buses that do not meet the particular emissions standard would be subject to a charge to enter certain areas. In some instances this could mean that the bus operator has to pass the additional cost (either the charge to enter the Clean Air Zone or the cost of upgrading to a compliant vehicle that would not be subject to a charge) onto customers, which could mean fares are increased. Alternatively the bus company could determine that they do not wish to pay the charge and withdraw the service, again negatively impacting on individual’s ability to switch to the bus. Measures

funded through the Clean Air Fund could help maintain and improve the local bus offer and protect passengers from fare rises or reduced services.

14. Potential measures that could be funded through the Clean Air Fund could include: bus priority measures, vehicle upgrade/retrofit; smart travel planning measures; improving bus facilities; increasing services; or discounted fares for certain individuals.

Case Study: Real Time Passenger Information (RTPI) – East Sussex

East Sussex (with Brighton and Hove), using a total of £0.6 million of funding including support from the Local Sustainable Travel Fund, delivered Real Time Passenger Information (RTPI) screens for passengers at bus stops along the coastal transport corridor running east of Brighton to Eastbourne and established the core system for extension to the remainder of the county. Bus priority equipment linked to the RTPI system was installed at traffic lights. Peacehaven, Newhaven, Seaford and Eastbourne have 57 RTPI signs at bus stops. This information is also available online and on phone apps (utilising existing services, such as Traveline). In addition, key junctions have bus priority signals.

Measures which make it easier for individuals to switch their mode of transport, for example by improved provision of transport information, could be supported through the Clean Air Fund. Support for Personalised Travel Planning measures could help individuals affected by local air quality plans to better understand the cleaner transport options available and how best to utilise these.

New RTPI screen for passengers waiting for buses at Trinity Place in Eastbourne.
Credits: East Sussex County Council

Case Study: Bradford City Council bus selective catalytic reduction retrofit project

In 2014, the government awarded Bradford Metropolitan Council £394,998 from the Clean Vehicle Technology Fund to retrofit eleven Euro III double deck buses and fourteen Euro III single deck buses with selective catalytic reduction technology. The technology was allocated to double deck bus routes which would achieve the largest reductions in city centre emissions and a clean bus corridor was created with the single deck buses. The fitments were completed in December 2015. Sensors on two retrofitted buses showed 80%-96% reductions in emissions of nitrogen dioxide providing good evidence that the system was performing well under day-to-day driving conditions and thus delivering air quality benefits. Going forward funding will be directed towards technology accredited through the Clean Vehicle Retrofit Accreditation Scheme.

The Clean Air Fund could support measures to help buses meet the Clean Air Zone standards. This would mean the bus could drive into a charging Clean Air Zone without being subject to a charge, avoiding the risk of increasing fares or service closures.

HGVs/Freight drivers and companies

15. Potential air quality measures such as charging zones or access restrictions could also impact the freight and heavy duty sector. Potential measures to support freight operators to upgrade their vehicle or change their current patterns could include: freight consolidation centres; improving freight deliveries e.g. by changing mode, time of delivery or route; investing in alternative fuel refuelling; or HGV retrofit.

Case Study: West of England Partnership – freight consolidation

The Department of Transport's Local Sustainable Travel Fund enabled the expansion of a pre-existing freight consolidation centre for Bristol and Bath, operated by DHL. During 2014/15, the freight consolidation scheme served 133 retailers in Bristol and Bath, preventing over 2,074 delivery trips to the two city centres and saving carbon dioxide emissions estimated at over 23,000 tonnes. In 2016, the annual NOx emission reductions in Bristol was 358.62kg. Electric vehicles have been used until recently but these vehicles are no longer in operation. They will be replaced by new electric vehicles. The Clean Air Fund could support measures such as a freight consolidation centre where a local authority's plan impacts on the freight sector. Support could result in fewer vehicles having to enter a Clean Air Zone where a charge may apply.

Van drivers which could include small businesses

16. Van drivers, which includes sole traders and small businesses, could be impacted by local air quality measures in particular as the cost of upgrading to a compliant vehicle can be prohibitively expensive and options are restricted.
17. Potential measures could include: support for conversion to LPG, support for upgrade to electric vehicles; or local upgrade schemes.

Case Study: BDRS (Barnsley, Doncaster, Rotherham and Sheffield Combined Authority) – encouraging electric vehicle uptake for businesses

BDRS, with support from the Local Sustainable Travel Fund, has worked with businesses to encourage the take-up of electric vehicles, through grants towards the cost of electric vans or cars and towards the cost of installing charging points at business premises. A total of ten businesses took delivery of an electric vehicle during 2014/15, following appointment of npower as delivery partner.

Funding from the Clean Air Fund could help businesses upgrade to vehicles which would not be liable to a charge in a charging Clean Air Zone, for instance by offering businesses the chance to test vehicles before investing, subsidising electricity or provide preferential parking to electric vehicles. Bids for electric vehicle support through the Clean Air Fund would need to demonstrate that existing funding from the Office for Low Emission Vehicles could not be used and that there are no State Aid concerns.

Individuals who currently use a non-compliant car, which could include low income households, residents in a Clean Air Zone or commuters

18. Local authorities may decide they want to help specific groups of individuals for example low income households, residents or people travelling into the area for work where they are implementing measures that place charges or restrictions on cars.

19. Potential measures funded through the Clean Air Fund could encourage people to switch to other modes of transport such as: improving public transport infrastructure and services e.g. bus priority measures; smart travel planning measures; support for park and ride facilities; investment in cycling and walking infrastructure; discounted fares for certain individuals; increasing car club availability; or employee led schemes such workplace transport plans or cycle to work schemes.

20. Potential measures could also provide an incentive for individuals to upgrade their current vehicle, for example: support for schemes to encourage electric vehicle uptake or improved electric charging infrastructure.

Case study: Cycling Toolkit, Goole – East Riding of Yorkshire

Goole in East Riding received £4.8 million of funding from the Local Sustainable Travel Fund for five new cycle links between the town centre and outreach hubs. 275 cycle parking spaces were created in the town centre, along with the development of a distinctive "Get Moving Google" brand. In addition, bike shop discount vouchers and over 250 bike lights were provided to people who live and work locally. The funding helped to establish a bike recycling charity called R-Evolution, which helped to refurbish over 650 bikes in the first year which were then distributed at a low cost. The charity works in partnership with HM Prison Humber and helps to develop skills for disadvantaged people and rehabilitate individuals through life coaching, increasing employability skills and work opportunities to reduce re-offending. The funding provided through the Local Sustainable Travel Fund also set up local cycling groups, cycling training and personalised travel planning. As a result of the interventions, cycling to Goole schools increased by 4.7% from 2011-2014. The intervention in Goole is particularly effective because it combines a complementary mix of hard and soft interventions. Evidence suggests that a combination of measures are needed to achieve high levels of cycling and that infrastructural measures, although appear necessary, alone are not sufficient to bring about change[4]. The Clean Air Fund could provide support for a combination of measures which encourage a modal shift to a cleaner form of transport. A successful shift could reduce the number of people impacted under local plans.

[4] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/606513/cycling-walking-rapid-evidence-assessment.pdf

Case Study: Walk Once a Week (WoW) - Durham

Durham received a total of £4.8 million of funding, the majority of which was from the Local Sustainable Travel Fund, to lead a national project covering 13 local authorities that encouraged primary school children to walk to school, through a year-round incentive scheme based on collecting monthly pin badges designed by the pupils in a competition. 854 schools with 200,000 pupils have been engaged. The proportion of walking trips to school rose 12%-points, mirrored by a 12%-point fall in car trips.

Funding walking schemes through the Clean Air Fund could encourage individuals impacted by local air quality measures to change their behaviour and switch to a cleaner mode of transport. This could help individuals to avoid a charge that may be introduced in a Clean Air Zone.

Evidence shows walking tends to increase as income decreases[5]. In supporting measures which make it safer and easier for individuals to walk, you therefore may be able to target support to help lower income households.

[5] Table NTS0705 https://www.gov.uk/government/statistical-data-sets/nts07-car-ownership-and-access

Case Study: Dundee – Go Ultra Low City

Dundee is one of several cities enrolled in the Government's Go Ultra Low Programme. Like other Go Ultra Low Cities Dundee and its surrounding area have already taken steps to improve chargepoint infrastructure and now have 13 rapid chargers and over 50 fast chargers. To date 10% of Dundee's taxis are electric.

As a government funded Go Ultra Low City Dundee is looking to become a model city for the uptake of electric vehicles (EVs), which includes electrifying its taxi fleet. Support from Go Ultra Low will further expand the city's chargepoint infrastructure. In addition, local measures were implemented by the Council to encourage the uptake of EVs in Dundee including the provision of free electricity and free parking in Dundee County Council for all EVs from 2017. The council has also required that all new private hire vehicles must be 100% electric and has introduced EV only taxi ranks. In addition, a communication campaign was established called 'Drive Dundee Electric' which promotes the use of EVs through a dedicated website and Twitter account. The website contains helpful information on charging points, car club locations and the free parking scheme for EVs.

Drive Dundee Electric

Funding from the Clean Air Fund could help taxi operators upgrade to vehicles which would not be liable to a charge in a charging Clean Air Zone, for instance by offering incentives that reduce the running costs of the vehicles and give drivers the chance to test vehicles before investing. Bids for electric vehicle support through the Clean Air Fund would need to demonstrate that existing funding from the Office for Low Emission Vehicles could not be used and that there are no State Aid concerns.

Taxi and private hire vehicle drivers

21. Local authorities may decide that extra support is needed to help taxi drivers adapt to a charge, especially as many taxi drivers are self-employed. Potential measures could include: taxi retrofit e.g. to LPG; or local upgrade schemes.

Case study: Birmingham City Council hackney carriage (traditional black cab) liquefied petroleum gas retrofit project

In 2014, the government awarded Birmingham City Council £500,000 from the Clean Vehicle Technology Fund to re-power and convert LTI TX1 and TX2 diesel hackney carriages (traditional black cabs) to liquid petroleum gas (LPG) to reduce nitrogen dioxide emissions in areas of highest pollution.

Between October 2014 and June 2016, a technical solution was developed whereby emission reduction achievement was proven and a local garage trained to perform the conversions. The solution involved replacing the existing diesel engine with a petrol engine (spark-ignition engine) converted to run on LPG.

By May 2017, the project was complete having locally converted a total of sixty-five highly polluting LTI TX1 (Euro 2) and LTI TX2 (Euro 3) hackney cabs with very high driver satisfaction. Tests indicated that the converted cabs met or exceeded the minimum emission standards in the Clean Air Zone Framework for England.

Before this project, there was no established and reliable supply chain for the conversion of taxis to LPG in Birmingham, nor local accredited skills for the installation of such a system. Development of a supply chain has been a key achievement.

Supporting this sort of conversion project through the Clean Air Fund could help taxi drivers enter a charging Clean Air Zone without paying a charge. This would allow taxi drivers to continue to operate without changes to their service. This is particularly important for taxi drivers as they would be affected by any class of charging Clean Air Zone introduced. In addition, many taxi drivers are self-employed and so are likely to be impacted by local plans.