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Leaders of biggest cities call for funding for Clean Air Zones to tackle pollution, and boost the economy

• 14 mayors and political leaders from across England urge Chancellor to prioritise air pollution in Spending Round to save NHS money

- Plans could have an economic benefit for towns and cities totalling nearly £6.5bn
- UK100 report: funding would enable / enhance up to 30 new and existing Clean Air Zones
- Vehicle Renewal fund would help switch to clean vehicles, bikes and public transport

A cross-party group of political leaders from across the country are calling for Government support to tackle air pollution. 14 Mayors and political leaders from London, Manchester, Birmingham, Bristol, Cambridge, Leeds, Leicester, Liverpool, Newcastle, Nottingham, Oxford, Sheffield, Southampton and the West of England Combined Authority have today joined forces to call for the Government to support a network of 30 new and existing Clean Air Zones, where the most polluting vehicles are fined. A report released by UK100, a network of local leaders, shows that towns and cities could see an economic return of £6.5bn with support from the Government to tackle illegal levels of air pollution.

The Royal College of Physicians has assessed that the costs attributed to health problems resulting from exposure to air pollution are more than £20bn per year. The group are urging the new Chancellor, Sajid Javid to make an enhanced Clean Air Fund the centrepiece of a Spending Round in support of the NHS, which is due to be published on 4 September.

With air pollution contributing to up to 36,000 deaths a year, the research shows that adequately funding existing Clean Air Zones and introducing new ones, which would charge the most polluting vehicles to enter towns and cities, could provide a boost to our health and the economy. (1)

A national network of up to 30 Clean Air Zones across England, including London, could be enhanced and unlocked if an additional £1.5bn is committed from Government and business to tackle air pollution in the most polluted towns and cities. This would bring together £1bn in the upcoming Spending Round alongside £500m from business contributions. (2) This would allow Clean Air Zones to be introduced in all of the places the Government warns will have illegal levels of Nitrogen Dioxide (NO2) by 2021. This includes towns and cities across the country such as Bristol, Coventry, Guildford, Leeds, Manchester, Sheffield, Newcastle and Southampton.

The initial results from the UK's first Clean Air Zone are encouraging. A report into the impact of London's ULEZ (Ultra Low Emissions Zone) introduced in April this year shows that the numbers of older, polluting vehicles has reduced by over a quarter. (3)

Currently only six local authorities have plans to introduce such zones.(4) For existing and upcoming zones such as in London and Birmingham, it would support enhanced Vehicle Renewal schemes to support residents and small businesses to switch to cleaner transport.

A survey by Hitachi from earlier this year showed that a majority of the public are in favour of Clean Air Zones, with 50% supporting plans to charge motorists to enter a zone, while only 22% disagree. (5)

Under the UK100 plan, lower income residents and small businesses would be offered incentives of between £2,000 and £6,000 to either upgrade existing vehicles or get rid of their older, polluting vehicles and switch to a cleaner form of transport such as electric vehicles or public transport. As well as support for buying an 'ultra low emissions' vehicle, the cash could also be put toward car clubs, bike hire schemes or a public transport season ticket.

The report calls for a partnership with industry to contribute to a national vehicle renewal scheme, similar to how car manufacturers have contributed to the German Government's Sustainability

Mobility Fund for cities. London has received commitment from third party organisations (e.g. car clubs) for additional funding to support its car scrappage scheme.

Polly Billington, Director of UK100, a network of local leaders that campaigns on clean air, said:

"Cleaning up the air in our towns and cities makes sound economic sense and this study demonstrates that. It will boost the health of our communities and save the NHS money. Sensible investment by national government is needed to support local authorities to take the most polluting vehicles off our roads while ensuring that the poorest in our towns and cities are not the hardest hit by pollution and measures to tackle it."

Sadiq Khan, Mayor of London, said:

"Air pollution is a national health crisis which is responsible for tens of thousands of premature deaths around the country and costs over £20 billion a year. I have taken bold action to tackle lethal air in the capital with the Ultra Low Emission Zone, the first of the UK's Clean Air Zones, which is already having a positive impact on reducing harmful emissions. But cities including London cannot deliver further Clean Air Zones without urgent government funding. This funding must include a new national vehicle renewal scheme, which would help businesses and residents prepare for London's ULEZ expansion in 2021. Everyone deserves the right to breathe clean air and the Chancellor simply cannot afford to delay immediate action on this invisible killer."

Andy Burnham, Mayor of Greater Manchester, said:

"Greater Manchester is ready with our Clean Air Plan proposals to quickly tackle the huge problem of air pollution, which contributes to the equivalent of 1,200 deaths in our city-region each year. But Government has so far failed to commit enough funding to implement what would be the largest proposed Clean Air Zone outside London, covering 500 square miles and 2.8 million people.

"And, crucially, it has not so far put forward any funding to help Greater Manchester bus and coach operators, taxi and private hire drivers and companies, businesses with HGVs and vans – which could be affected by our Clean Air Zone proposal – to retrofit their existing vehicles, or move to cleaner models, to avoid paying a daily penalty to drive within the zone. We don't want businesses to pay – we want to help them switch to compliant vehicles. But we need much more support from the government to do this."

Councillor Waseem Zaffar, Cabinet Member for Transport and Environment at Birmingham City Council, said:

"We have always been clear that air pollution is not just a Birmingham issue; it is a national public health crisis. If the Government is serious about tackling this crisis then it needs to support other cities across the country in implementing their own Clean Air Zones so that we can all work together to clean up our air, as well as funding a national scrappage scheme. We have to ensure that those with the most polluting vehicles are able to make the switch to a cleaner, greener replacement as quickly and as smoothly as possible."

Marvin Rees, Mayor of Bristol said:

"We know that air pollution has a huge impact on our health and this research now shows there's a real economic case for government investment in tackling poor air quality. I am determined to take action to tackle the cause of air pollution in Bristol while protecting those on low incomes. That's why we're consulting on plans to set up a new Clean Air Zone in the city and, with the help of UK100, will be looking at ways of going beyond our air quality improvement targets. This report also shows that local authorities need national support, so I am reiterating my message to central government to hear the growing call for help in tackling one of the great modern urban challenges."

Toxic air is stunting the growth of children's lungs in ways that will affect them for the rest of their lives. Recent UK100 research focussed on Birmingham showed that a child in a primary school would die up to 7 months early due to air pollution. (6)

The study suggests that introduction of Clean Air Zones across the country could bring an economic benefit of £4.30 for every £1 spent (i.e. £1.5bn spent would have a total benefit of £6.45bn). The study uses the HM Treasury's own 'Green Book' method of cost-benefit analysis that assess various impacts on the economy, the environment and social welfare. Benefits include reducing congestion,

improving air quality, reducing health costs, reductions in accidents and wear and tear on roads. These are all offset by the cost of the scrappage scheme, EV infrastructure and a reduction in tax revenues from diesel and petrol sales. **ENDS**

For further information or interview bids, contact <u>alex.bigham@uk100.org</u> or 07830 195 812 Supporters of an enhanced Clean Air Fund:

- Sadiq Khan, Mayor of London
- Andy Burnham, Mayor of Greater Manchester
- Steve Rotherham, Mayor, Liverpool City Region
- Marvin Rees, Mayor of Bristol
- Sir Peter Soulsby, Mayor of Leicester
- Dan Jarvis, Mayor, Sheffield City Region
- Tim Bowles, Mayor, West of England Combined Authority
- Cllr Ian Ward, Leader, Birmingham City Council
- Cllr Lewis Herbert, Leader, Cambridge City Council
- Cllr Judith Blake, Deputy Leader, Leeds City Council
- Cllr Nick Forbes, Leader, Newcastle City Council
- Cllr David Mellen, Leader, Nottingham City Council
- Cllr Susan Brown, Leader, Oxford City Council
- Cllr Chris Hammond, Leader, Southampton City Council

Editor's Notes

1. UK air pollution could cause 36,000 deaths a year.

The UK is currently exceeding legal limits of NO2 in the air, with other pollutants (e.g. SOx, PMx) also causing health concerns. Exceedances of pollutants are particularly bad in urban areas with high levels of traffic, due to the emissions from diesel and petrol vehicles. It is estimated that around 36,000 people die prematurely every year because of air pollution and it increases the risk of asthma, stroke and dementia.<u>https://www.kcl.ac.uk/news/uk-air-pollution-could-cause-36000-deaths-a-year</u>

2. Full report can be downloaded here: <u>www.uk100.org/CSRReport</u> The report was commissioned by UK100 and the research conducted by CEPA.

£1.5bn is the entire cost for establishing the Clean Air Zones which the Government and businesses should commit and will allow the CAZs to be established in 2020 and operate until 2029. The costs/expenditure are all assumed to be incurred in that first year as part of the upcoming Spending Round, but the effects of the upgraded vehicles, behavioural effects, etc, last beyond that first year and we include them for several years.

The UK100 analysis shows that if a local authority sets up a 'Class D' Clean Air Zone (the most comprehensive type which charges vehicles such as cars, motorcycles and mopeds) there will be a positive economic benefit of up to 4:1 (£4.30 for every £1 spent).

So far, the Government has only made £220m available via the Clean Air Fund, which is far from adequate to fund vehicle swap schemes in these areas and excludes London, which has the most polluted roads in the UK.

Current Government plans call for 29 cities or city regions across England, including London, to take action to reduce illegal levels of Nitrogen Dioxide and meet obligations placed upon the UK under the EU Ambient Air Quality Directive. Presently, only six cities or city regions have announced plans to create a Clean Air Zone, with one in place in London since April.

3. Greater London Authority - Central London Ultra Low Emission Zone – First Month Report (May 2019) <u>https://www.london.gov.uk/sites/default/files/ulez_-_first_month_report_may_19.pdf</u>

4. List of areas that have a Clean Air Zone or have announced proposals to develop a Clean Air Zone:

• Bath

- Birmingham
- Leeds
- London (Ultra Low Emission Zone)
- Greater Manchester
- Oxford

Others consulting:

- Bristol
- Cambridge
- Coventry
- Leicester
- Liverpool
- Newcastle
- Portsmouth
- Stoke
- Sheffield
- Rotherham
- Warrington
- Wokingham
- York

Source:

UK100 research. NB. No central repository for CAZ proposals is publically available so this list may be incomplete.

List of 29 local authorities where Government expects NO2 to reach illegal levels by 2021:

- Basildon Borough Council
- Bath and North East Somerset Council
- Birmingham City Council
- Bolton Metropolitan Borough Council
- Bristol City Council
- Bury Metropolitan Borough Council
- Coventry City Council
- Derby City Council
- Fareham Borough Council
- Gateshead Metropolitan Borough Council
- Guildford Borough Council
- · Leeds City Council
- Manchester City Council
- Middlesbrough Borough Council
- New Forest District Council
- Newcastle City Council
- North Tyneside Council
- Nottingham City Council
- Rochford District Council
- Rotherham Metropolitan Borough Council
- Rushmoor Borough Council
- Salford City Council
- Sheffield City Council
- Southampton City Council
- Stockport Metropolitan Borough Council
- Surrey Heath Borough Council
- Tameside Metropolitan Borough Council
- Trafford Metropolitan Borough Council

Source:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/74 6095/air-quality-no2-plan-directions-2017.pdf 5. How much do you agree with the statement: 'I am in favour of Clean Air Zones where motorists will be charged to enter the zone'

- Strongly agree 19%
- Somewhat agree 31%
- Neither agree or disagree 28%
- Somewhat disagree 13%
- Strongly disagree 9%

https://www.hitachicapital.co.uk/news-media/study-uncovers-huge-lack-of-consumer-awareness-ofclean-air-zones/

6. https://www.uk100.org/study-shows-8-year-olds-could-die-7-months-early-due-to-air-pollution/

About Clean Air Zones

A Clean Air Zone is defined as an area where targeted action is taken to improve air quality. It can be confined to a single road or a part of a city. This can include an area in which vehicles can be charged or fined for entering. The government has called on 60 local authorities to create clean air plans, including requiring five cities to develop Clean Air Zones (CAZs) to deal with NO2 pollution issues

The Government has also named 23 local authorities where it expects pollution levels to reach illegal levels by 2021. They must all carry out a feasibility study to determine whether or not a Clean Air Zone is required.

There are four classes of Clean Air Zone:

- 1. Class A Buses, coaches, taxis and private hire vehicles
- 2. Class B Buses, coaches, taxis, PHVs and heavy goods vehicles (HGVs)
- 3. Class C Buses, coaches, taxis, PHVs, HGVs and light goods vehicles (LGVs)
- 4. Class D Buses, coaches, taxis, PHVs, HGVs LGVs and cars

Buses, coaches and HGVs that meet Euro VI emissions standards must be exempt from any charges or restrictions. Cars, vans and taxis that meet Euro 6 (diesel) or Euro 4 (petrol) emissions standards must be exempt from any charges or restrictions. Ultra-low emission vehicles with a significant zero-emission range must be exempt from any charges or restrictions.

Charging is not compulsory. Local authorities will only be able to set charges at levels designed to reduce pollution, not to raise additional revenue beyond recovering the costs of the scheme.

About a National Vehicle Renewal Programme

A National Vehicle Renewal Programme (or vehicle swap fund), targeted at cities and towns with clean air zones, would provide financial incentives to residents and small businesses to reduce their emissions by switching from older polluting vehicles to cleaner forms of transport (including retrofitting existing vehicles). The incentives would vary from up to £2,000 for a car to up to £6,000 for a van, HGV or bus. Further details are included in the table below and the base case for a 'notional CAZ' requires a Vehicle Renewal budget of £25m per CAZ.

Suggested policy interventions that could be eligible for CAF support might include:

• Provision of EV infrastructure to make compliance (through upgrading to an EV) easier.

• Working with car clubs to assist installation of car club parking areas to encourage car owners to shift to public transport sometimes as they have the option of using a car club when a car is more necessary.

• Increased provision of public transport to assist users that would otherwise use a non-compliant car, and subsidising transport passes for low-income families that give up their car.

• Any wider scrappage/retrofit scheme would have scrappage grants or retrofit discounts specifically for more vulnerable groups – e.g. low income households and small businesses.

About UK100

UK100 is a network of highly ambitious local government leaders committed to clean air and 100% clean energy. It is the only network for UK local authorities urban, suburban and rural, focused solely on climate change, clean air and clean energy policy. UK100's local leaders are committed to working together to tackle these challenges and are implementing innovative solutions to protect their residents.

UK100 on Clean Air: As well as taking action locally, UK100's network is united in calling on the UK government to do more. Clean air is a national problem that needs national action that enables locally designed solutions. Working with civil society, the public sector and business, UK100 is calling for legislation that protects us from dirty air and makes the UK a world leader in clean technologies and solutions. <u>www.UK100.org</u>

About CEPA

CEPA is a global, economic and financial policy consulting business. We advise both private and public-sector clients on issues where economics, finance and public policy overlap. <u>www.cepa.co.uk</u>