

APPENDIX 1

Delegation & Direction Document

London Vehicle Scrappage Scheme

Background

The Ultra Low Emission Zone (ULEZ) will start in central London on 8 April 2019. This is the largest, earliest and most comprehensive of all Clean Air Zones to be implemented in the UK and its success at removing the most polluting vehicles from London's roads is vital to protecting public health and achieving legal limits for air quality. The ULEZ is based on the Euro emission standards and sets Euro 6/VI as the compliant standard for diesel vehicles and Euro 4 as the compliant standard for petrol vehicles.

Unless additional action is taken the comparatively low uptake of cleaner Euro 6/VI diesel light goods vehicles (LGVs, in particular vans and minibuses) will impact the benefits of the ULEZ. This is believed to be because Euro 6 vans have only been available on the market since autumn 2016, which means there is currently a less developed market for more affordable second-hand vehicles. Uptake of newer cleaner vehicles has also been impacted by wider economic uncertainty for businesses caused by Brexit and other factors.

It is likely that without further financial support, a lower proportion of LGVs will be compliant with the ULEZ standards compared to other vehicle types; current projections show that 46% of vans driven in the ULEZ will be compliant over the next year. A high proportion of non-compliant LGVs would have a particular negative economic impact on small and medium enterprises operating in London. This is despite the ULEZ accounting for this economic impact by setting the daily charge for LGVs at the lower rate of £12.50 (the same as for non-compliant passenger cars and motorbikes) rather than £100 (the rate for non-compliant buses, coaches and lorries). In recognition of this potential economic impact, I have decided to implement a pilot vehicle scrappage scheme.

The London Vehicle Scrappage Scheme ("the Scheme") will be targeted at microbusinesses and third sector organisations based in London or extensively operating in central London (to be defined as part of the Scheme's eligibility criteria). The objective of the Scheme is to incentivise these organisations to scrap older, more polluting vans and minibuses much sooner than planned, including by supporting a switch to cleaner Euro 6 and electric vehicles. This will help to ensure the effectiveness of the ULEZ and the air quality improvements and health benefits it will deliver.

A: Mayoral Delegation

In accordance with section 38 of the Greater London Authority Act 1999 ("GLA Act", as amended) I hereby authorise TfL to exercise the functions of the Greater London Authority under sections 30(1) and 34(1) of that Act to establish and administer the Scheme with the objective of:

1. removing from operation in London those vans or minibuses that do not comply with relevant Ultra Low Emission Zone ("ULEZ") Standards for vans or minibuses;
2. encouraging or facilitating the use of vans or minibuses compliant with ULEZ Standards, including supporting pure electric vehicles, lease/ hire schemes and charging infrastructure.

To do anything it considers necessary or expedient for those purposes including (without limitation):

- the establishment of the Scheme including determining its design and scope, including eligibility requirements, payments amounts, use of payments and related grant agreement terms and conditions;
- the making of payments (including to vehicle manufacturers and vehicle leasing organisations) to remove such non-compliant vans or minibuses operating in Greater London;
- the making of payments to encourage the operation of compliant ones in that area;

- the making of payments to operators based outside Greater London that operate sufficiently within the ULEZ area;
- to enter into agreements with the recipients of such payments subject to terms and conditions about the use of the payment and their vehicles;
- to support lease, hire purchase and vehicle hire schemes that encourage their use;
- to support the provision of charging infrastructure.

Conditions

- The powers conferred by this Delegation are supplemental and without prejudice to any power or functions TfL otherwise has at common law or under any relevant legislation.
- The major features of the Scheme (including scope, eligibility, payment levels and terms) shall be approved by TfL after consultation with the GLA.
- The activities carried out by or on behalf of TfL in implementing the delegation will be the subject of regular reports and advice to me on progress and development;
- In implementing this delegation TfL will comply with any instructions or guidance issued by me or any officer I nominate;
- Unless otherwise authorised by me, no costs incurred in the implementation of this Delegation shall be borne by the GLA; and
- TfL shall at all times afford the member of staff designated from time to time as the GLA's Monitoring Officer all reasonable co-operation and access to documents and facilities as may be required from time to time in respect of that person's duties as Monitoring Officer under section 5(2) of the Local Government and Housing Act 1989 (as substituted by section 73(6) of the GLA Act).

B: Mayoral Direction

In accordance with s 155(1)(c) of the GLA Act I hereby direct Transport for London to prepare, finance and implement the Scheme.

Signed: 
Mayor of London

Dated: 15/2/19