



CPT Greater Manchester Clean Air Zone (CAZ) Response

The Confederation of Passenger Transport UK (CPT) is recognised by the Government as the UK trade body for bus and coach operators with in excess of 90% of bus fleet, and 60% of coach fleet within its membership numbering around a thousand business members.

In the wider North West region, CPT represents over 100 operators ranging from SMEs to the larger group operators. As part of the consultation process we have also engaged with operators on a wider Geographical basis to ensure representation on behalf of the industry.

CPT would make the point from the outset that buses and coaches are part of the solution both in terms of capacity benefits and in working towards providing cleaner and newer vehicles. The Government's Air Quality plan also recognises this fact.

The July 2017 Government plan acknowledges that the latest Euro VI diesel buses & coaches can emit less NOx per vehicle than the latest diesel cars. In other words, a brand new diesel car with a single occupant can emit more NOx than a new coach carrying 50 or more passengers.

The bus and coach sector is committed to working with local authority partners on improving air quality in a way that is proportionate and works with operators to ensure that any financial effect is mitigated. We believe if measures and support are introduced proportionally, the bus and coach sector can work positively with GM local authorities and TfGM to improve air quality and reduce car use.

CPT recognises the proposals are drawn up in line with the national clean air framework, but not including the private car is hugely disappointing and will do nothing to reduce emissions from the highest group of users and contributors of poor air quality.

We acknowledge the concerning statistic that poor air quality accounts for 1200 early deaths in Greater Manchester each year. We also acknowledge that GM Local authorities have a legal direction, and a moral responsibility to improve air quality.

As an industry there is also significant work in exploring the reliability of new technologies with a view to further improving the emissions, CPT has various supplier members working in this field.

The area of the scheme in covering the whole of Greater Manchester is significant and differs in approach from other mandated areas which typically target a tighter and more targeted approach. As a result there will be far wider impacts than necessary to improve air quality to within statutory thresholds. CPT would suggest that specific targeting should analyse origin and destination data of traffic flow on the 152 stretches of road likely to have breaches of air quality levels. Key points of traffic generation could then be targeted and still have a wider regional impact.

We have to record our shock at seeing rather negative and misleading imagery used in the Consultation video displaying cars as being apparently clean, but buses and coaches (as well as

taxis and HGVs) shown as emitting smoke. We appreciate this is to amplify the point of vehicles included in the CAZ but this is an untrue image, and highly misleading and can cause negative reinforced perceptions from the public.

Whilst we welcome the opportunity to respond, the timing of the consultation during a global pandemic has not fully appreciated the dedicated role of the bus and coach sector at maintaining services for key workers and their children whilst fulfilling all Government Safer Travel requirements. Valuable input may have also been missed by lack of engagement opportunities due to the requirement of social distancing and the limited online opportunities caused by this.

Executive Summary

The consultation response from CPT outlines how buses and coaches are essential to the regional economy and are the solution to increase modal shift and improve air quality.

The proposed CAZ implementation must take into account the ability of operators to comply based on their economic ability, and the ability of the wider supply chain to support retrofit and new vehicle supply.

It is essential that GM authorities work closely with CPT, and its members on packages of support which will include financial, sunset periods and exemptions where there is a justified need.

GM Authorities are recommended to:

- In the immediate term, recognise the issues caused by the Covid-19 pandemic
- Further realise the benefits of bus and coach by working with CPT and operators on a plan to speed up buses and increase modal shift.
- Ensure financial support is available to operators to support compliance
- Consider exemptions where detailed
- Recognise the challenging ability of the supply chain to deliver vehicles and retrofitment given the number of other Clean Air Zones being introduced and challenges of Covid-19.

The bus and coach sector is committed to help fulfil the policy intention (and legal order) of improving air quality and improving the health outcomes of the people of Greater Manchester.

COVID 19 Impact

Whilst a full steady state response is detailed below, the current COVID-19 pandemic clearly causes significant issues to the sector.

The effect on the bus and coach sector has been significant.

Coach operators and especially those in the tours and excursions market were the first to feel a significant loss of work and turnover since pre March 2020 which has subsequently continued through the year with very limited ability to operate. Business financial support for the coach sector has not been available and Local Authority Leisure support has only been granted by an estimated 16% of local authorities. To date this has led to the loss of over 140 individual coach companies.

Bus operators have run services through the Pandemic with Government support to provide essential services especially for key workers and their children. Bus operators have met every challenge to date to keep staff and customers safe in difficult and fast changing circumstances.

Whilst Government support through CBSSG is assisting operators, this is merely ensuring the difference between income and costs is covered enabling operators to provide an almost pre pandemic level of service. Operators are not able to, or have the resource available to make investment or non-essential purchasing decisions at present.

The immediate economic shock to operators will take some time to correct.

None of us can predict the longer economic, social impacts and air quality levels when normality returns. It is entirely possible road traffic is reduced as a result of an economic shock and also perhaps an increase in people working from home, it is also entirely possible traffic increases as the clumsy avoid public transport message from Government sticks and has a longer impact. The impact will take some time to assess.

There would surely be a need to re-review air quality levels over several months or even a year of steady state (whatever the new normal may be) before even considering the ability of the road based transport sector to fulfil the requirements of a CAZ as it stands.

Perversely, air quality levels during the pandemic had improved and this is clearly as a result of significant car and traffic decline. Buses were one of the few groups of vehicles still running consistently through the pandemic. This surely amplifies the point of buses and coaches being the solution, not the problem,

There have been huge bus service reliability benefits seen because there of reduced traffic. Car use is the real problem affecting both air quality and undermining more sustainable travel choices and that's what the focus should now be moving onto, more so than ever.

There is a golden opportunity to now re-think car constraint measures and how we sustainably reignite the City region economy for when we come out of this crisis. We shouldn't let things just revert back to their old toxic ways.

Below detailed the steady state response from CPT:

CAZ C

The proposal suggests a CAZ C which will include buses, coaches, taxis LGVs and HGVs. It is acknowledged that diesel cars can produce significantly more emissions than petrol cars but authorities have decided against including private cars in any clean air charging regime.

A cursory glance at traffic flows would show bus and coach movements not to be as a significant negative air quality contributor compared to other modes.

Greater Manchester Combined Authority had declared a Climate Emergency and a stated aim to achieve carbon neutrality by 2038. This is welcomed, but requires a Policy Position to match the stated ambition. Significant modal shift will be required to fulfil the ambitious aim.

Although retrofit solutions are available for buses, there are currently limited retrofit solutions for coaches to Euro VI so the vehicle purchase cost, or the modelled daily charge for coach operators means the effect on bus and coach operators is wildly disproportionate.

In addition, the relatively short timescale for operators to meet such steep compliance requirements is incredibly challenging, especially when such high vehicle costs are necessary.

Research by CPT indicates that there are just over 5000 Euro VI coaches in the UK, out of a total fleet of around 35,000. The Government only mandated the Euro VI standard for new coaches from July 2018.

In addition, whilst bus operations are broadly predictable and local, coaches by their nature make different journeys every day and hundreds of operators may visit Greater Manchester each year, with frequency of visit ranging from a single trip to almost daily.

CPT would urge GM authorities to consider measures to make car use less attractive such as increasing car parking charges in Council owned car parks and to consider introducing a workplace charging levy for employers who provide car parking facilities, the cost of car parking in the city centre is low which attracts non-essential car usage. Further Park and Ride schemes in the City region could also encourage a degree of modal shift.

It is important to note that the UK Government has only recently taken action to ensure that new heavy vehicles are built to Euro VI standard. Whilst there has been significant publicity about the introduction of Euro VI LEZs and CAZs in the last couple of years, many operators had been purchasing new Euro V vehicles in good faith up to that point.

CPT recognises the detrimental effect of car usage on air quality. To not target measures against cars would not sufficiently encourage modal shift, if congestion is not reduced the cost of public transport would go up and in particular the socially deprived areas would then suffer most.

Prioritising road space for buses and coaches to ensure a fast and consistent journey time is essential to encourage people to make the switch. As is maintaining access to the retail and leisure core where passengers want to travel to without increasing the walking distance from City Centre stops and interchanges.

Buses

Buses are the main travel mode in the region and have the capacity to support greater numbers of commuting passengers into City and regional centres using low emission vehicles, and services can be expanded if the demand is there. Increased bus use can also ease congestion, helping to improve bus journey times and reliability.

The city centre economy and viability of most City bus services are connected, providing commuting links to employers and easy access to retail and leisure.

Bus users create more than £64 billion worth of goods and services nationally. Buses are the primary mode of access to city centres, responsible for facilitating 29% of all city centre expenditure. Restricting bus access to urban areas would threaten this.

Many bus passengers include disadvantaged older people and disabled people. It is important the mitigations and sunset periods suggested in this response are strongly considered, otherwise it will be the most dependent passengers who would suffer from any fares increase or deterioration in service.

Department for Transport analysis shows that where local bus services are withdrawn, some passengers are unable to make alternative transport arrangements - for 1 in 5 bus journeys a practical alternative does not exist. A 10% improvement in local bus service connectivity is associated with a 3.6% reduction in deprivation. The corollary is that the imposition of additional costs on bus operation that results in a reduction in connectivity will increase deprivation.

We note Clean Bus Technology Fund (CBTF) support has successfully been awarded to operators previously; further funding will need to be available either through the CBTF or via local funding schemes for operators of all sizes. Individual bus operators will outline the level of support required in their individual submissions. It should also be noted, that even with support operators are contributing by paying the ongoing maintenance for these systems, which demonstrates commitment to improved air quality.

Increasing bus priority is a strong requirement helping to make bus journeys faster and competing with car journey times to act as a viable alternative and encourage modal shift from car. In the longer term, TfGM, Local authorities and the Combined Authority must work with operators to ensure traffic management policies favour bus priority to ensure these collective objectives are met.

- It has been stated that bus retrofit would be supported through the Clean Bus Fund and this is vital this is fulfilled in line with operator requests in order to meet compliance.
- Given supply chain constraints due to COVID and scale of demand, consideration should be given to a blanket extension or time limited exemption from charges for operators working towards compliance who can demonstrate Purchase Orders of retrofitment or vehicle purchase. Priority could be given to buses with the highest mileage in GM.
- The grant limit for both bus and coach of £16,000 per vehicle is not a true reflection of the cost of retrofitment and we understand it was based on average cost, setting a higher limit would be fair and equitable.

- Detailed dialogue should take place between operators and officers to identify and implement supportive bus priority measures.
- There are a number of TfGM contracts which expire in July 2022 and many of the vehicles used on these contracts will reach the 15 year limit, due to the age of the vehicle they will not qualify for support and penalties will be incurred despite the contracts having been awarded without reference to the CAZ. Non CAZ compliant vehicles which otherwise conform to the TfGM vehicle specification should be exempt through the duration of existing contracts.
- Detailed dialogue should also take place to consider initiatives to increase modal shift away from the private car.
- It is crucial to have bus stops and appropriate waiting infrastructure in the places people want to access. Centrally located stopping facilities are a key component of convenience to maintain existing patronage and encourage modal shift.

Coaches

Understanding the volume of coach travel (irregular services or visits) into and around GM, and knowledge of the economic benefits they bring is an important aspect of considering the impact of the Clean Air Zone. Again, the Government's own Air Quality Plan makes specific reference to regional coach operators and the benefits they can offer in reducing congestion and associated emissions.

The additional cost to passengers using coaches for non-essential trips (such as theatre, sporting, tourist and event trips) has the potential to make such trips unviable when considering a premium caused by using a Euro VI coach or paying the daily modelled charge. This has the potential to damage the economic benefits coaches and coach passengers bring to GM whilst increasing the use of the private car.

The coach market is in the main served by SME operators who operate in a marginal marketplace. Coaches typically enter the proposed clean air zone on a less frequent basis per vehicle as some of the examples of operation below highlight.

The role of the Coach portion of the industry cannot be underestimated to the regional economy and to improving air quality. Examples include:

- Day trips and Holidays (both incoming and outgoing) providing a valuable means of preventing isolation to typically older members of society. Relatively inexpensive day trips and holidays can be threatened by non-compliance charges or short term investment in newer vehicles in which the market cannot sustain.
- Scheduled services such as Megabus and National Express provide an attractive low cost means of travel particularly to price sensitive markets such as young people, students and people on low incomes. Again, incoming passengers are important to the local visitor economy. Any increase in fares to support non-compliance charges or short term fleet investment would hit the above sectors disproportionately.

- Educational trips involving schools, colleges and universities are very price sensitive and provide an important means of fulfilling specific curriculum requirements which may include swimming, visiting cultural places of interest and study visits. Operators fulfilling the education market only have business in this market for up-to 190 days per academic year making vehicle investment especially challenging.
- Sporting trips can include transporting sporting teams (including professional and college/university teams) as well as transporting fans for major events. This element is important for the safe transport of fans during periods of significantly increased footfall and traffic and is a means the Police and football clubs often promote. The origin of coaches will depend on the away team location and may come from areas where clean air mandatory measures do not exist meaning operators would be more likely to pay a non-compliance charge. This would risk the price sensitive nature of such group travel and be counterproductive in fans using other modes as individuals.
- The private hire section of the market is often underestimated by transport planners but provides capacity benefits to a guaranteed number of passengers, i.e. a private hire would not operate with little or no passengers. Private hires are valuable in taking a group to a set destination and are typically price sensitive so any increase in price would make such a hire less attractive and far more likely to encourage car use.
- Replacement for other modes such as rail and diverted flights often required a quick response and risks non-compliant vehicles being used or further delays while compliant vehicles are sourced providing significant increased delay to passengers, or an unplanned increase in cost for operators to bear.

The Government's Air Quality Plan acknowledges that the latest Euro VI diesel buses & coaches can emit less NOx per vehicle than the latest diesel cars. If the average occupancy of a coach is compared to that of a car (1.55), the benefits of coach travel are clear.

A 2016 study for CPT considered the economic impact of the implementation of the ULEZ in London. This showed that the loss to the London tourism economy was likely to be up to £186m. Whilst the impact would be less in GM due to the scale of the two cities and relative importance of tourism, we hope that this gives an indication of the potential impact, which the Council may not have considered.

CPT is concerned that the proposals will make trips to Greater Manchester, Manchester Airport, its attractions and in particular Bury Market, less attractive. This would have a detrimental effect on the ability of older and more vulnerable members of society to travel and make essential journeys, and would also adversely impact school and educational trips.

- CPT would urge GM authorities to carry out additional research and modelling into the benefits of coach travel into the City. Appropriate supportive infrastructure such as coach parking and central pick up/drop off facilities are crucial to support this.
- It has been suggested Coaches and buses operated from a GM address and not used on local registered services would exempt until 31st December 2022. Given the economic issues faced by the coach sector, and also the lack of wide scale retrofits CPT would respond this should be a blanket exemption (not just for GM based operators) and the

timescale of the exemption also more carefully considered taking into account COVID impacts.

- We also note that only GM based operators would be eligible for the Clean Air Commercial Fund, this should also be increased to operators who can demonstrate sufficient impact or data to illustrate the number of journeys typically made in the proposed CAZ area either through the Commercial Fund or through the hardship fund.
- On the previous two points, it must be noted that operators in the North West both in and outside of GM will be able to demonstrate similar impacts and there should be a consistent approach for all affected. Leeds City Council in their funding approach supported operators who could demonstrate sufficient impact and this included operators from a wider Yorkshire geography. In London, the TfL scrappage scheme offered support for replacement vehicles or retro-fit to operators included those who were from outside the zone but who could demonstrate that they were impacted as a result of it – basically those who were regular visitors (26times in a 6 month period) or who had services that were substantially inside the LEZ.
- We note that operators of Section 19 and 22 permits would be exempt from daily charges. As highlighted in the recent judicial review, permit holders have frequently operated in competitive markets and private hire markets in competition with full standard Operators licence holders and have benefited from a lower barrier of entry to the market and a less strict licencing and training requirement. Such an exemption would further add to the uneven playing field with commercial operators and should be reconsidered or limited to permit holders fulfilling a genuine community need.
- In addition to the above potential exemptions, support packages should still be available to operators for vehicle investment or retrofit (where available).
- CPT feels it is proportionate, using income from daily charges to review coach parking provision and use of priority measures (such as bus lanes) to speed up coaches which provide similar capacity benefits to buses.

Lead-in times to compliance

The City of York is currently progressing with implementation of a voluntary CAZ which would be based on engine type and on the frequency of movements into the CAZ City Centre area. The most frequent buses travelling into the City Centre will be required to meet Euro VI sooner whilst less frequent services are out of scope.

This is a sensible approach and CPT would urge GM Authorities to consider a similar position which would give services which enter the CAZ less frequently a longer lead in time to compliance. This would ensure the continued viability of less economic journeys. This could even be considered as a temporary solution.

This principal could be considered for coach operators from further afield making a small number of trips into GM per annum with a minimum number of incursions before charges begin which would not penalise operators making a low number of journeys.

Educational Transport

Buses and coaches used on home to educational trips and on educational visits/sports trips operate in a marginal environment and any additional premium based on such transport (either by payment of the daily charge or through vehicle investment) may affect their very viability.

Operators serving the education market typically only have around 190 days per year of work in this environment and thus vehicle investment would not be affordable or supply the rate of return within viable timescales. In the GM region there are school services which serve both in and outside of the GM outer boundary and may only dip briefly into the City region.

Leeds City Council, in their CAZ proposals (before it was confirmed it would be cancelled) had stipulated a minimum of Euro IV Standard for vehicles engaged in the carriage of Leeds state school pupils either on home to school transport, or educational trips. Support has also been available for retrofit or purchase of compliant vehicles to meet the Euro IV standard.

- CPT would recommend such an exemption for educational trips to include schools, colleges and universities and open to both scheduled bus services and to coaches used for education purposes. This provides further detail to the educational exemption as detailed above.

Timescales for Compliance and Required Mitigation Measures

It will take time for bus operators to retrofit vehicles or bring in new vehicles with the numbers required, so giving so leeway initially will be vital. Whilst the investment in fleet is ongoing, there is a need to ensure the deadlines for compliance with Euro VI standards are achievable. Suppliers are facing unprecedented demand for retrofitment across the country, and coach retrofit options are significantly more challenging.

There is a very real threat that without proportionate funding and sunset periods, operators will be lost resulting in job losses and reduced competition in the local market.

Financial support for retrofit should be made available either through the Clean Bus Technology Fund or via local funding streams. This is crucial to ensure operators of all sizes are able to provide a cost effective solution in either buses or coaches. In particular the effect of the proposed CAZ will impact on SME operators to a greater extent.

Clarification will be needed for operators with Euro V Hybrid vehicles.

Discussions with suppliers and the LowCVP/EST indicate that many coaches may never have a retrofit solution available. It is also important to note that research by CPT indicates that the minimum cost of a second hand Euro VI coach is £179,000.

A new Euro VI mid-market single deck coach costs around £275,000 and the cheapest options start around £200,000. Trade in values of Euro V coaches have plummeted by up to 30% in the last two years, affecting operators' ability to renew their fleets.

Retrofit options are significantly more of a challenge in the Coach Sector due to the more diverse nature of coach build/engine compatibility and the ability to demonstrate a sufficient market to retrofit suppliers. CPT welcomes the recent Government announcement of providing funding to bring a further 17 coach models to the retrofit market. This will take time to develop and certify. Each vehicle type needs its own accredited solution.

Retrofit equipment manufacturers highlight costs of £60-£100,000 to develop and accredit each type of coach. These costs must be recouped from the sale of units to a sector that is largely made up of SME companies with small volumes of different types of coach. Because of the way many coaches are built, with mechanical components packaged into different bodywork designs, there is a far greater variety of retrofit packages to design, for a single accredited system, than for bus.

There is only one testing facility in the UK that can be used as part of the accreditation process and that was previously fully utilised pre COVID.

Currently, there are limited retrofit solutions accredited for coach types. CPT estimates that there are over 20 types of coach chassis/engine that would require solutions. Even when coach retrofit solutions are approved, there is likely to be capacity constraint within the retrofit market.

Presently, many coach operators who would like to retrofit to Euro VI standards are unable to - although this situation will improve through time. There further enhances the case for a blanket sunset period for the coaching sector or a phased approach.

Operational aspects of the CAZ

As the number of Clean Air Zones increases, we agree with the suggestion that operators should not be charged for travel into or through two separate CAZs in one day as the vehicle would spend the majority of its journey outside a CAZ. Daily charges should only occur once and not per separate CAZ.

Operators or vehicle owners will likely be expected to pay without prompting (similar to Dartford Crossing) with planned escalation for non-payment. This may impact heavily on occasional visitors who may not be aware of the zone and do not pay as a result of lack of awareness rather than deliberately. It would be more proportionate to issue a warning letter on the first instance of non-payment for that specific vehicle.

If major diversions are in place, there should be a procedure to suspend the CAZ for a day or a period of time if vehicles are forced into the CAZ without deliberate intention.

Major bus operators operating a significant number of trips into the CAZ are working towards compliance however there may be occasions where a complaint vehicle is not available in the event of breakdown or operational issues. A margin of error is suggested to ensure operators who are generally compliant, have the ability to ensure services are delivered during challenging operating conditions.

A daily charge for non-compliant vehicles making a minimum number of entries into the zone per annum may be one way of offering this flexibility, even for a temporary sunset period.

CPT would recommend close consideration of the timing of the operational day, for example a private hire vehicle taking a group to a night out travelling at quiet times of day should not be penalised twice either side of midnight.

Class V training vehicles should be exempt from CAZ as they don't generate revenue, have limited use in comparison with standard buses and have no business case for retrofit or renewal given the high costs of conversion to training standard.

It is suggested any surplus revenue from the CAZ, should be used towards public transport initiatives rather than wider environmental spending. This could include increased bus priority, improved traffic light phasing, coach parking provision and modal shift initiatives.

Wider Measures

Market forces and the concept of pricing to drive behaviours must also be appreciated and its logic applied. For example the current lack of modern vehicle age limits and emission standards on taxi/private hire vehicles has led to the offering of very low headline fares which compete with and undermine the public transport network of tram, rail and buses. It cannot be right that a single occupancy taxi is cheaper than using public transport. This just further compounds both congestion and air quality issues.

Car parking costs within local authority remit should be considered. Car parks are typically too cheap and encourage people to drive into the retail and leisure core. Whilst the local authority has not included cars in their proposals other measures such as a work place car park levy (as adopted by Nottingham) a review into increased park and ride provision could offer other solutions.

Operators would keen to discuss with the Local Authorities, funding for individuals to use public transport and also believe that a scrappage allowance for older cars could be introduced and come in the form of public transport ticketing.

Andrew McGuinness
Regional Manager (North of England) CPT
Confederation of Passenger Transport (CPT)
Andrew.mcguinness@cpt-uk.org
07956 501915