



North Tyneside Council

Cabinet

Date Not Specified

Tuesday, 17 September 2019 0.02 Chamber - Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside, NE27 0BY **commencing at 4.00 pm.**

Agenda Item

Page(s)

1. **Apologies for Absence**

To receive apologies for absence from the meeting.

2. **To Receive any Declarations of Interest and Notification of any Dispensations Granted**

You are invited to **declare** any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.

You are also invited to **disclose** any dispensation in relation to any registerable and/or non-registerable interests that have been granted to you in respect of any matters appearing on the agenda.

Please complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.

3. **Delivering Killingworth Moor key Strategic Site (All Wards)**

1 - 6

To consider a report seeking approval to accept £10,000,000 of grant funding from Homes England which will enable the Authority to construct a significant portion of the site's infrastructure works (HIF Funded Infrastructure) and support housing development at the Killingworth Moor site.

Members of the public are welcome to attend this meeting and receive information about it.

North Tyneside Council wants to make it easier for you to get hold of the information you need. We are able to provide our documents in alternative formats including Braille, audiotape, large print and alternative languages.

For further information about the meeting please call (0191) 643 5320.

**Agenda
Item**

Page(s)

4. **Consulting on a revised option to improve air quality in Newcastle, North Tyneside and Gateshead (All Wards)**

7 - 22

To consider a report seeking approval to consult on a new option for measures to improve air quality while outlining measures to mitigate the impact on businesses affected by a charging clean air zone; and to note that both Gateshead Council and Newcastle City Council are being asked to approve recommendations as set out the report.

5. **Date and Time of Next Meeting**

Monday 14 October 2019 at 6.00pm – Ordinary Meeting

Circulation overleaf ...

Circulated to Members of Cabinet: -

N Redfearn (Elected Mayor)
Councillor B Pickard
Councillor G Bell
Councillor C Burdis
Councillor S Cox
Councillor S Day
Councillor P Earley
Councillor R Glindon
Councillor M Hall
Councillor C Johnson

**Young and Older People's Representatives and Partners of
North Tyneside Council.**

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North Tyneside Council Report to Cabinet Date: 17 September 2019

ITEM 3

Title: Delivering
Killingworth Moor Key
Strategic Site

Portfolio(s): Deputy Mayor	Cabinet Member(s): Councillor B Pickard
Report from Service Area:	Regeneration & Economic Development
Responsible Officer:	John Sparkes - Head of Regeneration & Economic Development Tel: (0191) 643 6091
Wards affected:	Killingworth

PART 1

1.1 Executive Summary:

In order to comply with the National Planning Policy Framework, Cabinet approved the adoption of the Authority's Local Plan in July 2017. This followed the Local Plans approval by the Secretary of State which confirmed that the Authority has complied with its statutory obligation to provide a five-year housing land supply.

The Local Plan evidences the need for 16,500 new homes up to 2032, with the key strategic housing site at Killingworth Moor included with an allocation for 2,000 homes.

To facilitate delivery of the homes, the Authority is seeking approval to accept £10,000,000 of grant funding from Homes England which will enable the Authority to construct a significant portion of the site's infrastructure works (HIF Funded Infrastructure) and support housing development at the Killingworth Moor site. This will require the Authority to enter into a Grant Funding Agreement with Homes England and License(s) for Works with the relevant landowners/developers to enable construction of the HIF Funded Infrastructure.

1.2 Recommendation(s):

It is recommended that Cabinet:

- (1) authorise the Head of Resources to accept the offer of £10,000,000 Housing Infrastructure Fund (HIF) from Homes England; and
- (2) delegate authority to the Head of Regeneration & Economic Development and the Head of Housing, Environment and Leisure in consultation with the Head of Resources, Head of Law and Governance and Deputy Major to:

- a) enter into the Grant Funding Agreement with Homes England to accept grant funding of £10,000,000;
- b) enter into the necessary 'Licences for Works' with relevant landowners/developers to enable the Authority to construct the HIF funded infrastructure works; and
- c) carry out a procurement exercise to appoint a contractor for the construction of the HIF funded infrastructure works.

1.3 Forward Plan:

It has not been possible to give 28 days' notice of this decision as information necessary to conclude the report was not received until week commencing 27 August 2019. It is imperative that this matter is considered before the end of September to comply with the requirements of Homes England and the Ministry of Housing, Communities & Local Government (MHCLG).

The Chair of Overview, Scrutiny and Policy Development has been notified of the notice being less than 28 days in accordance with the requirements of the Authority's Constitution.

1.4 Council Plan and Policy Framework

This report relates to the 'Our Places' priority in the 2018/20 Our North Tyneside Plan. Specifically, Our Places will:

"Be great places to live by focusing on what is important to local people, such as by tackling the derelict properties that are blighting some of our neighbourhoods".

1.5 Information:

1.5.1 Background

The Authority's Local Plan was adopted July 2017, which ensures the Authority's compliance with its statutory obligation to provide a five-year housing land supply. This provides for the delivery of an additional 16,500 new homes across the Borough up to 2032. The Killingworth Moor site is included as a key strategic site with an allocation for 2,000 homes.

To facilitate the delivery of Killingworth Moor, the Local Authority is working with land owners/developers and Homes England.

1.5.2 Housing Infrastructure Fund (HIF)

In Summer 2017 Homes England and MHCLG launched the HIF to offer Local Authorities and Combined Authorities the opportunity to secure funding to deliver infrastructure on large scale housing developments to assist in realisation of housing.

The Authority worked with representatives from Homes England, MHCLG and the landowners/developers to develop and submit a bid to Homes England for £10,000,000 of HIF. This was submitted in September 2017, and following an extensive assessment period, in Spring 2019, Homes England confirmed an allocation for the Authority of £10m.

It is proposed that the funding will deliver a significant proportion the site's key link road which is identified in the masterplan and will unlock the site for housing development.

In line with state aid advice (see section 2.2), the Authority will be in control of delivery of the road and will manage spend. This involves:

- Appointment of consultants to undertake detailed design works.
- Submission of a planning application seeking approval for development of the HIF funded works.
- Appointment and management of contractors appointed to construct the necessary works on site.

This will be undertaken in line with agreed governance arrangements with the Local Plan Steering Group and relevant developers/landowners.

1.5.3 Risks

The Authority has a Risk Register for the delivery of the HIF Funded Infrastructure, which details the following:

- State Aid – detailed legal advice has been sought in relation to this project (see section 2.2 below).
- Non-compliance with the Grant Funding Agreement (see below section 2.2).
- Overspend – this is mitigated through: appropriate risk and contingency planning being applied to the infrastructure costs and ensuring that the definition of the ‘Project’ in the Grant Funding Agreement is such as to ensure it is deliverable.
- Delays to Spend – the Project will be governed in line with the agreed Delivery Plan between the Authority and Homes England. Progress reporting will enable early identification of issues which may cause delay and allow mitigation to ensure the Project remains on time and on budget.

1.6 **Decision options:**

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet to approve the recommendations set out in paragraph 1.2 of this report to accept the grant offer of £10,000,000 from Homes England and enter into the Grant Funding Agreement and necessary License(s) for Works with relevant landowners/developers to enable the Authority to construct the HIF funded Infrastructure works.

Option 2

Cabinet to not accept the offer of grant funding from Homes England and therefore not deliver the HIF Funded Infrastructure works at the Killingworth site.

Option 1 is the recommended option.

1.7 **Reasons for recommended option:**

Option 1 is recommended for the following reasons:

The outcome requirement of the Local Plan is the delivery of 16,500 new homes up to 2032. By securing the HIF and working with the landowners/developers the Authority will facilitate the delivery of 2,000 new homes on the Killingworth Moor site, the second largest single allocation in the Local Plan.

1.8 Appendices:

There are no appendices to this report.

1.9 Contact officers:

John Sparkes, Head of Regeneration and Economic Growth, - Tel (0191) 643 6091

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:

- Gateway 0 Killingworth Moor HIF 18 October 2017 - [G0 Killingworth Moor](#)
- Gateway 1 Killingworth Moor HIF 18 October 2017 - [G1 Killingworth Moor](#)
- Local Plan 2017 - [North Tyneside Local Plan](#)
- Killingworth Moor (Proposed) HIF Plan - [\(Proposed\) HIF Plan](#)
- Homes England Offer Letter - [Homes England Grant Offer Letter](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The HIF grant of £10,000,000 from Homes England will be added to the Council's Investment Plan as part of the next Financial Management report to Cabinet and following presentation of a Gateway 2 to Investment Programme Board.

All costs incurred by the Authority relating to the HIF funded infrastructure works will be funded by the HIF Grant Funding Agreement (GFA); the Authority will spend to the limit of the funding available (£10,000,000) and as such will not incur any additional costs.

All grant claims will be made in accordance with Financial Regulations.

2.2 Legal

State aid

Specific State Aid advice on the possible State Aid implications the funding, and application of the funding to the proposed highway works at the Killingworth site has been provided. This advice confirms that to ensure that the Authority does not pass State Aid (the HIF funding) to an Undertaking, it is the Authority that must apply for planning permission for and deliver the HIF Funded Infrastructure works. The project will be monitored as it progresses to ensure that it remains compliant with the legal advice received, and further advice will be sought during the project if required.

Legal Agreements

The acceptance and fulfilment of the conditions of the Grant from Homes England will require the Authority to enter into a number of legal agreements.

(a) Grant Funding Agreement

This Agreement will be between Homes England and the Authority. The requirement is that the Authority delivers the Project (the HIF Funded Infrastructure) in order to 'unlock' an agreed number of housing units across the site.

As with all Funding Agreements, there are risks to the Authority of failure to deliver or failure to deliver in accordance with the agreed terms. The failure to deliver in whole or in part may risk a whole or partial clawback of the funding. This risk will be managed as part of the project delivery.

Officers have been advised of the terms of the Grant Funding Agreement to ensure that the Authority complies with its terms throughout the project.

(b) Licence for Works

As the Authority is not a landowner at the Killingworth site, a Licence for Works with the relevant landowner(s) will enable the Authority (and its appointed contractor) to access and work on relevant parts of the Killingworth site to enable the delivery of the HIF Funded Infrastructure.

(c) Works Contract

In due course, the Authority will seek to appoint a contractor for the design and construction of the HIF Funded Infrastructure Works.

The Grant Funding Agreement, Licence for Works and Works Contract must complement each other to ensure a fair balance and management of the risk across the project.

2.3 Consultation/community engagement

Consultation has taken place with the Cabinet Member for Housing, Investment Programme Board and the Local Plan Steering Group to ensure alignment with the Our North Tyneside Plan and development aspirations of the Authority.

2.4 Human rights

There are no human rights issues arising from this report

2.5 Equalities and diversity

There are no equality and diversity issues arising from this report

2.6 Risk management

Project management arrangements are subject to overview by Investment Programme Board governance. An officer project group will oversee the programme and create and manage a risk register.

2.7 Crime and disorder

There are no crime and disorder issues arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability issues arising from this report.

PART 3 - SIGN OFF

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

**North Tyneside Council
Report to Cabinet
Date: 17 September 2019**

Title: Consulting on a revised option to improve air quality in Newcastle, North Tyneside and Gateshead

Portfolio: Environment and Transport	Cabinet Member: Councillor Carl Johnson
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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. The North Tyneside 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.

Cabinet has previously agreed our approach in responding to government’s legal direction to improve air quality in the shortest possible time. Consultation feedback on different options earlier this year along with refined technical information has enabled Newcastle, Gateshead and North Tyneside councils to develop a revised proposal. It is felt that this package more closely meets these wider ambitions while also responding to the specific requirements of the legal order.

This report seeks approval to consult on a new option for measures to improve air quality while outlining measures to mitigate the impact on businesses affected by a charging clean air zone. This zone would not initially include private vehicles. Contingent on government funding, the proposals also seek to ensure that major roadworks such as the maintenance of the Tyne Bridge are incorporated into the plans. This would help to deliver required improvements and minimise the impact on the economy. Further proposals to government for funding will support the delivery of a reliable sustainable and active travel network in our area, ensuring more viable alternative travel options.

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

1.2 Recommendations:

It is recommended that Cabinet:

- i. agrees to consult affected stakeholders and the public for six weeks on a Clean Air Zone Class C and associated traffic management measures in order to deliver compliance with legal limits for NO₂ in the Authority's administrative area in the shortest possible time;
- ii. agrees to consult affected stakeholders and the public on possible mitigation measures to minimise the impact of the aforementioned Clean Air Zone and traffic management schemes;
- iii. delegates the approval of the final form of the appropriate consultation materials to the Chief Executive in consultation with the Cabinet Member for Environment and Transport; and
- iv. notes, in accordance with the Authority's Constitution, that the outcomes of consultation, together with a Final Business Case for the preferred option, will be submitted to a future meeting of Cabinet for final approval.

1.3 Forward Plan:

It has not been possible to give twenty eight days' notice of this report however it first appeared on the Forward Plan that was published on 23 August 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
 - Have an effective transport and physical infrastructure – including our roads, pavements, street lighting, drainage and public transport

1.5 Information:

1.5.1 Air quality in North Tyneside

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 (NO₂) in the Authorities' administrative areas 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.

On 25 February 2019, Cabinet agreed to the submission of an Outline Business Case and a process of consultation (summarised in section 1.5.3 of this report). Since this time, the authorities have continued to refine their understanding of the air quality challenge and the available options to address this. In addition, a revised legal Direction was received from government on 3 July 2019. This confirmed that updated modelling of options should be submitted to Defra in August 2019, ahead of final proposals being agreed in November for implementation from 2021.

This report outlines the outcomes of latest modelling of refined options and seeks approval to consult with stakeholders and the public on a package of measures incorporating ways to mitigate the impact on businesses and individuals of a refocused charging option.

While it is not specifically required by government, the authorities have been clear that success should also be measured by whether sustainable changes in air quality and travel behaviour are achieved for the long term. The process therefore aims to ensure that solutions are fair, support the economy and improve public health, rather than focus solely on specific stretches of road for one pollutant. The process directly aligns with proposals for significant public transport and active travel improvements which have been submitted to government alongside other authorities in the North East, e.g. through the Transforming Cities Fund bid which was approved by the North East Joint Transport Committee on 18 June 2019.

The plans to transform the transport network are contingent on government's support and commitment of funding, and would include moving forward with a plan that delivers a coherent and safe walking and cycling network enabling more people to choose to cycle to education or employment opportunities. Through the delivery of improved traffic signals and the prioritisation of buses at key points, a visible improvement in bus reliability could be delivered. This in turn would enable working with the bus operators to ensure that improved reliability on the road network leads to improvements in fares and the quality of the public transport offer. It is also recognised that there is scope for the taxi and private hire offer in the area to be updated. The authorities understand the impact on individuals who use their vehicles as part of their work, which is why a further key part of the plans is to provide grants to such individuals, or businesses, to help them upgrade their vehicles if they would be impacted by a charge.

1.5.2 Background – air quality work to date

Successive national governments have failed to tackle air pollution in the UK effectively, leading to a series of legal actions against the Government. One of these, in May 2017, led to the Department for Environment, Food and Rural Affairs (Defra) issuing legal Directions to a number of local authority areas across the country requiring them to improve air quality on specific stretches of road “in the shortest possible time”.

Newcastle City Council, Gateshead Council and this authority received Directions requiring each authority to improve air quality, with a particular focus on roads which had been modelled by Government (using a national air quality model) not to be in compliance. These roads were parts of the Central Motorway and its approaches to the Tyne Bridge, and areas on the Coast Road. Government guidance required authorities to look for solutions that would deliver compliance as quickly as putting in place charges for polluting vehicles (a charging Clean Air Zone).

Since receiving the Direction, the authorities have made significant progress in developing options. The authorities have also worked together and with other city regions across the country to highlight the challenge of progressing this work within constrained timescales, and have consistently highlighted concerns that Defra's narrow approach to NO₂ (and only on specific road links) could exacerbate rather than resolve public health issues.

In February 2019 the authorities approved two principal options for consultation with the public (referred to throughout the remainder of this report as “the original options”). These were:

- i. a Clean Air Zone in which vehicles of all types that did not meet minimum emissions standards would be charged to enter the zone (a CAZ D). The proposed area covered all the routes identified by Government as having high levels of air pollution, and other areas where air quality was known to be an issue; and
- ii. a Low Emission Zone (LEZ) forbidding more polluting buses, Heavy Goods Vehicles (HGVs) and taxis/private hire vehicles from entering Newcastle City Centre, combined with tolls for all vehicles crossing the Tyne, Swing and Redheugh bridges.

1.5.3 Consultation outcomes

Consultation took place over 11 weeks between 6 March and 19 May 2019. The consultation was widely publicised through a range of channels. Every household in the Newcastle area received information on the consultation through that authority's City Life magazine. This was supported by social media alerts, emails to consultation panels in the three authorities, a range of media coverage, information made available in customer contact points and libraries, easy read versions of the consultation issued in appropriate locations, over 50 dedicated engagement sessions, face to face meetings with stakeholders and community groups, and letters to every taxi or private hire driver licensed to operate in the three authorities. An independent analysis of consultation responses was carried out and has been available online since July 2019 on each of the local authorities' websites and on their air quality website <https://www.breathe-cleanair.com/>. A summary of the public consultation can be found in Annex A.

1.5.4 Latest developments

The consultation sent a clear message that residents and representative groups wanted us to take action but most were concerned at the potential impacts of an immediate move to charging all vehicle types over a wide geographic area. In addition, analysis in the Outline Business Case published alongside the consultation demonstrated that the CAZ D, over the wide geographic area proposed, risked significant negative impacts, with the large amounts of displaced traffic leading to increased greenhouse gas emissions and, in early years, a negative health impact outside the zone as a result.

Since the consultation the authorities have been refining possible options to take account of these issues. Officers were also concerned that the original modelling, which was based on projections of national fleet mix data provided by Defra, over-estimated the proportion of diesel vehicles on the roads in future years. Purchases of diesel vehicles have been falling due to concerns on their air pollution impact. Following representations to them, Defra has now agreed that options can be re-modelled with different scenarios for the future vehicle fleet. This makes a significant difference to the way different options perform.

Councils also considered how options could be refined to take account of feedback from the consultation. This process identified three revised options, all of which can now be seen to meet the legal requirement to achieve compliance on local roads in the shortest possible time:

- A smaller CAZ D covering Newcastle city centre only [see map at Annex B];
- A Low Emission Zone combined with tolls on city centre bridges, as set out in the original consultation; and
- A CAZ C charging older HGVs, buses, vans, taxis and private hire vehicles in Newcastle city centre only [see map at Annex B], combined with access restrictions to and from the Central Motorway between New Bridge Street and the Swan House

roundabout and lane restrictions on the Tyne Bridge with the aim that this would be linked to a major maintenance scheme on the Tyne Bridge. In this option there would be no charges on private cars.

These options were made public by the authorities in early August and detailed modelling of the impacts of introducing these options was submitted to Government on 8 August 2019 and is available at www.breathe-cleanair.com.

1.5.5 Selecting a package of measures to deliver improved air quality

As more than one package of measures now appear to achieve compliance in 2021, our ability to select the option most consistent with the three authorities' ambitions on fairness, public health improvement and minimising economic impact has been improved. In the short term this is considered to be the newly defined option, which is:

- a smaller charging Clean Air Zone covering only Newcastle City Centre affecting non-compliant buses, coaches, taxis (Hackney Carriages and private hire vehicles), heavy goods vehicles and vans from 2021;
- changes to the road layout on the Central Motorway, that will prevent traffic from merging on and off the slip lane between the New Bridge Street and Swan House junctions;
- lane restrictions on the Tyne Bridge and Central Motorway. These restrictions will be put in place to support air quality work but the authorities are asking government for £40m funding to ensure essential maintenance works take place at the same time, minimising disruption by aligning these much needed roadworks to update the ageing bridge with the need to implement lane restrictions for air quality; and
- changes to the local road network in Newcastle and Gateshead to reflect the Tyne Bridge restrictions and ensure public transport can run reliably.

This package is considered to have a smaller economic and traffic rerouting impact. It also enables the authorities to target mitigation on a smaller group of users which makes a package of mitigation measures more deliverable given the tight timescales to which the authorities are working.

For the longer term, achieving continuous improvement in public health in the area will require further action, including restrictions on the most polluting private vehicles. In the consultation, residents were clear that they recognised the need for action, but wanted better alternative transport choices and support in upgrading vehicles before charging for private vehicles was introduced. Over the next few years significant improvements in transport across the Tyneside area are to be anticipated, including:

- i. new Metro fleet carriages to be introduced by 2023;
- ii. substantial improvements to public transport, walking and cycling by the end of 2023 if a regional bid for funding from the Transforming Cities Fund is approved; and
- iii. an additional lane on the A1 Western Bypass north of the Tyne in 2023.

While, by means of this report, the authorities are intending not to charge private vehicles in the first year of a proposed charging scheme, the authorities will continue to keep all potential measures under consideration. The authorities will consider extending or upgrading any CAZ to incorporate private vehicles if compliance is not achieved or in response to other environmental concerns. The position is that investment in alternatives should pre-empt such a charge on private vehicles and once

this further investment in transport improvements has been delivered, the authorities will review the most appropriate solution to deliver on all objectives.

1.5.6 Supporting residents and businesses to adapt to these changes

The consultation showed strong support for measures to support residents and businesses to adapt to the introduction of charges. Officers have refined potential packages of support to reflect the proposed option. The consultation sets out key mitigation proposals, which would be subject to Government funding, including:

- i. grants of up to £2,000 for private hire and taxi drivers, and for light goods vehicle drivers with non-compliant vehicles;
- ii. grants of up to £16,000 for Bus and Coach and Heavy Goods Vehicle operators with non-compliant vehicles;
- iii. delivering freight consolidation opportunities for light goods vehicles outside the charging zone;
- iv. some exemptions for certain types of vehicle;
- v. a behavioural change campaign to assist people in making the switch to cleaner modes of transport; and
- vi. investment in additional public transport priority to accompany the Transforming Cities Fund bid and ensure that public transport and active travel modes are attractive and viable.

1.5.7 Impact of the proposal

All three of the revised options achieve compliance with legal limits on air quality in 2021 on local roads.

Taking account of feedback received during the next round of consultation, a full Integrated Impact Assessment on the final option will be published alongside the request for a final decision on the option to be implemented. This will be taken after the consultation. Key impacts of the three revised options, in comparison with the original options, are outlined below.

Public health

Public health impacts of the options depend critically on the balance between improvement in areas where traffic is reduced and risk of higher pollutant levels in areas to which any traffic is displaced. The original CAZ D option raised concerns in this area. The large size of the CAZ D resulted in such extensive displacement that in early years modelling suggested that there could be a net detriment to public health and overall emissions, although by year 5 of the scheme there was a clear net improvement. Levels of inappropriate rerouting would also have directed traffic through residential areas and increased risks around road safety. However, this negative public health impact in the short-term was a key driver in seeking a smaller CAZ D.

Modelling shows that all three options improve air quality and hence public health within the central zone by roughly the same amount in early years. Displacement of traffic is much lower, giving a clear overall public health benefit to the area from the outset. In early years, options which achieve the least displacement are most likely to have positive public health impacts as they achieve improvement in air quality within the city centre with minimal displacement to other areas. Over time, options which charge cars become more favourable for public health, as the charges drive fleet improvement and increased use of alternatives to the car.

Fairness

Fairness impacts of the original options were a key concern, particularly for the CAZ D. There was concern at the impact on low income travellers, and those for whom public transport alternatives might not be available, such as residents with health needs or shift workers working overnight. Feedback was clear that early introduction of car charges was particularly challenging for lower income individuals as it gives little time to invest in an alternative vehicle, and as there was not confidence in availability or suitability of public transport and active travel alternatives. While these comments and impacts do not take account of any support or mitigation measures which could be introduced, the level of required mitigation would be challenging in the timescales involved.

The options which have been revised have the following likely impact on fairness:

- CAZ C with additional measures – there are potential fairness impacts from potential charges to bus, taxi and private hire vehicles, including potential changes to bus services and reduced commercial viability of some services. These will be mitigated through the provision of financial mitigation set out above – subject to government funding. Any spatial equity issues through traffic management changes will be addressed through targeted packages at those locations including additional bus priority measures and junction changes at key locations.
- CAZ D – In addition to the above, there is a risk of the greatest impacts from charges to vehicles being borne by those on lower incomes, both in terms of paying charges and the rerouting of vehicles through lower income areas. While these could to some extent be mitigated by mobility credits or grants, there would remain significant challenges.

Economic

Defra require that economic impacts of the proposed measures include the cost or benefit of changes in greenhouse gas emissions, the cost of inconvenience to residents and businesses of changing travel patterns due to charging, and the economic benefits of improved air quality. This assessment does not take account of the economic impact on businesses of any change in attractiveness of the Tyneside area or of Newcastle city centre as a place to do business. An independent economic assessment undertaken for the authorities suggests that a CAZ C would have the lowest economic impact on businesses and the LEZ and toll option the highest.

Climate change

The CAZ C will likely lead to positive impacts in terms of the authorities' commitment to achieving net zero carbon emissions. This is due to the fact fewer trips will be made and that vehicles will be upgraded to newer models, which emit lower levels of carbon. In itself, the CAZ C will not lead to a very significant impact on overall carbon emissions, however, when combined with the transport investment set out above, there will potentially be large positive impacts on climate change.

1.5.8 How success will be measured

The primary measure of success will be through the reduction in exposure to air pollutants of the residents of Newcastle, Gateshead and North Tyneside. 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 causes 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 more, is set out in a comprehensive Monitoring and Evaluation Plan, presented in the Management case of the Outline Business Case submitted to government and approved by Cabinet in February. This complies with both JAQU (Joint Air Quality Unit) guidance and the Government Magenta Book and will be updated for consideration with the Final Business Case to be considered by Cabinet after this consultation.

1.5.9 The timetable for implementation

It is proposed that the three authorities will consult affected stakeholders and residents over a period of six weeks, before bringing the outcome of consultation and a final business case for the preferred option to each authority for approval.

The delivery of the measures required will be undertaken throughout 2020: they are anticipated to be in place by January 2021, in order for the scheme to become active.

Effective delivery of the preferred option is dependent on Government action on a number of key issues, including:

- i. providing the necessary resources for implementation and mitigation in a timely fashion;
- ii. confirmation of available funding in order to allow local authorities to procure both required new systems and relevant mitigation;
- iii. provision of a national taxi and private hire database; and
- iv. provision of central systems to allow payment and processing, in order that local authorities can deliver their own Clean Air Zones.

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 of the recommendations will permit progress towards satisfying the legal direction issued by the Government requiring local authorities to create plans to address air quality issues on specific road links.

1.8 Appendices:

Annex A – Summary of consultation

Annex B – Map of new charging clean air zone

1.9 Contact officers:

Nicholas Bryan, Highway Network Manager, 0191 643 6622

John Cram, Integrated Transport Officer, 0191 643 6122

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) Report to Cabinet 25 February 2019 – [Tyneside Air Quality Feasibility Study Report](#)
- (2) [North Tyneside Local Plan](#)
- (3) [North Tyneside Transport Strategy](#)
- (4) Equality Impact Assessment (EIA)
- (5) [Air quality public consultation 2019 – summary of findings](#)
- (6) Defra [Air Quality Plan for Nitrogen Dioxide \(NO₂\) in UK \(2017\)](#)
- (7) Defra [Clean Air Zone Framework](#)
- (8) [Clean Air Strategy 2019](#)
- (9) [Environment Act 1995](#)
- (10) [Air Quality Standard Regulations 2010](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

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.

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.

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.

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.

Defra are required to fund the capital costs of introducing the preferred option through their Implementation Fund. Defra may choose to fund mitigation measures necessary to delivery of the preferred option through their Clean Air Fund.

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.

The 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.

In accordance with Part 3.2 of the Authority's Constitution, Cabinet is responsible for the discharge of the Authority's functions in relation to the control of pollution or the management of air quality.

2.3 Consultation/community engagement

2.3.1 Internal consultation

Internal consultation has taken place with the Cabinet Member for Environment and Transport.

2.3.2 External consultation

A public consultation exercise was carried out between March and May 2019 as described in section 1.5.3 of the report.

Stakeholder engagement is ongoing with key affected groups including business groups, transport operators, Nexus, public health representatives, environmental health representatives, and local healthcare trusts.

This report seeks approval to commence wider public consultation, as set out in section 1.5.9 of the report, on the preferred option identified following further technical work undertaken and taking account of feedback from the earlier public consultation.

2.4 Human rights

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

2.5 Equalities and diversity

There are no adverse equality and diversity implications directly arising from this report. The Authority has fulfilled its duties under the Public Sector Equality Duty by undertaking an initial Integrated Impact Assessment (IIA) on the charging Clean Air Zone classes. Further impact assessment will be completed in advance of a decision being taken on the final business case. A summary of the IIA on the options considered is included within the Strategic Case of the Outline Business Case (in Appendix 1 of the report to Cabinet of 25 February 2019).

2.6 Risk management

Strategic and operational risks associated with Air Quality matters are assessed via the established corporate process. The Outline Business Case indicates that 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 to the public health of the people of the area. Poor air quality is impacting on people's lives and needs to be addressed. The Authority has made a number of improvements in recent years but there is a need to continue to do so through this plan and engaging with people about their travel choices.

A further fundamental risk is failure to achieve compliance with air quality standards as defined in EU directives, which have also been incorporated into UK law. While it is unclear what the exit from the EU might mean in terms of the implications not only if targets are not met, but also on travel patterns associated with any wider economic impact, it is clear that the legal direction would be transposed into UK law.

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

In addition to the methodology which the three authorities have had to adopt within the timescales, 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.

A further risk relates to the availability of funding to implement a solution. While the Authority is required to submit business cases to the 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.

There are risks to the deliverability of any CAZ on a complex existing urban road network, particularly with regard to the complexities of providing sufficient alternative routing options when at key decision points. These will be mitigated through continued dialogue between Traffic Managers, the Traffic Penalty Tribunal and the Joint Air Quality Unit.

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 contribute positively 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

Annex A

Summary of consultation

The consultation attracted over 19,000 responses from individuals, businesses, community groups and voluntary organisations – more than similar consultations in other cities across the country. Over three quarters of respondents were from the three authorities' areas, with the remainder largely from the rest of the North East. The respondents were consistent with the commuting patterns for the major employment sites in the three local authority areas, and unsurprisingly a large percentage of respondents were car owners. Demographic analysis shows that older and higher income groups were more likely to respond to the consultation, and the proportion of respondents reporting a long-term health problem or disability was representative of the local population as a whole. As such, Cabinets will want to consider analysis of impacts on younger and lower income groups less likely to give their views through the consultation process alongside the consultation responses.

An independent analysis of consultation responses was carried out and has been available online since July 2019 on each of the local authorities' websites and on our air quality website <https://www.breathe-cleanair.com/>. This release of the independent report was publicised in local media and some key messages emerging were:

- Widespread recognition of the public health impacts of air pollution and the importance of addressing the problem, with 75% aware of the issue and only 19% disagreeing that it was an issue that should be addressed;
- The majority of respondents opposed both a CAZ D and the LEZ + tolls proposals, citing the personal financial impact and concerns on the economic impact on businesses in the city;
- Concerns were expressed on the poor quality of public transport alternatives, the challenge for many businesses and families of purchasing a new vehicle which would be exempt from charges, and the large size of the CAZ area. Residents also expressed concerns on displacement of traffic into other areas; and
- The majority of respondents supported the range of potential mitigation measures proposed, such as grants/loans and investment in alternative forms of transport.

Throughout the consultation officers also attended the Overview and Scrutiny Committee and engaged directly with key business or representative groups potentially affected by the proposals, such as:

- a retail taskforce led by NE1 and Intu (representing both Eldon Square and the Metro Centre);
- a representative group of professional services brought together by Samuel Phillips LLP (including a group of young professionals);
- the Developing Consensus development group;
- major employers in health, education and the Police;
- bus operators;
- freight operators;
- taxi and private hire groups; and
- a series of working groups led by NE1 and the North East Chamber of Commerce that included hoteliers, leisure venues and smaller businesses in the potential CAZ area.

Views expressed included:

- support for the principles of addressing air quality (and other environmental concerns) and a desire to work together to do so in a way that protects the economy alongside concern that the legal direction was limited in timescales / scope;

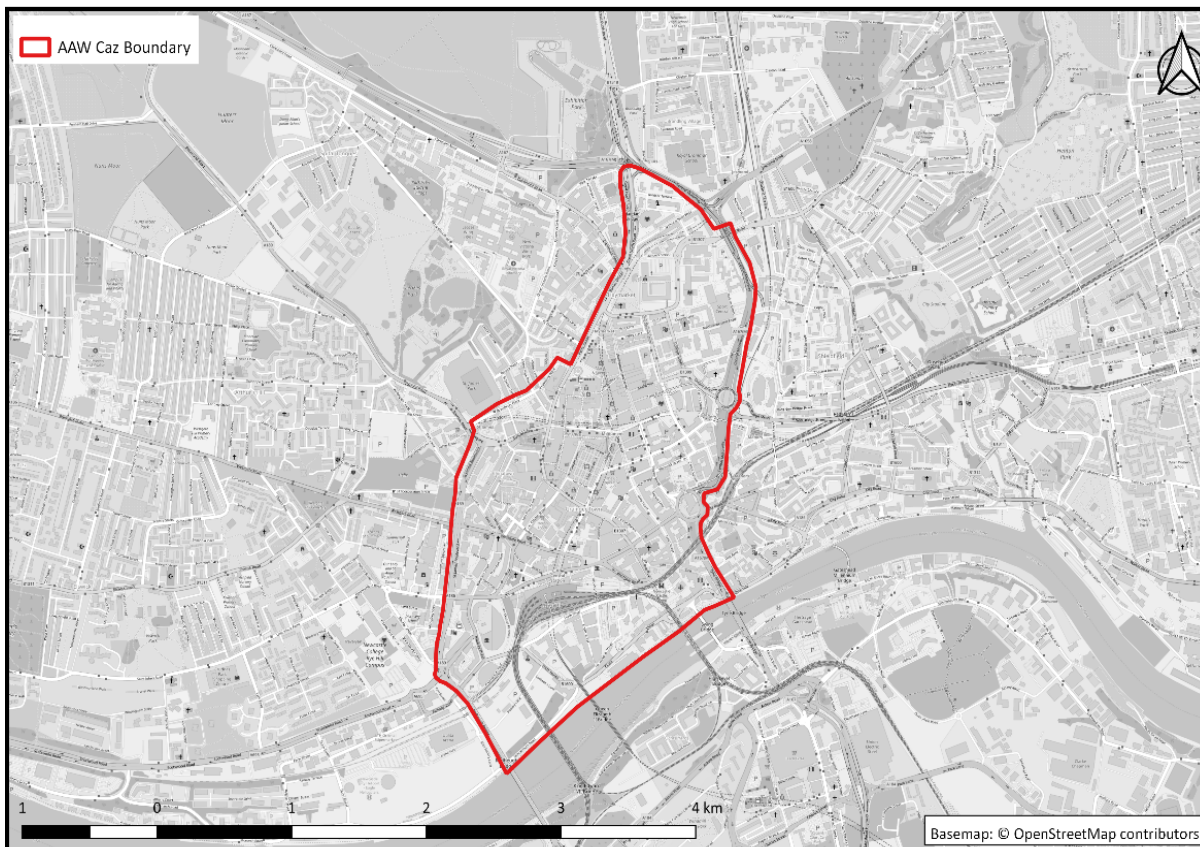
- the importance of recognising the different travel choices for different people: those working shift patterns (e.g. in the hotel or leisure industries or Police officers / NHS workers) did not have the same level of access to public transport and charging them could be inequitable and cause issues in specific industries; and
- that there was clear support for investment in public transport (including taxi and private hire) and public realm schemes and that clarity on investment into such measures from government or retained revenue would be very important in enabling business to have confidence about the longer term prospects of the economy.

Annex B

Proposed scope of new Clean Air Zone (CAZ)

- The new proposed CAZ enables the movement from the Coast Road onto the Central Motorway (and vice versa) to be made without entering the charging zone.
- The Royal Victoria Infirmary is not part of the new charging zone.

AAW Caz Area

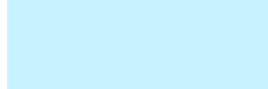






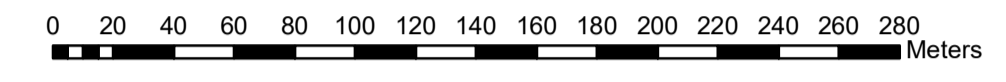
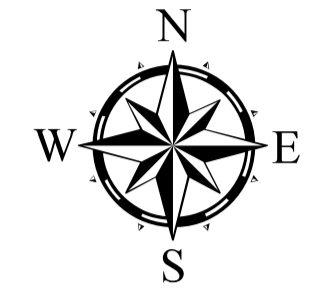
KILLINGWORTH MASTERPLAN

Legend

Killingworth Ownership

Land Ownership

-  H J Banks 5.64 hectares 13.94 acres 3.19 %
-  Bellway 11.37 hectares 28.10 acres 6.42%
-  Henzell/Banks 54.36 hectares 134.33 acres 30.71%
-  Duke of Northumberland 94.43 hectares 233.12 acres 53.3%
-  Ord 11.20 hectares 27.68 acres 6.33%



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