



Department
for Environment
Food & Rural Affairs



Department
for Transport

Mike Jackson
Bristol City Council City Hall
PO Box 3176
Bristol

9 November 2021

Dear Mike,

Thank you for providing your updated Full Business Case for your NO₂ Plan. Now that Ministers have written to Mayor Rees to agree to the plan, I am writing to provide further detail of the Implementation Fund (IF) and Clean Air Fund (CAF) awards which will be allocated to you in order to implement the Clean Air Zone (CAZ) and supporting mitigation schemes in Bristol. I will also clarify what CAF stretch funding is and how it can be accessed.

Accounting for the money that was provided at the Outline Business Case stage, your total funding from the IF and CAF is £31.75 million, with the potential to increase to £49.25 million with stretch funding from the CAF.

Implementation Fund

Following review of the evidence provided the ministerial letter and direction outlined that the following measures are required to achieve compliance in the shortest possible time:

- A class D Clean Air Zone
- Closure of Cumberland Road inbound to general traffic
- Detailed VMS (Variable Message Sign)

An allocation of £6.8 million has been provided from the Implementation Fund to implement the above measures (a full breakdown is in Annex A). The funding award includes all the equipment, programme management, project management and specialist 'subject matter expertise' requested for 2021/22 which should ensure that the work streams / work packages to set up the compliance measures can be delivered within the forecast timescales.

As explained in the ministerial letter, we will be providing £400k RDEL and no extra CDEL as we have previously provided over and above the required amount for implementation. We will therefore be re-purposing £3.3 million to the CAF.

Clean Air Fund

When approving Bristol City Council's local plan to achieve compliance in the shortest possible time, we will provide a Clean Air Fund allocation of £24.8 million, with up to a further £17.5 million of stretch funding available, to fund the support measures outlined in the Minister's letter. A breakdown of the CAF award with justifications can be found in Annex B, which is attached to this letter. The amount of new money provided will be less than the amount we are agreeing to as money will be re-purposed from the IF. New funding amounts will be provided in a Grant Determination Letter, but we have laid out the overall new funding in Annex C.

In recognition of the uncertainty of the uptake of the CAF schemes, the purpose of the CAF stretch funding is to provide an opportunity to allocate further funding should there be evidence of additional demand for measures beyond what was forecasted and provided within the funding allocation.

It is important that a formal request for stretch funding is informed by the information within your quarterly reports to JAQU and the demand forecasts for each scheme for which stretch funding is being requested. Quarterly reports form part of the monitoring and evaluation of the IF and the CAF measures, as it is important for you to assess the performance and impact of each measure. We will engage with you soon to provide the quarterly reporting template, explain how the quarterly process will work and what information will need to be gathered and monitored.

Stretch funding can be used for, subject to the agreement of JAQU, financial support for the following: LGV, HGV, coach and private car upgrade scheme. We have based the current award on a middle uptake of the scheme, rather than the higher uptake requested. Funding for the higher uptake will be provided upon evidence of the uptake of the scheme. There will also need to be evidence of the allocation of funding to those that need support. For businesses, SMEs should be prioritised, with evidence of the businesses that support has been offered to. If support is offered to larger businesses, we will require a case to be made for why that support is needed. For private cars, we will require evidence of support to those earning low incomes.

The deadline for submitting a stretch funding application is 31st December 2022 (when your temporary exemptions end) although stretch funding can be applied for and awarded prior to this if there is sufficient evidence to show it is required. To allow sufficient time for the application of money, we encourage you to keep JAQU regularly informed of the uptake of your upgrade schemes and whether you will be seeking the stretch funding.

It is essential that the funding for administering the IF and CAF measures is used efficiently and I encourage you to progress with the funding that has been allocated. Any reasonable new burdens incurred, as part of the implementation of the IF measures, will be covered by Government, and with any other administration and operational costs being covered by the revenue generated by the CAZ. Additional CAF administration costs can be considered within a stretch funding bid.

Should you have any queries please speak to your account manager, Anthony Combe.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andrew Jackson', with a long horizontal flourish extending to the right.

ANDREW JACKSON

HEAD OF JOINT AIR QUALITY UNIT

Annex A: Implementation Fund

Implementation Fund – CDEL/CAPEX

Item	Amount requested	Funding provided	Reasoning
Enforcement System	£773,521	£773,521	Full funding as this is activity Government fund
Highway Works	£1,932,939	£1,932,939	Full funding as this is activity Government fund
Non-charging measures	£236,000	£236,000	Full funding as this is activity Government fund
Risk	£1,225,000	£1,225,000	Full funding as this is activity Government fund
CAZ Project Delivery & Operational Management Team	£1,552,881	£1,552,881	Full funding as this is activity Government fund
CAZ Publicity and Advertising	£462,200	£462,200	Full funding as this is activity Government fund. We have provided £100k to date for this work so that will not be included in new money.
Total	£6,229,190	£6,200,000	Total amount is the rounded number. Accounting for funding already provided, no new funding is to be provided, with £3.3m CDEL to repurpose to the CAF.

Implementation Fund – RDEL/OPEX

Item	Amount requested	Funding provided	Reasoning
Systems Operations and Maintenance	£5,849,083	£750,000	We only fund staffing costs for the setup of the CAZ. Maintenance, monitoring and evaluation, cost recovery and operational costs are covered through revenue.
Camera, Comms, Signage and Building Maintenance and Operation	£916,419	£0	We do not fund this activity; this should be paid for through revenue
Monitoring & Evaluation	£389,869	£0	We do not fund this activity; this should be paid for through revenue.
Decommissioning	£554,924	£0	We do not fund this activity; this should be paid for through revenue.
PCN Production	£431,625	£0	We do not fund this activity; this should be paid for through revenue.
Total	£8,141,919	£750,000	Accounting for funding already provided, there will be £400k of new funding.

Annex B: Clean Air Fund

Item	Amount requested	Funding provided	Reasoning
Bus retrofit	£3,245,388	£2,100,000	<ul style="list-style-type: none"> • We provided £2.1m of funding based on their previous version of the FBC so no new money will be provided for this. • Funding provided is £17k per vehicle and can be spent on retrofit or the purchase of new vehicles. • We will not fund the additional funding for bus refurbishments. This has previously been communicated.
Vehicle Upgrade	£34,309,560	£14,800,000 With £17,500,000 in “stretch funding”	<ul style="list-style-type: none"> • We will initially fund the medium uptake scenario for upgrades. • Initial funding of: <ul style="list-style-type: none"> ○ £9,657,270 for LGVs (up to £4.5k per vehicle); ○ £743,772 for HGVs (up to £16k per vehicle); ○ £1,153,092 for coaches (up to £16k per vehicle); ○ £1,019,004 for PHVs (up to £1.5k per vehicle); ○ £1,350,000 for Hackney taxis (up to £4k per vehicle); ○ £879,189 for private cars (up to £2k per vehicle).

			<ul style="list-style-type: none"> • Additional stretch funding of up to: £15,468,001 for LGVs; £588,068 for HGVs; £461,736 for coaches; £951,386 for private cars. • Further funding available via stretch funding through the conditions in the letter.
Legible signs	£500,000	£0	<ul style="list-style-type: none"> • This does not meet the parameters of CAF. • We would recommend seeking funding through the access fund.
Cycle infrastructure	£720,726	£0	<ul style="list-style-type: none"> • The delivery time for this scheme is late in the CAZ lifecycle. • We would recommend seeking funding through the access fund.
Sustainable travel team	£5,853,496	£5,900,000	We will provide full funding for this.
Freight consolidation centre	£2,000,000	£2,000,000	We will provide full funding for this.
Total	£46,629,170	£24,800,000 Potentially increasing to £42,300,000	If we account for the bus retrofit money provided based on the previous FBC, we are agreeing to £22.7m based on this updated FBC. With stretch funding, this will rise to £40.2m

Annex C: New money provided

Fund	CDEL/CAPEX	RDEL/OPEX
<i>Implementation Fund money provided to date</i>	£11,600,00 (<i>£2,200,000 re-purposed to date</i>)	£350,000 (<i>£50,000 has been spent to date</i>)
Implementation Fund	£6,100,000 As this is less than the money provided previously, there will be no new funding , with £3,300,00 to be re-purposed to CAF	£750,000 Accounting for money provided to date, this means £400,000 new funding in financial year 2021/22
Clean Air Fund	£16,800,000 Accounting for funding being repurposed, there is £13,500,000 of new funding in financial year 2021/22	£5,900,000 All new funding in financial year 2021/22
Clean Air Fund (stretch funding)	£17,500,000 (provided if conditions met) – all new funding in financial year 2022/23	
Total new funding	£13,500,00 <i>Potential increase to £31,000,0000</i>	£6,300,000