



Response of the Road Haulage Association to Welsh Government

Consultation on a Clean Air Zone Framework for Wales

15 June 2018

Summary

1. The Welsh Government is committed to improving air quality across Wales. Their objectives for future generations include the promotion of good health and well-being for everyone, and to build healthier communities and better environments.
2. Tackling the levels of nitrogen dioxide (NO₂) has been a significant challenge in some urban areas. In the UK Plan for tackling roadside nitrogen dioxide concentrations (2017) it stated the intention to consult on the detail for a Clean Air Zone Framework for Wales.
3. The Clean Air Zone Framework for Wales is intended to ensure the effective implementation of CAZs, wherever they may be required, and to embed a level of consistency in the way they are applied.

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 250,000 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 the Welsh Government for the consultation and the opportunity to comment on the issues raised.

Broad RHA view

7. Poor air quality is an 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.

8. 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. The data published by the National Atmospheric Emissions Inventory (NAEI) show that NOx emissions from lorries and buses (i.e. heavy-duty vehicles) is declining and accounted for a small proportion (7.6%) of the total NOx emissions in 2015.
9. Every home built requires tonnes of furniture, bricks, concrete and wood. All Welsh residents need feeding and resupplying and their waste dealing with on a daily basis, and this has to be done by road vehicles, it is unavoidable.
10. The RHA supports clean air but has concerns over the timing of this proposal and other Clean Air Zone proposals being developed around the country; Euro VI technology is superb, but the fleet composition is unable to keep pace with the unrealistic time frames set by the this and other consultation proposals. Compliance with the changes will be impossible for many businesses due to the lack of Euro VI lorries to meet transport demand, the absence of a lorry retrofit option, and the limited opportunity for redeployment of Euro IV and V vehicles outside Wales. Implementing a charging clean air zone (tax) in this way on the sector will destroy some businesses and will make no material difference to air quality.
11. At the end of 2019 over 49% of lorries will be Euro VI, around 28% will be Euro V. The RHA position has been that all Clean Air Zones need to 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).

Further RHA information regarding relevant questions

Question 1 – Do you agree that CAZs would provide an effective way of addressing air quality challenges in Wales?

- I. The proposals as applied to the road haulage sector will not be effective at dealing with the air quality challenge because the continued use of pre Euro VI lorries is unavoidable and Euro V lorries will be charged the same as dirtier Euro II and earlier fleet.
- II. There are 5800 road haulage operators based within Wales, 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 should charging clean air zones be introduced. We do not have the ANPR data to review the amount of HGV's entering the various zones, however the bulk will again be small operators and thus liable to pay any charges.

- III. There are low profit margins in the Road Haulage Sector and within the supporting servicing sector (such as garages and testing centres that may be in the zones). The viability of these small businesses operating HGV's will be seriously undermined, some will have no alternative to but to cease to trade, others will move to using large less efficient and dirtier vans.
- IV. We have solid evidence that retrofitting for lorries is not available and will not be available or of any use by the start of any charging Clean Air Zone. Euro VI vehicles are in very high demand and there is insufficient in the market place to meet the demand for haulage in any Clean Air Zone. The HGV second hand market for Euro VI HGV's is now out of kilter and Euro VI prices are highly inflated due to the insistence of Euro VI being the only acceptable vehicles allowed within a CAZ without charge.
- V. In essence charging all businesses operating non Euro VI HGV's the same charges for different Euro classes of lorry will have a devastating effect on the local business community, we will suggest alternatives in our Other Comments.

Question 2 – Should Welsh Government direct local authorities to introduce a Clean Air Zone, and, if so, under what circumstances should it do so?

- I. The RHA believe that congestion is the main cause of air pollution and imposing a Clean Air Zone as proposed on lorries and busses - which are essential movers of people and freight is the wrong direction for the Government to take.
- II. Cars and vans are main contributors to congestion. Targeting lorries with charges (in particular high charges for modern Euro V lorries) will result in a market distortion where the use of vans will be further encouraged (these charges, along with other legislative changes to the haulage sector and an influx of cars and small vans making parcel deliveries will add to the congestion issue).
- III. Should a Clean Air Zone be considered, it must be tightly focused on the problem location after congestion mitigation has been considered. For lorries, as essential road users, any zone should have phasing that encourages cleaner vehicles, including Euro V lorries.

Question 3 - Do you consider the options/advice at section 5 to be suitable and effective elements of a CAZ?

- I. When discussing the traffic management system to be used it is imperative that those who could potentially face a charge are not forced or displaced on to other roads. Other options mentioned elsewhere in this reply should also be reviewed, night time deliveries is an option as many vehicles now have quiet technology to not

disturb the local population. Safe and free school or public transport would help congestion even if it was for rush hour only.

- II. A charging CAZ should not be considered as a cash generator to pay for other LA facilities - comments made in section five suggest a surplus may be made, this conversion of the charge into a tax is not acceptable.
- III. When working on incentives it should be remembered that many small businesses in the Road Haulage Sector rely upon the second-hand HGV market. The market has been distorted at present due to many LA's persistence on Euro VI lorries as the only free to enter option. Thus increasing the cost of used Euro VI and causing the Euro V lorry market to become worthless. The use on non-Euro VI is inevitable, it makes sense for those non Euro VI lorries to be of the highest Euro V standard V for a significant period of time to enable SME's to phase fleet upgrades over the coming years (to the end of 2024 would be reasonable).
- IV. The planning phases need to take account of joined up thinking between LA's and city councils, so that there are not a multitude of different CAZ's in place.
- V. Management of HGV's is of course a very important point for the RHA and this response. There is little if any other fuel options to power HGV's in the near future (before 2025). There is no reasonable infrastructure for any other fuel alternatives and will not be for some time.
- VI. Imposing further restrictions on HGV's will see a move to increased car and van traffic thus making congestion worse, we have seen evidence of this in London where the average commute speed is on average 8mph.
- VII. Many LA's own fleets are not Euro VI compliant and allowing them to operate free would be seen as discriminatory and is unacceptable. More so given that the vehicles will be intensively used in the zones when most lorries enter and leave zones for brief periods. There is NO retrofit option for the Heavy Vehicle fleet at this time.
- VIII. As previously mentioned the cost to upgrade to Euro VI is too restrictive, current fleets of Euro V and below are now worthless and therefore any option to upgrade is now gone for many operators. If a Charge has to be introduced then Intelligent phased charging should be used, allowing Euro V to pay a reduced charge until operators can upgrade their fleets over a period of at least 5 years (the end of 2024 would be reasonable).

Question 4 – Do you agree that the minimum emissions standards outlined in Annex 2 of the CAZ Framework should be applied to determine road vehicle access in Welsh CAZs, and that these standards should be tightened over time in order to apply more rigorous real-world emissions data?

- I. We do not agree with this proposal, at the end of 2019 51% of the HGV’s on the roads will still be Euro V or lower, approximately 240,000 HGV’s. The RHA believe that any clean air zones should adopt a phased approach to emissions standards, thus allowing the smaller operator to upgrade to newer and cleaner lorries.
- II. Second hand Euro VI Lorries are in very high demand as a result of the Clean Air Zone proposals. We have evidence of the resale market being out of kilter – with high prices putting second hand lorries out of reach of the smaller business.
- III. Due to the fact that a lorry in most cases (this is increased for specialist vehicles) will have a life span of 12 years it is important to understand how the vehicle fleet has changed and will continue to change. The 2018 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 - Licensed heavy goods vehicles at the end of the year in Great Britain between 2013 and 2025.

	2013	2015	2017	2019*	2021*	2023*	2025*
Euro VI	0	83,236	177,327	244,853	308,349	360,632	398,438
Euro V	180,000	168,162	142,497	136,367	104,378	73,064	48,731
Euro IV	108,600	91,598	70,641	43,169	28,437	18,453	13,020
Euro III	104,100	79,566	59,406	32,046	22,232	16,301	11,820
Pre Euro III	65,600	49,497	38,406	33,565	26,604	21,550	17,992

Data to 2017 extracted from DfT Statistics - VEH0511, published April 2018.

* RHA Data generated from long-term fleet profile information derived from VEH0511 - April 2018.

Question 5 – Do you agree that Local Authorities should have flexibility to target only those vehicles that may be presenting the biggest air pollution problems locally, or should access restrictions apply to all categories of vehicle, wherever CAZs may be introduced in Wales?

- I. Every village, town and city needs resupplying in most cases on a daily basis, for instance 400,000 tonnes of goods enter London to be delivered DAILY. As per Q2, The RHA believe that congestion is the main cause of air pollution and imposing a charge only on lorries and busses - which are essential movers of people and freight is the wrong direction to take. Cars and vans are main contributors to congestion. Targeting lorries with charges (in particular Euro V lorries) is resulting in a market distortion where the use of vans will be further encouraged (these charges, along

with other legislative changes to the haulage sector and an influx of cars and small vans making parcel deliveries will add to the congestion issue).

- II. Consideration of how to tackle congestion during rush hours and school start and end times could have a major impact. Free school transport and even more radical selective free public transport could tackle the over use of cars and have the required impact on Air Quality.
- III. We do not believe that 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.
- IV. It is therefore extremely important that local authorities follow strict guidelines and do not impose restrictions that are different to other LA's.
- V. The framework document mentions a Retrofit option for older Euro engine vehicles to enable them to upgrade to Euro VI. There is currently NO retrofit option available to the HGV fleet, CVRAS have not ensured funding is made available to test the HGV fleet.

Question 6 - Should local authorities have the flexibility to vary the times that CAZ restrictions should operate, or would full-time operation provide the most desirable solution in terms of meeting air quality challenges?

- I. This option could cause confusion if one LA is different to others. Free access at nights is an option worthy of reviewing especially for operators of HGV's could possibly retime deliveries and have a large impact on day time pollution if moved to night.

Question 7 – Should Welsh Government consider options for mandating either a charging or a non-charging CAZ structure in Wales, or should this be left to local authority determination depending on evidence of which of the two may be the most effective means of reducing airborne pollution locally?

- I. We are already experiencing from other Clean Air Zone cities non-joined up thinking when determining charges, it is imperative that the Welsh Government mandates continuity across the country. It is not unknown for haulage vehicles to enter more than one local authority daily in some cases up to four. Again, the Welsh Government should mandate that any vehicle would only be charged once per day if at all.
- II. The RHA have suggested that if a charging CAZ has to be imposed, then it should include our Intelligent phased approach, which would allow operators of Euro V vehicles to pay zero or a smaller charge for a period of time thus allowing them to

upgrade their fleet gradually and also entice older more polluting vehicles to be upgraded to Euro V as a strict Euro VI only policy does not entice older vehicle operators to upgrade if they have no option but to pay anyway, please see RHA recommendations.

Question 8 - Would a part-charging model bring any benefits over the alternatives of a total ban on non-compliant vehicles, or a charging system with full coverage within the CAZ?

- I. This would just cause confusion for transport operators, if a charge has to be imposed it should be based on causing the least amount of disruption to normal day to day operations. The Welsh Government should investigate the option of night time deliveries.

Question 9 - Should local authorities have full flexibility to determine the level of any access charges they may apply, or should Welsh Government establish national criteria for local authorities to refer to?

- I. There should be a national criteria, that criteria should embed a phased approach until the end of 2024 where clean air zone charges are imposed.
- II. At the end of 2019 about 51% 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.

Question 10 - Do you agree with the proposed vehicles and categories of drivers that should be exempt from meeting published access requirements within a CAZ?

- I. By charging only lorries and busses in some cases, then we do not believe a charging CAZ will have the desired impact on air quality. 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.
- II. 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 a charging CAZ is introduced.

Question 11 - Do you think sufficient consideration has been given to non-road sources of air pollution in the Framework?

- I. Within days of the publication of this Framework consultation the UK Government published its updated clean air strategy 2018 consultation. This consultation in particular looks at many other sources of air pollution. The Welsh government should ensure that the CAS 2018 is reviewed with a view to informing them with regards to the many other sources of pollution that need controlling

Question 12 – How best should information about a CAZ be made publicly available in order to ensure the clearest and widest possible notice of what access restrictions will mean to those travelling within the area?

- I. As much advertising and pre notification as possible with signage to back this up

Question 13 – Do you have any views on how the impact/success of a CAZ should be measured, and how this information should be used to develop a local CAZ over time to ensure the widest ongoing possible benefits for air quality?

- I. The clean air strategy is very clear that when an area is classed as clean then any charging if implemented then it should be removed. The Government should not look at any charges as a cash cow for the future and if by review and testing become clean then they should be removed.

Question 15 - Do you wish to make any further comments about the Clean Air Zone Framework for Wales?

See below

Recommendations of the RHA

12. There is limited opportunity to redeploy the Euro IV and V fleets outside clean air zone use. It is inevitable that substantial numbers will need to be used for several more years. There is no viable retrofit, given this, ideally we would advise that Euro V is used as the base standard until the end of 2024. This will give businesses more time to make the required adjustments and discourage the use of older dirtier lorries.



The Road Haulage Association

13. If there is no other option than a charge, then the RHA recommend an Intelligent Phasing of the charges, charging older more polluting Euro IV vehicles up to £100 but Euro V less, either zero or possibly £10 for Euro V until the end of 2024.

Further information on RHA Policies:

<https://www.rha.uk.net/getmedia/4e79d602-e353-4c33-b812-f3f86fd753d0/RHA-Factsheet-Air-Quality.pdf.aspx>

<https://www.rha.uk.net/getmedia/03b81d92-bade-445f-9f14-3fc066db6ae8/180508-2018-RHA-Emission-Assessment-v1.pdf.aspx>

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