

**Board**



**Date: 8 November 2016**

**Item: Initiatives to Improve London's Air Quality**

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**This paper will be considered in public**

## **1 Executive Summary**

<b>Decision required</b>	To note the paper, which provides an update on TfL's involvement in the Mayor's new proposals to improve air quality in London.
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<b>Summary</b>	
<ul style="list-style-type: none"><li>• The Mayor is committed to improving London's air quality as air pollution is one of the most significant health challenges facing London. The Mayor's Clean Air Action Plan (the Plan) will bring forward improvements by going further and faster than the current Ultra Low Emission Zone (ULEZ) scheme and accelerating the cleaning up of TfL's bus fleet.</li><li>• There are three stages of consultation on the Plan. A high level consultation was launched on 5 July 2016. The second stage, relating principally to the Emissions Surcharge, commenced on 10 October and will run until 18 December 2016. The third stage is expected to take place in 2017 and will be the statutory consultation on the proposed changes to the ULEZ.</li><li>• The paper provides further detail on the headline proposals within the Plan, which are:<ul style="list-style-type: none"><li>• an Emissions Surcharge (known as the T-Charge) of £10 on the most polluting vehicles entering the Congestion Charging Zone from 23 October 2017. This is estimated to affect around 10,000 vehicles per day and could lead to emissions savings of up to three per cent of NOx from road transport in central London in its first year of operation. There are a number of discounts and exemptions proposed. Following the current statutory consultation, the Mayor is expected to make a decision on the proposals in February 2017. The T-Charge will be superseded by the ULEZ;</li><li>• implementation of the ULEZ in September 2019 (a year earlier than previously planned), a London wide expansion for coaches, buses and HGVs to the Low Emission Zone boundary, and an expansion for all vehicle types currently affected by the central London ULEZ to inner London (an area roughly bounded by the North and South Circular roads). These proposals are being refined and developed and will be subject to further consultation in 2017;</li><li>• a range of initiatives to reduce TfL bus emissions including expansion of the retrofit programme;</li></ul></li></ul>	

- a range of initiatives to support the Mayor's commitment to establish London's Taxi fleet as the greenest in the world by only licensing 'zero emission capable' taxis from 2018;
- new private hire vehicle (PHV) licensing requirements from 2018 as PHVs will need to comply with the ULEZ; and
- development of a proposal for a national diesel scrappage scheme, to be submitted to the Government in late 2016.

## **2 Recommendation**

2.1 **The Board is asked to note the paper.**

## **3 Background**

3.1 Air pollution is one of the most significant health challenges facing London. The equivalent of around 9,400 deaths per year in London are attributed to air quality related illnesses and London is not projected to comply with legal limit values for Nitrogen Dioxide until 2025, 15 years after the 2010 deadline.

3.2 In his manifesto, the Mayor set out his commitment to improving London's air quality, and he announced his Clean Air Action Plan soon after the election in May 2016.

3.3 The Clean Air Action Plan will bring forward improvements to London's air quality by going further and faster than the current ULEZ scheme (which is due to come into effect in central London in September 2020) and accelerating the cleaning up of TfL's bus fleet.

3.4 The Mayor launched the first of three stages of consultation on his Clean Air Action Plan on 5 July 2016. This was a high level three-week consultation, hosted by the GLA, to gauge initial public opinion on the proposals. The second stage of consultation, hosted by TfL, and relating principally to the proposed Emissions charge, commenced on 10 October 2016 and will run until 18 December 2016.

## **4 Mayor's Clean Air Action Plan**

4.1 The headline proposals within the Mayor's Clean Air Action Plan are:

- (a) an Emissions Surcharge on the most polluting vehicles entering the Congestion Charging Zone from 2017;
- (b) expansion and earlier implementation of the ULEZ;
- (c) expansion of the retrofit programme for TfL buses; and
- (d) development of a proposal for a national diesel scrappage scheme.

4.2 Further detail on these initiatives is provided below. A study is underway on a diesel scrappage initiative and the results will be used to develop a detailed proposal.

## **Emissions Surcharge**

- 4.3 The Emissions Surcharge, commonly known as the T-Charge (Toxicity-Charge), is proposed to begin on 23 October 2017, subject to the present statutory consultation. It would levy an additional charge to the Congestion Charge on the most polluting vehicles entering central London.
- 4.4 The Emissions Surcharge would apply during Congestion Charging hours (Monday-Friday, 7am – 6pm except bank holidays).
- 4.5 Vehicles that do not meet at least the Euro 4/IV emission standard would be required to pay an additional £10 on top of the Congestion Charge. Generally, this affects vehicles registered in 2005 or before.
- 4.6 The Emissions Surcharge would offer most of the same discounts and exemptions as the Congestion Charge, including exemptions for Taxis and Private Hire Vehicles and a 100 per cent discount for blue badge holders.
- 4.7 The exceptions are: 9+ seater vehicles, which are exempt from the Congestion Charge but would need to comply with the standards or pay a daily charge of £10; historic vehicles which would be exempt from the surcharge but still eligible for the Congestion Charge; and showman's vehicles (e.g. circus equipment) which would receive a 100 per cent discount, but still be eligible for the Congestion Charge.
- 4.8 We are proposing that residents eligible for a Congestion Charge discount would also be entitled to a 90 per cent discount on the Emissions Surcharge (i.e. a £1 daily charge).
- 4.9 The Emissions Surcharge is intended as a stepping stone towards the ULEZ, when stronger emissions standards will come into effect. As such, it will be superseded by the ULEZ when this comes into force, although for residents the discounted charge would apply until the end of their three year ULEZ sunset period.
- 4.10 The Emissions Surcharge would affect around 10,000 vehicles per day, and could lead to emissions savings of up to three per cent of NO<sub>x</sub> from road transport in central London in its first year of operation.
- 4.11 The current consultation is a statutory consultation on the Emissions Surcharge proposals. Subject to this, the Mayor is expected to make a decision on whether or not to confirm the scheme (with or without modifications) in February 2017.

## **Emerging proposals for ULEZ**

- 4.12 The ULEZ was agreed by the previous Mayor in 2015. It will apply 24 hours per day, seven days per week and require all vehicles entering the Congestion Charge Zone to meet emissions standards or pay a daily charge. The minimum emissions standards are Euro 6/VI for diesel vehicles, Euro 4 for petrol vehicles and Euro 3 for motorcycles. The daily charge is set at £100 for coaches, buses and HGVs and £12.50 for cars, vans and motorcycles. It is estimated that the ULEZ will halve road transport NO<sub>x</sub> emissions in central London.

- 4.13 Private Hire Vehicles are eligible for the ULEZ charge. Taxis are exempt from the ULEZ in recognition of the specialist nature of these vehicles and the introduction of new 'zero emission capable' licensing requirements from 2018<sup>1</sup>.
- 4.14 The Mayor has proposed a number of changes to the ULEZ, including:
- (a) bringing forward the implementation date from its current planned date of September 2020, to 2019;
  - (b) a London wide expansion of the ULEZ for coaches, buses and HGVs out to the Low Emission Zone boundary, requiring all of these vehicles to meet the Euro VI emission standard or pay a daily charge of up to £100 per day; and
  - (c) the expansion of the ULEZ for all vehicle types currently affected by the central London ULEZ to inner London (an area roughly bounded by the North and South Circular roads). A lower charge for this area is being considered.
- 4.15 Work to refine and develop these proposals is ongoing and they will be subject to further consultation in 2017. Initial indications are that the changes to the ULEZ would reduce road transport NOx emissions by 40 per cent in central and inner London and 30 per cent in outer London, although these estimates will be refined as the analysis of the policy develops.

## 5 The Consultations

### Stage one

- 5.1 There are three stages of consultation on the Mayor's plans. Stage one was hosted by the GLA on the Talk London portal and ran from 5 – 29 July 2016. Over 15,000 responses were received, a record for a consultation on Talk London. To supplement the results, representative sample polling was carried out by TNS. The results of this are:

	Talk London	TNS poll
Number of responses	14,800	1,650 ( <i>fixed sample size</i> )
Agree London has a pollution problem	75%	67%
Agreed with ES (T-Charge) proposal	81%	62%
Agreed ULEZ should be brought forward to 2019	79%	58%
Agreed with ULEZ expansion for light vehicles	71%	63%
Agreed with ULEZ expansion for Heavy vehicles	87%	76%

<sup>1</sup> Further information is available in the Mayor's Taxi and Private Hire Action Plan found here <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

## **Stage two**

- 5.2 Stage two of the consultation is hosted on the TfL website: [tfl.gov.uk/airquality-consultation](http://tfl.gov.uk/airquality-consultation). It was launched by the Mayor on 10 October 2016 and will run until 18 December 2016.
- 5.3 The consultation is the statutory consultation on the Variation Order to the Congestion Charge Scheme, which is required to implement the Emissions Surcharge. This is supported by a detailed integrated impact assessment.
- 5.4 It also includes a policy consultation on emerging proposals for changes to the ULEZ, as described in section 4, presenting some initial ideas and indicative costs and benefits. The response to this will help form part of TfL's further policy development for changes to ULEZ.
- 5.5 Following this consultation, as well as making a decision on whether to confirm the Emission Surcharge, a decision will be made on how to progress with developing proposals for changing ULEZ.

## **Stage three**

- 5.6 Stage three of the consultation is expected to take place in 2017. It will be the statutory consultation on the proposed changes to the ULEZ and will contain detailed proposals, a full assessment of the impacts of these proposals and detailed plans for an expanded inner London boundary, if this option is taken forward.

## **6 Buses**

- 6.1 We are leading by example and are currently working on delivering a number of air quality initiatives to cut tailpipe emissions from the bus fleet including:
- (a) ensuring all TfL buses in central London are compliant with the ULEZ Euro VI emission standard a year ahead of its planned introduction in 2020 (i.e. by 2019) and a commitment that our double-decker buses operating in the area will be hybrid. Additionally, all single-decker buses operating in the zone will be zero emission at tailpipe by 2020;
  - (b) implementing up to 12 'Low Emission Bus Zones' across London – tackling the worst pollution hotspots by concentrating cleaner buses on the dirtiest routes. The first zones will be delivered in Putney High Street and Brixton-Streatham from 2017;
  - (c) expanding the Euro V retrofit programme from 800 buses to enable the fleet to achieve a Euro VI standard as quickly as possible;
  - (d) wider roll out of Euro VI hybrids and zero-emission buses (pure electric and hydrogen fuel-cell); and
  - (e) promoting the take-up of clean bus technology at London's Zero Emissions Bus Summit on 30 November 2016.

## 7 Taxis and Private Hire Vehicles

- 7.1 The Mayor and TfL recognise that the taxi trade has historically had a limited choice of heavy diesel vehicles to use. This has led to the taxi fleet becoming a significant contributor to poor air quality, particularly in central London. There is currently a 15 year maximum age limit for taxis. However, the Mayor now intends to help phase out diesel taxis and establish the Capital's fleet as the greenest in the world<sup>2</sup>.
- 7.2 At the centre of the plan is the Mayor's commitment to no longer license new diesel taxis and to license only 'zero emission capable' taxis from 2018. In line with the Mayor's Taxi and Private Hire Action Plan<sup>3</sup>, TfL is supporting this requirement by:
- (a) providing a £3,000 grant towards the first 9,000 'zero emission capable' taxis licensed in London and lobbying Government to guarantee the plug-in car grant for these vehicles, enabling up to £7,500 in total;
  - (b) procuring and delivering a rapid charging network from 2017, to enable drivers to maximise fuel savings and operate mostly in zero emission mode, with locations dedicated to the taxi trade;
  - (c) introducing a scrappage (aka decommissioning) scheme for the oldest taxis from 2017. TfL will provide up to £5,000 to drivers who choose no longer to license their taxi in London, with the exact amount depending on the age of the vehicle. This would also be supported by a national diesel scrappage scheme as put forward by the Mayor to Government;
  - (d) continuing to assess the costs, benefit and feasibility of options to convert existing diesel taxis to a cleaner fuel; and
  - (e) rewarding drivers who pioneer green technology by offering exclusive access to certain facilities, for example, new 'zero emission' ranks, and working with boroughs to explore and fund initiatives where taxis and other vehicles must operate in zero emission mode.
- 7.3 Private Hire Vehicles (PHVs) have a maximum 10 year age limit, with limited exemptions. PHVs will need to comply with the ULEZ once it comes into effect and new vehicle licensing requirements will start from 2018<sup>4</sup>. These are:
- (a) **from 2018**, all PHVs presented for licensing for the first time must meet either: Euro 6 (diesel/petrol) standards or, at least, Euro 4 (petrol-hybrids) emissions standards;
  - (b) **from 2020**, all newly manufactured PHVs (less than 18 months old) presented for licensing for the first time must be 'zero emission capable'<sup>5</sup>; and

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<sup>2</sup> <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

<sup>3</sup> A zero emission capable taxi will need to emit ≤50g/km CO<sub>2</sub> and be able to operate for a minimum zero emission range of 30 miles

<sup>4</sup> [https://consultations.tfl.gov.uk/environment/ulez-2/user\\_uploads/ulez-memo--signed-.pdf](https://consultations.tfl.gov.uk/environment/ulez-2/user_uploads/ulez-memo--signed-.pdf)

- (c) **from 2023**, all PHVs presented for licensing for the first time must be ‘zero emission capable’.

## **8 Next Steps**

8.1 The next steps for this work are:

- (a) continued engagement with stakeholders – ongoing;
- (b) consultation report to the Mayor and Mayoral decision on whether to confirm the Emission Surcharge (with or without modification) – February 2017;
- (c) detailed proposals for a national diesel scrappage scheme put to the Government – late 2016; and
- (d) continue the development of proposals for improving ULEZ ahead of statutory consultation – 2017.

### **List of appendices to this report:**

None

### **List of Background Papers:**

[www.tfl.gov.uk/airquality-consultation](http://www.tfl.gov.uk/airquality-consultation)

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<sup>5</sup> any PHV meeting the criteria set out in categories 1, 2 or 3 of the OLEV plug-in car grant eligibility criteria will be regarded by TfL as a zero emission capable