

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2305

### Title: Changes to the Londonwide Low Emission Zone in 2020 and expansion of the ULEZ from Central London to Inner London in 2021

#### Executive Summary:

TfL undertook a fourth public and stakeholder consultation (Stage 3b) between 30 November 2017 and 28 February 2018 on proposals by the Mayor to address London's continued poor air quality through changes to the Low Emission Zone (LEZ) and Ultra Low Emission Zone (ULEZ). The consultation presented two substantive proposals:

(1) The introduction of a Londonwide Euro VI requirement (matching the ULEZ standard) for "heavy vehicles" from 26 October 2020 by making changes to the current Londonwide LEZ, in addition to maintaining current LEZ charges for vehicles not meeting Euro IV or V.

(2) The extension of the area of the ULEZ from central London to Inner London (up to the North and South Circular Roads) for "light vehicles" from 25 October 2021.

In combination with the already confirmed start of the ULEZ in central London in 2019, this will mean that ULEZ standards would apply to all light and heavy vehicles within central London from 8 April 2019 and then within Inner London from 25 October 2021, and all heavy vehicles Londonwide from 26 October 2020. The Stage 3b consultation also included various related proposals as outlined in the MD. TfL has analysed the consultation responses and has presented them in a Report for the Mayor's consideration (Appendix B). TfL has now made a Variation Order to make the necessary legal changes to the LEZ and ULEZ schemes, which it consulted on in draft. Its recommendation is that the Variation Order is confirmed with the modifications detailed in Section 4 of this MD and Appendix D. This MD asks the Mayor to decide whether or not to proceed with the consultation proposals and confirm the Variation Order (with or without modifications).

#### Decision:

The Mayor, having considered:

- 1) the responses to the Stage 3b consultation proposals, including the Integrated Impact Assessment prepared in relation to the consultation proposals (contained within Appendix C); the Variation Order; TfL's Report to the Mayor on the consultation, contained at Appendix B, which includes TfL's consideration of the responses made, and recommended modifications to the Variation Order; and responses (if any) that were received after TfL completed its report, and which have been provided to the Mayor; and
- 2) the content of, and advice given in, this Form in particular, regarding the various matters for decision, including whether further information is required before making a decision and whether further consultation, or the holding of any inquiry, public or otherwise, is necessary or appropriate before making a decision; and being satisfied regarding these and other relevant matters;

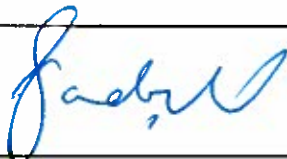
CONFIRMS the Greater London Low Emission Zone Charging (Variation and Transitional Provisions) Order 2018 with the modifications recommended by TfL in response to the consultation.

***[Note: the Mayor is requested to sign and date the Instrument of Confirmation at Appendix D]***

#### 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:

6/6/18

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

### Decision required – supporting report

#### 1. Introduction and background

##### Introduction

1.1 London continues to suffer from poor air quality and in some areas to exceed legal limits on concentrations of Nitrogen Dioxide (NO<sub>2</sub>). Londoners living in every area of London are exposed to levels of PM2.5 that exceed World Health Organisation (WHO) limits. This Decision Form concerns the third stage (Stage 3b) of consultation that took place between 30 November 2017 and 28 February 2018 on proposals for further interventions to help address the situation, and tackle London's poor air quality.

1.2 The Stage 3b consultation concerned the Mayor's proposals for the following measures, together with related matters as mentioned later in this Form ("the consultation proposals"):

- The introduction of a London-wide Euro VI requirement (matching the current approved ULEZ standard) for heavy<sup>1</sup> vehicles (HGVs, buses, coaches and other specialist vehicles) from 26 October 2020 by making changes to the currently operated London-wide LEZ.
- The geographical expansion of the area of the ULEZ from central London (due to start 8 April 2019) to Inner London (up to the North and South Circular Roads) for light vehicles (cars, vans, minibuses, motorcycles and other light vehicles) from 25 October 2021.

1.3 In combination with the earlier April 2019 start of the ULEZ in Central London, this will result in all vehicles (light and heavy) being covered by relevant ULEZ standards in Central London from 8 April 2019 and then in Inner London from 25 October 2021; and all heavy vehicles will be subject to ULEZ standards London-wide from 26 October 2020.

1.4 As detailed in section 4 of this Form below officers recommend modifications to the Stage 3b consultation proposals which, if accepted by the Mayor, will be reflected in the confirmation of TfL's Variation Order (see further below) which is presented for confirmation.

1.5 A Supporting Information Document ("SID", included as part of **Appendix C**) was published by TfL on 30 November 2017. It contained detailed information on the above proposals which also involved various supplementary proposals for changes to various aspects of the current LEZ and ULEZ schemes (e.g. the end date of the current Congestion Charging Zone residents' discount).

- The consultation documents included an Integrated Impact Assessment (IIA) of the likely significant impacts if the above consultation proposals were to be implemented (a summary of this can be found in Appendix B, section 8.4 of the SID).
- The SID also included a draft of the Greater London Low Emission Zone Charging (Variation and Transitional Provisions) Order 2018 ("the Variation Order") for implementing the Stage 3b consultation proposals by making the necessary changes to the current LEZ and ULEZ scheme order. The opportunity was taken to amalgamate the LEZ (heavy vehicles London-wide) and ULEZ (all vehicles in a smaller area) in the relevant legal charging scheme order<sup>2</sup>. On 21 May 2018 TfL made and executed the Variation Order<sup>3</sup> (at **Appendix A**) which is presented to the Mayor to decide whether or not to confirm it, with or without modifications in accordance with Schedule 23 of the Greater London Authority Act 1999 ("the GLA Act", as amended).

<sup>1</sup> In this form "light" and "heavy" vehicles refer to light-vehicle duty and heavy-vehicle duty vehicles.

<sup>2</sup> The Greater London Low Emission Zone Charging Order 2006 (as amended).

<sup>3</sup> The Greater London Emission Zones Charging Scheme which is contained in the Schedule to the Greater London Low Emission Zone Charging (Variation and Transitional Provisions) Order 2018.

1.6 TfL has analysed the consultation responses, and other public and stakeholder engagement, and prepared a report for the Mayor's consideration ("the Report to the Mayor" / "RTM", attached as part of **Appendix B**).

1.7 The Stage 3b consultation was the latest of a series of consultations on actions to tackle London's continued poor air quality.

- As a result of the **Stage 2 consultation** (10 October – 18 December 2016) the Mayor confirmed the introduction of the £10 "T-Charge" (officially called the Emissions Surcharge) as part of the Congestion Charge to discourage older, more polluting vehicles from travelling into central London at the busiest times.
- The Mayor approved the **Stage 3a consultation** (4 April – 25 June 2017) to bring forward the start of the ULEZ in central London to 8 April 2019 and the amendment of ULEZ vehicle emission standards to include a standard for particulate emissions from diesel vehicles.

The consultation materials (including SID and IIA) for Stage 3b incorporate these developments.

1.8 The purpose of this Decision Form is to enable the Mayor to decide whether or not to proceed with the Stage 3b consultation proposals by confirming the Variation Order (with or without modifications). This Form should be read in conjunction with the SID and RTM.

## Background

1.9 The objective of the Mayor's latest consultation proposals is to significantly improve air quality in London, in particular with regard to NO<sub>2</sub> and Particulate Matter (PM), building on previous decisions to take action against vehicle-related emissions of these pollutants. Both pollutants have an adverse effect on human health. At high concentrations, NO<sub>2</sub> causes inflammation of the airways. Long-term exposure is associated with an increase in symptoms of bronchitis in asthmatic children and reduced lung function growth. Long term exposure to PM contributes to the risk of developing cardiovascular and respiratory diseases, as well as of lung cancer. Research shows that particles with a diameter of ten microns and smaller (PM<sub>10</sub>) are likely to be inhaled deep into the respiratory tract. The health impacts of particles with a diameter of two-and-a-half microns and smaller (PM<sub>2.5</sub>) are especially significant, as smaller particles can penetrate even deeper. Significant improvements have been made over recent years so that London is now broadly compliant with legal limit values for PM, however, ongoing reductions are needed (especially for PM<sub>2.5</sub>) to further protect (or improve) human health, and all of London currently exceeds WHO recommended limits for PM<sub>2.5</sub>. It is estimated that road transport will be responsible for 42 per cent of NO<sub>x</sub>, which forms additional NO<sub>2</sub> (see below), 50 per cent of PM<sub>10</sub> emissions and 56 per cent of PM<sub>2.5</sub> emissions in London in 2020 if no further intervention is made.

1.10 The extent of the negative effects of air pollution on health depends on an individual's level of exposure and other conditions they may be vulnerable to or suffering from. Knowledge in this area is continually increasing as research progresses. As the SID sets out, air pollution is one of the most significant challenges facing the Capital, with the equivalent of over 9,000 early deaths per year (in 2010) attributed to long-term exposure to air pollution. It is estimated that a baby born in London in 2010, who was exposed to 2010 air quality levels for its entire life, would see its life expectancy reduced by 2.2 years (if male) and two years (if female). In addition to the long-term impacts, NO<sub>2</sub> is proven to have a dramatic effect on the development and function of the lungs in the young. A six-year study found that children living in highly polluted parts of London have up to 10 per cent less lung capacity than normal.<sup>4</sup> Air pollution also causes birth defects. A 2013 study in California showed that, for women with the highest NO<sub>2</sub> exposure, the risk of having a pregnancy affected by an anencephaly (where babies are born missing part of the brain and skull), was nearly three times

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<sup>4</sup> [sro.sussex.ac.uk/56496/](http://sro.sussex.ac.uk/56496/)

greater than for women with the lowest exposure.<sup>5</sup> Further information about their health impacts is contained at Chapter 1 of the Supporting Information Document.

- 1.11 London is now considered compliant for all but one air pollutant for which legal limit values are set: NO<sub>2</sub>. The vehicle exhaust emission that gives rise to NO<sub>2</sub> is NO<sub>x</sub>, which is made up of both Nitrogen Oxide (NO) and NO<sub>2</sub>. NO<sub>x</sub> forms additional NO<sub>2</sub> by reacting with Ozone (O<sub>3</sub>) in the atmosphere. Emissions from road transport are a major contributor to poor air quality in London. In 2013, they accounted for 51 per cent of all NO<sub>x</sub> sources in London<sup>6</sup>. All vehicles contribute to poor air quality, but the magnitude of this contribution varies by vehicle type, the fuel used and the mileage travelled. Another consideration is the number of vehicles in use. For example, cars emit less per vehicle than heavy goods vehicles, but are much more numerous. Diesel cars, TfL buses and taxis are significant contributors to NO<sub>x</sub> emissions. This is explained by their high mileage in central London and their use of diesel engines, which have higher NO<sub>x</sub> emissions than petrol equivalents.
- 1.12 Analysis carried out on behalf of the GLA and published in 2016<sup>7</sup> shows the health effects of air pollution are seen disproportionately in the most vulnerable and deprived communities. Among the top 10 per cent of London's most deprived areas, half have NO<sub>2</sub> levels exceeding legal limit values. For the 10 per cent least deprived areas, only one per cent experience illegal NO<sub>2</sub> concentrations. In October 2017 new analysis was published indicating that every single Londoner lives in areas exceeding World Health Organization (WHO) guidelines for PM<sub>2.5</sub> concentrations and that roughly 95 per cent of Londoners live in areas exceeding this limit by 50 per cent<sup>8</sup>. Therefore, although the Mayor has a duty to help achieve the legal limit values for air pollutants in Greater London, poor air quality should be tackled not simply for environmental reasons, but also for its public health benefits, and as a social justice issue for vulnerable people, particularly given the high number of schools, hospitals and care homes in areas most affected by air pollution.

### Legal pollutant limits and London's air quality

- 1.13 The Air Quality Standards Regulations 2010 set legal limits (called 'limit values') for concentrations of pollutants in outdoor air. These limits are based on European Union (EU) directives<sup>9</sup>, and will remain in force regardless of the UK leaving the EU as they also exist in UK regulations (unless later amended or repealed). London is the Greater London Urban Zone for the purposes of the Directives and the 2010 Regulations. Recent High Court rulings<sup>10</sup> have confirmed there is a three-fold obligation under EU and domestic law: to achieve limit value compliance by the soonest date possible, to choose a route which reduces exposure as quickly as possible, and to ensure compliance is not just possible but likely.
- 1.14 Table 1 in the SID summarises the limit values for NO<sub>2</sub> and PM (PM<sub>2.5</sub> and PM<sub>10</sub>) and whether compliance has been achieved in London. The Department for Environment, Food and Rural Affairs (Defra) has reported PM compliance limits for 2015 across England and Wales, with most 'non-reportable' sites<sup>11</sup> in London falling below the limit values. However, there are no safe limits for PM<sub>2.5</sub> which is more damaging to health than PM<sub>10</sub>. Health evidence suggests that further emissions reductions, will bring about improvements in health for Londoners. Without further action, there is the prospect of PM<sub>2.5</sub> emissions increasing if traffic levels rise. Crucially, large sections of the Capital continue to exceed both the annual mean and hourly limit values for NO<sub>2</sub> and this is likely to continue beyond 2020 without further intervention. Therefore, more action needs to be taken.

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<sup>5</sup> [med.stanford.edu/news/all-news/2013/03/air-pollutants-linked-to-higher-risk-of-birth-defects-researchers-find.html](https://med.stanford.edu/news/all-news/2013/03/air-pollutants-linked-to-higher-risk-of-birth-defects-researchers-find.html)

<sup>6</sup> London Atmospheric Emissions Inventory (LAEI) 2013

<sup>7</sup> [www.london.gov.uk/WHAT-WE-DO/environment/environment-publications/analysing-air-pollution-exposure-london](http://www.london.gov.uk/WHAT-WE-DO/environment/environment-publications/analysing-air-pollution-exposure-london)

<sup>8</sup> <https://data.london.gov.uk/dataset/pm2-5-map-and-exposure-data>

<sup>9</sup> Ambient Air Quality Directive (2008/50/EC) and Directive 2004/107/EC

<sup>10</sup> R on application of Clientearth No.2 and No. 3 v Secretary of State for the Environment Food and Rural Affairs.

<sup>11</sup> 'Non-reportable sites' are air quality monitoring sites that are not part of the official monitoring used to determine compliance with legal limits values for air pollution

- 1.15 London is now broadly compliant with legal limits for PM. However, further reductions are needed (especially to PM<sub>2.5</sub> levels) to protect human health. Annual average PM<sub>10</sub> concentrations are considered within the legal limits, however modelling (Figure 9 in the SID) still predicts some hotspot locations where the daily average value for PM<sub>10</sub> is exceeded (for example kerbside at some junctions in central London, or within the road space itself). Annual mean concentrations of PM<sub>2.5</sub> are also well within the legal limit value of 25ug/m<sup>3</sup> but well above the WHO limit of 10ug/m<sup>3</sup>. Although compliance has officially been achieved, by reducing PM concentrations even more, the health benefits will be even greater.
- 1.16 In contrast, annual average NO<sub>2</sub> concentrations still exceed the legal limit across much of inner London, as well as in the vicinity of Heathrow and near major roads in outer London see (Figure 8 in the SID). Meeting the NO<sub>2</sub> limit value poses a huge challenge for many cities in the UK and across Europe. One of the key reasons why ambient levels of NO<sub>2</sub> remain higher than had been previously expected is driving conditions in urban areas, and concerns over the under-performance of the more recent Euro emissions standard, particularly for some diesel vehicles.
- 1.17 The capital's air quality is expected to improve by 2020, although further and more urgent action is required (see Figure 8 in the SID). Emissions from all sources are projected to decrease thanks to technological advances in vehicle design, as well as policies and legislation already in place to reduce emissions across London, the UK and Europe. Specifically, the roll-out of a new Euro emission standard for vehicles (e.g. Euro 6/VI) is anticipated to be more successful at reducing pollutants in urban driving conditions, because on-road verification will eventually form part of the test to ensure these vehicles have reduced emissions under real world driving conditions. Testing as part of the previous Euro standards for light duty vehicles has been shown to result in higher than expected emissions in the real world because vehicles have been optimised to meet emissions limits under the laboratory-based testing conditions, but not in real world driving. For some vehicles, namely certain Volkswagen models, it has become apparent that "defeat device" software has been installed to deliberately influence the test results. Evidence indicates that there are significant on-road reductions in NO<sub>x</sub> in heavy-vehicle duty Euro VI engines, which are already subject to on-road verification as part of the test procedure. Evidence of the performance of Euro 6 light-duty engines is also showing some reductions in NO<sub>x</sub> when compared to Euro 5 equivalents. The introduction of real world testing (the "RDE cycle") is anticipated to lead to further reductions in NO<sub>x</sub> from new Euro 6 vehicles. Although it is expected that PM emissions will remain within legal limits, levels of NO<sub>2</sub> will continue to exceed these limits in some areas, even with all components of the ULEZ in place.
- 1.18 Further PM<sub>10</sub> and PM<sub>2.5</sub> reductions by 2020 will mean that annual average concentrations should remain below the legal limits. However, there is a strong case to continue cutting PM concentrations to ensure health benefits, and a compelling need to accelerate the pace of change to achieve this even sooner. The proportion of the capital where annual average NO<sub>2</sub> concentrations exceed the legal limit is also expected to decrease by 2020, in part due to the introduction of the currently agreed ULEZ in that year. However, as mentioned, modelling indicates that if nothing further is done NO<sub>2</sub> concentrations will continue to exceed the limit value, as indicated above.
- 1.19 The Stage 3b consultation proposals are key measures in the Government's plans to tackle the UK's continued NO<sub>2</sub> limit value infraction. The Government published a revised Air Quality Plan for NO<sub>2</sub> in July 2017 ("2017 AQP") to reduce roadside NO<sub>2</sub> concentrations. This replaced the one originally published in 2015 which had been the subject of a number of legal challenges<sup>12</sup>. The measures included in that Plan bring forward the projected date of compliance with NO<sub>2</sub> limit values to 2025 (from after 2030) in the Capital and to 2020 in the rest of the UK. The 2017 AQP includes a framework for Clean Air Zones (CAZs)<sup>13</sup> to be implemented in several UK cities. As regards London, the Plan includes the introduction of the T-Charge in the area of the Congestion Charging Zone (CCZ)

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<sup>12</sup> The 2017 AQP was subsequently found to be unlawful by the courts in relation to areas outside London that exceed NO<sub>2</sub> limit values. The Government has been ordered to consult on and implement a supplement to address these deficiencies by October 2018.

<sup>13</sup> The ULEZ is the broad equivalent of a Class D CAZ as it excludes taxis which they include.

and (subject to consultation) the launching of the ULEZ in central London in April 2019, and its extension London-wide for heavy vehicles (HGVs, buses and coaches) and to Inner London (up to the North and South Circular roads) for all vehicles<sup>14</sup>.

- 1.20 Irrespective of the 2017 AQP's timescales, the Mayor does not believe it is appropriate to wait until 2025 for London to reach NO<sub>2</sub> limit value compliance and action should be taken to bring the date of compliance forward substantially. Strong measures in the capital, including those set out in the Stage 3b consultation proposals, and decisive action at national Government level, are needed to secure compliance in the shortest time possible by the most effective means, and to further reduce exposure even in areas that are currently compliant, so as to realise the health benefits associated with reduced exposure. The Government has recently published a new draft Air Quality Strategy and made a commitment to introduce air quality legislation to, amongst other things, confer greater legal powers on regional and local authorities to address non-transport sources of pollution such as wood-burning and construction.

### **Congestion Charge: "T-Charge" (Emissions Surcharge)**

- 1.21 As a result of the Stage 2 consultation the T-Charge was introduced on 23 October 2017 and requires vehicles to meet a Euro 4/IV standard or pay a daily £10 surcharge to the Congestion Charge (£11.50 per day) which operates between 07:00 and 18:00, Monday to Friday. The T-Charge was introduced as a precursor to the ULEZ and to take immediate action to discourage older, more polluting vehicles from travelling into central London at the busiest times. Payment of the T-Charge will be superseded for non-CCZ/ ULEZ residents by the ULEZ charges which will set a stricter emissions standard for diesel vehicles, apply at all times and have significantly fewer discounts and exemptions.
- 1.22 Residents of the ULEZ who have registered for the Congestion Charge residents' 90% discount and have a vehicle that does not meet the T-charge standards will continue to pay the 90% discounted T-Charge until 10 April 2022. This is when, under the currently confirmed central London ULEZ Scheme, their separate 100% ULEZ residents' discount (the 'sunset period') ends. However, one of the Stage 3b consultation proposals is to bring forward the end date of that discount to 24 October 2021, which is the day before the Zone expands to include Inner London.

### **Introduction of ULEZ in central London in 2019**

- 1.23 The ULEZ scheme in central London was originally confirmed in March 2015 to become operational in central London, in the same area as the CCZ, on 7 September 2020. Following the Stage 3a public and stakeholder consultation the Mayor confirmed in November 2017 that the ULEZ will start operation in the same central London area on 8 April 2019, some 17 months earlier<sup>15</sup>. This was in recognition of the need to take urgent action because of the seriousness of London's continuing air quality problems and the contribution of vehicle emissions to NO<sub>2</sub> and PM levels. It also brought projected emissions and health impacts forward by 17 months. April 2019 was chosen as it is the earliest date TfL will be operationally ready to introduce the ULEZ in central London. The Stage 3a consultation also involved a change to the ULEZ emission standard to include a standard for PM emissions from diesel vehicles<sup>16</sup>.

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<sup>14</sup> UK Plan for tackling roadside nitrogen dioxide concentrations – Detailed Plan: see para 139b, page 43 at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/633270/air-quality-plan-detail.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/633270/air-quality-plan-detail.pdf). The Government has also subsequently committed to publish a Clean Air Strategy for public consultation in 2018 that seek to tackle pollution from all sources, not just transport.

<sup>15</sup> See Stage 3a consultation proposals at <https://consultations.tfl.gov.uk/environment/air-quality-consultation-phase-3a/>

<sup>16</sup> The consultation proposed an additional Euro 6/VI Particulate Matter standard for diesels, when previously diesel vehicles only needed to meet a Euro 6/VI NO<sub>x</sub> standard

## Confirmed ULEZ scheme (starting 8 April 2019 in Central London)

- 1.24 As it is currently approved, the ULEZ scheme will apply 24 hours a day, every day of the year, including weekends and public holidays from 8 April 2019. It will require all vehicles<sup>17</sup> driving in the same area of London as the CCZ to meet defined exhaust emissions standards (ULEZ standards) or pay a daily non-compliance charge (ULEZ charges).
- 1.25 Various discounts and exemptions have been approved, as set out in the box below (an asterisk indicates where a change was proposed in the Stage 3b consultation). A “sunset period” refers to a time-limited period within which a discount or exemption applies.

### The original central London ULEZ scheme as confirmed in 2015 (now starting 8 April 2019)

Specialist off-road vehicles, e.g. tractors and mobile cranes	Exempt	Ongoing
*Vehicles with a historic tax class (40 years and older)	Exempt	Ongoing
Taxis	Exempt	Ongoing
Ministry of Defence and Visiting Forces vehicles	Exempt	Ongoing
Specially constructed or modified Showmans’ vehicles	100% discount	Ongoing
Disabled tax class vehicle or Disabled Passenger tax class vehicle	100% discount	3 year sunset period
*Residents living in the Congestion Charging zone or in a designated area next to the zone	100% discount	3 year sunset period

- 1.26 The daily ULEZ charge is £12.50 per day for light vehicles (cars, motorcycles, vans and mini-buses) and is £100 per day for heavy vehicles (including HGVs, buses and coaches). The daily ULEZ charge is payable in addition to any applicable Congestion Charge<sup>18</sup> or Londonwide Low Emission Zone (LEZ) charges (heavy vehicles, vans and minibuses with exceptions) that may also be payable. If a vehicle does not comply with the ULEZ standards and the daily ULEZ charge is not paid, a Penalty Charge Notice (PCN) will be issued. This penalty is payable by the vehicle’s registered keeper or operator. For motorcycles, cars, vans and minibuses it is £130 (reduced to £65 if paid within 14 days) and for HGVs, coaches and buses it is £1,000 (reduced to £500 if paid within 14 days).

## 2 Summary of proposals

- 2.1 This section provides a summary of the Stage 3b consultation proposals, which are described in more detail in the SID.
- 2.2 The Capital’s air quality is expected to improve, although further and more urgent action is required. Emissions from all sources are projected to decrease thanks to technological advances in vehicle design, as well as because of policies and legislation already in place to reduce emissions across London, the UK and Europe. This includes the roll-out of a new emissions standard for Euro 6 diesel cars and vans which is anticipated to be more successful at reducing pollutants in urban driving conditions than previous Euro standards, and a forthcoming requirement for all vehicles to meet real world driving emissions tests (see above). However, although it is expected that PM emissions will remain within legal limits, levels of NO<sub>2</sub> will continue to exceed the legal limits in some areas, even with the ULEZ in place in central London.

<sup>17</sup> London taxis are outside the scope of the ULEZ scheme as their emissions are controlled by vehicle licensing requirements administered by TfL.

<sup>18</sup> The Congestion Charge covers all vehicles except taxis, PHVs and motorcycles and operates weekdays 07:00 to 18:00 hours.

2.3 Further PM<sub>10</sub> and PM<sub>2.5</sub> reductions by 2021 will mean that annual average concentrations should remain below the legal limits. However, there is a strong case to continue cutting PM concentrations to ensure health benefits, and a compelling need to accelerate the pace of change to achieve this even sooner in order to move towards meeting the WHO recommended guidelines.

2.4 The proportion of the capital where annual average NO<sub>2</sub> concentrations exceed the legal limit is also expected to decrease by 2021, in part due to the start of the ULEZ in central London. However, modelling indicates that, if nothing further is done, concentrations will continue to exceed the limit value in central and inner London, in the vicinity of Heathrow Airport and near construction sites and major roads in outer London.

2.5 Whilst air quality remains a problem Londonwide, there are areas of the capital where the problem is more pronounced than others. Despite significant measures to improve air quality, such as the T-Charge, the cleaning of the bus fleet and the earlier implementation of the ULEZ, air quality will remain a significant Londonwide challenge and further action is needed.

2.6 What is also clear is that even stronger action is required in inner London where the air quality problem will remain more severe, with nearly 150,000 people projected to be living in areas exceeding legal limits.

### **I: Introduction of Euro VI ULEZ emissions standard for heavy vehicles London-wide under the LEZ from 26 October 2020**

2.7 The background and reasons for this proposal are set out in detail in sections 5.2 and 5.3 of the SID (pages 39 to 46). Table 11 on page 43 sets out the definition of vehicle types defined as “heavy” for these purposes.

#### Expansion of Euro VI standard for heavy vehicles London-wide under LEZ

2.8 It is proposed that from 26 October 2020 all buses (including TfL buses), coaches, HGVs and other specialist heavy vehicles will need to meet a Euro VI standard for NO<sub>x</sub> and PM or pay a daily charge (see below). This requirement will apply throughout Greater London in the same area as that of the London Low Emission Zone (LEZ). In combination with the ULEZ which, which will have started in 2019, all light and heavy vehicles driven in Central London from 26 October 2020 will be covered by relevant ULEZ Standards.

#### Daily charge levels for non-compliant heavy vehicles

2.9 The daily charges were calculated when the ULEZ was originally approved in 2015 on the basis that the levels indicated would be likely to bring about the change in behaviour necessary to result in reduced vehicle use and the emissions reductions forecast by the Scheme. They are still considered appropriate. It was agreed in 2015 that any heavy vehicle not meeting a Euro IV PM standard when driving in the central London ULEZ from 8 April 2019 would incur both a LEZ charge (set at £200 in 2007 following consultation) and a ULEZ charge (£100), therefore totalling £300. It is proposed that this is maintained with the following daily charges from 26 October 2020:

- £300 for heavy vehicles whose PM emissions are higher than Euro IV PM standards. (This rate includes the additional £100 for not meeting the Euro VI standard London-wide.)
- £100 for heavy vehicles that do not meet Euro VI NO<sub>x</sub> and/ or PM standards but which do meet Euro IV PM Standards.

2.10 The purpose of differentiating between vehicles that do and do not meet Euro IV PM standards is to discourage vehicles that fail to meet both Euro IV PM and Euro VI NO<sub>x</sub> and to maintain the current cumulated penalty charge of £300.



## Penalty charge levels for heavy vehicles

2.11 If a vehicle does not meet the LEZ emissions standards and the daily charge is not paid then a penalty charge notice (PCN) will be issued. The penalty charge must be paid by the registered keeper or operator of the vehicle, in addition to any Congestion Charge or penalties received. For the same reasons it is proposed that the penalty charges from 26 October 2020 are as follows:

- £2000 (reduced to £1000 if paid within 14 days) for heavy vehicles whose PM emissions are higher than Euro IV PM standards.
- £1000 (reduced to £500 if paid within 14 days) for heavy vehicles that do not meet Euro VI NOx and/ or PM standards but which do meet Euro IV PM standards.

## Discounts and exemptions for heavy vehicles

2.12 It was proposed that the existing exemptions and discounts for heavy vehicles under ULEZ apply from 26 October 2020. These are set out in detail at pages 45 and 46 of the SID and cover:

- Specialist vehicles designed and built mainly for off-road use.
- Vehicles with a historic tax class or “vintage” ones registered before 1 January 1973 (see further paragraph 2.23 below).
- Military vehicles operated by the Ministry of Defence or Visiting Forces.
- Showman’s vehicles.
- Heavy duty emergency services vehicles – see paragraphs 2.18 and 2.19 below for special arrangements covering the Emergency Services.

## TfL bus fleet

2.13 Section 5.3 of the SID sets out the contributions to NOx levels made by the TfL bus fleet. From 8 April 2019 when the ULEZ starts operation in central London (the ULEZ/ CCZ area) all TfL buses operating in that area will be hybrid-electric vehicles and all single-deck buses will meet the Euro 6 standard. From 2020, all single-deck buses will emit no harmful gases from their exhausts as they will be either full-electric or hydrogen models. Further improvements to the TfL bus fleet are set out on pages 45-46 of the SID.

2.14 It is proposed that TfL buses are treated the same as other operators’ buses, including tour buses. They will have to meet Euro VI emission standards for NOx and PM or pay the same daily charges and penalty charges set out above. The same discounts and exemptions will also apply.

## **II: Expansion of the ULEZ’s area from Central London to Inner London from 25 October 2021**

### Vehicle emission standards and non-compliance charges

2.15 These proposals and the basis for them are explained in detail in Sections 5.4 to 5.9 of the SID. In summary, from 25 October 2021 the following ULEZ emission standards and daily non-compliance charges will apply to vehicles driven in the area bounded by the inner boundary of the North and South Circular roads (including central London). The daily charges were calculated on the basis that the levels indicated would be likely to bring about the change in behaviour necessary to result in reduced vehicle use and the emissions reductions forecast by the Scheme. They are still considered appropriate for the proposed expansion.

- *Motorbikes, mopeds, scooters and similar vehicles:* will need to meet the Euro 3 standard or pay a £12.50 daily charge.

- *Cars and small (car-derived) vans*: will need to meet the Euro 4 standard if petrol or a Euro 6 standard if diesel or pay a £12.50 daily charge.
- *Larger vans, minibuses and similar vehicles*: will have to meet a Euro 6 standard if diesel or pay a £12.50 daily charge. This is in addition to any applicable £100 daily LEZ charge if the vehicle also fails to meet the Euro 3 PM standard, totalling £112.50.
- *Private Hire Vehicles (PHVs)*: will need to meet a Euro 4 standard if petrol or a Euro 6 standard if diesel or pay a £12.50 daily charge. They are also subject to the licensing requirements summarised at section 5.8 of the SID and a 10 year age limit to operate as a PHV.

2.16 In combination with above proposal to require all buses (including TfL buses), coaches, HGVs and other specialist heavy vehicles to meet a Euro VI standard for NOx and PM Londonwide from 26 October 2020, it will mean that for central London from 8 April 2019, and then for Inner London from 25 October 2021, all vehicles (light and heavy) will be subject to relevant ULEZ standards and charges.

2.17 Taxis not covered by the ULEZ or LEZ but are instead covered by TfL licensing requirements that require newly licensed vehicles to be Zero-Emission Capable (ZEC) from 1 January 2018 and a 15 year age limit. Section 5.7 of the SID provides further details of measures designed to support licensed taxi drivers and operators move to cleaner vehicles.

#### Inner London expansion in October 2021 and boundary proposal

2.18 The consultation proposed expanding the geographical area of the ULEZ from central London from 8 April 2019, where it is contiguous with the boundary of the CCZ, to Inner London which is defined as the area up to, but not including, the North-South Circular Roads (A205 and A406). It is proposed that this expansion takes place from 25 October 2021. Section 5.9 of the SID provides an explanation of why the North-South Circular is considered the appropriate boundary line, the design principles used and alternative boundaries that were considered. (Light vehicles driven on the North-South Circular itself and to the Greater London (LEZ) boundary will not be subject to ULEZ standards and charges. Heavy vehicles are already subject to Londonwide LEZ emissions standards and from 26 October 2020 will be subject to a Euro VI standard for NOx and PM.)

#### *Discounts and exemptions*

##### Expanded zone residents

2.19 Owing to the need to take urgent action to reduce air pollution, the consultation proposed that residents of the expanded zone (i.e. between the boundaries of the CCZ and the North-South Circular roads) should not be granted any discount, exemption or sunset period for the reasons set out in Section 5.4 (pages 49 and 50) of the SID. There would, however, be a lengthy compliance period from the confirmation of any variation order and the start of the expanded ULEZ on 25 October 2021.

##### Central London (CCZ) residents' discount

2.20 Under the currently approved ULEZ scheme registered residents of the CCZ (where it will initially start on 8 April 2019) are entitled to a 100% discount for a three year "sunset period" i.e. they will not be subject to any daily ULEZ non-compliance charges if their registered vehicle does not meet the required ULEZ emission standard until 10 April 2022.

2.21 For the reasons mentioned at paragraph 2.20 above the Stage 3b consultation proposed that no residents' discount for those affected by the expansion and that all residents within the expanded Zone, both in Central and Inner London, should be treated uniformly. It was therefore proposed that the current CCZ residents' sunset period should end on the date expansion takes place (25 October 2021), bringing the end date of the sunset period forward by roughly 6 months. Therefore, from 25 October 2021 all residents living and driving within the area up to the North-South Circular roads (including those in central London) will be required to meet ULEZ emissions standards or pay the daily charge.

## Disabled and disabled tax class light vehicles

2.22 Registered disabled vehicles and disabled tax class vehicles currently have a sunset period until 10 September 2023 (3 years from the original 2020 start date of the central London ULEZ), after which time they will need to comply with the relevant ULEZ emissions standards or pay a daily charge. The Stage 3b consultation did not propose any change after expansion to Inner London.

### **III: Vehicles with a historic tax class or “vintage” vehicles registered before 1 January 1973**

2.23 The current ULEZ Scheme exempts Historic Tax Class vehicles, but not vehicles registered before 1973, whereas the current LEZ Scheme exempts vehicles registered before 1973, but not historic tax class vehicles. The Stage 3b consultation proposals sought to correct this anomaly so that both historic tax class vehicles and vehicles registered before 1973 that do not qualify for the historic tax class will be exempt from both schemes.

### **IV: Alignment of ULEZ penalty charge for light vehicles with PCN levels for Congestion Charge and other moving traffic offences**

2.24 If a vehicle does not meet the ULEZ emissions standards and the daily charge is not paid, a Penalty Charge Notice (PCN) will be issued. This penalty, which must be paid by the vehicle’s registered keeper or operator, is in addition to any Congestion Charge or LEZ penalties received. The ULEZ PCN for light vehicles is currently set at £130 in line with the PCN for non-payment of the Congestion Charge (CC) and other moving traffic violations on the Transport for London Road Network (TLRN). Changes to the CC and TLRN PCN levels are subject to confirmation by the Mayor and by the Transport Secretary respectively. TfL recently consulted on proposals to increase the CC and TLRN PCN level from £130 to £160. TfL therefore included in the Stage 3b consultation a proposal to increase the ULEZ PCN level for light vehicles, in order to maintain a deterrent effect and to ensure consistency if the decision was made to increase the CC and TLRN PCN. Subsequent to the close of the Stage 3b consultation the Transport Secretary has formally declined to approve any increase in the TLRN PCN level, which remains at £130. The Mayor, however, has confirmed the increase in the CC PCN level from £130 to £160.

### **V: London’s emergency services**

2.25 London’s emergency services (City of London Police, Metropolitan Police Service, British Transport Police, London Fire Brigade and London Ambulance Service) are showing leadership in cleaning up their fleets and are determined to take bold steps towards becoming cleaner and greener, rather than asking for a blanket exemption. Government guidance on the implementation of Clean Air Zones proposes some flexibility and recognises that – unlike for most fleets – it is not always possible to predict when emergency vehicles will be required. Therefore, TfL have worked closely with each service on a specific memorandum of understanding (MoU) that will outline how they intend to comply with the ULEZ, taking into account their unique circumstances.

2.26 Although emergency service vehicles will not be formally exempted from the ULEZ scheme TfL has the legal and administrative powers to suspend or waive road user charges in respect of any non-compliant vehicles where appropriate. Vehicles responding to emergencies or other operationally critical events in areas outside of their usual location will have their ULEZ charges waived. The MoU approach will make clear that emergency service vehicles are those that would only be used in emergency response or similar. The organisations will be asked to supply details of such vehicles so that any not compliant with ULEZ emissions standards are not charged. The MoUs will propose different timescales for achieving compliant fleets tailored as much as possible to each individual emergency services organisation. Therefore it is expected that the arrangements will be time limited akin to the sunset period offered to residents and disabled vehicles.

### **3 Consultation process and summary of responses**

3.1 The primary objective of the consultation process was to understand the views of the public and stakeholders concerning the statutory proposals for changes to the LEZ and ULEZ.

3.2 The first Mayor of London issued statutory guidance to TfL detailing consultation practice, entitled 'Guidance from the Mayor of London on charging schemes pursuant to schedule 23 of the Greater London Authority Act 1999'. This guidance informed the consultation strategy in advance of implementation.

3.3 The consultation commenced on Thursday 30 November 2017 and closed on Wednesday 28 February 2018.

3.4 TfL used a variety of channels to raise awareness of the consultation. These are described in the RTM attached (RTM, **Appendix B**) and summarised below. A marketing campaign was developed to raise awareness of the consultation and encourage those potentially affected to have their say:

- A press release was issued on 30 November 2017 to announce the start of the consultation. The consultation received media coverage from a number of outlets;
- Press adverts were featured in a variety of London media titles including Evening Standard, Metro and City AM. Adverts were also featured in specialist press titles and digital display adverts during the consultation;
- A notice was also published in the London Gazette;
- Social media activity included tweets that were sent from the @TfL Twitter feed throughout the consultation period;
- Detailed information about the scheme, supporting documents and an online questionnaire were available on TfL's consultation portal website at [tfl.gov.uk/airquality-consultation](http://tfl.gov.uk/airquality-consultation) and this was signposted with banners throughout the TfL website; and
- A radio advertisement notifying listeners of the air quality consultation ran for 5 weeks.

#### *Targeted communications to registered Congestion Charge and other TfL customers:*

3.5 On 13 December 2017, TfL sent an email to relevant registered Congestion Charging scheme customers using a customer relationship management system. Around 522,000 customers were emailed.

3.6 GLA and TfL officers engaged with stakeholders both in developing the proposals (prior to consultation) and during the consultation itself. They met with a wide range of stakeholders through private briefings, workshops and third-party events.

3.7 They also held a briefing with the freight industry including manufacturers on 12 January 2018 covering both our proposals for ULEZ and Direct Vision Standards (another consultation which was open at the same time)

3.8 They met with representatives from the coach industry on 18 December 2017 (including LTCOA) to introduce our latest proposals.

3.9 In their responses to the earlier phases of consultation on air quality, a number of boroughs requested variations to and an expansion of the ULEZ boundary. London Councils requested that the Mayor and TfL work with the London boroughs who wished to see ULEZ expanded into their areas.

3.10 Throughout the consultation, officers have engaged with London Councils and boroughs across London and presented the consultation proposals to London Councils' Transport and Environment Committee on 7 December 2017.

3.11 A briefing session was held with representatives from London boroughs both officers and Members to discuss our proposals. Factsheets were prepared and issued to London boroughs which contained information about the proposals specific to that borough. For example, statistics about the numbers of residents that will no longer live in areas of illegal air pollution and the reduction of particulate matter.

3.12 In addition to the stakeholder engagement outlined above, customised letters were sent to all addresses within the North and South Circular Roads and the immediate area outside the proposed boundary (over 2 million addresses in total).

3.13 TfL's online consultation portal ([www.tfl.gov.uk/airquality-consultation](http://www.tfl.gov.uk/airquality-consultation)) hosted all the relevant information relating to the consultation. This included summary information on the proposals, supporting maps, diagrams and charts and details about the proposed ULEZ boundary and impact assessments. The portal also included a link to the following documents which provided more detailed information on the proposals:

- Supporting information document
- Integrated impact assessment
- Draft Variation Order
- Easy view maps of the ULEZ boundary up to the North and South Circular Roads
- Deposited plans showing the proposed ULEZ boundary up to the North and South Circular Roads
- Emissions and Concentrations impact by borough 2020
- Change in Emissions and concentrations in 2021 – LEZ proposals only
- Information about inner and outer London residents

3.14 Respondents were asked to complete and submit an online questionnaire to provide their feedback about the proposals. It included a number of open and closed questions providing the opportunity for respondents to indicate their views about each of the proposals and ideas as well as give additional comments and feedback.

3.15 There were, 37,513 responses received to the consultation from the public and businesses. TfL offered a number of ways for respondents to comment on the consultation:

- Online – through the consultation portal;
- Email – comments emailed directly to TfL; and
- Post – by letter or return of hard copy questionnaire.

3.16 There were an additional 4,169 responses received from four separate campaigns.

- 2,723 from the Healthy Air campaign
- 1,381 from the Friends of the Earth campaign
- 50 from the Mums for Lungs campaign

- 15 from the Motorcycle Action Group campaign

## **TfL's Report to the Mayor (RTM)**

- 3.17 A detailed quantitative analysis of the public and business respondents is set out in Chapter 5 of the RTM. Throughout the consultation, we received a number of emails from members of the public as part of campaigns led by Healthy Air, Friends of the Earth, Mums for Lungs and Motorcycle Action Group. Full details of these campaigns are set out in Chapter 6 of the RTM. Responses were received from 142 stakeholder organisations. Details of this are set out in Chapter 7 of the RTM.
- 3.18 Chapter 8 of the RTM set out TfL's analysis of the responses received to the consultation by theme and its response to the comments, issues and recommendations contained in those responses. Comments from stakeholders and 'free text' responses from public/business consultation respondents have been attributed to the most pertinent aspect of the proposal. Within each theme, the 'issues raised' during the consultation that go to make up that theme have been identified and are listed at the start of each section, followed by TfL's response and any recommendation. Where issues are similar, these have been grouped together for a single TfL response. Comments that do not relate to a specific proposal have been addressed in 'Other'. Recommendations are addressed to the Mayor and TfL.
- 3.19 In very high level terms, the most popular comments were about the following issues:
- impact on people on lower incomes (2,260)
  - comments on the general cost of compliance (1,803)
  - support for financial assistance such as a scrappage scheme (1,111)
  - on the impact on motorists (899)
  - opposition to the ULEZ taxi exemption (745)
  - ULEZ increasing the cost of living (859)

There was evidence of a notable campaign from motorcyclists:

- 983 suggest an exemption for motorcyclists
- 726 suggest TfL should do more to encourage a mode shift towards motorbikes
- 336 flag concern on disproportionate impact on motorcycles

The public and stakeholder response to the Stage 3b consultation proposals is analysed below.

## **I: Introduction of Euro VI ULEZ emissions standard for heavy vehicles London-wide under the LEZ from 26 October 2020**

Questions 1-3 of the consultation related to the proposals concerning the changes to the LEZ standard

### Expansion of Euro VI standard for heavy vehicles Londonwide under LEZ

- 3.20 There was strong support for the change to the standard with 27,573 (73 per cent) supporting or strongly supporting the proposal
- 3.21 There was significant support for 2020 as the implementation date with 14,453 in support (39%) 12,067 (32%) stated that it should be introduced sooner and 7,344 (20%) that it should be introduced later

### Daily charge levels for non-compliant heavy vehicles

3.22 There was significant support for the proposed charge levels with 18,177 (48%) in support. A higher charge level was supported by 5,298 respondents (14%). A minority of 9,926 (26%) stated that the charges were too high.

#### *Discounts and exemptions for heavy vehicles*

##### Vehicles with a historic tax class or heavy vehicles registered before 1 January 1973

3.23 There were 275 public comments received on the historic vehicle exemption. Forty two opposed the exemption and the remainder commented either supporting the exemption, suggesting a rolling date or a later cut off period than 1973.

## **II: Expansion of the ULEZ's area from Central London to Inner London from 25 October 2021**

Questions 4 to 9 concerned the proposals for light vehicles. There was overall support for the principle of expanding the ULEZ with 20,922 (56%) in supporting or strongly supporting the proposals and 14,938 (40%) opposing or strongly opposing.

#### Inner London Boundary proposal

3.24 There was mixed support for the proposal to use the North and South Circular Roads as a boundary. 9,128 (24%) supported it as a boundary. There was popular support for a larger expansion with 11,616 (31%) supporting this. 13,604 (36%) reiterated their opposition to the expansion of the ULEZ. These issues are discussed in detail at section 8.6 of the RTM.

3.25 TfL has examined expanding ULEZ London-wide to cover light vehicles to Outer London and whether this was the fastest and most effective measure for bringing non-compliant areas of Outer London into compliance and reducing exposure. TfL has examined the proposal but has concluded that there is no appropriate boundary road for a wider zone that incorporates the North Circular other than the Greater London boundary (following the London LEZ boundary). The necessary infrastructure for this wider zone would take significant time to implement. The additional 1.7 million households affected by this level of expansion would have to be given a reasonable advance notice period before vehicle charging started, which is likely to delay the possibility of achieving compliance and other benefits for Londoners earlier.

#### Expansion of ULEZ for light vehicles to Outer London

3.26 Considering the benefits expected from the earlier implementation of the central London ULEZ in April 2019 and the application of ULEZ standards to heavy vehicles London-wide from October 2020, it is likely that targeted local measures (such as local road closures, vehicle restrictions or other interventions) could be equally effective and are more likely to reduce exposure and bring areas of non-compliance in Outer London into limit value compliance in a quicker timeframe than expansion of the ULEZ to cover light vehicles in Outer London. However, the Mayor and TfL will keep the situation under review (particularly monitoring the impact of the other ULEZ measures as they are implemented) and will consider what measures will be most effective and likely to reduce exposure and secure compliance within the shortest time possible.

#### Date of implementation and levels of daily non-compliance charge

3.27 There was mixed support for the daily non-compliance charge of £12.50. 11,844 (32%) supported the £12.50 charge and 8,080 (22%) suggested it should be higher. 12,232 (33%) opposed the charge as it was too high

#### *Discounts and exemptions*

##### Expanded zone residents' discount

3.28 There were 320 comments supporting a discount, exemption or sunset period for residents and 7 comments received opposing this. The consultation materials made clear that there was no proposal for a residents' sunset period.

#### Central London (CCZ) residents' sunset period

3.29 There was overall support for the changes to the residents sunset period with 19,092 (51%) supporting or strongly supporting the proposal and 14,064 (37%) opposed or strongly opposed

#### Alignment of ULEZ penalty charge for light vehicles with PCN levels for Congestion Charge and other moving traffic offences

3.30 There was overall support for the proposals to increase the PCN level with 17,120 (46%) supporting the proposal and 15,970 (42%) opposing.

### **4 Recommended modifications to the Stage 3b proposals and Variation Order**

4.1 In light of the responses to the consultation and the findings of the IIA (see paragraph 6.2 and 7.16 below) officers recommend that four modifications are made to the Stage 3b consultation proposals and the Variation Order. They are explained more fully in Chapter 9 of the RTM.

- The extension of the sunset period for disabled tax class vehicles until 26 October 2025.
- The introduction of a sunset period for licenced PHVs adapted for wheelchair access and registered by TfL under s.165 of the Equality Act 2010 until 26 October 2025.

The above two recommended changes would apply from the start of ULEZ in central London on 8 April 2019 and then its expansion to Inner London from 25 October 2021.

- The introduction of a sunset period from 25 October 2021 until 29 October 2023 for minibuses<sup>19</sup> purchased prior to 8 June 2018 (the date of the Mayor's announcement on the Stage 3b consultation) that are operated by not for profit organisations<sup>20</sup> under a section 19 or section 22<sup>21</sup> Transport Act 1985 permit.

This new sunset period would not apply to minibuses in central London before 25 October 2021. Given the significant transport alternatives available within the CCZ and the severity of the pollution within the Zone, all such vehicles operating in central London from 2019 need to comply with ULEZ standards or pay the daily charge.

- The correction of an error in the executed Variation Order to reflect the differential in PCN levels explained at paragraph 2.11 above as between £2,000 for vehicles whose PM emissions are higher than Euro IV PM standards and £1,000 for those that do not meet Euro VI NOx and/ or PM standards but which do meet Euro IV PM standards.

#### **Variation Order procedure**

4.2 The ULEZ is established under the Greater London Low Emission Zone Charging Order 2006 ("the 2006 Charging Order", as amended), which contains a charging scheme called the Greater London Low Emission Zone Charging Scheme ("the Scheme") in the Schedule to that Order. This originally

<sup>19</sup> A minibus is defined for the purposes of this sunset period as a vehicle constructed or adapted to carry more than 8 but not more than 16 passengers which is being used pursuant to a permit issued under ss 19(3), 19(4) or 22 of the Transport Act 1985.

<sup>20</sup> Section 19 and 22 permits are available to educational, religious, social welfare and other community benefit organisations (s 19) and organisations concerned for the social and welfare needs of one or more communities (s 22) without a view to a profit.

<sup>21</sup> Vehicles operated under permits issued under sections 19 or 22 of the Transport Act 1985 (as amended) are exempt from the requirement to have a Public Service Vehicle operator and vehicle licence.



established the London Low Emission Zone (“London LEZ”) in 2006 and which was adapted in 2015 to incorporate provision for the ULEZ alongside it.

4.3 Any changes to a road user charging order and scheme require TfL to make an amending order (called a “variation order”) which follows the same statutory process as the original charging order and scheme. The variation order sets out the necessary changes to the charging order and scheme if the consultation proposals were to be implemented. A public and stakeholder consultation is carried out on the proposals. The consultation materials usually include (as circumstances require) either a draft of the proposed variation order or an order formally executed by TfL (this has no legal effect unless and until confirmed by the Mayor). After the consultation closes TfL prepares a report to the Mayor (RTM) on the consultation responses which it submits for the Mayor’s consideration. The RTM includes any responses received after the consultation closed. The Report includes TfL’s responses to issues raised and makes recommendations, where relevant, to the Mayor regarding any changes to the proposals and necessary modifications to the variation order. The Mayor considers the Report and other relevant considerations before deciding whether or not to confirm the proposals and variation order, with or without modifications. The Mayor’s formal confirmation of the variation order (with or without modification) is effected by the execution of an Instrument of Confirmation (this includes a schedule of variations if there are modifications).

4.4 The Stage 3b consultation materials included a draft variation order prepared on the basis of the proposals put forward for consultation. The draft variation order provided for following major changes:

- The integration of the LEZ which already operates Londonwide for heavy vehicles with the ULEZ, which covers light and heavy and will operate initially in central London from April 2019 and will then expand to Inner London on 25 October 2021.
- The re-naming of the scheme as the London Emission Zones Charging Scheme and the use of the terms “Londonwide Zone” to refer to emissions standards operating Londonwide (LEZ) for heavy vehicles from 26 October 2020 and “Inner Zone” to refer to emission standards for light vehicles in the “Inner Zone” from 25 October 2021 (referred to as the ULEZ).
- The Inner Zone is initially central London from 8 April 2019 and then becomes everything within Inner London from 25 October 2021. Daily charges for light vehicles are set for the Inner Zone.
- The setting of Euro VI as the standard for heavy vehicles Londonwide from 26 October 2020 and daily charges of £100 for those not meeting Euro VI and £300 for those not meeting Euro IV or V to preserve the existing LEZ charge for such vehicles.

4.5 As a result the Euro VI becomes the emission standard for heavy vehicles in Greater London (Londonwide Zone) from 26 October 2020. The relevant emissions standards for light vehicles are applied to the Inner Zone from 8 April 2019, which is initially central London only and then expands to Inner London from 25 October 2021. In combination all vehicles in central London from 8 April 2019 are covered by ULEZ emission standards and all vehicles in Inner London from 25 October 2021. Heavy vehicles are covered by Londonwide LEZ standards (Euro V) until 26 October 2020 when that standard becomes the ULEZ Euro VI standard. Diagram 11 at page 33 of the SID summarises the position.

4.6 On 21 May 2018 TfL formally executed the Greater London Low Emission Zone Charging (Variation and Transitional Provisions) Order 2018 – “the Variation Order” – to make changes to the 2006 Charging Order and Scheme and give legal effect to the Stage 3b consultation proposals. (The text of the executed Variation Order contains a few minor typographical corrections and missing plan numbers in the earlier draft included as part of the Stage 3b consultation materials.)

4.7 The Mayor is asked to decide whether or not to confirm the Variation Order, with or without modifications. An Instrument of Confirmation for the Variation Order is contained at **Appendix D**,

which the Mayor is asked to sign and date. The Instrument includes a Schedule of Variations which makes the recommended modifications.

4.8 If the Mayor decides to confirm the Variation Order, as modified, in the changes would come into effect as follows in combination with already approved arrangements:

- From **8 April 2019** any “vintage vehicles” registered before 1973 and all Historic Tax Class vehicles will be exempt from both the LEZ and ULEZ schemes.
- From **8 April 2019** the ULEZ will start to operate in **central London** (the CCZ area). It will cover all vehicles, “light” (motorcycles, moped etc, cars, except taxis, light and heavy vans, and minibuses) and “heavy” (HGVs, buses, coaches and other heavy vehicles) and impose emissions standards<sup>22</sup> on them.
  - There will be a daily non-compliance charge of £12.50 for light vehicles and £100 for heavy vehicles. These will be in addition to any applicable Congestion Charge (light and heavy vehicles) and LEZ charges (£200 for heavy vehicles not meeting Euro IV PM standards and £100 for relevant light vehicles not meeting Euro 3 PM standards).
  - Registered residents of the CCZ will benefit from a 100% discount on ULEZ charges until 24 October 2021.
  - Registered disabled tax class vehicles and registered wheelchair accessible PHVs will have a 100% discount sunset period until 26 October 2025.
  - The level of the PCN level for non-payment of the £12.50 daily ULEZ charge by non-compliant light vehicles will increase to £160.
- From **26 October 2020** an additional Euro VI standard (based on the central London ULEZ standard) will be introduced for heavy vehicles to apply Londonwide. Heavy vehicles that do not meet the Euro VI standard will pay a daily non-compliance charge of £100 and any that are also Euro III or below for Particulate Matter will pay a total charge of £300 per day.
- On **24 October 2021** the sunset period for central London (CCZ) residents under ULEZ will expire. (Consequently the 90% discounted T-Charge for residents will also expire on the same date).
- From **25 October 2021** the area of the ULEZ will be extended to the whole of **Inner London** within the area bounded by the North and South Circular Roads as detailed in the deposited plans. This includes the original central London (CCZ) area where the ULEZ will have been operating from 8 April 2019.
- As a result of the combination of the two schemes from **25 October 2021** all vehicles in Inner London will be subject to ULEZ-level emissions standards and charges.
- The same arrangements concerning registered disabled tax class vehicles and wheelchair accessible PHVs will continue throughout the expanded Inner London zone **until 26 October 2025**.
- Between **25 October 2021 and 29 October 2023** there will be a 100% discount sunset period for registered minibuses purchased before 8 June 2018 and operated by charities and other not for profit organisations under a section 19 or section 22 permit. This will only apply from 25 October 2021 and be across the whole of Inner London.

4.9 TfL has run a large-scale publicity campaign with operators and vehicle owners to date to make them aware of the requirements of the ULEZ scheme. These activities will continue so that in the remaining

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<sup>22</sup> Euro 3 for motorcycles and mopeds etc. Either Euro 4 petrol or Euro 6 diesel for light vehicles (cars, small and large vans and minibuses). Euro VI for heavy vehicles (buses, coaches, HGVs and similar vehicles).

time, as far as practically possible, the maximum number of vehicle owners and operators are aware of the confirmed 8 April 2019 ULEZ start date in central London and (if confirmed) the application of Euro VI standards Londonwide for heavy vehicles from 26 October 2020 and expansion to the area of the ULEZ to Inner London from 25 October 2021. The campaign will cover these matters and provide information on ULEZ emission standards and daily charges, to provide the opportunity to take any necessary action to ensure vehicles are compliant ahead of the various phases of the scheme starting.

## **5 Objectives and expected outcomes**

- 5.1 The ULEZ and LEZ scheme, including its emissions standards and charges, aim to reduce air pollutant emissions from road transport, including those with the greatest health impacts (NO<sub>2</sub> and PM) and has associated impacts on carbon dioxide (CO<sub>2</sub>), accelerating compliance with limit values for NO<sub>2</sub> and further reducing other pollutants, bringing forward health benefits for Londoners by improving air quality generally, as well as promoting sustainable travel and stimulating the low emission vehicle economy.
- 5.2 An expansion in the ULEZ area covering light and heavy vehicles to Inner London in October 2021 together with the changes to the LEZ to require Euro VI London wide for heavy vehicles after October 2020 will result in significant reduction in NO<sub>x</sub> and more Londoners experiencing the health benefits of improved air quality. As a result in 2020 it is expected there would be a 20 percent reduction in NO<sub>x</sub> from road transport Londonwide. In 2021 it is expected there would be a 31 per cent reduction in road transport NO<sub>x</sub> in inner London and 28 per cent in outer London. All roads in London are expected to see a decrease in road transport NO<sub>x</sub> emissions as a result of the proposals.
- 5.3 A result of these emissions reductions there would be over 100,000 fewer people in London living in areas exceeding legal limits for NO<sub>2</sub> concentrations in 2021, a reduction of 77 per cent. The proportion of road length exceeding legal NO<sub>2</sub> concentrations would fall from 21 percent to 8 percent, a 64 per cent reduction.

## **6 Equality comments**

- 6.1 This section of the Form covers the equalities impacts of the Stage 3b proposals. The public sector equality duty (PSED) under section 149 of the Equality Act 2010 requires the identification and evaluation of the likely potential impacts, both positive and negative, of the decision on those with protected characteristics (age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation) and the setting out of how these duties are being addressed). The PSED requires the Mayor and TfL to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. This may involve, in particular, removing or minimising any disadvantage suffered by those who share a relevant protected characteristic, taking steps to meet the needs of such people; and encouraging them to participate in public life, or in any other activity where their participation is disproportionately low, including tackling prejudice and promoting understanding. In certain circumstances compliance with the Act may involve treating people with a protected characteristic more favourably than those without the characteristic.
- 6.2 An Equality Impact Assessment (EqIA) of the Stage 3b consultation proposals was carried out and is set out in the IIA on pages 86-95 (Appendix C). The IIA found that there are anticipated to be some short term additional impacts, both negative and positive, to some equality groups, namely:
  - a disproportionate beneficial reduction in the average exposure to NO<sub>2</sub> for residents in the most deprived areas;

- a differential beneficial impact on school age children, older people and pregnant women as a result of the reduction of sensitive receptors (schools, care homes and hospitals) that would be in areas which experience exceedances in NO<sub>2</sub> emissions;
- a disproportionate adverse impact on disabled people who own disability tax class diesel cars and regularly drive in the proposed expanded ULEZ area\*;
- a differential adverse impact on disabled private owners or lessees of Wheelchair Accessible Vehicles (WAVs), by virtue of the additional costs incurred to replace non-compliant vehicles\*;
- a differential adverse impact on disabled users of Wheelchair Accessible Private Hire Vehicles due the anticipated higher levels of non-compliance among these vehicles\*;
- a differential adverse impact on users (e.g. disabled, elderly, children) of specialist needs PHVs providing contracted services for public bodies\*;
- a disproportionate impact on the BAME community due to their high representation as PHV drivers, as sector for which non-compliance is forecast to be higher than other vehicle types.
- a differential adverse impact on those groups reliant on charitable or voluntary services (e.g. the disabled, young children, older people) due to potential for increased cost and/or reduction in the provision of accessible minibus services to and within inner London provided by community transport operators\*;
- a differential adverse effect on those children from low income families if the costs of school trips by private hire minibuses to inner London increase and are passed onto parents/carers\*;
- and
- an adverse impact on Asian business owners London-wide who are disproportionately represented in the wholesale and retail, and transport and storage sectors as a result of the increased cost of compliance for these sectors which typically have a high use of diesel light goods vehicles (LGVs).

6.3 The EqIA's findings were reviewed in light of the modifications outlined at Section 4. It found that the differential adverse impacts were reduced. As a result it is recommended that modifications are made to the Stage 3b consultation proposals and Variation Order which will help offset the adverse potential impacts set out above (shown asterisked) regarding disability tax class diesel vehicles, Wheelchair Accessible PHVs and the use of minibuses by charitable or voluntary organisations. This is referred to at paragraph 4.1 above.

## **7 Other considerations**

### **Power to hold a public inquiry**

7.1 Paragraph 4(3) of Schedule 23 provides that the Mayor may 'hold an inquiry, or cause an inquiry to be held, for the purposes of any order containing a charging scheme'. Whether an inquiry should be held to consider the implementation of the measures contained in this Variation Order is a matter for the Mayor to decide.

7.2 TfL advises that no specific request for a public inquiry into the consultation proposals themselves to be held was received during the Stage 3b consultation. In the previous Stage 3a consultation there

were calls for the Prime Minister and Defra to set up an Independent public inquiry to “independently investigate more effective, fairer and available ways to improve Air Quality in all UK Cities”<sup>23</sup>.

7.3 The ULEZ itself, including its emission standards and charges, its commencement in April 2019 and its expansion as set out in the Stage 3b consultation proposals, are included in the Government’s 2017 AQP as key measures to bring forward NO<sub>2</sub> limit value compliance. Officers doubt that much further material evidence beyond that already supplied by TfL and GLA officers (including those contained in the consultation responses) would emerge in an inquiry that would assist the Mayor’s decisions and note that an inquiry would delay the confirmation of the measures contained in the Variation Order. Officers do not consider that there are any issues which point strongly to the holding of a public inquiry and do not recommend that an inquiry be held. Officers are of the view that consultation responses have been adequately addressed in the Report to the Mayor and/ or the recommended mitigations at paragraph 4.1 above.

## **Risks**

7.4 GLA officers consider that TfL has adopted sound project management techniques in making the proposed changes to the ULEZ (including those in the Variation Order, as modified) and that risks have been appropriately mitigated. Officers have taken the following steps to mitigate the risk:

- The Stage 3b consultation itself, together with the development of the consultation materials (including the draft variation order) was conducted in accordance with relevant standards and the guidance issued by the Mayor as relevant (see the RTM);
- TfL prepared an integrated impact assessment which considered the likely significant impacts of the proposals, including on targeted or protected groups;
- TfL considered the consultation responses and impacts; and
- TfL officers sought legal advice throughout the development and implementation of the proposals.

## **Links to strategies**

### A City for All Londoners

7.5 A City for All Londoners (published 1 October 2016), the Mayor’s vision for London, includes a vision for air quality as part of a healthy, resilient, green and fair city. Specific reference is made to the implementation of the ULEZ, and the proposed future changes to the ULEZ.

### London Environment Strategy

7.6 Under the GLA Act 1999 the Mayor of London has legal responsibility for preparing policies and proposals for the purpose of securing the achievement of air quality standards or objectives (the applicable limit values under the Air Quality Directives), and he leads on the implementation of measures in that area to tackle pollution emissions, reduce exposure, raise awareness and integrate air quality and public health. The relevant air quality policies and proposals are contained in the London Environment Strategy (“LES”), which was published on 31 May 2018. During the development of the ULEZ proposals the relevant air quality policies and proposals were contained in the Mayor’s Air Quality Strategy, which was published in December 2010 (“the 2010 MAQS”) and as a result of the Localism Act 2011 was amalgamated with the policies and proposals in five other statutory strategies into a single strategy - the London Environment Strategy - together with any

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<sup>23</sup> Fair Fuel campaign at <https://www.fairfueluk.com/#Sign-up> and at <https://www.crowdjustice.com/case/stop-toxic-taxes/>

others the Mayor considers of importance to London's environment.<sup>24</sup> The Mayor and TfL must have regard to them when exercising their functions.

7.7 The Environment Act 1995 requires London boroughs (including the City Corporation) to designate and develop an action plan for areas where it appears that any air quality standards or objectives are not being achieved. They are also under a duty to have regard to the policies and proposals of the 2010 MAQS (now to be replaced by the LES) when exercising their local air quality management functions under the 1995 Act. The Mayor has a statutory responsibility to oversee this process, including reviewing Local Authority reports and Action Plans, and has issued guidance and has powers to direct them to take necessary action.

7.8 During the Stage 3b consultation the Mayor published for consultation a new draft LES ("Consultation Draft LES 2017") which contains provisions relating to air quality which would replace the 2010 MAQS and the other strategies kept in force. This was published for consultation between 11 August and 17 November 2017, with the final new strategy published on 31 May 2018. Notwithstanding the LES had yet to complete its statutory revision processes it is relevant to note that the proposals that were the subject of the Stage 3b consultation are consistent with the following policies and proposals in the Consultation Draft LES 2017:

- Policy 4.2.1 Reduce emissions from London's road transport network by phasing out fossil fuelled vehicles, prioritising action on diesel, and enabling Londoners to switch to more sustainable forms of transport;
- Proposal 4.2.1d 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; and
- Specific reference is made to the ULEZ the Stage 3b consultation proposals under Proposal 4.2.1d.

7.9 The Mayor formally published the new LES on 31 May 2018 and so confirmed the above LES policies and proposals.

7.10 As explained in the Background section to this Form (above) large sections of the capital continue to exceed both the annual mean and hourly limit values for NO<sub>2</sub> and this is likely to continue beyond 2020 without further intervention. As stated, modelling indicates that, if nothing further is done, concentrations will continue to exceed the limit in central and inner London, in the vicinity of Heathrow Airport and near construction sites and major roads in outer London. This situation was reflected in the Consultation Draft LES 2017 and the Final LES 2018 which identifies the scale of the current air pollution problem. The LES analysis showed that overall, that air quality is improving in London. However, the NO<sub>2</sub> EU annual mean limit value of 40µg/m<sup>3</sup> is being exceeded in many places and the PM health based guidelines are far from being met. The Mayor wants London to achieve compliance with legal limit values as soon as possible and then wants London to go beyond these limits to deliver further improvements in public health. Measures within the LES help contribute to achieving these objectives, although the LES recognises that further national action led by Government and the EU is needed to bring forward compliance and resolve the current infraction of NO<sub>2</sub> limit values in the shortest time possible with the greatest likelihood of success.

7.11 Emission reductions from earlier implementation of the ULEZ in April 2019, as well as its expansion as set out in the Stage 3b consultation proposals, will bring health benefits to Londoners. However, none by themselves result in London achieving compliance with the limit values for NO<sub>2</sub> but are a necessary component to doing so.

## The Government's 2017 Air Quality Plan

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<sup>24</sup> The 2010 MAQS was kept in force as part of the LES, amalgamated alongside the existing strategies forming the LES at the time the relevant provisions of the Localism Act 2011 came into force.

7.12 The Stage 3b consultation proposals reflect and are consistent with the Government's Air Quality Plan for NO<sub>2</sub> in the UK (2017), which states that launching the ULEZ in April 2019, subject to consultation, and extending it London-wide for heavy vehicles (HGVs, buses and coaches) and to the North and South Circular Roads for all vehicles, is one of a number of measures, including the introduction of the Emissions Surcharge, to be undertaken in London by the Mayor and TfL to achieve compliance by 2025 or sooner<sup>25</sup>.

### Road user charging

7.13 The GLA Act 1999 provides that changes or variations to a road user charging scheme must be desirable or expedient for the purpose of directly or indirectly facilitating achievement of proposals in the MTS and must be in conformity with the MTS.

7.14 At the point the stage 3b consultation began on 30 November the Mayor had just concluded (2 October 2017) public and stakeholder consultation on a draft of a revised MTS (the Consultation Draft MTS 2017). That draft strategy contained a number of policies related to future plans for road user charging and further improvements to air quality in London, including specific proposals for changes to the ULEZ. They include Proposal 22<sup>26</sup> which states that the Mayor, through TfL, will seek to introduce the central London Ultra Low Emission Zone standards and charges in 2019. It also states that the zone would be expanded London-wide for heavy vehicles by 2020 and to inner London for all other vehicles. Also relevant was Policy 6<sup>27</sup> which set out that the Mayor, through TfL and the boroughs, and working with other transport operators, will seek to make London's transport network zero carbon by 2050. This is supported by Proposals 27, 28 and 29<sup>28</sup> which introduce measures to reduce emissions from buses, taxis and PHVs, through the transition to zero emission and zero emission capable vehicles. Proposals 30, 31 and 32<sup>29</sup> support these changes in public transport by encouraging the uptake of ultra-low emission vehicles (ULEVs) through funding improvements in charging infrastructure, incentivising ownership and the GLA family leading by example in the uptake of ULEVs. Policy 5<sup>30</sup> focuses on taking action to reduce emissions from vehicles to reach compliance with the UK and EU legal limits as soon as possible and adds further support.

7.15 The Mayor formally published the new MTS on 13 March 2018 and so confirmed the above MTS policies and proposals. The Stage 3b consultation proposals and changes set out in the Variation Order (including with the recommended modifications) are in conformity with and implement (directly or indirectly) the policies and proposals of the new MTS. The Mayor is advised that the legal requirements of Schedule 23 to the GLA Act 1999 are met in that the proposed changes to the LEZ and ULEZ road user charging schemes are in conformity with and desirable and/ or expedient for the purposes of directly or indirectly facilitating relevant policies and proposals in the new MTS.

7.16 In preparing the Stage 3b consultation proposals and Variation Order, TfL, in consultation with GLA officers, has had regard to the consistency with other relevant Mayoral strategies, including the current Economic Development Strategy, the London Plan and, as kept in force under the current LES, the 2010 MAQS and Climate Change Mitigation and Energy Strategy. No inconsistencies have been identified and none are identified in relation to the new developing strategies (including the Consultation Draft LES 2017) that will replace them.

## Integrated Impact Assessment

7.17 The consultation proposals, and making or confirmation of a Variation Order to implement them, is not a plan or programme within the scope of the Environmental Assessment of Plans and Programmes Regulations 2004 (as amended) and EU Directive 2001/42/EC, nor a project within the Town and

<sup>25</sup> See the Detailed Plan at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/633270/air-quality-plan-detail.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633270/air-quality-plan-detail.pdf)

<sup>26</sup> Proposal 22 is on page 45 of the MTS

<sup>27</sup> Policy 6 is on page 47 of the MTS

<sup>28</sup> Proposals 27, 28 and 29 are on page 49 of the MTS

<sup>29</sup> Proposals 30, 31 and 32 are on page 50 of the MTS

<sup>30</sup> Policy 5 is on page 44 of the MTS

Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999 (as amended) and EU Directive 85/ 337 /EEC (as amended). Nonetheless, it was considered prudent to undertake an Integrated Impact Assessment to ascertain the likely significant environmental, equality, economic and other relevant impacts or effects (if any) arising from the consultation proposals if implemented, which as far as possible and relevant conform to the strategic environmental assessment requirements of the 2001 Directive and 2004 Regulations.

7.18 The IIA was examines the likely significant impacts of the Stage 3b consultation proposals on the environment, health, equalities and the economy.

7.19 The full assessment is provided in Appendix B as part of the SID. It concluded that the proposed changes resulting from implementation of the Stage 3b consultation proposals is anticipated to result in the following impacts.

#### *Environmental impacts*

- Major positive beneficial impacts predicted in reducing NO<sub>2</sub> concentrations close to roads that are near, or above, the 40µg/m<sup>3</sup> value in the baseline in 2021
- Major positive beneficial impacts in reducing air pollutant emissions
- Beneficial impacts on protection of biodiversity and cultural heritage as a result
- Slight benefit in reducing CO<sub>2</sub> emissions
- Non-significant benefits in reducing noise
- Slight short term impact on Waste and townscape

#### *Health Impacts*

- Positive beneficial impacts through important reductions in health impacts as a result of improved air quality
- Minor benefit through a potential shift towards more active travel
- Neutral impact on Noise, Crime and community safety and Climate Change

#### *Equalities Impacts*

- See the impacts identified and set out at paragraphs 6.2 and 6.3 above.

#### *Economic Impacts*

- Neutral impact on attracting and retaining internationally mobile businesses
- Moderate adverse impact on SMEs
- Moderate financial impact on businesses

#### Recommended mitigations

7.20 Potential adverse impacts on poorer people and small businesses were identified in the IIA and consultation responses. Officers therefore recommend the modifications mentioned at paragraph 4.1 above to help mitigate the potential adverse impacts identified on disabled, lower income and community/ voluntary groups. Other potential mitigations fall outside the scope of the ULEZ scheme such as funding research and testing retrofit solutions for other vehicles which TfL is actively exploring. Other measures lie outside the Mayor and TfL's gift and require national action. Therefore the Mayor is recommended to continue lobbying the Government for a scrappage scheme for low income Londoners and small businesses.



## Impact of proposed modifications

7.21 The IIA's findings prepared for the consultation were reviewed in light of the recommended modifications to the Stage 3b proposals, as set out in paragraph 4.1 above. No material or significant impacts were found over and above those identified above.

## **Best Value**

7.22 TfL and the GLA, in so far as it exercises its functions through the Mayor, are both "best value authorities" under Section 1 of the Local Government Act 1999 ("the 1999 Act"). Under Section 5 of the 1999 Act, the GLA and TfL must conduct best value reviews of their functions in accordance with the provisions of any order made by the Secretary of State under that section. Any review which includes a review of the implementation of the measures contained in this Variation Order must be in accordance with the Local Government (Best Value) Performance Review Order 1999, as amended. In conducting such a review, the two bodies are under a duty to aim to improve the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness, and must have regard to any guidance issued by the Secretary of State under Section 5 of the 1999 Act.

7.23 In the view of officers, no negative cost/benefit concerns arise in relation to the measures contained in the consultation proposals and/or the approval of the Variation Order.

## **8 Financial comments**

8.1 There are no direct financial consequences for the GLA arising from this report.

8.2 There will be direct financial consequences for TfL. The implementation of the ULEZ will be funded through the TfL investment programme. The TfL Business Plan includes £800m for investment in action to improve the quality of the Capital's air through to 2021/22. This package of funding supports the Stage 3b consultation proposals but will be off-set by any net revenues of the Scheme arising from the payment of the ULEZ daily non-compliance charges. These charges are set at a level to bring about behavioural change to reduce vehicle emission levels, by reducing the number of non-compliant vehicles being driven and/ accelerating the take-up of compliant ones. Under the GLA Act 1999 any net proceeds of the Scheme received by TfL must be applied to "relevant transport purposes" which is any purpose which directly or indirectly facilitates the implementation of the policies and proposals of the MTS, including those designed to bring about London's compliance with NO<sub>2</sub> limit values and reduce exposure to harmful traffic pollution.

## **9 Legal comments**

(This section covers legal issues not addressed elsewhere in this Form.)

### General comments

9.1 The Mayor has the power to vary the Scheme Order under paragraph 38 of Schedule 23 to the GLA Act 1999 and any order making variations. TfL made the Greater London Low Emission Zone Charging (Variation and Transitional Provisions) Order 2018 (the Variation Order) to implement the Stage 3b consultation proposals which may only take effect if confirmed by the Mayor with or without modifications. So as to make a lawful decision on whether to confirm the Variation Order, and if so whether or not to approve modifications to it, the Mayor must comply with statutory procedural requirements and make a rational decision, after having taken into account all relevant considerations and discounting any irrelevant ones.

### Variation Order

9.2 The GLA Act 1999 gives TfL the power to create or vary road user charging schemes in Greater London. Details of the required contents of a scheme order are contained in Schedule 23 of the GLA Act which stipulates that a charging scheme must:

- Designate the area to which it applies
- Specify the classes of motor vehicles in respect of which a charge is imposed
- Designate those roads in the charging area in respect of which a charge is imposed
- Specify the charges imposed

9.3 These powers were used to implement the London LEZ under the 2006 Charging Order, which took effect from 4 February 2008. That Order was varied in 2015 to provide for the ULEZ in central London, to become operational on 7 September 2020. This date was subsequently changed to 8 April 2019.

#### Requirements of Schedule 23 GLA Act regarding the Variation Order

9.4 The power to make and confirm a Variation Order is exercisable in the same manner and subject to the same limitations and conditions as the making of a charging order itself. As a result, the making, approval and possible modification of the Variation Order are subject to the same Schedule 23 requirements. Paragraph 4(3) of Schedule 23 provides that the Mayor acting on behalf of the Greater London Authority may do the following, which also applies to the making, confirmation and modification of the Variation Order –

- consult, or require an authority making a charging scheme (TfL) to consult, other persons;
- require it to publish its proposals for the scheme and to consider objections to the proposals;
- hold an inquiry, or cause an inquiry to be held, for the purposes of any order containing a charging scheme;
- appoint the person or persons by whom any such inquiry is to be held;
- make modifications to any such order, whether in consequence of any objections or otherwise, before such order takes effect;
- require the authority by whom any such order is made to publish notice of the order and of its effect;
- require it to place and maintain, or cause to be placed and maintained, such traffic signs in connection with that order as the Mayor may require.

9.5 Paragraph 34 of Schedule 23 provides for the Mayor to issue guidance to TfL or any London borough councils in relation to the discharge of their functions under Schedule 23. Paragraph 34(2) requires TfL to have regard to any guidance issued by the Mayor when exercising its functions under Schedule 23. Guidance to TfL on road user charging schemes pursuant to Schedule 23 of the GLA Act (“the RUC Guidance”) was published on 16 February 2007. The measures included in the Variation Order are considered to be a major variation under Section 4.1 of the RUC Guidance. TfL had regard to the Guidance in relation to the making of the Variation Order and conducted the consultation in compliance with the requirements specified under Section 4 of the same. A draft of the Variation Order was subject to public and stakeholder consultation between 30 November 2017 and 28 February 2018.

#### Climate change and air quality duties

9.6 The Mayor's attention is drawn to his duties under Section 361A of the GLA Act to address climate change, so far as relating to Greater London. In the case of the Mayor, this duty consists of each of the following:

- to take action with a view to the mitigation of, or adaptation to, climate change;
- in exercising any of his functions under this Act or any other Act (whenever passed), to take into account any policies announced by Her Majesty's Government with respect to climate change or the consequences of climate change; and
- to have regard to any guidance, and comply with any directions, issued to the Authority by the Secretary of State with respect to the means by which, or manner in which, the Mayor is to perform the duties imposed on him as above. (No specific guidance has been issued by the Government with regard to the confirmation or modification of charging scheme variation orders.)

9.7 Recent High Court rulings<sup>31</sup> have confirmed there is a three-fold obligation under EU and domestic air quality law: to achieve limit value compliance by the soonest date possible, to choose a route which reduces exposure as quickly as possible, and to ensure compliance is not just possible but likely. Costs and political considerations are not relevant or admissible considerations.

#### Considerations under the Human Rights Act 1998

9.8 Under Section 6 of the Human Rights Act 1998 ("the Human Rights Act"), it is unlawful for a public authority to act in a way which is incompatible with the European Convention on Human Rights. The Mayor and TfL are therefore obliged to consider possible impacts upon people's convention rights before taking any actions. Few of the rights protected by the Convention are absolute. The majority of Convention rights which are potentially capable of being the subject of interference from the actions of public bodies, most notably the right to privacy and family life and the right to the peaceful enjoyment of possessions (vehicles), are subject to express limitations which permit restrictions of the rights for certain specified purposes. In assessing whether any established interference with a convention right falls lawfully within a permitted category of restriction, the public body must demonstrate the level of interference is proportionate to the public benefit to be derived from the action.

9.9 The practice with previous road user charging schemes and their variations has been to build in a pre-compliance period between the date when the scheme or variation is confirmed by the Mayor and the date when it takes effect, i.e. when the charge starts to be payable. This is to give those affected a chance to adapt to how they use their vehicles, whether personally or for business. Previous practice has been, though not invariably, to provide a period of around 12 months, but there are examples of schemes where shorter periods have been given or as with the ULEZ confirmation in 2015 a much longer period (5 years).

9.10 In the case of the Stage 3b consultation proposals, confirmation of the Variation Order provides:

- a pre-compliance period of 28 months prior to operational commencement of the application of the Euro VI standard for heavy vehicles Londonwide from 26 October 2020; and
- a pre-compliance period of 40 months before the expansion of the area of the ULEZ to Inner London (and the end of the existing sunset period for registered CCZ residents) from 25 October 2021.

9.11 These periods are considered reasonable advance notice given the need to (a) address the current infraction of NO<sub>2</sub> limit values as a matter of urgency so as to bring about compliance as soon and as effectively as possible and (b) to bring forward the health benefits that reduced exposure will bring about even in compliant areas. In the view of officers, confirmation of the Variation Order (with or

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<sup>31</sup> R on application of Clientearth No.2 and No. 3 v Secretary of State for the Environment Food and Rural Affairs.

without modification), and the consultation proposals implemented by it, do not raise any particular Human Rights Act considerations.

### MOUs with Emergency Services

9.12 Under section 7 of the Transport for London Act 2008, TfL may suspend or partially suspend the operation of the Charging Scheme for such period or periods as it thinks fit where it appears to TfL to be desirable or expedient so to do. This power enables TfL to enter into MOU arrangements with the each of the emergency service organisations to agree to suspend the operation of the ULEZ Scheme as regards their vehicles and waive or refund daily charges.

### **10 Planned delivery approach and next steps**

<b>Activity</b>	<b>Timeline</b>
Announcement	8 June
introduction of Londonwide Euro VI requirement (matching the ULEZ standard) for “heavy vehicles”	26 October 2020
Expansion of ULEZ to Inner London	25 October 2021

Please see 4.8 for further dates.

### **Appendices and supporting papers:**

**Appendix A** – Greater London Low Emission Zone Charging (Variation and Transitional Provisions) Order 2018

**Appendix B** – TfL’s Report to the Mayor

**Appendix C** – Supporting Information Document and Integrated Impact Assessment

**Appendix D**– Instrument of Confirmation with Schedule of Variations

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 either be published within one working day after approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

Until the Mayor publicly announces his decision.

Until what date: (a date is required if deferring) **8 June 2018.**

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO ~~YES~~**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to confirm the following (✓)

**Drafting officer:**

Elliot Treharne has drafted this report in accordance with GLA procedures and confirms the following: ✓

**Sponsoring Director:**

Fiona Fletcher-Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

**Mayoral Adviser:**

Shirley Rodrigues has been consulted about the proposal and agrees the recommendations. ✓

**Advice:**

The Finance and Legal teams have commented on this proposal. ✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on the 4 June 2018.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*M. J. Allen*

**Date**

*4.6.18*

**CHIEF OF STAFF:**

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

**Signature**

*D. Bellamy*

**Date**

*4/6/2018*

