



Response of the Road Haulage Association to Southampton City Council

Southampton Clean Air Zone Consultation

13 September 2018

Summary

1. Southampton City Council is asking businesses, both regionally and nationally, commuters and those living in the wider Southampton region to let them know their thoughts on the proposals for a Clean Air Zone in the city.
2. Southampton are proposing a Clean Air Zone, where the most polluting vehicles will have to pay to enter the city centre. The boundary being the M271 to the East, M27 to the North and as far West as Netley, Weston and Hightown.
3. According to government frameworks, this must happen as soon as possible, with the end of 2019 being the absolute deadline. Southampton are proposing that charges will apply to most vehicles whose engine does not meet specified standards: it will include buses and coaches, lorries, Taxis, Private Hire Vehicles and specialist vehicles like bin lorries. The proposed charge for lorries is to be £100 per day for all lorries not meeting the Euro VI standard.

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 Southampton City Council for the consultation and the opportunity to comment on the issues raised.
7. The current second consultation online survey limits the ability to provide information that reflects our members views in full, or the impacts upon them. We have therefore replied in two ways, through the online survey and in this written response.
8. Our responses focus on the impact on commercial road haulage operators and their customers.

RHA view

9. The RHA supports clean air but has serious concerns over the timing of this and other Clean Air Zone proposals being developed around the country; Euro VI technology is superb but there is insufficient numbers of Euro VI lorries to keep pace with the unrealistic time frames set out in this consultation. The costs will fall mostly on small businesses and arise from the premature charging of modern non-Euro VI lorries.
10. The size of the proposed clean air zone for Southampton is out of proportion for the exceedance on one part of the A33 to the east of the city.
11. Compliance with the Clean Air Zone requirements will be impossible for many businesses due to the cost of change, the shortage of second hand Euro VI lorries, the absence of a lorry retrofit option, and the limited opportunity for redeployment of Euro IV and V vehicles outside Southampton. In effect, for many operators it will become a tax on the sector that will destroy some businesses and will make no material difference to overall air quality emissions from HGV's.
12. The current proposal will be a catastrophe for many, mostly smaller, road haulage businesses. We have members who have told us and Southampton Council representatives at recent public meetings that they will need to cease trading if the Clean Air Zone is introduced as currently proposed or relocate outside of the CAZ.
13. We believe that Southampton City Council have underestimated the negative impacts of the proposals on the haulage sector in several key areas and had made a number of errors in its assessments.
14. Southampton have estimated that 85% of lorries will be operated at Euro VI in 2020 without a Clean Air Zone.¹ Incredibly they predict that with a Clean Air Zone that compliance will hit 97%. The justification for the 97% figure is not clear, this predicted outturn is fantastically higher than JAQU behavioural assessment guidance – which itself is high and lacks credibility because it is out of date (done in 2014 allowing 6 years to make the change not less than 18 months as in the case of Southampton).
15. At the beginning of 2020 just over 50% of lorries in Great Britain will be Euro VI (see table 1 below), around 25% will be Euro V. We do not believe that the increase in the Euro VI share of lorry journeys stated by the Southampton consultation – from 85% in the “do minimum” to 97% in the CAZ B option is achievable. The lorry fleet cannot support the 97% share claimed.
16. There is no economic assessment looking at the affordability of the scheme and impact on the businesses in the CAZ, there is no credible number given for the cost to business and there is no consideration on the disproportionate impact that will fall on small and micro businesses. Given that even JAQU note that micro and small

¹ https://www.southampton.gov.uk/images/draft-road-traffic-caz-demand-model_tcm63-400492.pdf

“businesses make up a significant proportion of the non-compliant fleet entering the zones” this is a serious oversight.

17. Euro VI vehicles are in very high demand. The HGV second hand market for Euro VI HGV's is highly inflated due to the insistence of Euro VI being the only acceptable lorry allowed within all CAZ proposals without charge.
18. Southampton is still promoting the myth that retrofit for lorries is available. We have solid evidence that retrofitting in our sector is not available, there is no CVRAS approval for any lorries, nor is any likely before 2020.
19. It is very disappointing that Southampton has disregarded phasing the introduction of the CAZ so that modern high value vehicles, many just half way through their economic life, could continue in use for longer – thus minimising that significant financial penalties for many smaller businesses.
20. Southampton make suggestions that there will be a mitigation plan for HGV's we have already mentioned that Retrofit is not available. When it is, it will be overly expensive. Upgrade costs are disproportionate due to the insistence of Euro VI being the only complaint HGV. Any assistance offered by way of local discounted charges will enable an unfair advantage over other operators.
21. The RHA would like to make some important general points about air quality and the road haulage sector.
22. 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.
23. Road haulage is not discretionary, goods have to move for the wellbeing of people and businesses. Every home built requires tonnes of furniture, bricks, concrete and wood. All Southampton residents need feeding and resupplying and their waste dealing with on a daily basis, and this has to be done by road vehicles.
24. Our view, and feedback from members, is that many of the smaller operators cannot afford to upgrade to Euro VI. The RHA position has been that any 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 newer Euro V lorries for longer than is currently planned (either exempting Euro V from charges initially or having a much lower or no charge, to the end of 2024).
25. It will not be a viable option for many small operators to pay the charge as the cost cannot be passed on; there are slim profit margins in the Road Haulage Sector many small businesses operating HGV's will have no alternative to but to cease to trade.

- 26. Cars and vans make significant contributions to congestion; the data provided by Southapmton confirms this. Tackling congestion during rush hours and school start and end times will have a major impact, free school transport and even more radical a free public transport zone would mitigate car use and may have an impact on Air Quality.
- 27. Due to the fact that a lorry in most cases has an economic life span of over 10 years² (longer for specialist vehicles), it is important to understand how the vehicle fleet has changed and will continue to change. 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

| | 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.

- 28. 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.
- 29. At the beginning of 2020 approximately 50% 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.
- 30. We do not believe a charging CAZ for lorries will have the desired impact on air quality. Uptake of Euro VI will be less than predicted and congestion is being overlooked. The effectiveness of clean air zones is highly uncertain with many factors influencing outcomes. The Royal College of Physicians recently considered the London city-wide LEZ³ and has found that *“Three years after the introduction of the London scheme, there was no evidence of improvement in air quality or in children’s respiratory health”*

² Department for Transport vehicle statistics – VEH0511 confirm this

³ Air Pollution in a changing world, box 3 “Do low emissions zone work?”



The Road Haulage Association

31. We do not believe that Southampton have taken into account the business impact on operators of HGV's that move through numerous cities on a daily basis and in fact could be charged three or more times a day.
32. There is no Integrated Transport system for Southampton, park and ride schemes are woefully inadequate, the impact of this large CAZ possibly charging all but cars to enter will move congestion to the surrounding areas and into the suburbs. The motorway network already under extreme pressure will become further congested.

Recommendations of the RHA

33. We strongly oppose the current proposal due to the disproportionate and significant costs that will be imposed by the CAZ on many haulage businesses, their customers and suppliers, the absence of any viable retrofit, the high daily charge and the cliff-edge nature of the Euro VI only approach
34. The RHA has recommend, **if any CAZ is introduced**, that an Intelligent Phasing of the charges is applied. One example would be charging older Euro III lorries a full charge, Euro IV half of the Euro III charge and Euro V no charge until the end of 2022, then Euro V half charge until 2024. Alternatively, simply use the year of first registration as a proxy for the Euro standard and phase on that basis. (e.g. 14 year old vehicles full charge, 11 - 14 year old vehicles half charge, 10 year or less no charge).
35. Failure to phase the introduction of the Clean Air Zone will result in some businesses, mostly small businesses, ceasing to trade.

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