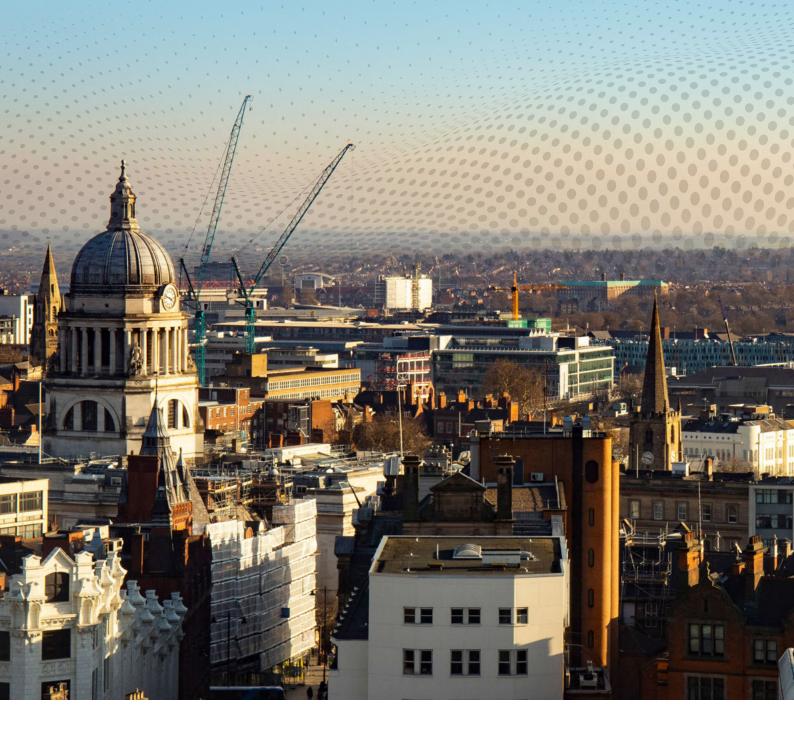
CLEAN AIR ZONE GUIDE NOVEMBER 2019





We care about cars. We care about you.

Contents

Air pollution	3
What is a Clean Air Zone?	4
Charging Zones	4
Euro Emissions Standards	5
Where are Clean Air Zones being introduced?	5
The impact for you	7
What about the future?	7

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Air pollution

Air pollution and poor air quality are considered by the Government to be among the largest environmental risks to public health in the UK. Vulnerable groups, such as children and the elderly, are particularly at risk and air pollutants can cause significant health problems.

Air pollution can be separated into two categories:

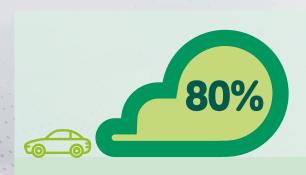


Including sulphur dioxide, nitrogen oxides (NOx), benzene, carbon monoxide and ozone.

Particle Matter (PM)

Solid and liquid particles suspended in the air.

Whilst there are many things that contribute to air pollution such as power stations, industry and wood burning stoves, the Government's Clean Air Strategy states that "...transport is a significant source of emissions of air pollution. The immediate air quality challenge is to reduce emissions of nitrogen oxides in areas where concentrations of these harmful gases currently exceed legal limits."



Cars, vans and other vehicles are responsible for around 80% of Nitrous Oxide (NOx) emissions at the roadside – and the most immediate challenge is reducing these to meet legal limits.

Source: Air quality statistics in the UK 1987 to 2018 (DEFRA report page 18)

What is a Clean Air Zone?

A Clean Air Zone (CAZ) is an area where targeted action is taken to improve air quality emissions as part of the Government's Clean Air Strategy.

CAZs aim to address all sources of pollution, including NOx, and reduce public exposure to them by a range of measures tailored to the particular location. They are being introduced in several major cities in the UK.

CAZs fall into two categories:



Non-charging Clean Air Zones

Defined geographic areas used as a focus for action to improve air quality. This action can take a range of forms but does not include charging the drivers of vehicles for access. Refer to pages 6 & 7.



Charging Clean Air Zones

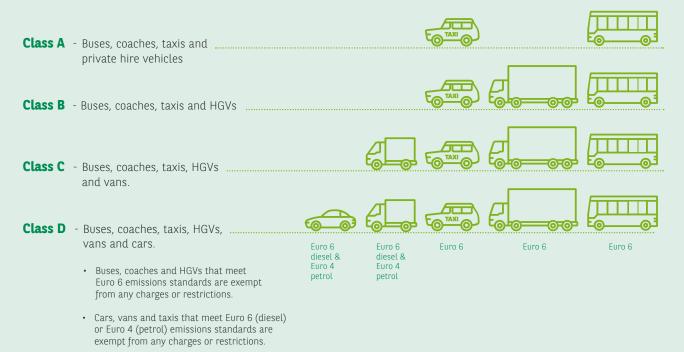
Zones where, in addition to the non-charging zones, vehicle owners pay a charge to enter a zone if driving a vehicle that does not meet the particular emissions standard set out for that zone.

Each authority has a high degree of autonomy to choose their own solutions, as long as they observe the Government's framework. The exact rules and implementation dates therefore differ from one location to another.

Charging Zones

Since the Government announced its intention to implement Clean Air Zones in 2017, local authorities in the UK can decide which level of restriction to implement for different vehicles, using the four options within the Government's framework.

In summary, charging zones fall into four classes:



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Euro Emissions Standards

From a fleet perspective, it is important to consider when the different Euro Emissions standards were applied to new vehicle registrations, as this will have a significant bearing on the potential impact of any future CAZs.

Emissions Standard	Applied to new passenger car approvals from:	Applied to most new car registrations from:
Euro 4	1 January 2005	1 January 2006
Euro 5	1 September 2009	1 September 2011
Euro 6	1 September 2014	1 September 2015*

^{*}Important note: Individual vehicles already on sale that were built by, and dispatched from, the manufacturer before 1 June 2015 could continue to be sold until 1 September 2016. This in effect means that a car sold before 1 September 2016 may still have had a Euro 5 engine.

Fleet cars are typically on a three or four year replacement cycle and as the majority of cars are already Euro 6, it is likely that few Euro 5 cars will still be on fleets by the end of 2019.

The emissions standards for LCVs were introduced a year later (September 2015 for new type approvals / September 2016 for all new registrations) and as such a greater proportion of LCVs on a typical fleet will still be Euro 5.



The replacement cycle for LCVs is often longer than for cars and so the transition to Euro 6 will take slightly longer. Therefore LCVs are more likely to be affected by CAZs.

Where are Clean Air Zones being introduced?

London

As of 8 April 2019, with the introduction of the Ultra-Low Emission Zone (ULEZ), London became the first city to introduce a Class D CAZ.

The ULEZ, which replaced the T-Charge, covers the same area as the Congestion Charge and will run 24/7, all year round.

It's different from the London Congestion Charge - not least because it operates 24 hours a day - and drivers of vehicles affected by the London ULEZ who enter the central Congestion Charge Zone must pay both amounts during the daytime on a weekday.

This means all pre-Euro 6 diesel and pre-Euro 4 petrol cars and vans (up to and including 3.5 tonnes) entering the ULEZ will now pay £12.50 per day in addition to the £11.50 Congestion Charge. For heavier vehicles, including Lorries (over 3.5 tonnes) and buses/coaches (over 5 tonnes) the charge will be £100 per day.

As the ULEZ operates 24/7, drivers will be liable for two daily charges if they drive within the zone before and after midnight.

Some vehicles may be exempt. If you want to see if this applies to your vehicle your can <u>check and register here</u>.

Be aware the ULEZ will expand on 25 October 2021 to cover the areas between London's North and South Circular roads.

More information can be found on the Transport for London website:

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National rollout

More than 60 local authorities have been told by the Government to consider new clean air measures, including the introduction of a CAZ. As a result, almost every corner of the UK will be implementing some form of air improvement strategy within the next few years.

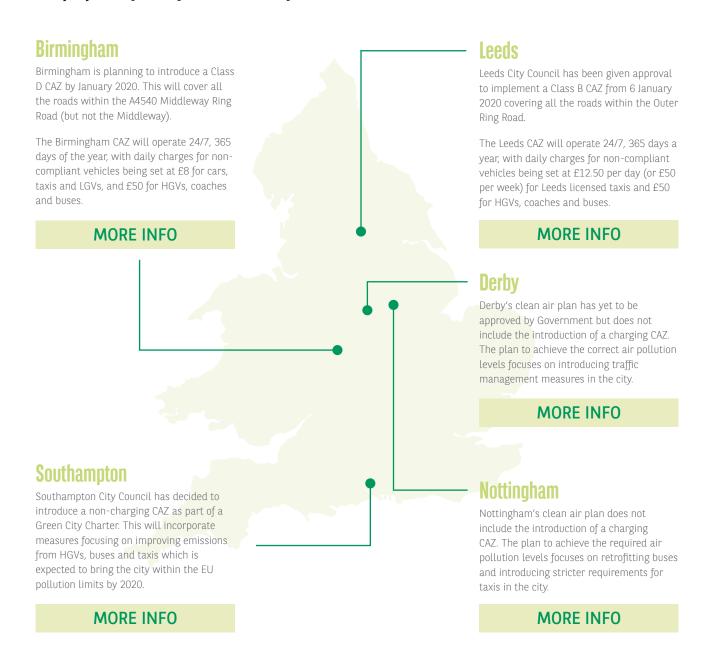
More information about this can be found on the BVRLA website:

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The implementation of these clean air initiatives will occur in three separate waves and the first will involve five cities mandated to introduce measures by 2020.

A further 28 authorities will follow suit as part of the second wave and 33 more must also assess options to improve air quality.

The proposals for the five cities in the first wave are covered below:



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The impact for you

At this time, only fleets in specific circumstances will be affected by Clean Air Zones. These will be:

- Those fleets that currently include diesel cars and vans that are pre-Euro 6 and petrol cars and vans older than Euro 4.
- Fleets that operate in cities where chargeable CAZs are being introduced currently London and Birmingham.

This means it is important to know the type of engines and the Euro Emissions ratings of the cars and vans in your fleet to make sure you know whether or not you'll be affected.

We can provide you with this information for your fleet or your drivers can check their own vehicles by visiting the <u>London ULEZ vehicle checker</u> on the Transport for London website.

This is likely to be a short term issue for fleet vehicles such as company cars, as the vast majority of company cars are already Euro 6.

Van fleets are more likely to be affected in both London and Birmingham; however these are possibly easier to manage than company cars as vehicles that match the new standards can potentially be shifted geographically to help meet requirements.

A population that has been largely forgotten and potentially presents a greater on-going financial risk than the company car fleet are the cash allowance and grey fleet drivers.

It is widely recognised that cash allowance and grey fleet vehicles tend to be older than company vehicles and are therefore more likely in the short-term to be non-compliant with the London and Birmingham CAZs.

If you need help to navigate these changes, we can work with you to calculate the cost and operational impact to your business, to find the right solution for your fleet.

What about the future?

Around 60 local authorities are currently reviewing their clean air plans and will publish strategies for tackling emissions in their area.

If they follow a similar pattern to the cities covered in this guide then the measures employed are likely to vary, with some introducing a CAZ and some adopting a different approach.

One type of approach being considered, that could have further impact on businesses, is the introduction of Zero Emission Zones (ZEZs). This has has been proposed by Oxford City Council and under plans published in January 2019, all non-zero emission vehicles could be banned from parking and loading on a small number of streets during certain hours from 2020.

More information about this can be found on the Oxford City Council website:

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