

Consultation Response: Transport for London proposals to help improve air quality, tackle the climate emergency and reduce congestion in London

Submitted by: BusinessLDN

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Introduction

1. BusinessLDN is a business campaigning group with a mission to make London the best city in the world to do business, for the benefit of the whole UK. We convene and mobilise business leaders to tackle the key challenges facing our capital. We are made up of 180 leading employers across a wide range of sectors, including strong representation from the transport sector.
2. We welcome the opportunity to respond to this consultation from Transport for London (TfL) and the early and open engagement regarding a longer-term comprehensive road user charging scheme. This would be a radical and potentially highly beneficial change in policy and getting the objectives and scheme design right from the outset will be critical to success.
3. Our response is split into three sections. The first two focus on the proposals for expanding the ULEZ – the overarching policy objectives; discounts, exemptions and support schemes; and finally on longer-term road charging options.

Overarching policy objectives for an expanded ULEZ

4. BusinessLDN fully supports the Mayor's ambition to improve air quality across the capital city. Poor air quality is cutting short the lives of 4,000 Londoners every year, with the impacts being felt unevenly as Black and minoritised communities are more likely to live in areas with toxic air. The Mayor has made significant strides on this front through the expansions to the Low Emission Zone (LEZ) and Ultra Low Emission Zone (ULEZ) schemes. It is right to progress this agenda.

5. Further evidence that the proposed expansion of the ULEZ is the optimal next step would be welcomed. We note that the Integrated Impact Assessment expanding the ULEZ will only result in an average 1.3% decrease in nitrogen dioxide exposure, and a negligible 0.1% reduction in the concentration of fine particulate matter. There is also growing concern about the particulate matter produced by the brake and tyre wear of all cars, even those with no tailpipe emissions, which is not addressed by these proposals.

6. Whilst we acknowledge that the expansion of the ULEZ is primarily designed to tackle poor air quality, it must be assessed in the context of the climate emergency. For London to reach net-zero by 2030 it is not only necessary to clean up the vehicle fleet but also reduce its size. The Mayor has recognised this in his Pathways to Net Zero Carbon 2030 report that states in order to meet this ambition, car traffic must reduce by a minimum of 27% in the city. The report further states that over 33% of car journeys could be walked in 25 minutes or less, and 66% of journeys could be cycled in under 20 minutes. Future interventions would ideally help the city to meet both environmental targets.

7. The third pillar of future road policy in the capital must be tackling congestion. Today, London's drivers spend more than 140 hours every year sitting in traffic – at a cumulative cost to the economy of £5.1bn annually¹. London buses have seen declining average speeds for years and are less attractive as a result. It is disappointing that the short-term measures in the consultation rely on a mechanism that will run out of road in the next few years. Ahead of the ULEZ expansion to the north and south circular roads last year, forecasts suggested that about 20 per cent of vehicles would fail to meet the emission standards and have to pay the charge. The actual figure turned out to be just eight per cent. Simply incentivising Londoners to buy cleaner cars will do nothing to address the chronic overcrowding of the capital's roads. So, whilst the proposed expansion of the ULEZ could be a net positive for London, it is also a missed opportunity to fix a wider set of issues. A more comprehensive scheme, such as the integrated zonal scheme, BusinessLDN set out in a recent paper Changing Gears² would have been preferable.

¹ Analysis of a Net Zero 2030 Target for Greater London, Element Energy, January 2022

² <https://www.businessldn.co.uk/sites/default/files/documents/2022-04/Changing%20Gears%20-%20London%20First.pdf>

Discounts, exemptions, and support schemes

8. Expanding the ULEZ at a time of significant inflation and other pressures on individuals and businesses requires a significant package of mitigation if it is to avoid putting an unreasonable additional burden on individuals and businesses who are currently struggling on a number of fronts. Without sufficient and targeted support, the benefits of the scheme could be outweighed by the inequitable distribution of the costs. An unmitigated expansion of the scheme could see businesses closing and costs increasing for those who can least afford it. Given the continued uncertainty about TfL's finances we are not currently confident that the necessary funds will be available to sufficiently ease the scheme's introduction.

9. This is of particular concern given the short lead time for introduction (one year, rather than two to four years for previous iterations). A grace period of no charges for an additional year could have significant benefits, especially if this was targeted in such a way that it only included individuals and businesses most in need of financial support. Any criteria for such payment exemptions should take full account of the current vehicle supply limitations in both primary and secondary markets, for example HGVs and LGVs.

10. A significant scrappage scheme must form a substantial part of the mitigation measures. Previously, the Mayor announced a grant payment of £1,000 for each motorcycle and £2,000 for each car scrapped, as long as owners lived in the GLA zone and received government benefits such as Universal Credit or Income Support³. A scheme that is at least as generous will be expected. Lessons also need to be learnt regarding the implementation and operation of the scrappage scheme. We would also welcome creativity from TfL in how to ensure that the money available goes as far as possible, fully exploring options with green finance providers and others.

11. Any scrappage scheme should be designed with its primary objective being to shift behaviour to sustainable and active modes in the first instance. Full consideration should be given to a generous mobility credit type scheme whereby those giving up their car could benefit from substantial discounts on – or even free – public transport across the capital for a meaningful period of time. This should be coupled with other interventions as explored below to help Londoners create new travel habits rather than merely buy a newer, cleaner car.

12. We are concerned by evidence presented in Jacobs' London-wide ULEZ Integrated Impact Assessment⁴. The report states the expansion of the ULEZ and the associated penalties/fines will have a disproportionately negative impact on some marginalised and minority communities across the city. This concern is exacerbated by the lack of analysis in the consultation materials as to who presently owns vehicles that are non-compliant. It is, however, reasonable to expect that the oldest (and therefore non compliant) vehicles are

³ [ULEZ Car and motorcycle scrappage scheme](#), Transport for London

⁴ [London-wide ULEZ Integrated Impact Assessment \(ULEZ Scheme IIA\)](#), Jacobs, May 2022

likely to be owned by poorer members of society. Without further mitigation, this is likely to have a detrimental impact on access employment and services.

13. The impact on access to employment for those in areas poorly served by public transport or in sectors that typically operate outside the hours of public transport operation is likely to be significant, such as for essential workers in healthcare. We are also concerned about the impact on workers and businesses who are based outside the GLA area but are employed within it. We would welcome the extension of any scrappage scheme to include those who can prove that they are usually employed within the GLA area. These concerns will only increase if TfL is forced to move into a “managed decline” scenario so today’s public transport service levels cannot be guaranteed into the future.

14. BusinessLDN would welcome a more comprehensive intervention that includes a series of “carrots”, alongside the “stick” of ULEZ expansion. When the original Congestion Charge was introduced, it was accompanied by a pledge that every Londoner would live within 400m of a bus stop. A similarly ambitious pledge regarding shared micromobility and shared electric cars, working with car club providers to enable Londoners to hire from any company anywhere in London without multiple memberships, should be explored.

Principles for road user charging

15. BusinessLDN welcomes the opportunity to engage early with the design of a more comprehensive road user charging scheme for the capital. We believe that, at this stage, there are four key principles that need to be built into any scheme that is going to be successful. We recognise that there are several layers of complexity and perfect should not become the enemy of the good. A scheme that comes to fruition and helps the city to make significant progress is better than an over-scoped scheme that never makes it to the starting line. As such, we are not wedded to any particular technological or policy solutions at present.

16. The first principle is that the scheme should be congestion led. This does not mean that there should not be differential payments based on emissions and pollutants, but the core focus of the scheme should be the more efficient management of the capital's road network. As London continues to grow and travel behaviour evolves, the pressures on our roads are only set to grow. Gridlock cannot be the outcome and this necessitates an integrated approach in which the planning and operation of public, sustainable, and active modes of transport create a positive growth cycle in partnership with any road user charging scheme. A congestion led scheme also has the benefit of being less likely to be subsumed into whatever emerges from the Treasury at a national level to replace fuel duty.

17. The second principle is that the scheme recognises where and for whom alternative transport options exist. We have an ability to be much more granular in how exemptions and pricing models are designed and applied. For example, postcodes with poor access to public transport could be charged a lower rate, as could businesses that can demonstrate they have no other option if they are to trade. Fairness and perceptions of fairness will be critical so understanding both the real-world impacts and Londoners' beliefs in detail is a critical next step, as is significant and sustained leadership and communication on this issue.

18. The third principle is simplicity. This builds on early analysis of the polling that currently exists, much of which shows significant negative sentiment about complex or opaque systems. This may bring into question the idea of a dynamic pricing model and more transparent alternatives should not be written off at this early stage. But the aspiration for a comprehensive scheme is very welcome in the context of simplicity. At the very least this means that a road user charging scheme should replace the Congestion Charge, ULEZ, river crossing tolls, and the London Lorry Control Scheme. Serious consideration should also be given to the extent to which a road user charging scheme provides an opportunity to think radically differently about parking policy across the capital. The average car spends 95 per cent of its life parked somewhere and the 43 per cent of cars that are parked on-street in London cover an area the size of ten Hyde Parks⁵. Reducing this land-take is the only viable way to create significantly more road space in most of London. As a result, any

⁵ <https://www.centreforlondon.org/reader/parking-kerbside-mangement/>

scheme that is intended to reduce congestion will be more likely to succeed if it enables a reduction in the overall number of road vehicles in the capital.

19. The final principle is that road user charging should be introduced alongside a significant and sustained programme of investment to ensure that everyone – those paying the new charges as well as those who are not – feel like they are benefiting from the scheme. This is likely to include investment in roads and associated structures, additional infrastructure for shared vehicles of all sizes, and enhanced public transport services. As with the expansion of the ULEZ, the correct approach is a combination of sticks and carrots.