Connecting the country through Designated Funds

Air Quality fund plan
Contents

1 Foreword
2 At a glance
4 Introduction
6 Connecting to the strategic ambition
7 Fund objectives
8 Funding criteria
10 Funding process
17 Get in touch

Foreword

In the Road Investment Strategy government made available £675m of ring-fenced designated funds to help improve the surroundings of our strategic road network (SRN), the motorways and major A roads in England, in a way that supports and protects people and the things we value for quality of life, both now and in the future.

We have five designated funds:

- Air quality
- Cycling, safety and integration
- Environment
- Growth and housing
- Innovation.

Each fund has its own fund plan setting out what it will achieve, how it will deliver Highways England’s goals and the criteria for funding.

We’re already creating value through funds, but we have much more to do. By working together, we can continue to deliver environmental, social and economic benefits to those who use, live or work on or near our strategic road network.

We’re here to help turn your idea into action. I encourage you to get in touch with the designated funds programme team today via email at designatedfundscheme@highwaysengland.co.uk.

Vinita Hill
Director, Designated Funds
October 2018
**Fund:** Air Quality Designated Fund (AQF).

**Purpose:** To improve the quality of air on the SRN, by reducing concentrations of nitrogen dioxide (NO₂), to help benefit the health of neighbours who live alongside the SRN and customers using the SRN. In addition, to support activity that achieves wider air quality benefits, like local plans for clean air that include sections of the SRN, and supporting the transition to a zero-emission fleet on the SRN.

**Total fund allocation:** £75m of ring-fenced investment for air quality interventions.

**Start date:** Our Air Quality Fund (AQF) was defined in our Road Investment Strategy 2015-2020 (RIS1).

**Strategic links:** The AQF is an unprecedented level of investment and a great opportunity to help realise our air quality strategy aim to protect the health of the nation now and improve the environment of tomorrow. Furthermore, it supports Highways England’s strategic outcome of an Improved Environment and delivers interventions which support the delivery plan, environmental strategy, sustainable development strategy.

Such internal strategic links are underpinned by Government’s actions to improve air quality to achieve compliance in the shortest timescale possible, and to help tackle carbon emissions from road transport. The AQF supports both of these activities.

**Progress:** We recognise that it has been a challenge finding the right way to invest the AQF.

However, Highways England had been leading the way in the UK exploring and testing a range of measures and innovative products as part of our air quality pilot studies and programme of air quality research. This programme of activities has demonstrated the unique and difficult challenges to finding viable solutions that we or our partners could deliver.

Working in partnership with colleagues in the Dutch Roads Authority we now have evidence that tall barriers (9.5m high) can reduce concentrations of NO₂ for our closest neighbours. We are progressing feasibility studies to see how we could implement this type of barrier on our network to help improve air quality for our neighbours.

The scope of our fund means that local authorities can also bid for funding from us as they deliver their local plans for clean air and help support improvements in air quality on the SRN.
Air quality is of critical importance to the UK. Our Air Quality Fund will help deliver a cleaner network and improve the health of our neighbours and customers.

As our road investment programme increases to support our growing economy, we need to ensure that all activity on our roads is delivered in a way that not only minimises harm but ultimately improves the environment, including air quality. This is a real challenge given the open access nature of our network. Despite the tightening of vehicle emission standards over the last 10 years, there is still a challenge to deliver improvements in poor air quality that we experience alongside parts of the SRN.

Our purpose
The primary aim of the Air Quality Fund is to reduce nitrogen dioxide (NO₂) concentrations in support of Government’s delivery of the national air quality plan. This means getting NO₂ concentrations below the annual mean threshold of 40 micrograms per cubic metre (µg/m³).

A secondary aim of the fund is to support the transition to a zero tailpipe emission vehicles on the SRN. This aligns with our approach to do our part to reduce greenhouse gas (GHG) emissions, supporting Government’s activity to tackle emissions from road transport which is one of the main sources of carbon emissions.

We seek to reduce NO₂ levels by tackling vehicle emissions and exploring new and innovative approaches to air quality. While our primary focus is on reducing NO₂ pollutants, if solutions can be identified that also help make reduce other air pollutants such as particulate matter (PM10 and PM2.5), this will help deliver improvements for our local residents.

Helping protect our nearest neighbours from poor air quality
Government recognise that clean air is essential for making sure the UK is a healthy and prosperous country. Pollutants generally disperse and dilute with distance from the emission source, which for all roads is the vehicles that use them. We want all our neighbours to enjoy clean air, which is essential for good health, in the shortest timescale possible. In a limited number of locations we recognise there is more to be done for our nearest neighbours to enjoy clean air. Evidence emerging from our monitoring behind a tall (9.5m high) sound barrier in Holland, which overhangs the carriageway, is that this form of barrier can help reduce levels of NO₂. We are working to pilot this type of barrier on our network and to identify where else this solution could deliver immediate improvements.

Tackling emissions
Following a successful trial of electric vans using the SRN for parts of their day-to-day activities, we are exploring opportunities to implement an electric van centre of excellence. This is designed to help accelerate our customers’ uptake of these vehicles, contributing to cleaner air. We are interested to hear about other ideas to tackle the pollution at source, especially supporting the transition to a zero tailpipe emission fleet using our network.

Supporting wider air quality benefits
Although we will prioritise investment in projects which support the delivery of schemes set out in the Road Investment Strategy, we are also interested in innovative solutions, which offer the possibility of air quality benefits in the longer term.

We also want to hear proposals that provide wider air quality benefits, such as supporting local authority clean air plans where they link with our network.

We welcome ideas and proposals from existing and prospective partners to help us solve air quality challenges and work with us as we implement solutions.

Christopher Plumb
Air Quality Designated Fund Lead
Connecting to the strategic ambition

Achieving cleaner air for our customers and our neighbours who live alongside our network is a priority throughout Highways England. Here’s how our Air Quality Fund supports delivery of the Government’s national air quality plan.

Nitrogen dioxide (NO₂) is the key focus of the Government’s national air quality plan. We are working hard to support wider Government activity to support delivery of NO₂ compliance in the shortest timescale possible.

Road investment strategy
The Road investment strategy makes specific commitments to Highways England in order to achieve an improved environmental performance, supporting the delivery of specific environmental aims, including air quality.

Air quality strategy
Reducing NO₂ levels supports the vision in Highways England’s air quality strategy to protect the health of the nation now and improve the environment of tomorrow.

Delivery plan
The Highways England RIS1 delivery plan sets out in detail how we will deliver our strategic outcomes and how we will measure success, through:

- Supporting wider Government initiatives to improve air quality
- Continue to meet and consult with stakeholders to discuss how best to achieve better air quality
- Building a clear picture of where pollution exists and the impact of mitigation measures
- Supporting others to develop new approaches to reducing pollution
- Mitigating and designing out pollution from new schemes we build
- Actively reduce pollution through effective management of the network

Fund objectives

In order to meet the Government’s air quality plan to attain compliance with the Air Quality Directive in the shortest timescale possible we need to reduce NO₂ on and around the SRN as well as support wider government activity, including those local plans for clean air that cover parts of the SRN. We will identify mitigation measures, appraise whether they are viable to implement, and then deliver those measures to benefit those not yet enjoying clean air.

Our Air Quality Fund will:

- Support measures to help ensure that the SRN becomes compliant with the annual average limit value for NO₂ in the shortest timescale possible
- Enable local authorities, and others to support their own initiatives as they work to implement their local plans for clean air and connect with our network
- Help accelerate the transition to a zero-emission fleet on the SRN complementing wider government initiatives and schemes to reduce road transport carbon emissions
- Help enable the delivery of the major improvement programme essential to support economic growth
- Support projects that bring about positive benefits for local residents, especially those not yet enjoying clean air, and the wider environment
- Continue to support and promote feasibility studies for innovative solutions to improve overall air quality
Funding criteria

We don’t constrain funding just to our network. We consider proposals that provide benefits to our network, such as local plans for clean air or supporting the transition to a zero-emissions fleet on our network, as well as solutions that also help make improvements to other air pollutants such as particulate matter (PM10 and PM2.5).

We also consider proposals that include areas where local authorities have identified exceedances. For example, air quality management areas (AQMAs) or evidence from air quality monitoring that identifies exceedances.

Achieving clean air is vital to human health, especially in sensitive receptor areas including dwellings, hospitals and schools where long-term public exposure (especially by those more susceptible) to polluted air can result in health impacts.

We will look positively at bids for funding that will make a quantifiable improvement for sensitive receptor areas, which help shorten the time to achieve compliance.

Key principles

We will consider air quality proposals for funding against the following criteria. Your proposal must ensure all of the following:

- Be a capital expenditure project, which could include capital grants to others, or be correctly capitalised in accordance with the European System of Accounts (ESA2010) requirements
- Demonstrate best value for money
- Have a Highways England project sponsor (which for external bids we will help identify)
- Require capital works that are either on our estate, or on local authority or private land holding but help improve air quality on the SRN.

In addition, proposals must fulfil at least one of the following requirements:

- Delivery of air quality improvements on the SRN
- Support for wider government initiatives
- Support the transition to a zero-emission fleet using the SRN
- Helps reduce the risk that poor air quality poses to the delivery of the road investment strategy programme of schemes
Funding process

We will support you throughout the funding process. Whether you are a Highways England project team, involved in delivering a scheme, already a partner of ours or not yet working with us, our designated funds team are here to help.

Proposals will go through stages from project concept to delivery and on-going monitoring and evaluation. There are defined output requirements for each stage of the AQF appraisal process:

The stages are:
1. Project concept and screening
2. Feasibility and preliminary design
3. Detailed design
4. Delivery and establishment
5. Reporting
6. Monitoring and evaluation

There are different requirements for each stage of the process. Progression through the process depends on what fund your proposal relates to.

Funding approval
All projects require approval from the Highways England designated fund investment decision committee (DF IDC). The committee make decisions based on whether your proposal aligns with the AQF criteria, is a strategic fit with delivery of the RIS, offers value for money as well as the wider benefits of the scheme. Air quality subject matter experts will be consulted as per the requirements of the guidance prior to bids being submitted.

Designated funds proposals must follow the Highways England investment approval process.

The usual stages for project development are outlined in the table below. We encourage applicants to bid for funding at each of these stages, rather than writing a single bid for all stages. This approach allows each stage to inform the next.

<table>
<thead>
<tr>
<th>Project stage</th>
<th>Informed by</th>
<th>Supporting business case required?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasibility</td>
<td>Initial idea, discussion with air quality programme manager/technical specialist</td>
<td>No</td>
</tr>
<tr>
<td>Detailed Design</td>
<td>Result of feasibility bid</td>
<td>Yes – usually an outline business case</td>
</tr>
<tr>
<td>Implementation</td>
<td>Result of detailed design bid</td>
<td>Yes – usually a full business case</td>
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Appraisal tool forms and supporting documentation are presented for approval at a value management workshop.

Following detailed design, there should be a gateway review to check no significant changes have occurred to the scope, benefit or cost of the scheme.

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- Following detailed design, there should be a gateway review to check no significant changes have occurred to the scope, benefit or cost of the scheme.
1. Project concept and screening

If you would like to suggest a project for consideration by the Air Quality Designated Fund you should complete the Air Quality Designated Fund project summary form and submit it to the designated fund inbox (designatedfundschemes@highwaysengland.co.uk). The project summary form asks for initial information about project outline costs and benefits, along with detail on how the project aligns with the aims of the fund.

Highways England is willing to consider contributing to projects being delivered by others, for example by using capital grants to local authorities. Although many projects may be led by Highways England with input from partner organisations, there may be others who are better placed to lead.

We are particularly keen to discuss how projects can be delivered via compressed delivery, with feasibility, detailed design and implementation milestones being achieved in-year rather than to be a staged over various financial years.

2. Feasibility and preliminary design

Once an investment decision is granted from the DF IDC, the project sponsor will be required to secure a new project identification number (PIN) for the project under the air quality delivery plan heading. The project sponsor will be responsible for maintaining robust forecasts against the PIN and for receipting all spend.

The findings from feasibility will confirm whether there is a case to proceed to detailed design, which will be subject of a new bid underpinned by a business case.

Feasibility will be completed to the time and costs requirements approved by the DF IDC. The change control process, available separately, should be followed where there are any delays to programme or change in the scope of work.
To discuss an idea, find out more about the appraisal process or to submit a proposal please email designatedfundscheme@highwaysengland.co.uk in the first instance.

The relevant fund manager will then get in touch with you.

If you are already working with Highways England, contact your relevant programme or project manager, who has access to more detailed information about the air quality scheme and appraisal process.

Visit the Highways England website at www.highwaysengland.co.uk for supporting information.
If you need help accessing this or any other Highways England information, please call 0300 123 5000 and we will help you.