

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3292

Closure of London vehicle scrappage scheme and donation to British-Ukrainian Aid

Executive summary:

Transport for London (TfL) is delivering the London vehicle scrappage scheme to help people adapt to the London-wide Ultra Low Emission Zone (ULEZ), pursuant to a Mayoral delegation and direction (see MD2661). In light of the scrappage scheme's success to date, high vehicle compliance levels and the potential for unspent funds to be used for other purposes, TfL recommends closing the scheme to new applicants on 8 September 2024. To mitigate one potential impact, TfL also recommends extending the not-for-profit community-minibus grace period by two years, to 24 October 2027.

Further to MD3254, TfL has partnered with British-Ukrainian Aid (BUA) to allow successful scheme applicants to donate their vehicles to Ukraine, if they so choose. A GLA donation would allow BUA to continue sourcing non-compliant vehicles, and exporting them from London to Ukraine, for a limited period.

This form seeks the Mayor's approval for TfL to close the scrappage scheme to new applications, as of 8 September 2024, and extend the community-minibus grace period. It also seeks approval for the GLA to make a donation to BUA, so it can continue to export non-compliant vehicles from London to Ukraine for medical and humanitarian purposes, in the context of ongoing war in Ukraine.

Decision:

That the Mayor:

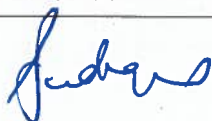
- approves TfL closing the ULEZ scrappage scheme to new applications on 8 September 2024 (applications received before this will be processed in accordance with scheme rules)
- approves TfL's proposed extension of the not-for-profit community-minibus grace period by two years, to 24 October 2027, by confirming the Greater London Low Emission Zone Charging (Exceptional Variation) Order 2024
- approves a donation of £100,000 to British-Ukrainian Aid (BUA), on the condition that BUA use the funds to continue exporting non-compliant vehicles to Ukraine to support humanitarian aid and medical need, following the scheme's closure
- notes the likelihood of an underspend of the remaining revenue grant made to TfL, pursuant to MD3226; and that TfL proposes to use this funding on environmental improvement and other initiatives that will be confirmed in due course.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

2/9/24

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. The Ultra Low Emission Zone (ULEZ) came into effect on 8 April 2019 in the central London area of the Congestion Charging Zone (CCZ). It was expanded to inner London on 25 October 2021; and to Greater London on 29 August 2023. It sets minimum emissions standards for cars, light vans, minibuses and motorcycles travelling within the ULEZ. In addition, the Low Emission Zone (LEZ) sets minimum emissions standards for heavy vehicles in the same area.
- 1.2. The central and inner London ULEZ were supported by two vehicle scrappage schemes, established and operated by TfL pursuant to a mayoral direction and delegation of the GLA's general powers under section 30 of the Greater London Authority Act 1999 (GLA Act 1999). The schemes ran from February 2019 to November 2021 (at which point all funding was allocated). The current delegation and direction are set out in MD2661 (the 2020 delegation and direction).
- 1.3. In MD3060 (24 November 2022) the Mayor confirmed the London-wide expansion of the ULEZ with modifications, including the retention of existing temporary exemptions (or "grace periods"); and the introduction of two further grace periods to support disabled people. The Mayor also provided funding to TfL, through a £110m grant, to establish a new London vehicle scrappage scheme to support the London-wide ULEZ expansion.
- 1.4. The scrappage scheme was developed to help specific groups adapt to the expanded ULEZ. These groups include, among others, those on certain low income or disability benefits; charities operating in London; sole traders; and London-based micro-businesses (with up to 10 employees). The scheme allows vehicle owners to receive a scrappage payment after the vehicle is either scrapped at an authorised treatment facility and removed from use in London, or retrofitted to meet the ULEZ standards. Thus, the scheme contributes to an improvement in the city's air quality.
- 1.5. Ahead of the London-wide expansion, TfL made several changes, including broadening the scrappage scheme's eligibility criteria and increasing its grant levels. To ensure these changes did not significantly impact the funds available for those eligible under the original criteria, a further £50m in funding from the GLA's Environmental Improvement Reserve (EIR) was allocated to the scrappage scheme budget (see MD3166), which brought the total funding pot to £160m.
- 1.6. On 31 January 2024, in response to continued high demand for the scheme, the Mayor approved the allocation of an additional £50m in funding from the EIR, subject to the outcome of the budget setting processes for the 2024-25 GLA: Mayor component budget (see MD3226). This increased the total funding pot to £210m.
- 1.7. On 5 March 2024 – in response to representations from charities, volunteer groups, the Mayor of Kyiv and the Ukrainian Embassy – the Mayor approved amendments to the 2020 delegation and direction. These allowed TfL to use the scrappage scheme to fund the donation and removal of non-compliant vehicles from use in Greater London to Ukraine (see MD3254). As of 15 March 2024, successful applicants have been able to donate their vehicle to Ukraine, if they choose, rather than scrap or retrofit it.
- 1.8. Since its launch in January 2023, the scrappage scheme has been successful in helping Londoners adapt to the ULEZ, and in accelerating the removal of non-compliant vehicles from London's roads. TfL has monitored the uptake of the scheme during its operation, and publishes [regular factsheets](#) reporting on this. As of 4 August 2024, 53,944 applications have been approved, with over £186m committed to applicants. These figures include 330 vehicles accepted for donation to Ukraine since 15 March 2024.

- 1.9. As shown in the [London-wide ULEZ Six Month Report](#) (published in July 2024), the compliance rate for vehicles subject to the ULEZ is now over 96 per cent, meaning the vast majority of drivers have changed either their vehicles or the way they travel. A cleaner vehicle fleet has led to lower air pollutant emissions and concentrations in London. The Six Month Report also showed that nitrogen oxide emissions from cars and vans in outer London are estimated to be 13 and 7 per cent lower, respectively, than would have been expected without the London-wide ULEZ. Roadside nitrogen dioxide concentrations in outer London are up to 4.4 per cent lower than they would otherwise have been.
- 1.10. In recent months, uptake of scrappage grants has declined considerably. TfL data shows that, up to 4 August 2024, an average of 246 applications were received daily. This peaked at 7,332 applications on 21 August 2023, which coincided with the widening of the eligibility criteria for the car and motorcycle scrappage scheme to include all eligible Londoners. In July 2024, an average 66 applications were received daily: a 73 per cent reduction across the whole life of the scheme.
- 1.11. MD3226 – which identified £50m in additional funding from the GLA's EIR (to bring the total funding pot to £210m) – noted that this funding would allow the scrappage scheme to operate in 2024. Eight months into 2024, the remaining unallocated funds are expected to run out much later than originally forecast, due to a slower uptake. This has extended the potential timescales of the scheme's operation and associated administration costs. Based on the current rate of application, if the scrappage scheme is left to run its course, the remaining funds would likely be fully allocated by April 2025.
- 1.12. Following over 18 months of the scheme's operation, and the scrapping, donation or retrofitting of nearly 54,000 vehicles, TfL considers that the scrappage scheme has achieved its purpose. It also considers that any unused grant funding, following the closure of the scheme and fulfilment of all associated commitments, would be better applied to other uses in line with the EIR's initial purpose. While no decision has been made on how to use this funding, TfL will use it to further the delivery of the Mayor's Transport Strategy. One example is the proposed "Green & Fair" package that would support the new user charges for Silvertown and Blackwall tunnels (subject to the outcome of the public consultation). This is another discretionary mitigation that TfL wishes to provide: to help eligible Londoners, businesses and charities adjust to the potential impacts of new user charges, all passengers would receive free use of the DLR and buses when crossing the river in the vicinity of the tunnels. There are other possible uses, and the final decision will depend on the value of the remaining funds.
- 1.13. Due to the recent low application rate, and the scheme's success in accelerating the removal of non-compliant vehicles from London's roads, TfL is recommending closing the scrappage scheme on 8 September 2024. It is difficult to forecast the value of the remaining funds, due to uncertainty around uptake in the scheme's final weeks, and in the timeframe for successful applicants to claim funds. However, TfL estimates that around £12m in funding would remain uncommitted once all outstanding applications have been processed.

2. Objectives and expected outcomes

Scrappage scheme closure

- 2.1. The objective of the scrappage scheme was to help accelerate the permanent removal of ULEZ non-compliant vehicles operating in London, thereby contributing towards improvements in air quality. The scheme helps mitigate the impacts of the London-wide ULEZ on Londoners, small businesses, sole traders and charities; and supports the ULEZ's overall emissions reductions, which helps improve London's air quality and protect public health.
- 2.2. As noted above, in its 18 months of operation, the scheme has been successful in committing grants for nearly 54,000 vehicles (owned by Londoners, small businesses, sole traders and charities) to be scrapped, retrofitted or donated to Ukraine. As a result, the compliance rate for vehicles subject to the ULEZ has risen to over 96 per cent; and levels of nitrogen oxide emissions from cars and vans are

lower than would have been expected without the London-wide ULEZ. These figures show that the scrappage scheme has achieved its objectives. The continued decline of applications to the scheme supports this conclusion.

- 2.3. Any uncommitted funds will be considered by TfL, in due course, for alternative environmental improvement and other initiatives. In line with the purpose of the GLA EIR, TfL is considering putting these uncommitted funds towards initiatives that will encourage mode shift and support delivery of the Mayor's Transport Strategy – such as the free public-transport elements of the proposed Silvertown “Green & Fair” package of mitigations – resulting in reduced carbon and air pollutant emissions.
- 2.4. Closing the scheme on 8 September 2024 may mean some Londoners cannot benefit from a scrappage grant. However, the drop in applications over recent months suggests that most of those who are interested in and eligible for the scheme have already received grants. The other programmes that the money could be spent on will also provide important benefits to Londoners.
- 2.5. Closure of the scheme could have a negative financial impact on not-for-profit organisations (including state schools) operating non-compliant minibuses that are eligible for the scheme but have not yet accessed it. There could also be a negative financial impact on disabled Londoners, who may have taken longer to apply to the scheme and have therefore not yet accessed it.
- 2.6. To mitigate against the potential impact on not-for-profit organisations, TfL recommends extending the not-for-profit community-minibus grace period by two years to 24 October 2027 (from the current end date of 26 October 2025). This will allow more time for grace-period holders to raise money to replace their non-compliant vehicles, in the absence of the grant available from the scrappage scheme. The extension also recognises the higher replacement cost of minibuses; and the health and social benefits of the services supported by these minibuses (identified in the London-wide ULEZ Integrated Impact Assessment). It would also bring the not-for-profit community-minibus grace period in line with the other existing ULEZ grace periods.
- 2.7. This extension means that minibuses registered for the grace period (1,171 as of 4 August 2024, according to the [scrappage scheme factsheet](#)) may not be replaced for another two years, and will continue to emit harmful pollutants during this time. These minibuses are often used by children and older people, who are particularly vulnerable to the health impacts of air pollution. However, TfL data shows that the majority of the vehicles registered for the grace period are used infrequently: between 29 August 2023 and 27 June 2024, 40 per cent were used fewer than 10 times in the zone, and 20 per cent made between two and five trips per month. In addition, the negative health impacts caused by the polluting vehicles need to be balanced against the positive health and social impacts of the services they provide access to.
- 2.8. Disabled Londoners, and users of wheelchair-accessible vehicles, who haven't yet applied for scrappage funding will remain covered by the disabled tax class grace period; the disabled benefits grace period; and the wheelchair-accessible vehicles grace period. These will all continue to operate until October 2027.

Donation to British-Ukrainian Aid (BUA)

- 2.9. The expansion of the scrappage scheme, to allow successful applicants to donate their vehicles to Ukraine, was based on the environmental benefits to London of these vehicles being permanently removed from London's roads (see MD3254).
- 2.10. [TfL's scrappage scheme factsheet](#) shows that, between 15 March and 4 August 2024, BUA accepted 330 non-compliant vehicles for export to Ukraine. Permanently removing these vehicles from London's roads has helped to reduce harmful emissions from transport while supporting medical and humanitarian efforts in Ukraine.
- 2.11. Donating £100,000 to BUA would allow it to continue to remove older, more polluting vehicles from London's roads, following the closure of the scrappage scheme. This would boost the environmental

benefits of reduced air-pollutant emissions from transport to Londoners. This donation will be provided from unallocated funding within the GLA Air Quality Budget. The donation agreement will stipulate that the funding must be used to purchase vehicles from London residents and businesses and/or cover the costs of their transportation to Ukraine, following donation of these vehicles by London residents and businesses.

- 2.12. A donation will also support London's Ukrainian population (including Ukrainians seeking refuge in the capital since the outbreak of war) by showing that the Mayor is continuing to support Ukraine in every way he can. This show of support is likely to enhance greater community engagement and integration, helping to create a fairer, more equal, integrated city where all people feel welcome and able to fulfil their potential.
- 2.13. BUA has used its own resources to design, facilitate and promote a way for successful scrappage scheme applicants to donate their vehicles to Ukraine. While other charities and NGOs also purchase and facilitate the transport of vehicles and aid to Ukraine, BUA is most strongly associated with the scrappage scheme. Over the last five months, it has built up capacity to cope with higher volumes of vehicles. Unlike many of the other organisations sending vehicle donations to Ukraine, it is also a UK-registered charity. This makes BUA the most appropriate beneficiary of this donation.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 (the Equality Act), as a public authority, the Mayor must have due regard, when exercising his functions, to the need to eliminate unlawful discrimination, harassment and victimisation; and to advance equality of opportunity, and foster good relations, between people who share a protected characteristic and those who do not. This is known as the Public Sector Equality Duty. Protected characteristics under the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (the duty in respect of this last characteristic is to eliminate unlawful discrimination and other prohibited conduct under the Act only).
- 3.2. The Public Sector Equality Duty applies to the Mayor's decisions to approve the closure of the scrappage scheme; extend the not-for-profit community transport grace period; and donate £100,000 to BUA.

Scrappage scheme early closure

- 3.3. Closing the scrappage scheme before all funds are committed is expected to have a minor negative financial impact on those eligible for the scheme – including disabled people and those on low incomes, who were identified in the [London-wide ULEZ Equalities Impact Assessment](#) as having the greatest need for the scheme. The impact rating is minor, as the vast majority of eligible applicants have already applied for the scrappage scheme. This is evidenced by the recent stark reduction in the application rate, and high levels of vehicle compliance. People in protected characteristic groups that are more likely to be on a low or lower income relative to other people (such as older or younger people, disabled people, women, and Black and minority ethnic people) may also be disproportionately impacted by the scheme closure.
- 3.4. It should be noted that in previous consultation with groups representing disabled people, they highlighted that some disabled people would require more time to apply to the scrappage scheme. The scrappage scheme has, however, been open to applications from disabled people since January 2023 (i.e., for more than 18 months). TfL has engaged extensively with groups representing disabled people to provide guidance and communications material to support their applications to the scheme.
- 3.5. With the closure of the scheme, charities will no longer have financial support to upgrade their non-compliant vans and minibuses. These non-compliant vehicles may be used for transporting young people, older people, and disabled people for important social, educational and medical purposes (e.g., for school trips or to medical appointments). They may also be used for delivering goods and services to people falling within a protected characteristic or other disadvantaged group (e.g.,

delivering food to food banks used by those on low incomes). As such, with the closure of the scheme these services may cease to be performed; or may be performed at a reduced rate. However, many of these charities are also currently eligible for the not-for-profit community-transport grace period until 26 October 2025. To mitigate the closure of the scheme, it is proposed that the grace period is extended for a further two years to 24 October 2027.

- 3.6. There will be some people who have moved into London, or businesses and charities that have registered in London, since the scheme opened who will have had less time to apply for the scheme (the scheme is only open to London residents and London-registered businesses and charities). As such, they may be disproportionately impacted by the scheme closure. However, the number of people, businesses and charities in this situation, with an eligible vehicle, is likely to be very small. Furthermore, it is considered that they are unlikely to be significantly represented in a particular protected characteristic group, and among those eligible for a grace period.
- 3.7. There will also be some people and businesses who own vehicles purchased through a finance arrangement or a lease agreement, whose finance or lease end point follows closure of the scheme. These people may be unable to end their finance agreements or lease arrangements early without facing a financial penalty for doing so. This may be a barrier to applying for the scheme before the proposed end date. However, the number of affected people and businesses is likely to be very small. Furthermore, it is considered that they are unlikely to be significantly represented in a particular protected characteristic group.
- 3.8. With compliance levels for London vehicles at over 96 per cent, and with a low and decreasing scrappage scheme application rate, the scrappage scheme has been successful in achieving its objectives, and supporting those who needed it most. The grace periods for disabled people and wheelchair-accessible vehicles do not end until October 2027, and will therefore continue to provide mitigation for disabled people with a non-compliant vehicle. Other support measures will also continue, including the NHS patient reimbursement scheme. TfL will continue to monitor all discounts, exemptions and reimbursements. The ULEZ third-party offers, which provide discounts for people to switch to cleaner forms of transport, will also continue for up to two months following the closure of the scrappage scheme.
- 3.9. As a key mitigation to any minor negative financial impact, there has been a notice period of over three weeks, communicated through a TfL press release on 16 August 2024, to raise awareness of the proposed closure; and to encourage any remaining eligible Londoners, and London-based small businesses and charities, to use the support available. TfL had previously written to all grace-period holders with a London address, to encourage them to apply for scrappage funding. With these communications, it is considered that the minor negative financial impact on people eligible for the scrappage scheme, including disabled and low-income Londoners, is largely mitigated.

Extension of not-for-profit community transport grace period

- 3.10. TfL has proposed to extend the not-for-profit community-minibuses grace period by two years, from 26 October 2025 to 24 October 2027. This would help mitigate the negative impacts on young people, older people and disabled people who rely on organisations that operate minibuses and have not yet scrapped their vehicle, as set out in section **Error! Reference source not found.**. This will give not-for-profit organisations providing these services more time to upgrade their non-compliant minibuses.
- 3.11. The overall impact of extending this grace period on pollutant emissions is expected to be minimal, because the number of vehicles registered for the grace period and regularly driving in the ULEZ is small. As of 4 August 2024, 1,171 applications had been accepted for the not-for-profit grace period. As shown in the [London-wide ULEZ Six Month Report](#), in February 2024 80,000 non-compliant vehicles subject to the ULEZ were detected in the ULEZ. Of these, 600 were minibuses – some of which will be registered for the grace period. In addition, TfL data shows that the majority of the vehicles registered for the grace period are used infrequently: between 29 August 2023 and 27 June

2024, 40 per cent were used fewer than 10 times in the zone, and 20 per cent made between two and five trips per month.

- 3.12. The continued use of non-compliant minibuses by those registered for the grace period has a negative impact on air quality, particularly as their regular users (including children and older people) are more likely to be vulnerable to the impacts of poor air quality.
- 3.13. However, this should be considered against the beneficial role of minibuses, which enable children to undertake educational and sporting trips that are important for their wellbeing. Older people, and people with disabilities, also benefit from the not-for-profit minibus operators enabling access to social and healthcare services and activities.
- 3.14. The extended use of non-compliant minibuses does have a minor negative impact on emissions. However, this is considered to be outweighed by the continued positive impact that not-for-profit organisations using these minibuses will have on young people, older people and disabled people.

Donation to British-Ukrainian Aid

- 3.15. The proposed donation to BUA would be made on the condition that BUA uses the funds to continue removing non-compliant vehicles from London, and exporting them to Ukraine for a period following the scheme's closure. This is expected to reinforce the positive impact on people with a protected characteristic, through the benefits to air quality that will result from non-compliant vehicles being permanently removed from London's roads via donation to Ukraine.

4. Other considerations

Risks and issues

- 4.1. GLA officers consider that TfL has adopted sound project management and decision-making techniques in recommending the closure of the scrappage scheme, and extension of the not-for-profit minibus grace period. Furthermore, GLA and TfL officers have sought legal advice throughout the process.
- 4.2. Closing the scheme on a specific date, rather than when all funds have been committed, may create uncertainty around the extent to which people can rely on support measures in the future. This is mitigated by the notice TfL has given Londoners about its plans to close the scheme; and should be considered by TfL when designing and communicating any future support measures. The scheme's terms and conditions also make it clear that TfL has not committed to any funding term, or the total amount of funding that would be available; and that the scheme was subject to change.
- 4.3. Regarding the donation to BUA, a one-off donation of this nature by definition lacks levers to monitor future outputs. This risk is mitigated by the fact that BUA has already been working with TfL since March 2024 to facilitate the expansion of the scrappage scheme, to allow vehicles to be donated to Ukraine rather than scrapped. Appropriate financial due diligence will be carried out, and a donation agreement put in place, to ensure that the environmental improvement benefits are realised.

Links to Mayoral strategies and priorities

- 4.4. The 2018 Mayor's Transport Strategy (MTS) outlines the Mayor's vision for transport in London, including policies and proposals that will contribute to achieving it. The Mayor, London borough councils and other bodies exercising statutory functions must have regard to the MTS when exercising relevant functions. TfL must exercise its functions for the purpose of implementing or facilitating the MTS. The central aim of the MTS 2018 is to increase the active, efficient and sustainable mode share of trips in London to 80 per cent by 2041. By closing the scrappage scheme early, any remaining funds will be used to further delivery of the MTS – particularly the Mayor's policies on reducing emissions and increasing sustainable mode share. These policies will benefit a wide range of Londoners; and offer greater value for money than retaining the money to be spent on an ever-

decreasing amount of scheme applications. This is particularly the case because those who are eligible but have yet to apply to the scheme are less likely to drive frequently in the ULEZ (if they drove frequently in the zone, most would have already taken the opportunity to apply).

- 4.5. The 2018 London Environment Strategy prioritises reaching legal air pollutant levels as soon as possible by the most effective route. Proposal 4.2.1.d states:

“The Mayor aims to reduce emissions from private and commercial vehicles by phasing out and restricting the use of fossil fuels, prioritising action on diesel.”

- 4.6. The scrappage scheme has contributed to proposal 4.2.1.d by:

- removing thousands of polluting vehicles from London’s roads sooner than would have happened without the scheme in place
- encouraging the uptake of electric vehicles, by offering a higher grant payment for those scrapping their van or minibus and replacing it with an electric vehicle.

The donation to BUA will also continue to support the removal of more polluting vehicles from London’s roads for a limited time following the closure of the scheme.

- 4.7. In his Equality, Diversity and Inclusion Strategy, the Mayor sets out how he will work to create a fairer, more equal, integrated city where all people feel welcome and able to fulfil their potential. The donation will show support to London’s Ukrainian population (estimated at between 20,000 and 30,000), which can enhance greater community engagement and integration.

Impact assessments and consultations

- 4.8. TfL has continued to monitor uptake of the ULEZ scrappage scheme since its launch in January 2023. It has regularly published factsheets reporting on uptake of the scheme, including applications accepted and funding committed. TfL and GLA officers also engaged with community groups and stakeholders across London throughout the scheme.

- 4.9. The scrappage scheme was designed and targeted in response to issues identified in the Equality Impact Assessment, and the Economic and Business Impact Assessment, as part of the [Integrated Impact Assessment](#) undertaken for the London-wide ULEZ expansion. The London-wide ULEZ has been in operation for nearly a year; compliance for vehicles subject to the ULEZ is over 96 per cent; and nearly 90 per cent of the available scrappage funding pot has been committed. At this point, TfL considers that the scrappage scheme has served its purpose as a mitigation for the launch of the London-wide ULEZ expansion. The equality considerations and impacts on people with protected characteristics are set out in the previous section.

- 4.10. TfL has not consulted on the extension of the community-minibus grace period. Although it will provide a tangible benefit to a select group of vehicle owners, it is considered to be a small, time-limited change with a confined impact; and the date of the intended extension is in line with other available grace periods.

- 4.11. The GLA has consulted with BUA on its capacity to use a donation to fund the removal of non-compliant vehicles from London’s roads (by facilitating their export to Ukraine). BUA has confirmed it can use the funding in this way.

Conflicts of interest

- 4.11. There are no known conflicts of interests to declare regarding those involved in the drafting or clearance of this form.

5. Financial comments

- 5.1. As noted throughout this document, pursuant to MD3226, £50m of grant funding was provided to TfL towards its expenditure on the scrappage scheme from the EIR in the Consolidated Budget 2024-25. The EIR was created at the Consolidated Budget 2023-24 to fund projects to deliver initiatives associated with achieving environmental improvement in London.
- 5.2. Although, in practice, TfL claims funding for the scrappage scheme from the GLA in arrears, and any uncommitted funds remain in the EIR, once a decision to provide grant funding has been made the entire amount must be treated as section 121 grant. A grant under section 121 of the GLA Act 1999 cannot be made subject to any limitation by the GLA in respect of the expenditure to which it may be applied.
- 5.3. TfL reports that an underspend of the section 121 grant provided from the EIR is likely to arise once the scrappage scheme is closed, and all associated commitments are honoured. It proposes to use this remaining funding on environmental improvement and other initiatives, which will be confirmed in due course.
- 5.4. £100,000 will be donated to BUA on the condition that it uses the funds to continue to permanently remove non-compliant vehicles from London, following closure of the scheme, by exporting them to Ukraine to support humanitarian aid and medical need. This funding will be provided from the GLA's Air Quality Budget, around £200,000 of which is currently unallocated.

6. Legal comments

- 6.1. As noted above, TfL operates and finances the scrappage scheme pursuant to the 2020 delegation and direction. In light of the requirement in section 154(3) of the GLA Act 1999 – that TfL exercises its functions in accordance with any direction that may have been issued by the Mayor, and the Mayor's oversight of each stage of the scrappage scheme, including providing revenue grants to TfL, pursuant to section 121 of the GLA Act – it is appropriate that TfL seek the approval of the Mayor to close the scrappage scheme. The Mayor's decision to approve the closure of the scheme would alleviate TfL of the requirement to continue to operate and finance the scheme, pursuant to the 2020 delegation and direction.
- 6.2. TfL has taken steps to minimise the public's expectations as to the continuing operation of the scrappage scheme. Given the finite funding available, TfL has made it clear that, as with previous versions of the scheme, it operates on a first come, first served basis. The terms and conditions that apply to the scheme provide that: the funding available may increase and decrease; no commitment is made as to the duration of the funding term; and TfL may make changes to the scheme as it considers necessary.
- 6.3. It is also open to the Mayor and TfL to consider competing priorities on their resources, and state a preference for using previously allocated funds for a different purpose. One of the multiple possible alternative uses for the funds allocated to the scrappage scheme has been identified above (the Silvertown "Green & Fair" package of mitigations). This would support TfL's delivery of the MTS and, in some respects, facilitate the purposes of the EIR from which the revenue grant is drawn. Further information as to TfL's intended use of the unspent money will be provided to the Mayor once all the scrappage scheme applications received by the deadline have been processed, and TfL can confirm the precise sum that is left over. As noted elsewhere in this form, a grant under section 121 of the GLA Act 1999 cannot be made subject to any limitation by the Mayor in respect of the expenditure to which it may be applied by TfL. However, it is permissible and considered relevant that TfL confirms its intended use of the grant; and that the grant will go towards meeting revenue, rather than capital expenditure.
- 6.4. The grace period for not-for-profit community minibuses is included in the Greater London Low Emission Zone Charging Order 2006 (the 2006 Order). In accordance with the requirements of Schedule 23 to the GLA Act 1999, and mayoral guidance issued pursuant to paragraph 34 of Schedule 23, TfL has made the Greater London Low Emission Zone Charging (Exceptional Variation) Order

2024 (the Variation Order; Appendix A), which provides for the 2006 Order to be amended so that the end date of the grace period is extended from 26 October 2025 to 24 October 2027.

- 6.5. For the Variation Order to have effect, the Mayor is asked to confirm it by signing the Greater London Low Emission Zone Charging (Exceptional Variation) Order 2024 Instrument of Confirmation 2024 (the Instrument of Confirmation; Appendix B). The amendment would come into force the day after the Mayor confirms the Variation Order. Given the minor nature of the amendment, the time-limited benefit afforded to a small group of vehicle owners by the amendment, and the existence of other grace periods within the 2006 Order that share the same 2027 deadline, the amendment is being treated as an exceptional change for the purposes of the mayoral guidance. As such, it has not been publicly consulted on. It is open to the Mayor to decide that further information is needed to make his decision to confirm the Variation Order – including information that could be gained from a consultation or public inquiry. Although in light of the nature of the change, a consultation or public inquiry are not considered necessary. The mayoral guidance creates an expectation that certain publicity requirements as to the making and confirmation of the Variation Order must be followed. These will be complied with should the Mayor decide to confirm the Variation Order.
- 6.6. For the reasons and justification set out above, the proposed donation to BUA would fall within the scope of the powers available to the Mayor, acting on behalf of the GLA, in sections 30 and 34 of the GLA Act 1999. Section 30 enables the Mayor to do anything that he considers will further the promotion of social development and environmental improvement in Greater London. The subsidiary powers in section 34 of that Act allow the Mayor to do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of section 30 powers.
- 6.7. In determining whether or how to exercise section 30 powers, the Mayor is required to have regard to the desirability of doing so, so far as reasonably practicable, to further the other principal purposes for which those powers may be exercised (relating to promoting economic development and wealth creation, and improvement of the environment in Greater London); and to achieve a reasonable balance between furthering each of the GLA's statutory purposes.
- 6.8. The power conferred by section 30 is exercisable only after consultation with such bodies or persons as the GLA may consider appropriate in the circumstances of this particular case, including: any London borough council; the Common Council; voluntary bodies (some or all of whose activities benefit the whole or part of Greater London); bodies that represent the interests of different racial, ethnic or national groups in Greater London; and bodies that represent the interests of different religious groups or the interests of those carrying on business in Greater London. As noted above, BUA has been consulted as the proposed recipient of the donation, having been identified in March 2024 as the most suitable preferred partner for the scrappage scheme (following separate engagement with the Mayor of Kyiv, the Ukrainian Embassy, volunteer groups and central government).

7. Planned delivery approach and next steps

- 7.1. If approved, TfL will undertake the necessary operational processes to close the scrappage scheme to new applicants at 23.59 on 7 September 2024. All applications received by this will be processed in accordance with the scheme rules.
- 7.2. Once applications have been fully processed, TfL will confirm the final amount spent on scrappage applications. This could take up to six months from the closure of the scheme, due to the time successful applicants have to scrap, retrofit or donate their vehicle.
- 7.3. TfL will also prepare an evaluation report of the scrappage scheme and third-party support offers to review their impact on removing polluting vehicles, helping to reduce emissions, and encouraging mode shift.
- 7.4. TfL will also write to registered recipients of the not-for-profit community transport grace period to inform them of the new end date of their grace period.

- 7.5. GLA officers will work with BUA to agree the terms of the donation; and transfer the money to BUA following the closure of the scrappage scheme.

Appendices and supporting papers:

Appendix A – Greater London Low Emission Zone Charging (Exceptional Variation) Order 2024

Appendix B – Greater London Low Emission Zone Charging (Exceptional Variation) Order 2024 Instrument of Confirmation

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Taryn Ferguson has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Niran Mothada has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Seb Dance has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 27 August 2024.

✓

INTERIM CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Anna Casbolt

Date:

29/08/2024

PP Anna Casbolt on behalf of Enver Enver

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature:

D. Bellamy

Date:

28/08/2024