

## **GM Air Quality Administration Committee**

Date: 29 January 2026

Subject: GM Clean Air Plan – Expenditure Update January 2026

Report of: Caroline Simpson – Group Chief Executive

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### **Purpose of Report**

The report provides an update on the funding and expenditure of the Greater Manchester Clean Air Plan as of November 2025 and outlines the allocation and usage of funds across scheme development, implementation, vehicle grants, and EV charging infrastructure.

### **Recommendations:**

The Air Quality Administration Committee is requested to:

1. Note the total expenditure update on the GM Clean Air Plan.
2. Note that the plan is expected to be delivered within the awarded government funding of £188.4 million, with no additional funding required.
3. Note future expenditure reporting will be reported in the GM CAP Annual Monitoring Report each July.

### **Contact Officers**

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## **Equalities Impact, Carbon and Sustainability Assessment:**

The GM CAP is a place-based solution to tackle roadside NO<sub>2</sub> which will have a positive impact on carbon.

Risks were set out in the Appraisal Report [Appraisal Report - Approved.pdf](#).

## **Legal Considerations**

The Environment Act 1995 (Greater Manchester) Air Quality Direction 2025 was issued on 4 February 2025.<sup>1</sup>

This direction requires that GM takes steps to implement the approved measures in their Clean Air Plan, ensuring that:

- Compliance with the legal limit value for nitrogen dioxide is achieved in the shortest possible time, and by 2026 at the latest;
- Exposure to levels above the legal limit for nitrogen dioxide are reduced as quickly as possible.

The description of the approved measures is:

- i. Cleaner Buses; provision of Euro VI buses; zero emission buses; charging infrastructure and associated support.
- ii. Local traffic management measures at:
  - a. A57 Regent Road and
  - b. A34 Quay Street/Great Bridgewater Street
- iii. Support for moving the hackney carriage fleet to cleaner vehicles.

## **Financial Consequences – Revenue**

Financial consequences were set out in the Appraisal Report [Appraisal Report - Approved.pdf](#), with all development and delivery costs to be covered by central government.

## **Financial Consequences – Capital**

As Revenue Funding above.

Number of attachments to the report: None

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<sup>1</sup> [https://assets.publishing.service.gov.uk/media/67b494c73e77ca8b737d380f/Direction\\_-\\_Greater\\_Manchester\\_Non\\_Charging\\_Plan.pdf](https://assets.publishing.service.gov.uk/media/67b494c73e77ca8b737d380f/Direction_-_Greater_Manchester_Non_Charging_Plan.pdf)

## Comments/recommendations from Overview & Scrutiny Committee

Not applicable.

## Background Papers

- 28 November 2025, report to GMCA: GM Taxi Review: Trade Engagement and Licensing Model
- 31 July 2025, report to AQAC: GM Clean Air Plan – July 2025 Update
- 5 February 2025, report to AQAC: GM Clean Air Plan – January 2025 Update
- 5 February 2025, report to AQAC: GM Clean Air Plan – Expenditure Update
- 1 October 2024, report to AQAC: GM Clean Air Plan – September 2024 Update
- 20 December 2023, Report to AQAC: GM Clean Air Plan – December 2023 Update
- 20 December 2023: Report to AQAC: GM Clean Air Plan – Expenditure Update
- 13 July 2023, Report to AQAC: GM Clean Air Plan – July 2023 Update
- 27 February 2023, Report to AQAC: GM Clean Air Plan – February 2023 Update
- 26 October 2022, Report to AQAC: GM Clean Air Plan – Expenditure Update
- 26 October 2022, Report to AQAC: GM Clean Air Plan – October 2022 Update
- 17 August 2022, Report to AQAC: GM Clean Air Plan – August 2022 Update
- 1 July 2022, Report to AQAC: GM Clean Air Plan – July 22 Update
- 23 March 2022, Report to AQAC: GM Clean Air Plan – March 22 Update
- 28 February 2022, Report to AQAC: GM Clean Air Plan – February 22 Update
- 2 February 2022, report to CACC: GM Clean Air Plan – update to the temporary exemption qualification date for GM-licensed hackney carriages and private hire vehicles
- 20 January 2022, report to AQAC: GM Clean Air Plan – A628/A57, Tameside – Trunk Road Charging Scheme update
- 20 January 2022, report to AQAC: GM Clean Air Plan – Financial Support Scheme Jan 22 Update
- 20 January 2022, report to AQAC: GM Clean Air Plan – Clean Air Zone Discount & Exemptions Applications
- 18 November 2021, report to AQAC: GM Clean Air Plan – GM Clean Air Funds assessment mechanism
- 18 November 2021, report to CACC: GM Clean Air Plan – GM Clean Air Plan Policy updates
- 13 October 2021, report to AQAC: GM Clean Air Plan – Operational Agreement for the Central Clean Air Service
- 13 October 2021, report to CACC: GM Clean Air Plan – Showmen’s Vehicle Exemption
- 13 October 2021, report to CACC: GM Clean Air Plan – Clean Air Zone daily charge refund policy
- 13 October 2021, report to CACC: GM Clean Air Plan – A628/A57, Tameside – Trunk Road Charging Scheme
- 21 September, report to AQAC: GM Clean Air Plan – Clean Air Zone: Camera and Sign Installation
- 21 September, report to AQAC: GM Clean Air Plan – Bus Replacement Funds

- 25 June 2021, report to GMCA: GM Clean Air Final Plan
- 31 January 2021, report to GMCA: GM Clean Air Plan: Consultation
- 31 July 2020, report to GMCA: Clean Air Plan Update
- 29 May 2020, report to GMCA: Clean Air Plan Update
- 31 January 2020, report to GMCA: Clean Air Plan Update
- 26 Jul 2019, report to GMCA: Clean Air Plan Update
- 1 March 2019, report to GMCA: Greater Manchester's Clean Air Plan – Tackling Nitrogen Dioxide Exceedances at the Roadside - Outline Business Case
- 11 January 2019, report to GMCA/AGMA: Clean Air Update
- 14 December 2018, report to GMCA: Clean Air Update
- 30 November 2018, report to GMCA: Clean Air Plan Update
- 15 November 2018, report to HPEOS Committee: Clean Air Update
- 26 October 2018, report to GMCA: GM Clean Air Plan Update on Local Air Quality Monitoring
- 16 August 2018, report to HPEOS Committee: GM Clean Air Plan Update
- UK plan for tackling roadside nitrogen dioxide concentrations, Defra and DfT, July 2017.

## **Tracking/ Process**

Does this report relate to a major strategic decision, as set out in the GMCA Constitution ?

No

## **Exemption from call in**

Are there any aspects in this report which means it should be considered exempt from call in by the relevant Scrutiny Committee on the grounds of urgency? No

**Bee Network Committee** – Not applicable

**Overview and Scrutiny Committee** – Not applicable

**GM Clean Air Scrutiny Committee** – Not applicable

# 1. Introduction

- 1.1. Poor air quality has a real and significant effect on people's health. Air pollution is the largest environmental risk linked to deaths every year. Pollutants such as NO<sub>x</sub>, principally NO<sub>2</sub>, and PM (PM<sub>2.5</sub> and PM<sub>10</sub>) that are not visible to the naked eye are found at harmful levels in many urban areas across the UK and particularly on busy roads.
- 1.2. The Government has instructed many local authorities across the UK to take quick action to reduce harmful Nitrogen Dioxide (NO<sub>2</sub>) levels following the Secretary of State (SoS) issuing a direction under the Environment Act 1995. In Greater Manchester, the 10 local authorities, the Greater Manchester Combined Authority (GMCA) and Transport for Greater Manchester (TfGM) are working together to develop a Clean Air Plan to tackle NO<sub>2</sub> exceedances at the roadside, herein known as Greater Manchester Clean Air Plan (GM CAP).
- 1.3. The development of the GM CAP is funded by Government and is overseen by the Joint Air Quality Unit (JAQU), the joint DEFRA and DfT unit established to deliver national plans to improve air quality and meet legal limits. The costs related to the business case, implementation and operation of the GM CAP are either directly funded or underwritten by Government acting through JAQU and any net deficit over the life of the GM CAP will be covered by the New Burdens Doctrine, subject to a reasonableness test<sup>2</sup>.
- 1.4. On 23 January 2025 the government confirmed it accepted the assessment that an investment-led, non-charging Greater Manchester Clean Air Plan will achieve compliance with nitrogen dioxide levels on the local road network in the shortest possible time<sup>3</sup>.
- 1.5. The Secretaries of State letter<sup>4</sup> confirmed they are to provide up to £86m to support the following elements of our proposal, as they considered these are needed to achieve compliance in the shortest possible time.
  - Bus investment for 77 Euro VI buses, 40 zero emission buses and associated charging infrastructure (£51.1m);
  - Local traffic management measures in central Manchester (£5m);
  - Support to move the hackney carriage fleet to cleaner vehicles (£8m); and
  - Administration, delivery, monitoring and other associated costs (up to £21.9m).

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<sup>2</sup> The new burdens doctrine is part of a suite of measures to ensure Council Tax payers do not face excessive increases. [New burdens doctrine: guidance for government departments - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-burdens-doctrine-guidance-for-government-departments)

<sup>3</sup> <https://www.gov.uk/government/news/government-backs-local-plans-for-clean-air-in-greater-manchester--2>

<sup>4</sup> [GM Clean Air Plan government approval 31\\_1\\_25.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100000/GM_Clean_Air_Plan_government_approval_31_1_25.pdf)

- 1.6. They did not consider the evidence supports a need for the full £30.5m funding proposed for a Clean Taxi Fund. Compliance is still predicted in 2026 without this measure. However, on the basis that aspects of this measure will further provide assurance to meet compliance, £8m is being provided to support moving Greater Manchester's hackney carriage fleet to cleaner vehicles. As requested by the government, £22.5m of funding was returned in May 2025.
- 1.7. The Secretaries of State letter confirmed that in line with the approval, up to £86m of the unspent funds presently remaining with Greater Manchester authorities from the previous CAZ may be reallocated to support the agreed proposals.
- 1.8. In July 2025, the committee noted the update on progress in delivering the GM Clean Air Plan; and the need to adjust some elements of the Bus and Local Measures delivery plans, based on a change in local circumstances. A Change Control was submitted to government on 29 August 2025. The GM Change Control included the following revisions which will still ensure compliance in the shortest possible time, and by 2026 at the latest.
- 1.9. Removing the following from the JAQU funding request:
  - 77 new Euro VI buses
  - Queens Road depot electrification
  - Bus service relocation from Bolton to Wigan
  - St John's Area local measures, prohibition of driving on Lower Byrom Street.
  - Average speed cameras on A57 Regent Road
- 1.10. And adding the following:
  - 38 ZEBs at Bolton depot
  - Additional Bolton depot electrification (including supporting vehicle chargers)
  - Additional operational costs for Free Bus charging
  - Additional operational costs for bus fleet deployment
- 1.11. The GM Change Control has now been approved by JAQU. The report "*GM Clean Air Plan – January 2026 Update*", is also being considered at the meeting, it provides further background and update on the Case for a new Greater Manchester Clean Air Plan.
- 1.12. The purpose of this report is to provide an update on the funding received from Government, the expenditure made during the 12-month period 1<sup>st</sup> December 2024 to 30<sup>th</sup> November 2025. This period allows a like for like comparison with the financial funding and expenditure outlined in the report "5 February 2025: GM Clean Air Plan – Expenditure Update January 2025".
- 1.13. Wherever possible the report follows the same format as previous Financial Expenditure reports to facilitate ease of comparison. It should be noted that during the programme the grants and their expenditure are closely monitored by JAQU. Unless otherwise stated, this report outlines the funding received and the expenditure and committed costs to 30<sup>th</sup> November 2025.

## 2. Summary Grants and Expenditure

- 2.1. GM has been awarded a total of £210.9 million in respect of the Clean Air Plan and have returned £22.5m to Government. The Government grants have been awarded to fund the following areas:

<b>Grant</b>	<b>£m</b>
Clean Air Plan Development Phase	34.4
Early Measures – EV Charging Infrastructure	3.0
Clean Air Zone Implementation	26.0
Clean Air Zone Operation	13.1
Vehicle Funds (including Bus)	122.3
Vehicle Funds Administration	6.1
Vehicle Funds Operation	2.5
Taxi Electric Vehicle Charging Infrastructure	3.5
<b>Total</b>	<b>210.9</b>
Return of Monies to Government (see 1.6 above)	-22.5
<b>Net</b>	<b>188.4</b>

- 2.2. The forecast expenditure to March 2026 against the net £188.4 million grants awarded by Government is summarised in the table below:

<b>Area of Expenditure</b>	<b>Spend to date £m</b>
Development Phase	36.3
Clean Air Zone (implement and operate)	41.6
Financial Support Scheme (Vehicle Grants, Implementation and Operation)	27.0
Electric Vehicle (EV) Charging Infrastructure (inc Taxi, promotion and committed)	6.5
Forecast for Dec 25-Mar 26	3.7
<b>Total Expenditure</b>	<b>115.1</b>
<b>Grant Remaining</b>	<b>73.3</b>

### 3. Scheme Design, Development, Evidence, Programme Management and Public Engagement Funding & Expenditure

- 3.1. GM has received a total of £39.9 million to undertake the broad activity of scheme design and development.
- 3.2. To the end of November 2025, these funds have been spent against the following high-level work packages:

Workstream	To Nov24 £m	Dec24 - Nov25 £m	Total £m
Programme Management	4.4	0.0	4.4
Business Case & Measures development	15.5	0.0	15.5
Communications	2.3	0.0	2.3
Customer Experience	0.6	0.0	0.6
Data, Evidence & Modelling	4.7	0.0	4.7
Legal/Policy/ Governance	2.1	0.0	2.1
Review of CAP	4.9	1.8	6.7
<b>Total</b>	<b>34.4</b>	<b>1.8</b>	<b>36.3</b>

### 4. Clean Air Zone Funding & Expenditure

- 4.1. JAQU provided a single funding award of £26 million for the implementation of a category C charging Clean Air Zone in November 2019, following Government approval of the Outline Business Case that was submitted in March 2019.
- 4.2. The award allowed GMCA (acting by its officer, TfGM) acting via a delegation from each of the 10 GM Authorities to procure the necessary contracts required to deliver the Clean Air Zone. There were three main contracts underpinning the Clean Air Zone all of which were competitively tendered with the GM Authorities approving the award of contracts in accordance with TfGM's Constitutional arrangements.
- 4.3. The table below reflects all the implementation costs spent against the grant award of £26 million:

	£m
CAZ Grant Award (Nov-19)	26.0
Spend to end November 25	20.8
Grant Remaining	5.2

#### 4.4. Clean Air Zone Service Contract – Egis Projects SA

- 4.5. This is a contract for the delivery of three inter-related services to allow for the installation and operation of the ANPR camera network, scheme administration including customer management and the management of penalty enforcement.

- 4.6. This contract was awarded to Egis Projects SA in July 2021 at a total value of £48.1 million and covers the implementation, operation and decommissioning of the GM CAZ Service. The contract at the time of award was envisaged to be in place for 5.5 years, with three optional one-year extensions.
- 4.7. Following acceptance by Government of the Investment-led Clean Air Plan in January 2025, TfGM negotiated a significant reduction in the monthly fee in order to minimise ongoing costs. These negotiations saw a partial termination of the CAZ Services Contract namely the services which dealt with the issue of Penalty Enforcement Notices and the administration of the charging Clean Air Zone such as customer payment handing. In addition, a reduced service was accepted for the running of the ANPR Cameras. The net effect of these negotiations was a reduction in the monthly fee of £0.28m. The current planning assumption is that the Contract will naturally expire in July 2026 after the initial 5.5 year term.
- 4.8. **Clean Air Zone Signage Contract – J McCann & Co Limited**
- 4.9. A contract for the manufacture, installation, maintenance and decommissioning of circa 2,200 signs required for the GM Clean Air Zone across 18 local Authorities. These included the ten GM Authorities and 8 the neighbouring Authorities of Calderdale, Kirklees, Derbyshire, Cheshire East, Warrington, St Helens, Lancashire and Blackburn with Darwen. This contract was awarded to J McCann & Co Limited for the total value of £3.04 million and was utilised for the installation of the signage, for the delivery of the production and application of the ‘Under Review’ Stickers, and for the removal of CAZ signage.
- 4.10. With the exception of 16 signs in Salford and Stockport which will be decommissioned during January 2026, all Clean Air signs on the local road network have been taken down. The total cost for this work is £0.6 million, which consists of £0.4 million for services by J McCann & Co Limited and £0.2 million for local authorities taking down signs in their own districts.
- 4.11. **CAZ Implementation and Operational Expenditure to end of November 2025**
- 4.12. The following table summarises the expenditure for the implementation of the Clean Air Zone to the end of 30 November 2025:

<b>Cost Type</b>	<b>£m</b>	<b>Funding Source</b>
Signage (covers all aspects not just McCann contract)	3.1	£26m JAQU Grant
CAZ Service Contract	13.5	£26m JAQU Grant
Staff/Advisor/Districts	4.2	£26m JAQU Grant
<b>Total</b>	<b>20.8</b>	
CAZ Operational Costs	20.8	£13.1m JAQU grant
<b>Grand Total</b>	<b>41.6</b>	

## 5. GM CAP Financial Support Scheme (FSS)

5.1. JAQU has awarded funding towards the upgrade of non-compliant vehicles. The breakdown of the awards is shown in the table below:

<b>Grant Awarded</b>	<b>Purpose</b>	<b>£m</b>
20-Mar-2020	HGV <sup>5</sup>	8.00
	PHV (includes admin)	10.74
	Coach and Minibus Admin Costs	0.32
25-Mar-2020	Bus Retrofit <sup>6</sup>	15.44
	Coaches	4.45
	Minibus	2.00
26-Mar-2021	LGV Administration Costs	3.50
	Hackney Administration Costs	0.51
26-Mar-2021	LGV	70.00
	Hackney	10.10
15-Oct-2021	Bus Replacement	3.25
	Bus Replacement Admin Costs	0.16
	<b>Total</b>	<b>128.47</b>
	Return of Monies to Government (see 1.6 above)	-22.5
	<b>Net</b>	<b>105.97</b>

### 5.2. Distribution of Grants at End of November 2025

5.3. Before January 2025, the Air Quality Administration Committee had approved the establishment and distribution of the bus retrofit, bus replacement and HGV funds. Grants have been made using the scheme eligibility criteria as set out in the GM Clean Air Plan Policy<sup>7</sup> to impacted vehicle owners. Grants have also been made to a very small number of Hackney, PHV, LGV and Motorhome vehicle owners who had already placed orders pending funding opening at the end of January 2022 to ensure they are not detrimentally impacted by the decision to pause the opening of the funds, this is referred to as the Early Financial Support Scheme.

5.4. The following table sets out the value of grants awarded and committed prior to the agreement of the investment-led plan in 2025, and the number of vehicles upgraded, for each vehicle type.

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<sup>5</sup> The initial HGV and PHV funding awards also included 5% for the administration of the funds which was separated out in subsequent awards

<sup>6</sup> The Bus Retrofit Grant included a 5% element to cover administration costs

<sup>7</sup> [GM Clean Air Plan Policy following Consultation](#)

<b>Purpose</b>	<b>Value of Grant (net of Admin costs) £m</b>	<b>Value Committed<sup>8</sup> £m</b>	<b>Vehicles Upgraded</b>
Heavy Goods Vehicles	7.60	2.62	232
Private Hire Vehicles	10.23	0.02	6
Coaches	4.45	0.00	0
Minibus	2.00	0.01	1
Light Goods Vehicles	70.00	0.07	14
Hackney	10.10	0.12	20
Bus Retrofit	15.44	15.12	959
Bus Replacement	3.25	1.18	69
<b>Total</b>	<b>123.07</b>	<b>19.14</b>	<b>1,301</b>

#### 5.5. Financial Support Scheme Implementation and Operational Costs

5.6. GM received grants totalling £4.5 million for the “administration” of the Financial Support Scheme with all current and future operational costs being funded via JAQU in the absence of any CAZ Revenues. Whilst classified by Government as “administration” these funds were provided for the establishment of the scheme including the acquisition of the necessary technology. It was agreed with Government that the operational costs of the Financial Support Scheme would have been covered by the Clean Air Zone revenues had it gone live.

<b>Financial Support Scheme implementation and operation Summary</b>	<b>£m</b>
Implementation Costs	4.0
Operational Costs	3.8
<b>Total</b>	<b>7.8</b>

5.7. There were a number of technology contracts which were put in place to enable TfGM to effectively distribute grants to eligible applicants and the most significant of these is the Clean Vehicle Financial System (CVFS) which was contracted to Quotevine Limited after a competitive tender.

5.8. The contract value of £3.46m includes £4.68m for implementation and £2.99m for maintenance/licenses and operational support over the anticipated life of the contract. From the total contracted figure £2.72m has been paid to Quotevine in total, with the Contract having been cancelled in April 2025.

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<sup>8</sup> Value Committed is the value of the total number of applicants who have applied and have been awarded a grant.

## 6. EV Charging Infrastructure

- 6.1. The transition to low and zero emission vehicles is a key priority of Greater Manchester's Transport Strategy and ambition to become carbon neutral by 2038, as well as a key component of the GM Clean Air Plan.
- 6.2. JAQU have made three funding awards for the purpose of increasing the number of publicly accessible EV Charging Points and following feedback from the public consultation. Local Authorities approved the reallocation of funding from the Try Before You Buy scheme to the Taxi EV Charging scheme to provide additional electric vehicle charging points dedicated for use by taxis.
- 6.3. The funding awards received for EV Charging and the expenditure against them are summarised below:

Date	Purpose	Grant Value £m	Expenditure & Committed to November 2025 £m	Number of Chargers Installed
22 March 2018	Early Measures – EV Awareness and Infrastructure	3.0	3.0	25
26 March 2021	Dedicated Taxi Electric Vehicle Charging Infrastructure	3.0	3.5	30
26 March 2021	Hackney Try Before You Buy (Repurposed to taxi EV Chargers)	0.5		

## 7. Conclusion

- 7.1. As discussed in this report and previously with the Committee, now that the Government has confirmed it has accepted an investment-led, non-charging Greater Manchester Clean Air Plan, GM has progressed the work to remove the signage and repurpose ANPR cameras. Further details of the proposed approach can be found in the GM Clean Air Plan – January 2026 Update.
- 7.2. This expenditure report provides an update of the funding received from Government, the expenditure made and the funding requirements that have emerged through the new Greater Manchester Clean Air Plan.
- 7.3. As noted in paragraphs 1.7 to 1.11, unspent funds may be reallocated to support the agreed proposals, and all the measures have now been approved with JAQU through a Change Control, within the agreed funding award. TfGM will now establish budgets to deliver the agreed plan and the future expenditure reporting will be reported in the GM CAP Annual Monitoring Report each July.
- 7.4. It is expected that the new Greater Manchester Clean Air will be delivered within the funding awarded to date and no additional funding will be required from Government.