

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2489

Title: ULEZ Support Scheme

Executive Summary:

The Mayor has identified improving air quality as one of his key priorities given its impact on public health and health inequality. The Ultra Low Emission Zone (ULEZ) was introduced in central London on 8 April 2019 to encourage the removal of the most polluting vehicles from London's roads by charging a fee for vehicles that do not meet strict emission standards.

In February 2019 the Mayor launched a London vehicle scrappage scheme to support micro businesses and third sector organisations to switch their vehicles to cleaner ones. It was also announced that a further £25 million ULEZ Support Scheme (the scheme name will be confirmed ahead of introducing the scheme) would be established. This support scheme is to financially help those on low income and disabled people who own non-ULEZ compliant vehicles to scrap older, polluting vehicles including switching to cleaner vehicles that either meet or go beyond the ULEZ standards. An equality impact assessment is underway to identify any specific concerns relating to the low income and disabled people that this scheme will target.

Transport for London (TfL) is responsible for implementing and managing the ULEZ and it would be more efficient for it to administer the ULEZ Support Scheme, including determining eligibility and making payments to third parties in consultation with the Mayor and the Greater London Authority.

This decision seeks approval from the Mayor to direct and delegate to TfL the necessary legal powers to implement the ULEZ Support Scheme.

Decision:

That the Mayor:

1. Authorises TfL under s 38 of the GLA Act 1999 to exercise the Authority's functions relating to economic development and wealth creation, environmental improvement and social development under section 30(1), and its subsidiary powers under section 34(1) of that Act, for the purpose of establishing and administering a ULEZ Support Scheme described in this Form in accordance with the Delegation & Direction Document at Appendix 1.
2. Directs TfL under s 155(1) of the GLA Act to prepare, finance and implement the Scheme as described in this Form in accordance with the Delegation & Direction Document.

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:

9/7/19

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

Decision required – supporting report

1. Introduction and background

- 1.1. The Mayor launched the world's first Ultra Low Emission Zone (ULEZ) in central London on 8 April 2019. This is the largest, earliest and most comprehensive of all the UK Clean Air Zones to be implemented. Its success at helping remove the most polluting vehicles from London's roads is vital to achieving his objective of returning London to safe and legal levels of air quality. It also helps fulfil his duty to help ensure London reaches legal compliance with UK and EU air quality limits as soon as possible. Further detail on this is set out in the UK Government's Air Quality Plan and the London Environment Strategy.
- 1.2. The ULEZ is based on the Euro emission standards and sets Euro 6/VI as the compliant standard for diesel vehicles, Euro 4 as the compliant standard for petrol vehicles and Euro 3 for motorcycles and other 'L' category vehicles.
- 1.3. The ULEZ will be expanded in October 2021 up to the North and South Circular Roads. This is an area roughly 18 times as large as the current scheme. The Integrated Impact Assessment (IIA) identified that the expansion of the ULEZ would have a differential impact on those on low incomes and disabled people.
- 1.4. The IIA identified that car compliance is likely to be lower in the most deprived areas of London, and where public transport access is low, those on low incomes unable to afford a compliant car may find it more difficult to adapt to the expansion of the ULEZ. Similarly, the IIA identified that disabled people may also find it more difficult to upgrade their car, especially where they require further vehicle-specific adaptations post manufacture to enable the customer to drive safely and in comfort which are often expensive. Those on low incomes and disabled people may find it more difficult to travel within the zone if they own a non-compliant vehicle and have to travel on public transport, private hire vehicle (PHV) or taxi.
- 1.5. In recognition of this potential economic impact on a significant number of individuals as outlined in the IIA, the Mayor has proposed to implement a ULEZ Support Scheme for these groups ('the Scheme'). In February 2019, the Mayor announced that £25 million (which forms part of retained business rates allocated to Transport for London (TfL) as approved via the 2019-2020 GLA Group budget) will be allocated for the Scheme. The public name of the Scheme is to be confirmed.
- 1.6. The Scheme will provide financial support to individuals on low income or in receipt of disability benefits living in Greater London (to be defined in the Scheme's eligibility criteria) in exchange for scrapping a non-ULEZ compliant light goods vehicle (LGV), passenger car or motorcycle (which would include mopeds and road licensed scooters) with a valid MOT.
- 1.7. A targeted scheme aimed at specific groups helps to ensure it delivers value for money, mitigates the financial impact on target groups, maximises environmental benefits and minimises administrative complexity.
- 1.8. To enable TfL to undertake the Scheme it is necessary to delegate to TfL the Mayor's general powers under s 30 of the GLA Act, together with his subsidiary powers under s 34 of the Act, as the activities involved are not within TfL's legal powers. TfL has been consulted on the proposal for it to undertake the delivery of the proposed Scheme and to delegate to them the necessary powers to do so. TfL has confirmed they are content with this approach. Notwithstanding this, it is also proposed the Mayor directs TfL to prepare, finance and implement the proposed scheme. The direction is advised given the novel nature of the role TfL is asked to play in the administration of the grant scheme proposals. The proposed delegation and direction is set out in the Delegation & Direction Document at Appendix 1.

2. Objectives and expected outcomes

- 2.1. The objective of this decision is to enable a finance support scheme for those on low incomes or in receipt of disability benefits to support the reduction of older, more polluting non-ULEZ compliant vehicles being driven in Greater London, and to help to mitigate the impact of the ULEZ on their ability to travel. This will improve air quality and reduce health and social inequalities.
- 2.2. Subject to approval of this decision, the Scheme will be available to eligible applicants from Autumn 2019. The Mayor has asked officials and TfL to consider how the money could be spent most effectively, and an equality impact assessment will inform this process.
- 2.3. Taking into account the original estimate in the IIA and further analysis by TfL, we currently estimate there could be between 557,500 to 669,000 people eligible for the Scheme, from across Greater London. It is important to note that it is unlikely that all of those who are eligible would want to access the Scheme.
- 2.4. TfL is assessing different options for the financial support (e.g. the payment level) but it is currently intended that the Scheme will offer the same amount to all successful applicants. TfL currently estimate that between 12,250 and 24,500 eligible vehicles will be scrapped using the Scheme. The objective of the Scheme is to help as many people as possible until the funding is exhausted. There is potential for more eligible applicants to be supported via this Scheme if additional funding is provided by the Government, and the Mayor will continue to make the case for why additional national scrappage funding is required.
- 2.5. The Scheme will not specify how recipients need to spend the financial support. It will be flexible to ensure individuals can use the funding to suit their circumstances. For example, it could be used towards purchasing a ULEZ compliant vehicle or it could be used to switch to other modes of transport, including car clubs and cycle hire.

3. Equality comments

- 3.1. The Mayor, GLA and TfL are subject to the “public sector equality duty” contained in s 149 of the Equality Act 2010. This duty requires each body to have due regard to three outcomes when exercising their functions: (1) the need to eliminate unlawful discrimination, harassment and victimisation; (2) to advance equality of opportunity between those who share a protected characteristic¹ and those who do not; and (3) to foster good relations between such people.
- 3.2. There is currently significant exposure of the London population to air pollution. Although this exposure is predicted to decline significantly by 2020, current modelling results show that in 2020 there will still be more than 300,000 people living in locations with average NO₂ levels above the EU legal limit value. In contrast, average concentrations of particles (PM₁₀ and PM_{2.5}) were, by 2010, already within EU Limit Values for the annual average concentrations.
- 3.3. Populations living in the most deprived areas are on average currently more exposed to poor air quality than those in less deprived areas. A recent independent report by Aether published by the GLA showed that those people living in the most deprived areas were on average exposed to nearly a quarter more nitrogen dioxide air pollution than those living in the least deprived areas.
- 3.4. TfL have commissioned an equality impact assessment (EQIA) to identify focus groups of target applicants within the low income and disabled people to ensure that possible adverse impacts on

¹ The protected characteristics covered by section 149 are: age; disability; gender reassignment; pregnancy and maternity; race; sex; religion or belief; and sexual orientation, and in certain circumstances civil partnership or marriage. Compliance with the PSED 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.

people with a protected characteristic are identified and where possible mitigated, reducing the risk of unintended consequences. The EQIA will include an array of focus groups of target applicants to capture feedback on the different parameters of the Scheme. It will help to evaluate the proposed eligibility criteria to ensure it does not inadvertently exclude suitable applicants and that there will be positive benefits from the Scheme. The outcome of the EQIA will inform the final Scheme.

- 3.5. The proposed Scheme is considered likely to be beneficial for groups with certain protected characteristics as it will contribute towards improving air quality by successfully delivering the ULEZ across Greater London, reducing health and social inequality, reducing the financial impact of ULEZ, and reducing the impact on their ability to travel across Greater London. The Aether report showed that while everyone will benefit from improved air quality, those living in the most deprived areas would benefit the most on average. The pollution exposure 'gap' between the least and most deprived areas is expected to fall by around 70% by 2030 as a result of the ULEZ and other Mayoral air quality policies. The scheme will also ensure that some of those with protected characteristics specifically impacted by the scheme are helped to comply with the ULEZ.

4. Other considerations

a) Risks and issues

- 4.1. This Scheme is the first of its kind, which means there are inevitably uncertainties as to how low income and disabled people may respond and uncertainty amongst stakeholders. To mitigate these risks, the Mayor, GLA officials and TfL are engaging with London boroughs and community engagement groups to take their input into consideration when designing and determining the scope of the Scheme. Furthermore, it is proposed that the Scheme will be marketed to eligible groups to raise awareness. This will be done as part of the publicity campaign TfL are currently undertaking to maintain public awareness about ULEZ. Additional marketing activity may also be undertaken after the launch of the Scheme.

b) Links to Mayoral Strategies and priorities

London Environment Strategy

- 4.2. The Mayor's London Environment Strategy was published in May 2018 and prioritises reaching legal air pollutant levels as soon as possible.

- 4.3. Proposal 4.1.1.b states:

"The Mayor will aim to do more to protect London's young and disadvantaged people by reducing their exposure to poor air quality, including at schools, nurseries, other educational establishments, care homes, and hospitals."

- 4.4. Proposal 4.2.4.b states:

"The Mayor will work with the government to achieve full legal compliance with UK and EU legal limits as soon as possible. Comprehensive and coordinated action is needed at a national level to achieve legal limits as quickly and effectively as possible. A national vehicle scrappage fund is essential if compliance costs to people and businesses of such action is to be minimised. It is only right that the government provides this help, given that national fiscal policy has encouraged dieselisation over many years, meaning many people bought polluting vehicles in good faith."

- 4.5. Proposal 4.2.1.d states:

"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."

Mayor's Transport Strategy

- 4.6. The Mayor's Transport Strategy published in March 2018 refers to taking action to reduce emissions from vehicles on London's streets. Policy 6 states:

"The Mayor, through TfL and the boroughs, and working with stakeholders, will take action to reduce emissions – in particular diesel emissions – from vehicles on London's streets to improve air quality and support London reaching compliance with UK and EU legal limits as soon as possible. Measures may include promoting electrification and responsible procurement."

- 4.7. Proposal 28 states:

"The Mayor proposes that Government amends fiscal incentives, including vehicle excise duty, so that only the cleanest vehicles are incentivised for purchase; and implements a national diesel vehicle scrappage fund to enable cities to take the most polluting vehicles off their streets."

Mayor's Equality, Diversity and Inclusion Strategy

- 4.8. The Mayor's Equality, Diversity and Inclusion Strategy sets out how he will work to create a fairer, more equal, integrated city where all people feel welcome and able to fulfil their potential.

- 4.9. Strategic Objective 9 states:

"To work with boroughs, communities, transport providers and businesses to help regenerate the most deprived parts of London in a way that supports good growth and opens up opportunities for the most disadvantaged groups."

- 4.10. Strategic Objective 11 states:

"To work with all relevant partners to ensure actions to improve levels of air quality and mitigate the effects of air pollution are informed by an understanding of the groups most likely to experience poor air quality."

5. Financial comments

- 5.1. There are no direct financial implications to the GLA resulting from this proposed direction to TfL. All costs relating to this direction (as detailed within this report and associated appendix) will be borne entirely by TfL. It should be noted that the £25m funding for this initiative forms part of retained business rates allocated to TfL as approved via the 2019-20 GLA Group budget.

6. Legal comments

- 6.1. Section 30(1) of the GLA Act 1999 enables the Mayor to do anything that furthers the promotion of the Authority's general purposes: economic development and wealth creation in Greater London, as well as its social development and environmental improvement. The GLA may also do anything that facilitates or is conducive or incidental to doing so under s 34(1). The objectives of the proposed ULEZ Support Scheme fall within all three categories. In addition, the Scheme supports the implementation of the air quality provisions of the Mayor's London Environment Strategy, which includes policies and proposals to implement the ULEZ which is a key measure to reduce vehicle emissions to contribute to the achievement of NO₂ limit values in accordance with the Air Quality Directive and UK Air Quality Plan. Advice is being taken to ensure the Scheme is designed to be compliant with state aid requirements.
- 6.2. The proposal is that TfL undertakes the administration of the Scheme, including determining eligibility criteria and making payments. A delegation of the Mayor's s 30 powers is necessary to enable TfL to do this as the activities involved would not normally be within TfL's legal powers. Under s 38(1) of the GLA Act the Mayor may authorise (delegate) TfL to exercise any function of the GLA exercisable by the Mayor, such as the GLA's general powers set out in s 30. It is also proposed to delegate to TfL the

Mayor's subsidiary powers under s 34(1) of the Act to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of functions under s 30. The Mayor may impose general or specific conditions on the authorisation. An authorisation under this section may be varied or revoked at any time by the Mayor. Under s30, subsection (7) TfL may exercise such functions on the GLA's behalf of the Authority, whether or not it would have any other power to do and irrespective of the nature of the function. The delegated function becomes a function of TfL. Under s 73 the GLA's monitoring officer retains responsibility as regards exercising the monitoring officer's functions regarding the exercise of the delegated powers, notwithstanding they are performed by TfL and its staff.

- 6.3. It is also proposed the Mayor directs TfL to prepare, finance and implement the Scheme. Under s 155(1) (c) of the GLA Act 1999 the Mayor may give TfL specific directions as to the exercise of its functions. These functions include the s 30 and 34 powers it is proposed be delegated to TfL to enable it to deliver the Scheme. The direction is advised given the novel nature of the role TfL is asked to play in the administration of the grant scheme proposals.
- 6.4. Appendix 1 sets out the text of the proposed Delegation & Direction Document. Under it the Mayor directs TfL to prepare, finance and implement the Scheme and for that purpose authorises TfL to exercise his section 30 and 34 powers in order to contribute to the achievement of the ULEZ emissions reductions through the removal of non-ULEZ compliant vehicles from operating on London's roads by means of payments to their owners. TfL will design and determine the scope, eligibility requirements, payments amounts, use of payments and related grant agreement terms and conditions, following consultation with the GLA (principally, the Deputy Mayors for Environment and Energy, Transport, and Social Integration, Social Mobility and Community Engagement, and the Mayoral Director of Policy). Payments and related contracts regarding the scrappage of the vehicle will be between recipients and TfL, rather than the GLA. The effect of the delegation is that it empowers TfL to enter into any necessary or expedient arrangements or contracts with third parties for supplies or services related to the Scheme's administration, whether in-house or outsourced. The Delegation & Direction Document provides for the jurisdiction of the GLA monitoring officer and a duty to cooperate with her in relation to the powers delegated.

7. Planned delivery approach and next steps

- 7.1. The GLA and TfL are working closely to finalise the proposal so that the Scheme can be launched in Autumn 2019.
- 7.2. The impact of the Scheme will be monitored through its implementation and a review will take place every six months to determine whether it is on track to deliver the expected outcomes. The Scheme is expected to end once the funding has been exhausted.

Appendices and supporting papers:

Appendix 1: Delegation & Direction Document – ULEZ Support Scheme.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

If YES, for what reason/ until what date:

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Roulin Khondoker has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Debbie Jackson has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Advisers:

Shirley Rodrigues, Heidi Alexander, Debbie Weekes-Bernard and Nick Bowes have been consulted about the proposal and agree 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 8 July 2019.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M. D. Allen

Date

8.7.19

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

8/7/2019.

