

RECORD OF EXECUTIVE DECISION

Tuesday, 22 January 2019

Decision No: (CAB 18/19 22166)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	GREEN CITY
SUBJECT:	PROPOSED CLEAN AIR ZONE FOR SOUTHAMPTON
AUTHOR:	Steve Guppy

THE DECISION

- (i) To approve the Plan attached as appendices for submission to the Secretary of State by the 31st January 2019 which proposes a package of non-charging measures that will mitigate risk of exceedance, increase the likelihood that compliance is achieved before 2020 and to promote ongoing improvements in air quality.
- (ii) To delegate authority to the Service Director for Transactions & Universal Services to include port based measures, namely shore side power and the port HGV booking scheme, to the Plan subject to securing implementation and funding agreement with stakeholders.
- (iii) To delegate authority to the Service Director for Transactions & Universal Services to take any action necessary to finalise the Plan, including making minor or consequential amendments following consultation with the Leader and Cabinet Member for Green City, so that all implementation, delivery and management requirements are sufficient enough to satisfy the requirements of HM Treasury Green Book methodology.
- (iv) To delegate authority to the Service Director for Transactions & Universal Services to submit a revised Plan to the Secretary of State, following consultation with the Leader and Cabinet Member for Green City, in the event that the original Plan submitted on the 31st January 2019 is rejected.
- (v) To approve the revision of the Clean Air Strategy for Southampton 2016-2025 to reflect the outcome of this Cabinet decision, the Plan and any other relevant progress made since the publication of the original strategy in 2016 and to delegate authority to the Service Director for Transactions & Universal Services to make any amendments to the Strategy necessary to give effect to this recommendation.

REASONS FOR THE DECISION

1. Southampton City Council have been issued a Ministerial Direction that requires it to undertake a local assessment (feasibility study) of air quality in the city, and produce a business case for a Plan to demonstrate how compliance with the EU Ambient Air Quality Directive (AAQD) of 40 µg/m³ for nitrogen dioxide (NO₂) can be achieved in the shortest possible time. This must be submitted to the Secretary of State for Environment for approval no later than the 31st January 2019.
2. SCC has concluded its feasibility study and can report the findings of its air quality technical assessment and economic appraisal. An Outline Business Case has been published in support of this paper (appended). This outlines a Plan to deliver compliance in the shortest possible time by delivering a Clean Air Zone in 2019 consisting of a package of non-charging measures to mitigate risk of exceedance, increase the likelihood that compliance is achieved before 2020 and to promote ongoing improvements in air quality.
3. In conjunction with NFDC, SCC has undertaken a twelve week consultation exercise with neighbouring authorities, local communities and businesses to: explain the objectives of the feasibility study, consider the potential health and economic impacts; understand any concerns; and assess the need for any mitigating actions or identify alternative options for consideration. 9309 responses were received and have been accounted for in developing the Business Case and identifying a preferred option for the Plan that will deliver compliance.
4. Significant support for shore side power has been expressed in the consultation exercise and has consistently featured in both internal and external engagement undertaken throughout the development of the Plan. The port operators (Associated British Ports) have expressed a willingness to facilitate its delivery within a short time frame if financial assistance was available. The CAZ feasibility assessment was able to determine that shore side power facilities to accommodate 20% of the cruise operations could be deliverable within the appropriate timeframes. Similarly, a port HGV booking scheme could be delivered promptly. However, it was concluded that;
 - Both demonstrated no discernible benefit to nitrogen dioxide concentrations at EU relevant locations.
 - SCC does not hold the authority or any other mechanisms for implementing and ensuring a prompt and effective delivery.
 - No positive net present value of the two port measures was identified.

Nonetheless, Cabinet have requested that, subject to securing suitable agreements with the port operators concerning delivery and finance, both shore side power and port HGV booking scheme be included in the non-charging package as it is considered that both can deliver significant benefits beyond achieving nitrogen dioxide compliance and the appetite and opportunity should be recognised.

5. Delegated powers have been requested that would allow the Service Director for Transactions & Universal Services to submit a revised Plan without requesting formal approval from Cabinet. This will be subject to consultation with the Leader and Cabinet Member for Green City and is intended to accommodate the prompt resubmission of a Plan in the event that the Secretary of State rejects the original. This delegation is intended to only allow the Plan to be reduced in its scope and does not allow any change in the fundamental approach.

DETAILS OF ANY ALTERNATIVE OPTIONS

1. Alternative Option A: Do minimum (i.e. existing measures only) - The feasibility study indicates that compliance is likely to be achieved by 2020 at all compliance points. So compliance could be achieved without any further action and associated costs.

However, the model output reports 40ug/m³ at one location in Northam on the A3024 in 2019. This suggests that some prompt intervention in 2019 (i.e. non-charging measures) could assist in ensuring compliance is delivered sooner.

The Analytical Assurance Statement (AAS), (appended) outlines the main limitations, risks, uncertainties associated with the assessment process. Sensitivity tests do not suggest unfavourable assumptions will push the model results into direct exceedance of the NO₂ limit value. The overall model uncertainty is reported at 4.7 µg/m³ which indicates that anything over 35 µg/m³ is at risk of exceedance in 2020. This suggests 5 locations in 2020 could be at risk of exceedance if no additional action is taken.

2. Alternative Option B: Introduce a charging Clean Air Zone - A range of charging schemes have been appraised and a detailed assessment of a citywide Class B (busses, coaches, taxis and HGV) charging Clean Air Zone has been undertaken. While this initially was identified as the Council's preferred option based on early studies and modelling, the updated feasibility study has concluded that such a scheme could not be delivered any sooner than 2020, so is unlikely to deliver compliance any quicker now that the air quality in the city is improving more quickly than was first anticipated. Implementation, operation and mitigation costs over ten years are calculated at approximately £14M and the economic assessment has indicated it would deliver a positive net benefit for the same period.

However, the government's Clean Air Framework (paragraph 38) expects any scheme to only operate until compliance is assured. On that basis a charging scheme introduced in accordance with this Framework is likely to operate for much less than ten years and would be unlikely to deliver a net benefit. For these reasons it is considered that the Secretary of State is very unlikely to approve and fund a charging scheme.

SCC could choose to deliver a charging scheme outside of the government requirements placed upon it. Consequently, it would not be eligible for funding from either the Clean Air Zone Implementation Fund or Clean Air Fund and SCC would need to seek alternative funding. It is unclear what support a

charging scheme might expect from government if it were pursued on a voluntary basis. It is anticipated that some of the backroom functions that might otherwise be delivered centrally may represent additional costs if a CAZ was being provided outside of a formal CAZ Plan. A full re-appraisal of costs, benefits and the project timeline would need to be undertaken if this were to be pursued.

Additional improvements in air quality could be delivered initially by a charging Clean Air Zone, but ongoing benefits would be limited as the road fleet shifts over the next couple of years towards compliance with CAZ standards.

3. Alternative Option C: Introduce a wider range of non-charging measures - The feasibility study has identified those measures considered as being effective in supporting the primary objective to bring about compliance with EU Ambient Air Quality Directive limits for nitrogen dioxide (NO₂) within the shortest possible time. A “long list” of non-charging measures was developed as part of the process and the short list of measures was selected on the basis of;
- CAZ framework consistency – Is the option consistent with the governments CAZ Framework?
 - Distributional impacts – Are there adverse impacts on specific groups?
 - Value for money – Does the option represent good value for money?
 - Strategic fit – Does the option support the council’s strategies?
 - Achievability – Southampton City Council’s ability to deliver the proposed changes, both implementation of solution and ongoing management of solution.
 - Deliverability – The markets ability to deliver the proposed solution, in terms of product and services provision.
 - Affordability – Southampton City Council’s ability to afford the proposed solution, both in terms of capital expenditure and revenue to maintain solution.
 - Eliminate, reduce or mitigate unintended adverse consequences – Does the option eliminate, reduce or mitigate unintended adverse consequences? For example worsening air quality in areas of the city due to traffic diversion or negative economic impacts.
 - Flexibility – The adaptability of the option to meet the potential changes requirements from the option as the CAZ develops.
 - Evidence Base - Availability of existing supporting evidence for this option that demonstrates its viability, or ability to assess it through transport and air quality modelling.

Examples are provided in the Options Appraisal Report (appended).

OTHER RELEVANT MATTERS CONCERNING THE DECISION

Cabinet considered the following recommendations from Overview and Scrutiny Management Committee, held on 16th January 2019:

RESOLVED:

- (i) That Cabinet agree to model the budget proposal to increase charges for crossing the Itchen Bridge and should the modelling show that the proposal was

likely to place at risk compliance with EU ambient air quality limits, the proposal would be rejected by the Executive;

Response:

There is currently no evidence supporting traffic displacement impacting air quality at key locations. However, we will consider further following close of budget consultation and the decision will be taken as part of the Budget proposals by full Council.

(ii) That, in the development of Council strategies and policies, an analysis was undertaken and consideration given, to the impact the policies and strategies would have on air quality in Southampton;

Response:

This will be further considered and addressed by the Green City Charter.

(iii) That, should Government decide not to fund the air quality measures outlined in the plan, the Executive agree to resource the proposals from Council finances;

Response:

Rejected. A bid is being made to Government and to agree this at this time would undermine the outcome of that bid.

(iv) That the Green City Charter was developed via a cross-party working group and that consideration was given to involving stakeholders in this process.

Response:

This has always been the Executive's intention.

CONFLICTS OF INTEREST

None

CONFIRMED AS A TRUE RECORD

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date:

22nd January 2019

Decision Maker:

The Cabinet

Proper Officer:

Judy Cordell

SCRUTINY

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in (*if applicable*) (*this suspends implementation*)

Call-in Procedure completed (*if applicable*)

Call-in heard by (*if applicable*)

Results of Call-in (*if applicable*)