

Cabinet

1 December 2020

**Name of Cabinet Member:**

Cabinet Member for Jobs and Regeneration – Councillor J O’Boyle

Cabinet Member for City Services – Councillor P Hetherston

Cabinet Member for Public Health and Sport – Councillor K Caan

**Director Approving Submission of the report:**

Director of Transportation and Highways

**Ward(s) affected:**

All

**Title:**

**Coventry Local Air Quality Action Plan – Full Business Case**

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**Is this a key decision?**

Yes - The proposals involve financial implications in excess of £1m per annum and are likely to have a significant impact on residents or businesses living or working within two or more electoral wards in the City.

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**Executive Summary:**

On 12<sup>th</sup> February 2020, the Parliamentary Secretary of State for the Environment issued the Environment Act 1995 (Coventry City Council) Air Quality Direction 2020. This Direction applies to Coventry City Council and directs the Council to:

- Implement the local plan for NO<sub>2</sub> (Nitrogen Dioxide) compliance for the city;
- Prepare and submit a full business case for the local plan scheme, summarising responses made to the public consultation, outlining any subsequent changes made to the local plan scheme, and confirming that the local plan scheme facilitates the achievement of local transport policies within the city

The Cabinet subsequently approved the local plan, and the necessary measures required to deliver it successfully, at its meeting on 20<sup>th</sup> July 2020.

This report seeks Cabinet approval for the submission of the full business case for the local plan scheme to Government in accordance with the Direction. It also seeks delegated authority to allow for variations to be made to the local plan scheme should this be necessary to address any specific issues raised by Government in response to the full business case.

## **Recommendations:**

The Cabinet is requested to:

- 1) Approve the full business case for the Coventry Local Air Quality Action Plan as shown in Appendix One of this report for submission to Government
- 2) Authorise the Director of Transportation and Highways, in consultation with the Cabinet Member for Jobs and Regeneration, the Cabinet Member for City Services, the Cabinet Member for Public Health and Sport and the Director of Law and Governance, to identify and implement any changes required to the Coventry Local Air Quality Action Plan that are deemed necessary to ensure the successful achievement of compliance with the Environment Act 1995 (Coventry City Council) Air Quality Direction 2020.
- 3) In the event that further grant funding is secured from Government through the Air Quality Implementation Fund in excess of the £24.5 million pounds received to date approve such additional grant funding up to a maximum of £2.5 million pounds and delegate authority to Director of Transportation and Highways and the Director of Finance authority to allocate such grant funding received from the Air Quality Implementation Fund to the individual measures comprising the scheme and to thereafter manage such allocation in a manner as is deemed necessary to ensure delivery and compliance.

## **List of Appendices included:**

Appendix One - Coventry Local Air Quality Action Plan – Full Business Case.

Appendix Two - Environment Act 1995 (Coventry City Council) Air Quality Direction 2020.

## **Background papers:**

Coventry Local Air Quality Action Plan – Cabinet Report and Minute (20 July 2020).

## **Other useful documents**

None

## **Has it been or will it be considered by Scrutiny?**

No – however, a briefing note and presentation on this matter was considered by the Business, Economy and Enterprise Scrutiny Board 3 on 4<sup>th</sup> November 2020, who supported progress made and the implementation of the Coventry Local Air Quality Action Plan.

## **Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

## **Will this report go to Council?**

No

## **Report title: Coventry Local Air Quality Action Plan – Full Business Case**

### **1. Context (or background)**

- 1.1 On 12<sup>th</sup> February 2020, the Parliamentary Secretary of State for the Environment issued the Environment Act 1995 (Coventry City Council) Air Quality Direction 2020. This Direction applies to Coventry City Council and directs the Council to
- Implement the local plan for NO<sub>2</sub> (Nitrogen Dioxide) compliance for the city;
  - Prepare and submit a full business case for the local plan scheme, summarising responses made to the public consultation, outlining any subsequent changes made to the local plan scheme, and confirming that the local plan scheme facilitates the achievement of local transport policies within the city.
- 1.2 The Cabinet subsequently approved the local plan, and the necessary measures, as set out in the Outline Business Case, required to deliver it successfully, at its meeting on 20<sup>th</sup> July 2020.

### **2 Options considered and recommended proposal**

- 2.1 The City Council is under Ministerial Direction to “implement the local plan for NO<sub>2</sub> compliance....so that compliance with the legal limit for nitrogen dioxide is achieved in the shortest possible time”. This Direction, issued in February 2020, is entitled the *Environment Act 1995 (Coventry City Council) Air Quality Direction 2020*. The Direction also requires that a Full Business Case (FBC) for the local plan be submitted to the Secretary of State by 19<sup>th</sup> June 2020, although the Government’s Joint Air Quality Unit has agreed, in writing, to the date for FBC submission to be moved back to 31<sup>st</sup> October 2020. A draft version of the FBC has been submitted to Government for their internal review pending consideration of the FBC by the Council’s Cabinet as set out in this report.
- 2.2 Schedule 1 of the Direction sets out the detailed package of measures that the Minister is instructing the City Council to implement. This reflects the Council’s preference not to proceed with a charging Clean Air Zone. The package of measures was considered and approved by Cabinet at its meeting on 20<sup>th</sup> July 2020, and includes a segregated cycle route between the city centre and Coundon, engagement measures with schools, businesses and local communities aimed at encouraging active and sustainable travel, and a series of highway schemes aimed at reducing congestion and facilitating dynamic traffic management on the routes into the city centre from the west. This includes Holyhead Road, where NO<sub>2</sub> levels are at their highest. As well as improving air quality in the city by achieving compliance with legal NO<sub>2</sub> levels, the package of measures will bring wider public health benefits through encouraging active travel, will result in enhanced public realm on key approaches to the city centre, and will reduce traffic congestion on major routes into the city.
- 2.3 The Government has provided £24.5 million in grant funding for the implementation of this package. In addition, the Council has secured a further £5.8 million in grant funding from the West Midlands Combined Authority’s Transforming Cities Fund for the B4101 Spon End scheme, which forms one of the highway schemes within the package.
- 2.4 There are a range of other projects that complement this package of measures by encouraging the uptake of zero emission vehicles. These include the installation of one of the most extensive networks of electric vehicle charging points in the country, with around 250 charging points installed to date and funding being secured for a further 100. The Council has also worked with National Express and Transport for West Midlands to secure funding for ten electric buses, which entered operation within the city in August 2020. This project includes the installation of solar panels and battery storage at the bus depot,

meaning that the power used to run the buses is generated on site. With regard to commercial vehicles, the Council has also secured funding from Highways England for the E-Fleet project, and is in the process of procuring 70 electric vehicles, mostly vans, that will operate as part of the Council's fleet, but will also be available for local businesses to borrow and trial on a "try before you buy" basis.

- 2.5 The main local plan package of measures was approved by Cabinet on 20<sup>th</sup> July 2020. Since then, officers have been working on the detailed delivery programme of the package, and significant progress is being made.
- 2.6 The Coundon Cycle Route has been to consultation, and on 7<sup>th</sup> September 2020 the Cabinet Member for City Services approved that it be taken forward. Preparatory works are underway, and a substantive start on scheme construction is programmed for November 2020. The first phase of the scheme is planned to be completed in mid-2021. Consultation is also being undertaken on the Binley Cycle Route, which is being separately funded but will still contribute towards achieving improved air quality within the city.
- 2.7 The engagement programme is in development. This will involve close working with those schools, businesses and local communities that create travel demand along the Holyhead Road and Foleshill Road corridors, with the aim of reducing car travel within those corridors. Clearly, the impact of COVID-19 upon the operation of schools and businesses has meant that the original plan of starting the engagement programme in September 2020 has been delayed. The programme will fully commence in early 2021 and will run through to March 2024.
- 2.8 With regard to the highway schemes, Balfour Beatty has been appointed as the programme manager for these works and initial work has commenced to inform the design process. Once detailed designs have been prepared, there will be consultation with local communities, and at that stage there will be the opportunity for a review of the proposals and any amendments to the package of measures to be made. It should be noted that any substantive changes to the package will require a submission to be made to Government as a variation to the package that the Council has been directed to deliver, and any such submission will need to have a robust evidence base demonstrating that the amended local plan will still achieve compliance with NO<sub>2</sub> legal limits within the shortest possible time.
- 2.9 An opportunity exists to bid for additional funding, if required, through the submission of the Full Business Case to Government, with the appropriate justification for the request. The Full Business Case is appended to this report and will be submitted to Government should Cabinet approval be granted.
- 2.10 The target date for delivery of the measures outlined in the local plan is March 2024, although the infrastructure measures are planned for construction well in advance of that date, with the Coundon Cycle Route being completed in mid-2021 and the remaining highway measures by late 2021 or early 2022. This timetable is dependent upon the successful completion of a range of statutory processes including land acquisition and Traffic Regulation Orders, as well as on the outcome of the consultation in early 2021.
- 2.11 In summary, the City Council is making good progress with the delivery of the package of measures contained in the local plan, in line with the Ministerial Direction. There are significant risks to the programme for delivery, and there may be a need to request approval from Government for changes to the package as the design and consultation progresses on individual schemes. The submission of the Full Business Case does, however, represent a significant milestone in the delivery of the Local Air Quality Action Plan.

### **3 Results of consultation undertaken**

- 3.1 Details of the consultation undertaken for the Local Air Quality Action Plan was outlined in the Cabinet Report in July 2020 and is contained in the Full Business Case submission.

- 3.2 The individual measures that comprise the local plan scheme will be subject to further consultation as they progress through detailed design as well as statutory consultation where specific Traffic Regulation Orders are required to fully implement the schemes.

#### **4 Timetable for implementing this decision**

- 4.1 The timetable for implementing the Local Air Quality Action Plan is as set out in the main body of the report.

#### **5 Comments from Director of Finance and Director of Law and Governance**

##### **5.1 Financial implications**

The Government has already awarded the Council £24.5 million in grant funding from the Air Quality Implementation Fund for the purpose of delivering the local plan scheme in line with the instruction set out in the Direction. The award comprises £20 million in capital funding to implement the local plan scheme to achieve compliance with the legal limit for nitrogen dioxide levels and £4.5 million in revenue funding for the implementation of associated measures.

This sets a clear budget for the delivery of the Local Air Quality Action Plan package, although the submission of the full business case offers an opportunity to seek additional funding based on updated financial information such as construction contract prices resulting from tender processes for the individual schemes. An opportunity exists to bid for additional funding, if required, through the submission of the Full Business Case to Government, with the appropriate justification for the request.

##### **5.2 Legal implications**

On 12<sup>th</sup> February 2020, the Parliamentary Secretary of State for the Environment issued the Environment Act 1995 (Coventry City Council) Air Quality Direction 2020.

The Direction imposes a legal obligation on the Council to achieve compliance with the legal limits for NO<sub>2</sub> in the shortest possible time, and to submit the full business case for the local plan scheme to Government's Joint Air Quality Unit. A draft version of the FBC was issued to Government on this date, making it clear that the draft FBC will be considered by the Council's Cabinet at the first practicable date on which such consideration could be given.

#### **6 Other implications**

##### **6.1 How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))?**

These proposals support the Council's core aims, as set out in the Council Plan, by:

- improving health and wellbeing by improving air quality through the reduction in NO<sub>2</sub> levels;
- creating an attractive, cleaner and greener city by providing improved cycle routes and better public realm on key routes into the city, and;
- making the city more accessible for businesses, visitors and local people through better road connections, especially from the A45.

##### **6.2 How is risk being managed?**

Given the complex nature of the local plan scheme, with a mixture of infrastructure projects and engagement initiatives needing to be delivered, there are inevitably risks to the

successful implementation of the scheme, and the achievement of compliance with the NO<sub>2</sub> legal limits within the city, which is the over-riding objective of the Local Air Quality Action Plan.

The key risks include securing the necessary statutory orders and approvals to deliver the infrastructure schemes, such as land acquisition, Traffic Regulation Orders, and planning consents. Managing scheme costs to ensure that scheme delivery can be achieved within the £24.5 million budget is another key risk area, especially in an economic environment where construction costs are generally increasing due to strong competition for resources with major projects such as HS2.

A further risk is that a failure to successfully deliver the local plan scheme and achieve the NO<sub>2</sub> compliance might result in Government directing the Council to implement a Clean Air Zone, which would potentially result in significant economic and social disbenefit to the city.

Management of these risks is overseen by the Air Quality Programme Board, which in turn reports into the Strategic Transport Board. Significant consultation has been undertaken on the local plan scheme, with the aim of ensuring that any major issues with the package of measures is identified at an early stage, and potential objections to any aspect of the package dealt with prior to the process of securing the statutory approvals required for the scheme. Similarly, with regard to land acquisition, approval is being sought to progress a Compulsory Purchase Order if required to avoid undue delays in delivering the scheme due to land acquisition problems.

### **6.3 What is the impact on the organisation?**

There is no impact on the organisation, as all resources required to deliver the local plan scheme will be funded through the Air Quality Implementation Fund grant received from Government.

### **6.4 Equality Impact Assessment (EIA)**

An Equality Impact Assessment has been prepared for the Local Air Quality Action Plan. This identifies that the local plan scheme, by having a beneficial impact on air quality, will have a beneficial impact upon those groups of the community who are particularly vulnerable to respiratory disease, such as children and younger people, elderly people, disabled people, people from a black and ethnic minority background, and women who are pregnant. The scheme will also, by improving walking and cycling routes on the Holyhead Road corridor in particular, benefit people in more deprived areas of the city where car ownership is lower, and reliance on walking and cycling for local journeys will be greater.

### **6.5 Implications for (or impact on) climate change and the environment**

The local plan scheme has been shown, through the modelling work undertaken, to have a beneficial impact upon air quality by bringing NO<sub>2</sub> levels down to below the legal limit set by Government. The scheme will result in modal shift, as well as a cleaner fleet of vehicles operating within the city, and reduced congestion on some of the main routes into the city. This will support the delivery of the Climate Change Strategy.

### **6.6 Implications for partner organisations?**

The local plan scheme will result in improved air quality and will provide improved infrastructure for pedestrians, cyclists and other road users travelling within the city. This will have a beneficial impact upon local communities within the city, and a positive impact upon health.

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