



Response of the Road Haulage Association to Leeds City Council

Air Quality Public Consultation 2018

27 Feb 2018

Summary

1. Leeds City Council is consulting businesses (locally, regionally and nationally), commuters and those living in the wider Leeds region about proposals for a Clean Air Zone in Leeds.
2. Leeds City Council state that if it is to meet air quality standards, it is likely that a charging Clean Air Zone will need to be introduced. According to government frameworks, meeting the standards has to happen as soon as possible, by the end of 2019 at the latest.
3. The proposed Leeds Clean Air Zone would charge buses, HGVs, taxis and diesel private hire vehicles that fail to meet Euro VI emission standards to entering the city all day, every day. Any lorry not meeting the Euro VI standard will be charged £100 per day. (Euro VI has been the emission standard for new lorries only since 2014 – all older lorries will have to pay).

Background about the RHA

4. The RHA is the leading trade association representing road haulage and distribution companies, which operate HGVs as profit centres. Our 7,000 members, operating near to 100,000 HGVs, range from single-truck firms to those with thousands of vehicles. These companies provide essential services on which the people and businesses of the UK depend.
5. We proactively encourage a spirit of entrepreneurship, compliance, profitability, safety and social responsibility. We do so through a range of advice, representation and services, including training.
6. We would like to thank Leeds City Council for the consultation and the opportunity to comment on the issues raised.
7. The online consultation only provides limit scope for businesses to address the issues. We have answered the relevant questions in the survey in full rather than the narrow responses allowed in the survey.

Broad RHA view

8. The RHA and our members have serious concerns about the Leeds and other Clean Air Zone proposals. As currently configured the proposals will lead to business closure and disruption to road haulage and other businesses. In simple terms – the mix of the timeline, the standards applied the simultaneous application of Clean Air Zones in many cities, the charging levels and the possibility of haulage operators being charged in more than one city each day will be catastrophic– especially for smaller businesses.
9. Policy makers should note that every home, flat, factory or office built requires tonnes of furniture, bricks, concrete and wood. All Leeds residents need feeding and resupplying and their waste dealing with on a daily basis, and this has to be done by road vehicles. Road freight is essential for the city to function.
10. Goods also need to be moved in the most efficient road vehicles to minimise congestion and air quality impacts. The most efficient vehicles are large goods vehicles.
11. Over recent decades, UK air quality has improved significantly thanks to concerted action at all levels. Total UK emissions of nitrogen oxides (NOx) fell by almost 70% between 1970 and 2015 and by over 19% between 2010 and 2015. Poor air quality is a serious environmental risk to public health in the UK and investing in cleaner air and doing even more to tackle air pollution are priorities for the RHA membership.
12. The RHA supports clean air, Euro VI technology is superb but the industry is unable to keep pace with the unrealistic time frames set by this consultation. Compliance with the changes will be impossible for many businesses due to the lack of Euro VI Lorries, the absence of a lorry retrofit option, and the limited opportunity for redeployment of Euro IV and V vehicles outside Leeds. Implementing a tax in this way on the sector will destroy some businesses and will make no material difference to air quality.
13. Road Haulage is a minor contributor to the air quality problem, about 10% in 2013 according to TfL. Since then, as Euro VI lorries have come on stream, we estimate that NOx emissions will have fallen (without any Clean Air Zone incentives) by 40% at the end of 2019.
14. At the end of 2019 just over 50% of lorries will be Euro VI, around 26 % will be Euro V. The RHA position has been that all Clean Air Zones need to be, and can be, phased in a way that supports clean air objectives without major disruption to small businesses and their customers. In particular that we need to accommodate Euro V lorries for longer than is currently planned (either exempting Euro V from charges initially or having a much lower charge, say £10, to the end of 2023 at least).

15. The Consultation answers of the RHA are relevant only to that which impacts on the Road Haulage sector.

Consultation Questions

Like many online survey consultations the ability to respond is very limited. Following the online questions sometimes requires a respondent to give an inaccurate answer as no suitable response is available. The Leeds online survey is better than many that we have seen, but the problem is still in evidence. Therefore we have answered the questions in full. The numbering is the RHA's, the order is the same as the original survey produced by Leeds.

Question 1: What impact do you feel a charging Clean Air Zone would have on reducing air pollution?

Answer: By charging only lorries and busses then we do not believe a charging CAZ will have the desired impact on air quality as per Q4 congestion is the key, this may mean having to charge cars and vans to enter. It can be seen from the London example that implementing a charge is not having the desired effect on air quality and what is needed is urgent action to tackle congestion.

Question 2: What impact do you feel a charging Clean Air Zone would have on local businesses?

Answer: There are 143 road haulage operators based within the proposal zone, with the majority of these having less than 5 vehicles. It is well known to us that these operators will have vehicles that are non-compliant at Euro VI Heavy Goods Vehicles (HGV) and therefore will have to pay on a daily basis irrespective of whether delivering into the city. We do not have the ANPR data to review the amount of HGV's entering the zone, however the bulk will again be small operators and thus liable to pay any charge.

It will not be a viable option for many of these small operators to pay the charge as the cost cannot be passed on; there are little profit margins in the Road Haulage Sector and we believe that many small businesses operating HGV's will have no alternative to but to cease to trade.

We have solid evidence that retrofitting in our sector is not available and will not be available or of any use by the start of any charging CAZ. Euro VI vehicles are in very high demand and there is insufficient in the market place to meet current demand. The HGV second hand market for Euro VI HGV's is now out of proportion and highly inflated due to

the insistence of Euro VI being the only acceptable vehicles allowed within a CAZ without charge.

In essence charging all businesses operating HGV's will have a devastating effect on the local business community, we will suggest some alternatives in our recommendations.

Question 3: When setting the cost of a daily charge, which of the following objectives should Leeds City Council prioritise? (Tick one only)

Answer: - Minimising the economic impact upon businesses and vehicle owners

Question 4: Leeds' Clean Air Zone would be similar to London's Low Emission Zone (LEZ), which also imposes a defined boundary which the most polluting vehicles are charged for entering. With this in mind, do you think the London LEZ charges for vehicles that do not meet minimum emission requirements are too much, too little, or about right for Leeds' Clean Air Zone? £100 Charge? (Tick one only)

Answer: - Too much

Question 4: Do you believe that improving air quality within the shortest possible timescale should be a priority for Leeds? By Leeds, we mean the Leeds area rather than just the city centre?

Please see answers to other questions and our broad view, the RHA believe that congestion is the main cause of air pollution and imposing a charge on trucks and busses which are essential movers of people and freight is the wrong direction for the authority to take. Cars and vans are the main cause of congestion; localised freight is being moved from Lorries due to possible charges along with many other legislative changes to the haulage sector and an influx of cars and small vans making parcel deliveries adding to the congestion issue. Tackling congestion during rush hours and school start and end times would have a major impact, free school transport and even more radical free public transport would tackle the over use of cars and have the required impact on Air Quality.

Q5: Under current proposals, private vehicles entering the Clean Air Zone would not be charged even if the vehicles do not meet minimum emissions requirements. To what extent do you agree with this approach?

Answer: As per Q4 we do not agree with this point, we understand the reasoning behind it, however by not charging cars congestion will not be effected, all that will be seen is re-routing of lorries that by-pass the City and congestion and air quality not effected.

RHA Other Comments:

16. We have stated that a charging CAZ would have a devastating effect on the local business community, we have evidence from local businesses based in the area that they will be left with no option other than bankruptcy if the CAZ is introduced as suggested and HGV's are charged at £100 per day if not Euro VI compliant.
17. We do not believe that DEFRA and Local Authorities have taken into account businesses that operate HGV's in numerous cities on a daily basis and in fact could be charged three or more times a day.
18. We have pointed out to DEFRA and the Department for Transport that although clearly stated as an option in the Air Quality Plan and Clean Air Zone Strategy there is not a RETROFIT option for the heavy goods vehicle market. We attend CVRAS, LowCVP and Energy Savings Trust groups on a regular basis and have pointed out this fact. Further, there are no plans for any Lorry retrofit options to be funded - unlike the bus and coach sector.
19. Euro VI Lorries are in very high demand by the very large operators. We have evidence of the resale market being out of kilter due to the fact that Euro VI is in such demand and prices have increased upto threefold for a second hand lorries putting them out of reach of the smaller business.
20. A lorry in most cases will have a commercial and operational life span of about 12 years (this is increased for specialist vehicles) - it is important to understand how the vehicle fleet has changed and will continue to change over time. The RHA assessment of the changes in the lorry fleet, by emission standard over time – given stable rates of change – is shown in table 1.

Table 1. Changes in the lorry fleet, by emission standard over time

	Dec 2013 GB HGV Fleet	Dec 2015 GB HGV Fleet	Dec 2016 GB HGV Fleet *	Dec 2019 GB HGV Fleet**	Dec 2020 GB HGV Fleet**	Dec 2025 GB HGV Fleet**
Euro VI	0	85,217	136,517	273,017	309,417	464,117
Euro V	180,000	171,832	162,732	135,432	126,332	35,332
Euro IV	108,600	94,685	85,185	56,685	47,185	23,435
Euro III	104,100	82,303	70,703	35,903	24,303	9,803
Euro II	34,800	26,360	22,160	9,560	5,360	2,357
Pre Euro II	30,800	24,078	20,878	11,278	8,078	3,021

* RHA estimate based on 11 months data

** RHA estimate with no new Clean Air Zones.

21. As can be seen in the above data, the fleet of modern Euro V vehicles remains substantial until after well after 2020. Undertaking limitation on the movement of Euro IV and V in the near term will be highly disruptive for operators, especially small operators.
22. At the end of 2020 45% of lorries will fall in scope of Clean Air Zone charging if a Euro VI only approach is adopted. As non Euro VI lorries will have to be used in substantial numbers the Clean Air Zone charges will in effect be a tax on many freight movements, a tax that will impact most severely on smaller and medium sized businesses.

Recommendations of the RHA

23. There is limited opportunity to redeploy the Euro IV and V fleet due to widespread adoption of clean air zone solutions being mandated by central Government. There is no viable retrofit, given this, ideally we would advise that Euro V is used as the base standard until the end of 2023. This will give businesses more time to make the required adjustments.
24. If there is no other option than a charge below Euro VI, then the RHA recommend an Intelligent Phasing of the charges, charging older more polluting Euro III vehicles up to £100 but Euro IV less and Euro V even less - possibly £10 for Euro V until the end of 2023. This approach is likely to give the optimum air quality result from the road haulage sector.

CT Snape
Deputy Policy Director
Date: 27 February 2018