

## **Committee: Cabinet**

**Date: 07 November 2016**

Wards: All

### **Subject: The introduction of a diesel surcharge for all types of resident and business parking permits**

Lead officer: John Hill

Lead member: Councillor Ross Garrod (Cabinet Member for Street Cleanliness and Parking)

Contact officers: John Hill, Paul Walshe and Jason Andrews.

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#### **Recommendations:**

1. That Cabinet consider the introduction of a levy charge for all diesel vehicles that have a Resident, Business or Trade parking permit with the introduction phased over a period of 3 year period based on one of the following two options:
    - a) £150 surcharge with a phased introduction in 2017/18/19/20 as follows; £100 in 2017/18, £125 in 2018/19 and £150 2019/20.
    - or
    - b) £150 surcharge with a phased introduction in 2017/18/19/20 as follows; £90 in 2017/18, £115 in 2018/19 and £150 in 2019/20.
  2. That Cabinet considers setting the parking permit charge for electric vehicles at a discounted rate of £25 per annum.
  3. That the Council reviews the impact of the diesel surcharge for a period of 2 years, with a view to the introduction of comprehensive emissions based parking scheme.
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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 To consider the introduction of a diesel surcharge to highlight the disproportionate impact these vehicles have upon local air quality and poor health.

## **2 DETAILS**

- 2.1. Air pollution is increasingly recognised as a major cause of ill health and premature death. The most recent report by The Royal College of Physicians 'Every breath we take: the lifelong impact of air pollution' says that each year in the UK, around 40,000 deaths are attributable to exposure to outdoor air pollution.
- 2.2. Air pollution plays a role in many of the major health challenges of our day, and has been linked to cancer, asthma, stroke and heart disease, diabetes, obesity, and changes linked to dementia.
- 2.3. Neither the concentration limits set by government, nor the World Health Organisation's air quality guidelines, define levels of exposure that are entirely safe for the whole population.

- 2.4. Research by King's College London has estimated that air pollution was responsible for up to 141,000 life years lost, or the equivalent of up to 9,400 deaths in London in 2010, as well as over 3,400 hospital admissions. The total economic cost associated with this was estimated at £3.7 billion.
- 2.5. In recognition of this impact, local authorities are considering what steps it can take challenge poor air quality.
- 2.6. One of the few direct controls that a local authority has to influence change in vehicle choice is through its parking permit system. Many local authorities have been running emissions based parking schemes for a number of years; however these have mainly focused on CO<sub>2</sub> (carbon dioxide) emissions rather than local health based pollutants like nitrogen dioxide and particulate matter. Therefore, some have placed an additional surcharge upon diesel vehicles in recognition of the impact of these particular vehicles.
- 2.7. The overall aim of the scheme is to influence residents and business users to consider changing to lower or zero emission vehicles with any revenue derived from the scheme reinvested to support local sustainable transport initiatives and necessary infrastructure. Successful introduction of this type of scheme demonstrates the local authority's commitment to reducing emissions and improving air quality towards national objectives.
- 2.8. It is very difficult to define at what level a surcharge will directly influence a motorists behaviour as this decision is based upon a number of personal factors including, but not limited to; age of the vehicle, time of renewal, personal preference, family makeup and fuel economy.
- 2.9. The proposed low emissions parking levy, if adopted, would provide the Council with an opportunity to raise resident's awareness of the impact of emissions from their vehicles on local air quality and could provide an effective prompt to those considering changing their vehicle. It also adopts the long standing principle that the Polluter Pays' something that is not recognised in our current scheme.
- 2.10. Merton's parking permit fees have remained relatively unchanged and does not currently represent the specific impact of certain types of vehicle, or the impact of local pollutants that are of concern to health.
- 2.11. The Councils Pollution Team in conjunction with a leading transport research consultant has looked at the vehicle make-up in the borough, and concluded that in Merton, as with many other Boroughs, diesel vehicles contribute disproportionately to local air quality emissions. Crucially, the Merton study was based on data associated with actual on-road emissions as opposed to the manufacturers' specification.
- 2.12. It is true that diesel owners have, in the past, been given conflicting information as to the emissions from their vehicles and this has not helped by the recent manufacturers' vehicle testing scandals. Nonetheless, there is now conclusive evidence to show that diesel vehicles produce a disproportionate amount of harmful pollutants that pose a risk to health. To minimise this risk it is recommended that the Council introduces an emissions levy to encourage owners to switch to less polluting vehicles.

- 2.13. Officers recommend that the Council review its parking permit charges and include a levy for those vehicles that disproportionately contribute to poor air quality and health.
- 2.14. Officers recommend a levy charge for all diesel vehicles that have a Resident, Business or Trade parking permit are phased over a period of 3 years under one of the following two options:
- a) £150 surcharge with a phased introduction in 2017/18/19/20 as follows; £90 in 2017/18, £115 in 2018/19 and £150 2019/20.
  - b) £150 surcharge with a phased introduction in 2017/18/19/20 as follows; £100 in 2017/18, £125 in 2018/19 and £150 in 2019/20

### **3 ALTERNATIVE OPTIONS**

- 3.1. Parking permit scheme to remain unchanged.
- 3.2. Adoption of a more thorough and complete emissions system taking into consideration petrol vehicles.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. Depending on the accepted recommendation, a full consultation with residents and partners to seek views and opinions is proposed
- 4.2. The report was presented to the Sustainable Communities Overview & Scrutiny Panel meeting on the 7th September as an item for pre-decision scrutiny. At that meeting Members were asked to comment on the principle of imposing a levy on the most polluting vehicles through a differentiated cost for resident parking permits for diesel vehicles. Additionally, they were asked to comment on the level of the levy to be applied.
- 4.3. There was consensus amongst members of the O&S Panel in supporting the principle of a diesel levy in recognition of the seriousness of the air quality issue in Merton and diesel vehicles being the most polluting. Members also agreed that there is need for officers to give further consideration to how the diesel levy is going to be communicated; members expressed their concern about residents not being given sufficient notice (of at least a year) so they have a chance to change their behaviour before the levy is imposed. Members asked that more should be understood about the imposition of similar policies by other London boroughs, the variation and the extent to which these have and haven't been successful.
- 4.4. The precise value of the levy to be imposed was not discussed in detail. However, there was disagreement amongst members about the recommendation that parking permits should be free for electric cars. Some thought that given the costs of setting up Controlled Parking Zones, especially where these feature charging points for electric cars, then there should be a charge for parking permits for electric cars. However, others thought more should be done to promote the use of electric cars for which making parking permits free would be one option. It was explained to members that differentiated charging based on engine type is not considered appropriate given it isn't possible to rely on manufacturer specifications. It

was suggested that officers consider a differentiated cost for parking permits where households have more than one vehicle. Members also requested that officers to consider other options to address pollution from diesel vehicles that currently aren't parked within Controlled Parking Zones.

## **5 TIMETABLE**

- 5.1. Consideration of report at E&R Departmental Management Team – August 24<sup>th</sup> 2016.
- 5.2. Consideration of report at Overview & Scrutiny Panel – September 7<sup>th</sup> 2016 (see 4.2 - 4.4 above).
- 5.3. Consideration of report at Leader's Strategy Group – 7<sup>th</sup> November 2016
- 5.4. Consideration of report at Cabinet – 14<sup>th</sup> November 2016

## **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. Attached appendix 2 provides information on the financial implications of the levy charge.
- 6.2. The Council, subject to the outcome of any consultation process, can introduce a change to the borough wide permit traffic management order. The purpose of the surcharge is to reduce the demand for resident and business permits for diesel vehicles.

Three London Councils have successfully introduced a surcharge for parking permits issued to diesel powered vehicles which is in addition to the existing parking permit charges.

LB of Islington	£96 per parking permit
LB of Kensington and Chelsea	£19 per parking permit
LB of Camden	£10 per parking permit

It's important to note that the charges of £10 & £19 levied by Camden and K&C is only an addition to an existing wider charging system emissions based levy which recognises the impact of diesels.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1 The key legal framework for allowing for parking operation and enforcement duties comes under the road traffic regulation act 1984 and road traffic act 1991. Designation of parking is achieved through traffic regulation orders.

- 7.2 The road traffic act 1991 provides local authorities with the power to enforce parking activities themselves rather than the police (i.e. decriminalising parking enforcement). Under these powers, local authorities can issue fines or parking tickets. Under sections 45 and 46 of the Road Traffic Regulation Act 1984, councils can designate parking places on the highway, to charge for parking in these places and to make a charge for parking permits for their use. Local Authorities can also introduce differential permit charges between vehicles of different classes based on factors including their level and type of emissions.
- 7.3 In London, local authorities must also have regard to the Mayor of London's Transport Strategy (sections 142 and 144(1)(a) Greater London Authority Act 1999) which emphasises the importance of reducing emissions and improving air quality.
- 7.4 When setting parking charges Local Authorities are entitled to use the tariff or an increase in charges as a legitimate tool in managing demand for all types of resident and business parking permits for diesel powered vehicles. This is particularly relevant as it is the Councils aim to reduce residents and businesses reliance on diesel powered vehicles leading to a reduction in pollution as part of the Councils aim to reduce congestion and associated pollution. This in turn will contribute to the Councils 2020 aims.

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. None

## **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. None

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

- 10.1. None

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Appendix 1: Introduction of an emissions based parking levy: Prepared by Transport & Travel Research Ltd., in partnership with LB Merton.
- Appendix 2: Schedule of options for proposed levy charges.

## **12 BACKGROUND PAPERS**

- 12.1. None

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