

Changes to the Congestion Charge

Report to the Mayor on the consultation

December 2018

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Chapter 1. Introduction

1.1 Purpose of this report

- 1.1.1 To tackle London's congestion and poor air quality, Transport for London (TfL) has developed proposals to change the Congestion Charging scheme. The most significant changes are: replacing the Ultra Low Emission Discount (ULED) with a new phased Cleaner Vehicle Discount (CVD); and removing the exemption to the Congestion Charge for most Private Hire Vehicles (PHVs) – designated wheelchair accessible PHVs would retain the exemption.
- 1.1.2 Alongside these proposals, TfL also proposes a minor change to the boundary of the Congestion Charging zone at Old Street and minor administrative changes to the rules of the scheme. The consultation proposals are described in further detail in Chapter 2 of this report.
- 1.1.3 The purpose of this report is to inform the Mayor of the results of a public and stakeholder consultation on these proposals which took place for a twelve week period between 6 July 2018 and 28 September 2018, in order for him to decide whether to confirm the proposals, with or without modification.
- 1.1.4 This report describes how that consultation was carried out, analyses stakeholder and public responses, and makes recommendations to the Mayor in response to the issues raised. It should be read in conjunction with the consultation material published by TfL¹, which contained details of the proposals, as well as other information about their likely impacts and other relevant matters. Particular attention should be given to the Scheme Description and Supplementary Information Document in Appendix B that was published as part of the consultation material.

1.2 Structure of this report

- 1.2.1 Our analysis of the consultation responses and potential policy recommendations are presented for the Mayor's information and to enable him to make a decision on whether to confirm the proposed changes. The structure of this report is as follows:
- **Chapter 1 – Introduction:** The remainder of this chapter provides the background to the consultation, including the legislative framework and a summary of the proposals and recommendations
 - **Chapter 2 – Description of the proposals:** A summary of the proposals and their impacts
 - **Chapter 3 – The consultation process:** A summary of the consultation process undertaken by TfL

¹ www.tfl.gov.uk/ccyourviews

- **Chapter 4 – Consultation results:** The outcomes of the consultation, including the number of responses received and who they were from.
- **Chapter 5 – Responses to issues raised:** Our response to the key issues raised specifically in relation to the proposals by theme, and our recommendations and conclusions
- **Chapter 6 – Conclusions and recommendations:** Our overall conclusions and recommendations to the Mayor

- 1.2.2 This report also has a number of appendices pertaining to the process of consultation, the consultation materials and the responses to the consultation.
- 1.2.3 Appendix A and Appendix B contain examples of consultation publicity and the main consultation materials respectively.
- 1.2.4 As set out in Chapter 3, TfL commissioned Cambridge Economic Policy Associates (CEPA) to undertake a study on the potential impacts on the PHV market of the proposal to remove the PHV exemption, which was published as part of the consultation, and is at Appendix B. In addition TfL commissioned Mott MacDonald to undertake an Integrated Impact Assessment (IIA) of the proposals, which is also at Appendix B.
- 1.2.5 Appendix C is additional analysis of the responses to the consultation.
- 1.2.6 Appendices D – H should be read in conjunction with Chapter 5. These appendices are described below.
- 1.2.7 During the consultation, Addison Lee Group commissioned independent research by economic consultancy Oxera which they submitted as supporting evidence, and which challenges some of CEPA's findings. This can be found at Appendix D.
- 1.2.8 TfL has subsequently commissioned further work from CEPA to consider points raised by Oxera. Ms Florence Eshalomi AM (responding for the London Assembly Labour Group) also questioned some of CEPA's data. CEPA's response to both submissions is attached at Appendix E. CEPA's response focuses on the issues raised concerning to the methodology they used in producing their original report.
- 1.2.9 Elements of the submissions of Ms Florence Eshalomi AM and Addison Lee Group did not directly concern the CEPA work and have been addressed by TfL in Chapter 5 and also in Appendix F. Additionally, Addison Lee Group put forward an alternative set of proposals: Appendix G is TfL's response to this. Appendix H is information about vehicle makes and models which comply with the new CVD.
- 1.2.10 The Mayor is advised, when considering this report and making his decision, to take into account the individual consultation responses, full copies of which have been made available for his consideration.

- 1.2.11 Should the Mayor decide to proceed with the changes, an information campaign will be launched to inform customers of the changes in advance of their start date.

1.3 Congestion and air quality in London

- 1.3.1 London's streets are some of the most congested in the world, delaying vital bus services and freight trips, making places unpleasant for walking and cycling, and worsening air pollution. Without further action, average traffic speeds are forecast to fall across London, with central London particularly badly hit. Excess traffic is estimated to be responsible for around 75 per cent of congestion in London so managing demand for road space is crucial.
- 1.3.2 In the Mayor's Transport Strategy (MTS), the Mayor sets out his commitment to a Capital where it is easy for people to walk, cycle and use public transport. He also commits to road space that is carefully managed to prioritise these modes as well as facilitate the efficient and green movement of essential freight and delivery services. This Healthy Streets vision sets a target of 80 per cent of trips being made by walking, cycling or public transport by 2041 (up from 64 per cent now).
- 1.3.3 As well as helping to manage traffic and congestion, the Congestion Charging scheme has a role to play in achieving this vision. In central London it is vitally important to increase the walking, cycling and public transport mode share by ensuring that streets are attractive to those who use these modes. It is also important to make best use of scarce and valuable road space for freight, servicing and other essential vehicular trips. A commitment to keep the Congestion Charge under review in order to ensure it remains fit for purpose is set out in Proposal 20 of the MTS:
- The Mayor, through TfL, will keep existing and planned road user charging schemes, including the Congestion Charge, Low Emission Zone, Ultra Low Emission Zone and the Silvertown Tunnel schemes, under review to ensure they prove effective in furthering or delivering the policies and proposals of this strategy."*
- 1.3.4 In addition to inconvenience to the road user, congestion has a cost to London's economy. The annual cost of congestion in London is estimated at around £5.5 billion. This figure does not include the cost of congestion to bus passengers and bus operating costs. By 2041, if action is not taken it will take more than an hour to travel 10km by road in central London, 15 minutes longer than today. A reduction in traffic of about 10-15 per cent (six million vehicle kilometres per day) by 2041 is required to keep congestion in check, while also achieving the aims of the Mayor's Transport Strategy (MTS)².

² Mayor's Transport Strategy 2018

- 1.3.5 There are a number of causes of this increase in congestion levels in the zone. One element is the composition of the traffic in the Congestion Charging zone (CCZ).
- 1.3.6 Another factor is the intentional reallocation of road space away from motorised vehicles to other modes such as walking, cycling and buses in order to encourage these healthier, sustainable modes.
- 1.3.7 The Congestion Charging scheme is kept under review to ensure it remains an effective mechanism to reduce motorised traffic in the remaining road space. As a consequence, there have been a number of changes to the scheme since it first began including the level of the daily charge (and the penalty charge for non-payment of the charge), the payment methods available and the discounts and exemptions to the scheme.
- 1.3.8 Currently, only around 50 per cent of vehicles that enter the zone during charging hours on a daily basis are liable to pay the full charge. This is a factor which serves to undermine the deterrent effects of the scheme and so makes it less effective as a tool to manage congestion.
- 1.3.9 For this reason, we are proposing that the exemption for most PHVs (excluding designated wheelchair accessible PHVs) be removed and the ULED is replaced with a new, phased CVD. It is not considered appropriate at this time to make changes to other discounts and exemptions available for the Congestion Charge; however, as already noted, these are kept under review. Any future proposed changes would be subject to a public consultation.
- 1.3.10 The ULED also needs to be tightened in order to align with the start of the Ultra Low Emission Zone (ULEZ) in April 2019 to avoid a situation in which a vehicle might qualify for the ULED but not meet ULEZ criteria. The ULEZ, which has been subject to separate consultations, will help improve air quality in central London by introducing a charge for vehicles using the zone which do not meet certain emissions criteria. It is additional to the Congestion Charge and has different objectives. More information about ULEZ can be found on TfL's website³.
- 1.3.11 These proposed changes are designed to reduce congestion and traffic in central London, which is also expected to help improve air quality.

1.4 Scheme Order changes

- 1.4.1 The Congestion Charge is established under the Greater London (Central Zone) Congestion Charging Order 2004 ('the Scheme Order', as amended).
- 1.4.2 Any changes to a road user charging scheme order requires TfL to make an amending order (called a 'Variation Order') which is subject to the same statutory process as applied to the original charging order and scheme. A Variation Order sets out the necessary changes to the Scheme Order if the

³ <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone>

consultation proposals were to be implemented. A public and stakeholder consultation is carried out on the proposals; the consultation materials usually include (as circumstances require) either a draft of the proposed Variation Order or formally executed order by TfL (Variation Orders have no legal effect unless and until confirmed by the Mayor).

1.4.3 After the consultation closes we prepare a report to the Mayor ('RTM') on the consultation responses which we submit for the Mayor's consideration. The RTM also includes any responses received after the consultation closed but before the RTM has been finalised. The report includes our responses to the issues raised and makes recommendations, where relevant, to the Mayor regarding any changes to the proposals and necessary modifications to the Variation Order. The Mayor considers the report and other relevant information before deciding whether or not to confirm the Variation Order, with or without modifications. The Mayor's formal confirmation of the Variation Order (with or without modifications) is done by the execution of an Instrument of Confirmation (this includes a schedule of variations if there are modifications).

1.4.4 On 29 June 2018, TfL made the Greater London (Central Zone) Congestion Charging (Variation) Order 2018 ('the Congestion Charge Variation Order') which seeks to make the following changes to the Scheme Order:

- Replacement of the Ultra Low Emission Discount with a phased discount for zero emission capable vehicles and zero emission vehicles before ending the discount in 2025;
- Removal of the exemption to the Congestion Charge for private hire vehicles excluding designated wheelchair-accessible private hire vehicles;
- Alteration of the boundary of the Congestion Charging zone at the Old Street roundabout; and
- Deletion of out of date references to registration requirements under the Vehicle Excise and Registration Act 1994.

1.4.5 As the Ultra Low Emission Zone Scheme ('ULEZ Scheme') will cover the same area as the Congestion Charging zone when it commences in April 2019, it was also necessary to make a separate Variation Order which will give effect to the proposed alteration of the boundary at the Old Street roundabout in respect of the ULEZ scheme. TfL also made the Greater London Low Emission Zone Charging (Variation) (No. 2) Order 2018 ('the ULEZ Variation Order') on 29 June 2018 which provides for this boundary change.

1.4.5 The consultation materials included both the Congestion Charge Variation Order and the ULEZ Variation Order.

1.5 Summary of recommended modifications to consultation proposals

- 1.5.1 It is not proposed that any modifications should be made to the Congestion Charge Variation Order and the ULEZ Variation Order as a consequence of the consultation responses.
- 1.5.2 It is, however, recommended that a modification is made to both Variation Orders in order to accommodate a change in timetable for the works at Old Street which necessitate amendment of the boundary of the Congestion Charging zone and, consequently, the ULEZ. At the time of the making of the Variation Orders in June 2018, the date on which the Old Street roundabout works were to commence was unknown. Consequently, it was not possible to specify the date on which the boundary change which is necessitated by these works would come into force. Instead, it was decided to include a mechanism by which the relevant article could be brought into force at a later date through the publication by the Mayor of a notice in the London Gazette with a one month notice period being provided for and the appointed date not being earlier than 8 April 2019.
- 1.5.3 The Old Street roundabout works are now due to start earlier than anticipated although the precise date on which they will do so is still to be decided. At the time of drafting this Report, a date in mid-March is considered to be the likely commencement date of the works with the boundary change to take effect from that date rather than on completion.
- 1.5.4 So as not to preclude the works taking place from March 2019, it is now proposed that the reference to 8 April 2019 in both Variation Orders be deleted. The appointed date for the boundary change will still be subject to a minimum notice period of one month since the requirement to publish the date in the London Gazette one month prior to it coming into effect remains. One month notice period is considered adequate given the small number of people affected and, by analogy, the informal 21 day rule which applies to regulatory changes which are contained in statutory instruments. The precise modification is as follows:
- Removal of 8 April 2019 as the date not before which the Old St boundary change can come into force.
- 1.5.5 If accepted, this modification would come into force on the date the Mayor confirms the Variation Orders and are reflected in the Instrument of Confirmation that the Mayor is asked to sign.

Chapter 2. Description of the proposals

2.1 Introduction

2.1.1 This section provides an overview of the proposals, how they were developed and how they are intended to operate. More detail is provided in the supporting information document attached as Appendix B.

2.2 Development and history of Congestion Charge

2.2.1 The Congestion Charge was introduced in central London in February 2003. The Congestion Charge applies to all motorised vehicles being driven within the zone from 7am to 6pm, Monday to Friday, unless they are exempt or registered for a 100 per cent discount. The objectives of the scheme are to reduce traffic and congestion in central London.

2.2.2 The scheme was very effective in the short term in achieving its objectives. The immediate impact was a 15 per cent reduction in circulating traffic and a 30 per cent reduction in congestion in the zone⁴. Traffic in central London has since remained stable or continued to decline by a small amount each year until the most recent period⁵, reflecting improvements in public transport and conditions for active travel, and the increasing use of these modes for travel. Over time, congestion in the zone has increased; however, without the scheme in place, congestion would be worse.

2.2.3 Since its introduction there have been a number of changes to the scheme. It is necessary to keep the Congestion Charge under review to maintain its deterrent effect and ensure it aligns with the objectives of the MTS.

2.2.4 As set out in the consultation materials, the impacts of the proposals on congestion, if approved, are likely to be small. Some respondents to the consultation have put forward alternative proposals, including removing the exemption from taxis and other vehicles, and these are addressed in Chapter 5 and in Appendix G.

2.2.5 In addition to these specific issues, it is important to understand the current proposals in the context of a wider strategy of interventions to better manage the road space in London and manage congestion, 75 per cent of which is due to excess demand. TfL is encouraging people to shift to the most sustainable and space-efficient forms of transport – in line with the Mayor's aspiration to achieve an 80 per cent sustainable mode share in London by 2041. Measures to increase the sustainable mode share are set out in the MTS.

2.2.6 Demand for road space is particularly high in central London and it is critical that this is used effectively for essential movement of people and goods. The Congestion Charge is one of the tools available to us to help manage

⁴ <http://content.tfl.gov.uk/impacts-monitoring-report-2.pdf>

⁵ <http://content.tfl.gov.uk/mts-challenges-and-opportunities-report.pdf>

demand in central London and the proposals have been developed in this context

2.3 Summary of proposals

2.3.1 A detailed description of the proposals and their impacts, is provided in the scheme description and supplementary information document, attached to this report at Appendix B. This is summarised below.

Introduce a new phased CVD to replace the ULED

2.3.2 Although the main objective of the Congestion Charge scheme is to manage congestion in the zone, a 100 per cent 'green discount' for cars and vans has always been offered. This is to incentivise drivers who choose to drive in the zone to do so in the cleanest vehicles. The discount criteria is tightened every few years to reflect improving vehicle technology and to regulate the numbers eligible, thereby helping to maintain the original congestion reduction objectives of the scheme.

2.3.3 The MTS describes the Mayor's vision for London to move to 80 per cent sustainable transport by 2041 and address the air pollution challenge in the Capital. Among the measures proposed, are interventions to encourage the use of low and zero emission vehicles. Introducing a new phased CVD to replace the ULED aligns with this vision and would have health and environmental benefits for London.

2.3.4 The CVD will be introduced in two phases with the eligibility criteria tightening with each phase before it is withdrawn entirely in 2025. Notifying drivers of the future changes to the CVD now means that Londoners are fully informed about how future changes could affect them.

2.3.5 The first phase will be introduced from 8 April 2019 when only vehicles that meet Euro 6 standards, emit no more than 75g/km CO₂ and have a minimum 20 mile zero emission capable range will qualify.

2.3.6 The discount will tighten on 25 October 2021 when only pure electric vehicles will be eligible. The CVD is available to any vehicle that meets the emissions criteria. The proposals for the CVD were designed to be technology neutral for both phases of the discount. In phase two, 'electric vehicles' pertains to any vehicle that is operated wholly using an electrically propelled propulsion system that draws its power from either a hydrogen fuel cell or from a battery that can be fully recharged from an external source of electricity.

2.3.7 From 25 December 2025 the CVD will expire for all vehicle types. From this point there will be no 'green discount' for the Congestion Charge. Future incentives for the uptake of zero emission vehicles will be considered to support the ambition of the Mayor's Transport Strategy for zero emission road transport by 2050 and the introduction of a zero emission zone within central London from 2025.

- 2.3.8 In the consultation materials, published online at the start of the consultation on 6 July 2018, we made reference to the Government's Office for Low Emission Vehicles (OLEV) plug-in car grant (PICG).
- 2.3.9 The criteria for Phase 1 of the CVD reflect existing low emission vehicle standards. Phase 1 seeks to provide a balance between the ambition of moving towards zero emission vehicles while ensuring that there is a range of affordable car and van options which meet the criteria. TfL's consultation materials, published online at the start of the consultation on 6 July 2018, refer to the Government's Office for Low Emission Vehicles ('OLEV') plug-in car grant ('PICG'). In the recent autumn budget (29 October 2018), the Government announced changes to the PICG which had effect from November 2018. As a consequence, fewer vehicles which qualify for Phase 1 of the CVD will qualify for the PICG although the separate grant for installing a home charger remains available. A reduced level of grant (from £4,500 to £3,500) applies to those vehicles which do qualify for the PICG. We do not think that the criteria for Phase 1 of the CVD needs to be refined as a consequence of the changes to the PICG and consider that there are still a sufficient range of affordable vehicles available which will qualify for the CVD.
- 2.3.10 In Phase 2 of the CVD, which will apply from October 2021, the criteria will be further tightened so that only pure electric vehicles will qualify and the CVD will become a zero emission vehicle discount. Hybrid electric vehicles including electric vehicles which are equipped with a range extender will no longer be eligible. Around 7,000 pure electric vehicles are already registered for the ULED as at May 2018. This number is expected to rise in the period between now and commencement of Phase 2 in October 2021. The changes to the PICG referred to above mean that not every vehicle which qualifies for Phase 2 of the CVD will qualify for the PICG, although the vast majority will do so albeit that the level of grant is reduced. As above, TfL does not consider that the criteria for Phase 2 of the CVD should change as a consequence of the changes to the PICG given that most pure electric vehicles will still benefit from the reduced PICG.
- 2.3.11 The tighter criteria for Phase 2 of the CVD will be supported by other mayoral initiatives. By 2020, TfL will have delivered over 300 electric vehicle rapid charge points (there are more than 135 already) and 2,000 standard on-street residential charge points to support the switch to pure electric vehicles. The Mayor has also recently launched a new Electric Vehicle Infrastructure Taskforce, in partnership with the private sector, dedicated to boosting the infrastructure needed to increase the take-up of electric vehicles.

Remove the exemption to the Congestion Charge for most PHVs

- 2.3.12 The Mayor's Taxi and Private Hire Action Plan highlighted the significant rise in the number of TfL licensed PHVs operating in London over the past decade. In 2008/09 there were less than 50,000 licensed PHVs operating in London but that figure has now risen to nearly 90,000.

2.3.13 This rise in PHVs was not expected when the exemption was first granted in 2003. It was anticipated then that only around 4,000 individual PHVs would enter the zone each day. However, there are now on average over 18,000 unique daily PHV entries into the zone.

2.3.14 The growth in PHV numbers is a factor in the increased congestion seen in Congestion Charging zone.

2.3.15 Removing the exemption would mean that the Congestion Charge would be payable by PHVs entering the Congestion Charging zone during charging hours, currently 7am to 6pm weekdays. An exemption for PHVs designated as wheelchair accessible will continue to be offered providing they are undertaking a booking in the zone.

Changes to the boundary at Old Street

2.3.16 In late 2014, a consultation was held to improve walking and cycling at Old Street roundabout, which included proposals to close the north-west 'arm' of the roundabout to create a new public space. Following the close of consultation and consideration of responses, it was decided to go ahead with the scheme.

2.3.17 The changes to the roundabout mean it is necessary to make a small change to the Congestion Charging zone boundary, as shown in figure 1. The boundary change will also affect the boundary of the initial phase of the Ultra Low Emission Zone (ULEZ).

2.3.18 This change will have little impact on drivers: new signage will be provided to indicate the boundary and it will remain possible to avoid the zone by using the A401 Old Street and City Road.

Figure 1: Map of changes to the boundary at Old Street



Minor administrative changes to the Scheme Order

2.3.19 It is necessary from time to time to make changes to the Scheme Order so that it keeps pace with other developments such as changes to legislation cited in the Scheme Order. The proposed changes are as follows:

- At the last update to the Scheme Order, vehicle and taxi registrations in Northern Ireland were undertaken by the Driver and Vehicle Licensing Authority Northern Ireland. This is now undertaken by the Driver and Vehicle Licensing Agency, therefore the reference in the Scheme Order has been updated.
- The requirement to display a vehicle licence under the Vehicle Excise Registration Act 1994 has been removed. The reference to do so has been deleted from the Scheme Order.
- The recent consultation on expanding the ULEZ resulted in a change to the sunset period for residents in central London, with the end of the sunset period brought forward. As such, the commencement date for residents' vehicles in the Scheme Order has been changed to reflect this new date.

2.4 Impact on traffic

2.4.1 We commissioned Cambridge Economic Policy Associates (CEPA) to undertake a study into the impacts of removing the PHV exemption. In their report, CEPA forecast behavioural impacts which are subject to a level of uncertainty and should therefore be considered a broad estimate rather than firm results. In their study, CEPA forecast that the initial impact of removing the exemption would reduce the number of unique PHVs

entering the Congestion Charging zone (CCZ) by approximately 45 per cent.

- 2.4.2 This reduction is due to some PHV drivers choosing not to enter the zone during charging hours and some operators 'specialising' their fleets so that a smaller number of vehicles undertake trips in the CCZ. Those vehicles that do continue to enter the zone, however, are likely to undertake more trips. The impact on traffic, therefore, is expected to be smaller than the overall reduction in vehicles as PHVs that enter the zone are expected to carry out more bookings in the zone than before the removal of the exemption. It is expected that PHV traffic in the zone will reduce by around six per cent and all road traffic by around one per cent.
- 2.4.3 As noted in Chapter 1, as part of their consultation response, Addison Lee Group submitted an independent report by Oxera which contended that specialisation was a flawed concept, and therefore the associated traffic reduction of one per cent was also unlikely to be realised. We commissioned further work from CEPA to consider Oxera's report.
- 2.4.4 The further work by CEPA, which is at Appendix E, states that their view remains that some specialisation is likely to occur as a response to competitive pressure. It also clearly acknowledges that there are uncertainties with regard to the scale of specialisation, however the impact on traffic is not dependent on their judgement of specialisation. They have further explained that the one per cent reduction in traffic is a conservative estimate. We support CEPA's analysis and note that the reduction in traffic is more closely tied to the demand response than specialisation.
- 2.4.5 A one per cent reduction in traffic in the zone is not an insignificant benefit in a location where the potential for more radical change (during charging hours) is very limited, but congestion is still very high.

2.5 Integrated Impact Assessment (IIA)

- 2.5.1 We commissioned Mott MacDonald Consultancy to carry out an IIA of the changes to the Congestion Charge. An assessment was undertaken on the impacts of the proposals as a whole. The IIA report was published as part of the consultation materials, and is published again as part of Appendix B. A summary of the key findings is set out below.
- 2.5.2 With regard to the potential impacts of removing the PHV exemption, it should be noted that most PHV drivers do not currently enter the CCZ in charging hours (33 per cent say that they do), and would therefore not be affected by this proposal. The impacts described below apply to instances where a PHV is used in the CCZ in charging hours.

Health Impacts

Proposal to replace the ULED with new, phased CVD

Positive impacts

- 2.5.3 This proposal could encourage a greater take up of zero emission or zero emission capable vehicles in the CCZ. This may result in health benefits for those who regularly enter the zone through reducing harmful tailpipe emissions by encouraging a higher use of cleaner vehicles.
- 2.5.4 Previous iterations of the 'green discount' have demonstrated that it can be an effective mechanism in encouraging a movement towards greater use of low emission vehicles.
- 2.5.5 As the proposal matures and the discount is tightened, it is expected to help deliver further improvements in air quality and subsequently health benefits.
- 2.5.6 Along with the positive reduction in tailpipe emissions, a move towards electric vehicles in the longer term could also help reduce noise pollution.
- 2.5.7 In the long term, a move towards electric and low emission vehicles could have a positive effect on the health of those who enter the CCZ and work or live in the zone. It is expected that this minor but positive health impact will reach a large number of individuals. This was assessed as a minor beneficial effect in Phase 1, and a moderate beneficial effect in Phase 2.

Negative impacts

- 2.5.8 The IIA did not identify any negative health impacts as a result of the proposal to replace the ULED with a new, phased CVD.

Proposal to remove the PHV exemption

Positive impacts

- 2.5.9 The removal of the PHV exemption is expected to bring about a small reduction in traffic and may therefore help improve air quality in the zone. As such, PHV drivers who drive within the CCZ may experience health benefits as a result of reduced harmful tailpipe emissions. This was assessed as a minor beneficial effect.
- 2.5.10 The Oxera report considered that this air quality benefit would not be realised as journeys may instead be undertaken by older, more polluting taxis. The CEPA report found that there may be a small increase in taxi demand if the PHV exemption is removed, however, there is still expected to be a one per cent reduction in overall traffic. The main objective of the Congestion Charge is to reduce traffic and congestion. Air quality improvements are a secondary benefit and there are other policies intended to drive these improvements including the requirement from 1 January 2018 that all new taxis presented for licensing must be Zero Emission Capable (ZEC).

2.5.11 PHV drivers will also benefit if they choose to switch to a zero or low emission vehicle, in order to receive the CVD. Driving a zero or low emission vehicle may further reduce drivers' exposure to harmful air pollutants and noise.

2.5.12 A long term shift in PHVs towards ultra low emission vehicles is expected to result in reduced emissions of nitrogen oxides and particulate matter, with beneficial impacts on people living, working and visiting London. This was assessed as a moderate beneficial effect.

Negative impacts

2.5.13 This proposal may put pressure on earnings for PHV operators and drivers. This could result in negative health outcomes for individuals. It may be difficult for some individuals to cover these costs and as such the removal of the exemption may lead to stress related and mental health issues for PHV drivers. It may also impact on physical health as a result of potential longer working hours.

How sensitive PHV drivers are to this impact will depend upon whether they meet the criteria for alternative discounts and exemptions, whether they are able to pass all or some the cost onto passengers, whether they can share all or some of the cost with operators and whether they can adapt their behaviour to operate in the CCZ outside charging hours or outside the CCZ. Additionally, the IIA notes that the cost of the Congestion Charge may be tax deductible as a business cost (for drivers and/or operators). In cases where a driver would need to absorb all costs, and travel in the zone every day, the impact would be at its greatest (around £230 a month assuming a 22-working day month and use of Auto Pay). This scenario is unlikely to be typical, except in cases of specialisation (which itself implies that the business model is set up to absorb the costs beyond just the driver). And as stated at the beginning of this chapter, the proposal may only affect a relatively small proportion of PHV drivers as two thirds of PHV drivers do not enter the CCZ in charging hours. The overall impact was assessed as minor adverse.

2.5.14 This proposal may lead to some smaller PHV operators experiencing a rise in price per trip and potentially a reduction in demand for their services. This may lead to poor health and wellbeing outcomes for operators. The sensitivity of operators to this impact will depend on a number of scenarios including whether drivers will absorb some or all of the cost, if drivers are eligible for alternative discounts, whether drivers frequently enter the CCZ and the ability to spread costs over multiple trips. This was assessed as a minor adverse effect.

2.5.15 The removal of the PHV exemption may also limit the ability of older or disabled passengers to access essential services related to their health and wellbeing. Although designated wheelchair accessible PHVs will remain exempt, disabled passengers who do not use a wheelchair could see an increase in fares of around £1-2 for trips in the CCZ, depending on how the cost is passed on, unless they are eligible for another discount or

exemption (e.g. the Blue Badge discount). This was assessed as a minor adverse effect.

2.5.16 It is recognised that any increase in fares may not be an insubstantial sum for these categories of people. However, there may be opportunities to avoid increased fares or minimise the impact of them. Older and disabled passengers may also be eligible to use Taxicard services to access essential services related to their health and wellbeing. Black cabs are used to carry out around 90 per cent of Taxicard journeys. Capped fares for Taxicard journeys in black cabs are expected to come into effect from 1 January 2019. See paragraph 2.5.7 – 2.5.9 below for more information as to mitigation.

Environmental Impacts

Proposal to replace the ULED with new, phased CVD

Positive impacts

2.5.17 This proposal may encourage a greater use of zero or low emission vehicles, which produce no, or a reduced level of, harmful emissions. As such, a move towards such vehicles can be expected to bring positive environmental benefits in terms of both helping to improve air quality and reducing CO₂ emissions.

2.5.18 Due to the phased tightening of the CVD, the short-term impact is expected to be smaller. However following further tightening of the criteria, a larger proportion of vehicles is expected to cease to qualify or move to vehicles that meet the criteria to receive the discount. It is therefore expected in the long term to have a sustained beneficial impact on the environment. This was assessed as a minor beneficial impact on PHV drivers, passengers and other road users and residents in Phase 1; and a moderate beneficial impact in Phase 2.

Negative impacts

2.5.19 The IIA did not identify any negative environmental impacts of the proposal to replace the ULED with a new, phased CVD.

2.5.20 The Oxera report stated that the CVD policy would not incentivise a switch to ZEC vehicles on the basis of cost assumptions of replacing end-of-life diesel vehicles with fully electric vehicles on a three year vehicle life cycle. Their analysis showed that a PHV operator's best option would be to defer the switch to fully electric vehicles due to the large upfront expense of electric vehicles and availability of suitable models on the market.

2.5.21 We considered the cost and availability of vehicles when developing the criteria for the phases of the CVD. In recognition of these barriers, Phase 1 does not require vehicles to be fully electric. However, Phase 2 of the CVD in October 2021 would require vehicles to be fully electric in order to qualify for the discount. Owners of electric vehicles will qualify for a 100 per cent discount for more than four years from the implementation of Phase 2 in October 2021 until the removal of the CVD in December 2025.

Proposal to remove the PHV exemption

Positive impacts

- 2.5.22 This proposal is expected to result in a small reduction in traffic within the CCZ and therefore help to improve air quality as a result of the reduction in PHV emissions. Over the longer term, as there is a move towards zero emission PHVs, the impact of this proposal may increase.
- 2.5.23 The Oxera report considers that the reduction in traffic is likely to have a minimal difference as a driver in improved air quality in the first instance. In response, CEPA has shown that it considers the one per cent reduction to be at the conservative end of the potential range of impacts (see appendix E).
- 2.5.24 The Oxera report also considers that air quality benefits would not be realised as journeys may instead be undertaken by older, more polluting taxis. The CEPA report found that there may be a small increase in taxi demand if the PHV exemption is removed, however, there is still expected to be a one per cent reduction in overall traffic. The principal objective of the Congestion Charge is to reduce traffic and congestion. Improvements in air quality are a secondary benefit, but any reduction in tailpipe emissions will help to improve air quality. There are other policies intended to drive air quality improvements including the requirement from 1 January 2018 that all new taxis presented for licensing must be Zero Emission Capable (ZEC), the introduction of ULEZ in 2019, tightened LEZ standards in 2020 and the expansion of the ULEZ in 2021.
- 2.5.25 Reductions in tailpipe emissions in the CCZ will likely impact on a large number and range of individuals within London, including PHV drivers, pedestrians, cyclists and residents. This was assessed a moderate beneficial impact on PHV drivers, passengers, other road users and residents.

Negative impacts

- 2.5.26 The IIA did not identify any negative environmental impacts of the proposal to remove the PHV exemption.
- 2.5.27 Despite the IIA not identifying any negative environmental impacts, some have criticised the proposal by indicating that it will lead to worsening air quality. Although the purpose of the Congestion Charge scheme is to reduce traffic and congestion, there have always been consequential improvements in air quality from doing so.
- 2.5.28 The Oxera report suggests that the proposal will lead to a worsening of air quality because specialisation will result in PHVs congregating at the boundary of the CCZ waiting to enter to pick up passengers, and some passengers will shift from PHVs to black cabs which typically have higher emissions due to their age and vehicle type.
- 2.5.29 For PHV drivers intending to undertake trips within the CCZ (and incur the charge), there is no benefit to 'loitering' at the boundary as the charge is

likely to be incurred in any event. In effect, this is unlikely to be different from what happens in practice under the current rules since PHVs are only exempt from the Congestion Charge when fulfilling a booking, so may already congregate at the border until they are allocated their first booking of the day which requires them to enter the CCZ.

2.5.30 The CEPA Report (Appendix B) states that removal of the PHV exemption may result in a slight uplift in taxi trips in the CCZ during controlled hours. While the potential for a small shift to taxis is acknowledged, this is unlikely to have a significant impact on congestion with CEPA noting that there will only be a minor increase in taxi traffic. Any increase is not expected to outweigh the reduction in PHV traffic in the CCZ and overall, air quality in the CCZ is anticipated to improve if the PHV exemption is removed. In any event, policies to improve emission from taxis are being considered separately.

Equalities Impacts

Proposal to replace the ULED with new, phased CVD

2.5.31 The desk research and discussion with stakeholders undertaken by Mott MacDonald for the IIA around this proposal found no evidence of a disproportionate impact on groups which have protected characteristics under the Equality Act 2010. Therefore it was scoped out of further detailed assessment.

Proposal to remove the PHV exemption

Positive impacts

2.5.32 The proposed removal of the PHV exemption is estimated to bring about a reduction in traffic within the zone during charging hours and may, therefore, help to reduce harmful emissions in the CCZ. Those who use PHVs most frequently, including women, the disabled, passengers from low income areas and older people will be beneficiaries of reduced traffic and emissions in the zone. This was assessed as a minor beneficial impact.

Negative impacts

2.5.33 This proposal may negatively impact PHV drivers, particularly those that operate regularly in the zone during charging hours as they find their costs increase and incomes reduce as they cover some or all of the cost of the charge. As the majority of PHV drivers (around 94 per cent) are from Black, Asian and minority ethnic backgrounds (BAME) and many are from deprived areas, there is a disproportionate impact on these groups. There will also be a very low impact on part-time female PHV drivers (although women make up less than two per cent of PHV drivers in London). The impact on BAME PHV drivers and female PHV drivers was assessed as minor adverse.

2.5.34 The overall financial costs will be reduced if the payment constitutes a tax deductible expense, or drivers are able to spread the cost over multiple

trips. It could be neutralised if vehicles qualify for other 100 per cent discounts or exemptions such as the CVD.

2.5.35 Negative equality impacts on passengers are most likely to affect those on low incomes, female and disabled passengers who are more frequent users of PHVs and would be disproportionately impacted if fares increase or PHV availability declines. The impact is only relevant to those passengers who wish to travel within the CCZ during charging hours with the additional costs nil (if absorbed by the driver or operator) or minimal (if spread by the driver/ operator over several hires).

2.5.36 It is recognised that any increase in fares may not be an insubstantial sum for the categories of people identified above. However, there may be opportunities to avoid increased fares or minimise the impact of them. In respect of disabled passengers, PHVs which are designated wheelchair accessible will continue to be exempt from the Congestion Charge when they are fulfilling a booking thus reducing the impact of the proposal on certain disabled passengers. Where a passenger qualifies for the Blue Badge discount, the option exists for them to nominate a particular PHV which they have used to travel into the CCZ with the vehicle then being subject to a 100 per cent discount from the Congestion Charge. Any surcharge which may ordinarily have been imposed by the driver for trips which go into the CCZ should not then be levied. Vehicles may be nominated up to midnight on the day of travel so the passenger does not need to know the registration number in advance and up to two vehicles may be nominated at any one time. A Blue Badge holder may also qualify for the Taxicard scheme which offers subsidised taxi journeys. From 2019, Taxicard fares will be capped so passengers will be aware of the maximum fare that will be payable for a journey and will be less susceptible to the metered fare, which is dependent upon time of day, distance travelled and time taken and can vary if there is congestion or delays. The option will also exist for Taxicard holders to pay the metered fare if it is lower than the capped fares. As stated above, 90 per cent of Taxicard trips are fulfilled by black cabs so an accessible service will be provided. Not every disabled passenger, however, will qualify for a discount or subsidised travel by taxi (for example, visitors to Greater London who do not satisfy residency requirements) and these passengers may face increased fares as a consequence of continuing to travel either by PHV or switching to taxis (black cabs) for lack of other transport options.

2.5.37 It should be noted that no groups representing people with disabilities responded to the consultation. London TravelWatch and Transport for All were consulted as part of the IIA; the former also responded to TfL's consultation.

2.5.38 For low income and younger and older female passengers who do not have mobility issues, alternative lower cost modes of transport such as public transport may be used in the CCZ during charging hours thereby reducing their sensitivity to the impact.

2.5.39 The impact on passengers was assessed as minor adverse.

Business and Economic impacts

Proposal to replace the ULED with new, phased CVD

Positive impacts

2.5.40 The IIA did not identify any positive economic impacts from the proposal to replace the ULED with a new, phased CVD.

Negative impacts

2.5.41 Drivers who currently qualify for the ULED but will not qualify for the CVD (in either Phase 1 or Phase 2) will be required to pay the Congestion Charge if they choose to continue to drive in the zone in charging hours. This was assessed as a minor adverse impact. In mitigation, TfL should communicate these changes to drivers.

Proposal to remove the PHV exemption

Positive impacts

2.5.42 The proposal to remove the PHV exemption may have a positive effect on larger operators if they are able to adapt their business model to pick up some market share from smaller operators (impact on smaller operators is described below).

2.5.43 Businesses in London would benefit from reduced traffic and congestion. This was assessed as minor beneficial.

Negative impacts

2.5.44 The impact on PHV drivers would be experienced only by drivers using the CCZ in charging hours (33 per cent). Where drivers are expected to absorb the charge, either in whole or in part, this is a negative impact on drivers by reducing their earnings. It could also reduce trips from outer London to the CCZ as drivers who are less able to spread the cost widely may pass on the charge to passengers who in turn might shift to another mode. This was assessed as a moderate adverse impact.

2.5.45 The impact on operators was assessed as a mixed impact, depending on the size of the operator and whether they absorb the cost or pass it on. For small operators, the CEPA report found they were less able to absorb costs or spread it among passengers. This is supported by the Oxera report. In most cases, it is not expected that operators would absorb the full cost and if drivers stop taking fares in the CCZ as a result, this could impact on operator earnings. This was assessed as a moderate adverse impact. It should also be noted that the PHV market has changed significantly in recent years and is likely to continue to adapt to market conditions.

2.5.46 Large to extra-large operators may be able to specialise their fleets in response to the charge, meaning that some can undertake the same number of trips while spreading the cost more widely. The Oxera report takes a different view on specialisation to CEPA, but even if specialisation

does not occur, there is more scope to absorb costs. There may also be scope to pick up market share from small operators. This was assessed as a minor adverse impact.

2.5.47 Passengers may experience reduced choice if fewer operators offer a service into the CCZ. It may also increase the cost of fares: this will depend on the extent to which operators pass on the costs, or encourage drivers to do so. CEPA estimated that passengers could face increases of £1-2 per fare in the CCZ. This was assessed as a minor adverse impact.

Where public sector organisations use PHVs in their work, the charge would have the effect of being an indirect transfer between public bodies. This was assessed as a minor adverse impact.

Mitigations for the impacts

2.5.48 The IIA put forward a number of mitigations for the impacts of the proposals with regard to health, environmental, equalities and business impacts.

2.5.49 These suggested mitigations include making those affected by the proposals (including PHV drivers and passengers) aware of other discounts and exemptions they may be eligible for and communicating the benefits of the Congestion Charge. TfL should also promote the development of infrastructure to support the take-up and use of electric vehicles.

Competition law considerations

2.5.50 The Oxera report, and other stakeholder responses, raised concerns about regulatory divergence between PHVs and licensed taxis and the impact of this proposal on the distortion of competition between PHVs and licensed taxis.

2.5.51 We have considered these arguments, and whether it would be appropriate to remove the Congestion Charge exemption from taxis and have no plans at the current time to make black cabs liable for the Congestion Charge. The following section outlines our considerations.

2.5.52 When the Congestion Charge Scheme was originally conceived, an exemption was proposed for taxis but not PHVs. The taxi rationale was as follows:

TfL considers that licensed taxis make an important contribution to London's public transport system, enabling a wide variety of users (including the disabled) to make short trips efficiently and providing a vital alternative to private car use.

2.5.53 Following public consultation it was proposed that PHVs should be exempt, though the rationale for exempting PHVs was different, as follows:

The 100 per cent discount for fully licensed private hire vehicles (minicabs) will support the priority in the Mayor's Transport Strategy towards

incorporating licensed private hire vehicles into London's transport system. The discount will only be valid once an operator, vehicle and driver are licensed under a London licensing system, and when the vehicle has been hired. This is to ensure the operational effectiveness of the scheme. Rigorous checks will be applied to these and other vehicles afforded a discount or exemption for the Scheme. TfL does not consider it appropriate to extend the 100 per cent discount to minicabs outside Greater London.

2.5.54 The PHV exemption was, therefore, intended to support the new PHV licensing regime that had commenced in January 2001. The rationale for PHVs has therefore changed and no longer applies to the way the PHV trade operates today. The rationale for exempting taxis on the basis of facilitating a wider variety of users, including disabled passengers, to make short trips efficiently, is still applicable. It is considered that wheelchair accessible PHVs also provide this important service, and therefore it is proposed that these vehicles will still be exempt.

2.5.55 There are also a number of differences between taxis (black cabs) and PHVs which warrant retention of the exemption for taxis only:

- **Accessibility:** Taxis are legally required to be wheelchair accessible whereas only around 525 or less than one per cent of PHVs are designated as wheelchair accessible. In addition to wheelchair accessibility, taxis are required by the Conditions of Fitness which are a licensing requirement to provide a range of other accessibility features which means they are better placed to meet the needs of passengers with a range of accessibility needs and provide a door-to-door service in the CCZ. The features in the majority of taxis include:
 - Swivel seat;
 - Intermediate step;
 - High visibility seat panels;
 - Large, coloured, grab handles;
 - Low level floor lighting;
 - Intercom;
 - Hearing aid induction loop;

Because of their accessibility features, taxis (black cabs) are used to carry out around 90 per cent of Taxicard journeys (subsidised travel for Londoners who have serious mobility or visual impairments) with the remaining 10 per cent undertaken by PHVs. Black cabs are also used to fulfil Dial-a-Ride services when regular vehicles (mini-buses) are not available. Some of the journeys undertaken will involve dropping off or picking up passengers in the CCZ.

If the exemption for black cabs were removed, taxi drivers would only be able to recoup the charge from passengers if TfL allowed a surcharge to be imposed on fares. This rise in fares would make it more expensive than at present for disabled people to travel. For some wheelchair users and other disabled passengers, there may be

no alternative to travelling by black cab for some journeys. Taxis play a vital role in the transportation of disabled people in the CCZ.

The potential increase in metered fares may also have an impact on disabled passengers entitled to subsidised travel through the Taxicard scheme. Taxicard members may be required to pay the metered fare without the benefit of any subsidy if a taxi which is part of the scheme is not available when they wish to travel (only 10 per cent of taxis accept Taxicard) or if they have used up their annual quota of trips (which ranges from 26 trips to around 100 trips depending on the borough).

We do not, therefore, consider it would be appropriate to pass on increased charges to passengers requiring short accessible (including wheelchair accessible) journeys in the CCZ. For the same reasons, it is considered appropriate for wheelchair accessible PHVs to retain the exemption when they are carrying out a booking.

- **Compellability:** PHV operators are not obliged to accept bookings that would require a driver to enter the CCZ during charging hours. It is open to them to mitigate the effect of the charge by specialising in trips which avoid the CCZ, limiting the vehicles they allow to operate in the CCZ and/or planning their journeys so that the daily charge is spread across several trips. Taxi drivers, by contrast, are compelled to accept any hiring within a six mile radius of Charing Cross of up to one hour in duration or 12 miles long (20 miles if the journey begins at Heathrow Airport). This means that taxi drivers plying for hire on the street or on a designated taxi rank must accept a hire where the destination is in the CCZ or the route of the hire requires that the CCZ is entered. Refusing a hire is potentially an offence and could result in a taxi driver's licence being suspended or revoked.
- **Route requirements:** Another way in which PHV operators and drivers can in principle avoid the effect of the charge is to take a route that avoids the CCZ during charging hours. Taxi drivers, by contrast, are expected to take the shortest, most direct route to fulfil a hire. Taking a longer than necessary route, which leads to an increased fare, is an offence. As a consequence, taxi drivers may be required to enter the CCZ if this will result in the shortest possible route being taken.
- **Fares:** PHV operators can choose how to set fares. The fares charged reflect the range of PHV services available, from more expensive chauffeur services (with premier vehicles) to airport specialists to local operators. They also reflect the operator's chosen mode of calculation. It would be up to PHV operators to decide how they wish to calculate a fare for a booking when the destination or preferred route involves entering the CCZ. Some may choose to absorb the charge without passing it on to passengers. Others may choose to pass it on by increasing fares generally. Others may choose to apply a surcharge for trips that involve entering the CCZ

during charging hours. Taxis, by contrast, have no such flexibility. Taxi fares are regulated by TfL and whilst drivers can charge less than the metered fare, they cannot charge more. If taxis were made liable for the Congestion Charge, they would only be able to recoup the charge from passengers if TfL allowed a surcharge to be imposed on fares (either by introducing a special tariff or extra charge applicable to journeys within the CCZ during charging hours or by increasing existing tariffs generally). Current permissible surcharges include for phone/online booking, journeys over Christmas and New Year, and journeys that start from one of the taxi ranks at Heathrow Airport. In each of these scenarios it is up to the taxi driver to decide whether they undertake the activity which gives rise to the surcharge. Because of the compellability requirement mentioned above, taxi drivers would have very limited, if any, scope to avoid entering the CCZ even if they were able to impose a surcharge for doing so. Although a surcharge may have some deterrent effect on passengers (as opposed to drivers), given the role of taxis in providing essential transport for wheelchair using and other disabled passengers, it would be undesirable to discourage taxis from operating within the CCZ or to introduce a surcharge which disabled passengers would be unable to avoid.

2.5.56 While the existence of taxi booking apps and smart phone prevalence makes it possible for taxis to be booked in advance, the majority of taxis continue to be hired through being hailed on street or at a rank. According to a driver diary survey, 77 per cent of taxi journeys were undertaken in this way in 2016/17 as compared to being booked in advance. In a driver survey conducted in 2017/18, drivers also indicated that 39 per cent of their journeys originated at a taxi rank, 39 per cent were from being hailed in the street, 16 per cent were booked via an app and 6 per cent were booked through a radio circuit. (Note that the difference between the two surveys is that the driver diary survey in 2016/17 is based on actual trips taken and the driver survey in 2017/18 is based on driver's recollection of how they undertook trips.) Given the predominance of journeys originating on the street or at a rank, a proportion of a taxi driver's time is likely to be spent in the CCZ plying for hire on the street or at a rank rather than carrying passengers because this is an inherent feature of operating a taxi.

2.5.57 In terms of trips, a much higher proportion of taxi trips are undertaken entirely within the CCZ than for PHV trips. For taxis, approximately 28 per cent of trips have an origin and destination entirely within the CCZ. This figure is around 6 per cent for minicabs and 11 per cent for chauffeur and executive services (data from 2016/17, Driver diary survey. Data does not cover PHV services beyond those named).

2.5.58 For all these reasons we do not consider it appropriate to review the taxi exemption.

2.6 Other changes to PHV licensing

2.6.1 This section summarises other recent changes to PHV licensing. These were not part of the current proposals but are provided as context.

2.6.2 In 2015, TfL consulted on a range of private hire proposals to raise standards in the private hire industry, and improve safety and convenience for passengers. Following the consultation a number of new regulatory changes covering private hire operators, drivers and vehicles were introduced. These included:

- All private hire driver licence applicants and existing private hire drivers being required to meet a new English language requirement
- All private hire operators providing a booking confirmation to passengers before their journey starts
- All private hire operators ensuring that passengers are able to speak (verbally) to someone at their operating centre if they want to make a complaint or discuss any other matter about their booking
- All private hire operators providing TfL with details of the drivers and vehicles they have used to fulfil bookings, or have had available to them to fulfil bookings

2.6.3 In 2017 significant changes to the private hire operator licence fee structure were introduced. The new structure meant that many operators paid more for a licence than they did under the old licence fee structure. The changes were opposed by many private hire operators and trade associations with the Licensed Private Hire Car Association (LPHCA) seeking a judicial review of the new licence fee structure.

2.6.4 In 2018, TfL consulted on a number of proposals aimed at improving safety in PHVs and these included introducing:

- An advanced driving assessment for all private hire driver licence applicants and existing private hire drivers
- A wheelchair assessment for certain private hire drivers
- New signage requirements for licensed PHVs

2.6.5 A new consultation on improving private hire safety, accessibility and working conditions is planned for 2018/19.

2.6.6 New emissions requirements for PHVs came into effect on 1 January 2018 and further changes will be implemented with all newly licensed PHVs having to be zero emission capable (ZEC) from 1 January 2023.

2.6.7 From 8 April 2019 the Ultra Low Emission Zone (ULEZ) starts and PHVs travelling in the ULEZ must pay a £12.50 charge per day, unless they meet the ULEZ emission standards.

Chapter 3. The consultation process

3.1 Introduction

- 3.1.1 This chapter provides an overview of the consultation, including the methods used to publicise the consultation. The primary objective of the consultation was to understand the views of the public and stakeholders on the proposals for changes to the Congestion Charge.
- 3.1.2 The first Mayor of London issued statutory guidance to TfL entitled 'Guidance from the Mayor of London on charging schemes pursuant to schedule 23 of the Greater London Authority Act 1999'. This guidance informed the preparation of a Consultation Strategy, which set out how the consultation would be run.
- 3.1.3 The consultation ran for 12 weeks. It opened on Friday 6 July 2018 and closed on Friday 28 September 2018.

3.2 Publicising the consultation

Email campaign

- 3.2.1 A marketing campaign was developed to raise awareness of the consultation and encourage the public and other stakeholders to have their say. The campaign comprised an extensive email campaign, press and digital advertising and a press release issued to all relevant media. The campaign was intended to raise awareness that the consultation was taking place and describe what channels were available for potential respondents to take part.
- 3.2.2 Our email campaign was designed to promote the consultation and the channels available for participating in it to a number of different audiences. In total, we sent emails to over 350,000 recipients. The table below lists the audiences we contacted, and the number of recipients of our email included within each group. Copies of the emails we sent are in Appendix A.

Audience	No of recipients of TfL emails
Members of the public (comprising all those who had registered for the Ultra Low Emission Discount to the Congestion Charge or who had registered to receive emails from us about taxi or private hire matters)	155,000
Private Hire trade	195,000

(comprising all drivers and operators licensed by TfL)	
Stakeholders (comprising London Local Authorities, Business Improvement Districts, MPs/AMs, Health Trusts, transport operators/groups, disabled persons representative groups, charities, UK vehicle manufacturers, etc. A complete list of all those stakeholders we contacted is included in Appendix A.)	1,200

Table 1 - Emails campaigns to raise awareness of the consultation

3.2.3 We also included information about the consultation in our weekly bulletins to the Taxi and Private Hire trade.

3.2.4 Emails were sent to six businesses who we judged would be directly affected by our proposals to amend the Congestion Charging zone boundary at Old Street roundabout. These businesses were all located within the roundabout island itself, in the vicinity of Old Street London Underground station.

Press and digital advertising

Press titles	Insertion dates
Evening Standard	23 July & 3 September 2018
City AM	30 July, 6 & 27 August 2018
'True London' package	18 July, 1 & 15 August 2018
'West London' package⁶	19 July 2018
Islington & Hackney Gazette	23 August 2018
Islington Tribune	27 July 2018
City Matters	1 August 2018

Table 2 - Press advertising campaign

3.2.5 We advertised the opportunity to submit a response to us throughout the consultation period, and across a number of press titles. A copy of our press advertisement is included in Appendix A. The table below lists the press titles which carried our advertisement, and the dates it appeared.

3.2.6 We promoted the consultation through our 'On Route' magazine for the taxi and private hire trades. Information about the consultation appeared in the July and September issues of the publication.

3.2.7 We also promoted the launch of the consultation with a notice in the London Gazette, as required by the Mayor's Guidance document 'Guidance from the Mayor of London on charging schemes pursuant to schedule 23 of the

⁶ The True London and West London packages comprise a large number of local press titles across London. We have included a list of all those titles included in these packages in Appendix A.

Greater London Authority Act 1999'. The notice appeared on 6 July 2018 and a copy is included in Appendix A.

3.2.8 We also used a number of digital advertising tools to promote the consultation. These were principally 'pop-up' adverts aimed at people browsing the internet or who, through their browsing history (for example visiting travel or traffic-related websites), we judged would have a potential interest in our consultation. The adverts would direct anyone with an interest in our consultation to our online consultation portal. We also sponsored a number of key-word searches in Google so that a link to our consultation web-page would be returned as the first link in a search using a large number of terms which were related to our consultation.

3.2.9 We issued a press release on 6 July 2018 to promote the launch of the consultation. A copy of the press release is included in Appendix A.

Stakeholder engagement

3.2.10 In the days prior to the launch of the consultation we contacted a number of stakeholders to provide them with advanced notice of our intention to launch the consultation, as a means to ensure they would be fully informed of the opportunity to take part. We contacted a number of taxi and private hire representative groups, relevant Trades Unions and larger private hire operators, as well as Local Authorities and BIDs in the central London area.

3.2.11 We contacted these stakeholders again in the final week of the consultation, to remind them that the consultation would shortly be closing and to encourage them to submit a response if they had not already done so.

3.2.12 We also met with stakeholders. A list of these meetings is contained within Appendix I.

3.3 Consultation materials & channels for providing responses

3.3.1 We described our proposals for changes to the Congestion Charge via our online consultation 'portal', in common with all other TfL consultations. The portal included a questionnaire which respondents could complete if they wished. Our consultation portal included the following information to help respondents to come to an informed point of view:

- An overview of the proposed changes, including the reasons we felt it was necessary for proposing them and the impacts they might have in summary form
- The Integrated Impact Assessment
- CEPA's study into the effects of the proposed removal of the exemption to the Congestion Charge for Private Hire Vehicles on the London Private Hire industry

- A supplementary information document, which described our proposals in more detail
- Copies of the Variation Orders which, if confirmed by the Mayor, provide the legal basis for the changes.

3.3.2 We made this information available to inspect in person at our offices in Stratford.

3.3.3 Our consultation questionnaire consisted of a series of open and closed questions, as follows:

- A series of closed questions asking respondents to rate how important they felt it was for TfL to introduce the proposals described in our consultation materials
- Open questions providing respondents with the opportunity to raise any concerns with the proposals, and additionally to describe any hardships they felt might be suffered by any particular group were the proposals we had described to be implemented
- A range of demographic questions, including postcode information and whether the respondent was a registered PHV driver or recipient of the Ultra Low Emission Discount to the Congestion Charge

3.3.4 Respondents were free to submit a response to the consultation by completing our online consultation questionnaire (see section 3.4.3 for details), or in writing to our email address consultations@tfl.gov.uk, or freepost address Freepost TfL Consultations.

3.4 Analysing the outcomes of the consultation

3.4.1 TfL commissioned 2CV, an independent social research agency to analyse the consultation responses. All closed questions were reviewed and the results tabulated and reported. All open questions, where respondents provided comments, were read and analysed in detail. All comments and suggestions received, whether by email, letter or through TfL's online questionnaire were reviewed in order to identify the issues raised by respondents.

3.4.2 2CV developed a 'code frame' for each of the open questions. Each code frame is simply a list of the issues raised during the consultation; together with the frequency each was raised. Every open text response was analysed and either a new code was created or the response was added to one or more of the existing codes within the code frame. Each response could be coded into multiple codes, depending on the number of issues raised by the individual. A code was created for each substantive point raised. Where it was determined that a comment was providing context to an issue, rather than forming a separate point, these did not form a separate code.

3.4.3 The coding was carried out by highly experienced coders. Checks were carried out on a regular basis by 2CV and TfL to ensure quality and consistency of coding.

Chapter 4. Consultation results

4.1 Introduction

4.1.1 This chapter explains the outcomes of the consultation, including the number of responses we received and who they were from. We list and respond to the issues raised by respondents in Chapter 5.

4.2 About the respondents

4.2.1 There were **10,150 responses** to the consultation in total, including from **51 stakeholders**⁷. A complete list of the stakeholders who replied to the consultation is included in Appendix C.

4.2.2 Amongst other questions, we asked respondents who completed our online consultation questionnaire to indicate whether or not they were a Private Hire Vehicle (PHV) driver, and additionally whether or not they had registered to receive the Ultra Low Emission Discount (ULED) to the Congestion Charge. The table below shows number and proportion of respondents who indicated to us that they were either a PHV driver or were a ULED registered driver.

Private hire drivers	Total	%
Yes	3,211	32%
No	5,151	51%
Not answered	1,736	17%
Vehicle registered for the Ultra Low Emission Discount	Total	%
Yes	2,109	21%
No	5,971	59%
Not Answered	2,018	20%

Table 3 - Respondents who indicated that they were PHV drivers or ULED registered

Postcode analysis

4.2.3 We asked respondents to provide us with their postcode. We have 'mapped' every valid postcode provided to us. Table 4 below shows the number of responses we received which could be mapped to a London Borough; including the number of respondents from each represented Borough who indicated to us that they were a PHV driver or ULED registered.

⁷ We have identified as a 'stakeholder' those respondents we believe the wider public would consider notable. This includes London Local Authorities, Assembly Members and Members of Parliament, major businesses (including major taxi or Private Hire operators or trade bodies) and others.

4.2.4 Figure 2 which follows plots the location of all respondents who provided a valid postcode to us (including those who indicated that they were PHV drivers or ULED registered) on a map. We have not plotted the location of respondents from outside London or the immediate surrounding area. We have provided similar maps in Appendix C which show the location of only those respondents who indicated to us that they were PHV drivers, and additionally only those who indicated that they were ULED registered.

	All respondents		PHV Driver		ULED registered	
	6,449		2,552		1,691	
	Total	%	Total	%	Total	%
Barking and Dagenham	127	2%	85	3%	40	2%
Barnet	258	4%	101	4%	72	4%
Bexley	199	3%	47	2%	36	2%
Brent	171	3%	92	4%	60	4%
Bromley	168	3%	40	2%	32	2%
Camden	213	3%	65	3%	56	3%
City of London	17	0%	1	0%	2	0%
City of Westminster	195	3%	62	2%	63	4%
Croydon	149	2%	71	3%	41	2%
Ealing	189	3%	104	4%	60	4%
Enfield	161	2%	65	3%	37	2%
Greenwich	154	2%	58	2%	37	2%
Hackney	145	2%	53	2%	26	2%
Hammersmith and Fulham	100	2%	41	2%	28	2%
Haringey	110	2%	62	2%	40	2%
Harrow	108	2%	67	3%	30	2%
Havering	237	4%	38	1%	33	2%
Hillingdon	170	3%	92	4%	38	2%
Hounslow	141	2%	83	3%	39	2%
Islington	220	3%	55	2%	42	2%
Kensington and Chelsea	75	1%	14	1%	25	1%
Kingston-upon-Thames	69	1%	25	1%	19	1%
Lambeth	155	2%	56	2%	34	2%
Lewisham	126	2%	42	2%	21	1%
Merton	102	2%	52	2%	31	2%
Newham	218	3%	135	5%	61	4%

Redbridge	268	4%	133	5%	65	4%
Richmond-upon-Thames	72	1%	19	1%	23	1%
Southwark	246	4%	78	3%	47	3%
Sutton	83	1%	36	1%	23	1%
Tower Hamlets	334	5%	152	6%	71	4%
Waltham Forest	226	3%	97	4%	52	3%
Wandsworth	140	2%	61	2%	48	3%
Outside of London	1,303	20%	370	14%	359	21%

Table 4 - Number of responses by Borough

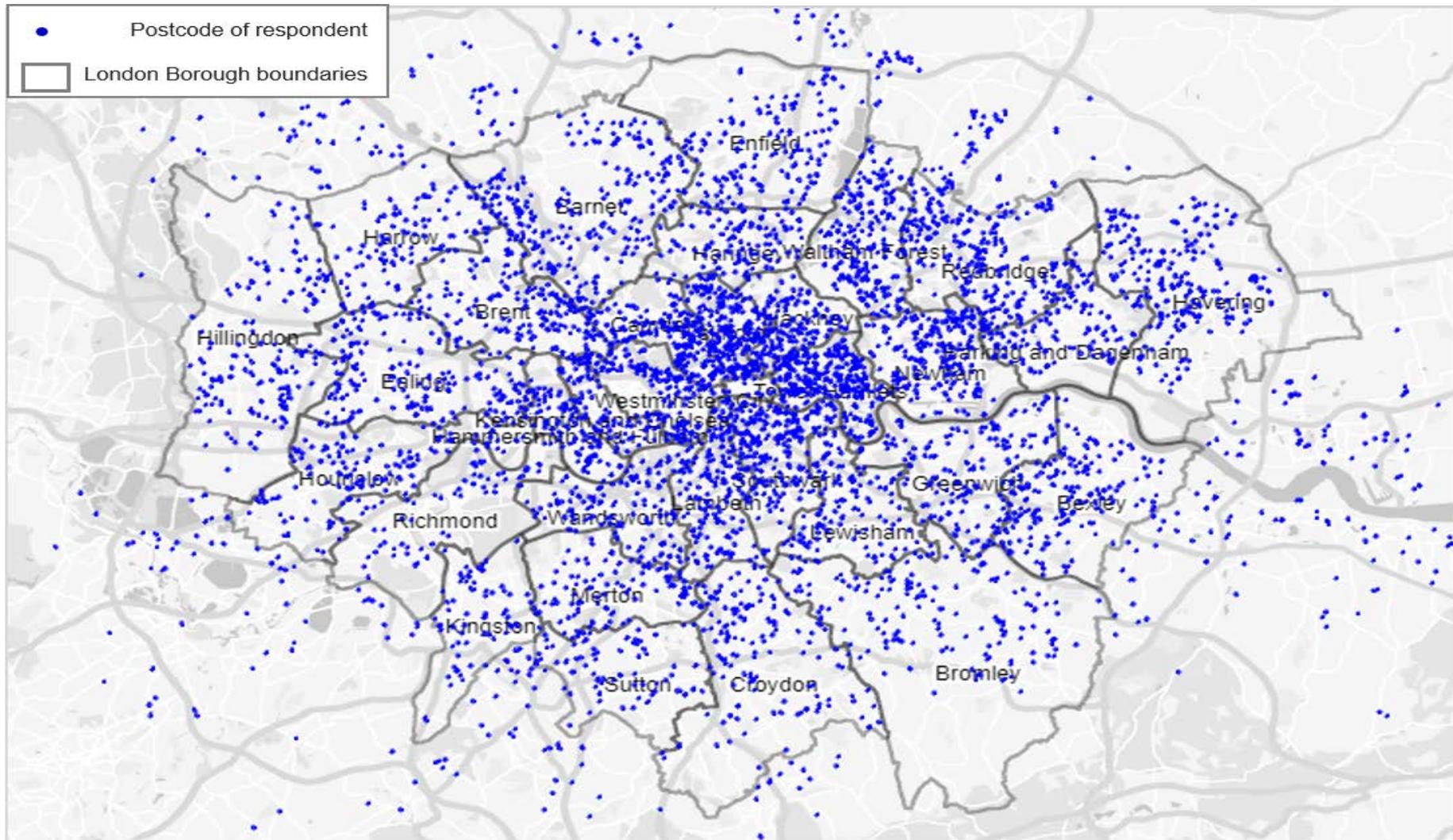


Figure 2 - map to show the location of all respondents to the consultation who provided a valid postcode

4.2.5 We included a series of demographic questions in our consultation questionnaire and asked respondents to tell us their gender, ethnicity, age range, sexual orientation, faith and whether their day-to-day activities were limited because of a long-term health problem or disability. Respondents were asked to choose from a range of options; these options included 'Prefer not to say' in every case. The tables that follow provide details of the demographic information provided to us by the respondents.

Gender	No of respondents who selected this option
Female	781
Gender neutral	41
Male	6797
Not Answered	1807
Prefer not to say	677
Trans female	24
Trans male	22
Total	10149

Table 5 - Gender of respondents

Ethnic Group	No of respondents who selected this group
Asian or Asian British – Bangladeshi	448
Asian or Asian British – Chinese	40
Asian or Asian British – Indian	204
Asian or Asian British – Other	203
Asian or Asian British – Pakistani	467
Black or Black British – African	421
Black or Black British – Caribbean	97
Black or Black British – Other	79
Mixed – Other	156
Mixed – White and Asian	43
Mixed – White and Black African	26
Mixed – White and Caribbean	39
Not Answered	1909
Other Ethnic Group	62
Other Ethnic Group – Arab	67

Other Ethnic Group – Kurdish	28
Other Ethnic Group – Latin American	26
Other Ethnic Group – Turkish	44
Prefer not to say	1554
White – British	3230
White – Irish	179
White – Other	827
Total	10,149

Table 6 - Ethnicity of respondents

Age	No of respondents who selected this group
16-20	24
21-25	123
26-30	474
31-35	847
36-40	1,131
41-45	1,085
46-50	1,110
51-55	1,028
56-60	731
61-65	505
66-70	243
71+	152
Not Answered	1,813
Prefer not to say	880
Under 15	3
Total	10149

Table 7 - Age ranges of respondents

Sexual orientation	No of respondents who selected this option
Bisexual	141
Gay man	170
Heterosexual	5316
Lesbian	25

Not Answered	2071
Other	159
Prefer not to say	2267
Total	10149

Table 8 - Sexual orientation of respondents

Faith	No of respondents who selected this option
Buddhist	70
Christian	2403
Hindu	114
Jewish	160
Muslim	1477
No religion	1699
Not Answered	1950
Other	177
Prefer not to say	2064
Sikh	35
Total	10149

Table 9 - Faith of respondents

Are your day-to-day activities limited because of a health problem or disability?	No of respondents who selected this option
No	6392
Not Answered	1883
Prefer not to say	1339
Yes, limited a little	364
Yes, limited a lot	171
Total	10149

Table 10: Health of respondents

4.3 Respondents ranking of the importance of the proposals

4.3.1 We asked respondents to rank on a scale of 1 – 10 (1 being not important and 10 being very important) how important they felt it was that the proposals we had described in our consultation should be implemented. We additionally asked respondents to rank how important they felt it was for us to reduce traffic in London.

4.3.2 The figures below show what importance respondents placed in the proposals and in the principle of reducing traffic in London.

4.3.3 Please note that some of the bars on the figures below may not add up to 100 per cent. This is due to rounding.

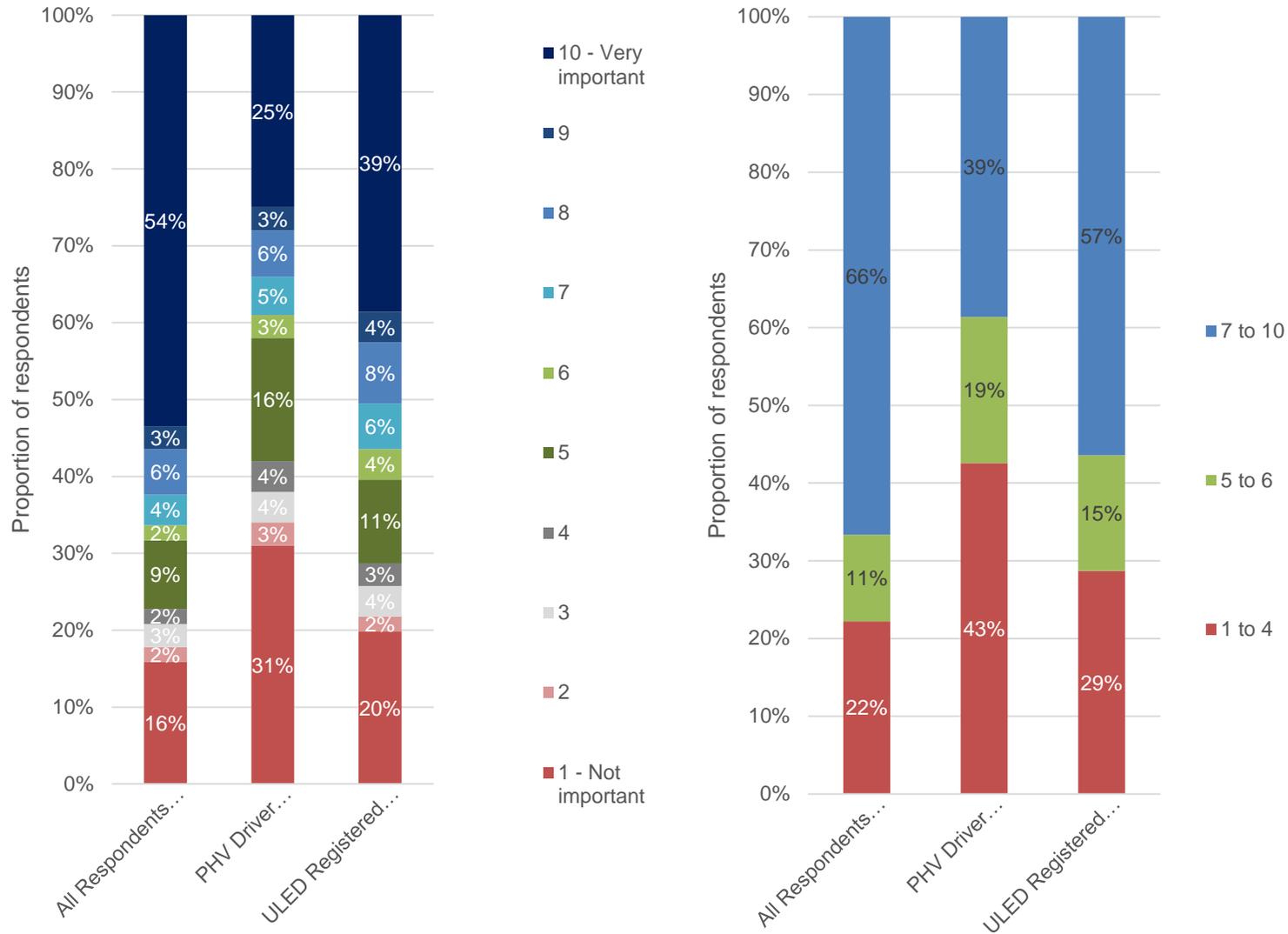


Figure 3 - Respondents ranking 'How important do you believe it is that TfL should: Take steps to reduce traffic in central London, to the benefit of everyone who lives or works here?'

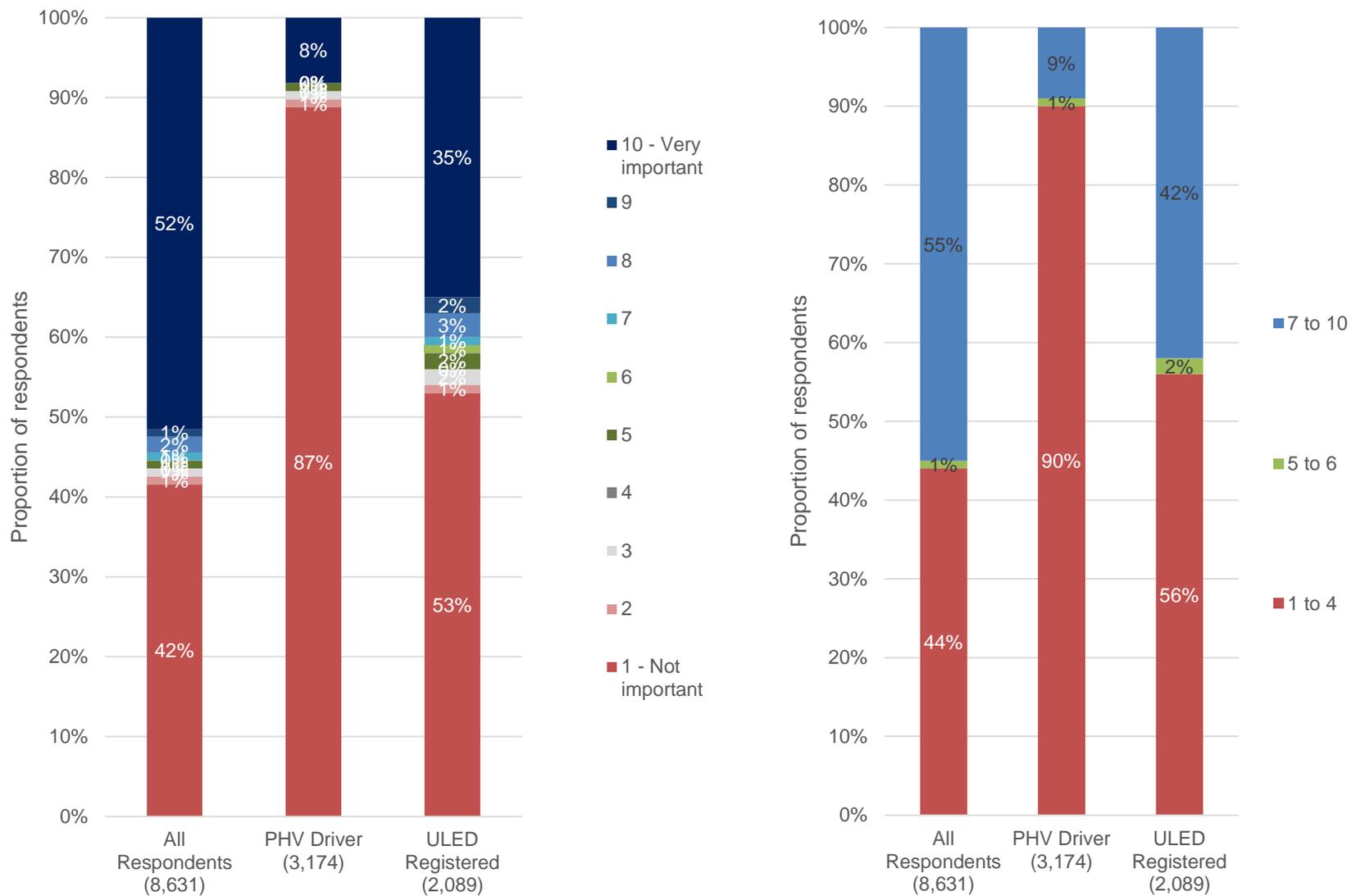


Figure 4 - Respondents ranking 'How important do you believe it is that TfL should: Require private hire vehicles to pay the Congestion Charge if they enter the Congestion Charging zone during charging hours (Mon-Fri, 07:00-18:00), as a way of reducing traffic in central London?'

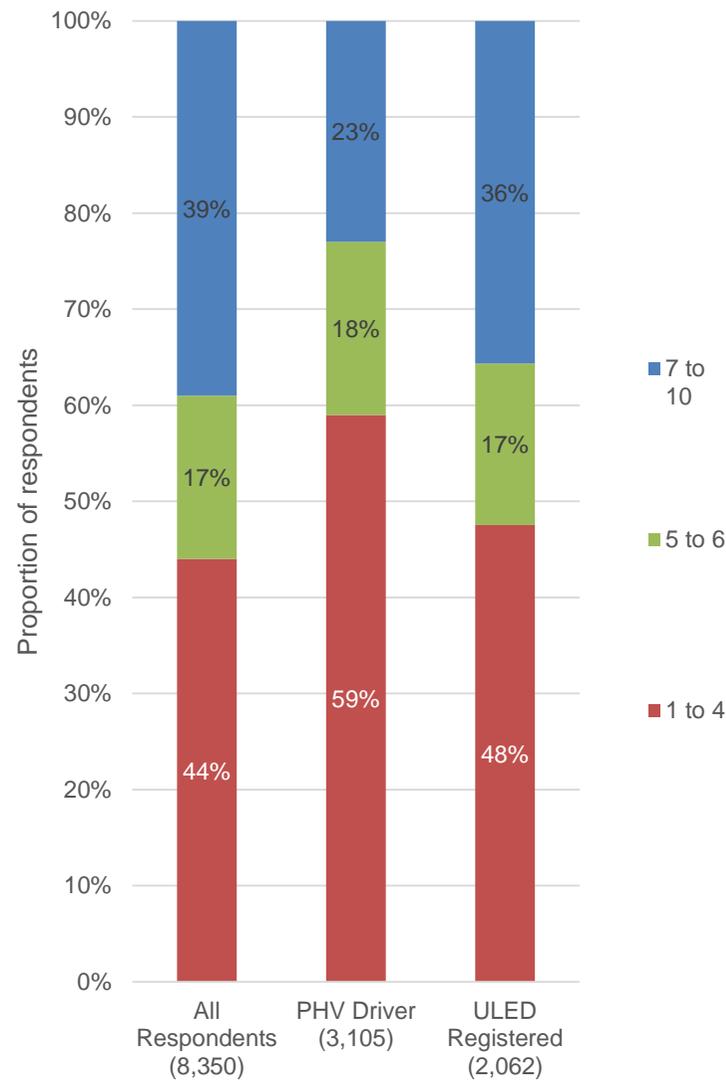
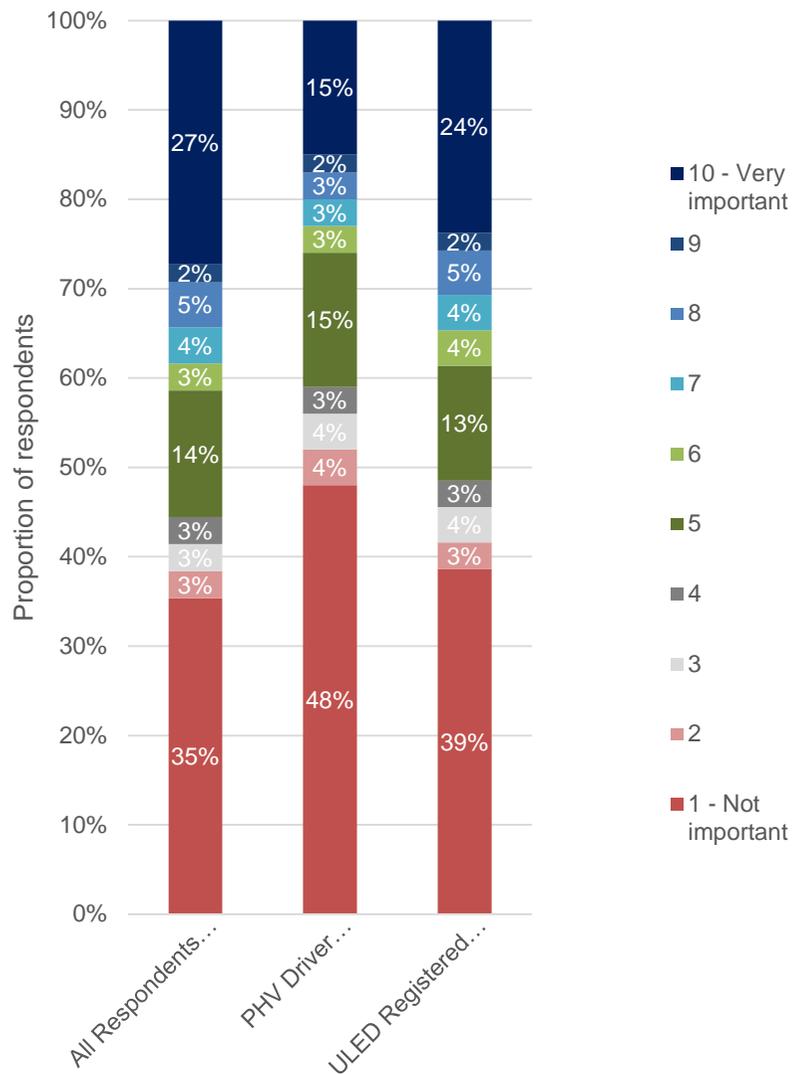


Figure 5 - Respondents ranking 'How important do you believe it is that TfL should: Replace the Ultra Low Emission Discount (ULED) with a new phased Cleaner Vehicle Discount (CVD)?

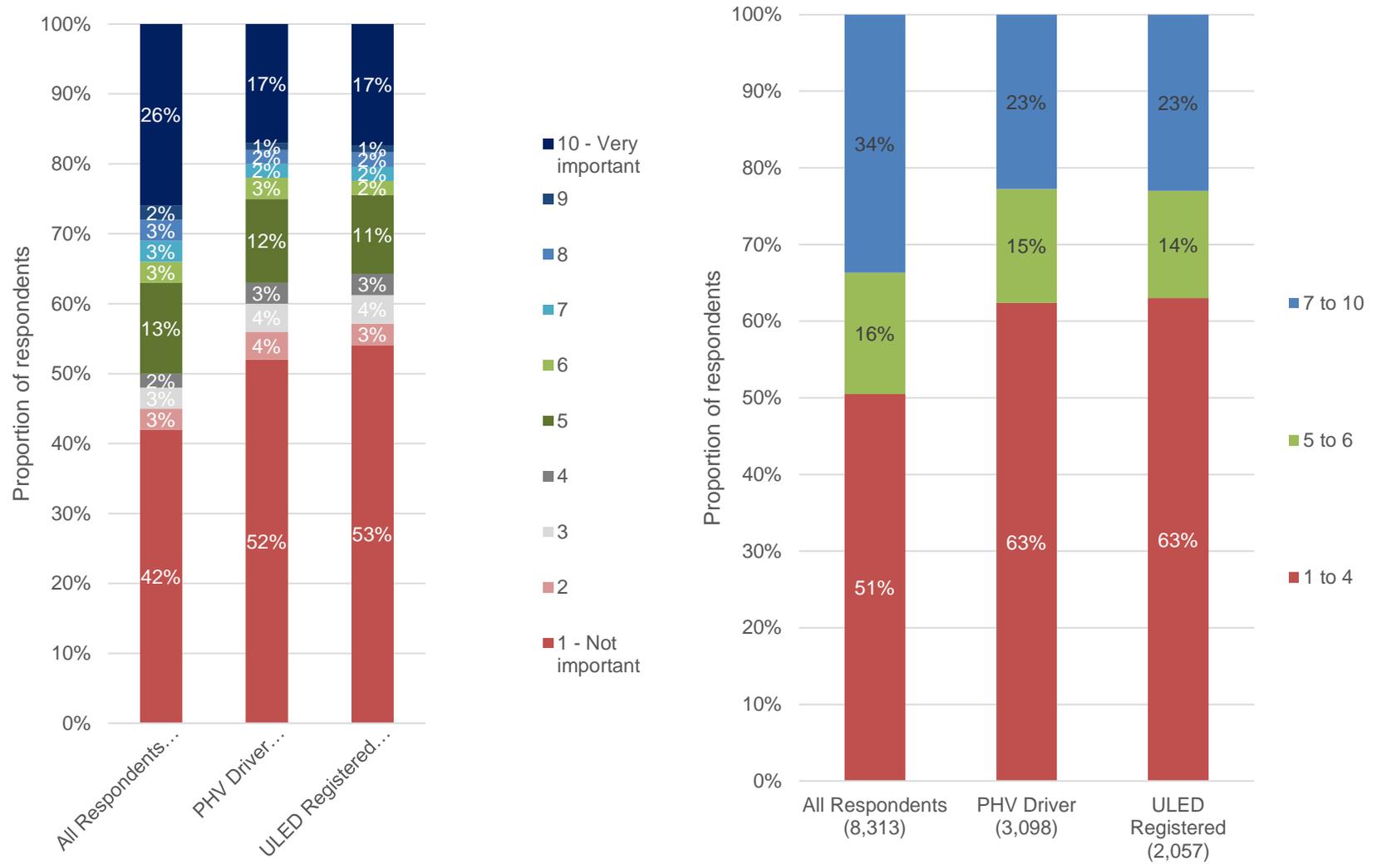


Figure 6 - Respondents ranking 'How important do you believe it is that TfL should: Remove the Ultra Low Emission Discount entirely in 2025?'

4.4 Campaigns and petitions

4.4.1 Several of the responses we received were identical to one another, and so may have been part of a campaign intended to influence the outcomes of the consultation. We have, nevertheless, fully considered the issues raised within these responses and have not treated them any differently to any other response.

4.4.2 There were three sets of 'campaign' responses. It was not clear whether these campaigns were organised by members of the public or by stakeholder organisations. Table 11 below provides the text of each set of responses and the number of respondents who submitted it.

Text of 'campaign' response	Number of respondents who submitted this text as their response
<p>Dear Khan,</p> <p>This is an utterly ridiculous suggestion that congestion charging should be extended to PHV drivers. This would solely penalise PHV drivers who are struggling to make ends meet.</p> <p>I strongly disagree with your purposed extension. With me I have another 70k / 90k other PHV drivers who also disagree.</p> <p>All PHV drivers also have families and relatives who live and work in London. The Drivers are Mostly from BME community. Who are full time drivers, Driving PHV is their sole employment.</p> <p>You are the mayor of our great city, an ethnic minority, a bus drivers son, it would be unwise for you to extend the congestion charge to PHV.</p> <p>I would be grateful if you could respond to my email.</p>	11
<p>Dear Mayor Khan and TfL</p> <p>My family depends on income from minicab driving and your proposal to impose the congestion charge on PHV's will have a devastating effect on us. Minicab drivers on average earn just £5 per hour after costs working 48 hours per week and this is before the congestion charge. Introducing the congestion charge means drivers will have to work an extra 11 hours a week or more just to cover the extra costs.</p> <p>Congestion will not be reduced because drivers have no choice but to</p>	80

<p>work where their operator sends them. In fact, congestion will likely get worse as drivers will feel they need to stay in the congestion zone and keep working there after paying the charge. The big operators have already said they will not pay the charge nor will they make the customer pay it. Addison Lee have already said they will charge the driver an extra £250 per month for it and all the others will follow suit.</p> <p>The only sensible way to reduce congestion is for you to reduce private hire driver licensing. I am asking you to lobby central government to give you the powers you need to do that and in the meantime you should do much more to protect private hire drivers from exploitation by operators and TfL. I beg you not to punish my family for a congestion problem not caused by me but caused by TfL and the big private hire operators.</p>	
<p>Hi</p> <p>I would like to submit the following views to the Mayor's consultation on changes to the congestion charges for cabs:</p> <p>1/ I support the Mayor ending unfair exemption for minicabs/ubers from congestion charges.</p> <p>2/ I call on the mayor to extend the ending of unfair exemptions to blackcabs also.</p> <p>3/ I would like the mayor to apply £5 ccharge to all cabusers, as is being done in New York.</p> <p>4/ I would like the charges to apply to cabs over all of London, not just the current congestion charge zone.</p>	13

Table 11 - Campaign responses to the consultation

4.4.3 The Licensed Private Hire Car Association (LPHCA) organised an online petition against the proposed removal of the exemption to the Congestion Charge for PHVs. The petition was not however included in LPHCA's response to the consultation. The petition is available to view at <https://www.change.org/p/sadiq-khan-say-no-to-london-s-private-hire-vehicles-being-congestion-charged>

4.5 How respondents heard about the consultation

4.5.1 We asked respondents how they had heard that the consultation was taking place, selecting from a list of options we provided. The table below shows which options respondents selected.

How respondents heard	Total	%
Received an email from TfL	5,468	54%
Social media	1,589	16%
Read about in the press	557	6%
Saw it on the TfL website	494	5%
Received a letter from TfL	32	0%
Other	254	3%
Not Answered	1,703	17%
Total	10,097	100%

Table 12 - How respondents heard about the consultation

4.6 Respondents views on the quality of the consultation

4.6.1 We asked respondents what they felt about the quality of the consultation, including of the materials we had published, selecting from a list of options which ranged from Very Good to Very Poor. Figure 7 below shows what views respondents had.

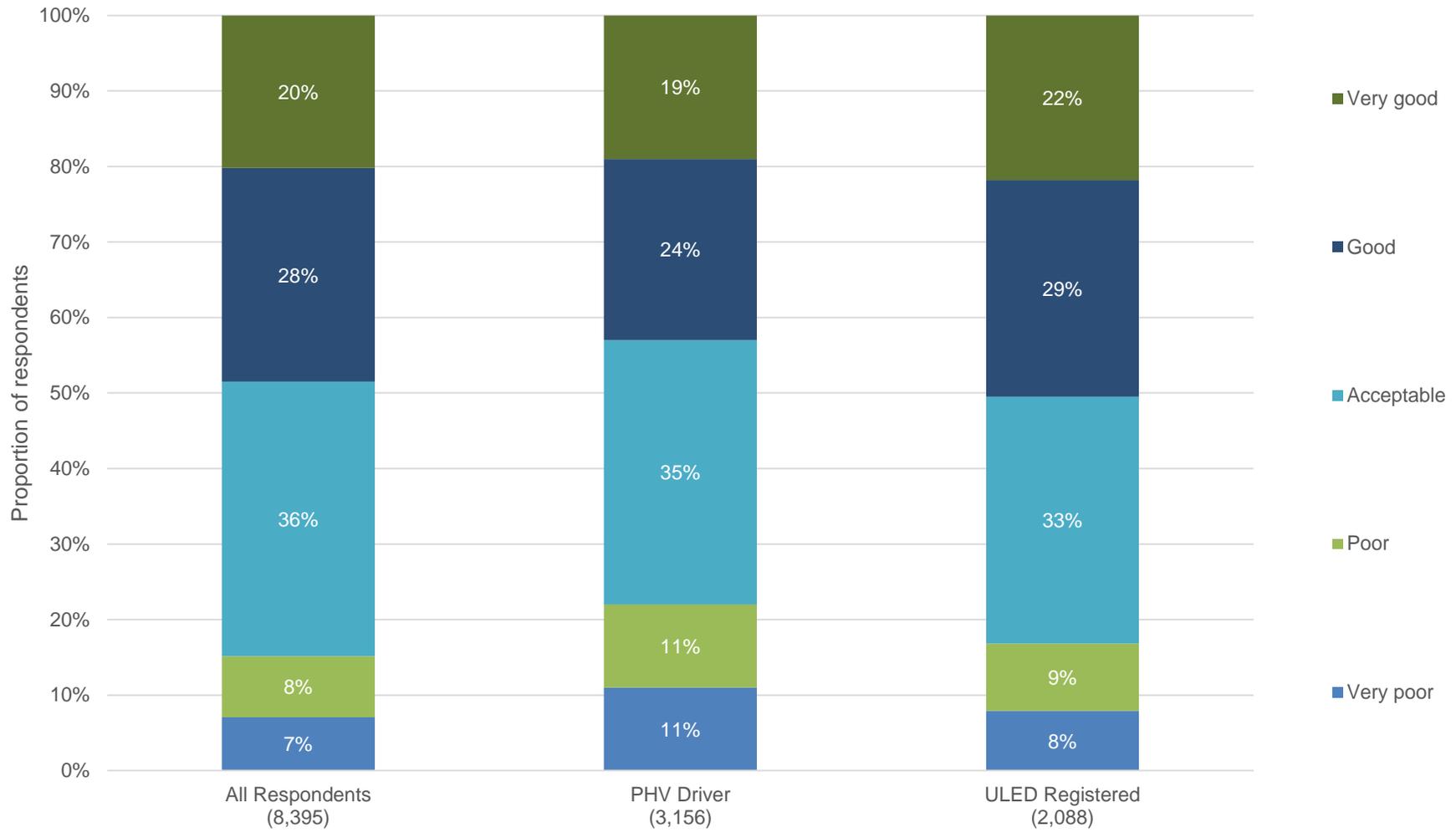


Figure 7 - Respondents views on the quality of the consultation

Chapter 5. Response to issues raised

5.1 Introduction

5.1.1 We have identified and considered every issue raised by respondents to the consultation. This chapter describes those issues and how frequently they were raised (including which issues were raised by stakeholders) and includes our response to each.

5.1.2 In addition to this chapter, please note the responses which are appended to this report in Appendices E, F and G and described in section 1.2.

5.1.3 There were two 'open' questions in our online questionnaire which gave respondents the opportunity to provide written comments about the proposals, although respondents were also free to submit their thoughts in writing by email or Freepost. The first of these open questions gave respondents opportunity to express any concerns they might have about the proposals. The second open question asked respondents whether they felt our proposals would cause any hardships to any particular group. In some cases, respondents raised the same issues in response to each of the open questions included in our questionnaire. In these cases, we have combined the frequency with which the issue was raised in response to each question, to avoid unnecessary duplication of issues in the tables in sections 5.2 – 5.7.

5.1.4 We found that the issues raised by respondents were either:

- Concerned directly with the proposals we had included in the consultation
- Concerned with a related matter, or were concerned more generally with the proposals as a whole, rather than a specific proposal
- Not concerned either directly or indirectly with the proposals, but to another TfL or London matter

5.1.5 We have grouped the issues raised by respondents to the consultation according to which of our proposals they were concerned with. We have done so to help readers of this report understand more easily the issues raised.

5.2 Issues raised about the principle of reducing traffic in central London

5.2.1 Our consultation questionnaire asked respondents to rank on a scale of 1 to 10 (1 being not important and 10 very important), how important they felt it was for us to reduce traffic in central London. We also asked respondents whether they felt our proposals would cause hardships to any

particular group. Some respondents provided written comments in answer to both or either questions.

5.2.2 At the beginning of each section, the most frequently raised issues are highlighted, followed by the TfL response.

5.2.3 Table 13 below lists the issues identified in more detail, how often each was raised, our response to each and whether each issue was raised by stakeholders. We have aimed to list themes by the frequency with which they were raised by stakeholders, with related comments grouped together.

5.2.4 The following stakeholders raised issues which we considered were concerned with the principle of reducing traffic in central London: Alliance of British Drivers, London Borough of Camden, London First, London Living Streets, Licensed Private Hire Car Association, Licensed Taxi Drivers Association, Royal Borough of Kensington & Chelsea, Uber, Unite the Union, ViaVan, Westminster BIDs, Confederation of Passenger Transport, London Cycling Campaign, Addison Lee Group, GMB Union, Stop Killing Cyclists, London Councils, Low Carbon Vehicle Partnership and Client Earth.

5.2.5 The most frequently raised issues are:

- Concern the proposals are intended to raise revenue
- General support of congestion reduction and the success of the current scheme and proposals
- View that the Congestion Charge has not been successful in reducing traffic in London
- General support emissions reduction and importance for health reasons
- Call for black cabs to be required to pay the Congestion Charge
- Call for extension of Congestion Charge hours
- View that no changes are required

5.2.6 The objective of the Congestion Charging scheme is to manage traffic and congestion in central London by requiring individuals who drive in the Congestion Charging zone (CCZ) during charging hours to pay a daily charge. Raising revenue is not an objective of the scheme.

5.2.7 Following the introduction of the Congestion Charge in 2003, the immediate impact of the scheme was a 30 per cent reduction in congestion in the zone and a 15 per cent reduction in circulating traffic.

5.2.8 Congestion levels have now risen to levels not seen since the Congestion Charging scheme was introduced in 2003 although without the scheme, congestion would be far worse than it is now.

- 5.2.9 One reason for this is the composition of the traffic. Another factor is the intentional reallocation of road space away from private motorised vehicles to other modes such as walking, cycling and buses in order to encourage these healthier, sustainable modes.
- 5.2.10 If further action is not taken, average traffic speeds are forecast to fall across London with central London particularly badly hit. A reduction in traffic of about 10-15 per cent is required by 2041 to keep congestion in check, while achieving the aims of the Mayor's Transport Strategy.
- 5.2.11 Reducing the number of vehicles in the CCZ will also reduce tailpipe emissions, helping to improve air quality. The proposal to replace the Ultra Low Emission Discount with the Cleaner Vehicle Discount is aimed at incentivising those who choose to drive in the zone, during charging hours, to do so in the cleanest vehicles.
- 5.2.12 When the Congestion Charge scheme was originally conceived, an exemption was proposed for taxis (black cabs) but not PHVs. The PHV exemption was introduced with the intention to support the new PHV licensing regime that started in January 2001 across Greater London in order to improve safety standards and quality of service.
- 5.2.13 The number of PHVs has increased substantially since the start of the Congestion Charge. The 2002 consultation report to the Mayor estimated there would be around 4,000 PHVs in the CCZ each day during charging hours. On an average day in 2017, over 18,000 PHVs were seen in the zone. It is now being proposed that the PHV exemption should be removed for all PHVs except for those that are included on the list of designated wheelchair accessible PHVs.
- 5.2.14 There is no equivalent proposal to remove the exemption from black cabs. The number of taxis has remained static or gradually declined in recent years and the original policy rationale for exempting taxis remains unchanged.

Detailed individual responses

- 5.2.15 Further detail on the above points is presented in Table 13.

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
1	Concern the proposals are intended to raise revenue	1048	<p>The objective of the Congestion Charging scheme is to manage traffic and congestion in central London by requiring individuals who drive in the Congestion Charging zone (CCZ) during charging hours to pay a daily charge. Raising revenue is not an objective of the scheme. The Greater London Authority Act 1999 requires that any net revenue raised must be used for 'relevant transport purposes', that is, for any purpose which directly or indirectly facilitates the implementation of the Mayor's Transport Strategy.</p>	<p>Alliance of British Drivers</p> <p>Driver Guides Association</p> <p>Gareth Bacon AM</p> <p>GMB Union</p> <p>Licensed Private Hire Car Association</p> <p>United Private Hire Drivers</p> <p>Unite the Union</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
2	Support congestion reduction / London has a problem with traffic/congestion	583	<p>We note support for initiatives which have as their aim the reduction of congestion.</p> <p>London's streets are some of the most congested in the world, worsening air pollution, delaying bus services and freight trips and making too many streets unpleasant for walking and cycling. If further action is not taken, average traffic speeds are forecast to fall across London with central London particularly badly hit. A reduction in traffic of about 10-15 per cent is required by 2041 to keep congestion in check, while achieving the aims of the Mayor's Transport Strategy.</p>	<p>Addison Lee Group</p> <p>Brent Cyclists</p> <p>Centre for London</p> <p>Clean Air in London</p> <p>Ford</p> <p>Greenpeace UK</p> <p>London Borough of Camden</p> <p>London First</p> <p>London Forum of Amenity & Civic Societies</p> <p>Licensed Taxi Drivers Association</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
				Metroline Royal Borough of Kensington & Chelsea Uber Unite the Union ViaVan Westminster BIDs Justine Greening MP Society of Motor Manufacturers & Traders Confederation of Passenger Transport

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
3	Do not exempt black Cabs from the Congestion Charge	394	<p>There are no current proposals to make black cabs liable for the Congestion Charge.</p> <p>Black cabs are subject to different regulatory rules than those which apply to PHVs and these rules are relevant to the application of the Congestion Charge. Such rules include the following:</p> <p>Black cabs are legally required to be wheelchair accessible. In addition to wheelchair accessibility, taxis are required by the Conditions of Fitness to provide a range of other accessibility features which make them better placed to meet the needs of passengers with a range of accessibility needs and provide a door-to-door service in the CCZ.</p> <p>Taxi drivers are compelled to accept any hiring within a six mile radius of Charing Cross of up to one hour in duration or 12 miles long (20 miles if the journey begins at Heathrow Airport). This means that taxi drivers plying for hire on street or on a designated taxi rank must accept a hire where the destination is the CCZ. Refusing a hire is potentially an offence and could result in a taxi driver's licence being suspended or revoked.</p> <p>Taxi drivers are also expected to take the shortest, most direct route to fulfil a hire. Taking a longer than necessary route, which leads to an increased fare, is an offence.</p> <p>There is no flexibility for taxi drivers to set their own fares.</p>	<p>London Cycling Campaign</p> <p>London First</p> <p>Uber</p> <p>ViaVan</p> <p>Addison Lee Group</p> <p>GMB Union</p> <p>Stop Killing Cyclists</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>Their fares are regulated by TfL and whilst drivers can charge less than the metered fare, they cannot charge more. Current permissible surcharges include for phone/online booking, journeys over Christmas and New Year, and journeys that start from one of the taxi ranks at Heathrow Airport.</p> <p>If taxis were made liable for the Congestion Charge they would only be able to recoup the charge from passengers if TfL allowed a surcharge to be imposed on fares. Although a surcharge may have some deterrent effect on passengers (as opposed to drivers) given the role of taxis in providing essential transport for disabled passengers it would be undesirable to discourage taxis from operating within the CCZ and to introduce a surcharge which disabled passengers would be unable to avoid.</p> <p>Exemptions and discounts to the Congestion Charging scheme are always subject to review but, it is proposed at this stage that black cabs will continue to be exempt.</p>	
4	Exempt black cabs from the Congestion Charge	117	As per response 3	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
5	Support emissions reduction / London has a problem with air pollution/poor air quality	465	<p>We welcome support for initiatives which have as their aim the improvement of air quality.</p> <p>The Mayor in his Transport Strategy recognises that air pollution exacerbates health conditions and shortens the lives of Londoners.</p> <p>The main objective of the Congestion Charging scheme is to control traffic and reduce congestion in the CCZ. Reducing the number of vehicles in the CCZ will also reduce tailpipe emissions, helping to improve air quality. The proposal to replace the Ultra Low Emission Discount with the Cleaner Vehicle Discount is aimed at incentivising the use of the cleanest vehicles.</p> <p>The Congestion Charge scheme is complementary to other mayoral initiatives such as the Low Emission Zone and the Ultra Low Emission Zone which will come into force in April 2019.</p>	
6	Reducing congestion/pollution is important for health reasons	137	As per response 5	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
7	Congestion charge hours should be extended/24 hrs a day	191	There are currently no plans to extend the hours of operation for the Congestion Charging scheme. Any proposal to do so would be subject to a separate public consultation.	GMB Union
8	No changes required	126	The Mayor's Transport Strategy (Proposal 20) expressly requires that the Congestion Charging scheme is kept under review to ensure it remains effective in furthering or delivering the policies and proposals of the strategy. Congestion levels in the CCZ have risen to levels not seen since before the Congestion Charging scheme was introduced in 2003 although the levels would be far worse than if the scheme had not been introduced. The proportion of vehicles in the zone that are subject to the charge continues to reduce as the number of licensed PHVs and vehicles eligible for the ULED increases. The volume of exempt or 100 per cent discounted vehicles in the CCZ has a direct impact on the effectiveness of the scheme and it is appropriate that the exemptions and discounts are now reviewed.	
9	Changes are required / reduction in vehicles is required	81	As per response 8	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
10	The Congestion Charge has not been successful in reducing traffic in London	109	<p>Following the introduction of the Congestion Charge in 2003, the immediate impact of the scheme was a 30 per cent reduction in congestion in the zone and a 15 per cent reduction in circulating traffic. Traffic in central London has since remained stable or continued to decline by a small amount each year until the most recent period. This reflects an improved public transport network and conditions for walking and cycling, and increasing use of these modes for travel across London.</p> <p>Congestion levels have now risen to levels not seen since the Congestion Charging scheme was introduced in 2003 although without the scheme, congestion would be far worse than it is now.</p> <p>One reason for this is the composition of the traffic. To some extent, the reduction in private cars entering the CCZ has been offset by a large increase in the number of PHVs doing so. Another factor is the intentional reallocation of road space away from private motorised vehicles to other modes such as walking, cycling and buses in order to encourage these healthier, sustainable modes. The scheme also offers a number of exemptions and significant discounts with only around half of vehicles in the CCZ liable to pay the charge.</p> <p>As the Mayor's Transport Strategy requires, the Congestion Charging scheme is being reviewed to ensure it is effective in furthering the proposals and policies in the</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			strategy which include proposals specifically focused on congestion reduction.	
11	These measures will be successful in reducing traffic/congestion (unspecified)	102	<p>When the Congestion Charge was introduced in 2003 it was estimated that 4,000 PHVs would enter the CCZ each day. By 2017, however, there were on average over 18,000 unique PHV daily entries into the zone.</p> <p>Removal of the PHV exemption is expected to result in:</p> <ul style="list-style-type: none"> • a 45 per cent reduction in unique PHV entries; • a six per cent reduction in PHV traffic; • a one per cent reduction in traffic overall. <p>As noted in Chapter 1, as part of their consultation response, Addison Lee Group submitted an independent report by Oxera which contended that specialisation was a flawed concept, and therefore the associated traffic reduction of one per cent was also unlikely to be realised. We commissioned further work from CEPA to consider Oxera's report.</p> <p>The further work by CEPA, which is at Appendix E, states that their view remains that some specialisation is likely to occur as a response to competitive pressure. It also clearly acknowledges that there are uncertainties with regard to</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>the scale of specialisation, however the impact on traffic is not dependent on their judgement of specialisation. They have further explained that the one per cent reduction in traffic is a conservative estimate. We support CEPA's analysis and note that the reduction in traffic is more closely tied to the demand response than specialisation.</p> <p>A one per cent reduction in traffic in the zone is not an insignificant benefit in a location where the potential for more radical change (during charging hours) is very limited, but congestion is still very high.</p> <p>The number of vehicles eligible for the ULED has been rising steadily over the past few years, impacting the congestion reducing benefits of the Congestion Charging scheme. The introduction of the CVD and a phased tightening approach will help to reduce the number of vehicles eligible for the discount. This in turn could help to manage current traffic and congestion in the zone, while continuing to encourage those who do drive in the CCZ to do so in the cleanest possible vehicle.</p>	
12	These measures will not be successful in reducing traffic/congestion (unspecified)	78	As per response 11	Addison Lee Group London Living Streets Uber

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
13	All vehicles should be required to pay the Congestion Charge/no exemption	83	<p>At the time that the Congestion Charging scheme was introduced it was considered necessary to include exemptions or significant discounts for vital services, Blue Badge holders who could not always use public transport and residents who could not avoid driving in the CCZ if they owned a car.</p> <p>Exemptions and discounts are always subject to review. There are no current plans for further changes to discounts and exemptions.</p>	<p>London Cycling Campaign</p> <p>Uber</p>
14	Support reduction in noise pollution / London has a noise pollution problem	40	<p>Noise regulations are enforced through local Borough Councils who implement restrictions on building sites or entertainment.</p> <p>The Greater London Authority seeks to work with all stakeholders to ensure that Londoners are subject to appropriate levels of noise and noise pollution is kept to a minimum. Incentivising a shift to zero emission or zero emission capable vehicles could help to reduce noise from vehicular traffic.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
15	London should only allow electric/zero emissions vehicles	38	<p>The Mayor is committed to increasing the number of ultra low emission vehicles in London and the proposed new CVD is intended to support that objective. From 25 October 2021, only pure electric vehicles will qualify for the 100per cent discount. The availability of technology and the required supporting infrastructure limit the potential to implement an electric vehicle only policy for a city the size of London. There are, for example, limited commercially available pure electric LGVs and HGVs in the UK.</p> <p>The Mayor’s Transport Strategy creates the ambition for zero emission road transport by 2050 and the proposed introduction of a zero emission zone within central London from 2025.</p> <p>The Ultra Low Emission Zone will come into effect on 8 April 2019 in the same geographical area as the CCZ. In October 2021, this will be expanded up to the North and South Circular roads. Both schemes will lead to emission reductions across London and more than 100,000 residents no longer living in areas exceeding legal air quality limits in 2021.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
16	Privately owned vehicles/London residents should be required to pay the Congestion Charge/no exemption	34	The Mayor has no plans to exempt London based residents from this scheme but those living within the CCZ will continue to receive a 90 per cent discount on the charge. Privately owned vehicles may qualify for other discounts or exemptions such as the Blue Badge Discount or the proposed CVD.	
17	Private owned vehicles/London residents should not be required to pay the Congestion Charge/exempt	17	As per response 16	
18	The Congestion Charge has not been successful in reducing pollution/enhancing air quality	48	<p>The objective of the Congestion Charging scheme is to reduce the volume of traffic and congestion in the CCZ. Improvements in air quality are a consequential benefit of the scheme.</p> <p>Following the introduction of the Congestion Charge in 2003, the immediate impact of the scheme was a 30 per cent reduction in congestion in the zone and a 15 per cent reduction in circulating traffic. Traffic in central London has since remained stable or continued to decline by a small amount each year until the most recent period.</p> <p>When the Congestion Charge was introduced, it was directly responsible for reductions inside the CCZ of traffic emissions equating to around 8 per cent of NO_x, 7 per cent of PM₁₀ and 16 per cent of CO₂⁸.</p>	

⁸ From CC Impacts Report 5 (TfL, 2007)

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			The Congestion Charging scheme is complementary to other mayoral initiatives such as the Low Emission Zone and the Ultra Low Emission Zone which will come into force in April 2019.	
19	Do not exempt commercial vehicles from the Congestion Charge (parcel/delivery/construction vehicles)	24	Most commercial vehicles are required to pay the Congestion Charge including those used for courier services and construction vehicles. The only exceptions are taxis, PHVs and vehicles used for essential or public services. It is now proposed to restrict this list further by removing the exemption for PHVs.	
20	Do not exempt buses from the Congestion Charge	24	Buses provide a vital alternative mode to the private car in central London. They are an efficient and sustainable mode of transport and there is no intention to make them liable to pay the Congestion Charge.	
21	Do not exempt cyclists from the Congestion Charge	21	<p>The Greater London Authority Act 1999 provides that a road user charging scheme such as the Congestion Charging scheme can only be applied to motor vehicles. Parliament would need to amend the Act in order for it to be possible for bicycles to be made subject to the Congestion Charging scheme. Such an amendment is unlikely to be made.</p> <p>A road user charging scheme also has to be consistent with the Mayor's Transport Strategy. The Healthy Streets Approach which is central to the Strategy is incompatible with an initiative which would act as a deterrent to cycling.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
22	Exempt disabled users/drivers from the Congestion Charge	19	<p>A 100 per cent discount already exists for Blue Badge holders. The holder of a valid blue badge may nominate two vehicles which they normally use to travel within the CCZ and such vehicles will be exempt from paying the Congestion Charge.</p> <p>In addition, vehicles used by disabled people that are exempt from vehicle tax and have a 'disabled' taxation class are also exempt from the Congestion Charge.</p>	
23	Exempt wheelchair accessible vehicles from the Congestion Charge	13	<p>As per response 27</p> <p>In addition, the proposal to remove the PHV exemption is subject to the qualification that wheelchair accessible PHVs which are included in a list of vehicles maintained by TfL for the purposes of s 167 of the Equality Act will still be exempt from the Congestion Charge.</p>	
24	Exempt buses from the Congestion Charge	17	<p>Vehicles with 9+ seats are eligible for a 100 per cent discount to the Congestion Charge. See also response 20.</p>	
25	Do not exempt petrol vehicles from the Congestion Charge	12	<p>Petrol vehicles per se are not exempt from the Congestion Charge. Any vehicles which meet the emissions criteria for the ULED or the proposed CVD receive a 100 per cent discount, irrespective of fuel type.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
26	Exempt commercial vehicles from the Congestion Charge (parcel/delivery/construction vehicles)	11	Commercial vehicles make up around 35 per cent of all traffic at peak times. With van traffic expected to increase by a further 20 per cent by 2030 exempting the commercial sector from the charge would invariably lead to increased congestion in the CCZ and would be both contrary to the policies and proposals of the Mayor's Transport Strategy and the objective of the Congestion Charging scheme.	
27	All vehicles should not be required to pay the Congestion Charge/exempt	11	<p>This would be tantamount to ceasing the Congestion Charging scheme.</p> <p>London's streets are some of the most congested in the world, worsening air pollution, delaying bus services and freight trips and making too many streets unpleasant for walking and cycling. If further action is not taken, average traffic speeds are forecast to fall across London with central London particularly badly hit. A reduction in traffic of about 10-15 per cent is required by 2041 to keep congestion in check, while achieving the aims of the Mayor's Transport Strategy. This cannot be achieved without the Congestion Charging scheme.</p>	
28	Proposals do not do enough/offer only a limited/short-term fix	9	There are no immediate plans to make further modifications to the Congestion Charge. However, the Mayor's Transport Strategy, states that road user charging schemes such as the Congestion Charge will be kept under review. Any future proposals would be subject to a full public consultation.	<p>Licensed Taxi Drivers Association</p> <p>London Cycling Campaign</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
				London First Royal Borough of Kensington & Chelsea Stop Killing Cyclists
29	Exempt emergency service vehicles from the Congestion Charge	8	It is already the case that emergency vehicles which fall in the appropriate vehicle class are exempt from the Congestion Charge and there are no plans to change this exemption.	
30	Traveling for medical reasoning should not be required to pay Congestion Charge/exempt (doctor's appointment, visiting friends/family in hospital)	7	NHS vehicles that are exempt from vehicle tax, ambulances and vehicles nominated by Blue Badge holders are exempt from or receive a 100 per cent discount on paying the Congestion Charge. Those seeking to attend a medical appointment may also be eligible to claim back the Congestion Charge from their treating hospital. The CCZ is well served by a variety of other transport modes which do not attract the Charge including public transport and which individuals who need to travel to visit friends/family in hospital may be able to use.	
31	There are already too many exemptions (unspecified)	6	The Congestion Charging scheme has a considerable number of exemptions and substantial discounts. While those exemptions and discounts are always subject to review, it is only proposed that the PHV exemption and ULED be changed at this stage.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
32	Money collected needs to be reinvested into public transportation	6	The Greater London Authority Act 1999 requires that any net revenue raised from the Congestion Charging scheme must be used for 'relevant transport purposes', that is, to facilitate any purpose which directly or indirectly facilitates the implementation of any policies or proposals set out in the Mayor's Transport Strategy.	
33	No scientific evidence that there is pollution	2	51 per cent of the most harmful air polluting particulates, NOx emissions, come from road-based transport. A variety of scientific evidence underpins our policy of reducing tail pipe emissions and the Mayor is committed to improving air quality for all Londoners.	
34	Most of the congestion is outside of Congestion Charging hours	1	When the Congestion Charging scheme began operation in 2003, the controlled hours reflected the most congested periods in the zone, Monday to Friday 7am to 7pm. It was then modified in 2010 to finish at 6pm. While we recognise that traffic levels in the evening are also very high, the current proposals concern congestion during the existing controlled hours and, therefore, do not include the option of extending those hours. As stated in the Mayor's Transport Strategy, the Congestion Charge is to be kept under review and any proposed changes would be subject to public consultation.	
35	TfL/the Mayor must improve air quality in outer London	1	As per response 5 The ULEZ will expand to the inner London area bounded by the North and South Circular roads in October 2021. Both the central ULEZ and ULEZ expansion will lead to emission reductions across London and more than 100,000 residents no longer living in areas exceeding legal	Client Earth

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			air quality limits in 2021. Strict emission standards will also apply to buses, coaches and lorries across the whole of London from 26 October 2020. Only 4 per cent of roads in Outer London are expected to exceed legal limits in 2021.	
36	Work collaboratively with London Councils to review plans to reduce car use/improve air quality	1	We work closely with London Councils on a number of matters including transport and air quality and will continue to do so.	London Councils
37	Congestion Charge exemptions/timings should be linked to national clean air initiatives	1	The introduction of Phase 1 of the CVD on 8 April 2019 is aligned with the start of the ULEZ in central London. The tightening of the CVD and start of Phase 2 is aligned with the expansion of the ULEZ on 25 October 2021.	Low Carbon Vehicle Partnership Uber
38	Does not recognise the current issues with traffic and congestion therefore does not support proposals	1	<p>TfL's congestion reporting shows that congestion in the CCZ has increased to levels not seen since the introduction of the scheme in 2003, although without the scheme, it would be far worse than it is now.</p> <p>If further action is not taken, average traffic speeds are forecast to fall across London with central London particularly badly hit. A reduction in traffic of about 10-15 per cent is required by 2041 to keep congestion in check, while achieving the aims of the Mayor's Transport Strategy.</p> <p>Both the Centre for London (Street Smarts: Report Of The Commission On The Future Of London's Roads And Streets) and the Integrated Transport Planning Ltd (Understanding and Managing Road Congestion report)</p>	Licensed Private Hire Car Association

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			recommended removing the exemption for PHVs with the latter also recommending that the exemption from taxis be removed and all other exemptions be retained only if their social value strongly outweighs the adverse impact on congestion levels. For further detail regarding taxis and PHVs, see response 3 (table 13) and section 2.5.43-51 of this report.	
39	TfL should confirm that it does not plan to charge any other vehicle types	1	There are currently no plans to make further modifications to the discounts and exemptions of the Congestion Charge. However, the MTS states that road user charging schemes such as the Congestion Charge will be kept under review. Any future proposals would be subject to a full public consultation.	Confederation of Passenger Transport
40	Need an overall review of the Congestion Charge	1	Proposal 20 of the MTS states that The Mayor, through TfL, will keep the Congestion Charge under review to ensure it meets its objectives and the policies and proposals of the Mayor's Transport Strategy. Any future proposals would be subject to a full public consultation.	London First London Borough of Hackney

Table 13 - Issues raised about the principle of reducing traffic

5.3 Issues raised about the proposed removal of the exemption to the Congestion Charge for Private Hire Vehicles

5.3.1 Our consultation questionnaire asked respondents to rank on a scale of 1 to 10 (1 being not important and 10 very important), how important they felt it was for us to remove the exemption to the Congestion Charge for PHVs. We also asked respondents whether they felt our proposals would cause hardships to any particular group. Some respondents provided written comments in answer to both or either question which we considered were related directly or indirectly to our proposal to remove the exemption for PHVs.

5.3.2 Table 14 below lists the issues which we identified, how often each was raised, our response to each and whether each issue was also raised by stakeholders.

5.3.3 The following stakeholders raised issues which we considered were concerned with the proposed removal of the exemption to the Congestion Charge for PHVs: Alliance of British Drivers, Chartered Institute of Logistics and Transport, Royal Borough of Kensington & Chelsea, Unite the Union, UPS, Westminster BIDs, Better Bankside, Campaign for Better Transport, Caroline Russell AM, Centre for London, Client Earth, Confederation of Passenger Transport, Freight Transport Association, Friends of the Earth, London Borough of Bexley, London Borough of Hackney, London Borough of Hammersmith & Fulham, London Borough of Islington, London Borough of Redbridge, London Councils, London Living Streets, Licensed Taxi Drivers Association, Driver Guides Association, Florence Eshalomi AM, Gareth Bacon AM, Licensed Private Hire Car Association, Uber, United Private Hire Drivers, Addison Lee Group, GMB Union, Stop Killing Cyclists, Private Hire Board, British Guild of Tourist Guides, United Private Hire Drivers, Licensed Private Hire Car Association, ViaVan, Licensed Private Hire Car Association, Metroline Travel Ltd, United Private Hire Drivers, Westminster BIDs.

5.3.4 The most frequently raised issues are:

- The proposals will have a negative impact on drivers, passengers and the PHV industry as a whole
- The proposals are biased / unfair (compared to black cabs)
- There are too many PHVs contributing to London's congestion problem
- Support for the removal of the PHV exemption
- Calls for the PHV exemption to remain as at present

- Calls that if PHVs are to pay the charge then taxis, buses and others should pay the charge too
- Assertion that most black cabs are more polluting than PHVs

Aims of the Policy

5.3.5 When the Congestion Charge was introduced in 2003 it was estimated that 4,000 PHVs would enter the Congestion Charging zone each day. By 2017, however, there were on average over 18,000 unique PHV daily entries into the zone.

5.3.6 The report by CEPA forecasts that the removal of the PHV exemption would reduce traffic and congestion in the zone, and would likely result in:

- a 45 per cent reduction in unique PHV entries
- a six per cent reduction in PHV traffic
- a one per cent reduction in traffic overall.

5.3.7 In developing the proposal to remove the PHV exemption, we have considered the potential impacts – both positive and negative - on private hire drivers and operators, as well as passengers. We have further considered issues raised by stakeholders during the consultation.

5.3.8 We commissioned two independent organisations, Cambridge Economic Policy Associates (CEPA) and Mott MacDonald, to report on the impacts of the proposal. CEPA's report and Mott MacDonald's Integrated Impact Assessment (IIA) formed part of the consultation materials that were published on the consultation website.

5.3.9 During the consultation, Addison Lee Group commissioned independent research by economic consultancy Oxera which they submitted as supporting evidence, and which challenges some of CEPA's findings. This can be found at Appendix D.

5.3.10 TfL has subsequently commissioned further work from CEPA to consider points raised by Oxera. Florence Eshalomi AM in her response to the consultation also questioned some of CEPA's data. CEPA's response to both submissions is attached at Appendix E.

Hardships

5.3.11 We received a significant number of consultation responses referring to potential hardships to PHV drivers, operators and passengers as a result of the proposals. We have considered these comments once more in the context of the results of the CEPA report and the IIA.

5.3.12 These studies and the Oxera report indicated that the impact of these proposals on PHV passengers, operators and drivers would depend on a number of factors. These include the PHV operator's business model and whether the cost is passed onto the passenger, in whole or in part. The

CEPA report found that the impacts are not likely to fall on any single group (for example, drivers or operators). The Oxera report gives a mixed view but concludes that the cost will largely fall to drivers.

- 5.3.13 The individual costs incurred from entering the CCZ in charging hours will vary according to the frequency of entry. Were a PHV to enter the CCZ in charging hours every day for a month, £230 per month (£10.50 auto pay charge) would be payable. However, this figure assumes the maximum number of chargeable entries and is unlikely to be typical, except in cases of specialisation (which itself implies that the business model is set up to absorb this cost).
- 5.3.14 Most PHV trips do not take place in the zone during charging hours with only around a third of all private hire drivers entering the CCZ during charging hours. Most drivers/operators would, therefore, incur only occasional costs or no costs at all if the PHV exemption is removed.
- 5.3.15 The decision on whether to pass the charge onto PHV passengers rests with the PHV operators. They may decide to absorb the cost, require their drivers to pay it or pass it onto customers – or do a combination of all three. If passing the charge onto customers they may decide to spread the charge across all bookings or just across those made into the CCZ in charging hours. The CEPA report found that there was likely to be an increase to fares of around £1-£2 in the CCZ, which may result in a small drop in demand.
- 5.3.16 Some PHVs may also be eligible for the proposed CVD. Drivers and operators who own designated wheelchair accessible vehicles would also not be required to pay the charge and would remain exempt.
- 5.3.17 The IIA concluded that the impacts on passengers ranged from moderate beneficial (health; environment) to minor adverse (health; equality; economic and business). Passengers who are affected by this change have the option to retime their journeys or use other modes to travel into and within central London. The MTS sets out continued improvements to public transport as well as a target of 80 per cent sustainable mode share.

Black cabs

- 5.3.18 There is no equivalent proposal to remove the exemption from black cabs at this stage. The number of taxis has remained static or gradually declined in recent years and the original policy rationale for exemption taxis remains unchanged.
- 5.3.19 One key distinction between taxis and PHVs, which was central to the original policy proposal to exempt taxis but not PHVs, is that taxis are legally required to be wheelchair accessible. Less than one per cent of PHVs are designated as wheelchair accessible. In addition to wheelchair accessibility, taxis (but not PHVs) are required by the Conditions of Fitness which are a licensing requirement to provide a range of other accessibility features, which make them better placed to meet the needs of passengers

with a range of accessibility needs and provide a door-to-door service in the CCZ.

5.3.20 Therefore, we do not consider it would be appropriate to remove the exemption for taxis. There are also other differences between taxis (black cabs) and PHVs, which make it justifiable to maintain the exemption for taxis. These differences include compellability, route requirements and fares.

5.3.21 PHV operators are not obliged to accept bookings that would require a driver to enter the CCZ during charging hours. Taxis drivers, by contrast, do not have the same flexibility as PHVs and are compelled to accept any hire within a six mile radius of Charing Cross of up to one hour in duration or 12 miles long (20 miles if the journey begins at Heathrow Airport). This means that taxis must accept a hire where the destination is the CCZ and have no scope to make behavioural changes to mitigate the effects of the charge.

5.3.22 Another way in which PHV operators and drivers can in principle avoid the effect of the charge is to take a route that avoids the CCZ during charging hours. Taxi drivers, however, are expected to take the shortest, most direct route, which may be through the CCZ.

5.3.23 PHV operators can also choose how to set fares, reflecting the range of services available and the operator's chosen mode of calculation. It would be up to the PHV operators to decide how they wish to calculate a fare for a booking when the destination or the preferred route involves entering the CCZ.

5.3.24 Given the compellability requirement mentioned above, taxi drivers would have very limited, if any, scope to avoid entering the CCZ even if they were able to impose a surcharge for doing so. Although a surcharge may have some deterrent effect on passengers, given the role of taxis in providing essential transport for wheelchair using and other disabled passengers, it would be undesirable to discourage taxis from operating within the CCZ and undesirable to introduce a surcharge which disabled passengers would be unable to avoid.

5.3.25 Other comments of particular significance which have been raised by stakeholders are:

- Disproportionate impact of the proposals on the BAME community
- Assertion that this policy breaches competition rules/law
- Assertion that disabled passengers will be disproportionately affected
- Disagreement on data assumptions including those relating to specialisation and dead miles

Impacts on the BAME Community

- 5.3.26 We commissioned an independent assessment into the likely impacts of the proposed potential removal of the exemption from the Congestion Charge for PHVs. This included an Equality Impact Assessment that is relevant to the Mayor and TfL's discharge of the Public Sector Equality Duty.
- 5.3.27 The EQIA found that around 94 per cent of PHV drivers are from a BAME background so will be disproportionately impacted by the removal of the exemption. This is a point that many stakeholders, especially those from/representing the PHV industry commented on.
- 5.3.28 Increased professional costs as a consequence of having to pay the Congestion Charge will be incurred. Those drivers who enter the CCZ during charging hours could expect to pay around £230 a month (assuming a 22-working day month and use of Auto Pay).
- 5.3.29 Overall, the impact is assessed as a minor adverse one because the scale and distribution of the impact is considered to be low. In cases where a driver would need to absorb all costs, and travels in the zone every day, the impact would be greater.
- 5.3.30 Furthermore, some operators may take on the costs themselves or choose to pass the cost on to passengers. The overall financial costs will be reduced if the payment constitutes a tax deductible expense or drivers are able to spread the cost over multiple trips, or neutralised if the vehicle qualifies for other discounts or exemptions such as the CVD.

Competition law

- 5.3.31 We consider that the proposed differential treatment of PHVs and black cabs in the context of the Congestion Charging scheme does not constitute an anti-competitive measure nor amounts to state aid.
- 5.3.32 In the consultation materials, we set out why black cabs should continue to be exempt from the Congestion Charge. Those reasons specifically related to the particular regulatory rules which black cabs are subject to which make them unsuitable for being liable to pay the Congestion Charge.
- 5.3.33 These rules include:
- Black cabs are legally required to be wheelchair accessible. In addition to wheelchair accessibility, taxis are required by the Conditions of Fitness to provide a range of other accessibility features which make them better placed to meet the needs of passengers with a range of accessibility needs and provide a door-to-door service in the CCZ.

- Taxi drivers are compelled to accept any hiring within a six mile radius of Charing Cross of up to one hour in duration or 12 miles long (20 miles if the journey begins at Heathrow Airport). This means that taxi drivers plying for hire on street or on a designated taxi rank must accept a hire where the destination is the CCZ. Refusing a hire is potentially an offence and could result in a taxi driver's licence being suspended or revoked.
- Taxi drivers are also expected to take the shortest, most direct route to fulfil a hire. Taking a longer than necessary route, which leads to an increased fare, is an offence.
- There is no flexibility for taxi drivers to set their own fares. Their fares are regulated by TfL and whilst drivers can charge less than the metered fare, they cannot charge more. Current permissible surcharges include for phone/ online booking, journeys over Christmas and New Year, and journeys that start from one of the taxi ranks at Heathrow Airport.

5.3.34 Black cabs are also used to carry out around 90 per cent of Taxicard journeys and also provide support to Dial-a-Ride services. Some of the journeys undertaken will involve dropping off or picking up passengers in the CCZ. Capped fares for Taxicard journeys in black cabs are expected to come into effect from 1 January 2019, with capped fares for Taxicard journeys in PHVs planned for 2019 too.

5.3.35 In recognition of the important role that wheelchair accessible PHVs play, the exemption would be retained in respect of those vehicles which are included in a list maintained by us for the purpose of the Equality Act.

5.3.36 In 2002/3 when the decision to grant PHVs an exemption from the Congestion Charge was made, the licensing of the PHV industry in Greater London was in its infancy. The PHV exemption was not part of the originally conceived scheme but was included in response to a public consultation as a way of incentivising PHV operators, drivers and vehicles to become licensed. The decision was made on the basis of the forecast assumption that 4,000 individual PHVs would enter the CCZ during controlled hours. The significant increase in licensed PHVs and drivers since 2003 has had a commensurate increase in the number of PHVs being driven in the CCZ. In 2017, the average figure had grown to around 18,000 individual PHV entries. On the other hand, the number of licensed black cabs has remained the same since 2003. PHVs represent a different transport proposition today as compared to when the Congestion Charging scheme commenced.

5.3.37 The principal rationale for the PHV exemption, therefore, was to support the new licensing requirements in order to improve safety standards and

overall quality of service in the context of an emerging integrated transport system in the Capital.

5.3.38 For taxis, the rationale for the exemption was on different grounds including the need to enable a wide variety of users (including disabled passengers) to make short trips efficiently.

Impacts on disabled passengers

5.3.39 A number of stakeholders from the PHV industry raised concerns around the impacts of the proposal on disabled passengers. Concerns were not raised directly by disabled persons' representative groups.

5.3.40 People with mobility difficulties use PHVs more frequently than people without mobility difficulties (eight per cent of disabled people living in London use PHVs at least once a week compared with six per cent of non-disabled Londoners).

5.3.41 The Integrated Impact Assessment undertaken by Mott MacDonald acknowledges that there could be a minor adverse effect on disabled people if the PHV exemption is removed. It notes the higher frequency of use of PHVs by disabled people living in London.

5.3.42 The impact is only relevant to those passengers who wish to travel within the CCZ during charging hours with the likely additional cost nil (if absorbed by the driver or operator) or minimal (if spread by the driver/operator over several hires). The most likely scenario identified by CEPA is that the charge will be passed on to passengers who will pay around £1-£2 per affected trip.

5.3.43 It is recognised that any increase in fares may not be an insubstantial sum for disabled passengers and if the cost is passed to the passenger in whole or part, it could reduce their accessibility. However, there may be opportunities to avoid increased fares or minimise the impact of them. PHVs that are designated as wheelchair accessible will continue to be exempt from the Congestion Charge when they are fulfilling a booking thus reducing the impact of the proposal on certain disabled passengers.

5.3.44 Some passengers may also be entitled to the Blue Badge discount. Where a passenger qualifies for the Blue Badge discount, the option exists for them to nominate a particular PHV which they have used to travel into the CCZ with the vehicle then being subject to a 100 per cent discount from the Congestion Charge. Any surcharge which may ordinarily have been imposed by the driver for trips which go into the CCZ should not then be levied. Vehicles may be nominated up to midnight on the day of travel so the passenger does not need to know the registration number in advance and up to two vehicles may be nominated at any one time.

5.3.45 A Blue Badge holder may also qualify for the Taxicard scheme which offers subsidised taxi journeys. From 2019, Taxicard fares will be capped so passengers will be aware of the maximum fare that will be payable for a

journey and will be less susceptible to the metered fare, which is dependent upon time of day, distance travelled and time taken and can vary if there is congestion or delays. The option will also exist for Taxicard holders to pay the metered fare if it is lower than the capped fares. As stated above, around 90 per cent of Taxicard trips are fulfilled by black cabs so an accessible service will be provided.

- 5.3.46 Not all disabled passengers, however, will qualify for a discount or subsidised travel by taxi (for example, visitors to Greater London who do not satisfy residency requirements) and these passengers may face increased fares as a consequence of continuing to travel by either PHV or switching to taxis because they lack other transport options.

Data

- 5.3.47 The concerns relating to the data used in the consultation, including the CEPA work, are addressed in Appendix E and Appendix F as well as in Table 14 below.

Detailed individual responses

Further detail on the above points is presented in Table 14.

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
41	Proposals are biased/unfair / negative impact on PHV drivers and industry (unspecified)	1618	<p>When the Congestion Charge was introduced in 2003 it was estimated that 4,000 PHVs would enter the Congestion Charging zone each day. By 2017, however, there were on average over 18,000 unique PHV daily entries into the zone.</p> <p>Removal of the PHV exemption is expected to result in:</p> <ul style="list-style-type: none"> • a 45 per cent reduction in unique PHV entries; • a six per cent reduction in PHV traffic; • a one per cent reduction in traffic overall. <p>In developing the proposal to remove the PHV exemption, we have considered the potential impacts – both positive and negative - on private hire drivers and operators, as well as passengers.</p> <p>We commissioned two independent organisations, Cambridge Economic Policy Associates (CEPA) and Mott MacDonald, to report on the impact of the proposal. CEPA's report and Mott MacDonald's Integrated Impact Assessment (IIA) formed part of the consultation materials that were published on the consultation website (see Appendix B).</p> <p>These studies indicated that the impact of these proposals on PHV passengers, operators and drivers would depend on a number of factors. These include the PHV operators business model and whether the cost is passed onto the passenger, in whole or in part. The report found that the impacts are not likely to fall on any single group (for</p>	<p>Addison Lee Group</p> <p>British Guild of Tourist Guides</p> <p>GMB Union</p> <p>Licensed Private Hire Car Association</p> <p>Uber</p> <p>United Private Hire Drivers</p> <p>Unite the Union</p> <p>Addison Lee Group</p> <p>Gareth Bacon AM</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>example, drivers or operators).</p> <p>The Oxera report(Appendix D) references passengers possibly facing higher charges, potential impact on operators of absorbing extra cost and the likelihood of drivers absorbing additional costs. This reflects a range of options/ factors for operators to consider in deciding whether/ how to pass on the charge.</p> <p>The individual costs incurred from entering the CCZ in charging hours will vary according to the frequency of entry. Were a PHV to enter the CCZ in charging hours every day for a month, £230 per month (£10.50 auto pay charge) would be payable. However, this figure assumes the maximum number of chargeable entries and is unlikely to be typical, except in cases of specialisation (which itself implies that the business model is set up to absorb this cost).</p> <p>Most PHV trips do not take place in the zone during charging hours with only around a third of all private hire drivers entering the CCZ during charging hours. Most drivers/operators would, therefore, incur only occasional costs or no costs at all if the PHV exemption is removed.</p> <p>Some PHVs may also be eligible for the proposed CVD. Drivers and operators who own designated wheelchair accessible vehicles would also not be required to pay the charge and would remain exempt.</p> <p>The Mayor is requested to take into account the CEPA</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			report and the IIA when making his decision whether to implement the proposal.	
42	Too many PHVs/limit PHV numbers	1389	<p>We currently do not have the power to cap or restrict the number of licensed PHVs and a change in law is required in order for us to obtain such powers.</p> <p>In August 2018, the Mayor wrote to the Department for Transport (DfT) urging Government to grant us powers to cap the number of private hire vehicles, alongside appropriate restrictions on cross-border hiring. The DfT's Task and Finish Group report also includes a recommendation for Government to provide licensing authorities with appropriate powers.</p> <p>The Mayor's Transport Strategy states that the Mayor, through TfL, will seek "Powers to limit the overall number of private hire vehicles licensed for use in London so as to manage their contribution to overall congestion, particularly in central London."</p> <p>This policy seeks to address only the very high numbers of PHVs in the CCZ in charging hours and the contribution this makes to congestion.</p> <p>When the Congestion Charge was introduced in 2003 it was estimated that 4,000 PHVs would enter the Congestion Charging zone each day. By 2017, however, there were on</p>	<p>Centre for London</p> <p>British Guild of Tourist Guides</p> <p>Licensed Taxi Drivers Association</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			average over 18,000 unique daily entries into the zone by PHVs adding to the rising levels of congestion in the zone.	
43	Government must cap/control licensing	120	As per response 42	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
44	<p>Negative impact / hardship on drivers (decrease in wages/job loss/underpaid/government benefits)</p>	2442	As per response 41	<p>Addison Lee Group</p> <p>Alliance of British Drivers</p> <p>GMB Union</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
45	<p>Hardships for PHV drivers (including low income drivers, drivers who work part time, who drive hybrid/low emissions vehicles or diesel vehicles)</p>	831	As per response 41	<p>Alliance of British Drivers</p> <p>Addison Lee Group</p> <p>Centre for London</p> <p>Driver Guides Association</p> <p>Gareth Bacon AM</p> <p>GMB Union</p> <p>Licensed Private Hire Car Association</p> <p>Uber</p> <p>United Private Hire Drivers</p> <p>ViaVan</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
46	Hardships for families of PHV drivers	72	As per response 41	
47	Hardships for PHV operators (includes mentions of small operators)	75	As per response 41	Addison Lee Group Caroline Russell AM Driver Guides Association Licensed Private Hire Car Association Gareth Bacon AM GMB Union
48	Hardships for the PHV trade as a whole	13	As per response 41	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
49	PHVs contribute to London traffic/congestion problem	1310	As per response 11	Better Bankside London Borough of Hackney Licensed Taxi Drivers Association

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
50	Exempt PHVs from Congestion Charge	1279	As per response 11	Alliance of British Drivers Driver Guides Association Florence Eshalomi AM Gareth Bacon AM GMB Union Licensed Private Hire Car Association Uber Unite the Union United Private Hire Drivers Addison Lee Group

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
				Brent Cyclists Centre for London Chartered Institute of Logistics & Transport For Londont Clean Air in London Greenpeace UK London Forum of Amenity & Civic Societies London Travelwatch Metroline Travel Ltd Stop Killing Cyclists Royal Borough of Kensington & Chelsea Unite the Union UPS

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
52	Reducing the number of PHVs would reduce traffic/congestion	47	As per response 11	
53	If PHVs are charged than others should be too (taxis/buses/others)	632	As per response 3 and response 20	
54	Most taxis/black cabs are older/not environmentally friendly	598	<p>Both PHVs and taxis are required to meet certain vehicle standards, including emissions standards, as a condition of licensing in London. There is a 15 year age limit for taxis and all taxis must pass an annual licensing inspection. There are arrangements in place to reduce emissions from taxis and since 1 January 2018 all newly licensed taxis must be ZEC, driving uptake of the very cleanest vehicles.</p> <p>These requirements were updated in January 2018 in preparation for the introduction of ULEZ and will ensure that</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>the emissions of both PHV and black cab fleets decreases, for example by progressively introducing a ZEC requirement. Full details of the ZEC requirements for both PHVs and taxis are on our website.</p> <p>Policies to reduce taxi emissions are being considered separately.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
55	Hardships for PHV passengers (including increases to fares, waiting times and shortage of PHVs)	597	<p>The decision on whether to pass the charge onto PHV passengers rests with the PHV operators. They may decide to absorb the cost, require their drivers to pay it or pass it onto customers – or do a combination of all three. If passing the charge onto customers they may decide to spread the charge across all bookings or just across those made into the CCZ in charging hours. The CEPA report found that there was likely to be an increase to fares of around £1-£2 in the CCZ, which may result in a small drop in demand (see Appendix B).</p> <p>The Oxera report (Appendix D) references passengers possibly facing higher charges, potential impact on operators of absorbing extra cost and the likelihood of drivers absorbing additional costs. This reflects a range of options/ factors for operators to consider in deciding whether/ how to pass on the charge.</p> <p>The IIA concluded that the impacts on passengers ranged from moderate beneficial (health; environment) to minor adverse (health; equality; economic and business). Passengers who are affected by this change have the option to retime their journeys or use other modes to travel into and within central London. The MTS sets out continued improvements to public transport as well as a target of 80 per cent sustainable mode share.</p> <p>The Mayor is asked to take the IIA into account when</p>	<p>Addison Lee Group</p> <p>GMB Union</p> <p>Licensed Private Hire Car Association</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			making his decision whether to confirm the proposal.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
56	Fares will rise/additional cost will be passed on to passengers	465	As per response 55	
57	Hardships for those who cannot afford to use black cabs	46	As per response 55	
58	PHV drivers will be forced to work longer hours to make extra income	91	The IIA notes that this is a potential effect if operators pass on at least part of the charge to drivers. This could have health impacts on PHV drivers, assessed as minor adverse. See Chapter 2 for more information on the IIA (Appendix B).	GMB Union
59	Operator will cover the charge for the driver	7	The CEPA report (Appendix B) sets out that the operator response is likely to vary by the size of the operator. It notes that small operators are less able to accommodate the increased charge and some small operators could be forced out of business and/or consolidate with others in the industry. See also response 55	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
60	Requiring PHVs to pay Congestion Charge would not help reduce traffic	391	As per response 11	Alliance of British Drivers Addison Lee Group Driver Guides Association Gareth Bacon AM GMB Union Licensed Taxi Drivers Association Florence Eshalomi AM Uber Unite the Union United Private Hire Drivers

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
61	PHVs contribute to London pollution/air quality problem	391	<p>There are already arrangements in place to reduce emissions from PHVs and details of these are: <u>1 January 2018 to 31 December 2019</u> All PHVs licensed for the first time during this period must have a Euro 6 petrol or diesel engine, or a Euro 4 petrol-hybrid engine.</p> <p><u>1 January 2020 to 31 December 2022</u> All new (less than 18 months old) PHVs licensed for the first time will have to be ZEC PHVs over 18 months old will need to have a Euro 6 engine when licensed for the first time</p> <p>There is more information on PHV licensing on our website.</p> <p>PHVs which qualify for the CVD will continue to be exempt.</p>	
62	PHVs contribute to reduction of pollution in the zone by reducing private vehicle use	2	<p>As per response 61</p> <p>While there has been falling traffic overall in the CCZ, we do not yet have sufficient evidence to say what type of trips the PHVs are replacing. There could be benefits where PHVs replace private car ownership, but it is not certain that this is always or most often the case.</p> <p>The long term reduction in private cars entering the CCZ has been offset by a large increase in the number of PHVs doing so in recent years.</p>	Florence Eshalomi AM

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
63	Requiring PHVs to pay Congestion Charge would help reduce traffic	326	As per response 11	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
64	PHVs are mostly electric/hybrid/new vehicles	309	<p>We are encouraging PHV owners to switch to low emission vehicles through PHV licensing requirements (further details are on our website) and the introduction of the ULEZ in April 2019, which PHV owners will be liable to pay the daily ULEZ charge of £12.50 to enter unless their vehicle meets the required standard.</p> <p>The proposed CVD is open to any vehicle that meets the eligibility requirements, including PHVs. This could result in PHVs receiving a 100 per cent discount from the Congestion Charge until 2025. We are supportive of operators and drivers who are committed to driving low emission vehicles. This helps to contribute to the achievement of MTS objectives, including better air quality and improved health outcomes by encouraging mode shift to the cleanest vehicles.</p> <p>With the phased introduction of the CVD, the majority of PHVs will no longer qualify for a discount from 2025. By setting out our proposals for further phases of changes to the CVD now, we are in effect giving people several years notice to prepare in order to allow drivers, including PHV driver, to make informed choices with regard to vehicle purchase.</p> <p>As of 1 January 2020 new PHVs presented for licensing must be zero emission capable. This licensing requirement has been in place from 1 January 2018 for taxis. This will help to reduce emissions from both the taxi and PHV fleets. Other policies to reduce taxi emissions are kept under review.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
65	PHV drivers lack good/standard driving skills/are dangerous/causing accidents	223	<p>The proposal to remove the PHV exemption is concerned with addressing the contribution PHVs make to congestion in the CCZ as opposed to driving standards.</p> <p>The Mayor, through TfL, has committed to a number of measures to meet the safety challenges that a dynamic private hire industry brings.</p> <p>All PHV driver licence applicants must hold a full DVLA, Northern Ireland, or other EEA state driving licence that's at least three years old. We've recently consulted on proposals to improve safety in PHVs and one of these was for all PHV drivers to take an enhanced driving test. The consultation has now closed and we are reviewing the responses to this.</p>	
66	Black cabs are expensive to use	120	<p>We are responsible for the regulation of taxi fares and tariffs in London and these are normally reviewed annually. When reviewing taxi fares and tariffs we try to ensure there is a balance between drivers being fairly remunerated against fares not being excessively high and unaffordable for some people.</p> <p>As part of the annual review of taxi fares and tariffs we consult on proposed changes. The most recent consultation and proposals are available on our website. The following changes have recently been approved and are now in effect:</p> <ul style="list-style-type: none"> Increasing the minimum fare from £2.60 to £3.00 Increasing Tariff 1 by 0.6 per cent Increasing Tariff 2 by 0.6 per cent Adding fares for six passengers sharing to the shared taxi 	Addison Lee Group

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>conversion table Increasing by 50 pence the fixed fares for shared taxis from Euston Station (with the exception of the Euston Station to Lords Cricket Ground fare) Increasing the soiling charge from £40.00 to £60.00</p> <p>The following were also approved: Freezing Tariff 3 Freezing the tariff rate for journeys over six miles (sometimes referred to as Tariff 4) Extending the fuel charge arrangements until the next taxi fares and tariffs update Further work and research is being conducted to look at fixed and capped fare schemes to and from Heathrow Airport</p> <p>We would encourage everyone who has views on taxi fares to respond to future consultations and let us know what they think about any further proposed changes.</p>	
67	PHV/Taxi passengers should be required to pay the Congestion Charge	99	<p>The Congestion Charging scheme requires that a charge is paid for any eligible vehicle entering the CCZ during charging hours. This payment can be made by anyone but the registered keeper of the vehicle is liable for a Penalty Charge Notice (PCN) if the charge is not paid. For PHVs, the registered keeper depends on the business model adopted by the PHV operator and is usually either the PHV operator or the driver. If the registered keeper of the vehicle is the operator, it is the operator's choice how they choose to pass the cost on. Operators may choose to pass the cost</p>	<p>Stop Killing Cyclists</p> <p>United Private Hire Drivers</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>on to passengers, pay the charge themselves, pass the cost onto drivers or spread the cost between them. For further detail regarding taxis and PHVs, see response 3 and section 2.5.43-51 of this report.</p> <p>With regard to taxis / taxi passengers paying the charge, it is not proposed to remove the exemption from taxis at this stage. We do not consider it would be appropriate to pass on increased charges to passengers requiring short accessible (including wheelchair accessible) journeys in the CCZ. For this reason, it is proposed that wheelchair accessible PHVs would also retain the exemption.</p>	
68	Operators should assume charges for their drivers	61	As per response 67	
69	Hardships for low income individuals (not specified who)	91	<p>The IIA (Appendix B) considered the impact of the proposal on drivers and passengers who are on low incomes and live in deprived communities. In respect of drivers, the impact was assessed as being a minor adverse one. Most drivers will not enter the CCZ in charging hours and some operators may take on the costs themselves or choose to pass the cost on to passengers. The overall financial costs will be reduced or neutralised if the payment constitutes a tax deductible expense, drivers qualify for other discounts or exemptions such as the CVD or drivers are able to spread the cost over multiple trips.</p> <p>The overall rating of the impact on passengers of rising</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>fares was also assessed as minor adverse. While some PHV drivers may pass the cost of the Congestion Charge on to passengers it is likely that this cost would be spread over a number of journeys and as such the additional cost to passengers would be minimal. The Oxera report found that recent evidence suggests that market wide demand is moderate. Where other discounts and exemptions apply (such as the Blue Badge discount, the new CVD and the residents' discount) or where PHV drivers and operators do not pass the cost on to passengers, no changes to fares are expected. Passengers may also switch to alternative modes of transport, reducing their sensitivity to the impact, especially in light of recent initiatives to improve the accessibility of public transport in London.</p> <p>The Mayor is asked to take the IIA into account when making his decision whether to confirm the proposal.</p>	
70	Hardships for families, including low income families	27	As per response 69	GMB Union
71	Some/many register as PHVs drivers/vehicles to avoid paying the Congestion Charge fee	81	This is unlikely given the costs and process associated with licensing, however, we carry out compliance checks on various aspects of PHV operation as a continuous operation.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
72	Requiring PHVs to pay Congestion Charge would not help in reducing pollution/enhancing air quality	78	<p>As per response 11</p> <p>The expected reduction in traffic and increased proportion of low-emission vehicles within the CCZ is expected to help bring about improvements in air quality that will result in health and environmental benefits.</p> <p>The Oxera report suggests that the proposal will lead to a worsening of air quality because specialisation will result in PHVs congregating at the boundary of the CCZ and some passengers will shift from PHVs to black cabs which typically have higher emissions due to their age and vehicle type. As is stated above, the Congestion Charge Scheme has as its primary objective the reduction of traffic volumes and congestion with improvements to air quality being only a consequential benefit. The CEPA Report (Appendix B) states that removal of the PHV exemption may result in a slight uplift in taxi trips in the CCZ during controlled hours. While the potential for a small shift to taxis is acknowledged, this is unlikely to have a significant impact on congestion with CEPA noting that there will only be a minor increase in taxi traffic. Any increase is not expected to outweigh the reduced number of PHVs in the CCZ and overall, air quality in the CCZ is anticipated to improve if the PHV exemption is removed. In any event, policies to improve emission from taxis are being considered separately. With regard to PHVs, tightening of the criteria for the 'greener vehicle' discount may also act as a mitigation measure.</p>	<p>Addison Lee Group</p> <p>Driver Guides Association</p> <p>Licensed Taxi Driver Association</p> <p>Florence Eshalomi AM</p>
73	Failure to comply with Equality Act obligations/	73	TfL is aware of our obligations under the Equality Act and in particular, the public sector equality duty. The Mayor is also	Addison Lee Group

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
	<p>Removing the exemption to the Congestion Charge for Private Hire drivers is racist because so many Private Hire drivers are from minority backgrounds</p>		<p>aware that the duty must be discharged when he decides whether or not to implement the proposal. The equality impact assessment component of the IIA was undertaken to assist with the discharge of the duty and the Mayor is asked to have regard to it when making his decision.</p> <p>We commissioned an independent assessment into the likely impacts of the proposed potential removal of the exemption from the Congestion Charge for PHVs. This included an Equalities Impact Assessment that is relevant to the Mayor and TfL's discharge of the Public Sector Equality Duty (see Appendix B). The Mayor is asked to have due regard to his Public Sector Equality Duty when making his decision whether to confirm the proposal.</p> <p>The EQIA found that around 94 per cent of PHV drivers are from a BAME background so there is a disproportionate impact on these groups. However, the impact of incurring increased professional costs as a consequence of having to pay the Congestion Charge is assessed as a minor adverse one, which affects only those driving within the zone in charging hours, around a third of all PHV drivers. This number could reduce further with specialisation.</p> <p>Also, some operators may take on the costs themselves or choose to pass the cost on to passengers. The overall financial costs will be reduced or neutralised if the payment constitutes a tax deductible expense, other discounts or exemptions may be relevant such as the CVD or drivers are</p>	<p>Licensed Private Hire Car Association</p> <p>United Private Hire Drivers</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			able to spread the cost over multiple trips.	
74	Drivers should be given time to adapt to changes/Sunset period	70	<p>In some circumstances, a sunset period has been given to allow drivers to prepare for the change. For example where the 'green' discount has changed in the past, the sunset period recognises the investment that has been made in an eligible vehicle and gives the driver time to consider their options. In the case of the PHV exemption removal, this is not considered appropriate. It is considered important to address congestion in the zone as early as possible.</p> <p>These changes will come into effect at the same time as the CVD and ULEZ which will apply to the same geographical area.</p> <p>There has been discussion of this change for a period prior to this formal consultation. The Taxi and Private Hire Action Plan (2016) noted concern about rising numbers of PHVs and associated congestion and air pollution. The draft MTS, published in June 2017, noted the increase in PHVs in the CCZ and that these were exempt from the Congestion Charge and set out a commitment (in Proposal 18) to keep the Congestion Charge under review. The final MTS, published in March 2018, retained this as Proposal 20.</p> <p>CEPA conducted two studies with the trade of the potential impacts of this change in 2017 and 2018.</p>	British Guild of Tourist Guides

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
75	Requiring PHVs to pay the Congestion Charge would help reducing pollution/enhancing air quality	67	As per response 72	
76	Mayor of London is looking for ways to make it difficult for PHVs to operate in London	67	The Mayor of London is committed to maintaining a vibrant market for both taxis and PHVs. The proposals are designed to ensure that the Congestion Charge continues to meet its objectives to reduce traffic and congestion in the CCZ during charging hours.	
77	PHV drivers will have fewer/lose customers	63	The CEPA study notes that increased fares may result in a small decrease in demand for PHVs. It should be noted that the majority of PHV trips do not take place in the CCZ during charging hours.	
78	TfL should provide PHVs with financial help to replace their high emissions vehicles	52	There is no requirement to replace PHVs as part of these proposals and therefore it is not appropriate to consider financial help. In the recent autumn budget (29 October 2018), the Government announced changes to the PICG which had effect from November 2018. As a consequence, fewer vehicles which qualify for Phase 1 of the CVD will qualify for the PICG although the separate grant for installing a home charger remains available. A reduced level of grant (from £4,500 to £3,500) applies to those vehicles which do qualify for the PICG. We do not think that the criteria for Phase 1 of the CVD needs to be refined as a consequence of the changes to the PICG and that there are still a sufficient range of affordable vehicles available which will qualify for the CVD.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
79	Traveling to the zone is necessary for work	49	Options other than PHVs are available, including excellent public transport into the CCZ. Most commuting trips into central London are made by public transport.	
80	This will create monopoly for Black Cabs/reduce competition	48	As per response 3. For further detail on the differences between taxis and PHVs, see section 2.5.	
81	Customer controls whether driver enters congestion zone	44	Unlike taxis, PHV operators can choose whether or not to accept a journey booking. If a journey entails a trip within the CCZ in charging hours and the operator does not wish to pay the Congestion Charge, there is an option to not accept the booking.	United Private Hire Drivers
82	Deters PHVs from entering the Congestion Charge zone	43	The intention of the Congestion Charge is to act as a deterrent. By removing the exemption, this deterrent effect would apply to PHVs as it does other vehicles, during charging hours.	
83	Would not create hardships for PHV drivers	40	We have noted this comment.	
84	Would not create hardships for PHV passengers	5	We have noted this comment.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
85	Taxis/black cabs should require use of electric/zero/low emissions vehicles	40	<p>Since 1 January 2018, taxis presented for licensing for the first time have needed to be ZEC. This means having CO2 emissions of no more than 50g/km and a minimum 30 mile zero emission range</p> <p>First-time taxi vehicle licences are no longer granted to diesel taxis. ZEC taxis with petrol engines need to meet the latest emissions standard (currently Euro 6)</p> <p>Full details of the adopted standards are here:</p> <p>https://tfl.gov.uk/info-for/taxis-and-private-hire/emissions-standards-for-taxis</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
86	Hardships for elderly passengers (including cost increase)	38	<p>The IIA published as part of the consultation identified potential negative impacts on the elderly if they require PHVs to access the CCZ, and the cost is passed on to passengers. See Appendix B for the IIA.</p> <p>The impact was assessed as being a minor adverse one. Most PHV journeys do not enter the CCZ and it is not expected that all the costs would be passed on to passengers. The reduction in the availability of PHVs within the CCZ is forecast to be minimal and alternative modes of transport may be an option. Some passengers may also be entitled to the Blue Badge discount and nominate a PHV as a vehicle they normally use such that they trips they make in that PHV receive a 100 per cent discount.</p> <p>The proposal may also have a minor beneficial impact on the health of these passenger groups if air quality improves as a consequence of the proposal.</p> <p>The Mayor is asked to consider the IIA when making his decision whether to implement the proposal.</p>	GMB Union
87	Would benefit road users	36	The IIA noted that there could be benefits to other road users from reduced congestion and improvements to air quality.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
88	Exempt those carrying disabled passengers	36	As part of the proposals, designated wheelchair accessible PHVs would not be required to pay the charge as they would remain exempt. There is no change proposed to the existing Blue Badge discount to the Congestion Charge, which enables Blue Badge holders to nominate up to two vehicles they would normally use to travel in the CCZ.	
89	PHVs without a booked job/passenger should be required to pay the Congestion Charge/no exemption	34	This is already the case in respect of the criteria which applies to the current PHV exemption. Designated wheelchair accessible PHVs that retain the exemption would continue to be subject to this criterion.	GMB Union
90	The use of electric/zero emission vehicles should be compulsory for the PHV trade	33	As per response 61	
91	PHV drivers will need to work longer hours which will impact safety	33	The IIA produced by Mott MacDonald appraised the health impacts of the proposal and identified that some PHV drivers may respond to it by working longer hours in order to maintain their income. It noted that there is evidence that longer hours can lead to higher risk of accidents. Additionally, drivers may start working more un-social hours to avoid the Congestion Charge costs. However, the research indicated that the scale of this impact may only affect a relatively small proportion of PHV drivers. Findings indicated that around 33 per cent of the PHV drivers made journeys into the CCZ in charging hours. It can therefore be expected that a high proportion of PHV drivers will continue to avoid travel within the CCZ during chargeable hours.	GMB Union

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>This was identified as a minor adverse impact. As a mitigation, the IIA suggested that we made PHV drivers aware of other discounts and exemptions, including the new CVD. These are listed on our website.</p> <p>With regard to road safety, implementing Vision Zero, to eliminate all deaths and serious injuries on London's roads by 2041, is a key Mayoral priority. We are putting in place a number of measures to help achieve this target. A reduction in traffic supports the achievement of Vision Zero and was one of the benefits of the CC scheme when it was first introduced.</p>	
92	Would allow public transportation (buses, taxis) to run more efficiently	33	We have noted this comment.	
93	This policy breaches competition rules/law	29	<p>We consider that the proposed differential treatment of PHVs and black cabs in the context of the Congestion Charging scheme does not constitute an anti-competitive measure nor amounts to state aid.</p> <p>Black cabs are subject to different regulatory rules than those which apply to PHVs and these rules are relevant to the application of the Congestion Charge. Such rules include the following:</p> <ul style="list-style-type: none"> Black cabs are required to be wheelchair accessible and have other accessibility features meaning that they are better placed than PHVs to meet the needs of passengers 	<p>Addison Lee Group</p> <p>GMB Union</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>who require an accessible door to door service within the CCZ.</p> <ul style="list-style-type: none"> Black cabs are compelled to accept bookings of a certain length and duration and must take the shortest route possible. Compliance with these rules means a taxi driver may have no choice other than to enter the CCZ. While some passengers may be deterred from making taxi trips in the CCZ with higher fares, those requiring a wheelchair accessible vehicle would face higher charges. <p>Taxis are also used to carry out around 90 per cent of Taxicard journeys and also provide support to Dial-a-Ride services. Some of the journeys undertaken will involve dropping off or picking up passengers in the CCZ.</p> <p>We do not consider it appropriate to levy the Congestion Charge on taxi drivers who are unable to respond to the intended deterrent effect of the charge. We do not consider it would be appropriate to pass on increased charges to vehicles facilitating short accessible (including wheelchair accessible) journeys in the CCZ. For this reason, it is proposed that wheelchair accessible PHVs would also retain the exemption.</p> <p>In recognition of the important role that wheelchair accessible PHVs play, the exemption would be retained in respect of those vehicles which are included in a list maintained by us for the purpose of the Equality Act.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>In 2002/3 when the decision to grant PHVs an exemption from the Congestion Charge was made, the licensing of the PHV industry in Greater London was in its infancy. The PHV exemption was not part of the originally conceived scheme but was included in response to a public consultation as a way of incentivising PHV operators, drivers and vehicles to become licensed. The decision was made on the basis of the forecast assumption that 4,000 individual PHVs would enter the CCZ during controlled hours. The significant increase in licensed PHVs and drivers since 2003 has had a commensurate increase in the number of PHVs being driven in the CCZ. In 2017, the average figure had grown to around 18,000 individual PHV entries. On the other hand, the number of licensed black cabs has remained the same since 2003. PHVs represent a different transport proposition today as compared to when the Congestion Charging scheme commenced.</p> <p>The principal rationale for the PHV exemption, therefore, was to support the new licensing requirements in order to improve safety standards and overall quality of service in the context of an emerging integrated transport system in the Capital.</p> <p>For taxis, the rationale for the exemption was on different grounds including the need to enable a wide variety of users (including disabled passengers) to make short trips efficiently.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>It should also be noted that the majority of PHV drivers and operators will be unaffected by changes since most PHV trips do not take place in the CCZ during charging hours.</p> <p>See also response 3.</p>	
94	Black cabs earn the most money/PHV earn less money	28	Taxi fares are regulated by us, however fares for private hire services are not. Private hire covers a wide range of services (e.g. minicabs, chauffeurs, school runs, community transport, tour guides, etc.) and the fares charged and what drivers earn will vary across these different sectors.	
95	PHVs are not a major source of pollution	28	<p>As per response 11</p> <p>Reducing the number of vehicles in the CCZ will also reduce tailpipe emissions, helping to improve air quality.</p>	
96	TfL should regulate PHV fares in the same way as taxi fares	26	As per response 94	
97	Take more effective enforcement action against PHV drivers which don't meet TfL standards/requirements	25	The Mayor's 2016 Taxi and Private Hire Action Plan included a commitment to quadruple <i>"the number of on-street compliance officers with 250 more dedicated officers on the streets of London."</i> These additional officers are now in place and carrying compliance and enforcement activity	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>across the capital. This includes on-street checks of licensed private hire drivers and vehicles. Where a PHV driver is found to not be complying with the licensing requirements appropriate action will be taken. This could include providing guidance to the driver but also issuing them with a formal warning or suspending or revoking their PHV driver's licence.</p> <p>Regular checks are carried out on PHVs entering the Congestion Charging zone to check if the drivers were fulfilling a booking and their vehicle should qualify for the exemption from the charge. These checks show that the majority of licensed PHVs are being used to fulfil a booking and there is not evidence of large numbers of vehicle owners getting their vehicle licensed to avoid paying the Congestion Charge.</p>	
98	If PHVs must pay the Congestion Charge, they should be given a discount to it	25	The congestion reduction purpose of the proposal would be diluted, if not eroded, if PHVs were subject to a reduced charge. The range of exemptions and discounts has a direct impact on the effectiveness of the scheme. There are other discounts and exemptions that certain PHVs or drivers may be eligible for.	
99	PHVs contribute to reduction of private vehicles/congestion in the zone	25	PHVs have a role to play in providing transport in London, as outlined in the recent PHV Policy Statement (2018). The evidence as to whether PHVs reduce private car ownership and private car usage is not conclusive. Furthermore, the long term reduction in private cars has been offset by a large increase in the number of PHVs in the zone in recent years.	Florence Eshalomi AM LPHCA

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
100	Depressing/demoralizing the PHV industry	22	Over the past few years there have been significant developments within the private hire market with more people than ever using private hire services in London. Both we and the Mayor recognise the important role taxis and PHVs play in the capital. This is acknowledged in the Mayor's Transport Strategy including Policy 20 committing us to working with stakeholders, to seek to ensure "London has a safe, secure, accessible, world-class taxi and private hire service with opportunity for all providers to flourish." Some aspects of private hire services (e.g. fares charged, contractual arrangements between drivers and operators) are outside of our control but where operators or drivers feel that changes are needed then we would encourage them to let us know about these or inform their private hire trade representatives. Following the private hire consultation in early 2018, we are now planning a new consultation on improving safety, accessibility and working conditions in the private hire industry.	
101	Will make PHVs less financially competitive	21	As per response 41	GMB Union
102	PHV companies have too much power/are bullies/act in their own interest	21	We have noted this comment.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
103	Reducing the number of PHVs would reduce pollution/emissions	20	As per response 72	
104	There are too many regulations for PHVs	19	We do not agree that there are too many regulations covering Private Hire services in London. We are responsible for the regulation of private hire services in the capital and our primary concern with respect to private hire licensing is ensuring the safety of private hire passengers and licensees. We keep private hire regulations under review, when it is felt that changes are required we will normally consult on these and amend existing regulations or draft new regulations as appropriate.	
105	Taxis/black cabs contribute to traffic/congestion	19	All vehicles contribute to congestion. It is accepted that taxis contribute to congestion, as do other vehicles not currently required to pay the Congestion Charge. The rationale for not proposing to remove the taxi exemption is set out in the consultation materials and elsewhere in this chapter and is based on the fact that regulatory rules which apply to them have the effect that black cab drivers cannot avoid entering the CCZ. However as set out in MTS the discounts and exemptions are kept under review.	
106	PHV pricing is unfairly/artificially low	18	PHV operators are free to set their own fares.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
107	PHV drivers should all convert to hybrid vehicles	16	There has been a move towards lower emission vehicles in the PHV fleet, and changes to licensing introduced in January 2018 have tightened the emissions standards required for licensing, meaning that the fleet will continue to reduce its emissions. Changing the emissions standards of PHVs is not part of the current proposals, however if PHVs meet the criteria for the CVD they can register for this 100 per cent discount.	
108	Not enough taxis/taxi service	16	The number of licensed taxis and taxi drivers has remained fairly constant over the past decade. The majority of taxi journeys (around 80 per cent) are still hailed on the street or via taxi ranks.	
109	Hardships for the working class	15	As per response 41	
110	Hardships for middle-class	4	As per response 41	
111	Hardships for people unable to use public transportation	14	The proposal would affect only journeys in the Congestion Charging zone in charging hours. As a mitigation, designated wheelchair accessible PHVs will continue to be exempt. The Blue Badge discount will remain available to eligible people and taxis would also continue to be exempt.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
112	The PHV industry is already very competitive	13	The Mayor has stated in his Taxi and Private Hire Action Plan that he is “determined to create a vibrant taxi and private hire market, with space for all providers to flourish, while driving up standards to improve safety and the quality of service offered to all Londoners and the city’s visitors.” The taxi and private hire initiatives in the Action Plan and also the Mayor’s Transport Strategy are intended to help us achieve this aim.	
113	PHVs are not the main cause of London traffic	12	Traffic is composed of many vehicle types. In London, PHVs take up 10 per cent of the road space in central London (PHV Policy Statement 2018) and 38 per cent of vehicle flows. The rise in the number of licensed PHVs has been reflected in a rise in the number of PHVs entering the CCZ during charging hours. To some extent the reduction in private cars has been offset by a large increase in the number of PHVs in the zone.	
114	Drivers/customers would suffer equally	12	As per response 55	
115	PHVs are not a part of London's public transportation system	12	PHVs as well as taxis provide an important service in London. The service provided by PHVs has been recognised by the Mayor in his Taxi and Private Hire Action Plan in which he states that the Private Hire trade “has an important role to play in the city’s transport mix.” In the Action Plan the Mayor also states that he is “determined to create a vibrant taxi and private hire market,	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			with space for all providers to flourish, while driving up standards to improve safety and the quality of service offered to all Londoners and the city's visitors." The taxi and private hire initiatives in the Action Plan and also the Mayor's Transport Strategy are intended to help us achieve this aim.	
116	Would level the playing field between PHV and taxis	11	We have noted this comment.	
117	PHVs should pay a higher Congestion Charge rate	11	PHVs that are not designated wheelchair accessible will be required to pay the same fare as other vehicles in the zone that pay the Congestion Charge.	
118	Hardships for those wanting to use PHVs for safety reasons	11	In developing these proposals, we have considered the potential impacts – both positive and negative - on private hire drivers and operators, as well as passengers. The research report on the impact on the industry, as well as the Integrated Impact Assessment (IIA), form part of the consultation materials and are published in full on the consultation website. The proposal is only relevant to travel in the CCZ during the controlled hours of 7am – 6pm weekdays.	
119	Increase the cost of the PHV license to cover the annual cost of entering the zone	11	There is no set 'annual cost' of entering the zone - it would depend on PHV bookings and operation.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
120	Operator will not cover the charge for the driver	11	As per response 67	
121	Hardships for public transport passengers through an increase in public transport use	10	We are aware of the importance of bus services in London, particularly for low income groups which typically use this service more than other modes. Unreliable services are an issue which is being addressed in several ways including the current consultation on changes to bus routes. The Congestion Charge also helps to manage traffic and congestion in central London but this effect has been undermined in part by the prevalence of vehicles which have a discount or exemption. If the PHV exemption is removed, bus journey times and reliability could improve. Any revenue which is raised as a consequence of the proposal must be applied for the purpose of facilitating the implementation of the Mayor's Transport Strategy, such as public transport improvements.	
122	Less taxes for government from PHV drivers	10	With regard to tax and driver income, the IIA notes that the cost of the Congestion Charge may be tax deductible as a business cost (for drivers and/or operators). With regard to PHV drivers, the IIA stated that if operators do not absorb the cost or pass it on to passengers, there could be a downward pressure on PHV drivers' income. This is assessed as a moderate adverse effect in the Business and Economic Assessment.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
123	Public transportation has limited hours/does not run 24 hours a day	10	The proposal will only impact PHV journeys into the CCZ during the controlled hours of 7am – 6pm weekdays. The CCZ has an excellent provision of public transport including 24 hour bus services, Night Tube on certain days of the week as well as cycle hire 24 hours per day. PHVs are a complement to these services and will not be subject to a charge in evenings or weekends.	
124	Will impact health of PHV drivers	9	As per response 91	
125	Drivers have no voice/representation to speak against policies	8	This and other consultations provide an opportunity for individual PHV drivers to comment on proposals and express their views. Details of how we publicised the consultation can be found in chapter three. There are also a number of private hire trade associations who we meet with on a regular basis plus others who contact us to voice their views and those of their members. Information from the quarterly meetings with the private hire trade representatives is available here .	
126	Would allow PHV earnings to increase as number of PHV vehicles decreased	8	The Mayor has stated that he wishes to improve PHV driver conditions in London. However, this is not the objective of the current proposal. As a result of the proposal, it is expected that fewer PHVs will enter the CCZ as an increasing number of drivers are required to pay the Congestion Charge. The CEPA report notes that some small operators might not continue to operate, however there is no expectation of a decrease in the overall number of PHVs licensed overall as a result of the proposal.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
127	PHV operators pay very little taxes	8	This is not relevant to the proposal.	
128	PHVs cannot refuse a fare like black cabs can	8	Black cabs are compelled to accept any hiring within a six mile radius of Charing Cross or up to one hour in duration or 12 miles long (20 miles if the journey begins at Heathrow Airport). This means that taxi drivers cannot refuse a fare into the Congestion Charging zone. PHVs are not subject to the same regulatory framework and so are not compelled to accept a fare in the same way.	
129	PHV drivers could claim the cost of the Congestion Charge as a tax-deductible business expense, lessening the hardship of paying the charge	7	It may be possible for PHV drivers or operators to claim Congestion Charge payments as a tax deductible expense relating to an income earning activity. It is up to drivers and operators to take independent advice on taxation issues.	
130	PHVs should be restricted from working at certain times of day/during Congestion Charge hours	7	The Congestion Charge is intended to deter vehicles from entering the CCZ during charging hours. This will also apply to PHVs. As with other vehicles, PHVs that wish to drive in the zone can do so if they pay the Congestion Charge (unless they qualify for a discount or exemption).	
131	Will make PHVs charge a higher/more realistic rate	6	As per response 67	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
132	Drivers will switch to registering in their council causing TfL to lose revenue	5	PHVs not licensed in London already pay the Congestion Charge. If the proposal is approved by the Mayor, all PHVs would be liable to pay the Congestion Charge, except designated wheelchair accessible PHVs that are undertaking a booking in the zone.	GMB Union
133	Proposals do not adequately understand PHVs current movements to enable accurate future predictions	5	<p>We have used a range of data to forecast the likely impacts, including survey data and driver diaries. It is acknowledged that there is uncertainty and the CEPA report gives a range of possible responses. CEPA adopted a conservative approach and consider that their estimates are likely to be at the lower end of the range of the potential impacts.</p> <p>In drawing their conclusions, CEPA engaged with the trade and took account of their views.</p> <p>As part of their response, Addison Lee Group commissioned an independent report by Oxera. We have also considered their report and the CEPA response to it in drawing up our recommendations. The Mayor is asked to consider CEPA, Oxera and the CEPA response when making his decision.</p>	<p>GMB Union</p> <p>Florence Eshalomi AM</p> <p>Licensed Private Hire Car Association</p> <p>Private Hire Board</p> <p>Westminster BIDs</p> <p>Addison Lee Group</p>
134	Single occupancy/less than two passengers in a vehicle should pay a higher charge	5	The Congestion Charge is a flat charge per vehicle.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
135	Over six seat passenger electric/zero emission vehicles are not available to buy or lease	5	<p>We appreciate that there is not currently a wide selection of zero emission or hybrid vehicles with more than six seats but recognise that the market is improving, driven in part by the incentive provided through mechanisms such as the 'green discount' for the Congestion Charge.</p> <p>It should also be noted that vehicles with nine or more seats receive a discount from paying the charge (although PHVs must by definition have eight seats or fewer).</p>	
136	Over six passenger hybrid vehicles are not available to buy or lease	2	As per response 135	
137	Lack of data to make conclusions / more data is required / consultation materials were misleading	4	<p>A range of data has been used to forecast the likely impacts, including survey data and driver diaries. It is acknowledged that there is some uncertainty and the CEPA report gives a range of possible responses. Please see Appendix E and F.</p> <p>Also see response 133</p>	<p>Addison Lee Group</p> <p>British Guild of Tourist Guides</p> <p>Florence Eshalomi AM</p> <p>GMB Union</p> <p>Private Hire Board</p> <p>Uber</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
				United Private Hire Drivers Westminster BIDs
138	Do not allow PHVs to block areas waiting for pre-booked job	4	<p>PHVs are allowed to stop to pick up or drop off passengers in many areas where private cars cannot stop. It is important that PHVs are allowed to do this so as passengers can board and alight safely but PHVs should not block areas or cause unnecessary delays.</p> <p>Problems with PHVs blocking access or causing problems should be reported to the relevant borough, or to us if the issue is on the Transport for London Road Network (red route), so as this can be investigated and where appropriate action taken. Contact details for the boroughs' parking enforcement teams and TfL can be found here.</p>	
139	Hardships for hard working immigrants	4	<p>The IIA that was undertaken concluded that around 94 per cent of PHV drivers are from a BAME background so there is a disproportionate impact on these groups. It is acknowledged that BAME is not a precise indicator of immigration. The impact is assessed as minor adverse. Not all drivers will enter the CCZ in charging hours and some operators may take on the costs themselves or choose to pass the cost on to passengers. The overall financial costs will be reduced or neutralised if the payment constitutes a tax deductible expense, drivers qualify for other discounts or exemptions such as the CVD or drivers are able to spread</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			the cost over multiple trips.	
140	Should be grandfather rights/clause for PHV drivers who have been registered with TFL for many/10 plus years	4	This would not support the aim of the Congestion Charge to reduce congestion, therefore, there are no plans to introduce such rights/clauses.	
141	Fully electric PHV vehicles should receive discount	4	As per response 180 Fully electric PHVs would be eligible to receive a discount when travelling in the Congestion Charging zone until the end of 2025.	
142	Increase wages/ensure a living wage for PHV drivers	4	We have no remit to set PHV driver wages. The Mayor of London advocates for the London Living Wage.	
143	PHV drivers have good/standard driving skills/are not dangerous/are a safe/safer service	4	The proposal to remove the PHV exemption is concerned with addressing the contribution PHVs make to congestion in the CCZ.	
144	May cause PHV drivers to claim bankruptcy	3	As per response 41	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
145	Would reduce resources in the PHV industry to meet TfL's quality and safety standards	3	Regardless of whether this proposal is implemented, PHV drivers and operators would continue to be required to meet the conditions of licensing in order to operate in London.	Addison Lee Group
146	Would reduce/eliminate cross-border hiring	3	We have been working closely with the Department for Transport and other stakeholders as part of the Task and Finish Working Group reviewing taxi and private hire licencing. The report setting out the working group's recommendations has now been published and is available here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/745516/taxi-and-phv-working-group-report.pdf . One of the areas reviewed by the group was cross border hiring and the report includes recommendations to tackle the problems caused by this. We are now awaiting the Government's response to the report.	
147	Hardships for Black, Asian or Minority Ethnic PHV drivers	3	As per response 73	Addison Lee Group Licensed Private Hire Car Association United Private Hire Drivers

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
148	Reduction in numbers of service providers	2	The CEPA report indicated that the policy could have the greatest impact on small operators, as they would be less able to accommodate the increased charge. Please see section 2.5.37-40 for more details on the impacts.	
149	Give a discount to the Congestion Charge only for private hire vehicles which are registered to an address in London	1	The current exemption is only available to PHVs licensed in London. There is no plan to link eligibility to the address at which the vehicle is registered.	
150	TfL has not undertaken a Competition Impact Assessment of its proposals to remove the exemption to the Congestion Charge for PHVs	1	As to whether a competition impact assessment should have been undertaken, the guidance issued by the CMA has been considered but it has been decided that it is not necessary to undertake such an assessment in respect of the proposal. The guidelines do not give rise to a legal obligation and given the proposal only has limited effect on the PHV market (applying only to those PHV drivers who enter the CCZ during charging hours), it would be disproportionate to undertake an in-depth assessment of the type contemplated in the guidelines. That said, the economic impacts of the proposal were assessed in the IIA and the rationale for differentiating between taxis and PHVs were set out in the consultation materials and are included in previous sections.	Addison Lee Group
151	Should focus on measures affecting the operators and not the drivers	1	As per response 67	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
152	These measures will cause illegal operators/unlicensed cabs	1	As per response 97	British Guild of Tourist Guides
153	Remove the requirements which would force black cabs to enter the Congestion Charge zone	1	Removal of the compellability requirement would require a change in law and is a matter for the Government and Parliament.	
154	PHVs should only pay the Congestion Charge from Thursday - Sunday	1	The Congestion Charge currently operates from Monday to Friday, 7am to 6pm, reflecting the most congested hours when the scheme was brought in.	
155	TfL should not insist that driver guides in London are licensed as PHVs	1	<p>The statutory definition of PHVs brings in a wide variety of services beyond conventional minicabs, including driver guide vehicles. The range of discounts and exemptions has a direct impact on the effectiveness of the Congestion Charging scheme. The current proposal is to maintain the exemption for PHVs which are designated as wheelchair accessible and included in a list TfL is required to keep for the purpose of the Equality Act in recognition of the important service such PHVs provide to disabled people who use wheelchairs. There are no plans to extend the exemption to PHVs which are used for tourism purposes.</p> <p>Notwithstanding the importance of tourism services and the Mayor's tourism duties, on balance, we do not consider that this suggestion is consistent with or would further the</p>	British Guild of Tourist Guides

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			policies and proposals of the Mayor's Transport Strategy nor the objectives of the Congestion Charging scheme.	
156	Driver guides should not be required to pay the Congestion Charge/no exemption	1	As per response 155	British Guild of Tourist Guides
157	TfL's proposals might destroy the driver guide industry	1	Driver guides are a small and specialist service with vehicles licensed as PHVs. Given the business model of driver guides, a daily charge of £10.50 (on Auto Pay) is not expected to have a significant impact on their operations.	British Guild of Tourist Guides Gareth Bacon AM
158	App based booking platforms should be banned in London	1	Smartphones and app based technology has transformed the way many Londoners organise their travel. The private hire industry has embraced this new technology with a number of companies offering app-based services. The Mayor supports a vibrant taxi and private hire market in London.	
159	Undertake an Equalities Impact Assessment on the effect of the proposals to remove the PHV exemption to the Congestion Charge on Taxi card customers	1	An Integrated Impact Assessment was undertaken for both proposals to understand the impact of their implementation. This included an Equalities Impact Assessment which was published as part of the consultation materials.	London Councils

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
160	Disabled people should be protected from increases in PHV fares through a new card/voucher system	1	<p>PHV fares are set by individual operators rather than TfL.</p> <p>With regard to the impact on disabled passengers, we commissioned an independent IIA of the proposals from Mott MacDonald which was published online as part of the consultation. It is noted that disabled passengers may use PHV services more than other Londoners. It also noted that the proposal would only impact on PHV journeys within the zone in charging hours, which would not be the majority of journeys. The impact was assessed as minor adverse. An important mitigation for the proposal is the continuation of the exemption for wheelchair-accessible PHVs.</p> <p>There are no plans to pass on the cost of the charge to disabled Londoners using subsidised transport as these services operate under contracts with TfL and London Councils, rather than through fares determined by individual operators.</p> <p>Disabled passengers may also be eligible to use Taxicard services to access essential services. Black cabs are used to carry out around 90 per cent of Taxicard journeys. Capped fares for Taxicard journeys in black cabs are expected to come into effect from 1 January 2019.</p>	London Cycling Campaign
161	PHVs should not be eligible for CVD	1	<p>The purpose of the Congestion Charge is to manage traffic and congestion in central London. Discounts and exemptions need to be managed to ensure the congestion and traffic-reducing benefits of the scheme are maintained. For reasons already set out it is proposed to remove the PHV exemption for non-wheelchair accessible PHVs.</p>	Licensed Taxi Drivers Association

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>However PHVs can continue not to pay the Congestion Charge if they meet CVD requirements. Since the start of the 'green discount' all vehicles that meet the eligibility criteria have been permitted to receive the discount. This is an important mitigation for the potential impact of the PHV exemption removal. We will support both private hire operators and drivers that are committed to driving low emission vehicles. Supporting operators and drivers with these ambitions, helps to contribute to the achievement of MTS objectives including better air quality and health by encouraging mode shift to the cleanest vehicles and mitigates the impacts of PHV drivers and operators.</p>	
162	<p>Some PHV drivers may fraudulently pass on a single charge to multiple customers</p>	1	As per response 67	GMB Union
163	<p>Businesses will use foreign-registered cars to avoid paying the Congestion Charge</p>	1	Foreign registered vehicles are liable to pay the Congestion Charge and we have enforcement systems and agreements in place.	
164	<p>TfL must investigate the 'dead miles' phenomenon in relation to the proposals to remove the PHV exemption to the Congestion Charge</p>	1	The principle of dead miles is discussed in the CEPA response to the Oxera report, which can be found at Appendix E. We agree that there is not enough evidence on what types of trips PHVs are undertaking and potentially replacing and we are seeking to address this with further work.	Florence Eshalomi AM

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
165	TfL must not relicense the oldest/most polluting taxis/PHVs	1	Our licensing requirements were recently revised in the context of the introduction of ULEZ, in order to reduce vehicle emissions and help improve air quality. The standards and age limits are available on our website.	Addison Lee Group
166	TfL is seeking to cap the number of PHV drivers in London despite not having the necessary Parliamentary powers to do so	1	<p>We are legally obliged to issue licences to anyone who meets the licensing criteria. In recent years, in part as a result of changes to technology, this has led to a significant increase in the number of PHVs licensed in London and operating in the CCZ.</p> <p>There are now many more PHVs in the zone than was expected in 2003 when the exemption was introduced. At that time we estimated around 4,000 PHVs would be in the zone during charging hours. Now on an average charging day around 18,000 PHVs are seen in the zone. This is a considerable increase and action must be taken.</p> <p>This proposal is intended to manage PHV traffic in the CCZ in charging hours. The proposal would only affect PHVs which drive in the central London Congestion Charging zone within charging hours (7am – 6pm, Monday to Friday), approximately one third of PHVs. This number could decrease in the event of specialisation.</p>	United Private Hire Drivers
167	TfL's assumption that operators might 'specialise' in arranging bookings is flawed	1	CEPA has further considered this assertion as presented by the Addison Lee Group and the Oxera report, and responded: "Our report takes a different view because in our experience markets adapt to change. We have seen evidence of adaption in the London market over the course of this study e.g. small companies working together and	Addison Lee Group

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			sharing the same software platform to enable them to compete with larger players.” Their full response can be found at Appendix E. We agree with CEPA’s findings.	
168	Hardships for drivers who need to enter the CCZ for multiple operators per day	1	As acknowledged in the recent Policy Statement on Private Hire Services in London (January 2018), new services and ways of working are transforming the PHV industry. The phenomenon of a driver working for multiple operators is one such innovation. It will be up to drivers and operators to decide how they respond to the charge.	ViaVan
169	PHV drivers/operators are not in practice free to refuse a booking/avoid the CCZ	1	<p>The consultation materials highlighted the different requirements which apply to taxis and PHVs with regard to the requirement to accept a passenger and the nature of the route taken. These are a condition of licensing in London. Taxis must accept any hiring within a six mile radius of Charing Cross or up to one hour in duration or 12 miles long (20 miles if the journey begins at Heathrow airport). Refusing a hire is potentially an offence which could lead to suspension or revoking of the licence. By contrast, PHV operators are not compelled to take bookings (which must be pre-booked).</p> <p>It is recognised that operators may however compel drivers to take certain bookings. In instances where these involve the CCZ, a charge must be paid for an eligible vehicle entering the CCZ in charging hours. If unpaid, the registered keeper is liable for a Penalty Charge Notice. The decision to take a booking which entails a CCZ trip is a decision taken by the operator. Operators may be able to choose not to</p>	United Private Hire Drivers

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>accept a booking that involves the CCZ during charging hours.</p> <p>The proposal is not going to affect all PHV journeys: only those which involve entering the CCZ in charging hours. Additionally, and as stated in the consultation materials, it is expected that some operators will specialise so that they either accept these journeys (and make adjustments to their business model accordingly) or not.</p>	
170	Hardships for outer London residents	1	<p>The majority of PHV trips in London do not enter the CCZ in charging hours.</p> <p>All drivers could still avoid the charge if their vehicle qualifies for the proposed CVD, by having a wheelchair accessible vehicle, or by avoiding the zone during charging hours.</p>	GMB Union
171	Private hire drivers will be incentivised to stay in the CCZ once they have paid the charge, increasing congestion	1	<p>As the CEPA report noted, some operators may respond to the charge by specialising their fleets, meaning that only certain vehicles use the CCZ in charging hours, while others do not use the zone at all at these times. This will be a decision for the operator.</p> <p>It is expected that the removal of the exemption will reduce traffic by one per cent, including in the event of specialisation.</p>	United Private Hire Drivers
172	There should be an exemption for low and ultra low emission PHVs	1	<p>The Congestion Charge has always had a 'green discount' to encourage those who choose to drive in the zone to do so in the cleanest possible vehicles. The proposed new iteration of the 'green discount', the CVD will continue to</p>	Toyota

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			offer a one hundred per cent discount to vehicles with emissions that meet its eligibility requirements. The CVD is available to all vehicles that can meet its eligibility requirements, including PHVs. If PHVs are eligible, this provides an option for drivers and operators to continue not paying the Congestion Charge until 2025.	
173	Removal of PHV exemption makes air quality worse as people move to taxis	1	<p>The objective of the Congestion Charging scheme is to reduce congestion. Improving air quality is a secondary benefit, however the IIA assessed a beneficial impact on environment and health from reduced traffic and a shift to low emission vehicles.</p> <p>The CEPA study notes that the taxi market may gain some customers, although this impact is likely to be limited owing to the price premium. From 1 January 2018, all new taxis presented for licensing must be Zero Emission Capable (ZEC). Policies to reduce emissions from taxi emissions are kept under review.</p> <p>As per response 174.</p>	Addison Lee Group
174	Specialisation will cause PHVs to congregate at the CCZ boundary	1	The Oxera report suggests that the proposal will lead to a worsening of air quality because specialisation will result in PHVs congregating at the boundary of the CCZ and some passengers will shift from PHVs to black cabs which typically have higher emissions due to their age and vehicle type. As is stated above, the Congestion Charge Scheme has as its primary objective the reduction of traffic volumes and congestion with improvements to air quality being only a	Addison Lee Group

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>consequential benefit. The CEPA Report (Appendix B) states that removal of the PHV exemption may result in a slight uplift in taxi trips in the CCZ during controlled hours. While the potential for a small shift to taxis is acknowledged, this is unlikely to have a significant impact on congestion with CEPA noting that there will only be a minor increase in taxi traffic. Any increase is not expected to outweigh the reduced number of PHVs in the CCZ and overall, air quality in the CCZ is anticipated to improve if the PHV exemption is removed. The number of taxis in circulation in the CCZ is not likely to change from current volumes and is not expected to outweigh the reduced number of PHVs in the CCZ. Air quality is not, therefore, likely to worsen overall. In any event, policies to improve emission from taxis are kept under review. With regard to PHVs, tightening of the criteria for the 'greener vehicle'</p>	
175	<p>Defers journeys to outside of charging hours. This was not considered by CEPA</p>	1	<p>The CEPA report identified that there would be an impact on demand from the proposal; this could mean journeys are re-timed (among other responses). We keep the Congestion Charge under review and if there is a need to make further changes, this could be consulted on in the future.</p>	Addison Lee Group
176	<p>TfL has not considered alternatives to the removal of the PHV exemption</p>	1	<p>We have considered other options including removing the taxi exemption. This is not considered appropriate for the reasons set out in the consultation materials and at section 5.4. A response to Addison Lee's alternative proposals is at Appendix G.</p>	Addison Lee Group

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
177	Discount should be continued until available technology is present for drivers to alternative MPVs	1	We appreciate that there is not currently a wide selection of zero emission vehicles with more than six seats but recognise that the market is improving, driven in part by the incentive provided through mechanisms such as the 'green discount' for the Congestion Charge. It should also be noted that vehicles with nine or more seats receive a discount from paying the charge.	British Guild of Tourist Guides
178	If specialisation occurs, it reduces consumer choice	1	Specialisation is expected to reduce the number of vehicles larger operators have in the zone. As the CEPA report and Addison Lee have noted specialisation is likely to only be possible for larger operators. The effect of specialisation is that those larger operators will use fewer vehicles to undertake trips in the Congestion Charging zone. This in itself is not expected to reduce choice, however we recognise that the impact of the removal of the exemption is likely be more difficult for small operators to absorb. This could impact on choice.	Addison Lee Group
179	PHV numbers are not adversely affecting the number of vehicles in the Congestion Charging zone	1	This is discussed in Appendix F.	Florence Eshalomi AM

Table 14 - Issues raised about removing the PHV exemption

5.4 Issues raised about the proposed replacement of the Ultra Low Emission Discount to the Congestion Charge with a new Cleaner Vehicle Discount

5.4.1 Our consultation questionnaire asked respondents to rank on a scale of 1 to 10 (1 being not important and 10 very important), how important they felt it was for us to replace the Ultra Low Emission Discount (ULED) to the Congestion Charge with a new Cleaner Vehicle Discount (CVD). We also asked respondents whether they felt our proposals would cause hardships to any particular group. Some respondents provided written comments in answer to both or either question which we considered were related directly or indirectly to our proposal to replace the ULED with the new CVD.

5.4.2 Table 15 lists the issues which we identified, how often each was raised, our response to each and whether each issue was also raised by stakeholders.

5.4.3 The following stakeholders raised issues which we considered were concerned with this proposal: London Borough of Bexley, London Borough of Camden, London Borough of Hackney, London Borough of Redbridge, London Borough of Hammersmith & Fulham, London Borough of Islington, London Cycling Campaign, Private Hire Board, Royal Borough of Kensington & Chelsea, Unite the Union, Westminster BIDs, Campaign for Better Transport, Centre for London, Chartered Institute of Logistics & Transport, Client Earth, Florence Eshalomi AM, Friends of the Earth, Addison Lee Group, Autogas Ltd, GMB Union, Justine Greening MP, Tesla, Society of Motor Manufacturers and Traders, Uber, Freight Transport Association, National Express, Society of Motor Manufacturers & Traders, Toyota, UPS.

5.4.4 The most frequently raised issues are:

- Calls to exempt electric/zero emissions/hybrid vehicles from the Congestion Charge
- Calls not to exempt or discount electric/zero emissions/hybrid vehicles from the Congestion Charge (as these vehicles still have some environmental impact)
- Calls for non-environment friendly/older vehicles not to qualify for any other exemptions from the Congestion Charge
- Calls not to replace the ULED and concerns that the removal of the ULED will discourage the move to cleaner vehicles

- Calls for a scrappage scheme for high emissions vehicles
- Comments that there are too few options for low emission commercial vehicles

Exemptions for zero / low emission vehicles

- 5.4.5 Since the start of the Congestion Charging scheme, a 'green discount' for cars and vans has always been offered. This is to incentivise drivers who choose to drive in the zone to do so in the cleanest vehicles. The discount criteria is tightened every few years to reflect improving vehicle technology and to regulate the numbers eligible, thereby helping to maintain the original congestion reduction objectives of the scheme.
- 5.4.6 The current iteration of the 'green discount', (the ULED) was introduced in 2013 and offers a 100 per cent discount to the Congestion Charge. To be eligible, a vehicle must meet the Euro 5 emissions standard and emit less than 75g per km of CO₂. Over the past few years, the number of vehicles registered as eligible for the discount has been steadily rising.
- 5.4.7 . From April 2019, it is proposed that the ULED will be replaced by the 'Cleaner Vehicle Discount' (CVD). In Phase 1 of the CVD (from 8 April 2019), a vehicle would qualify if it is Euro 6, emits no more than 75g per km of CO₂ and has a minimum 20 mile zero emission capable range. In Phase 2 (from 25 October 2021), only pure electric vehicles would be eligible. The CVD would end in December 2025.
- 5.4.8 This means that hybrid vehicles will no longer be eligible for the discount from October 2021. This is considered appropriate given the development of vehicle technology and availability in recent years. It is important to keep tightening the standards in order to maintain the effectiveness of the Congestion Charge.
- 5.4.9 The Mayor is committed to increasing the number of ultra low emission vehicles in London and the proposed new CVD is intended to support that objective. From 25 October 2021, only pure electric vehicles will qualify for the 100 per cent discount. The availability of technology and the required supporting infrastructure limit the potential to implement an electric vehicle only policy for a city the size of London. There are, for example, limited commercially available pure electric LGVs and HGVs in the UK.
- 5.4.10 The Mayor's Transport Strategy creates the ambition for zero emission road transport by 2050 and the proposed introduction of a zero emission zone within central London from 2025.
- 5.4.11 Previous iterations of the 'green discount' have demonstrated that it can be an effective mechanism in encouraging a movement towards greater use of low emission vehicles.
- 5.4.12 The new discount is intended to reduce the number of vehicles entering the zone which are not liable to pay the charge. This will help to manage

traffic and improve congestion in the zone. The updated discount will also reflect advances in vehicle technology and ensure that the 'green discount' continues to encourage people who do drive in the zone to use only the cleanest vehicles.

Removal of the ULED

5.4.13 The 'green discount' is updated every few years to ensure it remains an effective mechanism to encourage individuals to use cleaner, less polluting vehicles and to maintain the congestion-reducing benefits of the Congestion Charging scheme. The number of vehicles which are eligible for the current 'green discount', the ULED, is rising, reflecting advancements in improving vehicle technology. The ULED also needs to be replaced to ensure alignment with ULEZ scheme which is due to start in central London in April 2019. If the criteria for the ULED were left unchanged, a diesel vehicle that is required to pay the daily ULEZ charge may still be eligible for a 100 per cent discount to the Congestion Charge. This is contrary to the aim of the 'green discount' to encourage the use of the cleanest vehicles. It is therefore vital that we update the 'green discount' so that the criterion is tighter than that required for ULEZ. Appendix H is a list of example vehicles that would meet the proposed criteria.

Scrappage scheme

5.4.14 The proposed CVD is intended to incentivise use of the cleanest vehicles in the CCZ. Road user charging powers cannot be used for the purpose of introducing a scrappage scheme, however, the Mayor has set out in the London Environment Strategy a call to Government to provide such a scheme in the UK.

Commercial vehicles

5.4.15 The CVD is open to any vehicle that meets the eligibility requirements, including commercial vehicles. This could result in commercial vehicles receiving a discount from the Congestion Charge until 2025. It is hoped that this will continue to stimulate the market for low emission commercial vehicles. A number of low emission vans are registered for the current ULED.

5.4.16 We are committed to increasing the availability and uptake of low emission commercial vehicles and associated infrastructure and are actively involved with other initiatives to enable this. For example, we have initiated the LoCITY project to raise awareness and provide unbiased information to industry about how they can help to lower vehicle emissions from this sector (www.locity.org.uk). Additionally, and to address the infrastructure requirements of commercial electric vehicles, we have installed 145 rapid charge points in London, committing to install 300 by the end of 2020.

Detailed individual responses

5.4.17 Further detail on the above points is presented in Table 15

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
180	Exempt electric/zero emissions/hybrid vehicles from the Congestion Charge	178	<p>The current iteration of the 'green discount', (the ULED) offers a 100 per cent discount for qualifying hybrid and all pure electric vehicles. From April 2019, it is proposed that the ULED will be replaced by the 'Cleaner Vehicle Discount' (CVD). In Phase 1 of the CVD (from 8 April 2019), a vehicle would qualify if it meets Euro 6 standards, emits no more than 75g per km of CO2 and has a minimum 20 mile zero emission capable range. In Phase 2 (from 25 October 2021), only pure electric vehicles would be eligible. The CVD would end in December 2025. Examples of eligible vehicles are in Appendix H.</p> <p>This means that hybrid vehicles will no longer be eligible for the discount from October 2021 (though most plug in hybrids will). This is considered appropriate given the development of vehicle technology and availability in recent years. It is important to keep tightening the standards in order to maintain the effect of the Congestion charge.</p>	<p>London Councils</p> <p>Toyota</p>
181	Discounts for non-polluting/hybrid vehicles	15	As per response 180	<p>Justine Greening MP</p> <p>Tesla</p> <p>Society of Motor Manufacturers and Traders</p> <p>Uber</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
182	Create a scrappage scheme for high emissions vehicles	36	Road user charging powers cannot be used for the purpose of introducing a scrappage scheme, however, the Mayor has set out in the London Environment Strategy a call to Government to provide such a scheme in the UK.	
183	Do not replace ULED	30	The 'green discount' is updated every few years to ensure it remains an effective mechanism to encourage individuals to use cleaner, less polluting vehicles and to maintain the congestion-reducing benefits of the Congestion Charging scheme. The number of vehicles eligible for the current 'green discount', the ULED, is rising, reflecting advancements in improving vehicle technology. The ULED also needs to be replaced to ensure alignment with ULEZ which is due to start in central London in April 2019. If the criteria for the ULED were left unchanged, a diesel vehicle that is required to pay the daily ULEZ charge may still be eligible for a 100 per cent discount to the Congestion Charge. This is contrary to the aim of the 'green discount' to encourage the use of the cleanest vehicles. It is therefore vital that we update the 'green discount' so that the criterion is tighter than that required for ULEZ.	Addison Lee Group Alliance of British Drivers

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
184	Do not exempt non environment friendly/older vehicles from the Congestion Charge	44	Vehicles not eligible for a discount or exemption are required to pay the Congestion Charge. A discount has always been available for the 'greenest' vehicles, currently the ULED, and we have been consulting on tightening the criteria for this into the CVD. There is no exemption or discount on the grounds of vehicle age alone.	
185	Do not exempt or discount electric/zero emissions/hybrid vehicles from the Congestion Charge	28	<p>A 'green discount' has been offered since the Congestion Charge was launched in 2003 to incentivise those who do drive in the zone to so in the cleanest possible vehicles. Previous iterations of the 'green discount' have demonstrated that it can be an effective mechanism in encouraging a movement towards greater use of low emission vehicles.</p> <p>The new discount is intended to reduce the number of vehicles entering the zone which are not liable to pay the charge. This will help to manage traffic and improve congestion in the zone. The updated discount will also reflect advances in vehicle technology and ensure that the 'green discount' continues to encourage people who do drive in the zone to use only the cleanest vehicles.</p> <p>From 25 December 2025 the CVD will expire for all</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			vehicles types. From this point there will be no 'green discount' for the Congestion Charge.	
186	Electric/zero emissions/hybrid vehicles should be required to pay the Congestion Charge/exempt	14	As per response 7	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
187	There are too few options for low emission commercial vehicles	24	<p>The CVD is open to any vehicle that meets the eligibility requirements, including commercial vehicles. This could result in commercial vehicles receiving a discount from the Congestion Charge until 2025. It is hoped that this will continue to stimulate the market for low emission commercial vehicles. Already a number of low emission vans are registered for the ULED.</p> <p>We are committed to increasing the availability and uptake of low emission commercial vehicles and associated infrastructure and are actively involved with other initiatives to enable this. For example, we have initiated the LoCITY project to raise awareness and provide unbiased information to industry about how they can help to lower vehicle emissions from this sector (www.locity.org.uk). Additionally, and to address the infrastructure requirements of commercial electric vehicles, we have installed over 135 rapid charge points in London, committing to install 300 by the end of 2020.</p>	<p>Addison Lee Group</p> <p>Autogas Ltd</p> <p>Freight Transport Association</p> <p>Ford Motor Co</p> <p>GMB Union</p> <p>National Express</p> <p>Society of Motor Manufacturers & Traders</p> <p>UPS</p>
188	Electric/ zero/ low emission vehicles still have some environmental impact	21	<p>On a lifecycle basis, hybrid and electric vehicles are cleaner in terms of CO2 and air pollution emissions. The CVD will incentivise the market to produce even cleaner vehicles. It is right that those who drive are encouraged to do so in the cleanest possible vehicles. We are committed to this approach and encouraging people to take sustainable modes of transport. The Congestion Charge is an important part of this.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
189	Eliminating the ULED will discourage the move to cleaner vehicles	20	<p>As per response 11</p> <p>Following the removal of the discount in 2025, we will look at other ways to incentivise cleaning the fleet such as zero emission zones. Because we have set out a phased approach, drivers can make informed choices. Someone buying an electric vehicle now can be confident they'll get a 100 per cent discount from the Congestion Charge until the end of 2025. The Oxera report stated that the CVD policy would not incentivise a switch to ZEC vehicles on the basis of cost assumptions of replacing end-of-life diesel vehicles with fully electric vehicles on a three year vehicle life cycle. Their analysis showed that a PHV operator's best option would be to defer the switch to fully electric vehicles due to the large upfront expense of electric vehicles and availability of suitable models on the market.</p> <p>We considered the cost and availability of vehicles when developing the criteria for the phases of the CVD. In recognition of these barriers, Phase 1 does not require vehicles to be fully electric. However, Phase 2 of the CVD in October 2021 would require vehicles to be fully electric in order to qualify for the discount. Owners of electric vehicles will qualify for a 100 per cent discount for more than four years from the implementation of Phase 2 in October 2021 until the removal of the CVD in December 2025.</p>	<p>Addison Lee Group (Oxera report)</p> <p>London First</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
190	Increase the cost of the Congestion Charge for higher emission vehicles (i.e., petrol and diesel vehicles)	17	The main objective of the Congestion Charging scheme is to reduce traffic and congestion in central London. There are other mechanisms such as the ULEZ that are designed to directly tackle poor air quality and high emission vehicles. In April 2019, ULEZ will apply in the same area costing £12.50 per day. At this time it is not considered appropriate to make further changes to the Congestion Charging scheme, however as outlined in the MTS these are kept under review. Any future proposed changes would be subject to a full public consultation.	
191	Do not exempt diesel vehicles from the Congestion Charge	16	<p>Diesel vehicles per se are not exempt from the Congestion Charge. Any vehicles which meet the emissions criteria for the ULED or the proposed CVD receive a 100 per cent discount, irrespective of fuel type.</p> <p>A diesel vehicle may still be exempt where it qualifies for one of the other exemption categories.</p>	
192	Introducing the CVD will not help reduce traffic/congestion	12	As per response 11	Addison Lee Group
193	Introducing the CVD will help reduce pollution/emissions	10	<p>As per response 11</p> <p>Reduced tailpipe emissions from fewer and cleaner vehicles will help improve air quality in the zone.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
194	Exempt diesel vehicles bought based on government advice from the Congestion Charge	10	As per response 191	
195	Exempt diesel vehicles from the Congestion Charge	6	As per response 191	
196	Introducing the CVD will help reduce traffic/congestion	9	As per response 11	
197	Phase out ULED to encourage use of electric/low emission vehicles	23	As per response 180	Brent Cyclists Clean Air in London Greenpeace UK London Borough of Bexley London Borough of Camden London Borough of Hackney

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
				<p>London Borough of Redbridge</p> <p>London Borough of Islington</p> <p>London Cycling Campaign</p> <p>London Forum of Amenity & Civic Societies</p> <p>London Travelwatch</p> <p>Metroline Travel Ltd</p> <p>Private Hire Board</p> <p>Royal Borough of Kensington & Chelsea</p> <p>Unite the Union</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
				<p>Westminster BIDs</p> <p>Better Bankside</p> <p>Campaign for Better Transport</p> <p>Centre for London</p> <p>Chartered Institute of Logistics & Transport</p> <p>Client Earth</p> <p>Florence Eshalomi AM</p> <p>Friends of the Earth</p>
198	Exempt Euro 6 compliant vehicles from the Congestion Charge	9	Any vehicle that meets the requirements of the CVD will be eligible for a 100 per cent discount from the Congestion Charge. Vehicles that comply with the emissions limits equivalent to Euro 6 for petrol and	London Borough of Hammersmith & Fulham

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			diesel vehicles as set out in the Scheme Order are eligible to receive Phase 1 of the discount, if they also meet the other requirements and emit less than 75g per km of CO2 and are capable of more than twenty miles zero emission range.	
199	Exempt Euro 5 compliant vehicles from the Congestion Charge	8	As per response 198	
200	Some newer vehicles are more polluting than older ones	6	<p>The eligibility requirements for the CVD are based on emissions standards rather than the age of the vehicle.</p> <p>As per response 198</p>	
201	London should only allow Euro 6 vehicles	4	<p>Requiring all vehicles to meet certain emissions standards is an important part of our strategy to reduce emissions and improve air quality in London. The ULEZ, which will take effect in central London from April 2019, will require vehicles to meet certain emission standards in order to drive in the zone (which is the same as the CCZ) without paying a daily charge. The standard is Euro 6 for diesel and Euro 4 for petrol. From October 2020, the standards for the Low Emission Zone (LEZ), which affects heavier vehicles, will be tightened to Euro 3 for PM for vans and minibuses and Euro VI for buses and coaches. In</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			October 2021, the ULEZ will expand to the North and South Circular (same standards as central zone). Further details are on TfL's website.	
202	Will cause a cost increase in delivery charges/customers will pay more for deliveries	5	A cost increase in delivery charges was not picked up by the IIA. Very few vehicles are affected by phase one of the CVD, therefore it is likely to have a minimal impact.	
203	The time frame for the CVD is not feasible for commercial vehicles to meet the criteria	5	See response 187	British Guild of Tourist Guides Ford Freight Transport Association Society of Motor Manufacturers & Traders UPS

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
204	Need a financial burden to prevent/reduce vehicle use	4	London's streets are some of the most congested in the world, worsening air pollution, delaying bus services and freight trips and making too many streets unpleasant for walking and cycling. If further action is not taken, average traffic speeds are forecast to fall across London with central London particularly badly hit. A reduction in traffic of about 10-15 per cent is required by 2041 to keep congestion in check, while achieving the aims of the Mayor's Transport Strategy. This cannot be achieved without the Congestion Charging scheme.	
205	Discounts will create traffic/congestion problems	3	Discounts and exemptions can undermine the effects of the Congestion Charging scheme; therefore the MTS contains a proposal to keep the scheme under review. It is not considered appropriate at this time to make changes to other discounts and exemptions. The 'green discount' has always been offered to incentivise drivers who choose to drive in the zone to do so in the cleanest vehicles. Over time the number of vehicles eligible for the discount increases and it is necessary to tighten the criteria to maintain the congestion reduction benefits of the Congestion Charging scheme. By tightening the criteria, it is possible to manage the number of vehicles eligible for the discount.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
206	The ULED is successful in reducing pollution/enhancing air quality in London	3	As per response 183	
207	Need to do more faster on polluting vehicles	3	The Mayor and TfL are committed to working with boroughs and stakeholders to reduce emissions from vehicles on London's streets. There are a range of measures that could be employed, including retrofit options and promoting electrification.	Client Earth London Living Streets Tesla
208	Too many vehicles may qualify for this discount	2	As per response 205 There are now approximately 22,000 vehicles registered for the discount with numbers rising rapidly. In one year from May 2017, there was an increase in vehicles of approximately 5,500.	
209	LPG fuels should be included within the CVD	2	The CVD is available to any vehicle that meets the emissions criteria irrespective of fuel type. The proposals for the CVD were designed to be technology neutral for both phases of the discount. In Phase 2, 'electric vehicles' pertains to any vehicle that is operated wholly using an electrically propelled propulsion system that draws its power from either a hydrogen fuel cell or from a battery that can be fully recharged from an external source of electricity.	Freight Transport Association Autogas Ltd
210	The proposals for the CVD should be technology neutral	2	As per response 209.	Ford SMMT

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
211	Too expensive to replace with a new/environment friendly vehicle (electric vehicles)	1	We appreciate that electric vehicles are an expensive investment but recognise that the market is improving, driven in part by the incentive provided through mechanisms such as the 'green discount' for the Congestion Charge. There are a number of other ways to avoid paying the charge including switching to public transport, walking and cycling. The majority of trips in the CCZ are undertaken by public transport. There is little need to drive in an area that is well served by public transport, walking and cycling options. For those that choose to drive, there is the option to switch to a cleaner vehicle to receive the discount, limiting entries into the zone or choosing to drive outside the hours of operation.	
212	Exempt new vehicles from the Congestion Charge	1	New vehicles per se are not exempt from the Congestion Charge. Any vehicle which meets the emissions criteria for the ULED or the proposed CVD and registers with TfL would receive a 100 per cent discount, irrespective of fuel type. A new vehicle may still be exempt where it qualifies for one of the other exemption categories.	
213	Raise the CVD threshold to 100g CO₂	1	The current iteration of the 'green discount', the ULED, requires vehicles to emit less than 75g per km of CO ₂ . Raising the CO ₂ threshold would result in more vehicles qualifying than currently do. This would have a negative impact on the congestion-reducing benefits of the Congestion Charge and on emissions.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
214	There should be a new charge designed to reduce emissions in central London	1	From 8 April 2019, the Ultra Low Emission Zone will be in place in central London to help improve air quality and reduce emissions. Most vehicles including cars and vans will need to meet new, tighter exhaust emission standards or pay a daily charge to travel in the area. From 25 October 2021, the ULEZ will expand to inner London, to the area bounded by the North and South Circulars.	
215	Hardships to individuals	1	The 'green discount' is an incentive for those who choose to drive in the Congestion Charging zone to do so in low emission vehicles. Most ULED eligible vehicles will continue to qualify for the CVD, so would experience no change in Phase 1. Those who are affected have the option of driving less often in the CCZ, switching vehicles or using other modes including public transport. The majority of trips in the CCZ are made by public transport, on foot or by bike.	Justine Greening MP
216	Agree the 2021 change to electric vehicles	1	We have noted this agreement	Tesla
217	Monitor emissions from individual vehicles, identify those with the highest emissions and retro-fit emissions reduction technology to them	1	This would not be cost-effective or within our road user charging powers to implement.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
218	Hardships to coach passengers	1	The proposed changes to the ULED are not relevant to coaches since they are currently eligible for the 9+ seat vehicle discount to the Congestion Charge. There are no plans to change this. All discounts and exemptions are however kept under review.	National Express
219	Ultra-low emission trucks (as defined by the DfT) should be included in the requirements for the CVD	1	The CVD is open to any vehicle that meets the eligibility requirements, including commercial vehicles such as LGVs and HGVs. This could result in commercial vehicles receiving a discount from the Congestion Charge until 2025. It is hoped that this will incentivise the market for low emission commercial vehicles. We are committed to increasing the availability and uptake of low emission commercial vehicles and associated infrastructure. For example, we initiated the LoCITY project to raise awareness and provide unbiased information to industry about how they can help to lower vehicle emissions from this sector (www.locity.org.uk).	Freight Transport Association UPS
220	The CVD should provide a discount to the Congestion Charge for Hydrogen vehicles	1	As per response 209	Freight Transport Association London Borough of Hackney UPS

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
221	Green discounts to the Congestion Charge should be based on measurable emissions criteria	1	The proposals for the CVD are based on measurable criteria: Euro standards, CO2 emissions and zero emission range.	Low Carbon Vehicle Partnership
222	Plug in hybrid vehicles emit more than is claimed	1	We have noted this comment	Tesla
223	Plug in hybrid vehicles should be included in Phase 2	1	For the CVD to remain effective and to maintain the congestion reduction benefits of the Congestion Charge, it is necessary to tighten the criteria for phase two of the CVD. Tightening the criteria also ensures that the CVD is an adequate reflection of vehicle technology. There are already electric vehicles registered for the 'green discount' and it is expected that this number will rise. By setting out the changes to the CVD now and the proposed tightening of criteria at phase two, we are signalling to Londoners how we will seek to improve London's air quality and enable them to make vehicle purchasing decisions knowing the future standards of the CVD.	Toyota

Table 15 - Issues raised about replacing the ULED with a new, phased CVD

5.5 Issues raised about the proposal to withdraw the CVD entirely by 2025

5.5.1 Our consultation questionnaire asked respondents to rank on a scale of 1 to 10 (1 being not important and 10 very important), how important they felt it was for us to withdraw the CVD entirely by 2025. We also asked respondents whether they felt our proposals would cause hardships to any particular group. Some respondents provided written comments in answer to both or either question which we considered were related directly or indirectly to our proposal to withdraw the CVD by 2025.

5.5.2 Table 16 lists the issues which we identified, how often each was raised, our response to each and whether each issue was also raised by stakeholders.

5.5.3 The following stakeholders raised issues which we considered were concerned with this proposal: British Guild of Tourist Guides, Greenpeace UK, Private Hire Board, Uber, UPS, Addison Lee Group, GMB Union, Justine Greening MP, Tesla, Client Earth, London Borough of Camden, London Borough of Hackney, London Living Streets, London First, London Borough of Redbridge, Low Carbon Vehicle Partnership, Royal Borough of Kensington & Chelsea, Unite the Union.

5.5.4 The most frequently raised issues are:

- Comments on the 2025 end date (too late / too soon)
- Assertion that electric/zero/low emission vehicles don't pollute
- Assertion that there is a lack of incentive to utilise low emission vehicles
- Call to encourage more active forms of transport (walking, cycling)

2025 end date

5.5.5 The 2025 end date was chosen to provide a balance between the need to take action and to provide adequate notice to those affected by the removal of the discount. By 2025 it is expected that the cleaner vehicle market will have developed and more vehicles will be available which will defeat the congestion reduction objective of the scheme. Future incentives for the uptake of zero emission vehicles will be considered to support the ambition of the Mayor's Transport Strategy for zero emission road transport by 2050 and the introduction of a Zero Emission Zone within central London from 2025.

5.5.6 The consultation provides a three year period of prior notification of the Phase 2 standard coming into effect, and almost seven years for the discount ending entirely in phase three in 2025.

5.5.7 The Mayor has brought forward the start of the ULEZ to April 2019 to further reduce the number of the most polluting vehicles on London's roads. Future incentives will be considered to support the ambition of the Mayor's Transport Strategy for zero emission road transport by 2050.

Pollution by low emission vehicles

5.5.8 On a lifecycle basis, hybrid and electric vehicles are cleaner in terms of CO₂ and air pollution emissions. The CVD will incentivise the market to produce even cleaner vehicles. It is right that those who drive are encouraged to do so in the cleanest possible vehicles. We are committed to this approach and encouraging people to take sustainable modes of transport. The Congestion Charge is an important part of this.

Lack of incentives for low emission vehicles

5.5.9 From the end of 2025, the CVD is proposed to expire. We will remain committed to improving air quality in central London beyond this date. Future incentives for the uptake of zero emission vehicles will be considered to support the ambition of the Mayor's Transport Strategy for zero emission road transport by 2050 and the potential introduction of zero emission zones.

Active travel

5.5.10 The phased approach and eventual removal of the CVD will encourage the use of other modes including walking and cycling. Encouraging active travel and a shift to sustainable modes is one of the Mayor's main objectives – aiming for 80 per cent of all trips made by sustainable modes by 2041 – and the measures to achieve this are set out in the Mayor's Transport Strategy.

Detailed individual responses

5.5.11 Further detail on the above points is presented in Table 16.

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
224	Discount should be extended beyond 2025	190	<p>As per response 205</p> <p>The 2025 end date was chosen to provide a balance between the need to take action and to provide adequate notice to those affected by the removal of the discount. By 2025 it is expected that the cleaner vehicle market will have developed and more vehicles will be available which will defeat the congestion reduction objective of the scheme. See Appendix H for a list of examples of eligible vehicles. Future incentives for the uptake of zero emission vehicles will be considered to support the ambition of the Mayor's Transport Strategy for zero emission road transport by 2050.</p> <p>The consultation provides a three year period of prior notification of the Phase 2 standard coming into effect, and almost seven years for the discount ending entirely in phase three in 2025.</p>	<p>Addison Lee Group</p> <p>British Guild of Tourist Guides</p> <p>Freight Transport Association</p> <p>GMB Union</p> <p>Greenpeace UK</p> <p>Justine Greening MP</p> <p>London First</p> <p>Private Hire Board</p> <p>Society of Motor Manufacturers & Traders</p> <p>Uber</p> <p>UPS</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
225	Encourage more active forms of transport (walking, cycling)	55	The phased approach and eventual removal of the CVD will encourage the use of other modes including walking and cycling. Encouraging active travel and a shift to sustainable modes is one of the Mayor's main objectives – aiming for 80 per cent of all trips made by sustainable modes by 2041 – and the measures to achieve this are set out in the Mayor's Transport Strategy.	
226	Lack of incentive to switch to/keep clean/low emissions/environmentally friendly vehicles	26	From the end of 2025, the CVD is proposed to expire. We will remain committed to improving air quality in central London beyond this date. From 8 April 2019, Ultra Low Emission Zone (ULEZ) will operate in the CCZ. The £12.50 charge will operate 24 hours a day, 7 days a week and requires cars to be Euro 4 standard (petrol) or Euro 6 standard (diesel). On 25 October 2021, the ULEZ will expand to inner London. Future incentives for the uptake of zero emission vehicles will be considered to support the ambition of the Mayor's Transport Strategy for zero emission road transport by 2050 and the potential introduction of zero emission zones.	Addison Lee Group

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
227	Scrapping cars is a waste of resources/contributes to pollution	4	We have noted this comment	Justine Greening MP
228	Electric/zero/low emission vehicles don't pollute	21	As per response 188	
229	Discount should be discontinued before 2025	19	As per response 224 The Mayor has brought forward the start of the ULEZ to April 2019 to further reduce the number of the most polluting vehicles on London's roads. Future incentives will be considered to support the ambition of the Mayor's Transport Strategy for zero emission road transport by 2050.	Client Earth London Living Streets London Borough of Camden Tesla

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
230	TfL should remove the discount in 2025	6	As per response 224	Brent Cyclists Centre for London Clean Air in London London Borough of Camden London Borough of Hackney London Borough of Redbridge Royal Borough of Kensington & Chelsea London Forum of Amenity & Civic Societies London Travelwatch Low Carbon Vehicle

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
				Partnership Unite the Union
231	What is the reasoning behind replacing the CVD in 2025	7	As per response 224	
232	Removal of exemption will eliminate incentive to not own/drive a private vehicle	5	As per response 205	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
233	What are the proposals for all electric vehicles	1	Pure electric vehicles will continue to receive a discount from the Congestion Charge until December 2025. The first phase of the CVD starting in April 2019 is for all vehicles that emit less than 75 g per km of CO2, meet the Euro 6 emission standard and are capable of more than twenty miles zero emission. Electric vehicles will meet this standard. In the second phase of the CVD starting in October 2021, only pure electric vehicles will qualify. In 2025, the discount will end for all vehicles.	
234	Comment about range extender vehicles	1	For Phase 2 in October 2021, the requirements of the CVD will tighten and apply only to pure electric vehicles. We have taken the decision not to include range extender vehicles in the definition of electric vehicles, therefore, range extender vehicles would not qualify for the CVD in the second phase. Range extender vehicles are not defined as electric vehicles because they have an alternative fuel source to charge the battery if it becomes depleted. When this alternative fuel source is utilised, the vehicle would emit CO2, NOx and PMs from the vehicle's tailpipe, therefore, the vehicle would not be zero emission.	UPS
235	It is too early to tell whether the 2025 end date is appropriate	1	The MTS sets out in Proposal 35 that the Mayor, through TfL, will aim to deliver a zero emission zone in central London from 2025 as well as broader congestion reduction measures to facilitate the implementation of larger zero emission zones in inner London by 2040 and London-wide by 2050 at the latest. While this is yet to be fully defined, it is	Greenpeace UK

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			appropriate in this context to prepare for future measures. The 'green discount' is an incentive and there will be further consideration of the development of future measures nearer to 2025	

Table 16 - Issues raised relating to removing the CVD entirely in 2025

5.6 Issues raised about the proposal to expand the Congestion Charging zone boundary at Old Street roundabout and other issues

5.6.1 We explained in our consultation materials that we proposed a number of more minor changes to the Congestion Charge, including changing the zone boundary at Old Street roundabout, given improvements that we will shortly be making to the roundabout for pedestrians and cyclists. We also included details of additional further minor changes we proposed to make to the Congestion Charge 'Scheme Order', which provides a legal basis for operating the charge.

5.6.2 We provided respondents with the opportunity to raise any concerns about our proposals, including these more minor changes to the Congestion Charge, and asked respondents whether they felt our proposals would cause hardships to any particular group. Some respondents provided written comments in answer to both or either question which we considered were related directly or indirectly to our proposal to amend the Congestion Charge boundary at Old Street. We did not receive any substantive comments about the more minor changes we proposed to the Congestion Charge 'Scheme Order'.

5.6.3 Table 17 lists the issues which we identified, how often each was raised, our response to each and whether each issue was also raised by stakeholders.

5.6.4 The following stakeholders raised issues which we considered were concerned with the proposal to amend the boundary at Old Street roundabout: Florence Eshalomi AM, Freight Transport Association, London Borough of Hackney, London Borough of Islington, London Councils, Royal Borough of Kensington & Chelsea, Campaign for Better Transport.

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
236	Boundaries go far enough/no need to change it	33	<p>The boundary change at Old Street is a small change and is proposed as a result of planned changes to the Old Street roundabout in order to improve conditions for walking and cycling. It does not increase the size of the zone (it affects the CCZ and the ULEZ boundary). The change will be signposted and it will continue to be possible to avoid entering the CCZ.</p> <p>We have no proposals at this time for any further changes to the CCZ boundary, and any future proposals would be subject to consultation.</p>	
237	Do not amend Old Street boundary	11	As per response 236	
238	Changing Old Street area will cause more congestion	12	There is no expectation that the minor boundary change at Old Street will increase congestion in the area. The improvements to the roundabout have been designed to create a new public space and improve walking and cycling in the area, by closing the north-west 'arm' of the roundabout to create a peninsula.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
239	Support for extension of boundary at Old Street	8	We have noted this support	Campaign for Better Transport Florence Eshalomi AM Freight Transport Association London Borough of Hackney London Borough of Islington London Councils Royal Borough of Kensington & Chelsea Campaign for Better Transport

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
240	Old Street extension won't change congestion	7	As per response 238	
241	Support for other admin changes	4	We have noted this support	Florence Eshalomi AM LB Bexley LB Islington London Councils

Table 17 - Issues raised about the proposals to extend the boundary at Old Street and other issues

5.7 Issues which were concerned with the proposals more generally or in a non-specific way

5.7.1 We provided respondents with the opportunity to raise any concerns about our proposals and asked whether they felt our proposals would cause hardships to any particular group. Some respondents provided written comments in answer to both or either question which we considered were related directly or indirectly to our proposals more generally, for example because the respondents did not specify which of our proposals their comments related to.

5.7.2 Table 18 lists the issues which we identified, how often each was raised, our response to each and whether each issue was also raised by stakeholders.

5.7.3 The following stakeholders raised issues which we considered were concerned with the proposals in a more general, non-specific way: Alliance of British Drivers, Addison Lee Group, London TravelWatch, London Borough of Islington, London Living Streets, Centre for London, GMB Union, Low Carbon Vehicle Partnership, London Borough of Hackney, London Borough of Camden, Unite the Union, London First, Caroline Russell AM.

5.7.4 By their nature, comments in this section are very wide-ranging and many relate closely to issues already described and responded to in the tables above (and cross-references are provided). The comments are diverse, covering for example:

- Potential hardships caused by the proposals (in addition to those already discussed)
- Issues related to paying the Congestion Charge
- Taxis and public transport
- Other approaches to PHV licensing
- Future road user charging schemes

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
242	Offer more benefits/discounts for use of electric/zero emission vehicles (free parking/charging points/no registration fee)	165	We are committed to increasing the availability and uptake of low emission vehicles and associated infrastructure. To address the infrastructure need, we have installed 145 rapid charge points in London, committing to install 300 by the end of 2020. Parking for electric vehicles is usually a matter for the relevant local borough. An annual registration fee is usually applied to discounts to cover administrative costs and help to keep records up to date.	Addison Lee Group GMB Union LB Islington London First Private Hire Board Uber
243	Proposals will affect businesses/small businesses within the zone	154	We commissioned an independent IIA of the proposals from Mott MacDonald, which was published online as part of the consultation (see Appendix B). This considered amongst other impacts, the economic impacts of the proposals. The IIA predicted positive economic and business benefits for businesses and road users who may benefit from the expected reduction in road traffic within the zone. It also anticipated that the proposals may result in reduced congestion and improvements to air quality and health for all individuals going into and working or living within the CCZ.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
244	Bad for London's economy	77	As per response 243	GMB Union Justine Greening MP Addison Lee Group
245	Hardships for people who work in London/the Congestion Charging zone	75	As per response 243	
246	Hardships for people living in/around the zone	34	As per response 243	
247	Proposals will affect tourism in London	27	As per response 243. The IIA did not identify a risk that the tourism industry or wider London economy would be negatively affected.	
248	Cost of living in London will increase	18	As per response 242. The IIA did not identify a risk that the cost of living in London for the wider population would increase as a result of the proposals.	
249	I disagree/do not support this/it's a bad idea (unspecified)	148	The Congestion Charging scheme is kept under review to ensure it remains an effective mechanism to reduce motorised traffic in central London. There have been a number of changes to the scheme since it began including to the level of charge, payment methods available and discounts and exemptions to	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			the scheme. It is necessary to make changes to the scheme now to address growing numbers of PHVs in the zone and to ensure that the Congestion Charging scheme is prepared for the introduction of ULEZ in 2019 by altering the current 'green discount'.	
250	Opposition but without specific reference to any particular proposal	121	As per response 249	
251	No changes needed/leave it as it is	73	As per response 249	
252	Concern that the proposals would not be successful in reducing congestion/traffic but without reference to a specific proposal	111	As per response 11	Addison Lee Group Alliance of British Drivers London Borough of Camden London Borough of Hackney

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
253	Affects/hurts low class income people/bracket	100	As per response 1 As per response 69	
254	Hardships (not specified who for)	92	As per response 41 Most PHV journeys do not enter the CCZ and it is not expected that all the costs would be passed on to passengers in this way. The reduction in the availability of PHVs within the CCZ is forecast to be minimal and alternative modes of transport may be an option. Some passengers may also be entitled to the Blue Badge discount and nominate a PHV as a vehicle they normally use such that they trips they make in that PHV receive a 100 per cent discount. The Integrated Impact Assessment undertaken by Mott MacDonald acknowledges that there could be a minor adverse effect on disabled people if the PHV exemption is removed. It notes the slightly higher frequency of use of PHVs by disabled people living in London. If the cost is passed to the passenger in whole or part, it could reduce their accessibility. One mitigation for this effect is the continued exemption for wheelchair-accessible PHVs, which is part of the proposal. The IIA published as part of the consultation identified	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>potential negative impacts on the elderly if they require PHVs to access the CCZ, and the cost is passed on to passengers.</p> <p>The impact was assessed as being a minor adverse one. Older and disabled passengers may also be eligible to use Taxicard services to access essential services related to their health and wellbeing. Black cabs are used to carry out around 90 per cent of Taxicard journeys. Capped fares for Taxicard journeys in black cabs are expected to come into effect from 1 January 2019.</p> <p>The proposal may also have a minor beneficial impact on the health of these passenger groups if air quality improves as a consequence of the proposal. The Mayor is asked to consider the IIA when making his decision whether to implement the proposal.</p>	
255	Hardships for disabled passengers (including cost increase)	84	As per response 254	GMB Union Uber
256	Biased/unfair/targets poor/low income people	70	As per response 1 As per response 69	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
257	Favours the rich over the poor	57	As per response 1 As per response 69	
258	Hardships for hard workers (unspecified)	19	As per response 254	
259	Hardships for the vulnerable	16	As per response 254	Addison Lee Group
260	Hardships for the public/tax payers	9	As per response 254	
261	Hardships for those having difficulty navigating London	6	As per response 254	
262	Hardships for tradespeople/service workers	1	The IIA did not identify an impact on this group.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
263	Hardships for people unable to use public transportation due to phobias	1	As per response 254	
264	I agree/I support this/it's a good idea (unspecified)	96	We have noted this comment.	
265	Support but without specific reference to any particular proposal	42	We have noted this comment.	
266	Benefits outweigh the negatives/hardships	94	We have noted this comment.	
267	Benefits do not outweigh the negatives/hardships	3	As per response 254	
268	Improvements to public health (from a reduction in pollution outweigh any possible hardships)	81	We have noted this comment	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
269	These measures will be successful in reducing pollution/enhancing air quality (unspecified)	68	As per response 5	London TravelWatch Unite the Union
270	Proposals will increase traffic/congestion (including shifting to other times/areas)	66	As per response 11	Addison Lee Group GMB Union
271	Hardships for Black Cab/Taxi drivers	56	It is not expected that these proposals will negatively impact taxi drivers or their passengers.	
272	Hardships for taxi passengers (unspecified)	8	As per response 271	
273	Hardships for all road users	52	Managing traffic and congestion, and reducing vehicle emissions will have benefits for all road users: drivers, passengers, pedestrians and cyclists.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
274	Hardships for drivers (unspecified)	42	As per response 273	
275	There is good availability of public transportation options available	50	We have noted this comment	
276	Would benefit road users	36	We have noted this comment	
277	Need to consider effects of decision/effect on the people	48	As per response 254	
278	These measures will not be successful in reducing pollution/enhancing air quality (unspecified)	43	As per response 11	London Living Streets
279	Will cause a cost increase/will become too expensive for road users (unspecified)	42	There is a potential cost increase to PHV drivers, operators and passengers who may need to pay all or part of the cost of the Congestion Charge. Individuals who are currently receiving a ULED discount could see a cost increase if their vehicle is not compliant with CVD. However it is not expected that road users generally will face increased costs. The IIA identifies	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			benefits to road users from reduced congestion.	
280	Would allow public transportation (buses, taxis) to run more efficiently	33	We have noted this comment.	
281	Waste of time as decision has been made	26	No decision has been made on the proposals. The Mayor will consider whether or not to implement the proposals (or to make changes to them) based on his consideration of the issues described in this report and its appendices.	GMB Union
282	You can expect protests/mass protests	24	We have noted these views. The consultation was intended to enable the Mayor to consider the range of views about our proposals before deciding whether or not they should be implemented (or whether they should be implemented with changes).	
283	Not aware/need to know more information before comment	22	We held a 12 week public consultation period on the proposals. All information relating to our proposals was provided on the website and was available to inspect in person. Contact details were also published so that anyone with questions about the proposals could contact us to discuss them.	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
284	Hardships for delivery drivers	21	This proposal is not expected to have any impact on delivery drivers. Indeed, managing traffic and congestion, and reducing vehicle emissions, will have benefits for all road users.	
285	Will have an impact on crime	20	This policy is aimed at reducing congestion and pollution and no impact on crime is foreseen as a consequence of these proposals.	
286	London/TfL should create more greener parks/plant more trees	20	TfL, as outlined in the Mayor's Transport Strategy, will work with London boroughs, Network Rail and Highways England to identify opportunities for additional green infrastructure. As well as this, TfL and the boroughs will retain existing trees and plant new ones on the TLRN and borough roads to protect tree canopy cover, providing shade, shelter and cooling, helping to reduce the urban heat island effect. The Mayor will also encourage boroughs to increase the numbers of trees on their streets.	
287	Hardships for people with health problems/chronic illness/travelling to hospital	18	As per response 30	GMB Union

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
288	Proposal plan/scheme is confusing/too complex	17	All of the changes consulted on as part of this consultation related to the Congestion Charge. The two main changes consulted on related to changing the discounts and exemptions of the scheme. Combining our proposals into a single consultation allowed the public and other stakeholders to comment on our proposals more efficiently. We published contact details on our consultation webpage so that anyone who had questions about our proposals could contact us to discuss them.	London Borough of Islington
289	To put the ULED and the Congestion Charge consultation together is wrong	4	As per response 47	
290	Will improve London/community	15	We have noted this support	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
291	Driving a car in Central London should be seen as a privilege	12	We have noted this comment	
292	People will avoid Central London	11	Reducing the dominance of motorised traffic and helping to improve air quality will make London a more attractive and pleasant place to be.	
293	Hardships for those who carry luggage/equipment	11	As per response 254	
294	Hardships for parents taking children to school/activities	6	As per response 254	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
295	Discount should not be eliminated, just reduce the amount of discount given	11	As per response 224	
296	Would encourage a shift in consumer behaviour/to give more consideration to how they travel	10	<p>We have noted this comment and welcome the support.</p> <p>The Mayor's Transport Strategy uses the Healthy Streets Approach to plan our streets and transport networks, which encourages the use of active, efficient and sustainable modes of travel. As part of this, we need to keep the Congestion Charging scheme under review, to ensure it remains effective in meeting its objectives to reduce traffic and congestion in central London and helps create streets where people choose to walk, cycle and use public transport.</p>	Centre for London

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
297	Will put funding pressures on Local Authorities and other public services as they would also need to pay the Congestion Charge in some circumstances	9	We commissioned an independent IIA of the proposals from Mott MacDonald which was published online as part of the consultation. This considered the impact on disabled people. For the removal of the PHV discount, it noted that there could be minor adverse impacts on this group if it resulted in a reduction of access to PHVs for trips into the CCZ in charging hours. It noted that this was mitigated by the continued exemption for wheelchair-accessible PHVs and the range of other transport options available to passengers. In addition the IIA noted that there are local authority related exemptions.	GMB Union
298	Need more dynamic/ next generation of road pricing	8	Proposal 21 in MTS states that the Mayor and TfL will investigate this option.	Caroline Russell AM Centre for London Friends of the Earth LB Camden LB Hackney London Cycling Campaign Uber ViaVan

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
299	These measures will push pollution/poor air quality to other areas/times	8	We will continue to monitor traffic and pollution in London. There is no evidence that this is the case, incentivising green vehicles benefits areas and times beyond the Congestion Charging zone, as vehicles are used in these places.	
300	People will use cheaper transportation options	7	<p>The CEPA report commissioned by us to look into the impacts of removing the exemption predicts that most PHV customers will continue to choose PHVs to undertake their journeys, however customers will redistribute to the operator that offers the lowest price. The general perception of stakeholders involved in the CEPA study was that mode shift would be low and that operators with lower price increases would receive customers who have chosen to switch.</p> <p>This is also supported by the Oxera report.</p>	
301	Congestion charge is getting confused with other charges/pollution charges	5	Full information about the ULEZ and the Congestion Charge can be found on our website. In addition, if the Mayor confirms these proposals for implementation, we will contact customers who are currently registered for the ULED to advise them of the decision. The same will be done for PHV licensees.	
302	Need an overall review of the Congestion Charge	5	The Mayor, through TfL, will keep the Congestion Charge under review to ensure it meets its objectives and the policies and proposals of the Mayor's Transport Strategy.	<p>London Borough of Hackney</p> <p>London First</p>

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
				Caroline Russell AM Centre for London GMB Union
303	These measures will make cycling safer	5	<p>We have noted this comment and welcome the support.</p> <p>The Mayor's Transport Strategy uses the Healthy Streets Approach to plan our streets and transport networks, which encourages the use of active, efficient and sustainable modes of travel. As part of this, we need to keep the Congestion Charge under review, to ensure it remains effective in meeting its objectives to reduce traffic and congestion in central London and helps create streets where people choose to walk, cycle and use public transport. We hope that by introducing these measures, London street's will feel safer for cyclists and pedestrians.</p>	
304	These measures will make pedestrians safer	5	As per response 303	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
305	Would benefit disabled people who travel by bicycle	4	As per response 303	
306	Hardships for children	5	The Integrated Impact Assessment undertaken by Mott MacDonald to understand the impacts of the proposals indicated that the proposals may result in reduced congestion and improvements to air quality and health for all individuals going into and working or living within the CCZ. This includes children. The IIA did not identify any specific negative impact of the proposals on children.	
307	Hardships for those with mobility/health issues who do not qualify for a blue badge	4	<p>We commissioned an independent Integrated Impact Assessment of the proposals from Mott MacDonald which was published online as part of the consultation. This considered the impacts of the proposals.</p> <p>For the removal of the PHV discount, it noted that there could be minor adverse impacts if it resulted in a reduction of access to PHVs for trips into the Congestion Charging zone in charging hours. It noted that this was mitigated by the continued exemption for wheelchair accessible PHVs and the range of other transport options available to passengers including the Taxicard scheme and Dial-a-ride services. Black cabs are used to carry out around 90 per cent of Taxicard journeys and also provide support to Dial-a-Ride services.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
308	Hardships for cyclists	4	As per response 303	
309	Hardships for pedestrians	4	As per response 303	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
310	Breach in human rights of free unobstructed movement	3	<p>Section 6 of the Human Rights Act 1998 ('HRA') requires a public authority to act in a way which is compatible with the European Convention on Human Rights. As a public authority, the Mayor is obliged to consider possible interferences with people's Convention rights before deciding whether to implement the proposals that were consulted upon. There is no express right to free unobstructed movement recognised in the European Convention on Human Rights.</p> <p>Implementation of the consultation proposals implemented is not considered to give rise to an interference with the Convention rights of any person. Furthermore, any interference, if it were established would not be sufficiently significant to prevent the justification of the Mayor's action as a necessary and proportionate response having regard to such matters as the economic well-being of the country of which London is the capital city, the protection of health, the protection of the rights or freedom of others and the general interest..</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
311	The Congestion Charge is a regressive tax	2	<p>The classification of the Congestion Charge as a tax or some other type of payment is not considered relevant for the purposes of assessing whether the proposal to remove the PHV exemption should be implemented. That said, TfL has always distinguished the Congestion Charge from other compulsory payments levied by central Government where the payer does not receive anything directly in return. TfL has maintained that the Congestion Charge is a payment for the specific service of driving on roads within the CCZ which are less congested as a consequence of the scheme with the proceeds applied for the purpose of implementing the Mayor's Transport Strategy. This position is supported by the approach taken by the Office of National Statistics which has itself classified the congestion charge as a service charge rather than a tax because it includes the delivery of a service (use of the roads within a defined zone) in exchange for the payment.</p> <p>As has been stated previously in this table, the decision to exempt PHVs was made in 2002 when the current volume of licensed PHVs in general and circulating within the CCZ could not have been foreseen. It is recognised that removal of the exemption will have minor adverse impacts on PHV drivers and operators as is set out in the IIA. Notwithstanding these impacts, TfL is of the view that the exemption should no longer be offered for PHVs</p>	Addison Lee Group GMB Union

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			<p>other than those which are accessible to wheelchair-using passengers because the measure is necessary in order to address rising levels of congestion in the CCZ. If the exemption is removed, PHV drivers and operators will become liable for a charge which is currently payable by other drivers and vehicle owners who enter the CCZ in the course of carrying out their trade (unless they also qualify for an exemption). All drivers including PHV drivers will benefit from a reduction in congestion that is expected to result from PHVs being liable for the Congestion Charge.</p>	
312	<p>There should be a common criteria/terminology for highway charge discounts for low emission vehicles/work with LCVP to create one</p>	1	<p>As set out in the consultation materials, we took account of a range of factors in developing CVD criteria. This included for example the Plug In Car Grant (PICG) offered by the government. Additionally, part of the rationale of updating the ULED was to align it with the ULEZ standards.</p> <p>It should be noted that in the autumn budget (29 October), the Government announced changes to the PICG. Details of these changes are included in section 2.3.7-11.</p>	Low Carbon Vehicle Partnership
313	<p>Create a system to automatically take the Congestion Charge from vehicles entering the zone</p>	1	<p>We offer two automated payment methods for the Congestion Charge, Autopay and Fleet Autopay for business customers with over six vehicles. With both systems, We automatically record the number of charging days a vehicle travels within the charging zone each month and bills users each month.</p>	

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
314	TfL must publish the data behind its proposals	1	We published a wide range of data as part of the consultation materials. See also Appendix E and Appendix F.	Florence Eshalomi AM
315	Increase the amount of information on the changes to motorists	1	<p>We consulted extensively with all stakeholders over the 12 week consultation period.</p> <p>Information regarding to the proposals and other information can be found on our website</p> <p>If the proposals are implemented, we will write to all customers registered for the ULED (for the CVD proposal) and to PHV drivers (for the exemption proposal).</p>	Campaign for Better Transport
316	Pooled rides should be incentivised	1	The MTS recognises that new types of PHV service such as car sharing have emerged, as does the TPH Policy Statement (both 2018). There are no plans to incentivise these as part of the current proposals.	ViaVan
317	PHV standards should be raised instead of removing the exemption	1	<p>We were a participant in the recent DfT Task and Finish Group. Its report on 'Taxi and Private Hire Vehicle Licensing Steps towards a safer and more robust system' includes a recommendation for there to be minimum national standards and the full recommendation is below:</p> <p>Government should legislate for national minimum standards for taxi and PHV licensing -for drivers, vehicles and operators (see recommendation 6). The</p>	Addison Lee Group

Number	Issue	Number of respondents who raised the issue	Our response	Stakeholders who also raised the issue
			national minimum standards that relate to the personal safety of passengers must be set at a level to ensure a high minimum safety standard across every authority in England. Government must convene a panel of regulators, passenger safety groups and operator representatives to determine the national minimum safety standards. Licensing authorities should, however, be able to set additional higher standards in safety and all other aspects depending on the requirements of the local areas if they wish to do so.	
318	Comment about the consultation process	1	The consultation process is described in section 4.6 of this report. TfL met with stakeholders as described in Appendix I, including the Licensed Private Hire Car Association on 11 September. Additionally CEPA and Mott Macdonald met with PHV stakeholders as described in their reports (see Appendix B).	Licensed Private Hire Car Association

Table 18 - Issues raised that were concerned with the proposals more generally or in a non-specific way

5.8 Issues which were not related directly or indirectly to the proposals

- 5.8.1 We identified a number of issues which, in our judgement, were not related either to the proposals directly, or to a related matter. In our consideration, these unrelated issues would give no scope to amend the proposals, nor would they provide any substantive reason against implementing them.
- 5.8.2 All of the issues we identified, including those which we considered were not related directly or indirectly to the proposals, are listed in the two code frames developed by 2CV in Appendix C.
- 5.8.3 Should any respondent to our consultation wish to discuss with us an issue they raised which was not related directly or indirectly to our proposals (and so not included in the preceding six sections), please contact us at consultations@tfl.gov.uk

Chapter 6. Conclusions and recommendations

6.1.1 The Mayor is asked to consider this report and its appendices (which include the IIA, CEPA report and subsequent response, TfL's assessment of alternatives proposals put forward by a consultation respondent). He is also asked to consider whether further consultation, further information or the holding of a public inquiry is necessary or appropriate prior to deciding whether or not to confirm the Variation Orders. If the Mayor considers that further consultation and the holding of a public inquiry is not necessary or appropriate, it is recommended the Variation Orders are confirmed with the modifications described below.

Replacing the ULED with a CVD (in two phases); removing the ULED completely by 2025.

6.1.2 In the consultation questionnaire, 39 per cent of all respondents stated this proposal was important, and 44 per cent said it was not, with 17 per cent not expressing a strong view. Almost all stakeholders were in support of it with few opposing it. There was widespread recognition of the need to continue to take action to improve London's air quality and manage the number of vehicles eligible for the discount.

6.1.3 Among those who stated that they were currently registered for the ULED (some 20 per cent of respondents), almost half (48 per cent) did not think the change was important, while 36 per cent said it was. Among PHV drivers (who would not currently be registered for this discount but would be eligible in future if the Mayor approves removal of the PHV exemption), most (59 per cent) did not think it was important to make this change. With regard to the proposal to remove the ULED entirely in 2025, like the CVD proposal, this was considered not important by a majority across all groups: all respondents, all PHV driver respondents; and ULED registered respondents.

6.1.4 There was a range of views about the detail of the emissions standards and the implementation dates, with some taking the view these should be more demanding and introduced earlier, and some seeking a delay and less rigorous standards. There was support for a technology-neutral approach and many respondents noted the importance of charging infrastructure.

6.1.5 The IIA found no impacts with regard to groups with protected characteristics under the Equality Act from this proposal. There could be positive impacts on the health of people in London as a result of reduced vehicle emissions.

Removing the Congestion Charge exemption for PHVs except for designated wheelchair accessible PHVs

6.1.6 As described in Chapter 2, this proposal was put forward in order to help maintain the traffic volume and congestion reduction effects of the Congestion Charging scheme in the context of the significant adverse

impact that increased congestion has on London's economy, the health of Londoners (owing to the impact of poor air quality from vehicle emissions) and on the achievement of the MTS objectives, including the Healthy Streets approach. Two-thirds (66 per cent)⁹ of all respondents to the consultation stated that it was important for TfL to reduce traffic in London.

- 6.1.7 From stakeholders (which were not PHV-related) there was a clear majority of support for this proposal. This included the seven London boroughs which responded, and London Councils (representing 32 London boroughs and the City of London), as well as several environmental and sustainable transport groups. There was support for retaining the PHV exemption for designated wheelchair accessible PHVs.
- 6.1.8 Just over half (55 per cent) of all respondents said it was important to remove the PHV exemption. Among PHV drivers who responded (constituting a third of all respondents), this figure was nine per cent, with 90 per cent opposing this proposal.
- 6.1.9 The proposal was not supported by PHV trade associations, PHV operators and the London Assembly's Labour Group. In addition, a petition against the proposal (with over 5,300 signatures) was created by the Licensed Private Hire Car Association (LPHCA) and another petition and two sets of 'campaign' responses (11 and 80 responses) opposed the removal of the PHV exemption on grounds of its impact on drivers. A further campaign of 13 responses supported the proposal. The London Assembly also endorsed a motion (16 - 3) tabled by Gareth Bacon AM opposing the proposals on 6 September.
- 6.1.10 The issues raised from those opposing the proposal were: the impacts on PHV drivers, with respondents noting the potential disproportionate impact on BAME groups; the relatively small impact of the proposal on congestion and the uncertainty around the likely market response and the magnitude of the impacts associated with this.
- 6.1.11 The Mayor's attention is drawn to the IIA which was commissioned by TfL and published as part of the consultation materials. The findings of the IIA are summarised in Chapter 2 (section 2.5) and the IIA itself is attached at Appendix B.

⁹ We asked respondents to rank on a scale of 1 – 10 (1 being not important and 10 being very important) how important they felt it was that each of the proposals we had described in our consultation should be implemented. We additionally asked respondents to rank how important they felt it was for us to reduce traffic in London. For ease of reference, we have grouped and categorised respondents' ranking of the proposals and we will refer to these groupings throughout this chapter. We consider that respondents who rank a proposal from 7 – 10 would consider it 'important' that it be introduced, or could reasonably be said to be supportive of the proposal. Respondents who rank a proposal from 1 – 4 would consider it 'not important' that it be introduced, or could reasonably be said to be opposed to the proposal. We consider that respondents who rank a proposal from 5 – 6 would not have a strong view, or would be neutral.

- 6.1.12 In summary, the Equality Impact Assessment section of the IIA found that the proposal may have a minor adverse impact on the following categories of people: BAME PHV drivers; PHV drivers from deprived communities; older PHV passengers; disabled PHV passengers; and female PHV drivers and passengers.
- 6.1.13 The IIA also listed some positive impacts from both proposals, stemming from reductions in congestion and vehicle emissions, which would benefit everyone who lives in, works in or visits central London.
- 6.1.14 As well as identifying the potential impacts of the proposals, the IIA identified possible mitigations to these impacts such as TfL clearly setting out for PHV drivers when they may be eligible for alternative exemptions or discounts from the Congestion Charge and providing a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits. TfL proposes to inform PHV drivers and operators of the other exemptions and discounts that they may be eligible for if the proposals are confirmed by the Mayor. Information about the objectives of the Congestion Charging scheme is provided on TfL's website (tfl.gov.uk/congestioncharging) and in our Annual Report and Accounts. Up-to-date information about the impact of the scheme on traffic is also included in the annual Travel in London Reports which is also available on TfL's website.
- 6.1.15 With regard to alternatives, it was suggested that the exemption should also be removed from taxis (black cabs) because of the contribution they make to congestion in the zone. As stated in this report and also in the consultation materials, TfL considers that the specific regulatory rules which apply to taxis as regard compellability and routeing of trips and mandatory wheelchair accessibility as well as other accessibility features mean that it is not appropriate to make taxis subject to the Congestion Charge. Other alternative proposals put forward by Addison Lee Group are addressed in Appendix G.
- 6.1.16 It is also acknowledged that there is some uncertainty around the market response if the PHV exemption is removed. CEPA's report, and their further response to the Oxera report (Appendix B and Appendix E respectively) note this uncertainty and describe the analysis that has been undertaken, which includes input from PHV stakeholders. It should also be noted that the PHV market has changed significantly in recent years and is likely to continue to adapt to market conditions.
- 6.1.17 Additionally, the impact of the proposal on overall congestion in the Congestion Charging zone is likely to be relatively small – a one per cent reduction in overall traffic in the zone. Depending on how operators adapt, unique PHV entries could be reduced by around 45 per cent or c. 8,000 vehicles a day as fewer drivers enter the zone and some operators 'specialise' their fleets.

6.1.18 This one per cent is not an insignificant benefit in a location where the potential for more radical change (during charging hours) is very limited, but congestion is still very high.

Changing the boundary at Old Street

6.1.19 This proposal was supported by stakeholders. Very few comments were made on this proposal.

Minor administrative changes

6.1.20 This proposal was supported by stakeholders. Very few comments were made on this proposal

Recommended modifications to the Variation Orders

6.1.21 It is not proposed that any modifications should be made to the Congestion Charge Variation Order and the ULEZ Variation Order as a consequence of the consultation responses.

6.1.22 It is, however, recommended that a modification be made to both Variation Orders in order to accommodate a change in the timetable for the works at Old Street which necessitate amendment of the boundary of the Congestion Charging zone and, consequently, the ULEZ.

6.1.23 At the time of the making of the Variation Orders in June 2018, the date on which the Old Street roundabout works were to commence was unknown. Consequently, it was not possible to specify the date on which the boundary change which is necessitated by these works would come into force. Instead, it was decided to include a mechanism by which the relevant article could be brought into force at a later date through the publication by the Mayor of a notice in the London Gazette with a one month notice period being provided for and the appointed date not being earlier than 8 April 2019.

6.1.24 The Old Street roundabout works are now due to start earlier than anticipated although the precise date on which they will do so is still to be decided. At the time of drafting this Report, a date in mid-March is considered to be the likely commencement date of the works with the boundary change to take effect from that date rather than on completion.

6.1.25 So as not to preclude the boundary change taking effect from the date the works take place in March 2019, it is now proposed that the reference to 8 April 2019 in both Variation Orders is deleted. The precise modification that will be made is as follows:

- Removal of 8 April 2019 as the date not before which the Old St boundary change can come into force.

Justification for modifications

- 6.1.26 The modification recommended above would enable the minor boundary change to be aligned with the earlier start date for the works at Old Street. These works are an important part of the Mayor's Healthy Streets programme, helping to improve conditions for sustainable modes of transport.
- 6.1.27 The appointed date for the boundary change will still be subject to a minimum notice period of one month since the requirement to publish the date in the London Gazette one month prior to it coming into effect remains. One month notice period is considered adequate given the small number of people affected and, by analogy, the informal 21 day rule which applies to regulatory changes which are contained in statutory instruments.
- 6.1.28 Therefore, we recommend that the Mayor confirms the Variation Orders as modified. It is proposed that TfL be authorised to publish the London Gazette Notice on behalf of the Mayor after having first consulted the Deputy Mayor for Transport as to the appointed date. This does not require a modification to the Variation Orders themselves but a delegation will be provided for in a separate document (namely, the mayoral decision form).
- 6.1.29 If the Mayor decides to confirm the Variation Orders (with the proposed modifications), the changes would come into effect as follows alongside approved arrangements:
- **From 8 April 2019, the ULED will be discontinued.** Vehicles registered for this discount would no longer receive a discount and would have to pay the Congestion Charge to drive in the zone in charging hours or register for the CVD if their vehicle meets the criteria;
 - **From 8 April 2019, eligible vehicles (including eligible PHVs) can be registered for the new CVD.** The requirements are: Euro 6 standard, emit no more than 75g per km of CO₂ and have a minimum 20 mile zero emission capable range. This is CVD Phase 1;
 - **From 25 October 2021, the CVD requirements will change as follows:** electric vehicles only (including hydrogen fuel cell vehicles). This is CVD Phase 2. Vehicles registered for the earlier CVD (Phase 1) which do not meet these requirements would have to pay the Congestion Charge to drive in the zone during charging hours;
 - **From 25 December 2025, the CVD will be discontinued.** Vehicles which were registered for this discount would no longer receive a discount and would have to pay the Congestion Charge to drive in the zone in charging hours;
 - **From 8 April 2019, PHVs (except those designated wheelchair accessible and being used to undertake a booking) would no**

longer be eligible for the Congestion Charge exemption and would have to pay the charge to drive in the CCZ in charging hours;

- **On a date to be appointed (subject to one month's notice)**, a minor change would be implemented to the Congestion Charging zone boundary at Old Street which will also impact the boundary of the ULEZ;
- **From the day after the Mayor confirms the Congestion Charge Variation Order**, the minor administrative changes would be made to the Scheme Order (as described in 2.3.19 above).

We recommend that the Mayor confirms the Greater London (Central Zone) Congestion Charging (Variation) Order 2018 and the Greater London Low Emission Zone Charging (Variation) (No. 2) Order 2018 with the modification described above.

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Are our emails displaying well on your device? If not, allow images or [view online](#)

Home	Plan journey	Status update	Congestion Charge
			
<p>Dear ,</p> <p>We are proposing some changes to how discounts and exemptions from the Congestion Charge zone will work, and we would like to hear your views.</p> <p>The proposed changes are:</p> <ul style="list-style-type: none">• Replacing the 'Ultra Low Emission Discount' with a new phased 'Cleaner Vehicle Discount'• Removing the exemption for Private Hire vehicles so they would have to pay the central London Congestion Charge <p>For full details and to give us your feedback, please click the button below.</p> <p>SHARE YOUR VIEWS</p> <p>The closing date for comments is Friday 28 September 2018.</p> <p>Yours sincerely,</p>  <p>Alex Williams Director of City Planning</p> 			
Email sign up	Social Media	Fares & Payments	Maps

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Click [here](#) to report this email as SPAM.

Text of email to businesses at Old Street roundabout

To the Proprietor

Have your say on proposed changes to the Congestion Charge

I am writing to invite you to respond to a consultation we have launched today on proposed changes to the Congestion Charge.

We believe that our consultation is relevant to your business because we propose making a change to the Congestion Charging zone boundary at the Old Street roundabout. This change is necessary because we plan to make a number of improvements to the roundabout in 2019, pending planning consent from the London Borough of Islington (for details, see our website <https://tfl.gov.uk/travel-information/improvements-and-projects/old-street-roundabout>)

As part of the improvements we plan, we intend to provide a loading bay on the south-western side of the new junction. Our proposals would mean that this bay would in future be within the Congestion Charging zone. This would mean that anyone who wishes to use the bay and who does not qualify for a discount or exemption would need to pay the charge, or use it outside charging hours (The Congestion Charge is valid from 07:00 – 18:00 Monday to Friday. The charge does not apply outside of these times or at weekends. The Congestion Charge is £11.50 per day. However, you can reduce the costs by £1 a day with Auto Pay (registration costs £10 per vehicle). For details see <https://tfl.gov.uk/modes/driving/congestion-charge/auto-pay>).

The location of the bay and the new zone boundary are shown in the attached map which additionally shows how the Old Street roundabout would look in future, once our planned improvements had been completed.

We would like to know any comments you have about our proposals to change the Congestion Charging zone boundary at Old Street roundabout, or about any other aspects of our proposals. For further details and to submit a response, please see our website www.tfl.gov.uk/ccyourviews. You can alternatively submit your thoughts in writing to consultations@tfl.gov.uk or Freepost TfL Consultations. The closing date for comments is **Friday 28 September 2018**.

At the close of consultation we will collate all of the responses we receive into a report for the Mayor, who will decide how to proceed.

Yours sincerely

Nigel Hardy
Head of Programme Sponsorship

From: [TfL Consultations](#)
To: [TfL Consultations](#)
Subject: Have your say on proposed changes to the Congestion Charge
Date: 06 July 2018 11:57:24

Dear Sir or Madam

I am writing to invite you to respond to a consultation we have launched today on proposed changes to the Congestion Charge.

London's Congestion Charge, when it was first introduced in 2003, was a huge success. There was a 15 per cent reduction in traffic in the Congestion Charge zone, which led to a 30 per cent reduction in congestion, as well as improvements in air quality. We have found that average delays within the zone have been increasing, in part because there are an increasing number of vehicles entering the zone which are exempt from the charge or which receive a 100 per cent discount to it.

We believe that it is necessary to make two changes to the discounts and exemptions available for the Congestion Charge. These changes are as follows, and are designed to reduce traffic and congestion and help improve air quality:

- Replacing the Ultra Low Emission Discount with a new phased Cleaner Vehicle Discount
- Removing the exemption to the Congestion Charge for Private Hire Vehicles

We also propose some minor additional changes to the scheme, including amending the boundary of the zone at the Old Street roundabout, to reflect planned improvements there.

For further details and to reply, please see our website www.tfl.gov.uk/ccyourviews. You can also submit your thoughts in writing to consultations@tfl.gov.uk or **FREEPOST TFL CONSULTATIONS**.

The closing date for comments is **Friday 28 September 2018**. At the close of consultation we will collate all of the responses we receive into a report for the Mayor, who will decide how to proceed.

Yours sincerely

Alex Williams

Director of City Planning

Have your say on proposed changes to the Congestion Charge

We are proposing to make three changes to the Congestion Charge to help reduce traffic and improve air quality in the zone:

- Replacing the Ultra Low Emission Discount with a new phased Cleaner Vehicle Discount
- Removing the exemption for private hire vehicles (minicabs) so they would have to pay the central London Congestion Charge
- Amending the Congestion Charge boundary at Old Street to allow for improvements for walking and cycling

Consultation ends 28 September 2018

To find out more and provide us with your views please visit tfl.gov.uk/ccyourviews

Have
your
say



GREATER LONDON AUTHORITY ACT 1999

CONGESTION CHARGING

TRANSPORT FOR LONDON, as the charging authority, hereby gives notice that it has made two Orders under Schedule 23 to the Greater London Authority Act 1999 entitled the Greater London (Central Zone) Congestion Charging (Variation) Order 2018 ('the Congestion Charging Variation Order') and the Greater London Low Emission Zone Charging (Variation) (No. 2) Order 2018 ('the ULEZ Variation Order').

The Congestion Charging Variation Order further amends the Greater London (Central Zone) Congestion Charging Order 2004 which was made by Transport for London on 30 September 2004, confirmed with modifications by the Mayor of London on 27 October 2004 and has subsequently been varied.

The Congestion Charging Variation Order contains the following proposed changes:

- 1) Replacement of the Ultra Low Emission Discount with a phased discount for zero emission capable vehicles and zero emission vehicles;
- 2) Removal of the exemption to the Congestion Charge for private hire vehicles excluding designated wheelchair-accessible private hire vehicles;
- 3) Alteration of the boundary of the Congestion Charge Zone at the Old Street roundabout;
- 4) Deletion of out of date references to registration requirements under the Vehicle Excise and Registration Act 1994.
- 5) Updating the reference to the Ultra Low Emission Zone commencement date for residents.

The ULEZ Variation Order amends the Greater London Low Emission Zone Charging Order 2006 which was made by TfL on 22 October 2014 and confirmed with modifications by the Mayor on 23 March 2015. It has subsequently been varied including to provide for the creation of the Ultra Low Emission Zone ('ULEZ') covering an area of central London contiguous with the Congestion Charging Zone.

The ULEZ Variation Order contains the following proposed change:

- 1) Alteration of the boundary of the ULEZ at the Old Street roundabout.

Transport for London invites the making of representations on, or objections to, the proposed changes. Any representations that are submitted must be made in writing, specify the grounds on which they are made and be received by Transport for London **by 28 September 2018**.

Copies of the Variation Orders and other supporting documents may be inspected during business hours at the offices of Transport for London located at Endeavour Square, Stratford, London E20 1JN (Please ask for Andrew Miles, Consultation Specialist).

This information is also available on: www.tfl.gov.uk/ccyourviews or may be obtained by emailing consultations@tfl.gov.uk Representations may be sent to this email address or by post to: **Freepost TfL Consultations**

Gareth Powell
Managing Director, Surface Transport

Dated: 6 July 2018



Friday 6 Jul 2018

TfL Press Release - Changes proposed to Congestion Charge discounts and exemptions to reduce traffic and improve air quality



PN-103

- Plans to replace the Ultra Low Emission Discount with a new Cleaner Vehicle Discount as part of the drive to clean up the capital's toxic air
- Proposal to remove exemption from the Congestion Charge for private hire vehicles to tackle traffic caused by rising numbers entering the zone

Transport for London (TfL) has today (6 July) launched a public consultation on measures to reduce

traffic and improve air quality in central London. The new proposals would see the exemption from the Congestion Charge for private hire vehicles (PHVs) removed and the introduction of a new Cleaner Vehicle Discount to replace the Ultra Low Emission Discount.

It is proposed that these changes would take effect from 8 April 2019, and by ensuring that the emission standard for those receiving a full discount are tighter than the Ultra Low Emission Zone (ULEZ), would help to further drive demand for the greenest vehicles.

Since the Congestion Charge launched fifteen years ago, the number of vehicles entering the zone every day has decreased by around 30 per cent. However, over the same period, the number of different PHVs entering the zone in charging hours has gone from an expected 4,000 a day, to more than 18,000, with knock on impacts on air pollution and congestion in central London.



TfL Image - Congestion Charge 01

Alex Williams, TfL's Director of City Planning, said: "If we are to clean up the capital's toxic air and tackle congestion in central London, we need to have the appropriate incentives as well as the right interventions.

"The Congestion Charge has had a real impact on improving London's roads for all since it launched fifteen years ago. However, over that time the availability and standard of low-emission vehicles has greatly advanced and the number of private hire vehicles entering the zone during charging hours has rocketed. It is only right that we keep the discounts and exemptions for the scheme under review to make sure it continues to be effective."

Analysis carried out for TfL indicates that the removal of the PHV Congestion Charge exemption could reduce the number of individual PHVs entering central London by up to 45 per cent. Removing these vehicles, which often repeatedly circulate within the zone, could reduce congestion and improve journey times for bus passengers, while reducing emissions. It is proposed that the exemption would remain for wheelchair accessible PHVs, to support TfL's commitment to make the capital an accessible city for all.

The consultation seeks views on replacing the Ultra Low Emission Discount with a new phased Cleaner Vehicle Discount from 8 April 2019. The current Ultra Low Emission Discount applies to cars or vans that meet the Euro 5 standard for air quality, as well as emitting 75g/km or less of CO². The first phase of changes proposed would mean only zero-emission capable vehicles will not have to pay the Congestion Charge on environmental grounds. It is expected that, if the changes are made, around 10 per cent of the vehicles currently eligible will no longer receive a discount.

To encourage the uptake of the cleanest vehicles and support the ambition in the Mayor's Transport Strategy for zero-emission road transport by 2050, there will a further tightening of the Cleaner Vehicle Discount in October 2021, with only pure electric vehicles qualifying. Further consideration will be given to future incentives for the uptake of zero-emission vehicles after 2025, which, subject to consultation, could include a central London zero-emission zone.



TfL Image - Private Hire Vehicle

Bridget Fox, Sustainable Transport Campaigner at Campaign for Better Transport, said: "The Congestion Charge plays a vital role in cutting unnecessary traffic, keeping London moving and helping clean up our dirty air. It's right that TfL is keeping the Congestion Charge under review and integrating it with other clean air measures. We hope Londoners will take this opportunity to speak up for healthier streets."

London's population is set to expand from 8.7 million to 10.5 million over the next 25 years, generating more than five million additional trips each day across the transport network. To address this challenge the Mayor has set a bold target that 80 per cent of all trips are made on foot, by bike or public transport by 2041, which will reduce congestion and improve air quality. In addition to the proposals in this consultation, congestion is being tackled through a wider range of measures including reducing the time taken to clear up unplanned incidents, reviewing traffic signal timings, re-routing bus routes to avoid the busiest central London streets, and ensuring utilities and roadworks are better coordinated. If no further action is taken to reduce congestion, GLA figures

show that by 2041, three days would be lost per person every year due to congestion on roads, and 50,000 hours would be lost to slower bus speeds in the morning peak every day.

The Mayor has ensured public transport is both affordable and convenient with the TfL fares freeze and bus hopper fare, and along with increased rail capacity and improvements for cycling and walking, central London has a wide range of efficient and accessible transport options.

As part of the changes to Old Street roundabout to make the area more pedestrian and cycle friendly, it is also proposed there will be minor changes to the Congestion Charge and Ultra Low Emission Zone boundary to reflect the new road layout.

Contact information

TfL Press Office
Transport for London
0343 222 4141
pressooffice@tfl.gov.uk

Notes to editors

- When the Congestion Charge was launched it was not mandatory for PHVs to be licensed, so TfL granted an exemption to encourage operators and drivers to become licensed with TfL, allowing TfL to improve passenger safety. Now that all PHVs are required to be licensed this incentive is no longer needed.
- Two reports were conducted into the potential impact of the proposed changes. An Integrated Impact Assessment, which considers the likely health, equality, economic and business, and environmental impacts of TfL's proposals and a report by Cambridge Economic Policy Associates (CEPA) into the impact of the proposed PHV exemption removal on the private hire industry in London. The reports can be found at the following link: tfl.gov.uk/ccyourviews
- The number of taxis entering the zone has stayed broadly the same since the Congestion Charge was introduced. It is proposed that black cabs will retain their exemption as the fleet is 100 per cent accessible, providing a vital service to disabled Londoners in the heart of the capital. Taxis are also compelled by law to take any fare under 12 miles, meaning drivers have no choice about whether they cross the boundary.
- The new Cleaner Vehicle Discount will mean that only vehicles which meet Euro 6 standards (petrol and diesel), emit no more than 75g/km of CO² and have a minimum 20 mile zero-emission capable range will qualify. From 2021, only electric vehicles with zero CO² emissions at tailpipe will qualify. The discount will cease to be offered from 2026.
- Private hire vehicles that meet the Cleaner Vehicle Discount criteria will be exempt from the Congestion Charge.
- The consultation closes on Friday 28 September. More details can be found at: tfl.gov.uk/ccyourviews

Downloads



TfL Image - Congestion
Charge 02
[View](#) | [Download](#)



TfL Image - Congestion
Charge 01
[View](#) | [Download](#)



TfL Image - Private Hire
Vehicle
[View](#) | [Download](#)

List of stakeholders invited to respond to the consultation

AA	Gareth Johnson MP	MS Society
Abellio	Gareth Thomas MP	National Autistic Society
Abellio London Limited/ Abellio West London Limited	Gatwick Airport	National Autistic Society
Access in London	GBM Drivers	National Express Ltd
Action Disability Kensington & Chelsea	GeoPost UK	National Grid
Action on Disability	GLA Strategy Access Panel members	National Grid
Action on Disability and Work UK	Gnewt Cargo	National Grid - electricity
Action on Hearing Loss	Golden Tours (Transport) Ltd,	National Motorcycle Council
Action on Hearing Loss (formerly RNID)	Grant Shapps MP	Navin Shah AM
Action on Hearing Loss (RNID)	Greater London Authority	NCBI London
Age Concern London	Greater London Forum for Older People	Neighbourcare St John's Wood & Maida Vale
Age UK	Greater London Forum for the Elderly	Neil Coyle MP
Age UK London	Greenwich Cycling Group	New West End
ALDI Chelmsford	Greenwich Safer Transport Team	New West End Company
All Party Parliamentary Cycling Group	Greenwich Society	Newham Safer Transport Team
Alliance Healthcare	Greg Hands MP	NHS Ambulance Services - West London
Alzheimer's Society	Guide Dogs for the Blind Association	NHS CCG Bromley
Anderson Travel Ltd,	HA Boyse and Son	NHS CCG Camden
Andrew Boff AM	Hackney Community Transport HCT	NHS Ealing Care Commissioning Group (CCG)
Andrew Dismore AM	Hackney CVS	NHS London
Andrew Rosindell MP	Hackney Safer Transport Team	NHS Newham CCG

Andy Slaughter MP	Hammersmith & Fulham Safer Transport Team	NHS Tower Hamlets CCG
Ann Frye	Hammersmith London	Nick Hurd MP
Anxiety Alliance	Hampstead BID	Nicky Gavron AM
Anxiety UK	Haringey Safer Transport Team	Nissan
Argos	Harriet Harman MP	No Panic
Arriva London North Limited/ Arriva London South Limited/ Arriva Kent Thameside/ TGM Group Limited/ Arriva The Shires Ltd	Harrow Association for Disabled People (HAD)	North West London Hospitals NHS Trust
Arriva London North Ltd,	Harrow Community Transport	Northbank BID
AS Watson (Health and Beauty UK)	Harrow Macular Disease Society	Norwood Green Residents' Association
Asda	Harrow Passenger Transport Users Association	Nutmeg
Asian Peoples Disabilities Alliance	Harrow Safer Transport Team	Ocean Youth Connexions
Aspire	Harrow Town Centre	Office Depot
Association of British Drivers	Harrowby and District Residents Association	Oliver Dowden MP
Association of Car Fleet Operators	Hatton Gardens	On Your Bike Cycle Training
Association of International & Express Couriers	Havering Community Transport Limited	Onkar Sahota AM
Association of Town Centre Management	Havering Safer Transport Team	Organisation of Blind Afro Caribbeans (OBAC)
ATCoaches t/a Abbey Travel,	Health Poverty Action	Orpington District Transport Users Association
ATOC	Hearing Dogs UK	Osterley and Wkye Green Residents's Association (OWGRA)
BAA Heathrow	Heart of London	Paddington Residents Active Concern On Transport (PRACT)
Baker Street Quarter	Heart of London Business Alliance	Pan-London Dementia Alliance

Bambos Charalambous MP	Heatham Alliance community network	Parkinson's UK
Bankside Residents' Forum	Heathrow Airport Consultative Committee	Parliamentary Advisory Council for Transport Safety (PACTS)
BAPS Swaminarayan Sanstha	Heidi Alexander MP	Paul Scully MP
Barking & Dagenham Safer Transport Team	Helen Hayes MP	Peter Whittle AM
Barking and Dagenham NHS Care Commissioning Group	Herne Hill Society	Petts Wood & District RA
Barking, Havering and Redbridge University Hospitals NHS Trust	Highgate Society	Peugeot
Barnes Community Association	Hillingdon Safer Transport Team	philip kemp cycle training
Barnet Community Transport	Homerton University Hospital NHS Foundation Trust	Pimlico FREDA
Basildon and Brentwood NHS Care Commissioning Group	Honda Motor Europe Ltd	Port of London Authority
Battersea Society	Hounslow Safer Transport Team	Powerscroft Road Initiative for Neighbourhood Community & Environment
Belgravia Residents Association	House of Commons	Private Hire Board
Belmont & South Cheam Residents' Association	HR Richmond Ltd t/a Quality Line,	Purley BID
Belsize Park Residents' Association	Iain Duncan Smith MP	Putney BID
Belvedere Community Forum	ICE -London	Putney Society
Best Bike Training //Cycletastic	IDAG	Putney Traffic Transport and Parking Working Group
Better Bankside	Ilford	Puzzle Focus Ltd
Better Bankside BID	In & Around Covent Garden	Queen Mary University of London
Better Transport	In Holborn	RAC
Bexley Community Transport Scheme	In Streatham	RAC Motoring Foundation

(BATS)		
Bexley NHS Care Commissioning Group	Inclusion London	Race Equality Foundation
Bexleyheath BID	Independent Disability Advisory Group	Raynes Park & West Barnes Residents' Association
bhs bikeability	Institute for Sustainability	Reach Society
Bidvest Logistics	Institute of Advanced Motorists	Redbridge Cycling Centre
bikeXcite	Institute Of Couriers	Redbridge Safer Transport Team
Blackheath Joint Working Party	Institution of Civil Engineers	Renault
Blue Triangle Buses Limited / Docklands Buses Limited / London Central Bus Company Limited / London General Transport Services Limited / Metrobus Limited	IOD	Residents Society of Mayfair and St James's
Bob Blackman MP	Islington Safer Transport Team	Reynolds
Bob Gardiner MP	Islington Transport Aware	Richard Harrington MP
Bob Neill MP	James Bikeability	Richmond and Kingston Accessible Transport
Bob Stewart MP	James Brokenshire MP	Richmond BID
Boris Johnson MP	Jennette Arnold AM	Richmond Safer Transport Team
Borough Cycling Officers Group	Jeremy Corbyn MP	Riverford
Brains Trust	JFS	RMT London Taxi
Brakes Group	Jim Fitzpatrick MP	RMT Union
Breakspears Road Project	Jo Johnson MP	RNIB
Brent Community Transport	Joan Ryan MP	Road Danger Reduction Forum
Brent Safer Transport Team	Joanne McCartney AM	Road Haulage Association

Brentford Community Council	John Cryer MP	Road Haulage Association (RHA)
Brentwood Community Transport,	John Lewis	Roadpeace
Brewery Logistics Group	John Lewis Partnership	Roseana Allin-Khan MP
Brewing, Food & Beverage Industry Suppliers Association	John McDonnell MP	Royal Borough of Greenwich
British Airways	John Ruskin College	Royal Borough of Kensington and Chelsea
British Association of Removers	Joint Committee on Mobility for Disabled People (JCMD)	Royal Borough of Kingston Upon Thames
British Beer & Pub Association (BBPA)	Joint Committee on Mobility of Blind and Partially Sighted People (JCMBPS)	Royal Institute of British Architects
British Cycling	Joint Mobility Unit	Royal Institute of Chartered Surveyors
British Land	Jon Cruddas MP	Royal London Society for Blind People
British Medical Association	Julia Dockerill MP	Royal Mail
British Motorcycle Federation	Justine Greening MP	Royal Mail Group
British Motorcyclists Federation	Karen Buck MP	Royal mAILParcel Force
Brixton	Kate Hoey MP	Royal Parks
Bromley & District Consumer Group	Kate Osamor MP	Royal Society of Blind Children
Bromley BID	Keith Prince AM	Royal Town Planning Institute (RTPI)
Bromley Safer Transport Team	Kelly Group	Runnymede Trust
BT	Kensington & Chelsea Safer Transport Team	Rushanara Ali MP
Bucks Cycle Training	Kingston First	Ruth Cadbury MP
Bus Watch West Haringey	Kingston Safer Transport Team	Sainsbury's Supermarkets
C T Plus C I C	KIPPA	Sam Gyimah MP
Camden Safer Transport Team	Kwasi Kwarteng MP	Sarah Jones MP

Camden Town unlimited	Lambeth Cyclists	School
Campaign for Better Transport	Lambeth Safer Transport Team	Scope
Campbell's	LB of Bromley Residents Association	Seema Malhotra MP
Canal & River Trust London	Learning Disabled service User	SeLVIS
Canary Wharf Management Ltd	Len Duvall AM	Sense
Capital City School Sport Partnership	Leonard Cheshire Disability	Shaun Bailey AM
Carers Information Service	Leonie Copper AM	Sian Berry AM
Caroline Pidgeon AM	Lewisham Clinical Commissioning Group	Sight Centre in Bromley
Caroline Russell AM	Lewisham community Transport group	Siobhan McDonagh MP
Carousel	Lewisham Safer Transport Team	Sir Keir Starmer MP
Catherine West MP	Licenced Private Hire Car Association	Sir Michael Fallon MP
CBI	Licenced Taxi Drivers Association	Sir Vince Cable MP
CCG Central London (WESTMINSTER)	Licensed Taxi Drivers Association	SITA UK
CCG City and Hackney	Living Streets	Sixty Plus
CCG Enfield	Living Streets - Brentwood	Smiths News
CCG Greenwich	Living Streets - Hackney	Society of Motor Manufacturers and Traders (SMMT)
CCG Havering	Living Streets - Islington	Soho Society
CCG Hounslow	Living Streets - Kings Cross (Camden)	South Bank Employers' Group
CCG Islington	Living Streets - Lewisham	South Bermondsey Partnership
CCG Kingston	Living Streets - Merton	South Bucks CycleTraining
CCG Wandsworth	Living Streets - Newham	South East Bayswater Residents Association
Cemex	Living Streets - Sutton	South East London Vision
Central Ealing Neighbourhood Forum	Living Streets - Tower Hamlets	South Greenwich Forum

Central London CTC	Living Streets Action Group	South Herts Plus Cycle Training
Central London Forward	Living Streets London	South Leytonstone Area Development Association (SLADA)
Central London Freight Quality Partnership	Living Streets Southwark	South Mobility Forum Croydon
Central London NHS Trust	London Ambulance Service	South Mobility Forum Merton
Charles Walker MP	London Association of Funeral Directors	South Mobility Forum Richmond
Charlton Rail user Group	London Bike Hub	South Mobility Forum Wandsworth
Chartered Institute of Logistics and Transport (CILT)	London Borough of Barking & Dagenham	Southbank BID
Chauffeur and Executive Association	London Borough of Barnet	Southwark Safer Transport Team
Cheapside BID	London Borough of Bexley	Southwark Travellers' Action Group
Chelsea Society	London Borough of Brent	Spokes Cycling Instruction
Chessington District Residents Association	London Borough of Bromley	St Germans Terrace Association
Chris Philp MP	London Borough of Bromley	St Helen's Residents' Association
Chuka Umunna MP	London Borough of Camden	St John's Wood Society
Citizens UK	London Borough of Croydon	Station to Station
Citroen	London Borough of Ealing	Stella Creasy MP
City Bikes (Vauxhall Walk)	London Borough of Enfield	Stephen Hammond MP
City of London	London Borough of Hackney	Stephen Timms MP
City of London Access Group	London Borough of Hammersmith and Fulham	Steve O'Connell AM
City of London Police	London Borough of Haringey	Steve Pound MP
City of Westminster	London Borough of Harrow	Steve Reed MP
CitySprint	London Borough of Havering	Strategic Access Panel
Clapham Society	London Borough of Hillingdon	Stratford Original

Clapham Transport Users Group	London Borough of Hounslow	Strawberry Hill Neighbourhood Association
Clear Channel UK	London Borough of Islington	Streatham BID
Clive Efford MP	London Borough of Lambeth	Streatham Vale Property Occupiers Association
Collect Plus	London Borough of Lewisham	Stroke Association
Computer Cab	London Borough of Merton	Stroud Green Residents Association
Confederation of Passanger transport	London Borough of Newham	Sullivan Bus and Coach
Confederation of Passenger Transport U.K	London Borough of Redbridge	Sustrans
Confederation of Passenger Transport UK	London Borough of Richmond	Sutton Centre for Voluntary Sector
Connect	London Borough of Richmond-Upon-Thames	Sutton Community Transport
Coop	London Borough of Richmond-Upon-Thames and Wandsworth	Sutton Rail Users' Forum
Coulsdon & Purley Road Users Forum	London Borough of Southwark	Sutton Seniors Forum
Coulsdon College	London Borough of Sutton	Tanmanjeet Singh Dhesi MP
Coumminity Transport Group Hounslow	London Borough of Tower Hamlets	Team London Bridge
Covent Garden Markets Authority (CGMA)	London Borough of Waltham Forest	Team Margot
Crispin Blunt MP	London Borough of Wandsworth	Teresa Pearce MP
Cross River Partnership	London Borough of Wandsworth and London Borough of Richmond	Thames Water
Croydon Accessible Transport (CAT)	London Borough of Westminster	The Advocacy Project
Croydon BID	London Bridge Team	The Association of Guide Dogs for the Blind
Croydon College	London Brough of Hammersmith and Fulham	The Big Bus Company Ltd,

Croydon Safer Transport Team	London Cab Drivers Club	The Blackheath Society
Croydon Transport Focus	London Chamber of Commerce and Industry (LCCI)	The British Dyslexia Association
CTC	London City Airport	The British Motorcyclists' Federation
CTC, the national cycling charity	London Councils	The Canal & River Trust
Cycle Confidence	London Cycling Campaign	The Clapham Society
Cycle Experience	London Cycling Campaign (Brent)	The Clubhouse
Cycle Newham	London Cycling Campaign (Camden)	The Co-operative Group
Cycle Systems	London Cycling Campaign (Croydon)	The Driver-Guides Association
Cycle Training UK (CTUK)	London Cycling Campaign (Ealing)	The Fitzrovia Partnership
Cyclelyn	London Cycling Campaign (Enfield)	The Langton Way Residents Association
Cycle-wise Thames Valley	London Cycling Campaign (Hackney)	The London Legacy Development Corporation
Cycling Embassy of Great Britain	London Cycling Campaign (Hammersmith and Fulham)	The Monitoring Group
cycling4all	London Cycling Campaign (Haringey)	The Original Tour
Cyclists in the City	London Cycling Campaign (Hillingdon)	The Royal Parks
DABD (UK)	London Cycling Campaign (Islington)	The Westcombe Society
Dame Cheryl Gillan MP	London Cycling Campaign (Kensington and Chelsea)	Theresa Villiers MP
David Evennett MP	London Cycling Campaign (Kingston)	This is Clapham
David Gauke MP	London Cycling Campaign (Lambeth)	Thomas Pocklington Trust
David Kurten AM	London Cycling Campaign (Lewisham)	Thorney Island Society
David Lammy MP	London Cycling Campaign (Merton)	Three Rivers District Council
David Warburton MP	London Cycling Campaign (Newham)	TKMaxx

Dawn Butler MP	London Cycling Campaign (Redbridge)	TNT
Dbrief Monthly	London Cycling Campaign (Richmond)	Tom Brake MP
Department for Transport	London Cycling Campaign (Southwark)	Tom Copley AM
Department for Transport	London Cycling Campaign (Tower Hamlets)	Tony Arbour AM
Department of Transport	London Cycling Campaign (Waltham Forest)	Tony Devenish AM
DHL	London Cycling Campaign (Wandsworth)	Tour Guides
DHL UK	London Cycling Campaign (Westminster)	Tower Hamlets Community Transport
Dial-a-Cab	London Cycling Campaign Greenwich	Tower Hamlets Safer Transport Team
Dianne Abbot MP	London European Partnership for Transport	Tower Transit Operations
Direct Line Group	London Fire and Emergency Planning Authority	Toyota
Disability Alliance	London Fire Brigade	TPH for Heathrow Airport
Disability Network Hounslow	London Fire Brigade Service	Tradeteam
Disability Rights UK	London First	Trailblazers, Muscular Dystrophy UK
Disabled Go	London General	Transport Focus
Disabled Motoring UK	London Gypsies & Travellers	Transport for All
Disabled Persons Transport Advisory Committee	London Older People's Strategy Group	Transport for London
Disablement Association Barking and Dagenham (DABD)	London Private Hire Board	Try Twickenham
Dogs for Good	London Region National Pensioners Convention	Tulip Siddiq MP

DPDgroup UK	London Riverside	Twickenham Park Residents' Association (TPRA)
DPTAC	London Strategic Health Authority	Tyssen Community School Cycle Training
Dr Rupa Huq MP	London Suburban Taxi-drivers' Coalition	Uber
Ealing BID	London TravelWatch	UK Power Networks
Ealing Broadway BID	London United Busways Ltd,	Unions Together
Ealing Community Transport (ECT Charity)	London Visual Impairment Forum	Unite the Union
Ealing Passenger Transport Users' Group	London Wetland Centre (South)	Unite the union London Central Cab Section
Ealing Safer Transport Team	London Wetland Centre, Richmond	Unite Union
East and South East London Thames Gateway Transport Partnership	London Wildlife Trust	University College Hospital
East Finchley Bus Watch	Look Ahead	University College London
East London Bus and Coach Company Ltd/ South East London and Kent Bus Company Ltd	Loomis UK	Universitybus Ltd / UNO
East London Vision	Love Wimbledon	Unknown
East Surrey Rural Transport Partnership t/a Polestar Travel,	Lupus UK	Unmesh Desai AM
East Surrey Transport Group	Lyn Brown MP	UPS
Ed Davey MP	Manor Grove Residents Association. Richmond	Valuing People (TfL's learning disability group)
EDF Energy	Marble Arch	Vandome Cycles
Edmonton CLP	Margaret Hodge MP	Vauxhall
Ehlers Danlos Support UK	Mark Field MP	Vauxhall Gardens Estate Tenants & Residents Association

ELB Partners	Marks & Spencer	Vauxhaull One
Eleanor Laing MP	Marks & Spencer (Food)	Vicky Foxcroft MP
Ellie Reeves MP	Marsha de Cordova MP	Victoria BID
Emily Thornberry MP	Martin-Brower UK	Victoria Business Improvement District
Emma Dent Coad MP	Marylebone Association	Virendra Sharma MP
Enfield Community Transport (ECT)	Matthew Offord MP	Virtual Norwood Forum
Enfield Safer Transport Team	Matthew Pennycook MP	Vision 2020
Enfield, Grovelands Residents' Association	McNicholas	Volkswagen
English Heritage	Medway Estate Residents' Forum	Volvo
English Heritage - London	Meg Hillier MP	Walk London
Ensignbus	Mencap	Waltham Forest Safer Transport Team
Epsom Coaches / Quality Line	Mercedes Benz	Wandsworth Community Transport
Essex County	Merton and Sutton Safer Transport Team	Wandsworth Cycling Campaign
Euromix Concrete	Merton Community Transport (MCT) Mitcham	Wandsworth Safer Transport Team
European Dysmelia Reference Information Centre	Metrobus Ltd,	Warburton
Eurostar Group	Metroline Ltd	Waterloo Quarter
Evolution Cycle Training	Metroline Travel Limited/ Metroline West Limited	Wes Streeting MP
Evolution Quarter Residents' Association	Metropolitan Police Heathrow Airport	West Chiswick and Gunnersbury Society
Farringdon and Clerkenwell	Metropolitan Police	West Hampstead Amenity And Transport
Federation of Wholesale Distributors (FWD)	Metropolitan Police - Community Police	West Hampstead Amenity and Transport
Fiona Twycross AM	Metropolitan Police service	West London Alliance

Fitzrovia Neighbourhood Association	Metropolitan Police Service - NE TMU	West Twyford Residents' Association
Florence Eshalomi AM	Metropolitan Police Service - NW TMU Islington, Barnet, Haringay, Camden	Westminster Cyclists
Ford	MI6	Westminster Safer Transport Team
Fowler Welch	Mike Freer MP	Westway Community Transport
Freight Transport Association	Mike Gapes MP	Wheels for Wellbeing
Friends of Capital Transport	MIND	Whitbread Group
Friends of the Earth	MITIE	Whizz-Kidz
Future Inclusion	Mobile Cycle Training Service	Willow Lane BID
Gareth Bacon AM	Motorcycle Action Group	Wilson James
	Motorcycle Action Group (MAG)	Wincanton Group
	Motorcycle Industry Association	www.cyclinginstructor.com
		Yiewsley & West Drayton Town Centre Action Group
		Zac Goldsmith MP

Appendix B– Table of contents

Consultation materials: <ul style="list-style-type: none">• Summary page• Why replace the Ultra Low Emission Discount• Why remove the exemption to the Congestion Charge for Private Hire Vehicles?• Additional changes to the Congestion Charge	2
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CEPA Report 'TfL-PHV Congestion Charge study	20
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Have your say on proposed changes to the Congestion Charge

Overview

London's Congestion Charge, when it was first introduced in 2003, was a huge success. There was a 15 per cent reduction in traffic in the Congestion Charge zone, which led to a 30 per cent reduction in congestion, as well as improvements in air quality. Without a doubt, congestion in central London would be much more significant if the Congestion Charge scheme were not in place.

The Mayor's Transport Strategy, published in March 2018, uses the Healthy Streets Approach to plan our streets and transport networks, which encourages people to use active, efficient and sustainable modes of transport, and reduce car use. As part of this, we need to keep the Congestion Charge under review, to ensure it remains effective in reducing the use of cars in central London and helps create streets where people choose to walk, cycle and use public transport. We have found that average delays to journeys within the zone have been increasing. This is partly because there are an increasing number of vehicles entering the zone which are exempt from the charge or which receive a 100 per cent discount. Currently, only around 50 per cent of the vehicles entering the zone during charging hours are liable to pay the full amount.

As a result, we believe that it is necessary to make two changes to the discounts and exemptions available for the Congestion Charge. These changes are designed to reduce traffic and congestion which is expected to have a consequential beneficial impact on air quality and, in the case of updating the 'green discount', incentivise the use of low emission vehicles in the zone. In addition to these two changes, we also propose a number of additional minor changes to the scheme, including amending the scheme boundary at the Old Street roundabout to reflect the planned improvements there.

We would like to hear from anyone who has a view. At the close of our consultation we will present all of the issues raised to the Mayor, who will make a final decision on how to proceed.

About our consultation

This consultation is concerned with several changes we propose to make to the Congestion Charge scheme. The most significant changes are:

- Replacing the Ultra Low Emission Discount (ULED) with a new phased Cleaner Vehicle Discount (CVD)
- Removing the exemption to the Congestion Charge for most Private Hire Vehicles (PHVs)

We have considered what impacts these proposals might cause, and have described these in summary terms. Our understanding of the impacts of the proposals has been aided by two independent reports we have commissioned. The first, called the 'TfL-PHV Congestion Charge study, was an assessment of the effect of the proposed removal of the PHV exemption on the private hire industry. The second

was an Integrated Impact Assessment of our proposals. We have published both reports in full. We have also included a copy of the Variation Order to the Scheme Order which, if confirmed by the Mayor, would enable us to implement the changes we have proposed.

We also propose to make several minor changes, as follows:

- Changing the boundary of the Congestion Charge zone at Old Street roundabout
- Changing references to Driver and Vehicle Licensing Northern Ireland in the Scheme Order
- Updating the reference to the Ultra Low Emission Zone (ULEZ) commencement date in the Scheme Order

The changes to the Congestion Charge boundary at Old Street roundabout will also affect the ULEZ boundary from when the ULEZ is introduced in April 2019 to when it is expanded to inner London in October 2021. This is because the initial ULEZ boundary matches the boundary of the Congestion Charge scheme.

We would like to know any thoughts you might have about our proposals, including if you believe that they would cause any particular hardships for any group of road users.

We have prepared an online questionnaire, although you can also send us your own response in writing. Our email address is consultations@tfl.gov.uk and our postal address is **Freeport TfL Consultations**. The closing date for comments is **Friday 28 September 2018**.

The following sections describe our proposals in more detail. To jump to a particular section, simply click on the relevant section heading. Alternatively, please select the link 'Submit my views' if you wish to complete our questionnaire without reading further details about our proposals. The link to our questionnaire is also repeated at the bottom of this page.

[Submit my views](#)

[About the Congestion Charge](#)

[Why amend the Ultra Low Emission Discount?](#)

[Why remove the exemption to the Congestion Charge for Private Hire Vehicles?](#)

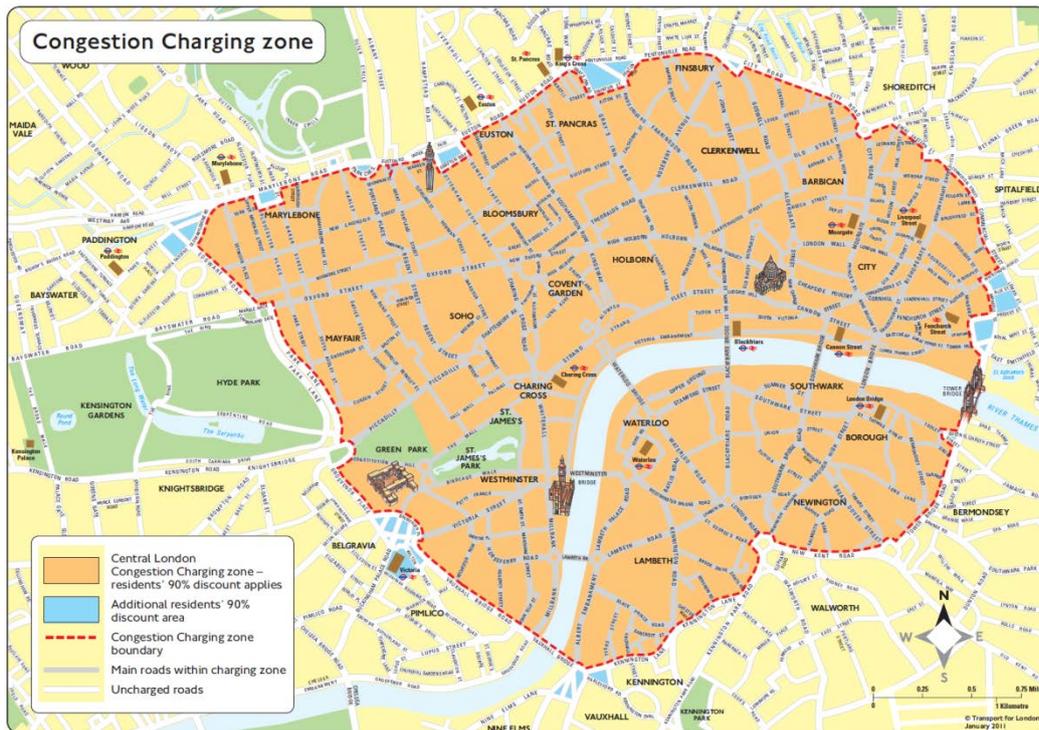
[Additional changes to the Congestion Charge](#)

[Further reading](#)

[Next steps](#)

About the Congestion Charge

The Congestion Charge zone is an area of central London where it is necessary to pay a charge of £11.50 (or £10.50 with [Auto Pay](#)) per day to drive a vehicle from 07:00 – 18:00, Monday to Friday. The map below shows the extent of the current zone:



There are currently a number of [discounts and exemptions](#) to the Congestion Charge. These include an exemption for TfL Licensed PHVs with an active booking, as well as a 100 per cent 'Ultra Low Emission Discount (ULED)' for vehicles which meet the Euro 5 emission standard and emit no more than 75g of CO₂ per kilometre.

This consultation is concerned with changes to the ULED and removal of the exemption for PHVs only, along with some additional minor changes. We are not proposing to make any other changes to discounts or exemptions to the Congestion Charge at this time. Should we propose any additional changes in the future to the discounts and exemptions, these would be subject to a separate consultation.

Further information about the impacts of our proposals on the Private Hire trade are included in the sections '**Why remove the exemption to the Congestion Charge for Private Hire Vehicles?**' and **Further Reading**.

Further reading

We have commissioned two reports which examine the impacts of our proposals in detail. Both are available to download:

- An Integrated Impact Assessment, carried out by Mott MacDonald, which considers the likely health, equality, economic and business, and environmental impacts of our proposals
- A study called the 'TfL-PHV Congestion Charge study', carried out by Cambridge Economic Policy Associates (CEPA), into the impact of the proposed PHV exemption removal on the Private Hire industry in London

Additionally, a Scheme Description and Supplementary Information document is available, which provides further background reading on our proposals. A copy of the Variation Orders for the Congestion Charge, and the associated change to the ULEZ boundary, are also available. If confirmed by the Mayor, this would make it possible for us to implement our proposals.

The Integrated Impact Assessment, report by CEPA, Variation Orders and a copy of the information on this website are also available to inspect in person during normal office hours from the address below.

Transport for London
Endeavour Square,
Stratford,
London
E20 1JN

(Please ask for Andrew Miles, Engagement Specialist)

Next steps

Once the consultation has closed on Friday 28 September 2018, we will collate all of the responses and prepare a Consultation Report, setting out all of the issues raised. The Mayor will consider all of the points raised and will then decide whether or not to confirm the proposals as described, or to make changes to them.

Depending on the Mayor's decision, we propose to implement the proposed removal of the PHV exemption and phase one of the CVD on the 8 **April 2019**, with further phases of the CVD coming into force in 2021 and 2025.

We will publicly announce the Mayor's decision when he has made it. We will also publish our Consultation Report in full at this time.

Why amend the Ultra Low Emission Discount (ULED)?

Air pollution is one of the biggest challenges facing London, affecting the health of all Londoners. The Mayor's Transport Strategy, which was published in March 2018, described the Mayor's vision for London to become a zero carbon city. We propose to replace the Ultra Low Emission Discount (ULED) with a new Cleaner Vehicle Discount (CVD). The new discount would be introduced in two phases, as described in the graphic below, and the eligibility criteria would be tighter with each phase before it expires in 2025. Future incentives for the uptake of zero emission vehicles will be considered to support the ambitions in the Mayor's Transport Strategy for zero emission road transport by 2050 and the introduction of a Zero Emission Zone within central London from 2025.

Ever since the Congestion Charge scheme was first introduced in 2003, there has always been a 'green discount'. The purpose of this discount is to encourage those who do drive in the zone to do so using cleaner, less polluting vehicles. The eligibility criteria for the discount has been changed twice since the Congestion Charge scheme was first introduced, to reflect improvements in vehicle technology and to ensure that only the very cleanest vehicles qualify.

The last time the 'green discount' was amended was in 2013. This is when the current version, the Ultra Low Emission Discount (ULED), was introduced. Since then, vehicle technology has continued to improve. Low emission vehicles are more affordable and widespread. Approximately 20,000 vehicles are now registered for the ULED and the number of qualifying vehicles is rising rapidly. This is putting the congestion-reducing benefits of the Congestion Charge at risk. At the same time, the effectiveness of the 'green discount' in encouraging people to use cleaner, less polluting vehicles is being reduced.

An important step in achieving the Mayor's vision for London to become a zero carbon city will be the introduction of the Ultra Low Emission Zone (ULEZ) in central London from 8 April 2019. This will cover the same area as the Congestion Charge zone but will apply 24 hours a day, seven days a week. Only vehicles which meet defined emissions standards can avoid paying a daily charge. Any non-compliant vehicle will have to pay the daily charge, in addition to the Congestion Charge, to drive within the Congestion Charge zone. The ULEZ will be expanded to cover inner London from October 2021. The criteria for diesel vehicles under the ULED are currently lower than the planned criteria for the ULEZ; both sets of criteria are listed in the table below.

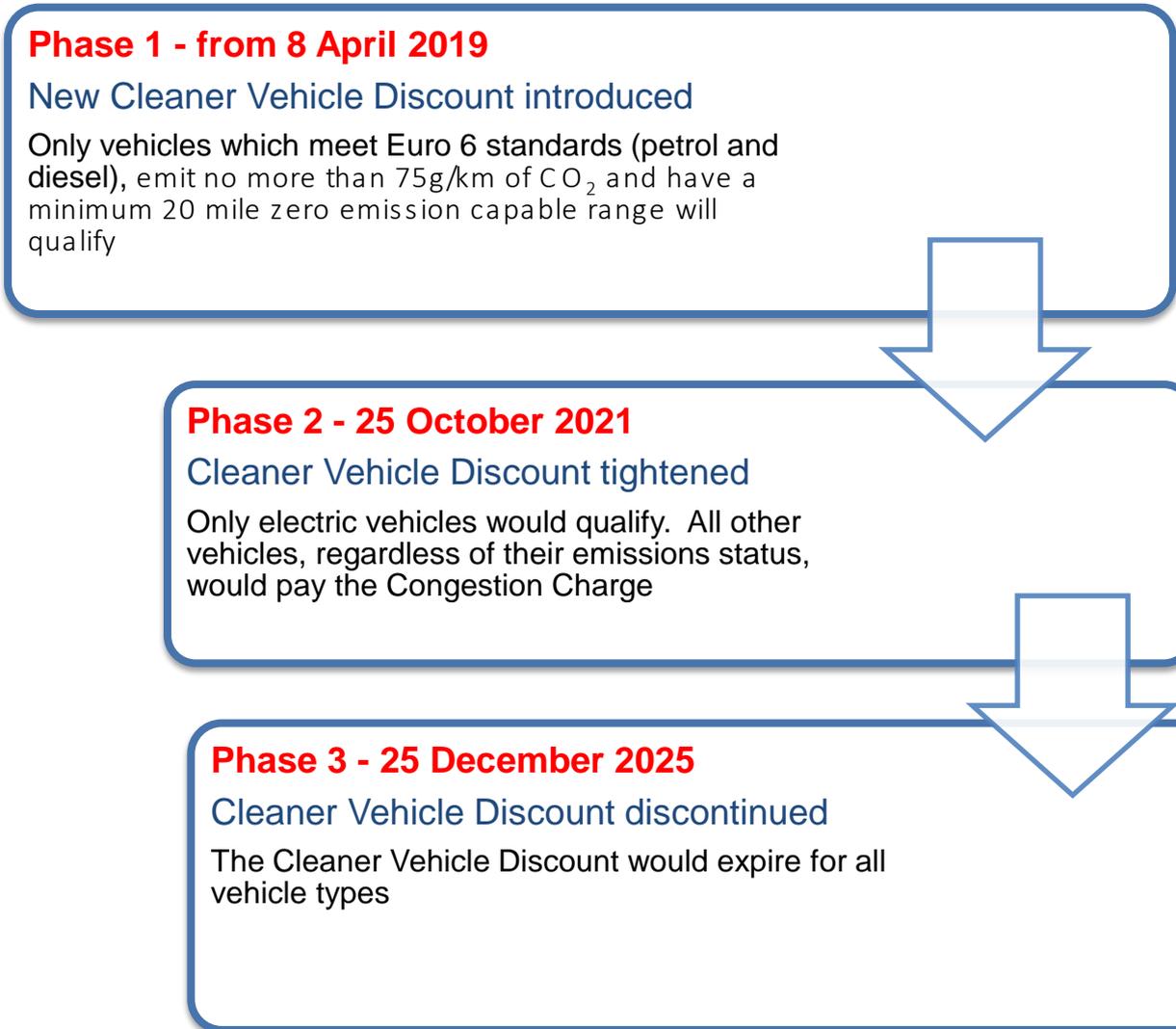
Current eligibility criteria	
Congestion Charge Ultra Low Emission Discount (ULED)	Ultra Low Emission Zone (ULEZ)
Cars or vans (not exceeding 3.5 tonnes gross vehicle weight) must meet the Euro 5 standard for air quality and emit 75g/km or less of CO ₂	Petrol cars or vans must meet the Euro 4 standard for air quality and diesel cars or vans must meet the Euro 6 standard

	Different Euro standards apply for other vehicle types
--	--

We need to tighten the eligibility criteria for the ULED, to avoid a situation in which a vehicle might qualify for the ULED but not meet the ULEZ criteria. We are not proposing any changes to the criteria for the ULEZ. The ULED is intended as a way of incentivising people to switch to the cleanest vehicles by providing them with a 100 per cent discount on the Congestion Charge.

A new phased Cleaner Vehicle Discount

We propose to replace the ULED with a new CVD. The new discount would be introduced in two phases, as described in the graphic below, and the eligibility criteria would be stricter with each phase before it is withdrawn entirely in 2025.



Our proposals are intended to:

- Reflect recent advances in vehicle technology which means that low emission vehicles are now more widespread and affordable
- Ensure that the 'green discount' continues to encourage people who do drive in the zone to use only the cleanest vehicles
- Reduce the number of vehicles entering the zone which are not liable to pay the charge, to reduce traffic and improve congestion in the zone

Our aim in developing our proposals has been to strike a balance between encouraging people to use cleaner vehicles whilst setting the criteria at a level that ensures a range of affordable vehicle options are available.

How does this affect me?

Our proposals would have health and environmental benefits for London. This is because potentially fewer vehicles would enter the Congestion Charge zone to avoid paying the charge, or because more drivers would switch to cleaner vehicles in order to receive the new discount.

If you are likely to drive within the Congestion Charge zone from 8 April 2019 you will need to check if your vehicle meets the new criteria for the CVD. You can check the Euro standard of an existing vehicle, or a vehicle you are thinking of purchasing, with the franchised dealer or the vehicle manufacturer of the car. In addition, vehicle based [emissions information is available on the Vehicle Certification Agency website](#).

At the first phase of the introduction of the new discount, only around 2,000 vehicles (of the 20,000 currently registered for the ULED) would become ineligible. As the criteria for the new discount become tougher, more drivers would be affected. Drivers of vehicles that do not meet the criteria would need to use another mode of transport, use a cleaner vehicle that meets the criteria, or make their journey outside of charging hours.

Switching to a compliant vehicle

We are setting out our proposals for future phases of the CVD now so that Londoners are fully informed about how future changes could affect vehicles that continue to drive in the zone. At present there are over 40 models of car that would be eligible for the CVD. To find a suitable model, visit the [Go Ultra Low website](#)

The Government's Office for Low Emission Vehicles (OLEV) plug-in grant, currently set at a maximum of £4,500, is available for the purchase of low emission cars (£8,000 for vans). Some of the vehicles eligible for this grant will also be eligible for the CVD at phase one and two.

We are introducing new infrastructure to help people to switch to fully electric vehicles. By 2020, ahead of when the CVD is further tightened in 2021, we plan to have over 300 rapid charging points (there are 100 already) and 2,000 standard on-street residential charging points, to help people move to fully electric vehicles. [Further details are on our website](#). The Mayor has also recently launched a new Electric Vehicle Infrastructure Taskforce, in partnership with the private sector,

dedicated to boosting the infrastructure needed to increase the take-up of electric vehicles.

Will there be a 'sunset period'?

When we have changed the criteria for the 'green discount' to the Congestion Charge in the past, we have included a period of time to allow people to prepare. This is called a 'sunset period'.

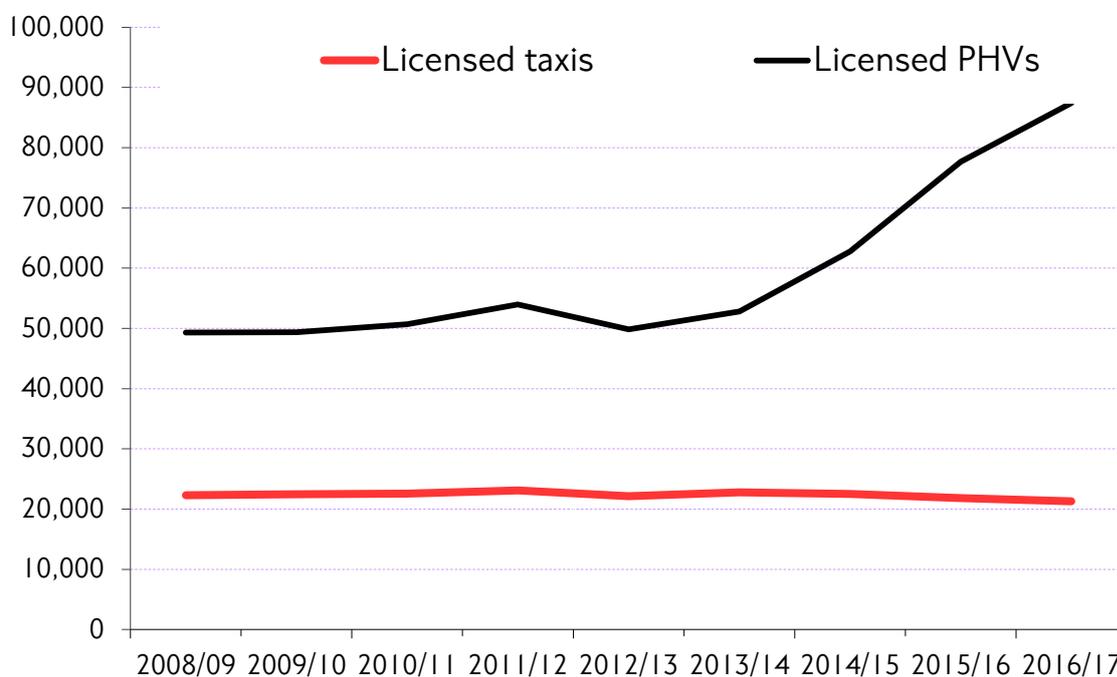
Only around 10 per cent of vehicles currently registered for the ULED will become ineligible for the CVD when it is first introduced in April 2019. By setting out our proposals for further phases of changes to the CVD now, we are in effect giving people several years notice to prepare. For these reasons, we do not believe that it is necessary to include a 'sunset period' at each phase of the introduction of the new CVD.

If you have any comments about any aspect of our proposals to introduce a new, phased CVD, please complete our questionnaire or send us your thoughts in writing

Why remove the exemption to the Congestion Charge for Private Hire Vehicles?

Journey delays within the Congestion Charging zone have been increasing. There has been a significant rise in the number of TfL licensed private hire Vehicles (PHVs) operating throughout London, including in the Congestion Charge zone. Our [Taxi and Private Hire Action Plan](#), which was published in 2016, made this clear.

In 2008/09, there were fewer than 50,000 licensed PHVs, but now there are nearly 90,000 licensed PHVs operating in London; and there has been a significant rise over the last three years. Over the same time frame, the number of taxis operating in London has stayed virtually the same. The graph below shows the number of taxi and PHVs licensed to operate in London over the last 10 years.



When the exemption was first granted we believed that there would be around 4,000 individual PHVs entering (i.e. unique entries) the Congestion Charging zone each day. By 2017, however, there were on average over 18,000 unique daily entries into the zone by PHVs. **Growth in the number of licensed PHVs is a factor in the increased congestion in the zone.** Furthermore, the proportion of vehicles in the zone that are subject to the charge continues to reduce, as falling numbers of private cars are counterbalanced by increasing numbers of licensed PHVs.

We believe that removing the PHV exemption would help to reduce traffic and congestion within the zone, to the benefit of everyone who lives, works or visits central London.

Why not also remove the exemption to the Congestion Charge provided to taxis?

Taxis and PHVs operate to different regulations and licensing requirements. Taxi drivers, for example, must accept any booking within a six mile radius of Charing Cross or a journey up to 12 miles long (or taking no more than an hour to complete). Unlike PHVs, which must be pre-booked, taxi driver may ply for hire and can be hailed on the street anywhere in London. Taxi drivers must also take the shortest, most direct route to a destination. These requirements do not apply to PHV operators, who are free to choose whether or not to accept a booking and what route to take. **A taxi driver, unlike a PHV driver, would be compelled to enter the Congestion Charging zone if required to do so when hailed or booked, or if the shortest and most direct route to a destination were through the zone.**

All taxis are legally required to be fully wheelchair accessible, and include a number of additional features to assist disabled passengers, including a hearing aid induction loop, intermediate step and grab handles. Fewer than one per cent of PHVs are designated wheelchair accessible. **Taxis are a part of the accessible public transport network in central London.** We believe that it is right, therefore, that taxis continue to be exempt from paying the Congestion Charge. **PHVs which are designated wheelchair accessible will retain an exemption to the Congestion Charge.**

As shown in the chart above, **the number of licensed taxis has stayed relatively unchanged since the start of the Congestion Charge scheme**, in fact there has been a small decline in the number of licensed taxis in recent years. In contrast, there has been a significant rise in the number of PHVs operating in the zone.

What impacts will the removal of the exemption cause?

This section summarises the findings of the two independent reports commissioned by us, which examine the impacts of our proposals in detail. Both are available to download.

- An Integrated Impact Assessment, which considers the likely health, equality, economic and business, and environmental impacts of our proposals
- A report by Cambridge Economic Policy Associates (CEPA) into the impact of the proposed PHV exemption removal on the Private Hire industry in London

Traffic & environment

The report by CEPA forecasts that the removal of the PHV exemption would **reduce traffic and congestion in the zone**. In summary, they forecast that during charging hours in the Congestion Charging zone there would likely be:

- A 45 per cent reduction in unique PHV entries
- A six per cent reduction in PHV traffic
- A one per cent reduction in traffic overall

CEPA's forecast of a 45 per cent reduction in the number of unique entries by PHVs into the zone during charging hours is based on the assumption that operators with larger fleets will distribute their bookings to minimise the number of PHVs needing to

enter the CCZ. Doing so would mean that a smaller number of vehicles specialise in taking bookings within the zone, potentially undertaking more trips in the zone than they would have previously. The reduction in unique PHV entries and traffic is, therefore, dependent on the degree to which operators do this.

Although a one per cent reduction in traffic appears modest, we believe that it is an important step in managing and reducing congestion in central London. The removal of the PHV exemption is also an important step in achieving the Mayor's long-term approach, as set out in the Mayor's Transport Strategy, to tackling congestion and working towards 80 per cent of trips being made on foot, by cycle or using public transport by 2041.

Although the purpose of the Congestion Charge is to reduce traffic and congestion, there have always been consequential improvements in air quality from doing so. Removing the exemption for PHVs should reduce the number of vehicles in the zone and, therefore, help to improve air quality. This will complement other initiatives including the introduction of the Ultra Low Emission Zone in April 2019.

Impacts on PHV drivers

Responsibility for paying the Congestion Charge rests with the registered keeper, or hirer, of the vehicle entering the zone. In some cases, the registered keeper will be the PHV driver themselves, and in other cases it may be an operator.

If a driver was responsible for paying the charge and chose to enter the zone every day, it would cost them **£230 a month**, assuming the driver registers for [Auto Pay](#). It would be for operators to decide whether this cost, either in part or in full, could be passed onto customers through their fares or if the driver needs to cover the cost themselves. If a driver paid the charge themselves, they would need to consider whether it might require them to accept an increase in their expenses or work longer hours. This could have a greater impact on some groups of PHV drivers than others. Further details are included in the Integrated Impact Assessment.

Impacts on PHV operators

The effect of our proposals on operators would depend on whether they pay the charge directly, pass it on to passengers or expect drivers to pay it:

- There may be **revenue implications** for operators who pay the charge directly
- Operators who pass the charge to customers may **lose business** if those customers decide to travel in another way or with another operator
- Operators who expect drivers to pay the charge may **lose drivers** to competitors if other operators choose not to pass the charge on in the same way, or they may find it harder to recruit drivers who are willing to work in the zone during charging hours

Operators with larger fleets may be able to **distribute their bookings** so that a smaller number of vehicles specialise in taking bookings within the zone. This would likely lessen the impact of needing to pay the daily charge on their business.

Smaller operators who take bookings within the zone may be less able to 'specialise' in this way, although a number have taken advantage of joining together and allowing passengers to book trips via a shared app..

Impacts on passengers

Some operators may choose to pass the cost of the Congestion Charge onto customers through an increase in fares. This isn't unusual; many PHV operators already pass on extra charges, such as airport car parking charges. **For those who pass on the charge to customers, the analysis by CEPA indicates that fares may increase by around £1-2 per affected journey.** An increase may mean that some customers **choose to walk or cycle, or use public transport** to make a journey that they would previously have made by PHV. People that choose to still use PHVs, or are dependent on them for travel, such as those with disabilities, may need to pay higher fares. Customers may benefit from reduced and more predictable journey times, since the proposed removal of the exemption is expected to reduce traffic within the zone.

Mitigation for PHV drivers and operators

The Cleaner Vehicle Discount to the Congestion Charge will be available to all eligible PHVs, and provides an option for PHV owners to receive a 100 per cent discount to the Congestion Charge. We are already encouraging PHV owners to switch to low emission vehicles through PHV licensing requirements ([further details are on our website](#)) and the introduction of the ULEZ in April 2019, which PHV owners will be liable to pay to enter unless their vehicle meets to require standard.

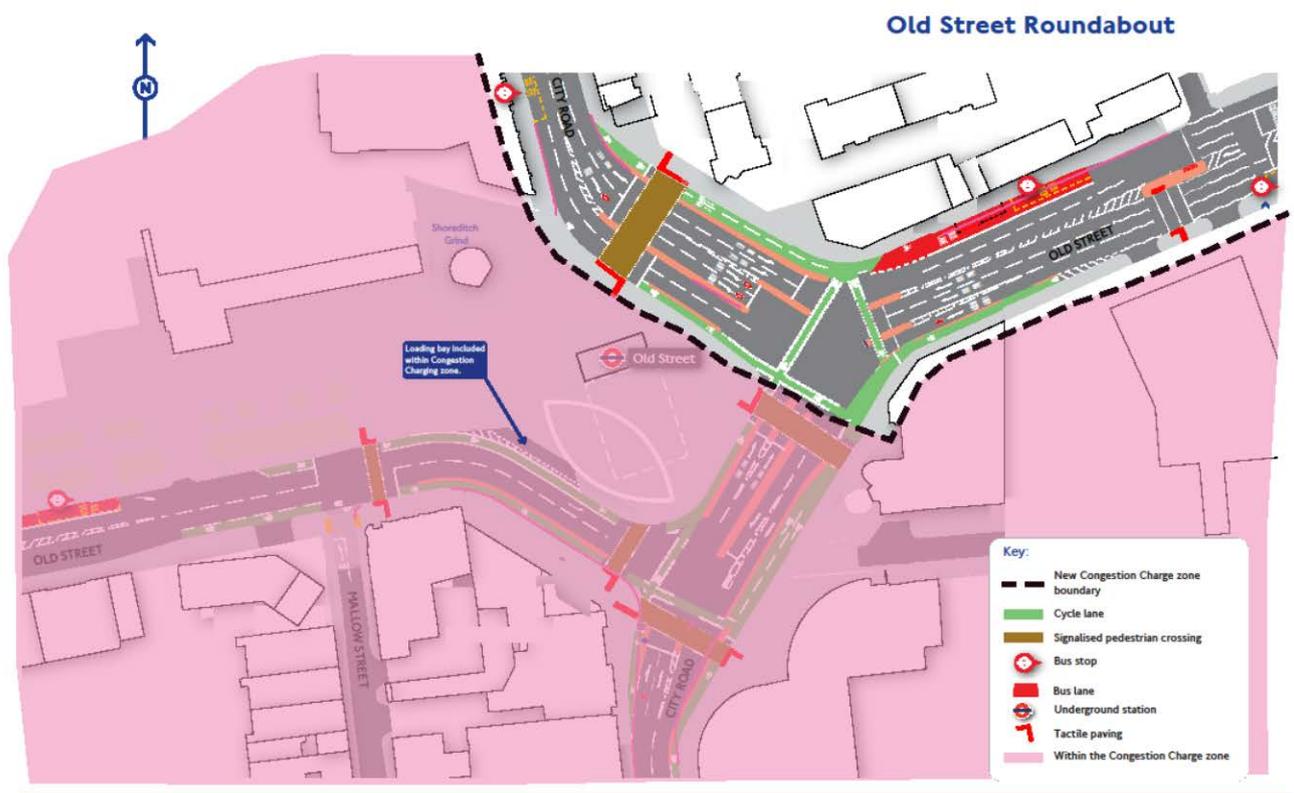
Some drivers **may be eligible for other discounts and exemptions** to the Congestion Charge, for example the 90 per cent residents discount for those who live in the zone or the 100 per cent Blue Badge discount. PHVs that are designated as wheelchair accessible will also retain the exemption.

If you have any comments about any aspect of our proposals to remove the exemption to the Congestion Charge for PHVs, please complete our questionnaire or send us your thoughts in writing

Changes to the Congestion Charge zone boundary at Old Street

In late 2014 we [held a consultation](#) on improvements we planned to make for people walking and cycling at the Old Street roundabout. We proposed closing the north-west 'arm' of the roundabout to create a peninsula, which would become a new public space. Having considered the responses to our consultation, we decided to proceed with our scheme. The changes to the roundabout will mean it is necessary to make a small change to the Congestion Charge zone boundary at the junction. The map below shows the layout at Old Street roundabout as it will be in future, together with the new Congestion Charge zone boundary.

Pending planning permission from the London Borough of Islington, preparatory works could begin later this summer. Depending on the outcome of our application, and this consultation, the new boundary could be in place in early 2019, when the main works at the roundabout start. Further details about our scheme are available [on our website](#).



[Click here](#) for a larger version of this map.

[Click here](#) to see a map of the current Congestion Charge zone boundary.

The proposed Congestion Charge boundary change will also affect the boundary of the Ultra Low Emission Zone (ULEZ) from when it is introduced on the 8 April 2019

to when it is expanded to inner London in October 2021. This is because, during the initial phase of the ULEZ, the boundary is the same as the Congestion Charge zone boundary.

How will this affect me?

For drivers, the change would likely make very little difference. We would provide new signage to indicate the new zone boundary and it will remain possible to avoid the zone by using the A501 Old Street and City Road, as at present.

We will be providing a loading bay on the south-west corner of the new junction, and with the change in the zone boundary, this loading bay would be within the Congestion Charge zone. Anyone who wishes to use it who does not qualify for a discount or exemption would need to [pay the Congestion Charge](#), or alternatively they could avoid doing so by using it from 18:00 to 07:00 on Monday to Friday, or at the weekend all day, outside charging hours. Anyone with vehicles that do not meet the emission standards prescribed by the ULEZ will also need to pay the ULEZ daily charge when entering the zone to use the loading bays.

No residential properties are affected by the Congestion Charge zone boundary change.

Our consultation on improvements to the Old Street roundabout for pedestrians and cyclists closed in January 2015, and we are not seeking comments on the changes we will be making to the roundabout itself.

Additional changes to the Congestion Charge Scheme Order

We propose making some minor changes to the 'Scheme Order', which provides a legal basis for us to operate the Congestion Charge scheme. These changes are:

Changing references to Driver and Vehicle Licensing Northern Ireland

When we last made changes to the Congestion Charge 'Scheme Order', vehicle tax and registrations in Northern Ireland specifically were dealt with by Driver and Vehicle Licensing Northern Ireland. This activity is now carried out by the Driver and Vehicle Licensing Agency and, as a result, the Scheme Order has been updated to reflect this.

Removal of reference to the requirement for to display a vehicle licence

There is no longer a requirement under the Vehicle Excise and Registration Act 1994 to display a vehicle licence. The reference to this requirement has been removed from the Scheme Order.

Updating the reference to the ULEZ commencement date

Following consultation between 30 November 2017 and 28 February 2018 on expanding the ULEZ, the sunset period for residents in central London needing to pay the charge was brought forward. As such, the reference to the “ULEZ commencement date” in respect of resident’s vehicles in the Congestion Charge ‘Scheme Order’ has been updated to reflect this new date.

If you have any comments about our proposals to change the Congestion Charge boundary at Old Street roundabout, or to make additional minor changes to the Congestion Charge Scheme Order, please complete our questionnaire or send us your thoughts in writing

Our consultation described a number of issues which we must address. In summary these were:

- As vehicle technologies improve, more vehicles are eligible for the Ultra Low Emission Discount, potentially leading to increased traffic in the Congestion Charge zone. The current discount also does not align with the requirements for the new Ultra Low Emission Zone. We propose introducing a new phased Cleaner Vehicle Discount from April 2019 to encourage drivers, including private hire vehicle drivers, to switch to zero emission vehicles
- In recent years, we have seen a substantial increase in the number of private hire vehicles in London. More than 18,000 different private hire vehicles now operate in the Congestion Charge zone each day during charging hours. These vehicles are currently exempt from paying the charge. We are proposing to include private hire vehicles in the Congestion Charge to help tackle the congestion challenge facing London.
- We propose to amend the Congestion Charge zone boundary at Old Street, as we will soon begin work to transform the Old Street roundabout into a more pedestrian and cycle friendly environment.

1, On a scale of 1 – 10 (1 being not important at all and 10 being very important), how important do you believe it is that TfL should:

Note: if you have no particular view on any of the following issues individually, please do not select any option

Take steps to reduce traffic in central London, to the benefit of everyone who lives or works here?

1 2 3 4 5 6 7 8 9 10

Require private hire vehicles to pay the Congestion Charge if they enter the Congestion Charge zone during charging hours (Mon-Fri, 07:00-18:00), as a way of reducing traffic in the zone?

1 2 3 4 5 6 7 8 9 10

Replace the Ultra Low Emission Discount (ULED) with a new phased Cleaner Vehicle Discount (CVD)

1 2 3 4 5 6 7 8 9 10

Remove the Cleaner Vehicle Discount entirely in 2025?

1 2 3 4 5 6 7 8 9 10

Please use the space below to explain your answers above, or to provide any other comments about our proposals for changes to the Congestion Charge?

2, Do you believe that our proposals would create any particular hardships for any group of road users? If so, please explain these below.

Please specify whether your comments relate to our proposals for removing the exemption to the Congestion Charge for private hire vehicles, replacing the ULED with a new, phased CVD, amending the Congestion Charge zone boundary at the Old Street roundabout or any of the other minor changes we propose to make to the Congestion Charge scheme.

About you

3, What is your name?

4, What is your email address?

5, Please provide us with your postcode?

6, Are you a London licensed private hire vehicle driver?

Yes No

7, Is your vehicle registered for the Ultra Low Emission Discount?

Yes No

8, If responding on behalf of an organisation, business or campaign group, please provide us with the name:

--

9, How did you find out about this consultation?

Received an email from TfL	
Read about it in the press	
Saw it on the TfL website	
Social Media	
Other (Please specify)	

10, What do you think about the quality of this consultation (for example, the information we have provided, any printed material you have received, any maps or plans, the website and questionnaire etc.)?

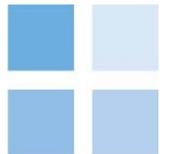
Very good	
Good	
Acceptable	
Poor	
Very poor	

TfL – PHV congestion charge study

Cambridge Economic Policy Associates

FINAL REPORT

27th March 2018





DISCLAIMER

- 1 Introduction
- 2 Context
- 3 Approach
- 4 Key messages from stakeholder engagement
- 5 Analytical framework and assumptions
- 6 Quantitative analysis
- 7 Conclusions and potential next steps

Disclaimer



Confidentiality

- Our analysis is informed by confidential and/or commercially sensitive information received from various stakeholders in the PHV sector. To preserve confidentiality within this public report, we have not attributed views to specific stakeholders. In a few cases where it would not be possible to anonymise information, such stakeholder views have been omitted entirely.

Uncertainty

- Outputs are based on forecasting behavioural impacts and are therefore, subject to uncertainty.
- This uncertainty is magnified by (1) the need to convert stakeholder feedback into quantitative assumptions for the purpose of our analysis and (2) the fact that operators have shown some reluctance to discuss assumptions around behaviour because that could be construed as them accepting the policy.
- **As such, quantitative outputs should be considered as ‘broad estimates’, rather than ‘firm results’.**

Scope of analysis

- This report does not constitute an economic impact assessment.
- Our analysis has focused on the impacts of removing the current CCZ exemption on PHV traffic, revenue, and distributional effects between operators. A next step could be to forecast the likely impact on operator cashflows, to better understand the risks faced.
- Our analysis has focused on operators, so further discussions would be required with drivers and customers, including public sector bodies that use PHV services such as schools, the NHS, etc.
- Our analysis is focused on the impact of removing the CC exemption for PHVs specifically, rather than assessing the impact of any other changes (e.g. increases in operator licence fees). However, we do take these such issues into account qualitatively, as context.

Other important caveats



Expanding on the previous slide, there are a number of additional caveats to note upfront:

- **Stakeholder engagement.** PHV operators and trade representatives were very helpful and accommodating in discussing with us a range of issues during this project. We spoke with 13 PHV operators and 3 trade representatives. However, judgement was required in interpreting / weighing up their views. In addition, a number of relevant issues have not yet been fully considered, e.g. whether any arrangements would be in place for operators to physically pay the charge on behalf of the driver. As such, whilst the assumptions used in this analysis were informed by stakeholder discussions, they are CEPA's assumptions.
- **Data limitations.** There are several limitations in relation to the underlying data that we have used. For the underlying traffic data, we cross-checked different sources and made adjustments to ensure that the data is as accurate as possible. In some cases it has not been possible to source information broken down between types of operators, and we have had to make assumptions at a PHV sector-wide level. However in the majority of cases, we have been able to make more granular assumptions.
- **Timing of estimate.** Our estimate of the potential impacts is based on recent traffic camera data from TfL. Changes to traffic flows in the future are uncertain so we have not included them in our quantitative analysis, but discuss them in a qualitative sense.
- **Uncertainty.** As noted on the previous slide, it must be emphasised that forecasting in general is subject to uncertainty, that developing quantitative assumptions is necessarily subject to judgement, and that it was not possible to fully engage with stakeholders on all points due to opposition to the policy,

As noted on the previous slide, and in light of the various factors discussed above (i.e. data limitations, uncertainty, the need to interpret stakeholder feedback and apply judgment, etc.), our quantitative results should be treated as '**broad estimates**' rather than as firm results.



1 INTRODUCTION TO CEPA AND THIS STUDY

Introduction to CEPA



CEPA is a London-based economic and financial policy advisory firm. We advise both public and private sector clients on issues where economics, finance and public policy overlap. CEPA's clients include government departments, sector regulators, non-governmental organisations, private sector companies and consumer groups in countries around the world.

We have a well-developed regulation and competition practice, with extensive experience providing advice on a wide range of issues in the transport sector. We specialise in:

Network Regulation

Access Pricing

Infrastructure
Funding

Benchmarking

Incentive Design

In transport, we advise UK and international economic regulators, private companies and other stakeholders. In the past, we have advised TfL on ULEZ impacts, taxi compensation, and diesel car scrappage. We are advising DfT and ORR in relation to Highways England's performance. Our clients include:



BRITISH AIRWAYS



Our transport practice is comprised of a core group of staff with many years of experience in the transport sector.

Introduction to this study



Context

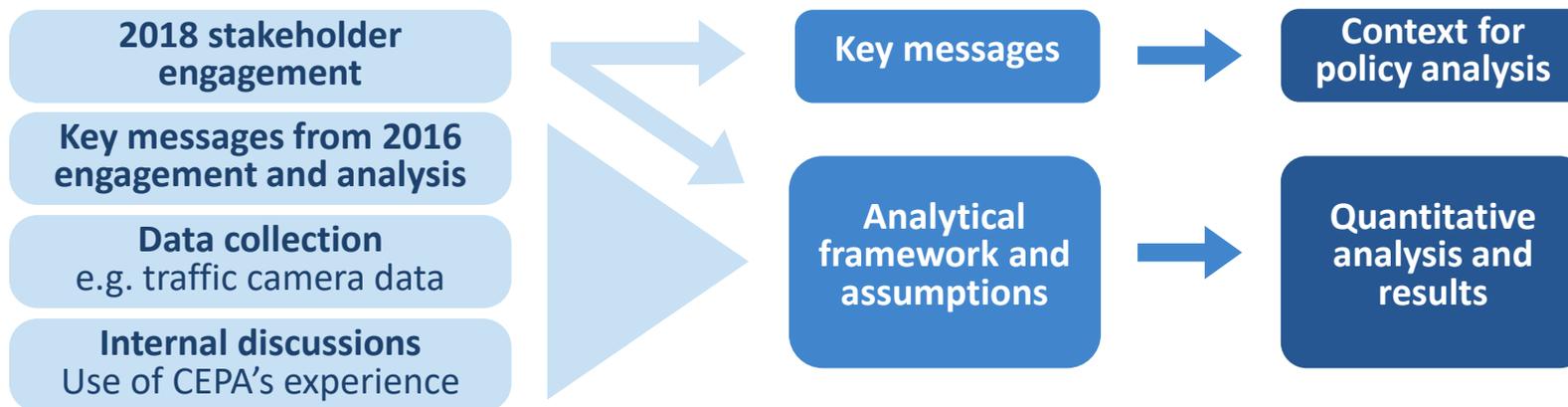
This independent report by CEPA contains an analysis around the potential impacts of removing the current congestion charge exemption for PHV operators. To develop and test our hypotheses we have undertaken two rounds of stakeholder consultation – an initial exercise in 2016, and a more substantial series of discussions in 2018. This report and its conclusions represent the culmination of this work.

Objective of this work

This report provides a quantitative analysis of the potential impacts on the PHV market if the PHV Congestion Charging Zone (CCZ) exemption were to be removed. We focus on the **impact to traffic levels** in the CCZ, **distributional impacts** across operators in different segments of the PHV market and the **net revenue impact** to TfL. To provide an understanding of the context for the PHV market, this report also presents the views more generally of PHV operators and trade representatives if the exemption were to be removed.

Approach

Our approach is illustrated and summarised below, with further explanation provided in Section 3.



Note: This report should be read in conjunction with the Disclaimer on slides 3 and 4.



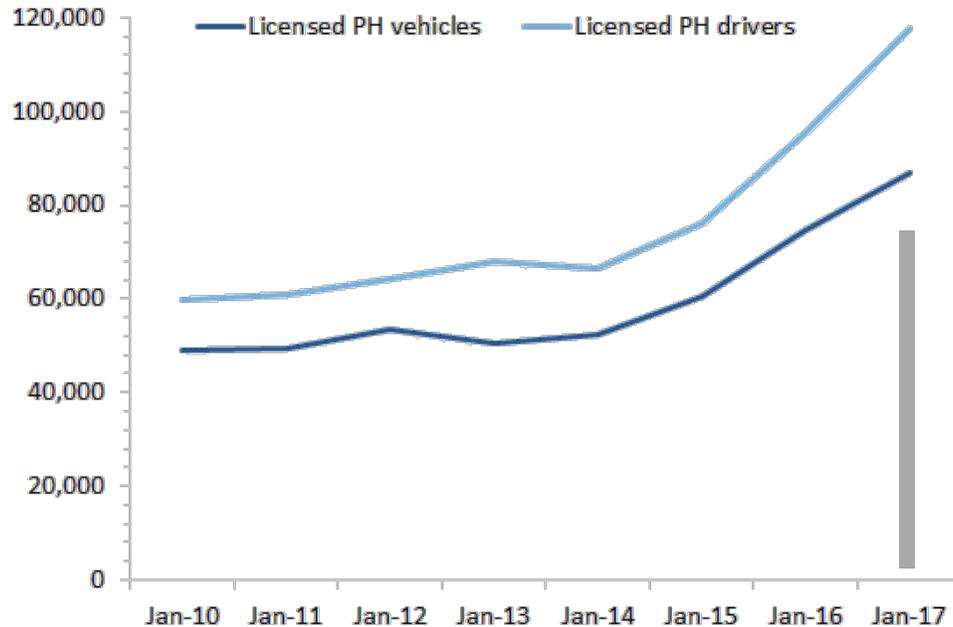
2 CONTEXT



An increasingly challenging environment for operators and drivers

- Regulatory requirements on PHV operators and drivers have been growing recently, and operators' costs are rising as a result, e.g. operator licence fees, the English language test for drivers, etc. Some operators indicate that they are relocating outside of London as a consequence.
- The PHV marketplace is increasingly competitive and dynamic relative to 5 years ago, particularly with the growth of app-based services.
- TfL's statistics show that the number of licensed PH operators has fallen in recent years. One hypothesis is that smaller operators are being driven out of business.*
- We have heard anecdotal reports that driver incomes are being squeezed, and this is necessitating their working longer hours.

Growth of PHV vehicles and drivers



- There has been a marked increase in the number of licensed private hire vehicles and drivers, to almost 120,000 as of 2017. This is shown left.
- However, not all of the drivers will necessarily be working every week.
- TfL has recently instated a requirement for all licensed private hire operators to upload lists of the licensed drivers and vehicles available to them each week, which helps to illustrate the difference.
- The grey column (shown left) shows approximately the number of licensed drivers uploaded by all operators based on data from 2017, i.e. 70,000. This data is only available for recent months, so a trend cannot be shown.
- There are various potential reasons for this difference, e.g. some drivers only working certain weeks, leaving the trade but not notifying TfL, etc.



3 APPROACH



Our approach involved a number of central inputs/activities:

- *2018 stakeholder engagement.* We held discussions with a number of stakeholders in the PHV sector, focusing on operators and trade representatives. We met/spoke with 13 PHV operators, encompassing a range of different sized operators and business models, as well as the Drivers Guides Association, the Licensed Private Hire Car Association (LPHCA) and the GMB.
- *Building on our initial stakeholder engagement and analysis in 2016.* These initial discussions allowed us to develop some initial draft hypotheses and to test/refine these assumptions via stakeholder engagement in 2018.
- *Data collection.* The quantitative analysis required data in a number of areas, which was generally sourced from TfL. This included traffic camera data, average fare levels, traffic statistics for the CCZ, the number of trips per shift by drivers, trip locational distribution, etc. Some assumptions/adjustments to the data were required.
- *Internal discussions and analysis.* Having advised TfL on a number of projects in the PHV / taxi sector in recent years, we were able to use our own experience to critically consider different views/sources of information and develop our assumptions.

The key analytical activities and outputs are as follows:

- *Key messages from stakeholder engagement.* We consolidated the key messages from our discussions with stakeholders into a series of points (see Section 4). This provides important context for TfL to review when considering the impacts of this potential policy change.
- *Quantitative analysis and outputs.* All of the inputs (above) were combined into an analytical framework – this is described in Section 5 along with an explanation of how stakeholder engagement has impacted our assumptions/analysis. Based on this analytical framework, we undertook a quantitative analysis of the potential impacts (see Section 6). Given that a number of assumptions were subject to uncertainty, we undertook sensitivity analysis around the key assumptions. Ultimately, this allowed us to generate ‘best estimate’ forecasts for traffic impact, distributional effects between operators and revenue to TfL.



4 2018 STAKEHOLDER ENGAGEMENT: KEY MESSAGES

Summary of PHV views



This slide provides a summary of the views that we received from stakeholders during the course of this project:

- Overall. There is strong opposition from all parts of the trade which has been expressed publicly*, and relations with TfL are being strained. This policy would be regarded by the trade as discriminatory if the taxi exemption were to remain in place, particularly as the PHV trade considers itself a public transport service. Stakeholders state that this policy feels like a tax, which would be difficult to bear given that the PHV trade is facing other large cost increases, e.g. increased licence fees. Stakeholders are also suspicious of TfL's rationale, as this comes amidst TfL facing financial pressures itself.
- Congestion. Stakeholders suggested that removing the PHV exemption wouldn't significantly reduce congestion, and there could be an unintended consequence of increased congestion – once a driver has paid the charge there might be an incentive to stay in the CCZ, so congestion in the CCZ could increase in the short term. Stakeholders noted potential better alternatives to reduce congestion, such as more sophisticated road user charging and/or better enforcement of existing pre-booking rules to prevent 'loitering'. It was suggested that congestion more substantially driven by roadworks and space given to cyclists – PHVs are not the main cause.
- Distributional impacts. Most operators have significant concerns about rising costs. Stakeholders suggested that removing the exemption would hurt smaller operators the most, and would likely play into the hands of the largest operators. Drivers could also be affected – incomes would likely be squeezed further and there is a concern that this could exacerbate the trend of longer working hours. Where the cost of the charge would be passed through to the customers (passengers), some vulnerable passenger groups might ultimately bear the charge if they have no other option but to use PHV transport, e.g. the elderly. In the case of PHV operators providing contract work for public sectors**, if the charge were passed through, the revenue raised for TfL would essentially be a transfer between public sector entities.
- Environmental. It was felt that the various environmentally-related policies / vehicle standards are creating a confusing 'patch work quilt', e.g. the Ultra Low Emission Discount (ULED), the Ultra Low Emission Zone (ULEZ), variations in parking fees between local councils, etc.
- Engagement. Stakeholders consider that any future consultation on this policy would need to be done in good faith, i.e. not just be a 'rubber stamp' and TfL should not 'cherry pick' certain pieces of data or analysis. In general, there is concern over TfL's approach to assessing congestion issues, e.g. quoting 'total licensed drivers' instead of 'driver uploads'. We also note that operators are reluctant to discuss assumptions around behaviour / impacts because it makes them feel like they would be accepting a policy that they strongly oppose.

* (1) City A.M., *Union slams TfL plan to levy congestion charge on private hire taxis*, 23rd Jan 2018; (2) Addison Lee, *Open letter to the Mayor of London on retaining the Congestion Charge exemption*, 26th Feb 2018; (3) Financial Times, *Private hire cars face paying London congestion charge*, 26th Feb 2018.

** For example, councils providing school runs for children with special education needs, the NHS transporting individuals with mental illnesses and/or physical disabilities, etc.

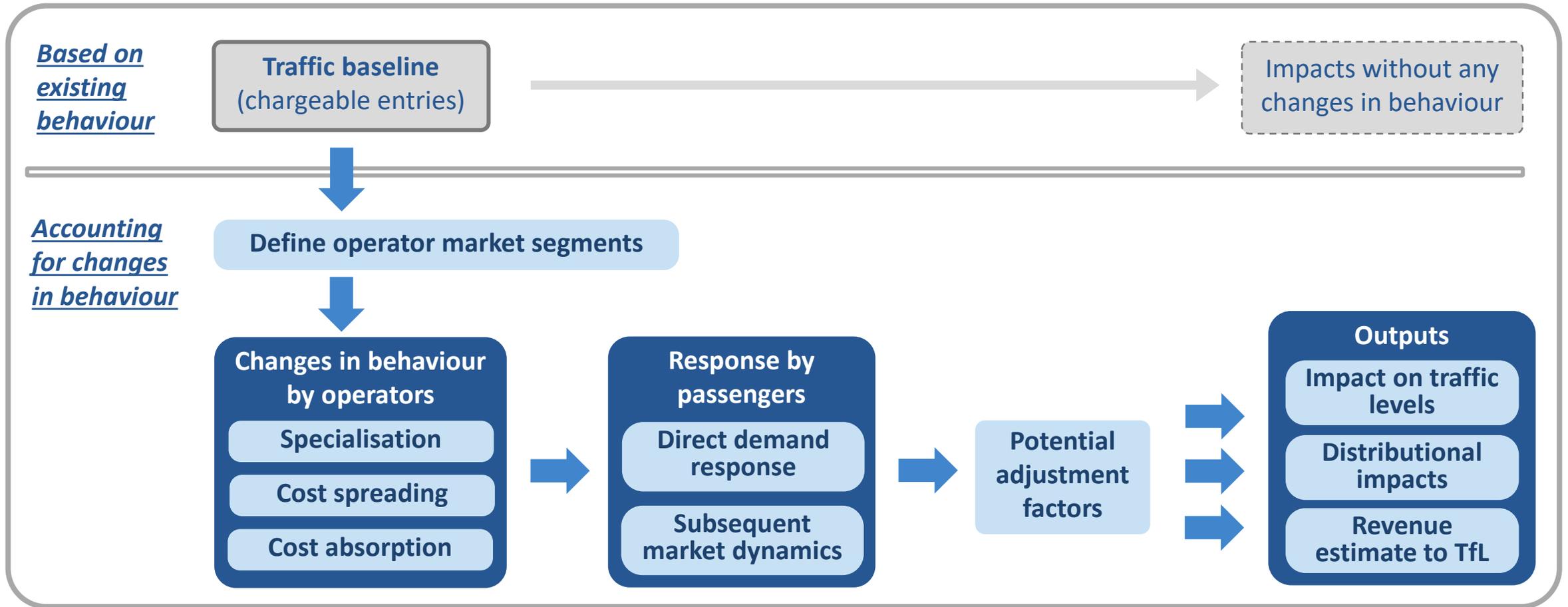


5 ANALYTICAL FRAMEWORK AND ASSUMPTIONS

Analytical framework: Overview



The framework for our analysis is illustrated below, and explained on the following slide.



Analytical framework: Explanation



Hypothetical scenario based on existing behaviour

- If the exemption were removed and operators/drivers/customers did not change their behaviour, all vehicles that currently enter the CCZ during charging hours would pay the charge, e.g. revenue to TfL would be the existing daily unique* vehicle entries (the ‘traffic baseline’) multiplied by the charge. However, there would inevitably be some changes in behaviour if TfL removed the exemption (the market would adapt), so any analysis based on existing behaviour is hypothetical and simply used as a starting point for further analysis. In order to provide a more sophisticated estimate of the potential impacts, our analysis considers the changes in behaviour that would inevitably occur.

Accounting for changes in behaviour

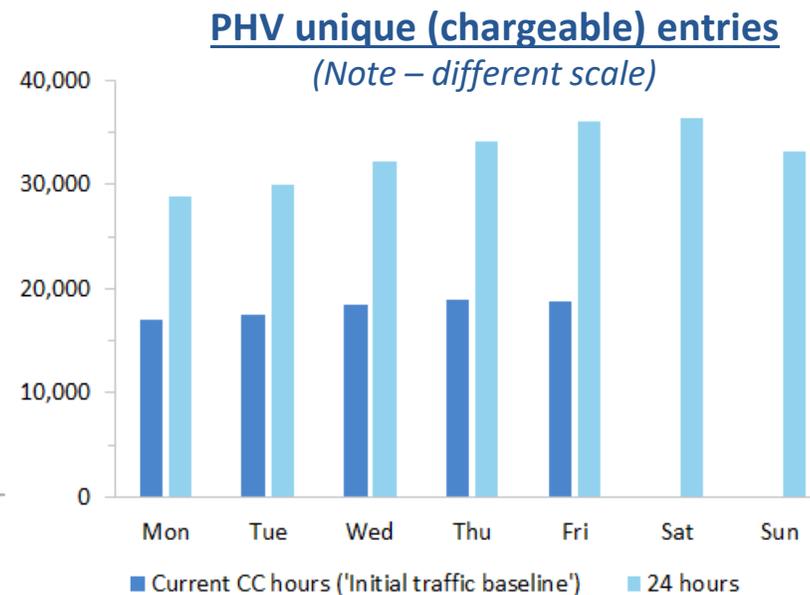
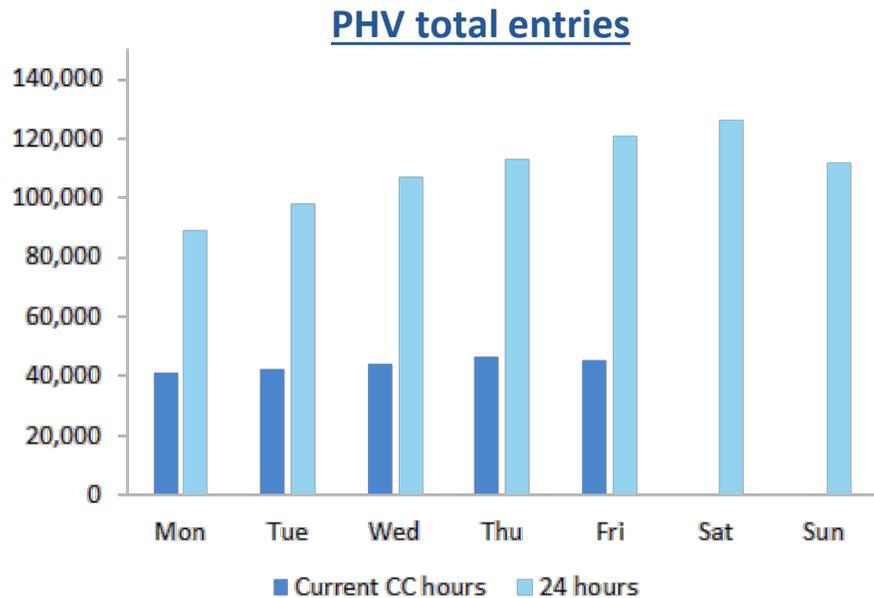
- **Identifying and defining market segments.** To make the quantitative analysis manageable across the PHV sector, we grouped operators with similar characteristics into ‘market segments’.
- **Considering changes in behaviour by operators and passengers.** We identified the key factors that would affect the outputs of our analysis (i.e. impact on traffic, distributional effects and revenue). We developed quantitative assumptions for these factors, based on a combination of stakeholder engagement, research and discussions, which involved applying judgement. As such, our quantitative analysis gives ‘broad estimates’ rather than ‘firm results’. To mitigate the uncertainty, we tested our assumptions with stakeholders / TfL staff and undertook sensitivity analysis.
 - 1) **Assumed changes in behaviour by operators (further explained on slide 20):**
 - **Specialisation:** The scope for operators and/or groups of drivers to focus on undertaking work inside the CCZ.
 - **Cost spreading:** Whether operators would spread the cost of the charge across CCZ trips only, or across all of their trips.
 - **Cost absorption:** The extent to which operators may absorb the charge – either through their own profit margins or by not reimbursing in full the driver for having physically paid the charge on their vehicle – rather than passing it on to passengers.
 - 2) **Response by passengers (further explained on slide 20):**
 - **Direct demand response** by customers to a change in price by an individual operator. Sensitivity of demand to price is the ‘demand elasticity’.
 - **Subsequent market dynamics:** If prices differ between different operators, customers may switch from one operator to another. We assume that there is some customer switching, i.e. some of the ‘lost demand’ (from the ‘demand response’) will be redistributed to other operators.
- **Outputs, including potential adjustments.** We generated quantified estimates of the outputs, taking into account the need for any adjustments.

* Unique entries remove multiple entries by the same vehicle within a day; it is the same as the number of times the congestion charge would have been incurred if the vehicles were not exempt.

Traffic baseline



- The charts below show PHV vehicle entries into the CCZ for different days of the week in November 2016, under current CC hours (weekdays 7am-6pm) and over the full 24-hour period. Figures have been adjusted to November 2017 levels, and to account for data limitations.*
- The left hand **chart** counts separately each time a vehicle enters the CCZ, whereas the right hand **chart** only counts ‘unique’ entries each day, e.g. if a vehicle entered the CCZ four times in a single day, this would only count as one single unique entry. As such, the number of unique entries shown in the right hand chart is less than the number of total entries shown in the left hand chart.
- The difference between the light blue and dark blue **columns** show the number of PHVs that only enter the CCZ *outside* of current charging hours. Therefore, if the CC exemption were to be removed for PHV, only a portion of PHV entries would be impacted.
- The chargeable entries for the purposes of our analysis are the number of unique entries during current CC hours only (see right hand chart).



Driver diary data: Trip patterns in charging hours

- 23% of PHV trips involve travel to, from or within the CCZ.
- 6% of PHV journeys were made entirely within the CCZ.
- 33% of PHV drivers were recorded making a journey into the CCZ
- 4% of drivers make over 50% of their journeys to/from/within the CCZ in charging hours.

Note: Based on *average* daily chargeable entries during the month of November, e.g. Data for “Mon” is the average across four Mondays.

* Traffic camera data from November 2016 was sourced from TfL’s Real Time Origin Destination Tool (RODAT). Cross-checking with other TfL CCZ entry data, RODAT appears to understate unique entries by circa 7.5%. TfL’s Management Information Systems show that PHV unique entries increased by roughly 2.5% from November 2016 to November 2017. We have uplifted entry data to account for these factors. RODAT has since recorded a further 1.3% increase, which is not included in our analysis.

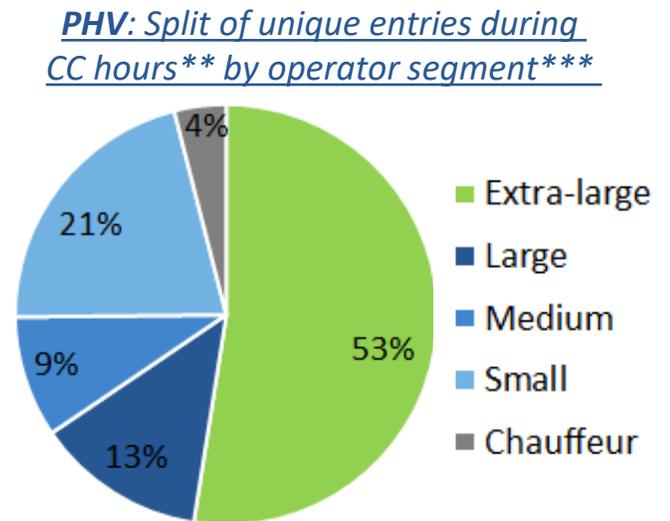
Operator market segments: Definition and description



We have sought to identify ‘market segments’ (i.e. operators, or groups of operators) that have distinguishable characteristics. Key considerations have been the availability of data and the ability to distinguish characteristics between different groups, e.g. if segments are very small, it becomes more difficult to say how their behaviour will differ from another segment.

The table below illustrates how we have mapped TfL’s operator size bandings (for operating licence fees) to the market segments. The central table provides a description of the operators in each segment. The pie chart (right) shows the average proportion of chargeable entries (i.e. unique entries during current charging hours) undertaken by operators in each segment.

Operator segment	Number of vehicles	Number of operators*	
Extra-large	10,001+	1	Extra-Large: Contains a single operator – Uber. Characterised by very large scale operation and sophisticated technology to send trip requests to different drivers. Typically offers low prices.
Large	1,001-10,000	1 (plus ‘umbrella’)	Large: Contains Addison Lee. We have also included an ‘umbrella group’ of roughly 20 operators who use the same software platform to share trip requests with each other. These operators would be Small or Medium sized on their own, but the platform allows them to behave more like a large operator.
Medium	501-1,000	3	Medium: A range of companies, including some with reasonably large market presence, e.g. Green Tomato. Operates at a limited scale but growing use of technology.
	101-500	43	
Small	51-100	91	Small: Tend to be traditional minicab companies, throughout Greater London. A low volume of trips into the CCZ. Potentially more established relationships with drivers and passengers.
	21-50	281	
	11-20	284	
	0-10	1,328	
Chauffeur	Various	300	Chauffeur: Business clients, special events, airport transfers, etc.



* Numbers of operators in ‘Medium’ and ‘Small’ includes those operators in the ‘umbrella group’, but those operators’ unique entries have been included under Large in the pie chart.

** Data for unique entries for all operators was originally taken from November 2016, but was subsequently cross-checked / uplifted to November 2017 figures.

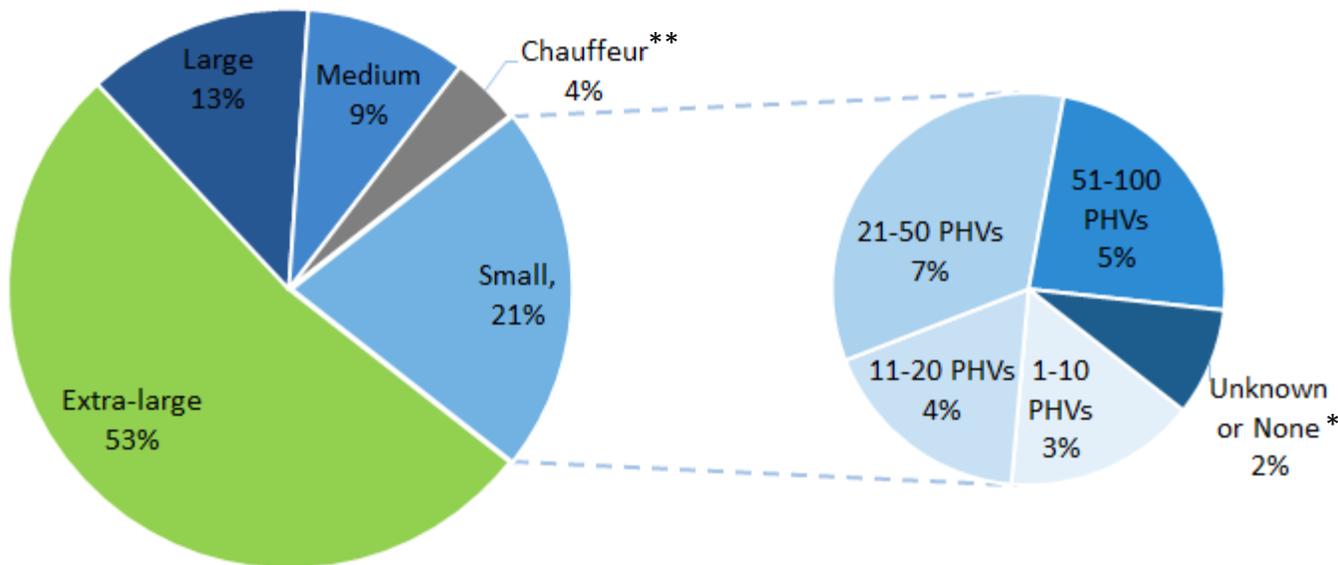
*** Entries by PHVs registered to more than one operator are split equally between the PHV’s registered operators. Entries by the ‘umbrella group’ are counted within ‘Large’.

Subsets of operators within the 'Small' operator segment



We have sought to investigate whether the smallest operators could be affected disproportionately by the exemption removal. As shown below left, what we have defined as 'Small' operators (those with up to 100 vehicles) collectively account for 21% of unique entries (based on November 16 data). Below right, for the number of unique entries by the 'Small' operator segment, we have split this into four sub-sets to correspond with TfL's size bandings for operator licence fees: 1-10 vehicles, 11-20 vehicles, 21-50 vehicles, and 51-100 vehicles.

Split of CCZ unique entries by operator (Nov 2016, CC hours)



* Notes: The "none" category represents PHVs with no operator specified in the data. The "unknown" category includes all those for which we do not have current operator data, as explained on the previous slide.

** Chauffeurs tend to be 'small' operators in terms of the number vehicles. However, due to their relatively unique business characteristics, we consider them separately from 'small' operators.

Key observations:

- 'Small' operators undertook almost one quarter of the unique entries into the CCZ in November 2016.
- By looking at the sub-sets within the 'Small operator category, we see that entries are distributed across operators of different sizes. For example the smallest PHV operators (with 1-10 vehicles) accounted for 3% of unique entries in Nov 2016.

Impact on quantitative analysis:

Whilst the analysis in this report distinguishes between different types of operators, the evidence we have to date is not sufficiently granular to allow us to make different assumptions for these different sub-sets, so we model all 'Small' operators as a single group. However, where we consider there may be differences, we discuss these issues qualitatively.

Assumptions around changes in behaviour*



Potential changes in operators behaviour

'Specialisation'

- An operator's trips are undertaken with fewer unique vehicle entries, e.g. operators designating certain vehicles to work inside the CCZ, or biasing their 'trip allocation algorithm' for CCZ trips towards vehicles that have already been in the CCZ on a day. Drivers could also 'self specialise' by spending more time in the CCZ having paid the charge.
- Stakeholders noted that operators would require a fleet of 500 vehicles plus to specialise at all, because below this threshold the trade off with increased dead miles is too large.
- We agree, specialisation requires scale and use of sophisticated software. We expect only the largest operators to specialise.**

'Cost spreading'

- Whether the charge would be spread across CCZ trips only; all London trips, or some middle option.
- Larger operators were reviewing different options. There was some uncertainty, and some views were provided in confidence. Some smaller operators noted publicly that they might pass the charge onto CCZ trips only, particularly if they were based far from the CCZ.***
- Chauffeur companies suggested passing the charge onto individual customers (with the exception of contract work), given that the majority of trips are in the CCZ and the number of trips per day is low.
- Overall, our analysis was undertaken on the basis of the stakeholder views received.

'Cost absorption'

- The proportion of costs that would be absorbed by the operator and/or driver, as opposed to being passed through to customers via higher prices.
- Operators noted they are facing rising costs and the predominant view was that the customer would ultimately bear the cost (i.e. low cost absorption). Anything not passed on would remain with the drivers, as they physically pay the charge, although smaller operators in particular were concerned with drivers' incomes being squeezed.
- Our view is broadly consistent with this – we consider that larger operators might be more likely to require drivers to bear some of the cost, in order to maintain and/or gain market share.

Potential changes in passenger behaviour

'Direct demand response'

- By this we mean, the response of customers to an operator raising its prices.
- Some operators view customers as being highly price sensitive, whilst other (often smaller) operators thought the opposite. Publicly available analysis on Uber surge pricing showed customers to not be overly price sensitive, although this cannot necessarily be applied to the whole sector. Chauffeur contract work was noted as being fairly price competitive, but individual chauffeur clients slightly less so.
- In our view, customers are likely to be fairly price sensitive, although perhaps less so for small operators who have localised markets and/or more loyal customers.

'Subsequent market dynamics'

- This follows the notion that some customers will switch away from one operator (see 'Direct demand response') to an alternative (e.g. to find a lower price), rather than switching away from the PHV sector (e.g. 'mode shift' to bus or tube).
- The general stakeholder view was that 'mode shift' would be low and operators with smaller price increases would gain more of the 'switching' customers.
- Taxis could gain customers, although scope is limited by their price premium.
- We assume most customers would remain in the PHV/taxi sector, with 'switching' customers allocated to operators with low fares and a large existing CCZ presence.

* This slide presents the views of stakeholder and our 'base case' view. **However, due to uncertainty, we undertook sensitivity analysis around these assumptions.**

** Larger operators were unsure to what extent it could be cost effective to 'specialise', and noted that drivers have autonomy. Our base case assumptions are our view.

*** Quote from Eddie Townson, Carlton Cars, in a Financial Times article, *Private hire cars face paying London congestion charge*, 27th Feb 2018



6 QUANTITATIVE ANALYSIS

Forecasting operator behaviour



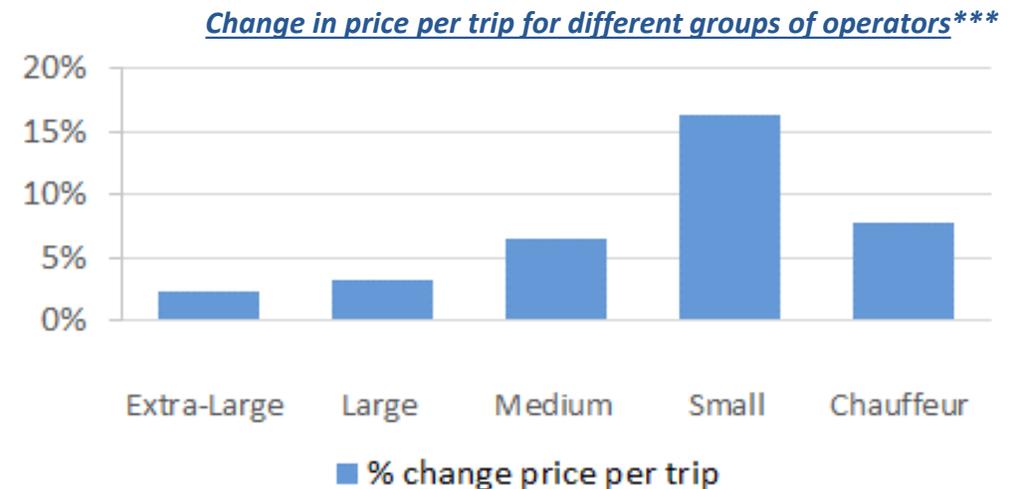
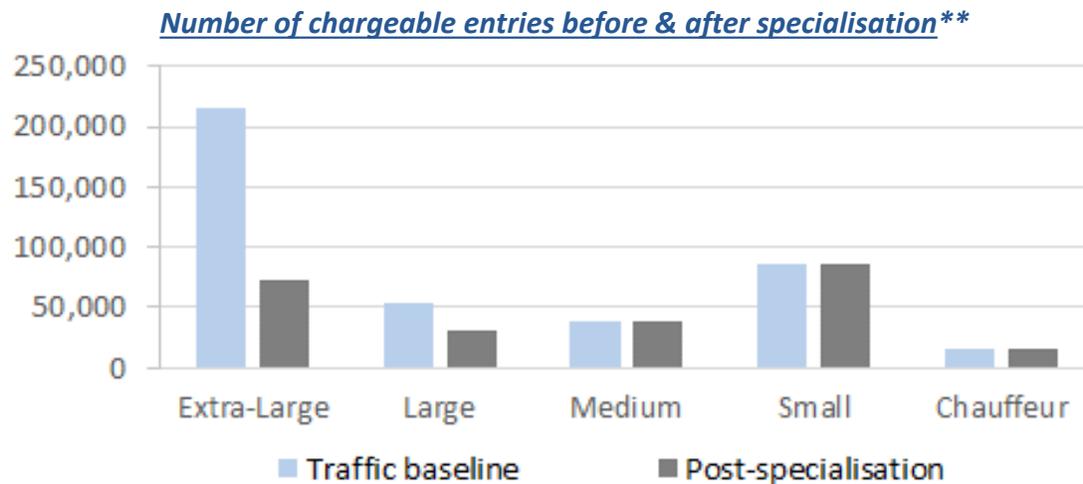
--- Estimates are based on forecasts of behavioural impacts so are subject to uncertainty. CEPA’s view of assumptions may not always reflect stakeholder views. ---

Specialisation: CEPA’s base case assumes that the largest two operator categories specialise, enabled by their scale and use of technology.*

- To avoid incurring the CC more times than is necessary, operators may attempt to concentrate their CCZ trips into as few vehicles as possible – the PHVs therefore “specialise” as either a CCZ or non-CCZ PHV (this can change each day, since the CC is daily). The number of PHVs entering the CCZ at least once in any day therefore falls by about 45% – this is shown split across the Extra-Large and Large operators in the left-hand chart below.
- However, the CCZ-entering PHVs drive more to serve the fares that cannot now be served by the PHVs that avoid the CCZ – so the traffic impact is more closely tied to the demand response. Taking into account that we expect the CC to be at least partly passed on to passengers through increased fares, we expect the demand response to these fare increases to lead to about a 6% reduction in PHV traffic overall (approx. 1% of overall motorised traffic).

Larger operators we spoke to were not sure whether/to what extent they could specialise (given the desire to minimise time spent waiting for or travelling to a fare), so we consider sensitivities around our base case assumptions but emphasise CEPA’s view that markets adapt to change and the specialisation assumption is a reflection of that.

Cost spreading and cost absorption. In addition to specialisation, the base case reflects CEPA’s view that: (1) the largest operators would be able to spread the charge across all London trips (i.e. including both CCZ and non-CCZ trips), i.e. over a wider base; and (2) the largest operators may not pass on all of the charge to customers, i.e. by absorbing some cost either from profit margins or by requiring drivers to bear a portion. The right hand chart below shows the combined result – in our view the price per trip would potentially rise less for larger operators than for smaller operators.



* These decisions may be operator-led, or driver-led. ‘Operator-led’: operator influences which trips are allocated to which vehicles, e.g. via an allocation algorithm. Driver-led’: certain drivers choose to focus their trips in the CCZ.

** The more an operator can specialise, the lower proportion of their PHVs need to enter the CCZ to serve the same number of fares – we assume larger operators are more able.

*** Chauffeur fares increase by a lower proportion compared to Small operators, because chauffeur fares are higher to start with.

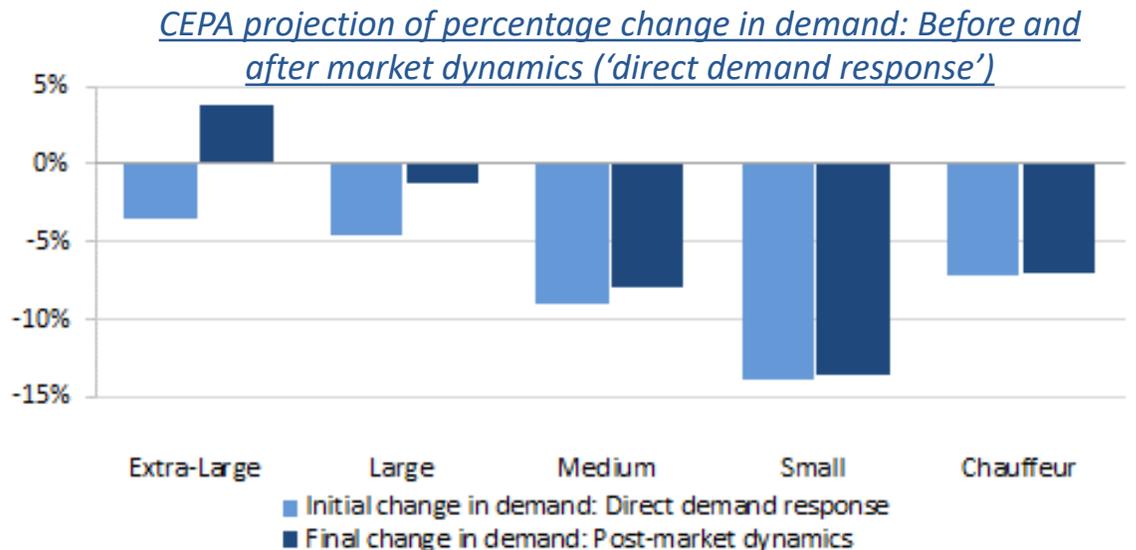
Forecasting passenger response



--- Estimates are based on forecasts of behavioural impacts so subject to uncertainty. CEPA's view of assumptions does not always reflect stakeholder views. --

Direct demand response. The previous slide showed our base case hypothesis that prices would rise by a greater amount for Small operators, as they would be unable to spread the charge across many trips and/or absorb the cost. The (direct) demand response reflects this, as shown in the chart below, where the light blue bars indicate that demand would fall by most for the Small operators. (We do not expect demand to fall by as much for chauffeur journeys because, as noted on the previous slide, chauffeur fares increase by a lower proportion.) On the other hand, the immediate (direct) demand reduction is less for the largest operators because we expect that their fares will not rise by as much.

Subsequent market dynamics. We assume that a significant proportion of the customers lost by operators under the 'direct demand response' would switch to a different operator, i.e. some 'lost demand' would be 'redistributed' to other operators.* We assume customers would be redistributed in proportion to (1) each segment's existing CCZ presence (share of current chargeable entries), and (2) the extent to which each segment can limit the increase in price.** The chart shows our view that Extra-Large could gain the majority of 'redistributed' customers post-market dynamics, as it has a large CCZ presence and we expect it might not raise fares much. Large operators and taxis could also gain some 'redistributed' customers, but Small and Medium operators barely gain as we expect their prices to rise more.**



Note: The dark blue bars ('post-market dynamics') represent CEPA's final forecast, including the assumption that large operators with higher specialisation would be able to implement smaller price increases and could gain market share vs smaller operators.

Overall (the dark blue bars): Demand is forecast to increase for Extra-Large (by 4%) and to fall for other operators, e.g. by -1% for Large.

Summary of distributional impacts. We forecast: (1) Extra-Large would be the only PHV operator segment to benefit from the policy; (2) all other PHV operators would lose demand; (3) a modest proportion of customers would switch to taxis as the price differential to PHV narrows.

* Under our base case, we assume that 75% of "lost journeys" are re-distributed, i.e. the other 25% of journeys are cancelled or diverted.

** In the base case, the shares of 'redistributed demand' are as follows: Extra-Large 65%; Large 13%; Medium 5%; Small 3%; Chauffeur 0%, Taxi 13%. As a simplistic estimate, we assume that taxis gain the same proportion of the 'redistributed demand' as the Large operator segment.

Potential adjustment factors



We have considered a number of additional factors that could impact the number of chargeable entries and revenue to TfL.

Chargeable entries	Explanation	Discussion
Growth in PHV traffic in future years	PHV market has grown in recent years, and if this continues it would increase unique entries.	Forecasts of growth are high level at this stage and there is uncertainty in the sector. We discuss the directional impact in our conclusions.
Second exemptions	Vehicles or drivers may be eligible for another exemption, e.g. ULED or residents discount, so would not have to pay if the PHV exemption is removed.	ULEV growth is hard to predict as there are uncertainties from an operator perspective. We discuss directional impacts. Some operators have indicated their intention to transition to hybrid/electric vehicles.*
Vehicles licensed outside of London	TfL's traffic data does not include these, so maybe understate unique entries.	Non-London licensed PHVs are already paying the CC, so removing the exemption for London-licensed PHVs would have no affect on traffic levels in the CCZ or revenue to TfL.

Revenue	Explanation	Discussion
Payment other than Autopay	Revenue to TfL will increase if some payments are not made via Auto Pay	We consider that close to 100% of payments would be made via Auto Pay for PHVs.
Administration costs	TfL will incur costs in administering the charge	Cost data is not available, so not possible to make an adjustment.
Scope for avoiding the charge	If vehicles enter the CCZ but can avoid paying, this reduces revenue to TfL	TfL is content that there are no real opportunities for avoiding the charge, so no adjustment required.

* e.g. Uber's Clean Air Plan.

Forecast impacts: Traffic and distributional effects



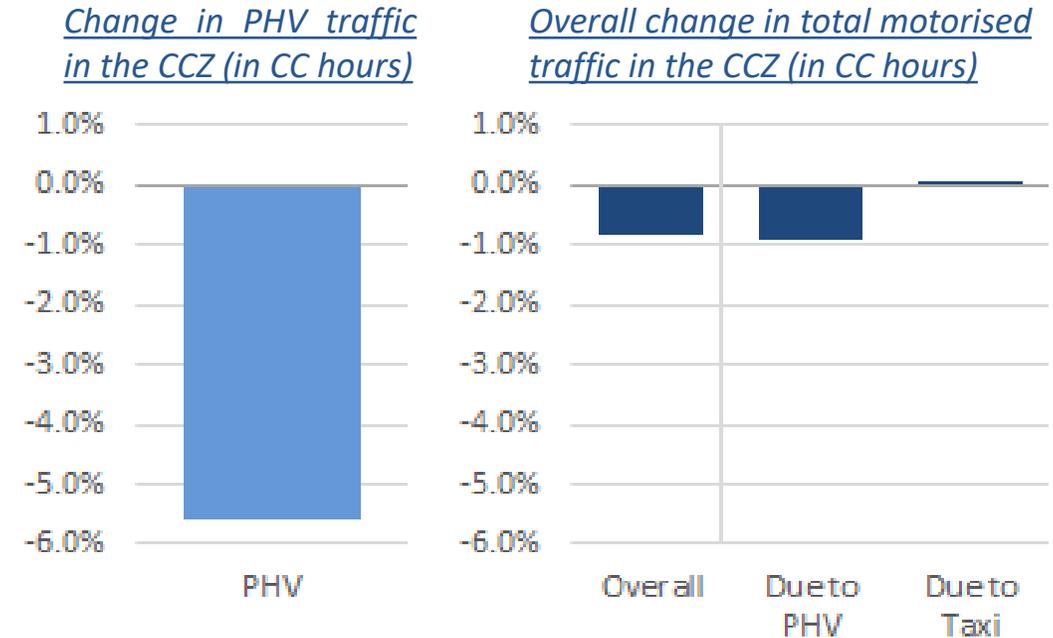
--- Estimates are based on forecasts of behavioural impacts so are subject to uncertainty. CEPA's view of assumptions may not always reflect stakeholder views. ---

Traffic impact: If the CC exemption were removed for PHV, in our base case we estimate that PHV traffic could fall by up to approximately 6%.* If considered alongside other motorised transport in the CCZ, **total traffic in the CCZ (including all motorised transport) is estimated to fall by approximately 1%.** This includes a minor increase in taxi traffic due to 'market dynamics'.

Based on sensitivity analysis around our assumptions, the traffic impact could be greater, but with a relatively low probability. A more sophisticated statistical analysis of the possible outcomes on traffic might be possible, but is beyond the scope of this study. We note that traffic impacts may be gradual (rather than immediate) as operators and drivers will likely take time to change their behaviour.

Distribution impacts:

- Impact on small operators. Our work suggests that the policy would have the **greatest impact on small operators**, as they would likely be less able to accommodate the increased charge.** Higher costs would put further financial pressure on operators – further analysis of the impact on small operator cashflows could help to clarify whether some small businesses might subsequently be forced out of business. There is some evidence of operators consolidating (e.g. to improve competitiveness) and this trend could continue.
- Impact on driver earnings. There is a risk that **individual drivers could bear at least some of the charge** and this would **adversely impact already relatively low earnings**. In our view, drivers with the largest operators (e.g. Extra-Large and Large) could be at the greatest risk of bearing some or all of the charge, given that operators could utilise their market power and/or might seek to keep prices low.
- Sensitivities. **NOTE The impact on each operator segment is sensitive to the assumptions, e.g. relative changes in the price per trip.**



* This reflects CEPA's views on specialisation - i.e. that those vehicles that do enter the CCZ circulate more within it reducing the number of unique entries. With less specialisation, the reduction in entries would be smaller as more vehicles would be required in the CCZ. Slide 25

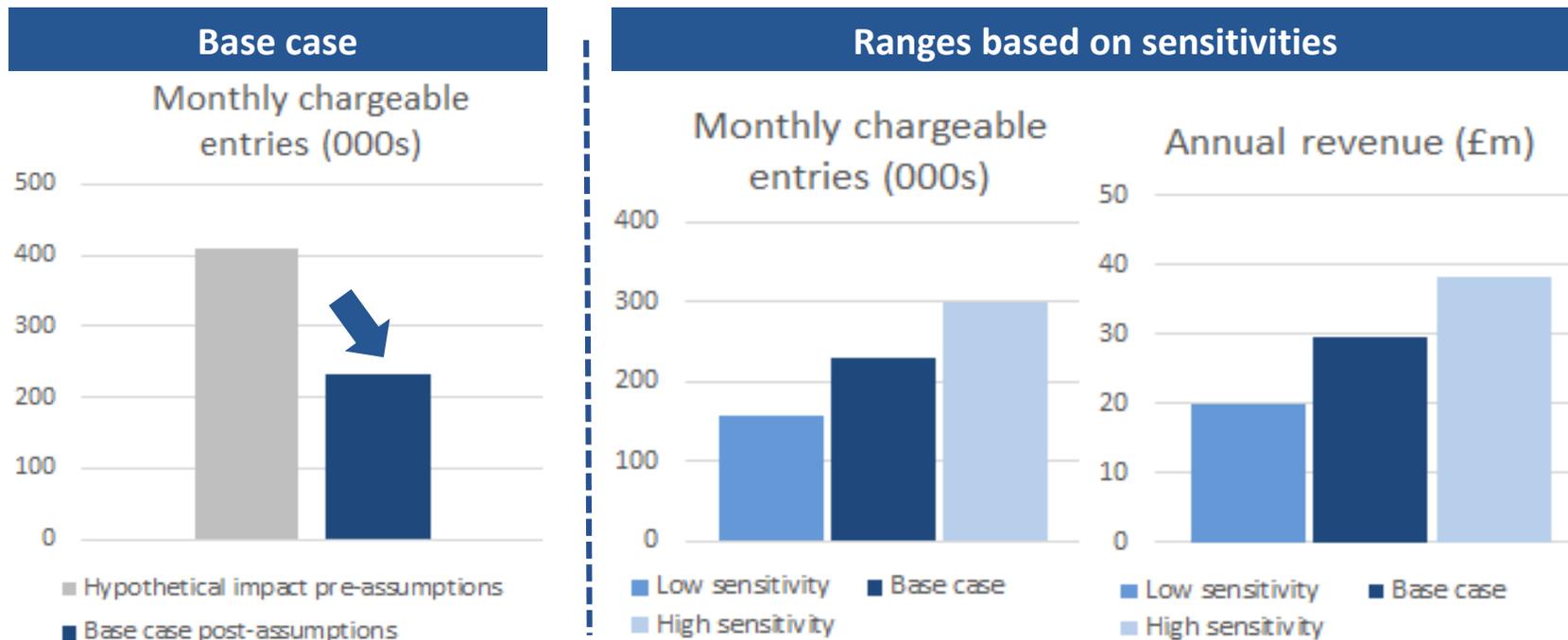
** Based on our analysis to date, it is not possible to tell whether/how different sub-sets of operators within the 'small' operator segment might be affected in materially different ways.

Forecast impacts: Unique (chargeable) entries



--- Estimates are based on forecasts of behavioural impacts so are subject to uncertainty. CEPA's view of assumptions may not always reflect stakeholder views. ---

Chargeable entries* and revenue. Under our base case, if the existing PHV exemption were removed, we estimate that PHV unique (chargeable) entries in the CCZ could fall from 410,000/month ('current levels') to circa 230,000/month ('base case post-assumptions') due to changes in behaviour by operators, as shown below left. Gross additional revenue to TfL based on this number of chargeable entries would be roundly £30m, based on our forecasts for operator/passenger behaviour (slide 20) and other assumptions (slide 24), e.g. all vehicles pay via Autopay, etc. However, our assumptions are subject to uncertainty, particularly the degree of 'specialisation', and so revenue could be higher or lower. Flexing our assumption for specialisation is the key driver of the range shown below (roundly £20m to £40m). We note that the 'low' estimate could be even lower in certain cases, e.g. if operators transition their fleet to be eligible for the ULED.



Notes: Quoted numbers have been rounded to the nearest 10,000. Monthly figures are based on 22 chargeable days per month.

* Chargeable entry figures are underpinned by the 'traffic baseline' data (see Section 5), which is subject to a cross-check versus RODAT November 2017 data.

Sensitivity analysis



--- Estimates are based on forecasts of behavioural impacts so are subject to uncertainty. CEPA's view of assumptions may not always reflect stakeholder views. ---

Given the uncertainty in our work, we considered how variations in our main assumptions would impact on the key outputs, i.e. traffic, revenue and distributional effects.

Key outputs	Main assumptions				
	Specialisation	Cost spreading	Cost absorption	Demand elasticity	Demand redistributed
Traffic *	Small	Small	Small	Small	Small
Revenue **	Large	Negligible	Negligible	Negligible	Negligible
Distribution ***	Medium	Large	Large	Large	Medium

- For traffic (congestion), none of the main assumptions *on their own* have a significant impact. Only if all variables are at a particular extreme, would the collective impact on total motorised traffic in London be more significant than our base case.
- For revenue, the degree of 'specialisation' by operators/drivers has a significant impact, e.g. circa \pm £10m based on our assumption range.
- Distributional effects are impacted by a number of variables. For example, if one operator passes the charge through to customers but another holds their prices firm, we consider that the latter would gain demand relative to the former. This increases the uncertainty in relation to how different operators might be affected if the exemption were to be removed.

Other sensitivities

- Some operators have indicated their intention to transition their fleets to hybrid/electric vehicles. As a high level example, if one third of unique PHV entries were undertaken by ULED-eligible vehicles, the number of chargeable entries would fall by one third, revenue to TfL would fall by one third (e.g. from £30m in our base case to £20m), and the traffic impact would fall.
- One limitation of the underlying data is that we only have a proxy for the current number of trips per day undertaken in the CCZ for each unique vehicle entry, and it is sector-wide, i.e. not specific to each operator segment. If the data could be improved, any change would be equivalent to varying the specialisation assumption, and so the revenue impact would vary.

* For traffic, a 'small' impact is considered to be less than \pm 0.5 percentage points.

** For revenue, a negligible impact is considered to be less than \pm £1m.

*** For distributional effects, a 'large' impact is a significant change in the demand share for an operator segment relative to other segments.



7 Conclusions and potential next steps

Conclusions



Views from stakeholders. To provide context to this potential policy, the key messages from our stakeholder discussions are:

- **Summary of feedback:** There is strong opposition to this policy from the PHV trade. Relations with TfL are becoming strained, particularly given recent increases in licence fees and other regulatory changes. Stakeholders felt that it would be discriminatory if taxi's exemption remains, and have expressed their concerns publicly. Operators are suspicious of TfL's rationale – this policy feels like a tax to raise revenue – and operators have been reluctant to discuss how they might respond as they feel like they would be accepting the policy.
- **Traffic levels:** Stakeholders feel that this policy would not materially reduce congestion - it might even increase via drivers wanting to stay in the CCZ, having paid. There are better alternatives (e.g. enforcement of pre-booking), and congestion is due to non-PHV factors (e.g. cycle lanes).
- **Distributional impacts:** The largest operators would gain market share at the expense of the smallest, driver incomes would be further squeezed, some public sector bodies would end up bearing the charge (e.g. local councils), and vulnerable users might incur higher costs, e.g. the elderly.

CEPA's quantitative analysis and conclusions. If the exemption were to be removed, in our 'base case' we forecast the following impacts:

- **Traffic** would fall slightly. We estimate PHV traffic would fall by around 6%, or 600 unique entries per day. Alongside other motorised transport in the CCZ, this equates to a roughly 1% fall in total traffic in the CCZ. This includes a minor increase in taxi traffic due to some customers switching and we have not allowed for any increase in 'loitering'.
- **Distributional impacts:** It is likely to have a disproportionately large impact on trips provided by small operators, as they would be less able to accommodate the increased charge, and some small operators could subsequently be forced out of business. Drivers are also likely to bear at least some of the charge, particularly for the largest operators, and this would adversely impact on already low earnings.
- **Chargeable entries and revenue:** We estimate that unique PHV entries into the CCZ in charging hours would almost halve if the exemption were removed, primarily due to changes in operator behaviour. The policy could raise around £30m per annum for TfL, but is subject to uncertainty.

Sensitivity analysis indicates that **traffic** impacts are not significantly affected by changes in individual parameters. **Revenue** is highly sensitive to the degree of specialisation achieved by operators, as well as some other factors, e.g. whether operators' fleets become increasingly exempt via the ULED, and whether our underlying traffic data provides an accurate proxy of existing trip patterns. **Distributional impacts** (i.e. how different operator segments are impacted relatively) are affected by a number of our assumptions, e.g. differences in cost absorption between operators.

Caveats. Our quantitative analysis should be treated as providing '**broad estimates**', not 'firm results', as it is subject to uncertainty in various areas.

Potential next steps



Potential further work in relation to this policy:

- This report does not constitute a full/formal economic impact assessment. Our analysis has focused on the impacts on traffic in the CCZ, revenue, and distributional effects between operators. There are a number of areas, not within scope, which could be considered:
 - Cashflow / 'profit and loss' analysis for operators to understand whether any might be in danger of going out of business, taking into account the impact of other regulations and policies, e.g. increases in operator licence fees.
 - Discussions with passengers and customers, including public sector bodies that use PHV services such as schools, the NHS, etc.
 - Potential impacts on fares / journeys outside of the CCZ. As noted earlier, if the exemption were to be removed, some operators could seek to mitigate the impact of the charge by the spreading the cost over journeys both in the CCZ and outside the CCZ.
 - Considering in more detail the impact on the taxi sector, and to what extent customers might switch between PHV and taxi.



CAMBRIDGE ECONOMIC POLICY ASSOCIATES

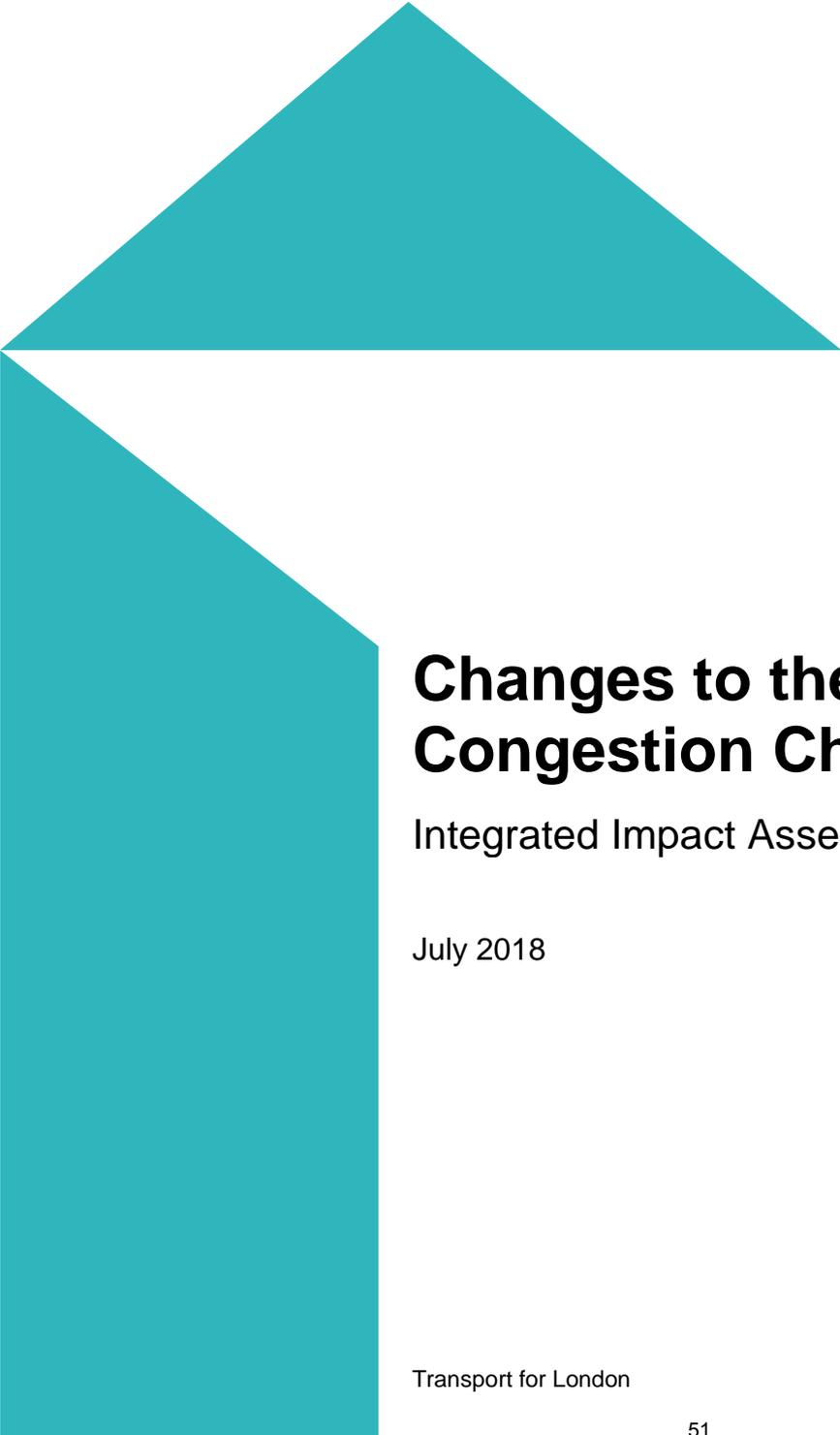
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Changes to the London Congestion Charge scheme

Integrated Impact Assessment

July 2018

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Transport for London

Changes to the London Congestion Charge scheme

Integrated Impact Assessment

July 2018

Issue and Revision Record

Revision	Date	Originator	Checker	Approver	Description
1A	18/05/18	CH-B	HF	FP	First draft for internal use
1B	6/06/18	RD	HF	FP	Second draft for client comment
1C	8/06/18	JH	HF	FP	Third draft for client comment
1D	22/06/2018	HF	FP	JB	Fourth draft for client comments
1E	28/06/2018	RD	HF	FP	Fifth version for client
1F	03/07/2018	SM	HF	FP	Final submission

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Executive summary

Introduction

As a part of the Greater London Authority (GLA), and through its role in running and improving London's transport services, Transport for London (TfL) has a statutory responsibility for delivering the Mayor's Transport Strategy (MTS)¹. As such, it is also responsible for helping to bring about a healthier London as envisioned in both the MTS and the Mayor's Environment Strategy².

The central London Congestion Charge scheme is an integral part of the MTS. The scheme aims to reduce congestion within a specified area in central London, known as the Congestion Charge zone (CCZ). It is designed to encourage car users to walk, cycle or use public transport for journeys. Congestion charging makes a valuable contribution to London's transport network. As well as reducing congestion when initially introduced, the scheme has reduced traffic levels, improved air quality and created safer roads. Proceeds from the scheme have been used to provide better transport services. However, over the past two decades, there has been a gradual return to slower average traffic speeds and increased congestion in central London³.

It is the Mayor's ambition to reduce congestion from its current levels, ensuring that the Congestion Charge continues to act as a deterrent to driving within the CCZ, and promote a shift to active and sustainable forms of transportation⁴. Proposal 20 of the MTS commits to a continued review of existing and planned road user charging schemes, and sets out that the Congestion Charge scheme should continue to reflect the vision for London as laid out by the Mayor and the GLA.

Responding to this ambition, TfL is considering two main proposals to make changes to the discounts and exemptions to the Congestion Charge scheme. In particular, TfL are exploring:

1. Removal of the private hire vehicle (PHV) exemption to the Congestion Charge.
2. Replacing the Ultra Low Emission Discount (ULED) with a new, phased, Cleaner Vehicle Discount (CVD).

TfL has commissioned Mott MacDonald to undertake an Integrated Impact Assessment (IIA) to help understand the potential impact of these proposals.

About the IIA

Scope

The IIA considers the potential health, equality, environmental, and economic and business impacts that may arise as a result of the proposals.

An overview of the focus for the assessment areas is provided below:

¹ Mayor of London (March 2018) 'Mayor's Transport Strategy'. Available at: <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

² Mayor of London (August 2017) 'London Environment Strategy'. Available at: https://www.london.gov.uk/sites/default/files/london_environment_strategy.pdf

³ TfL (2017) 'Travel in London: Report 10'. Available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>

⁴ Mayor of London (March 2018) 'Mayor's Transport Strategy'. Available at: <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

Table 1: Assessment areas

Assessment	Focus
Health impact assessment	Identifies and assesses health, well-being and safety impacts on a range of affected groups in relation to the proposed changes.
Equality impact assessment	Identifies and assesses impacts on a range of affected groups with characteristics protected under the Equality Act 2010 ⁵ , namely: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex; and sexual orientation. Deprivation, although not a protected characteristic, has also been included as an equalities impact. This equality impact assessment will help TfL and the Mayor to demonstrate its compliance with legislative requirements under the Act.
Environmental impact assessment⁶	Identifies and assesses the impacts across a range of environmental issues in relation to the proposed changes; for this assessment the principal focus has been emissions and air quality.
Economic impact assessment	Identifies and assesses impacts on businesses (in this case PHV operators and companies operating within the CCZ), PHV passengers, PHV drivers, general drivers and others as a result of the proposed changes.

Source: Mott MacDonald

Impacts were considered for the following groups:

- PHV drivers;
- PHV operators;
- PHV passengers;
- other (non PHV) drivers;
- pedestrians and other road users; and
- other (for example, local residents and businesses).

Summary of potential impacts

Overview

When considering the impacts of the two proposals, particularly those related to the removal of the Congestion Charge exemption for PHVs, it has been assumed that the additional costs arising from being subject to the Congestion Charge will not fall exclusively on PHV operators, PHV drivers or customers and is therefore likely to be spread across affected groups in a variety of ways. Rather than recording a single major impact for any one group, this report has, therefore, assumed a number of smaller impacts across a variety of affected groups.

- **Potential positive impacts:** Looking across the proposals and the evidence reviewed, it is anticipated that the proposals may result in reduced congestion and improvements to air quality and health for all individuals going into and working or living within the CCZ. This includes local residents, pedestrians, PHV passengers, PHV drivers and other drivers. It is expected that fewer vehicles (including PHVs) will enter the CCZ as an increasing number of drivers are required to pay the Congestion Charge. Due to the staged tightening of the criteria for the new CVD across 2019-2025, the impacts of these proposals will likely vary

⁵ Legislation.gov.uk. (2010) 'Equality Act 2010'. Available at: <https://www.legislation.gov.uk/ukpga/2010/15/contents>

⁶ This assessment considers environmental issues in the context of an IIA and is not a Strategic Environmental Assessment for the purposes of the European Directive 2001/42/EC and the Environmental Assessment of Plans and Programmes Regulations 2004 nor is it an Environmental Impact Assessment undertaken in accordance with the Town and Country Planning (Environmental Impact Assessment) Regulations 2011.

across the short to long term. The positive impacts of these proposals are more likely to be realised in the longer term.

- **Potential negative impacts:** There are, however, some areas where negative impacts are anticipated, although mitigation action may minimise the effect of these. Evidence feeding into the proposals indicates that, as drivers lose their discounts and exemptions to the Congestion Charge, financial loss may be experienced by drivers, PHV drivers, and PHV operators as a result of the increased costs associated with paying the charge.

How acutely the removal of the PHV exemption to the Congestion Charge is felt will depend on several factors, and primarily on operators' and PHV drivers' ability to specialise and spread the cost across passenger journeys. Yet, where the costs are passed on to PHV drivers there are certain social and demographic groups (people with 'protected characteristics' as described in Chapter 1, namely black, Asian and minority ethnic (BAME) and female PHV drivers, who are likely to experience a disproportionate impact from the proposals because of both their representation within the profession and their ability (or lack thereof) to incur additional costs. Where drivers pass on the costs to passengers, frequent users are likely to be impacted. Depending on whether part or all of the cost is passed on to passengers, users may experience a rise in fares, at least in the long run, following the introduction of these proposals. Any increase in costs, or reduction in availability of PHVs, may act as a barrier to accessing services essential for these passengers' health and wellbeing.

Wider impacts

It is important to consider the wider impacts of the proposals.

Focusing on the private hire industry:

- The proposals may act as a barrier or deterrent to those looking to join the private hire profession, particularly with the additional cost of purchasing a CVD compliant vehicle. This may have the inadvertent effect of limiting the growth of the private hire industry.
- The proposals should be considered in conjunction with the other recent changes to private hire regulations in London. In the past few years, TfL has introduced a number of regulatory changes for the private hire industry including the introduction of an English language requirement for all private hire driver licence applicants and a requirement for operators to provide a booking confirmation to passengers before a journey. TfL have recently consulted on potential regulatory changes to improve safety which includes, among other things, the potential introduction of an advanced driving test for all PHV drivers. Furthermore, since January 2018, all PHVs licensed for the first time must have a Euro 6 petrol or diesel engine, or a Euro 4 petrol-hybrid engine in order to meet new emission requirements. It is important that TfL consider the potential impact of these changes in relation to the proposals outlined within this report.

Consideration should also be given to how these proposals will interact with the changing landscape in terms of regulation aimed at encouraging the use of low or zero emissions vehicles in London. For example, the cumulative cost for some drivers should be considered:

- In April 2019, the Ultra Low Emissions Zone (ULEZ) will be introduced in central London, replacing the existing T-Charge. The ULEZ will introduce a charge for certain vehicles driving within the zone, which has the same boundary as the CCZ. The ULEZ will operate 24 hours a day, seven days a week. The ULEZ daily charge will be in addition to the Congestion Charge and will apply to, amongst others, those petrol cars and vans that do not meet Euro

4 emission standards and diesel cars and vans that do not meet Euro 6 emission standards. In October 2021, the ULEZ will be expanded to inner London.

1 Introduction

Transport for London (TfL), amongst other things, regulates taxi and private hire services, operates the Congestion Charge and Low Emission Zone schemes, manages the city's 580km Red Route network, operates all of the Capital's 6,300 traffic signals and works to ensure a safe environment for all road users. Subject to confirmation by the Mayor, TfL has the statutory power to set new, and amend existing, rules which apply to the Congestion Charge scheme. Due to concerns around congestion in central London, TfL are considering two proposals to make changes to the Congestion Charge scheme. Mott MacDonald was commissioned by TfL to undertake an Integrated Impact Assessment (IIA) on these proposals.

1.1 Background to the Congestion Charge

As part of the Greater London Authority (GLA), and through its role in running and improving London's transport services, Transport for London (TfL) is responsible for delivering the Mayor's Transport Strategy (MTS)⁷ and helping to bring about a healthier London as envisioned within this strategy and the Mayor's Environment Strategy⁸.

The Congestion Charge scheme was introduced in 2003. The Congestion Charge was designed to reduce congestion in central London through encouraging car users to use other modes of transport by charging them to drive within the zone. As it currently stands, the Congestion Charge is an £11.50 daily charge (£10.50 if paid via Auto Pay) for driving a vehicle within the Congestion Charging zone (CCZ) during charging hours, between 7am and 6pm, Monday to Friday. However, not all vehicles are currently required to pay the Congestion Charge as there are a number of exemptions and discounts to the charge available to certain categories of vehicles and people.

Within the first year of its inception, a 30 per cent reduction in congestion and a 15 per cent reduction in circulating traffic⁹ was seen in the CCZ. There was also a 37 per cent increase in the number of passengers entering the CCZ by bus¹⁰. Since its inception, within central London, there has been a year-on-year trend towards a reduction in motorised traffic volumes, which are now 22.4 per cent lower than in 2007/2008¹¹. Nonetheless, over the past two decades trends have shown a move towards slower average traffic speeds and increased congestion in London as a whole¹².

Increasing congestion and slowing road speeds impacts on the environment, and the health of Londoners. Road traffic currently accounts for 28 per cent of London's total emissions of carbon dioxide (CO₂), 50 per cent of London's total emissions of nitrogen oxides (NO_x), and 50 per cent of London's particulate matter (PM₁₀) emission. While emissions of CO₂ have been decreasing as vehicles become more fuel-efficient, in 2016 levels of road traffic have been offsetting this

⁷ Mayor of London (March 2018) 'Mayor's transport Strategy'. Available at: <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

⁸ Mayor of London (August 2017) 'London Environment Strategy'. Available at: https://www.london.gov.uk/sites/default/files/london_environment_strategy.pdf

⁹ Centre for Public Impact (April 2016) 'London's congestion charge'. Available at: <https://www.centreforpublicimpact.org/case-study/demand-management-for-roads-in-london/>

¹⁰ Centre for Public Impact (April 2016): 'London's congestion charge'. Available at: <https://www.centreforpublicimpact.org/case-study/demand-management-for-roads-in-london/>

¹¹ TfL (2017) 'Travel in London: Report 10'. Available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>

¹² TfL (2017) 'Travel in London: Report 10'. Available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>

on-going reduction. Emissions of NO_x and concentrations of nitrogen Dioxide (NO₂) continue to exceed European Union limit values across much of central and inner London while PM₁₀ emissions (having reduced significantly over recent years) are increasing slightly in Inner London¹³.

In addition, changes within the private hire industry and the number of people using PHVs have resulted in a significant increase in the number of PHV drivers, and there are now over 100,000 licensed PHV drivers in London¹⁴. Whilst the volume of motorised traffic has fallen, particularly in terms of private cars (subject to the Congestion Charge), there has been a notable increase in licensed PHVs within the CCZ¹⁵. Around 18,200 different PHVs now enter the CCZ each day in charging hours and around 57,000 PHVs have been detected at least once in the zone per month¹⁶.

Figure 1: CCZ boundary



Source: TfL

Within this context, it is the Mayor's ambition to continue to reduce congestion and promote active and sustainable transportation in London¹⁷. Key to achieving this vision is proposal 20 of the MTS, which commits to a continued review of existing and planned road user charging schemes, and ensuring the implementation of the CCZ continues to reflect the vision for London as set out by the Mayor.

¹³ TfL (2017) 'Travel in London: Report 10'. Available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>

¹⁴ TfL (June 2018) 'Licensing information'. Available at: <https://tfl.gov.uk/info-for/taxis-and-private-hire/licensing/licensing-information>

¹⁵ TfL (2017) 'Travel in London: Report 10'. Available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>

¹⁶ TfL in house data (unpublished)

¹⁷ Mayor of London (March 2018) 'Mayor's Transport Strategy'. Available at: <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

1.2 Proposed changes to Congestion Charging

As a consequence of London’s ongoing congestion, two of the discounts/exemptions to the Congestion Charge are being reviewed:

1. **The PHV exemption** – Recognising the growing number of PHVs within the CCZ, TfL is considering the proposal to remove the PHV exemption from 8 April 2019 onwards. PHVs which are designated as wheelchair accessible will continue to be exempt from the charge.
2. **The Ultra Low Emission Discount (ULED)** – an emissions discount has always been offered as part of the Congestion Charge but its definition has changed over time. The current version of the discount, ULED, was introduced in July 2013 and provides a 100 per cent discount from the Congestion Charge for cars and vans with CO₂ emissions of 75g/km or less that meet the Euro 5 emission standard. TfL is considering the proposal to replace ULED with a new, phased Cleaner Vehicle Discount (CVD):
 - **April 2019** – TfL proposes to tighten eligibility so that only cars and vans that emit no more than 75 grams per kilometre of CO₂, meet Euro 6 emissions standards and have a zero emission capable range of 20 miles or more would be eligible for the discount.
 - **October 2021** – TfL would further tighten the criteria so that only zero emission vehicles would be eligible for the discount. As such, only electric vehicles (i.e. no hybrids) would qualify.
 - **2025** – The discount would end. There would be no emissions discount for ultra low emissions vehicles.

1.3 Purpose and scope of the IIA

An IIA is a method for decision makers to assess the possible impacts, both positive and negative, that proposed changes may have on the population and area in which the proposal or intervention is planned. The aim of an IIA is to, firstly, help identify potential positive and negative impacts and, secondly, where possible, make recommendations to minimise negative impacts of proposals and identify enhancement opportunities for positive impacts.

TfL has commissioned an IIA which considers the potential health, equality, environmental and economic and business impacts that may arise as a result of the proposed changes to the Congestion Charge scheme. These impacts are to be considered separately and cumulatively, and are to be presented together in one single document. An overview of the focus for the four assessments is provided in table 2.

Table 2: Assessment areas

Assessment	Focus
Health impact assessment	Identifies and assesses health, well-being and safety impacts on a range of affected groups in relation to the proposed changes.
Equality impact assessment	Identifies and assesses impacts on a range of affected groups with characteristics protected under the Equality Act 2010 ¹⁸ , namely: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex; and sexual orientation. Deprivation, although not a protected characteristic, has also been included as an equalities impact. This equality impact assessment will help TfL and the Mayor to demonstrate its compliance with legislative requirements under the Act.

¹⁸ Legislation.gov.uk. (2010) 'Equality Act 2010'. Available at: <https://www.legislation.gov.uk/ukpga/2010/15/contents>

Assessment	Focus
Environmental impact assessment ¹⁹	Identifies and assesses the impacts across a range of environmental issues in relation to the proposed changes; for this assessment the principal focus has been emissions and air quality.
Economic impact assessment	Identifies and assesses impacts on businesses (in this case PHV operators and companies operating within the CCZ), PHV passengers, PHV drivers, general drivers and others as a result of the proposed changes.

Source: Mott MacDonald

1.4 Report structure

The remainder of this report is structured as follows:

- **Chapter 2** outlines the methodology and timescales for the IIA.
- **Chapter 3** outlines main impacts associated with the proposed changes and specific impacts that may arise per proposal in relation to the four assessment areas.
- **Chapter 4** provides a summary for each of the four assessment areas and presents some overall conclusions and recommendations.
- **Appendices** cover further information about the scoping and rating of the proposals, stakeholders interviewed, the assessment framework, equalities analysis and topic-specific methodologies.

¹⁹ This assessment considers environmental issues in the context of an IIA and is not a Strategic Environmental Assessment for the purposes of the European Directive 2001/42/EC and the Environmental Assessment of Plans and Programmes Regulations 2004 nor is it an Environmental Impact Assessment undertaken in accordance with the Town and Country Planning (Environmental Impact Assessment) Regulations 2011.

2 Our approach

This chapter outlines the methodology used for this IIA and each of the constituent topics. It also sets out the assumptions and limitations associated with the work.

2.1 IIA methodology

2.1.1 Scoping

The first task involved an initial scoping exercise to understand whether the proposals were relevant to each assessment topic (health, equality, environment, business and economic). This was informed by a desktop review of the available evidence to ensure a thorough understanding of the assessment areas under consideration. It used research from a range of secondary sources including academic journals and articles, monitoring data on the CCZ collected by TfL, research undertaken by TfL and the Department for Transport (DfT), and research produced by Cambridge Economic Policy Associates (CEPA) on behalf of TfL, amongst other organisations.

Based on the evidence review, proposals were 'scoped in' or 'scoped out' using a scoping matrix. This set out the content and extent of matters that should be covered within the individual impact assessments, together with a justification for inclusion or exclusion. Both proposals were scoped in for all assessment areas. However, no evidence was found in either existing data sources or through discussion with stakeholders indicating any equality issues with proposal 2 (the introduction of the new CVD).

The findings from this initial scoping exercise are set out in Appendix A. It should be noted that the decision to scope in or out proposals was revisited after engagement with stakeholders (see 2.1.3).

2.1.2 Establishing the assessment framework

As is IIA good practice, to guide the assessment of the proposals, a framework was developed to ensure consistency in the way the impacts were assessed.

This framework, shown below, was used to systematically assess each proposal by the specialist areas. Impacts were considered for each of the following affected groups:

- PHV drivers;
- PHV operators
- PHV passengers;
- other (non-PHV) drivers;
- pedestrians and road users; and
- others (for example, local residents and businesses).

Please note that PHV operators have been categorised as follows:

Table 3: Categorisation of PHV operators²⁰

Operator segment	Number of vehicles	Number of operators currently in the market
Extra-large	10,001+	1
Large	1,001 – 10,000	1 (plus 'umbrella')
Medium	501 - 1,000	3
	101 - 500	43
Small	51 – 100	91
	21 – 50	281
	11 – 20	284
	0 – 10	1,328
Chauffeur	Various	300

Source: CEPA Report (2018)

The three key criteria used to assess the impacts are:

- Temporal scale / duration of impact:** this considers whether an impact is expected to be long-term (e.g. where an impact brings about permanent change which will continue to affect groups in some way for the foreseeable future), medium-term (e.g. affected groups will be able to adapt to the change over time); or short-term (where an impact is experienced only at the point of implementation and is overcome by the affected group relatively quickly). For the purpose of this IIA, short-term impacts have been defined as those which have an effect between 2019 and 2021 (before the second tightening of the CVD is introduced); medium-term impacts have been defined as those which have an effect between 2021 and 2025 (following the second tightening of the CVD); and long-term impacts have been defined as those which have an effect after 2025 (when the CVD has been removed).
- Distribution / scale of impact:** this considers how many groups might be affected by a proposal or impact. Where it is available, quantified information is used; where this is not available a judgement has to be made based on the available evidence. This criterion also considers the 'magnitude' or 'severity' of the impact (i.e. to what extent will the affected group be impacted relative to the current situation).
- Sensitivity of affected groups:** this considers how easily the affected group will be able to absorb or adapt to the impact. For example, if the impact is unavoidable; if it leaves an affected group without alternatives or disrupts the ability to function (or trade) as normal, the affected group would be considered as highly sensitive to the change. Where there are alternatives or where the affected group continues to function as normal, sensitivity would be low.

Table 4: Assessment framework

Proposal category	Proposal number	Scoped in or out	Review of proposal	Identification of affected group	Description of the impact	Positive or negative impact	Temporal / duration	Distribution / scale of impact	Sensitivity of impact	Impact rating	Mitigation measures

²⁰ Based on the definition of operators as outlined in the CEPA report

Using the duration, scale and sensitivity criteria an impact classification was then assigned according to a seven-point scale as illustrated in Table 5 below. More detail is provided in Appendix B.

Table 5: Seven-point impact scale

Impact rating	Typical characteristics of impact	
XXX	Major adverse	Long term or permanent. Experienced by whole population/all affected groups. Groups affected are sensitive or vulnerable to change. Would require considerable intervention to return to the baseline.
XX	Moderate adverse	Medium term. Affects many groups across a wide geographical area. Some groups affected are sensitive or vulnerable to change. May require some intervention to return to baseline conditions.
X	Minor adverse	Short term impact. Affects a small number of groups/impacts are spatially contained. Few groups affected are sensitive or vulnerable to change. Return to baseline conditions requires natural or minimal intervention.
0	Neutral	Unlikely to result in a detectable impact. Baseline remains consistent.
✓	Minor beneficial	Short term impact. Affects a small number of groups/impacts are spatially contained. Few groups affected are sensitive or vulnerable to change. Return to baseline conditions may occur naturally without future intervention.
✓✓	Moderate beneficial	Medium term. Affects many groups across a wide geographical area. Some groups affected are sensitive or vulnerable to change. May require continued intervention to return to baseline conditions.
✓✓✓	Major beneficial	Long term or permanent. Experienced by whole population/all affect groups. Groups affected are sensitive or vulnerable to change. Would require considerable intervention for positive impacts to cease and baseline conditions to resume.

Source: Mott MacDonald

The impact ratings are specific to the impact and should not be compared against other impacts without considering the evidence in terms of both scale and sensitivity.

In order to understand the range of impacts expected to be realised should all proposals be implemented, as well as impacts at an individual proposal level, the study team has taken a two-tier approach to assessing impacts:

- Firstly, based on the evidence available, the impacts on principal affected groups (PHV operators, PHV drivers, other (non PHV) drivers, PHV passengers, pedestrians, other road users, and others such as businesses and local residents) at an individual proposal level have been explored. This has been set out in Chapter 3.
- Secondly, the potential headline issues resulting from these impacts as a whole have been identified. These have been set out in Chapter 4. Consideration has been given here to wider impacts.²¹

²¹ Cumulative impacts are when impacts of these proposals may be increased or reduced as a result of all proposals being implemented together and/or other policy interventions or developments that are going on in London at the same time.

2.1.3 Engagement

Following the initial evidence review, engagement with stakeholders was undertaken to ensure that stakeholder experience, judgement and expertise was integrated into the findings of the assessment. This IIA has drawn on three broad groups of stakeholders, namely:

- PHV operators – extra-large (10,001 plus vehicles in fleet), large (1,001-10,000 vehicles in fleet), medium (101-1,000 vehicles in fleet) and small (0-100 vehicles in fleet) scale operators, some of whom had a wide coverage of London and others who were more localised.
- Trade and driver representatives –trade union and driver representative stakeholders (only those who specialise in the PHV industry).
- Equality, health, environment and passenger groups –organisations specialising in the rights and experiences of specific protected characteristic groups and those with a focus on environment issues in London.

The stakeholder list was developed with guidance and input from TfL. A total of 18 interviews were completed. A list of organisations who took part in the IIA can be found in Appendix C²².

2.1.4 Topic specific methodologies

Each assessment area has taken an individual approach, informed by best practice, in order to complete the overall assessment framework (as described above) for each proposal. These methodologies are detailed in Appendix F.

2.2 Assumptions and limitations

2.2.1 Methodological assumptions and limitations

The following methodological assumptions and limitations should be considered whilst reading this IIA.

- Engagement findings are not attributed to individual stakeholders by name in this report; comments received about impacts have been aggregated and used to inform the wider evidence on which the assessment has been based. Anonymity of responses is considered best practice as it enables participants to give honest answers and leads to a higher response rate²³. Answers given by stakeholders during the interviews were cross referenced against public statements; there was no inconsistency between stakeholder engagement interviews and public statements.
- The business and economic impact assessment has relied on engagement with PHV operators to provide more detail and assurance for this assessment around the key impacts that could be experienced by different parts of the sector.
- No quantitative modelling of health, traffic or environmental impact has been undertaken as part of this IIA. However, an outline assessment of potential impacts has been provided based on how the proposals will be implemented.
- It is noted that the registered keeper of a vehicle entering the CCZ will be responsible for paying the Congestion Charge. There will be instances when PHV operators or PHV drivers

²² Please note that some organisations asked to remain anonymous as such they have not been presented in the Appendix C.

²³ See for example Halej, J/Equality Challenge Unit (2017) 'Ethics in primary research (focus groups, interviews and surveys)', Oltmann, Shannon M. (2016) 'Qualitative Interviews: A Methodological Discussion of the Interviewer and Respondent Contexts Forum Qualitative Sozialforschung / Forum: Qualitative Social Research', 17(2), Art. 15. O'Haire C, McPheeters M, Nakamoto E, et al. 'Engaging Stakeholders To Identify and Prioritize Future Research Needs' (2011) (Methods Future Research Needs Reports, No. 4.) [Table, Strengths and Limitations of Stakeholder Engagement Methods].

rent their vehicle(s) through a third party (PHV owner). It has been assumed that in these instances the PHV owner would pass the cost, and any additional administration costs, directly on to those renting the vehicles. This group has therefore been scoped out of the IIA as it assumed that the impact for this group will be passed on to the operator or driver.

- Section 17(1) of the Crime and Disorder Act 1998 creates a duty on TfL to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, the following matters in its area: crime and disorder; drug, alcohol and substance abuse; and re-offending. TfL's 'area' in this instance is Greater London but the scope of TfL's influence in that area relevant to the proposals being considered is limited to the regulation of PHVs and the discharge of road user charging powers. As part of this IIA, the impact of the proposals in relation to TfL's duties under the Crime and Disorder Act have been considered and it has been assessed that these are unlikely to have an impact on any of the areas outlined above.

2.2.2 Data and assumptions drawn on to support review of the proposals

A number of data sources and assumptions have been drawn on in order to support consideration of the potential impacts that may occur if the proposed changes are made to the Congestion Charge. These have been outlined below:

Proposal 1: Removal of the PHV exemption

- There are currently c.113,000 PHV drivers licensed by TfL²⁴. However, not all PHV drivers will be working regularly, unpublished data produced by TfL outlines that:
 - Of licensed PHV drivers, around 72,000 were actively registered with an operator and available to fulfil bookings in January 2018²⁵.
 - Of licensed PHV vehicles, around 75,000 were actively registered with an operator and able to fulfil bookings in January 2018²⁶.
- The removal of the PHV exemption to the Congestion Charge will apply to the majority of PHVs. However, PHVs which are designated as wheelchair accessible will continue to be exempt from the charge. There are currently c.550 designated wheelchair accessible PHVs, as such only a small proportion of licensed PHVs in London (around 0.6 per cent) will continue to be exempt from the Congestion Charge.
- The registered owner of the vehicle will be required to pay the Congestion Charge.
- Data produced by TfL (unpublished) indicates that on any given day between 15,000 and 20,000 unique PHVs (i.e. the number of different PHVs entering the zone on a given day) will enter the CCZ during chargeable hours. In 2017, on average, each day, 18,248 unique PHVs were seen in the CCZ in charging hours.
- The taxi and private hire driver diary survey undertaken by Steer Davies Gleave in 2017²⁷ indicates 33 per cent of the sampled PHV drivers made journeys into the CCZ in charging hours, while 23 per cent of trips involved travel to, from or within the CCZ.
- As such, while all PHVs entering the CCZ during chargeable hours will be expected to pay the Congestion Charge, this data would suggest that there is a fairly large number of PHVs which do not regularly enter the CCZ and so would not see a substantial increase in operating costs through paying the Charge.

²⁴ TfL (2018) 'Licensing information'. Available at: <https://tfl.gov.uk/info-for/taxis-and-private-hire/licensing/licensing-information>

²⁵ Figures for 'active' drivers are not available prior to 2015.

²⁶ Figures for 'active' vehicles are not available prior to 2015.

²⁷ Steer Davies Gleave (2017) 'Taxi and Private Hire Driver Diary Survey 2016/2017'. (unpublished)

- The Congestion Charge is currently £11.50 or £10.50 if paid via Auto Pay²⁸. Those PHV drivers who are the heaviest users (defined as going into the CCZ every day during charging hours) could expect to pay around £230 a month (assuming a 22-working day month and use of Auto Pay).
- Approximately three quarters of PHV operators state that their PHV drivers must supply their own vehicle²⁹ and as such, as the registered owners of these vehicles, these drivers would be responsible for paying the Congestion Charge.
- While many operators are not obliged to pay the Congestion Charge, an IIA undertaken by Jacobs around the introduction of the Ultra Low Emission Zone scheme (ULEZ)³⁰ outlined that 31 per cent of PHV operators report owning and providing at least some vehicles to drivers. A similar proportion (29 per cent) of operators were found to provide vehicles as part of the Taxi and Private Hire Licensee Customer Satisfaction Survey 2017/2018³¹. Consequently, some operators would be required to pay the Congestion Charge as the registered keeper of the PHV.
- Unpublished TfL data from November 2017, suggests that unique PHV entries within the CCZ during chargeable hours are largely made up of PHVs working for one extra-large operator (57 per cent of all unique PHV entries work solely for an extra-large operator). Around seven per cent of PHVs work solely for a large operator and 20 per cent work solely for a range of smaller operators.
- The CEPA report forecasts just over a 15 per cent increase in price per trip for small operators which it suggests could lead to a fall in customer demand.
- CEPA analysis of the likely impacts of the removal of the Congestion Charge exemption for PHVs, suggests that there could be a reduction of 45 per cent in the number of unique PHVs entering the CCZ in charging hours (i.e. the number of different PHVs entering the zone on a given day). This is based on the assumption that larger PHV operators will be able to 'specialise' by allocating trips to reduce the number of vehicles taking fares in the CCZ, with the vehicles remaining in the zone doing more trips within it. This means that the overall reduction in PHV traffic in the zone in charging hours will be lower, at around six per cent.
- CEPA have suggested that those operators who are able to specialise their fleet will be able to minimise the costs associated with the removal of the exemption. It is assumed by CEPA that only larger operators with over 500 PHVs will be able to do this.
- CEPA analysis also assumes that the cost of the charge will be spread between PHV passengers (across multiple passenger trips), PHV drivers and PHV operators. How the cost is spread will depend on the size of the operator, with large operators able to spread the cost over a greater number of journeys. Due to this cost spreading, it is not expected that the small increase in cost to passengers will result in a significant reduction in demand for trips by PHVs.
- The assumed specialisation of trips by PHV operators and small reduction in passenger demand for trips by PHVs, is anticipated to reduce overall vehicle traffic in the CCZ in charging hours by one per cent.

²⁸ Auto Pay is a service that automatically schedules and deducts the Congestion Charge payment from the registered vehicle owner's bank account. Owners must register for this service. Being registered for Auto Pay gives owners access to a reduced charge. Businesses with six or more vehicles may apply for Fleet Auto Pay which direct debits any journey charges within the Congestion Charging zone. When registering for Auto Pay a £10 annual registration charge for each vehicle is required to be paid.

²⁹ Steer Davies Gleave (2017) 'Taxi and Private Hire Driver Diary Survey 2016/2017'. (unpublished)

³⁰ Jacobs (2014) 'Ultra Low Emission Zone: Integrated Impact Assessment'. Available at: https://consultations.tfl.gov.uk/environment/ultra-low-emission-zone/user_uploads/ulez-ia-report_final.pdf

³¹ TNS (2015) 'Taxi and Private Hire Licensee Customer Satisfaction Survey 2017/2018' (unpublished)

- A number of alternative discounts to the Congestion Charge may be applicable for PHV drivers and operators³². These include: the proposed new CVD, Blue Badge discount and residents discount. It should be noted that a small proportion of PHVs are expected to be eligible for the residents' discount; just over one per cent of PHV drivers live in the CCZ and residents discount zone and would therefore qualify for the residents' discount. As passengers who hold a Blue Badge are able to nominate two vehicles for the discount which includes PHVs, it is not possible to estimate the proportion of PHVs which may receive the Blue Badge discount when entering the CCZ.
- The Congestion Charge may be tax deductible as a business cost associated with an income earning activity depending on the employment and vehicle ownership status of the PHV driver and operator. This will mean that PHV drivers and operators may be able to recoup some of the cost of the Congestion Charge. PHV drivers and operators would have to seek official tax advice from a relevant source to establish whether they may claim a tax deduction for the Congestion Charge.
- The new CVD offers a 100 per cent discount to the Congestion Charge to those whose vehicles meet the eligibility criteria (Euro 6 emission standards, emit less than 75g/km of CO₂ and have a 20-mile zero emission capable range in 2019, and pure electric vehicles in 2021). PHVs which meet the CVD criteria will therefore be able to avoid paying the Congestion Charge until at least 2025.
- TfL licence statistics³³ indicate that there are currently around 55,000 Euro 5 and below licensed PHVs (constituting c.63 per cent of all licensed PHVs) operating in London. These vehicles, as they are below the Euro 6 emission standards, would not meet the new CVD eligibility criteria. There are a further 31,000 Euro 6 licensed PHVs (c.37 per cent) operating in London³⁴, some of these vehicles while meeting the Euro 6 requirements, will still not qualify for the new CVD as they do not emit less than 75g/km of CO₂ and have a 20-mile zero emissions capable range. Using TfL license statistics, it is therefore assumed that less than 12.5 per cent of PHVs will qualify for the first phase of the CVD in 2019. As such, in the short term, the majority of PHVs (c.87.5 per cent) will not qualify for the discount and will be required to pay the Congestion Charge when entering the CCZ during chargeable hours. To qualify for the discount these PHVs will need to upgrade their vehicle.
- TfL licence statistics (unpublished) indicate that 46 per cent of PHVs are below Euro 6 standard and are aged 5 years or older. There is a maximum age limit of 10 years for most licensed PHVs. It can then be expected that a number of PHVs will be renewed within the next phases of the CVD. However, it should be noted that some vehicle owners (including those who own vehicles which have adaptations to make them more accessible) can apply for their vehicle to be licensed for up to an extra five years.
- Indeed, some PHV operators and drivers will have started to renew their fleets and replace their vehicles so that they meet the emission standards of the new ULEZ being introduced in central London in April 2019. Although the standards required of the ULEZ are lower than the CVD, some operators and drivers may have, or may be planning to purchase, vehicles which would qualify for the CVD in 2019.
- From 1st January 2018, all PHVs licensed for the first time must have a Euro 6 petrol or diesel engine, or a Euro 4 petrol-hybrid engine. While the new CVD criteria is tighter than this, it can also be expected that some new vehicles coming into the profession will be eligible for the CVD in 2019.

³² <https://tfl.gov.uk/modes/driving/congestion-charge/discounts-and-exemptions>

³³ TfL (June 2017) 'Licensing information'. Available at: <https://tfl.gov.uk/info-for/taxis-and-private-hire/licensing/licensing-information>

³⁴ The total figure of licensed PHVs within the July 2017 data was 85,966.

Proposal 2 The Cleaner Vehicle Discount (CVD)

- The current ULED discount is available to vehicles that meet Euro 5 emissions standards and emit less than 75g/km of CO₂. From April 2019, the new CVD discount will be available to vehicles that meet Euro 6 emission standards, emit less than 75g/km of CO₂ and have a 20-mile zero emission capable range. In 2021, this will be further tightened to only electric vehicles (i.e. not hybrids). In 2025, the discount will end.
- Data produced by TfL (unpublished) indicates that there are currently 19,817 registered vehicles for the ULED.
- Following the introduction of the new CVD criteria in 2019, TfL data (unpublished) indicates that c.2,000 ULED eligible vehicles will become ineligible for the new CVD discount and owners will, therefore, be subject to the Congestion Charge. This leaves c.18,000 eligible vehicles. Following the further tightening of the CVD criteria in 2021, TfL data indicates that c.7,000 current ULED eligible vehicles would continue to qualify for the new CVD discount.
- As of March 2018, data produced by TfL (unpublished) indicates that eight per cent of vehicles registered for the ULED discount were seen in the zone per charging day. This is based on a 1,537 daily average of ULED vehicles detected in the zone as a proportion of 19,817 ULED registered vehicles.

3 Assessment outcomes

This chapter sets out the assessment of each proposal, considering (where relevant) whether impacts will be experienced by PHV operators, PHV drivers, other drivers, PHV passengers, other road users, and/or any other groups. An assessment summary table is presented for each proposal. Where there are no discernible differences of impacts compared to the baseline situation (as based on the assessment methodology) the boxes in the summary table are left blank.

Detailed findings of this assessment are provided in a technical assessment framework outlined in Appendix D. This chapter provides a summary of that evidence.

3.1 Proposal 1: Removal of the PHV exemption

TfL have proposed to remove the exemption to the Congestion Charge for PHVs from 8 April 2019 onwards.

3.1.1 Summary

The below table provides a summary of the impact rating given for each assessment area for each affected group. Based on the desk research and interviews with stakeholders, where no disproportionate impact has been found for an affected group within the assessment area, the corresponding cell in the table has been greyed out.

Table 6: Summary of Proposal 1

Topic	PHV operators	All drivers (PHV drivers and other (non PHV) drivers)	PHV passengers	Pedestrians and road users	Others
Health	Minor adverse	Minor adverse (PHV drivers)	Minor adverse (older and disabled passengers)	Moderate beneficial	Moderate beneficial
		Minor beneficial (PHV drivers)	Moderate beneficial		
Equality		Minor adverse (PHV drivers)	Minor adverse		Minor adverse
			Minor beneficial		
Environment		Moderate beneficial	Moderate beneficial	Moderate beneficial	Moderate beneficial (local residents)
Economic and business	Moderate adverse (small to medium operators)	Moderate adverse (PHV drivers)	Minor adverse		Minor beneficial (businesses)
	Minor adverse (large to extra-large operators)				Minor adverse (public sector organisations)

Source: Mott MacDonald

3.1.2 Health

3.1.2.1 PHV operator impacts

This proposal could lead to poor health outcomes for some PHV operators. Small operators (those with less than 100 vehicles) are forecasted by the CEPA³⁵ report to see a significant rise in price per trip and it is suggested that some may see a reduction in demand for their services and as a result could stop trading. Given this forecast, this proposal may lead to poor health and well-being outcomes. The Organisation for Economic Co-operation and Development (OECD), has highlighted that income and wealth play a strong role in the health and well-being of individuals³⁶. The OECD has argued that income and wealth enhance individuals' freedom to choose the lives that they want to live. It also suggested that increases in income are associated with improvements in life expectancy and educational attainment. As such, any pressure on earnings for PHV operators could reduce overall wellbeing by potentially reducing their access to income. Further, concerns around ensuring an adequate income in the face of this proposal may result in more direct health issues, such as increased stress and mental health issues, for those who experience difficulties remaining in the market.

How sensitive small operators are to this impact will depend on a number of scenarios including, but not limited to:

- Whether they are required as the registered vehicle owner to pay the Congestion Charge or whether their drivers are responsible for the cost;
- if their drivers are eligible for alternative discounts and exemptions (for example, the new CVD, the Blue Badge discount, residents' discount, and / or local authority school transport related exemptions);
- whether their drivers frequently enter the CCZ during chargeable hours; and
- their ability to spread this cost over a number of trips.

For extra-large and large operators, the CEPA report has forecast that the price per trip would only rise slightly as these operators will be able to spread the charge across a large number of trips. They may also be able to absorb some of the costs from profit margins. Further, CEPA has suggested that larger operators are more likely to require drivers to pay a share of the additional cost through: not allowing drivers to claim it as an expense; deducting the cost from salary; or preventing the rise of passenger fares to cover the cost. As such, negative health impacts are expected to reduce as the size of the operator increases.

For the above reasons, the impact of this proposal on operators, particularly smaller operators, has been given a **minor adverse** impact rating.

Specific health mitigation measures or opportunities for enhancement of benefits for this proposal:

- TfL should be clear with PHV drivers where they may qualify for alternative discounts or exemptions from the charge.

3.1.2.2 PHV driver impacts

This proposal may result in both positive and negative health impacts for PHV drivers.

³⁵ Cambridge Economic Policy Associates (CEPA), (2018) 'TfL – PHV Congestion Charging Study'. Available at: www.tfl.gov.uk/ccyourviews

³⁶ OECD (2013): 'Framework for statistics on the distribution of household income, consumption and wealth'. Available at: https://read.oecd-ilibrary.org/economics/framework-for-statistics-on-the-distribution-of-household-income-consumption-and-wealth_9789264194830-en#page1

Stakeholder engagement undertaken as part of this research, and evidence produced by CEPA, highlights that some operators, particularly extra-large and large operators, may expect drivers to cover the cost of the Congestion Charge and so will not look to change fare prices. Some of the most frequent entrants to the CCZ could have to pay around £230 per month. These drivers, as with some of the operators described above, may experience associated health and stress related effects as a result of a potential reduction to earnings and increased competition within the CCZ, particularly if PHVs, having entered the zone, look to stay within it to recover the cost of the charge.

Stakeholder interviews have suggested that some PHV drivers may resort to working longer hours in order to maintain their current income. Evidence suggests that PHV drivers already work more hours than the national average, with minicab and chauffeur/executive drivers working on average 8.35 hours a day and around 41.4 hours a week³⁷ (the national average sits around 37 hours per week)³⁸. Certain physical health issues may result from longer hours of work, for example, evidence has indicated that musculoskeletal disorders and other health conditions such as cardiovascular disorder are related to long working hours for drivers³⁹. There is also evidence that working long hours can lead to stress or mental ill health and higher risk of accidents⁴⁰.

In addition, to further counteract any loss in earnings, some PHV drivers may also alter their working hours to spend more time working when the Congestion Charge does not apply. A potential move away from Monday-Friday daytime hours could lead to increased competition for PHV drivers working during “out-of-hours” periods. In turn, this could impact on a driver's health and wellbeing and increase the proportion of drivers working long unsociable hours.

How sensitive PHV drivers are to this impact will depend on:

- whether they meet the criteria for alternative discounts and exemptions (in particular, the CVD will be a key discount which will allow PHV drivers to access a 100 per cent discount to the Congestion Charge if driving a low emissions vehicle which meets the CVD criteria);
- if they are able to pass the cost on to passengers;
- whether they are able to adapt their behaviour to work outside of charging hours or outside of the CCZ; and
- whether they will be eligible for a tax deduction as a result of paying the charge.

Further, overall, the scale of this impact may only affect a relatively small proportion of PHV drivers. The findings of the Taxi and Private Hire Driver Diary Survey⁴¹, indicated that around 33 per cent of the PHV drivers sampled made journeys into the CCZ in charging hours⁴². It can therefore be expected that a high proportion of PHV drivers will continue to avoid travel within the CCZ during chargeable hours.

Given that the scale and sensitivity of this impact is likely to vary with a number of options which may help PHV drivers avoid or cover the Congestion Charge, this impact has been rated as **minor adverse**.

³⁷ Steer Davies Gleave (2017) 'Taxi and Private Hire Driver Diary Survey 2016/17'. (Unpublished)

³⁸ ONS (July 2018) 'Average actual weekly hours of work for full-time workers (seasonally adjusted)'. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/timeseries/ybuy/lms>

³⁹ Burgel BJ, Gillen M, and Castle White M, (2012) 'Health and Safety Strategies of Urban Taxi Drivers'. Available at: <https://www.ncbi.nlm.nih.gov/pubmed/22669644>

⁴⁰ Health and Safety Laboratory (2003) 'Working long Hours'. Available at: http://www.hse.gov.uk/research/hsl_pdf/2003/hsl03-02.pdf

⁴¹ Steer Davies Gleave (2017) 'Taxi and Private Hire Driver Diary Survey 2016/17'. (Unpublished)

⁴² Steer Davies Gleave (2017) 'Taxi and Private Hire Driver Diary Survey 2016/17'. (Unpublished)

While the proposal may result in negative health and wellbeing outcomes for some PHV drivers, it may also realise some positive health impacts. As highlighted in the assumptions in Chapter 2, the removal of the exemption is expected to bring about a small reduction in traffic within the CCZ and thus improvements in air quality. As such, PHV drivers regularly driving within the CCZ may experience health benefits as a result of improved air quality. Further, as certain low emissions vehicles will qualify for the 100 per cent discount to the CCZ through meeting the CVD criteria, it can be expected that a reasonable proportion of PHV drivers may likely move to such vehicles to continue to not pay the Congestion Charge. Driving a zero or low emissions vehicle may further reduce drivers' exposure to harmful air pollutants.

However, only PHV drivers who switch to low emission vehicles or who regularly enter the CCZ are likely to benefit from this impact. This proposal is also expected to have only minor improvements on air quality. The impact of this proposal on drivers is therefore rated as **minor beneficial**.

Specific health mitigation measures or opportunities for enhancement for this proposal:

- TfL should be clear with PHV drivers where they may qualify for alternative discounts or exemptions from the charge. They should consider a communications campaign clearly setting out the timeframe and costs involved in the removal of the PHV exemption to the Congestion Charge, as well as giving information about the new CVD.

3.1.2.3 PHV passengers: older and disabled passengers

CEPA have forecast that the removal of the PHV exemption is expected to reduce unique PHV entries into the CCZ during charging hours by c.45 per cent and reduce the overall level of PHV traffic in the zone in charging hours by six per cent. Older and disabled passengers may be particularly affected by a reduction in available PHVs going into the CCZ during chargeable hours. This may increase waiting times and/or prevent them from being able to order a PHV when they need one when entering the CCZ from outside, exiting the CCZ from inside and / or making trips within it. Data collected by TfL indicates that, on average, people with mobility difficulties use PHVs more frequently than people without mobility difficulties (eight per cent of disabled people living in London use PHVs at least once a week compared with six per cent of non-disabled Londoners)⁴³. Any reduction in the availability of PHVs may compromise access to social infrastructure and decrease quality of life; resulting in impact on their health and wellbeing.

While this is likely to be a long-term impact, the proportion of passengers likely to be affected by this proposal is expected to be relatively low. The 2011 census data indicates that 14 per cent of Londoners consider themselves to have a long-term health problem or disability that limits their day-to-day activities 'a little' or 'a lot', which has lasted, or is expected to last, at least 12 months⁴⁴. Amongst those who identify themselves as having a long-term condition, it can be expected that a relatively small proportion use PHVs regularly. Furthermore, even when PHVs are being used they will not always be travelling within the CCZ during chargeable hours. In addition, it should be noted that designated wheelchair accessible PHVs will continue to be exempt from the Congestion Charge. Passenger sensitivity to this impact is therefore expected to be low as the reduction in the availability of PHVs within the CCZ is forecast to be minimal and alternative modes of transport will remain available to these passengers. Some passengers may also be entitled to the Blue Badge discount⁴⁵, which they can use to support PHVs in

⁴³ TfL (2015) 'Travel in London: understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁴⁴ Office for National Statistics (2011) 'Census'. Available at: <https://www.ons.gov.uk/census/2011census>

⁴⁵ <https://tfl.gov.uk/modes/driving/congestion-charge/discounts-and-exemptions>

transporting them into the CCZ. Therefore, this proposal is rated as having a **minor adverse** impact on older and disabled passengers.

3.1.2.4 PHV passengers, pedestrians, road users and other

Air pollution has been highlighted by the Department for Environment, Food and Rural Affairs (DEFRA) and Public Health England as the largest environmental risk to the public's health⁴⁶. It is suggested that air pollution contributes to cardiovascular disease, lung cancer and respiratory diseases, having a disproportionate impact on the young and old, the sick and the poor. Evidence has found that the long-term effect from poor air quality can lead to premature loss of life equivalent to a reduction in life expectancy from birth of approximately six months. It has also been linked to low birth weights in infants and neurological health issues⁴⁷. CEPA have forecast that this proposal may reduce overall vehicle traffic levels within the CCZ and as such may bring about improvements in air quality. Consequently, this proposal could provide health benefits to all those who go into and who work/live within the CCZ. While the reduction in traffic is predicted to be relatively small, even a slight improvement in air quality could be expected to impact on a large proportion of people within London, including PHV passengers, pedestrians, cyclists and residents.

In the medium to long term it is expected that this proposal may also encourage a move towards zero emission PHV vehicles. Currently, road traffic accounts for 28 per cent of London's total emissions of carbon dioxide (CO₂), 50 per cent of London's total emissions of nitrogen oxides (NO_x), and 50 per cent of London's particulate matter (PM₁₀) emissions⁴⁸. As outlined in the assumptions in Chapter 2, while few PHVs will currently qualify for the new CVD from 2019, it is expected that the 100 per cent discount it provides to the Congestion Charge may encourage PHV drivers and operators, in the medium to long term, to upgrade their vehicle to zero emission, or zero emission capable. This may have the potential to further improve health benefits as any subsequent increase in 'clean vehicles' will likely improve air quality within the CCZ.

This proposal is assumed to bring about both short, and medium to long term, improvements to air quality. However, the expected scale of, and sensitivity to, the impact is expected to be consistent across PHV passengers, pedestrians, road users and others (e.g. those working and those who have residences within the CCZ), regardless of duration. As such, a single overall rating of **moderate beneficial** has been assigned to this impact.

3.1.3 Equality

3.1.3.1 PHV driver impacts

Evidence suggests that a number of PHV operators would expect their drivers to cover the additional cost of paying the Congestion Charge if the PHV exemption is removed. The CEPA report⁴⁹ suggested that extra-large and very-large operators may be more likely to pass the costs on to drivers than other operators. Consequently, some PHV drivers who frequently operate within the CCZ in charging hours may likely find that their professional costs increase.

⁴⁶ DEFRA, Public Health England, Local Government Association (2017) 'Air Quality: A Briefing for Directors of Public Health'. Available at: <https://laqm.defra.gov.uk/assets/63091defraairqualityguide9web.pdf>

⁴⁷ <https://www.londonair.org.uk/LondonAir/guide/HealthEffects.aspx>

⁴⁸ TfL (2017) 'Travel in London: Report 10'. Available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>

⁴⁹ Cambridge Economic Policy Associates (CEPA), (2018) 'TfL – PHV Congestion Charging Study'. Available at: www.tfl.gov.uk/ccyourviews

Amongst PHV drivers, it can be expected that some groups may be disproportionately impacted:

- **BAME drivers** - Evidence indicates a high level of ethnic and racial diversity within the PHV trade. Data provided by TfL on the ethnic profile of PHV drivers highlights that c.94 per cent of PHV drivers are from a BAME background⁵⁰. Given that BAME drivers make up a high proportion of PHV drivers, it can be expected that they would be disproportionately impacted by any increases in their professional costs.
- **Part-time female drivers** - Evidence shows that a higher proportion of women across all industries tend to work part-time (42 per cent of women compared with 13 per cent of men)⁵¹. The additional cost of paying the Congestion Charge may cause a barrier to entry, and staying within, the profession for those who work part-time and are less able to spread the cost of the charge across a number of journeys. Women can be assumed to be more likely to work as part-time drivers and so will be disproportionately impacted by this proposal. However, this impact is likely to be very low as women make up less than 2 per cent of PHV drivers in London⁵², of which not all will work part-time.

The removal of the PHV exemption is expected to be permanent, as such, the impact of rising costs on the PHV drivers outlined above is categorised as a long-term impact. However, the distribution and scale of the impact is considered to be low as not all drivers will regularly enter the CCZ in charging hours and some operators, as suggested in the CEPA report, may take on the costs themselves or choose to pass the cost on to passengers. Further, PHV drivers' sensitivity to this impact is also considered to be low as:

- the overall financial costs of the Congestion Charge may be reduced if it is tax deductible;
- the driver may be entitled to a further discount or exemption to the Congestion Charge, for example, they may qualify for the CVD or upgrade their vehicle to qualify, Blue Badge discount, residents' discount or local authority school transport related exemption; and
- they may be able to spread the cost over a number of trips.

Given the points outlined above the impact of this proposal on drivers has been rated as **minor adverse**.

Specific equality mitigations measures or opportunities for enhancement for this proposal:

- TfL should clearly set out for PHV drivers where they may be eligible for alternative exemptions or discounts from the Congestion Charge.
- TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.

3.1.3.2 PHV passenger impacts: Females, unemployed, older and disabled passengers

The CEPA report noted that a likely outcome of the removal of the exemption was that PHV drivers and operators will pass at least some of the cost on to passengers. This was also identified by stakeholders engaged for this assessment. Some noted that if the cost of the charge is passed through to the customer, some vulnerable passenger groups may be disproportionately affected. This is particularly the case for those who cannot use, or do not have available to them, other forms of transport, especially those who live outside of central

⁵⁰ TfL (2018): 'Taxi and PHV Demographic Stats'. Available at: <http://content.tfl.gov.uk/taxi-and-phv-demographic-stats.pdf>

⁵¹ House of Commons (2017): 'Briefing paper: Women and the Economy'. Available at: <http://researchbriefings.files.parliament.uk/documents/SN06838/SN06838.pdf>

⁵² TfL (2018): 'Taxi and PHV Demographic Stats'. Available at: <http://content.tfl.gov.uk/taxi-and-phv-demographic-stats.pdf>

London who may have less frequent access to taxis. Evidence suggests that the following passenger groups have a higher usage of taxis and PHVs and as such may be impacted by increased fares:

- **Passengers with low income** – Taxis and PHVs across the UK tend to be more heavily used by passengers from low income groups due to a lack of alternative transport options⁵³. Within London, similar levels of usage of PHVs are seen amongst those defined as 'low income' as compared to overall. However, those who earn less than £5,000 a year have a slightly higher usage of PHVs compared to overall (eight per cent who earn less than £5,000 use PHVs at least once a week compared with six per cent overall)⁵⁴.
- **Female passengers** – Overall there tends to be little difference in the proportion of male and female Londoners using PHVs at least once a week. However, more vulnerable women tend to be higher users. For example, younger women are more likely to use PHVs (nine per cent of females under 25 years old use PHVs once a week compared to seven per cent of men of the same age), as are older women (six per cent of women over 65 years compared with five per cent of men of the same age).⁵⁵⁵⁶
- **Disabled passengers** – TfL statistics indicate that, on average, people with mobility difficulties use PHVs more frequently than people without mobility difficulties (eight per cent of disabled people living in London use PHVs at least once a week compared with six per cent of non-disabled Londoners)⁵⁷. Further, the Extra Costs Commission (a year-long independent inquiry which explored the extra costs faced by disabled people and their families in England and Wales) have reported that disabled people use taxi and PHVs approximately 67 per cent more frequently than non-disabled people. This could be for a number of reasons, including situations where public transport is inaccessible or in short supply, or cases where someone's impairment may cause them to become agitated in public environments, such as epilepsy or autism.⁵⁸

The overall rating of the impact on passengers of rising fares is **minor adverse**. This is likely to only impact those looking to travel within the CCZ during chargeable hours. While some PHV drivers may pass the cost of the Congestion Charge on to passengers it is likely that this cost would be spread over a number of journeys and as such the additional cost to passengers would be minimal. Where other discounts and exemptions apply (such as the Blue Badge discount, the new CVD and the residents' discount) or where PHV drivers and operators do not pass the cost on to passengers, no changes to fares are expected. Alternative modes of transport may also be drawn on by passengers reducing their sensitivity to the impact, especially in light of recent initiatives to improve the accessibility of public transport in London. Further, it should be noted that PHVs which are designated wheelchair accessible will continue to be exempt from the Congestion Charge and as such this will reduce the likely impact of this proposal on some disabled passengers.

On the other hand, positive impacts for the same passengers may also be realised. The removal of the exemption is likely to result in a reduction of the number of PHVs operating within

⁵³ DfT (2017): 'Taxi and PHV Statistics: England 2017'. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/642759/taxi-private-hire-vehicles-2017.pdf

⁵⁴ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁵⁵ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁵⁶ Please note that there is currently no available data on use by time of day, as such use may vary depending on whether passengers are travelling in the morning, afternoon or evening.

⁵⁷ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁵⁸ Scope (2015): 'Driving down the cost of taxis and PHVs for disabled people: Interim report'. Available at: <https://www.scope.org.uk/Scope/media/Interim-report/Interim-report.pdf>

the CCZ, bringing improvements to air quality. As such, this proposal may also have a **minor beneficial** impact on the health of these passenger groups.

Specific equality mitigations measures or opportunities for enhancement for this proposal:

- TfL should be clear with PHV drivers where they may be eligible for alternative exemptions or discounts from the Congestion Charge.
- TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.

3.1.3.3 Other – deprived communities

The stakeholder engagement interviews indicated that the PHV trade offers employment to drivers in areas of high deprivation and unemployment, which might not otherwise exist. Licensing data provided by TfL confirms a correlation between PHV drivers' home addresses and areas of high deprivation in London. Within London, 71 per cent of PHV drivers live in areas which are within the most deprived and second most deprived quintiles, as defined by the index of multiple deprivation (IMD). Further, the most densely populated areas for PHV drivers largely map to the areas of London with the highest levels of deprivation (see Appendix G for further statistics and maps on deprivation). As mentioned in section 3.1.3.1, in the cases where PHV drivers are required to pay the Congestion Charge, there is a risk that this, linked to the reduction in income, may be prohibitive in terms of some PHV drivers staying within the profession or entering it. Given that this trade offers an employment stream for communities in deprived areas, it can be expected that the increased costs as a result of paying the Congestion Charge may impact disproportionately on communities in London where there are areas of high deprivation.

The removal of the PHV exemption is expected to be permanent, as such, the impact of rising costs on the PHV drivers outlined in section 3.1.3.1 is expected to be a long-term impact. However, the distribution and scale of the impact is felt to be low, as not all of these drivers will regularly enter the CCZ in charging hours and some operators may take on the costs or pass the cost on to passengers. Further, PHV drivers' sensitivity to this impact is also felt to be low as:

- the overall financial costs of the Congestion Charge may be reduced if it is tax deductible;
- the driver may be entitled to a further discount or exemption to the Congestion Charge, for example, they may qualify for the CVD, Blue Badge discount, residents discount or local authority school transport related exemption; and
- they may be able to spread the cost over a number of trips.

Given the points outlined above and the fact that drivers can adapt by avoiding the CCZ in charging hours or by increasing fares, it is likely that a high proportion of PHV drivers would continue within the profession. For these reasons, the impact of this proposal on deprived communities has been rated as **minor adverse**.

3.1.4 Environment

3.1.4.1 PHV drivers, other drivers, PHV passengers, road users and others

Data produced by CEPA⁵⁹ indicates that this proposal may reduce traffic within the CCZ. It may therefore result in improvements in air quality as a result of the reduction of PHVs and the associated emissions they produce.

However, the reduction of traffic is predicted to be relatively small. CEPA estimate that PHV traffic will fall by approximately six per cent in the CCZ during charging hours, equating to a one per cent decrease in overall traffic. Over the medium to long term, as there is a move towards zero emission PHV vehicles, the impact of this proposal on improving air quality may increase. Currently road traffic accounts for 28 per cent of London's total emissions of carbon dioxide (CO₂), 50 per cent of London's total emissions of nitrogen oxides (NO_x), and 50 per cent of London's particulate matter (PM₁₀) emission⁶⁰. As outlined in the assumptions in Chapter 2, while few PHVs will initially qualify for the new CVD when introduced in 2019, it is expected that the 100 per cent discount it provides to the Congestion Charge may encourage PHV drivers and operators in the medium to long term to upgrade their vehicle to zero emission or zero emission capable. In promoting a long-term shift amongst PHVs to zero emission or zero emission capable vehicles, the combination of the removal of the exemption and introduction of the new CVD, may result in reduced emissions of nitrogen oxides NO_x and particulate matter (PM₁₀).

PHVs make up around 13 per cent of motorised traffic and 38 per cent of car flow. While their overall contribution to emissions within the CCZ will be less than other vehicles, it can be expected that a reduction of PHVs within the zone during chargeable hours will result in a slight reduction of emissions. This reduction will likely impact on a large number and range of people within London, including PHV drivers, PHV passengers, pedestrians, cyclists, and residents.

This proposal may result in both short and medium to long term impacts. However, the expected scale of, and sensitivity to, the impact is expected to be consistent regardless of duration. As such, a single overall rating of **moderate beneficial** has been assigned to this impact.

Specific environment mitigation measures or opportunities for enhancement for this proposal:

- TfL should promote the development of infrastructure within London which supports electric vehicles to further encourage drivers and operators to shift to low emission vehicles.

3.1.5 Economics and business

3.1.5.1 PHV operator impacts

The impact on PHV operators is expected to differ depending on whether they are large or small and on whether they are required to pay the Congestion Charge (where they own the vehicle), decide to absorb the cost of the Congestion Charge on behalf of PHV drivers or pass it on to passengers. The ability to absorb the cost will depend on operator preference, employment model and business model, and is likely to be influenced by the size of the business, cashflow, core service area, and location.

The 2015 CSS TPH Licensees Report suggests that 31 per cent of PHV operators own and provide at least some of their vehicles to drivers. As the registered keeper of the vehicle(s), they

⁵⁹ Cambridge Economic Policy Associates (CEPA), (2018) 'TfL – PHV Congestion Charging Study'. Available at: www.tfl.gov.uk/ccyourviews

⁶⁰ TfL (2017) 'Travel in London: Report 10'. Available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>

may therefore have to pay the Congestion Charge for at least some of their fleet, instead of the drivers⁶¹. However, they may still choose to pass this cost on to drivers.

The difference in impact between small to medium and large to extra-large operators is set out below:

Small to medium operators

The CEPA report⁶² found that some small to medium operators (those with less than 1,000 vehicles) are less able to absorb the cost of the Congestion Charge and may lose market share to large and extra-large operators. Those that choose not to absorb the Congestion Charge on behalf of drivers could risk reducing their labour supply, as drivers may switch to operators with more competitive terms of employment. Further, small to medium operators are forecast by CEPA to see a significant rise in price per trip. Prices are expected to rise for these operators as it is assumed that they will be less able to spread the cost of the Congestion Charge to passengers across many trips or absorb the cost themselves. As such, CEPA forecast that small to medium operators will likely see a reduction in demand for their services and some operators may cease trading. Smaller operators may therefore be more sensitive to this proposal, viewing the impacts as anti-competitive.

The CEPA report indicates that the majority of operators will not cover the cost of the Congestion Charge; where they are the registered owner, they would pass the cost to drivers and/or passengers. However, operators may still be indirectly impacted by the proposal as it may affect driver behaviour. Should drivers stop accepting journeys that travel into the CCZ, due to a perceived risk to their bottom line earnings, operator revenues could be at risk. This has been highlighted as a particular issue for smaller operators or those with cashflow issues.

The CEPA report found that the proposal may compound an increasingly uncompetitive market as less technology-enabled firms are unable to build effective trip allocation algorithms and will fall further behind market leaders. However, CEPA also note that some small to medium operators are already starting to work together using app-based platforms to boost trade.

The proposal is therefore expected to have a **moderate adverse** impact on small operators.

Large to extra-large operators

CEPA forecast that while the price per trip for large to extra-large operators (those with 1,000 plus vehicles) is not expected to rise to the same extent as small operators, they will still increase.

CEPA suggest that larger operators may be able to specialise their fleets based on the technology currently available to them. Here, larger operators would be able to reduce the number of vehicles they use to undertake trips into the CCZ. For example, they may designate only certain vehicles to work inside the CCZ or allocate trips based on those who have already been within the CCZ on a given day. This means that each vehicle paying the Congestion Charge would undertake more trips in the CCZ. As such, the largest operators would undertake more trips in the CCZ per charge paid, and so each single charge could be spread more thinly, i.e. across a greater number of trips/fares. Specialisation, therefore, minimises the cost of paying the Congestion Charge for larger operators and means that they in turn can minimise the increase in price passed on to the passenger. However, the extent to which large to extra-large operators would be able or willing to do this is unclear. Larger operators, interviewed as part of

⁶¹ TNS (2015) 'Taxi and Private Hire Licensee Customer Satisfaction Survey 2017/2018'(unpublished)

⁶² Cambridge Economic Policy Associates (CEPA), (2018) 'TfL – PHV Congestion Charging Study'. Available at: www.tfl.gov.uk/ccyourviews

this research, suggested that they are uncertain if this is something they could undertake because of questions around technological capability and administrative costs involved in specialising their fleets. Some of the stakeholders interviewed as part of this research also suggested a reluctance to specialise because of the potential impact on passenger satisfaction. It was suggested that they currently rely on having a large number of vehicles available for bookings, if they specialise their fleet this would reduce available vehicles for passengers and increase waiting times. This was considered likely to impact on customer satisfaction and take-up of their services.

Regardless of whether larger operators are able to specialise their fleets, it can be expected that these operators will be better able to spread the charge across all London trips (having a wider base of trips) and absorb some of the costs either from their profit margins or by requiring drivers to bear a portion. Further, if some smaller operators reduce their market share, it can be assumed that larger operators would be able to pick up this increase in demand, benefitting their overall profitability.

However, overall, the removal of the exemption to the Congestion Charge will introduce a long-term additional cost for operators which all will have to bear. While specialisation, spreading of cost and picking up market share of business will all help to manage this cost, paying the Congestion Charge will result in some financial outlay for these operators, for example, administrative costs involved in changing their operating models. Given this, the impact of this proposal on larger operators has therefore been rated **minor adverse**.

Specific economic and business mitigation measures or opportunities for enhancement for this proposal:

- TfL should clearly set out for PHV drivers and passengers where there may be alternative discounts and exemptions to the Congestion Charge for which the driver can apply, to avoid paying the Charge.
- TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.

3.1.5.2 PHV Drivers

The removal of the Congestion Charge exemption will apply to all PHVs except those that are designated as wheelchair accessible, however it will most likely only impact on a subset of PHV drivers. CEPA suggested that 33 per cent of PHV drivers make journeys into the CCZ in charging hours. This proposal may therefore place a downward pressure on the earnings of PHV drivers who regularly enter the CCZ and are required to pay the Congestion Charge. However, for some drivers this impact may vary over the short and medium to long term.

It is possible, given the high level of market competition, that many operators will choose to not cover the cost of the Congestion Charge or increase passenger fares and instead will pass this on to PHV drivers, or expect them to pay. Covering the cost of the Congestion Charge for those who go into the CCZ during charging hours will likely reduce PHV driver average earnings. Moreover, for drivers operating in the suburbs and towns on the periphery of London the proposal presents a risk to the revenue stream (i.e. potentially inducing modal shift) of longer, central London-bound fares. These PHV drivers may have to pass the charge directly on to passenger fares when journeys enter the CCZ, as they may be less able to justify spreading the

cost of entering the CCZ among all customers, as this would make them uncompetitive in their local market⁶³.

The scale of this impact relies on whether PHV drivers are required to cover the cost and the way in which they operate once the PHV exemption is removed. Some drivers are expected to specialise, (i.e. focusing on journeys within the CCZ and so spreading the cost over more journeys) which would reduce the potential impact of the costs regardless of whether they choose to pass on the cost or absorb it. The sensitivity of drivers to this proposal will also depend on:

- The time they go into the CCZ and their ability to spread this cost over a number of trips;
- If they have a vehicle that meets CVD requirements (only a short- to medium-term mitigating factor) or other discount criteria; and
- Whether the Congestion Charge will be tax deductible for the driver.

While the impact is likely to be variable across PHV drivers, for some it could be prohibitive to continue to operate or may require significant change in the way in which they operate. As such, this proposal has been rated as having a **moderate adverse** impact on PHV drivers.

Specific economic and business mitigation measures or opportunities for enhancement for this proposal:

- TfL should set out clearly for PHV drivers and passengers where they may be eligible for a discount or exemption to the Congestion Charge, which the driver can use to avoid paying the charge.
- TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.

3.1.5.3 PHV Passengers

The proposed removal of the Congestion Charge exemption for PHVs could have a number of impacts for passengers in terms of their ability to draw on the services of PHVs. Specifically, it could potentially reduce the supply of PHVs (i.e. availability) and negatively impacting on consumer choice (i.e. the number of operators offering competing services) as such reducing competition and opening up the market to allow PHV drivers and operators to increase fares. Indeed, the majority of operators consulted as part of this impact assessment and the CEPA study, suggested that PHV operators would most likely seek to pass on the Congestion Charge in full to customers through increasing fares. It can be expected, therefore, that passengers will experience an increase in fares. However, the fare increase may not be significant for many passengers, as drivers and operators (in order to remain competitive) are likely to spread the cost of the Congestion Charge across numerous trips.

The proposal is therefore expected to have a **minor adverse** impact on passengers.

Specific economic and business mitigation measures or opportunities for enhancement for this proposal:

- TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.

⁶³ London Assembly Transport Committee, 2016, 'London Assembly Investigation into Traffic Congestion in London'. Available at: https://www.london.gov.uk/sites/default/files/organisational_submissions_to_congestion_investigation.pdf

3.1.5.4 Other – businesses

The CEPA report estimates that the proposed removal of the CCZ exemption for PHVs would reduce PHV traffic in the zone by six per cent which would amount to a total one per cent decrease in traffic within the zone.

A reduction in traffic and therefore congestion, is likely to improve travel times within the CCZ. Evidence suggests that when congestion reaches a certain level, any worsening of this congestion can result in a drag on employment growth and productivity growth per worker⁶⁴. In addition, research conducted by INRIX (a provider of real-time traffic information and transport analytics) has suggested that between 2013 and 2030 the total expected cumulative costs of congestion to the UK economy is estimated to be £307 billion⁶⁵. A reduction in traffic and congestion may therefore help to strengthen economic performance. For example, it may strengthen some business through reducing travel times for businesses and their employees travelling or transporting goods within the zone.

As the proposal is only expected to result in small decreases in overall traffic within the zone, it has been assigned a **minor beneficial** impact on businesses.

3.1.5.5 Others – public sector organisations

All revenue generated by the Congestion Charge must be, by law, re-invested into London's transport network. The revenue gained by TfL would be an indirect transfer between public bodies. This transfer of funds was highlighted by stakeholders interviewed as a part of this research. Consequently, this proposal could potentially affect the budgets of other public sector bodies through potentially passing the cost of the Congestion Charge through to these organisations.

The scale of any potential inter-public body revenue redistribution cannot be determined as the number of PHV journeys taken under public sector contracts that enter the CCZ is unknown. It is unlikely however, that any other public sector organisation's budget would be materially affected by the Congestion Charge. In the short-term, contract values with PHV operators will be fixed and as such, it will not be possible for these operators to increase their fees. Operators would have to wait until contracts are re-let in order to review prices. However, in the long term, prices may not rise significantly, as when PHV operators re-tender for these contracts (competing mainly on price), they will most likely spread their costs across all fares to remain competitive in the tendering process.

The proposal is therefore expected to have a **minor adverse** impact on those public sector organisations with PHV contracts.

Specific economic and business mitigation measures or opportunities for enhancement for this proposal:

- Vehicles which are used to provide certain public services (e.g. school transport) by the eight local authorities whose area of responsibility falls within the CCZ are exempt from the Congestion Charge. TfL should ensure that those PHV operators who have entered into public sector contracts with the eight local authority areas who provide relevant services are made aware that this exemption may apply.

⁶⁴ Sweet, M (2013) 'Traffic Congestion's Economic Impact: Evidence from US Metropolitan Regions'. Available at: <http://journals.sagepub.com/doi/abs/10.1177/0042098013505883>

⁶⁵ Inrix, (2014) 'Traffic Congestion to cost the UK economy more than £300 billion over the next 16 years'. Available at: <http://inrix.com/press-releases/traffic-congestion-to-cost-the-uk-economy-more-than-300-billion-over-the-next-16-years/>

- TfL should be clear with PHV drivers and passengers where there may be discounts and exemptions to the Congestion Charge for which the driver can apply, to avoid paying the Charge.

3.2 Proposal 2: Replacing the Ultra Low Emissions Discount (ULED) with a new, phased Cleaner Vehicle Discount (CVD)

TfL is considering the proposal to replace the ULED with a new, phased CVD. Initially, in April 2019, TfL proposes that the CVD will only be eligible to zero emission capable vehicles⁶⁶. This would be followed by a further tightening to only zero emission vehicles meeting the eligibility criteria for the discount in in 2021⁶⁷. The discount would cease altogether in December 2025.

3.2.1 Summary

The below table provides a summary of the impact rating given for each assessment area for each affected group. Based on the desk research and interviews with stakeholders, where no disproportionate impact has been found for an affected group within the assessment area, the corresponding cell in the table has been greyed out.

Table 7: Summary of proposal 2

Topic	PHV Operators	All drivers (PHV drivers and other (non PHV) drivers)	PHV passengers	Pedestrians and road users	Others
Health – short term		Minor beneficial	Minor beneficial	Minor beneficial	Minor beneficial (local residents)
Health – long term		Moderate beneficial	Moderate beneficial	Moderate beneficial	Moderate beneficial (local residents)
Equality					
Environment – short term		Minor beneficial	Minor beneficial	Minor beneficial	Minor beneficial (local residents)
Environment – long term		Moderate beneficial	Moderate beneficial	Moderate beneficial	Moderate beneficial (local residents)
Economic and business		Minor adverse			

Source: Mott MacDonald

3.2.2 Health

3.2.2.1 PHV drivers, other (non PHV) drivers, PHV passengers, road users and others

This proposal may encourage a greater take up of zero emission or zero emission capable vehicles within the CCZ. It may therefore result in health benefits for those who regularly enter the CCZ through reducing harmful emissions by encouraging a higher use of cleaner vehicles (for example, it may help to reduce premature mortality, see section 3.1.2 for more detail). The introduction of previous discounts for low emissions vehicles has indicated that discounts can be an effective mechanism in encouraging a movement towards greater use of ultra low emission vehicles. The Greener Vehicle Discount (GVD), later replaced by ULED, when first introduced was linked to around a 30 per cent increase in the proportion of cars with lower

⁶⁶ This covers vehicles which emit no more than 75grams per kilometre of CO₂, which meet the Euro 6 emission standards, and have a zero emissions capable range of at least 20 miles.

⁶⁷ Here only pure electric vehicles (i.e. with no alternative fuel source) will qualify.

emissions using the zone, thereby helping to reduce air pollution and CO₂ emissions⁶⁸. Introducing and promoting the new CVD could therefore be expected to encourage a greater take up of zero emission or zero emission capable vehicles. However, the progressive tightening of the CVD criteria may result in both short and medium to long term impacts. The expected sensitivity to these impacts is assumed to vary in the short and long term. Separate overall impact ratings have therefore been applied based on assumed temporality.

Section 3.1.2 outlines the link between improved air quality and health. In the short term, the health impact of this proposal is expected to be relatively minor. It has been assumed that around 2,000 of current ULED holders will lose their discount when the new CVD is introduced. As such, only minor improvements to air quality, and subsequently health, are expected as it is anticipated that this proposal would initially result in only a minor reduction in vehicles driving within the zone. However, some PHV drivers, operators and other drivers may switch to vehicles which meet the CVD criteria in order to continue to not pay the Congestion Charge. This may further cause an improvement in emissions and subsequently, health. Consequently, the impact of this proposal has been rated **minor beneficial in the short term**.

In the longer term, the further tightening in 2021 of CVD may result in a larger number of vehicles losing their eligibility (potentially reducing traffic within the Congestion Charging Zone during charging hours) or switching to cleaner vehicles. As such, this proposal is expected to result in more significant improvements in air quality as the CVD matures. Electric vehicles do not produce exhaust emissions (NO_x and PM) and consequently cause less pollution than other vehicles⁶⁹. In encouraging more people to switch to electric vehicles it can be expected that some decrease in air pollution would be seen, bringing with it the health benefits outlined earlier.

As well as having a positive effect on air quality, a move towards electric vehicles in the long run could also have a positive effect on noise pollution. The British Medical Association (BMA) have highlighted that after air quality, noise pollution is considered to be the second largest environmental cause of health problems, and road traffic is a major cause of noise pollution in London⁷⁰. At low speeds, such as in cities, electric vehicles have a much quieter engine than conventional vehicles although it should be noted that at higher speeds (such as 50km/h and above) the difference is negligible⁷¹. As such, through encouraging a move towards electric vehicles, this proposal could also bring about positive change in terms of noise pollution.

While the CVD will end in 2025 and so remove an incentive for switching to cleaner vehicles, it can be expected that the uptake of low emissions vehicles it encourages in previous phases will be felt in the long-term. The removal of the discount in 2025 can also be expected to result in a reduction in traffic as some previous discount holders stop driving within the CCZ during chargeable hours to avoid having to pay the Congestion Charge. Consequently, a reduction in traffic and a move towards electric and low emissions vehicles in the long run may therefore have a positive effect on the health of those entering and living/working within the CCZ, through improvements in both air quality and noise pollution. It can be expected that this positive health

⁶⁸ TfL (2012) 'Public and stakeholder consultation on a Variation Order to modify the Congestion Charging scheme: Impact Assessment'. Available at: <http://content.tfl.gov.uk/cc-vo-impact-assessment-2012.pdf>

⁶⁹ Electromobility (2016) 'Briefing: Non-Exhaust Emissions of Electric Cars'. Available at: http://www.platformelectromobility.eu/wp-content/uploads/2016/06/Briefing_Electro-Mobility-Platform-responds-to-studies-on-tyre-emissions-from-EVs.pdf

⁷⁰ British Medical Association (2012): 'Healthy transport = Healthy lives'. Available at: file:///C:/Users/FOW84558/AppData/Local/Packages/Microsoft.MicrosoftEdge_8wekyb3d8bbwe/TempState/Downloads/healthytransportthehealthylives.pdf

⁷¹ European Environment Agency (2016): 'Electric Vehicles in Europe'. Available at: <https://www.eea.europa.eu/publications/electric-vehicles-in-europe>

impact will reach a large number of groups. This impact has therefore been rated as **moderate beneficial over the long term**.

Specific environment mitigation measures or opportunities for enhancement for this proposal:

- TfL should promote the development of infrastructure within London which supports electric vehicles.

3.2.3 Environment

3.2.3.1 PHV drivers, other drivers, PHV passengers, road users and others

The replacement of the ULED with the new, phased CVD, like health, is expected to have both short and medium to long term impacts. As such, the expected sensitivity to these impacts is assumed to vary depending on temporality.

As outlined in the previous discussion (section 3.2.2), the introduction of the CVD may encourage a greater use of ultra low emission vehicles. Pure electric and hybrid vehicles produce no, or a reduced level of, harmful emissions. As mentioned, electric vehicles do not produce exhaust emissions (NO_x and PM) and consequently cause less pollution than other vehicles⁷². Further, transport accounts for around a quarter of the UK's carbon emissions, which is a key contributor to climate change. Go Low⁷³ have highlighted that pure electric vehicles do not produce any greenhouse gas exhaust emissions whilst being driven and those from plug-in hybrids are significantly lower than from a traditional petrol or diesel car. As such, a move towards such vehicles can be expected to bring positive environmental benefits in terms of improving air quality.

However, as previously discussed, following the introduction of the CVD only a small proportion of current ULED holders are expected to lose their discount (c.2,000 vehicles). As a relatively high proportion of vehicles will be unaffected in the short term from the introduction of this proposal, its short-term impact on the environment is expected to be minimal. It has therefore been rated as having **minor beneficial impact in the short term**. However, some PHV drivers and operators may switch to vehicles which meet the CVD criteria in order to continue to not pay the Congestion Charge. This may further encourage reduction in emissions and subsequent improvement in the environment.

Following further tightening of the CVD in 2021 and the end of the discount in 2025, a larger proportion of vehicles is expected to lose their discount or move to vehicles which meet the tightened criteria in order to receive the 100 per cent discount to the Congestion Charge. In the long term, therefore, the potential reduction in traffic and increase in cleaner vehicles within the CCZ from the previous tightening may likely have a more sustained beneficial impact on the environment. As highlighted above, the positive benefits on environment may be realised through a reduction in tail pipe emissions and CO₂ production, as well a reduction in noise pollution. It can be expected that these environmental improvements will reach a large number of groups. This impact has therefore been rated as **moderate beneficial over the medium to long term**.

⁷² Electromobility (2016) 'Briefing: Non-Exhaust Emissions of Electric Cars'. Available at: http://www.platformelectromobility.eu/wp-content/uploads/2016/06/Briefing_Electro-Mobility-Platform-responds-to-studies-on-tyre-emissions-from-EVs.pdf

⁷³ Go Ultra Low. 'Electric cars and the environment'. See: <https://www.goultralow.com/choosing/electric-cars-environmental-benefits/>

Specific environment mitigation measures or opportunities for enhancement for this proposal:

- TfL should promote the development of infrastructure within London which supports electric vehicles.

3.2.4 Economics and business

3.2.4.1 Drivers (PHV and other (non PHV) drivers)

Those drivers who do not qualify for the CVD will not be eligible for the 100 per cent discount it provides to the Congestion Charge and as such will have to pay the charge when travelling within the CCZ. The most frequent travellers within the CCZ (such as daily commuters and those who travel within the CCZ for business) could face a cost of up to c.£230 each month.

As discussed in previous sections, the initial introduction of the CVD is expected to result in a relatively small proportion of discount holders (c.2,000 of 20,000) losing their eligibility to the discount. However, as the CVD tightens in 2021 and then ceases in 2025, it can be expected that an increasing proportion of current discount holders will lose their discount. Therefore, a greater proportion of drivers entering the CCZ may be obliged to pay the Congestion Charge increasing the financial impact on a wider range of drivers⁷⁴.

However, how sensitive drivers will be to this proposal will vary. A proportion of those which lose their eligibility for the discount will be travelling within the CCZ for non-essential journeys. Indeed, unpublished data produced by TfL indicates that only around eight per cent of ULED registered vehicles travel into the zone in charging hours on any given day. These drivers may be capable of changing their behaviour in order to avoid driving within the CCZ during chargeable hours. Further, drivers who do lose their discount may also be able to access alternative discounts. For example, those whose residence is within the CCZ will qualify for the 90 per cent residents' discount.

While the financial implications of this proposal are likely to affect a wider proportion of drivers following further tightening and eventual removal of the CVD, it is felt that in the short and long term, the impact of this proposal is likely to be **minor adverse**. As outlined above, many drivers will be able to avoid driving within the CCZ during charging hours with alternative public transport also being an option for some. Further, the additional tightening to the CVD, which is likely to affect the greater proportion of drivers, is not expected to be launched until 2021. As such, businesses and commuters may have time to plan alternative means to avoid paying the Congestion Charge.

⁷⁴ TfL analysis 2018

4 Conclusions

The final chapter sets out a high-level summary of the impacts of the proposals and draws out some of the wider observations that have been gathered as part of this IIA which are relevant to the assessment scope and TfL's further decision-making and implementation process.

4.1 Summary of proposal impacts

From the initial desk-based assessment of the two proposals currently being considered by TfL, along with stakeholder engagement conducted by Mott MacDonald, it is evident that both beneficial and adverse impacts could be realised, as summarised below. When considering the impacts of the two proposals, particularly those related to the removal of the Congestion Charge exemption for PHVs, it has been assumed that the additional costs arising from being subject to the Congestion Charge will not fall exclusively on PHV operators, PHV drivers or customers and is therefore likely to be spread across affected groups in a variety of ways. Rather than recording a single major impact for any one group, this report has, therefore, assumed a number of smaller impacts across a variety of groups.

- **Potential positive impacts:** Looking across the proposals and the evidence reviewed, it is anticipated that the proposals may result in reduced congestion and improvements to air quality and health for all individuals going into and working or living within the CCZ. This includes local residents, pedestrians, PHV passengers, PHV drivers, and other drivers. It is expected that fewer vehicles (including PHVs) will enter the CCZ as an increasing number of drivers are required to pay the Congestion Charge. Due to the staged tightening of the criteria for the new CVD across 2019-2025, the impacts of these proposals are felt to vary across the short to long term, with the positive impacts of these proposals being more likely to be realised in the longer term.
- **Potential negative impacts:** There are, however, some areas where negative impacts are anticipated, although mitigation action may minimise the effect of these. Evidence feeding into the proposals indicates that, as some drivers lose their discounts and exemptions to the Congestion Charge, financial loss may be experienced by drivers, PHV drivers, and PHV operators as a result of the increased costs associated with paying the charge.

How acutely the removal of the PHV exemption to the Congestion Charge is felt will depend on several factors, but primarily on PHV operators' and PHV drivers' ability to specialise and spread the cost across passenger journeys. Yet, where the costs are passed on to PHV drivers there are certain social and demographic groups (people with 'protected characteristics' as described in Chapter 1, namely BAME and female PHV drivers) who are likely to experience a disproportionate impact from the proposals because of both their representation within the profession and their ability (or lack thereof) to shoulder additional costs. Where drivers pass on the costs to passengers, frequent users are likely to be impacted. Depending on whether part or all of the cost is passed on to passengers, users may experience a rise in fares, at least in the long run, following the introduction of these proposals. Any increase in costs, or reduction in availability of PHVs, may act as a barrier to accessing services essential for these passengers' health and wellbeing.

The following outlines the headline issues by topic have been identified:

Health and environment impacts

Based on the assessment of the proposals, the headline findings in terms of health and environment are as follows:

- Health and environment **benefits** will likely result from the removal of the PHV exemption and the introduction of the new CVD, bringing about a small reduction in traffic, and increased proportion of low-emission vehicles within the CCZ. A reduction in traffic is likely to bring about improvements in air and noise quality, bringing health and environmental benefits to those driving into or within the CCZ. Over the medium to long term, as the two proposals come together to encourage an increasing number of drivers to move towards emission free vehicles, the impact of the proposals may increase. In promoting a long-term shift amongst PHVs to ultra low emission vehicles, the combination of the removal of the PHV exemption and introduction of the new CVD may result in reduced emissions of nitrogen oxides (NO_x) and particulate matter (PM₁₀). The slight improvements this change may have in reducing emissions is expected to have a large-scale impact on people in London, including PHV drivers, other drivers, pedestrians, cyclists and residents.
- **Negative** health impacts are expected where the removal of the PHV exemption to the Congestion Charge may likely increase costs for PHV drivers, PHV operators and PHV passengers. While the proportion who are likely to be affected by rising costs will largely be limited to those who regularly go into the CCZ during charging hours, it is expected that any additional costs resulting from the Congestion Charge may be difficult for some of these groups to cover. As such, the removal of the PHV exemption, in particular, may lead to mental health and stress related issues for operators and PHV drivers as well as deterioration of physical health due to longer working hours. It may also limit older and disabled passengers access to essential services linked to health and wellbeing.

Equality impacts

Based on the assessment of the proposals, the headline findings in terms of equality are as follows:

- Equality **benefits** are likely to be felt by protected characteristic groups within London who have a higher usage of PHVs compared to the general population, including women, unemployed, older and disabled passengers. The proposals are assumed to bring about some reduction in traffic within the CCZ during chargeable hours, and as such, may reduce harmful emissions within the CCZ. The proposals may therefore bring about disproportionate positive health benefits for these groups.
- **Negative** equality impacts are likely to affect PHV drivers, especially those who frequently operate within the CCZ in charging hours who may find that their professional costs increase and income reduces if expected to cover the Congestion Charge. This would likely disproportionately impact upon BAME drivers (as they make up a higher proportion of PHV drivers), part-time female drivers and drivers from deprived areas.
- **Negative** equality impacts are likely to affect passengers, particularly those on low income, female and disabled passengers who are more frequent users of PHVs⁷⁵ and would

⁷⁵ Please note that there is currently no available data on use by time of day, as such use may vary depending on whether passengers are travelling in the morning, afternoon or evening.

therefore be disproportionately impacted if fares increase or the availability of PHVs is reduced.

Economic and business impacts

Based on the assessment of the proposals, the headline findings in terms economics and business are as follows:

- Economic and business **benefits** are likely for PHV operators and PHV drivers who may benefit in the medium term from the CVD as a means of ensuring against paying the Congestion Charge if the PHV exemption is removed.
Economic and business benefits are likely for businesses and road users who may benefit from the expected reduction in road traffic within the zone during chargeable hours.
- **Negative** economic and business impacts are also likely for:
 - PHV operators who take on the additional cost of paying the Congestion Charge or see a reduction in PHV drivers as result of drivers paying the charge. It is expected, however, that the strength of this impact will differ depending on whether the operator is an extra-large to large operator or a medium to small operator. Smaller operators may experience a disproportionate impact from the removal of the exemption to Congestion Charge, as they will be less able to specialise their fleet and spread the cost over a number of trips.
 - PHV drivers may experience a downward pressure on earnings from increased costs from the Congestion Charge or a reduced demand caused by increased fares. While the CVD will offer a mitigation to paying the Congestion Charge for PHV drivers in the short to medium term, following the ending of the CVD discount in 2025, the majority of PHV drivers will be obliged to pay the charge.
 - Other drivers more widely may also be impacted from the stepped tightening of the criteria with around 20,000 current drivers expected in the long run to lose their current 100 per cent discount to paying the Congestion Charge with the end of the CVD.
 - PHV passengers, may also be impacted by the proposals. The Congestion Charge is likely to be passed on either partly or in full through increasing fares for passengers. A reduction of available PHVs within the CCZ during charging hours if PHV drivers are required to cover the cost of the Congestion Charge and the loss of eligibility to the CVD may also reduce the availability of PHVs for passengers. It is therefore assumed that passengers will be impacted by either a small reduction in PHVs in the CCZ or a (probable) slight increase in fares.

4.2 Wider impacts

It is important to consider the wider impacts of the proposals.

Focusing on the private hire industry:

- The proposals may act as a barrier or deterrent to those looking to join the private hire profession, particularly with the additional cost of purchasing a CVD compliant vehicle. This may have the inadvertent effect of limiting the growth of the private hire industry.
- The proposals should be considered in conjunction with the other recent changes to private hire regulations in London. In the past few years, TfL have introduced a number of regulatory changes for the private hire industry including the introduction of an English language requirement for all private hire driver licence applicants and a requirement for operators to provide a booking confirmation to passengers before a journey. TfL have recently consulted on potential regulatory changes to improve safety which include, among other things, the potential introduction of an advanced driving test for all PHV drivers. Furthermore, since January 2018, all PHVs licensed for the first time must have a Euro 6 petrol or diesel engine, or a Euro 4 petrol-hybrid engine in order to meet new emission requirements. It is important

that TfL consider the potential impact of these changes in relation to the proposals outlined within this report.

For all affected groups outlined in this report consideration should also be given to how these proposals will interact with the changing landscape in terms of regulation aimed and encouraging the use of low or zero emissions vehicles in London:

- In April 2019, the Ultra Low Emissions Zone (ULEZ) will be introduced in central London, replacing the existing T-Charge. The ULEZ will introduce a charge for certain vehicles driving within the zone, which has the same boundary as the CCZ. The ULEZ will operate 24 hours a day, seven days a week. The ULEZ daily charge will be in addition to the Congestion Charge and will apply to, amongst others, those petrol cars and vans that do not meet Euro 4 emission standards and diesel cars and vans that do not meet Euro 6 emission standards. In October 2021, the ULEZ will be expanded to inner London.

Appendices

A. Summary of scoping matrix

Table 8: Scoping matrix

Proposal number	Proposal	Health	Equality	Business & Economy	Environment
1	Remove the Private Hire Vehicle (PHV) exemption	Scoped in	Scoped in	Scoped in	Scoped in
2	Replacing the Ultra Low Emissions Discount (ULED) with a new, phased Cleaner Vehicle Discount (CVD)	Scoped in	Scoped in	Scoped in	Scoped in

B. Assigning an impact rating

In order to ensure that the impact ratings are as robust as possible, a best practice approach of assigning impacts on a seven-point scale has been adopted for this project. The seven categories are set out as follows:

Table 9: Seven-point scale

Impact rating		Typical characteristics of impact
XXX	Major adverse	Long term or permanent Experienced by whole population/all affected groups Groups affected are sensitive or vulnerable to change Would require considerable intervention to return to the baseline
XX	Moderate adverse	Medium term (experienced over a number of years) Affects many groups across a wide geographical area Some groups affected are sensitive or vulnerable to change May require some intervention to return to baseline conditions
X	Minor adverse	Short term impact/would be experience occasionally Affects a small number of groups/impacts are spatially contained Few groups affected are sensitive or vulnerable to change Return to baseline conditions requires natural or minimal intervention
0	Neutral	Unlikely to result in a detectable impact Baseline remains consistent
✓	Minor beneficial	Short term impact/would be experience occasionally Affects a small number of groups/impacts are spatially contained Few groups affected are sensitive or vulnerable to change Return to baseline conditions may occur naturally without future intervention
✓✓	Moderate beneficial	Medium term (experienced over a number of years) Affects many groups across a wide geographical area Some groups affected are sensitive or vulnerable to change May require continued intervention to return to baseline conditions
✓✓✓	Major beneficial	Long terms or permanent Experienced by whole population/all groups Groups affected are sensitive or vulnerable to change Would require considerable intervention for positive impacts to cease and baseline conditions to resume

Source: Mott MacDonald

The duration, distribution/ scale and sensitivity criteria are used in the assessment framework to assess the impact classification for each scoped in proposal. The following criterion was applied to these three criteria in order to ensure that outcomes of the analysis were robust across the board:

Table 10: Severity of impact criteria

Duration of impact	Distribution/scale of impact	Sensitivity of impact	Severity of impact
Long term	High	High	Major
Long term	High	Medium	Major
Long term	High	Low	Moderate
Long term	Medium	Medium	Moderate
Long term	Medium	Low	Moderate
Long term	Low	Low	Minor
Medium term	Medium	Medium	Moderate
Medium term	Medium	Low	Moderate
Medium term	Low	Low	Minor
Short term	Low	Low	Minor

Source: Mott MacDonald

C. Stakeholder engagement log

The following tables details the stakeholders who were engaged with as part of the IIA process. Please refer to section 1.2 for further information on engagement. A total of 18 interviews were completed and one written submission was provided.

Table 11: Stakeholders interviewed

Organisation

Large to extra-large operators
Addison Lee
Carey International
Carlton Cars
Green Tomato
Uber London
Smaller operators
Global Chauffeur
Greater London Hire (GLH)
Luxury Chauffeurs
Oakwood Car Service
Trade union and driver representatives
Drivers Guides Association
GMB
Private Hire Board
Unite the Union
Equality, environment, health and other stakeholders
Chartered Institute of Environmental Health - London Region - Pollution study group
CleanAir in London
London Travel Watch (LTW)
Metropolitan Police - Cabs Unit
Plan Insurance
Transport for all

Source: Mott MacDonald

D. Technical assessment framework

For a full summary of the proposals, please refer to Appendix A.

D.1 Health

Table 8: Health Assessment Framework

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	PHV operators	<p>The number of licensed PHV operators is falling. The CEPA report forecasts that small operators will see a significant rise in price per trip. Prices are expected to rise for these operators as it is assumed that they will be less able to spread the Congestion Charge across a large number of trips or absorb the cost. As such, CEPA forecast that small operators will likely see a reduction in demand for their services and some operators as a result would stop trading.</p> <p>The OECD suggests that income and wealth are an essential part of health and well-being for an individual. Given the potential loss of earnings and reduction of passengers which this proposal could result in for operators, it may potentially lead financial hardships for smaller PH operators and/or result in them going out of business which is likely to lead to health and well-being effects for the owners and drivers.</p>	Negative: May result in reductions in quality of life for some small PH operators who experience difficulties in covering the additional cost.	Long term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the CCZ for the foreseeable future.	Low: CEPA forecasts that this will largely impact on small operators of which it suggests there are around 1,902. However, some of these operators may not regularly operate within the CCZ and those which do may expect their drivers or passengers to cover the cost.	<p>Low: The cost of going into the congestion CCZ is £10.50-11.50 per day. How sensitive operators are to this will depend on a number of points:</p> <ul style="list-style-type: none"> • whether they expect drivers to absorb the cost; • if their drivers are eligible for alternative discounts and exemptions (for example, the new CVD, the Blue Badge discount, residents discount, and / or local authority school transport related exemptions); • whether their drivers frequently enter the CCZ during chargeable hours; and • their ability to spread this cost over a number of trips. 	Minor adverse	TfL should be clear with PHV drivers where they may qualify for alternative discounts or exemptions from the charge.

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	PHV drivers	<p>Stakeholder engagement undertaken as part of this research, and evidence produced by CEPA, highlights that some operators, particularly extra-large and large operators, may expect drivers to cover the cost of the Congestion Charge and so will not look to change fare prices. Some of the heaviest entrants to the CCZ could have to pay around £230 per month. These drivers, as with some of the operators described above, may experience associated health and stress related effects as a result of a potential reduction to earnings and increased competition within the CCZ particularly if PHVs, having entered the zone, look to stay within it to recover the cost of the charge.</p> <p>Stakeholder interviews have suggested that some PHV drivers may resort to working longer hours in order to maintain their current income. Evidence suggests that PHV drivers already work longer hours than the national average, with minicab and chauffeur/executive drivers working on average 8.35 hours a day and around 41.4 hours a week⁷⁶ (the national average sits around 37 hours per week)⁷⁷. Certain physical health issues may result from longer hours of work, for example, evidence has indicated that musculoskeletal disorders and other health conditions such as cardiovascular disorder are related to long working hours for drivers⁷⁸. There is also evidence that working long hours can lead to stress or mental ill health and higher risk of accidents⁷⁹.</p>	<p>Negative: This proposal may put downward pressure on PHV driver earnings post-2025. This will have negative effects on health and wellbeing of drivers who may see their incomes squeezed.</p>	<p>Short term: If introduced, most PHV drivers will likely be required to pay the Congestion Charge in the short term as they are unlikely to initially qualify for major exemptions to the charge such as the CVD.</p> <p>Medium term: As drivers upgrade their cars in the medium term they may start to meet the CVD criteria to be eligible for the 100 per cent discount to the charge.</p> <p>Long term: The end of the new CVD (2025) will mean the payment of the Congestion Charge for all PHVs.</p>	<p>Low: The proposal is not expected to significantly impact on all drivers. It will largely affect those who frequently enter the CCZ and those who are expected to cover the costs of the charge.</p>	<p>Low: The cost of going into the CCZ is £10.50-11.50 per day. However, the sensitivity of drivers to this impact will be reduced if:</p> <ul style="list-style-type: none"> • whether they meet the criteria for alternative discounts and exemptions. In particular, the CVD will be a key discount which will allow PHV drivers to access a 100 per cent discount to the CCZ if driving a low emissions vehicle which meets the CVD criteria; • if they are able to pass the cost on to passengers; • whether they are able to adapt their behaviour to work outside of charging hours or outside of the CCZ; and • whether they will be eligible for a tax deduction as a result of paying the charge. 	<p>Minor adverse</p>	<p>TfL should be clear with PHV drivers where they may qualify for alternative discounts or exemptions from the charge. They should consider a communications campaign clearly setting out the timeframe and costs involved in the removal of the PHV exemption to the Congestion Charge, as well as giving information about the new CVD</p>

⁷⁶ Steer Davies Gleave (2017) 'Taxi and Private Hire Driver Diary Survey 2016/17'. (Unpublished)

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	PHV drivers	Removing the PHV exemption could potentially reduce congestion which could benefit air quality and the health of PHV drivers who are exposed to pollution in their vehicles. However, stakeholders in the CEPA study thought it would be unlikely that congestion will be reduced and that drivers would probably remain in the zone if they have paid. This proposal may result in a long-term shift towards electric or low emission vehicles as drivers look to continue their exemption by meeting the CVD criteria. This could also potentially have a positive effect on air quality and therefore health in the long-term.	Positive: Reduced congestion and polluting vehicles may have health benefits for PHV drivers who are exposed to pollution while in their vehicles.	Long term: As drivers are discouraged from entering the CCZ (especially post 2025 following the end of the CVD) or drivers upgrade to zero emissions vehicles, the pollution drivers are exposed to should decrease.	Low: The scale of pollution decrease is likely to be small given the removal of the exemption is forecast to reduce traffic in the CCZ by 1%. Further, only those drivers who live or work regularly within the CCZ are likely to experience these benefits.	Low: The impact on air pollution is expected to be minimal and as such only minimal health improvements can be expected for drivers. Those drivers with respiratory difficulties may benefit more than others.	Minor beneficial	

⁷⁷ ONS (July 2018) 'Average actual weekly hours of work for full-time workers (seasonally adjusted)'. Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/timeseries/ybuy/lms>

⁷⁸ Burgel BJ, Gillen M, and Castle White M, (2012) 'Health and Safety Strategies of Urban Taxi Drivers'. Available at: <https://www.ncbi.nlm.nih.gov/pubmed/22669644>

⁷⁹ Health and Safety Laboratory (2003) 'Working long Hours'. Available at: http://www.hse.gov.uk/research/hsi_pdf/2003/hsi03-02.pdf

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	Passengers: older and/or disabled	<p>Statistics reported on by the TfL indicate that, on average, people with mobility difficulties use PHVs more frequently than people without mobility difficulties (eight per cent of disabled people living in London use PHVs at least once a week compared with six per cent of non-disabled Londoners)⁸⁰. CEPA forecast that the removal of the Congestion Charge exemption is expected to reduce unique PHV entries into the CCZ during charging hours by 45% meaning the supply of PHVs and adapted PHVs for older and disabled passengers travelling within the CCZ in charging hours could be reduced. For vulnerable PHV users, this could reduce their accessibility to social infrastructure and decrease their quality of life whilst also having effects on their health and wellbeing. However, it should be noted that evidence outlined in the CEPA report forecasts a relatively low reduction in the number of PHVs operating within the CCZ.</p>	Negative: A reduction of PHVs may limit the availability of PHVs to older and disabled passengers who rely on them to get around.	Long term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the zone for the foreseeable future.	Low: The 2011 census data indicates that 14 per cent of Londoners consider themselves to have a long-term health problem or disability that limits their data-to-day activities 'a little' or 'a lot', which has lasted, or is expected to last at least 12 months ⁸¹ . Amongst those who identify themselves as having a long-term condition it can be expected that a relatively small proportion use PHVs regularly. Furthermore, even when PHVs are being used they will not always be travelling within the CCZ during chargeable hours.	Low: Evidence suggests that many people with a disability or long-term condition have a reliance on PHVs. If they are not able to access this transport service due to a reduction of available PHVs this could restrict both their access to social infrastructure and their mobility. However, wheelchair accessible PHVs will continue to be exempt from the Congestion Charge. Further, some passengers may also be entitled to discounts such as the Blue Badge discount. It should also be noted that while PHV services may be limited, other transport services will still be available to passengers.	Minor adverse	

⁸⁰ TfL (2015) 'Travel in London: understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁸¹ Office for National Statistics (2011) 'Census'. Available at: <https://www.ons.gov.uk/census/2011census>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	Others: pedestrians, road users and other	<p>Air pollution has been highlighted by the Department for Environment, Food and Rural Affairs (DEFRA) and Public Health England as the largest environmental risk to the public's health⁸².</p> <p>Removing the PHV exemption could potentially reduce congestion which could have subsequent benefits for air quality and health of pedestrians, cyclists, others (road users and local residents) who are exposed to pollution while in the CCZ.</p> <p>However, it has been forecasted by CEPA that the introduction of this proposal will not significantly decrease overall traffic within the zone. CEPA note in their report that the stakeholders interviewed as part of the research suggested that drivers will potentially remain in the CCZ if they have paid preventing a reduction in congestion. Therefore, benefits for air quality and health may likely be minimal.</p> <p>Despite this, in the long run this proposal may result in a long-term shift towards electric or low emission vehicles as drivers look to ensure a 100 per cent discount by meeting the new CVD. This could potentially have a positive effect on air quality and therefore health in the long-term.</p>	<p>Positive: A reduction in congestion and a move towards low emission vehicles may lead to air quality and therefore health improvements.</p>	<p>Long term: As drivers are discouraged from entering the CCZ (especially post 2025 following the end of the CVD) or drivers upgrade to zero emissions vehicles, the pollution drivers are exposed to should decrease.</p>	<p>Medium: While improvements to air quality are only expected to be minimal, they will likely impact on a wide range of groups in London including: pedestrians, cyclists, residents.</p>	<p>Low: The impact on air pollution is expected to be minimal and as such only minimal health improvements can be expected. However, those with respiratory problems, the young and elderly will be more sensitive to this benefit.</p>	Moderate beneficial	

⁸² DEFRA, Public Health England, Local Government Association (2017) 'Air Quality: A Briefing for Directors of Public Health'. Available at: <https://laqm.defra.gov.uk/assets/63091defraairqualityguide9web.pdf>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
2	In	Drivers, others: pedestrians, cyclists, other road users and local residents	The CVD may encourage a greater use of ultra low emissions vehicles. The introduction of previous discounts for low emissions vehicles has indicated that discounts can be an effective mechanism in encouraging a movement towards greater use of ultra low emission vehicles. This proposal may therefore result in health benefits for those who regularly enter the CCZ through reducing harmful emissions within the CCZ by encouraging a higher use of cleaner vehicles. In the short term, the health impact of this proposal is expected to be relatively minor. It has been assumed that around 2,000 of current ULED holders will lose their discount when the new CVD is introduced. As such, only minor improvements to air quality, and subsequently health, are expected as it is anticipated that this proposal would initially result in only a minor reduction in vehicle operating within the zone.	Positive: A small proportion of vehicles may be deterred from entering the zone resulting in minimal health benefits.	Short term: In the short-term a higher proportion of drivers will be eligible for the new CVD.	Medium: There may only be a small improvement in air quality but this will likely affect a large proportion of people in London including pedestrians, cyclists, residents. Those with respiratory problems, the young and elderly will be more sensitive to this benefit.	Low: Potential improvements in air quality and local environment. Estimated to be low in the short term as few people will be affected by the change.	Minor beneficial	TfL should promote the development of infrastructure within London which supports electric vehicles.

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
2	In	Drivers, others: pedestrians, cyclists, other road users and local residents	<p>The further tightening in 2021 of the CVD may result in a larger number of vehicles losing their eligibility (potentially reducing traffic within the Congestion Charing Zone during charging hours) or switching to cleaner vehicles. As such, this proposal is expected to result in more significant improvements in air quality as the CVD matures. Electric vehicles, produce up to 40 per cent less CO₂ than an equivalent petrol or diesel vehicle⁸³, taking account of the current mix of fuels. In encouraging more people to switch to electric vehicles it can be expected that some decrease in air pollution would be seen, bringing with it the health benefits outlined earlier.</p> <p>As well as having a positive effect on air quality, a move towards electric vehicles in the long run could also have a positive effect on noise pollution. The British Medical Association (BMA) have highlighted that after air quality, noise pollution is considered to be the second largest environmental cause of health problems, and road traffic is a major cause of noise pollution in London.⁸⁴ As such, through encouraging a move towards electric vehicles this proposal could also bring about positive change in terms of noise pollution.</p>	<p>Positive: A reduction in congestion and potential move to electric vehicles may lead to better air quality and therefore health improvements.</p>	<p>Long term: The discount will apply to "zero emission capable" up to 2021 and thereafter be tightened to the stricter "zero emission".</p>	<p>Medium: There may only be a small improvement in air quality but this will likely affect a large proportion of people in London including pedestrians, cyclists, residents. Those with respiratory problems, the young and elderly will be more sensitive to this benefit.</p>	<p>Low: It is expected that the potential improvements in air quality and local environment will be low. This is anticipated to increase slightly as the discount moves into 2021 and more people will face cost implications if they do not switch to a zero emission vehicle. However, the full extent of this impact is unknown.</p>	Moderate beneficial	TfL should promote the development of infrastructure within London which supports electric vehicles.

⁸³ TfL (2012) 'Public and stakeholder consultation on a Variation Order to modify the Congestion Charging scheme: Impact Assessment'. Available at: <http://content.tfl.gov.uk/cc-vo-impact-assessment-2012.pdf>

⁸⁴ British Medical Association (2012): 'Healthy transport = Healthy lives'. Available at: file:///C:/Users/FOW84558/AppData/Local/Packages/Microsoft.MicrosoftEdge_8wekyb3d8bbwe/TempState/Downloads/healthytransporthealthyvives.pdf

D.2 Equality

Table 9: Equality Assessment Framework

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	PHV drivers: BAME	<p>CEPA's report outlines that drivers, particularly those that work for extra-large and very-large operators, will likely be required to pay the Congestion Charge. Costs not passed onto passengers would remain with the drivers. BAME drivers make up a high proportion of PHV drivers, data produced by TfL suggests that around 94% of all PHV drivers who gave information about their ethnic background, are from a non-white British background. Given this, if this proposal was implemented, BAME drivers have the potential to be disproportionately impacted by any rise in costs.</p> <p>While the methodologies are different and thus limits the ability to make valid comparison, the Taxi/PHV Diary Survey 2009 and 2017 suggests that the profile of PHV drivers has changed over time. In 2009, 48% of minicab drivers and 74% of chauffeur/executive drivers were British/Irish/Other White. In 2017, 24% of minicab drivers were White and 54% of Chauffeur/Executive drivers were White.</p>	<p>Negative: It may result in reductions in quality of life for those drivers who experience difficulties in covering the additional cost.</p>	<p>Long term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the zone for the foreseeable future.</p>	<p>Low: If all PHV drivers were to cover the cost of paying the charge then the scale of this impact is likely to be high as BAME drivers make up more than 90% of drivers. However, some drivers may choose to pass on the cost to passengers while for others the cost may be covered by their operator(s). Further, the cost will only apply to those travelling in the CCZ during charging times.</p>	<p>Low: The cost of going into the CCZ is £10.50-11.50 per day. However, the sensitivity of drivers to this impact will be reduced if:</p> <ul style="list-style-type: none"> • If the operator covers the cost or the driver; • If the driver can spread the cost over a number of journeys; • If they can avoid going into the CCZ; or • If they have a vehicle that meets the CVD criteria or other exemption criteria. • The degree to which the Congestion Charge will be tax deductible. 	<p>Minor adverse</p>	<p>TfL should clearly set out for PHV drivers where they may be eligible for alternative exemptions or discounts from the Congestion Charge.</p> <p>TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.</p>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	PHV drivers: Female	<p>CEPA's report outlines that drivers, particularly those that work for extra-large and very-large operators, will likely be required to pay the Congestion Charge. Costs not passed onto passengers would remain with the drivers.</p> <p>Evidence shows that a higher proportion of women across all industries tend to work part-time (42 per cent of women compared with 13 per cent of men)⁸⁵. The additional cost of paying the Congestion Charge may cause a barrier to entry, and staying within, the profession for those who work part-time and are less able to spread the cost of the charge across a number of journeys. Women can be assumed to be more likely to work as part-time drivers and so be disproportionately impacted by this proposal. However, this impact is likely to be very low as women make up less than 2 per cent of PHV drivers in London⁸⁶, of which not all will work part-time.</p>	<p>Negative: It may result in reductions in quality of life for those drivers who experience difficulties in covering the additional cost.</p>	<p>Long term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the CCZ for the foreseeable future.</p>	<p>Low: Some drivers may choose to pass on the cost to passengers while for others the cost may be covered by their operator(s). Further, it should be noted that this cost will only apply to those travelling in the zone during charging times. It should also be noted that women drivers make up a low proportion of overall PHV drivers (c.2.2%)</p>	<p>Low: The cost of going into the CCZ is £10.50-11.50 per day. However, the sensitivity of drivers to this impact will be reduced if:</p> <ul style="list-style-type: none"> • If the operator covers the cost or the driver; • If the driver can spread the cost over a number of journeys; • If they can avoid going into the CCZ; or • If they have a vehicle that meets the CVD criteria or other exemption/discount criteria. • The degree to which the Congestion Charge will be tax deductible. 	Minor adverse	

⁸⁵ House of Commons (2017): 'Briefing paper: Women and the Economy'. Available at: <http://researchbriefings.files.parliament.uk/documents/SN06838/SN06838.pdf>

⁸⁶ TfL (2018): 'Taxi and PHV Demographic Stats'. Available at: <http://content.tfl.gov.uk/taxi-and-phv-demographic-stats.pdf>

<p>1 In</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Passengers: disabled, deprivation and female</p>	<p>Operators who took part in the CEPA research noted that a rise in cost for drivers could potentially result in costs being passed on to customers. If the cost of the charge was passed through to the customers (passengers), some vulnerable passenger groups may possibly be disproportionately affected if they have no other option but to use PHV transport. Evidence has shown that there are a number of equality groups who may have a higher usage of taxis and PHVs who may therefore be disproportionately impacted should PHV fares increase:</p> <ul style="list-style-type: none"> ● Disabled / older: TfL statistics indicate that, on average, people with mobility difficulties use PHVs more frequently than people without mobility difficulties (eight per cent of disabled people living in London use PHVs at least once a week compared with six per cent of non-disabled Londoners)⁸⁷. ● Passengers from low income areas: Taxis and PHVs across the UK tend to be more heavily used by passengers from low income groups due to a lack of alternative transport options⁸⁸. Within London, similar levels of usage of PHVs are seen amongst those defined as 'low income' as compared to overall. However, those who earn less than £5,000 a year have a slightly higher usage of PHVs compared to overall (eight per cent who earn less than £5,000 use PHVs at least once a week compared with six per cent overall)⁸⁹. ● Females: Overall there tends to be little difference in the proportion of male and female Londoners using PHVs at least once a week. However, more vulnerable women tend to be higher users. For example, younger women are more likely to use PHVs (nine per cent of females under 25 years old use PHVs once a week compared to seven per cent of men of the same age), as are older women (six per cent of women over 65 years compared with five per cent of men of the same age)⁹⁰. 	<p>Negative: A reduction of PHVs may limit these passengers' ability to access adequate transportation</p>	<p>Long term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the CCZ for the foreseeable future.</p>	<p>Low: While some drivers may choose to pass the cost on to passengers, it is likely that this cost will be spread over a number of journeys and as such the additional cost to passengers is expected to be low. In addition, where other discounts and exemptions apply or where drivers and operators do not pass the cost on to passengers no changes to fares are expected.</p>	<p>Low: The cost of going into the CCZ is £10-11.50 per day. How sensitive passengers are to this will depend on a number of points:</p> <ul style="list-style-type: none"> ● If they will be covering the cost; and ● If the cost is spread over multiple journeys. ● If they are eligible for an exemption/discount - for if they are entitled to other discounts such as blue badge and residents discounts. 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Minor adverse</p>
<p>1 In</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Passengers: disabled,</p>	<p>Removing the PHV exemption could potentially reduce congestion which could have subsequent benefits for air quality and health of passengers from protected characteristic groups who use PHVs more than the general population whilst travelling in the CCZ:</p> <ul style="list-style-type: none"> ● Disabled / older: TfL statistics indicate that, on average, people with mobility difficulties use PHVs more frequently than people without mobility difficulties (eight per cent of disabled people living in London use PHVs at 	<p>Positive: A reduction in congestion and a move towards low emission vehicles may lead to air quality and therefore health improvements.</p>	<p>Long term: As drivers are discouraged from entering the CCZ (especially post 2025 following the end of the CVD) or drivers upgrade to zero emissions</p>	<p>Medium: While improvements to air quality are only expected to be minimal, they will likely impact on a wide range of groups in London including: pedestrians, cyclists, residents.</p>	<p>Low: The impact on air pollution is expected to be minimal and as such only minimal health improvements can be expected, however, those with respiratory problems, the young and elderly will be</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Minor beneficial</p>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
			<p>least once a week compared with six per cent of non-disabled Londoners)⁹¹.</p> <ul style="list-style-type: none"> ● Passengers from low income areas: Taxis and PHVs across the UK tend to be more heavily used by passengers from low income groups due to a lack of alternative transport options⁹². Within London, similar levels of usage of PHVs are seen amongst those defined as 'low income' as compared to overall. However, those who earn less than £5,000 a year have a slightly higher usage of PHVs compared to overall (eight per cent who earn less than £5,000 use PHVs at least once a week compared with six per cent overall)⁹³. ● Females: Overall there tends to be little difference in the proportion of male and female Londoners using PHVs at least once a week. However, more vulnerable women tend to be higher users. For example, younger women are more likely to use PHVs (nine per cent of females under 25 years old use PHVs once a week compared to seven per cent of men of the same age), as are older women (six per cent of women over 65 years compared with five per cent of men of the same age).⁹⁴ 			<p>vehicles, the pollution drivers are exposed to should decrease.</p>	<p>more sensitive to this benefit.</p>		

⁸⁷ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁸⁸ DfT (2017): 'Taxi and PHV Statistics: England 2017'. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/642759/taxi-private-hire-vehicles-2017.pdf

⁸⁹ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁹⁰ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁹¹ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁹² DfT (2017): 'Taxi and PHV Statistics: England 2017'. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/642759/taxi-private-hire-vehicles-2017.pdf

⁹³ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

⁹⁴ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	Other: deprived communities in London	<p>The stakeholder engagement interviews indicated that the PHV trade offers employment to drivers in areas of high deprivation and unemployment, which might not otherwise exist. Licensing data provided by TfL confirms a correlation between PHV drivers' home addresses and areas of high deprivation in London. Within London, 71 per cent of PHV drivers live in areas which are within the most deprived and second most deprived quintiles, as defined by the index of multiple deprivation (IMD). Further, the most densely populated areas for PHV drivers largely map to the areas of London with the highest levels of deprivation. In the cases where PHV drivers are required to pay the Congestion Charge, there is a risk that this, linked to the reduction in income, may be prohibitive in terms of some PHV drivers staying within the profession or entering it. Given that this trade offers an employment stream for communities in deprived areas, it can be expected that the increased costs as a result of paying the Congestion Charge may impact disproportionately on communities in London living in areas of high deprivation.</p>	<p>Negative: It may result in few drivers entering the profession and therefore impact on deprived communities in which the trade offers a key source of employment.</p>	<p>Long term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the zone for the foreseeable future.</p>	<p>Low: If all PHV drivers were to cover the cost of paying the charge then the scale of this impact is likely to be high. However, some drivers may choose to pass on the cost to passengers while for others the cost may be covered by their operator(s). Further, the cost will only apply to those travelling in the CCZ during charging times.</p>	<p>Low: The cost of going into the CCZ is £10.50-11.50 per day. However, the sensitivity of drivers to this impact will be reduced if:</p> <ul style="list-style-type: none"> • If the driver can spread the cost over a number of journeys; or • If they have a vehicle that meets the CVD criteria or other exemption/discount criteria. • The degree to which the Congestion Charge will be tax deductible. 	Minor adverse	
2	In		<p>No secondary or stakeholder evidence has been found to support a disproportionate impact on equality groups as a result of this proposal.</p>						

D.3 Environment

Table 10: Environment Assessment Framework

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	PHV drivers, passengers, other road users and local residents	<p>There is potential for air quality effects from a reduction in congestion and the associated emissions from reduced numbers of PHVs entering the CCZ. The CEPA report estimates PHV traffic would fall by 6% equating to a 1% decrease alongside other traffic. The reduction of congestion is, therefore, predicted to be relatively small.</p> <p>Over the medium to long term as there is a move towards zero emission PHV vehicles, the impact of this proposal may increase. Currently road traffic accounts for 28 per cent of London's total emissions of carbon dioxide (CO₂), 50 per cent of London's total emissions of nitrogen oxides (NO_x), and 50 per cent of London's particulate matter (PM₁₀) emission⁹⁵. In promoting a long-term shift amongst PHVs to zero emission or zero emission capable vehicles, the combination of the removal of the exemption and introduction of the new CVD, may result in reduced emissions of nitrogen oxides NO_x and particulate matter (PM₁₀).</p> <p>While PHVs only make up a small proportion of traffic within the CCZ and therefore contribute only a small proportion of overall emissions within the zone, the slight improvements this change may have to reduce emissions is expected to impact a large number of people within London, including PHV drivers, pedestrians, cyclists, and residents.</p>	<p>Positive: A reduction in PHV traffic will help reduce congestion and emissions, particularly NO_x and PM₁₀. Further, a move towards low emissions vehicles could also lead to positive environmental benefits.</p>	<p>Medium term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the CCZ for the foreseeable future.</p>	<p>Medium: There may only be a small improvement in air quality but this expected to affect a large proportion of people in London including pedestrians, cyclists, residents.</p>	<p>Low: Given the relatively small predicted decrease in PHVs in the CCZ, effect of air quality improvement on affected groups is likely to be small.</p>	Moderate beneficial	TfL should promote the development of infrastructure within London which supports electric vehicles to further encourage drivers and operators to shift to low emission vehicles.

⁹⁵ TfL (2017) 'Travel in London: Report 10'. Available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
2	In	PHV drivers, Others: pedestrians, other road users and local residents	<p>The introduction of the CVD may encourage a greater use of ultra low emissions vehicles. Pure electric and hybrid vehicles produce no, or a reduced level of, harmful emissions. As mentioned, previously, electric vehicles produce up to 40 per cent less CO₂ than an equivalent petrol or diesel vehicle⁹⁶. Further, transport accounts for around a quarter of the UK's carbon emissions, which is a key contributor to climate change. Go Low⁹⁷ have suggested that pure electric vehicles do not produce any greenhouse gas exhaust emissions whilst being driven and those from plug-in hybrids are significantly lower than from a traditional petrol or diesel car. As such, a move towards such vehicles can be expected to bring positive environmental benefits in terms of both improving air quality and reducing CO₂ emissions.</p> <p>However, in the short term, following the introduction of the new CVD in 2019 it is estimated that 2,000 vehicles (of around 20,000) will become ineligible for the discount. As a relatively high proportion of vehicles will be unaffected in the short term from the introduction of this proposal, its short-term impact on the environment is expected to be minimal.</p>	Positive: A small proportion of vehicles may be deterred from entering the CCZ resulting in minimal environmental benefits.	Short term: In the short-term a high proportion of drivers will continue to be eligible for the new CVD.	Medium: There may only be a small improvement in air quality but this expected to affect a large proportion of people in London including pedestrians, cyclists, residents.	Low: Potential improvements in air quality and local environment are estimated to be low in the short term.	Minor beneficial	

⁹⁶ TfL (2012) 'Public and stakeholder consultation on a Variation Order to modify the Congestion Charging scheme: Impact Assessment'. Available at: <http://content.tfl.gov.uk/cc-vo-impact-assessment-2012.pdf>

⁹⁷ Go Ultra Low. 'Electric cars and the environment'. See: <https://www.goultralow.com/choosing/electric-cars-environmental-benefits/>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
2	In	PHV drivers, others: pedestrians, other road users and local residents	Following further tightening of the CVD in 2021, a larger proportion of vehicles are expected to lose their discount or move to vehicles which meet the tightened criteria in order to receive the 100 per cent discount to the Congestion Charge. In the long term, therefore, the potential reduction in traffic and increase in cleaner vehicles within the CCZ may likely have a more sustained beneficial impact on the environment. As highlighted above, the positive benefits on environment may be realised through a reduction in tail pipe emissions and CO ₂ production, as well a reduction in noise pollution.	Positive: A reduction in congestion and potential move to electric vehicles may lead to air quality improvements.	Medium term: The change to Congestion Charge is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the CCZ for the foreseeable future.	Medium: There may only be a small improvement in air quality but this expected to affect a large proportion of people in London including pedestrians, cyclists, residents.	Low: Given the relatively small predicted decrease in PHVs in the CCZ, effect of air quality improvements on affected groups is likely to be small. The proportion of PHVs likely to move to low emissions vehicles is unknown.	Moderate beneficial	TfL should promote the development of infrastructure within London which supports electric vehicles.

D.4 Business and Economics

Table 11: Business and Economics Assessment Framework

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	Operators: small (less than 100 vehicles)	<p>The impact on operators is likely to be mixed depending on size and whether they absorb the cost of the CCZ charge on behalf of drivers. The ability to absorb the cost will depend on operator preference, employment model and business model and will likely be influenced by the size of the business, cashflow, core service area and location.</p> <p>The CEPA report found that some small operators are less able to absorb the Congestion Charge on behalf of drivers could risk reducing their labour supply with drivers switching to operators with more competitive offers. Small operators are also forecast to see a significant rise in price per trip because it is assumed they will be less able to spread the Congestion Charge to passengers across many trips or absorb the cost themselves.</p> <p>Evidence from the CEPA report indicates that most operators will not take on the CCZ charge. Despite this they may still be indirectly impacted by the effects of the proposal on driver behaviour. Should drivers stop taking fares that travel into the CCZ - due to a perceived risk to their bottom line earnings - operator revenues could be impacted. This has been highlighted as a particular issue for smaller operators or those with cashflow issues.</p> <p>It should be noted that the CCZ will bring driver/operator obligations into line with all other London businesses making trips in the CCZ in charging hours pay the charge (unless they qualify for an exemption like CVD) - an assessment carried out by the Greater London Authority regarding the Congestion Charge and its impacts concluded that the CCZ had a broadly neutral impact on business performance.</p>	<p>Negative: Small operators will be impacted indirectly by the charge's effect on PHV driver behaviour/earnings. They will be directly impacted where they choose to cover the cost on behalf of drivers or own the PHV and be liable to pay.</p>	<p>Long term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that all PHV drivers will have to pay when entering the zone for the foreseeable future.</p>	<p>Medium: The impact is likely to vary by the type of work; for instance, chauffeur/ executive PHVs are most likely owned by the operator due to the substantial ownership cost. The distribution of the impact may also disproportionately affect operators with fixed service contracts (e.g. LA school PHV provision) or those that operate on the periphery of the CCZ, with fewer daily journeys to spread the CCZ charge cost amongst. It is expected that those able to specialise (i.e. focusing on journeys within CCZ) will be less affected regardless of whether they choose to absorb the cost on behalf of drivers or not.</p>	<p>Medium: The indirect impact is likely to impact the majority of smaller operators. Although the majority of small operators are not expected to cover Congestion Charge (£10.50-11.50 per day), the sensitivity of operators that do will depend on a number of points:</p> <ul style="list-style-type: none"> the proportion of PHV in their fleet that meet the new CVD requirements (only a short- to medium-term mitigating factor); the proportion of vehicles in the fleet owned by the operator; and the proportion of daily journeys entering the CCZ and the ability of the operator to spread this cost over a number of rides. Whether or not the payment will be tax deductible. 	Moderate adverse	<p>TfL should clearly set out for PHV drivers and passengers where there may be alternative discounts and exemptions to the Congestion Charge which the driver can apply to avoid paying the Charge.</p> <p>TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.</p>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	Operators: large to extra-large operators (500 plus vehicles in fleet)	<p>CEPA forecast that while the price per trip for large to extra-large operators is not expected to rise to the same extent as small operators, they will still increase. CEPA suggest that larger operators may be able to specialise their fleets based on the technology currently available to them.</p> <p>This means that some larger operators will be able to undertake the same number of trips per entry but spread the cost over a large number of trips which will allow them to minimise the increase in price as a result of paying the Congestion Charge. However, the extent to which large to extra-large operators would be able or willing to do this is unclear. Larger operators, interviewed as part of this research, suggested that they are uncertain if this is something they could undertake because of questions around technological capability and administrative costs involved in specialising their fleets. Some of the stakeholders interviewed as part of this research also suggested a reluctance to specialise because of the potential impact on passenger satisfaction.</p> <p>Regardless of whether larger operators are able to specialise their fleets, it can be expected that these operators will be better able to spread the charge across all London trips (having a wider base of trips) and absorb some of the costs either from their profit margins or by requiring drivers to bear a portion. Further, if some smaller operators reduce their market share it can be assumed that larger operators would be able to pick up this increase in demand benefitting their overall profitability.</p>	<p>Negative: Large operators may be affected by the increased cost of paying the Congestion Charge.</p>	<p>Long term: The change to Congestion Charging is expected to be permanent and as such it will impact operators for the foreseeable future.</p>	<p>Low: Most large operators will be impacted by the proposal. However, the scale of this impact is expected to be smaller than that felt by smaller operators. The distribution of the impact may also disproportionately affect operators with fixed service contracts (e.g. LA school PHV provision) or those that operate on the periphery of the CZZ, with fewer daily journeys to spread the charge cost amongst. It</p>	<p>Low: sensitivity is expected to be low as large operators are likely to have a high number of daily journeys into the CCZ that could be concentrated amongst a small number of drivers, thereby minimising the charge their organisational and the specific driver face. Sensitivity will also depend on the propensity of larger operators to own the vehicles in their fleet and whether or not any cost obligation under the CCZ will be tax deductible.</p>	Minor adverse	<p>TfL should clearly set out for PHV drivers and passengers where there may be alternative discounts and exemptions to the Congestion Charge which the driver can apply to avoid paying the Charge. TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.</p>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	PHV drivers	<p>The removal of the CCZ charge exemption will apply to all PHVs, however it will most likely only impact on a subset of PHV drivers. CEPA suggested that 33 per cent of PHV drivers make journeys into the CCZ in charging hours. This proposal may therefore place a downward pressure on the earnings of PHV drivers who regularly enter the CCZ and are required to pay the Congestion Charge. However, for some drivers this impact may vary depending on temporality.</p> <p>It is possible, given the high-level of market competition, that many operators will chose to not cover the cost of the Congestion Charge or increase passenger fares and instead will pass this on to, or expect PHV drivers to pay. Covering the cost of the Congestion Charge for those who go into the CCZ will likely reduce PHV driver average earnings. Moreover, for drivers operating in the suburbs and towns on the periphery of London the proposal presents a risk to the revenue stream (i.e. potentially inducing modal shift) of longer, central London-bound fares. These PHV drivers may have to pass the charge directly to passenger fares when journeys enter the CCZ, as they may be less able to justify spreading the cost of entering the CCZ among all customers, as this would make them uncompetitive in their local market.⁹⁸</p>	<p>Negative: The proposal may place significant downward pressure on the earnings of PHV drivers that regularly enter the CCZ</p>	<p>Long term: The change to Congestion Charge exemption is expected to be permanent and as such it will be a charge that PHV drivers will have to pay when entering the zone for the foreseeable future.</p>	<p>Medium: The scale of this impact also hinges on whether PHV drivers are required to pick up the cost and how they adapt their business models once the PHV exemption is removed. Should competition dictate that drivers must absorb the cost of the charge or face losing business, the distribution of the impact may disproportionately affect those drivers that are frequently required to enter the CCZ for short periods of time, particularly those that operate on the periphery of the CCZ, with fewer daily journeys among which to spread the cost. Yet some drivers are expected to specialise (i.e. focusing on journeys within the CCZ) reducing the potential impact of the costs regardless of whether they choose to pass on the cost or absorb it.</p>	<p>Medium: The cost of going into the congestion charging zone is £10.50-11.50 per day. Therefore, the sensitivity of drivers will depend on a number of points:</p> <ul style="list-style-type: none"> • The time they go into the CCZ and their ability to spread this cost over a number of trips • If they have a vehicle that meets CVD requirements (only a short- to medium-term mitigating factor) or other discount criteria • Whether the Congestion Charge will be tax deductible for the driver. 	<p>Moderate adverse</p>	<p>TfL should set out clearly for PHV drivers and passengers where they may be eligible for a discount or exemption to the Congestion Charge which the driver can utilise to avoid paying the charge. TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.</p>

⁹⁸ London Assembly Transport Committee, 2016, 'London Assembly Investigation into Traffic Congestion in London'. Available at: https://www.london.gov.uk/sites/default/files/organisational_submissions_to_congestion_investigation.pdf

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	PHV Passengers	<p>There could be a number of impacts for passengers in terms of their ability to draw on the services of PHVs. CEPA suggest it could reduce the availability of PHVs by 6% within the CCZ during chargeable hours, as well as reduce the number of unique PHV entries into the zone meaning longer waiting times for passengers. This could reduce consumer choice if there are less operators offering competing services resulting from increased costs to smaller operators who may not be able to continue operating in the CCZ. It could also increase the cost of fares.</p> <p>The majority of operators consulted as part of the research and the CEPA study suggested that PHV operators would most likely seek to pass on (where the vehicle is owned by the operator) or encourage drivers to pass on the Congestion Charge in full to customers. It can be expected, therefore, that passengers will experience an increase in fare prices. However, the price increase may not be significant for many passengers as drivers and operators are likely to spread the cost of the Congestion Charge across numerous trips.</p>	<p>Negative: Increased fares and reduced availability of PHVs.</p>	<p>Long term: The change to Congestion Charging is expected to be permanent and as such it will impact operators for the foreseeable future.</p>	<p>Low: The PHV Congestion Charge will potentially reduce PHV traffic in the CCZ by 6%, and CEPA also estimates the number of unique entries will reduce by 45%. This indicates that there may be a reduction in available PHVs all consumers when journeying through, within or out of the CCZ. Although it was also suggested that most operators would pass on the entire cost of the CCZ charge to passengers, this increase will likely be small as PHV drivers will likely spread the cost across numerous trips.</p>	<p>Low: It is unlikely passengers will be significantly impacted either by the moderate reduction of available PHVs in the CCZ, nor the (probable) slight increase in fares.</p>	Minor adverse	<p>TfL should consider a public information campaign clearly setting out the strategic objectives of the Congestion Charge (e.g. reduction in congestion) so that any cost increase can be understood in light of the broader aims and benefits.</p>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	Others: businesses	<p>The CEPA report estimates that the proposed removal of the CCZ exemption for PHVs would reduce PHV traffic in the zone by six per cent which would amount to a total one per cent decrease in traffic within the zone.</p> <p>A reduction in traffic and therefore congestion, is likely to improve travel times within the CCZ. Evidence suggests that at a certain level of congestion, worsening congestion can slow job growth⁹⁹. Indeed, research conducted by INRIX (a provider of real-time traffic information and transport analytics) has suggested that between 2013 and 2030 the total expected cumulative costs of congestion to the UK economy is estimated to be £307 billion¹⁰⁰. A reduction in traffic and congestions may therefore help to strengthen economic performance. For example, it may strengthen some business through reducing travel times for businesses and their commuters traveling or transporting goods within the zone.</p>	Positive: Less congestion and reduced travel time.	Long term: The change to Congestion Charging is expected to be permanent.	Low: The CEPA report suggests the Congestion Charge could reduce congestion in the CCZ during chargeable hours by 1% which could have an (albeit marginal) impact on businesses in the CCZ that rely on a well-functioning road network.	Low: The impact of this is expected to be minimal.	Minor beneficial	

⁹⁹ Sweet, M (2013) 'Traffic Congestion's Economic Impact: Evidence from US Metropolitan Regions'. Available at: <http://journals.sagepub.com/doi/abs/10.1177/0042098013505883>

¹⁰⁰ Intrix, (2014) 'Traffic Congestion to cost the UK economy more than £300 billion over the next 16 years'. Available at: <http://inrix.com/press-releases/traffic-congestion-to-cost-the-uk-economy-more-than-300-billion-over-the-next-16-years/>

Proposal number	Scope in or out	Identification of affected group	Description of affected group	Positive or negative	Temporal/duration	Distribution/scale of impact	Sensitivity of impact	Impact rating	Mitigation measures/opportunities for enhancement
1	In	Others: public sector organisations	All revenue generated by the CCZ must be, by law, re-invested into London's transport network. However, in cases where PHV operators provide contract work inside the CCZ for the public sector, this proposal would in essence have a redistributive effect of government funding. The revenue raised for TfL would be an indirect transfer between public bodies. This transfer of funds was highlighted by stakeholders interviewed as a part of this research. Consequently, this proposal could potentially affect the budgets of other government departments through potentially passing the cost of the Congestion Charge through to these departments.	Negative: Redistribution of public sector resource to TfL.	Long term: The change to Congestion Charging is expected to be permanent and as such it will impact operators for the foreseeable future.	Low: The proposal could have an impact on public sector bodies, particularly those that heavily rely on PHV transport within the CCZ. This could include local authorities, the NHS and government departments. It is unlikely, that there will be dramatic changes in price given that PHV operators tender for transport provision contracts, competing mainly on price.	Low: The cost to the public sector of PHV services is unlikely to drastically change.	Minor adverse	Vehicles which are used to provide certain public services (e.g. school transport) by the eight local authorities whose area of responsibility falls within the CCZ are exempt from the Congestion Charge. TfL should ensure that those PHV operators who have entered into public sector contracts with the eight local authority areas to provide relevant services are made aware that this exemption may apply. TfL should be clear with PHV drivers and passengers where there may be discounts and exemptions to the Congestion Charge which the driver can apply to avoid paying the Charge.

<p>2 In</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Other drivers: current, non-PHV holders of CVD</p>	<p>Those drivers who do not qualify for the CVD will not be eligible to the 100 per cent discount it provides to the Congestion Charge and as such will have to pay the charge when travelling within the CCZ. The most frequent travelers within the CCZ (such as daily commuters and those who travel within the CCZ for business) could face a cost of up to c.£230 each month.</p> <p>The initial introduction of the CVD is expected to result in a relatively small proportion of discount holders (2,000 of 20,000) losing their eligibility to the discount. However, as the CVD tightens in 2021 and then ceases in 2025, it can be expected that an increasing proportion of current discount holders will lose their discount. Therefore, a greater proportion of drivers entering the CCZ may be obliged to pay the Congestion Charge increasing the financial impact on a wider range of drivers.</p>	<p>Negative: Increased cost for vehicles currently eligible for CVD.</p>	<p>Short term: The discount will apply to 'zero emission capable' up to 2021.</p> <p>Medium term: The 2021 criteria will apply to zero emission only vehicles.</p> <p>Long term: The change to Congestion Charging is expected to be permanent and as such it will impact all those entering the zone in the foreseeable future.</p>	<p>Low: Approximately a tenth of vehicles currently eligible for CVD will be affected by the tightened criteria in the short-term with a greater proportion affected in the longer term.</p>	<p>Low: The cost of going into the CCZ is £10.50-11.50 per day. Initially, the change is only expected to impact a relatively small number of drivers. The sensitivity of these drivers will therefore depend on a number of points:</p> <ul style="list-style-type: none"> • A proportion of those which lose their eligibility for the discount will be travelling within the CCZ for non-essential journeys unrelated to business activities. Indeed, unpublished data produced by TfL indicates that only around eight per cent of ULED vehicles travel into the zone in charging hours on any given day. These drivers may be capable of changing their behaviour in order to avoid driving within the CCZ during chargeable hours: • If they will be upgrading their vehicle to qualify for the new CVD discount. • Depending on the time they go into the zone and their ability to use alternative transport. • If the driver qualifies for their payment to be tax deductible. <p>Whether the driver qualifies for the 90% resident discount.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Minor adverse</p> <p>TfL should be clear with drivers and passengers where they may be exempted from the charge. They should consider a communications campaign clearly setting out, the time frame, costs in addition to information about CVD.</p>
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E. Equalities analysis

The tables below provide further information on the protected characteristics and the rationale for being scoped in or out. The fourth column provides evidence for the impact rating in the report and relates this to section 149 of the Equality Act. Namely that a public authority must, in the exercise of its functions, have due regard to the need to—

- a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Table 12: Equalities analysis summary reasoning

Protected characteristic group	Proposal	Positive, negative or no impact	Affected group	Evidence justifying impact rating according to Section 149 of the Equality Act
Age	Proposal 1	Negative	Passenger	a) The CEPA report noted that a likely outcome of the removal of the exemption is that drivers and operators will pass the cost on to passengers ¹⁰¹ . This was also noted in the stakeholder interviews undertaken as part of this research. It has been argued by stakeholders that if the cost of the charge is passed through to the customers (i.e. passengers), some vulnerable passenger groups may be disproportionately affected. One of these groups includes older passengers who are more prone to have difficulties with mobility. Older women in particular are more likely to use PHVs in London (six per cent of women over 65 years compared with five per cent of men of the same age) ¹⁰² .
				b) No evidence that relates to this requirement has been identified.
				c) No evidence that relates to this requirement has been identified.
	Proposal 1	Positive	Passenger	a) No evidence that relates to this requirement has been identified.
				b) Removing the PHV exemption could potentially reduce congestion which could have subsequent benefits for air quality and health of pedestrians, cyclists, others: road users and local residents who are exposed to pollution while in the CCZ. This may mean positive health benefits for older people.
				c) No evidence that relates to this requirement has been identified.

¹⁰¹ Cambridge Economic Policy Associates (CEPA), (2018) 'TfL – PHV Congestion Charging Study'. Available at: www.tfl.gov.uk/ccyourviews

¹⁰² TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

Protected characteristic group	Proposal	Positive, negative or no impact	Affected group	Evidence justifying impact rating according to Section 149 of the Equality Act
Deprivation	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
	Proposal 1	Negative	Deprived communities	a) No evidence that relates to this requirement has been identified.
				b) The stakeholder engagement interviews indicated that the PHV trade offers employment to drivers in areas of high deprivation and unemployment, which might not otherwise exist. Licensing data provided by TfL confirms a correlation between PHV drivers' home address and the areas of highest deprivation in London; 71% of PHV live in areas of London which make up the two quintiles of highest deprivation, as defined by the index of multiple deprivation (IMD). It was also found that the most populated areas for PHV drivers largely map to the areas of London with the highest levels of deprivation. As such, it can be expected that the increased costs as a result of paying the Congestion Charge may impact disproportionately communities where there are areas of high deprivation.
				c) No evidence that relates to this requirement has been identified.
Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified	
Disability	Proposal 1	Negative	Passenger	a) The CEPA report noted that a likely outcome of the removal of the exemption is that drivers and operators will pass the cost on to passengers ¹⁰³ . This was also noted in the stakeholder interviews undertaken as part of this research. It has been argued by stakeholders that if the cost of the charge is passed through to the customers (i.e. passengers), some vulnerable passenger groups may be disproportionately affected. One of these groups includes disabled passengers. TfL statistics indicate that, on average, people with mobility difficulties use PHVs more frequently than people without mobility difficulties (eight per cent of disabled people living in London use PHVs at least once a week compared with six per cent of non-disabled Londoners) ¹⁰⁴ . Further, the Extra Costs Commission (a year-long independent inquiry which explored the extra costs faced by disabled people and their families in England and Wales) have reported that disabled people use taxi and PHVs approximately 67 per cent more frequently than non-disabled people.
				b) No evidence that relates to this requirement has been identified.
				c) No evidence that relates to this requirement has been identified.
	Proposal 1	Positive	Passenger	a) No evidence that relates to this requirement has been identified. b) Removing the PHV exemption could potentially reduce congestion which could have subsequent benefits for air quality and health of pedestrians, cyclists, others: road users and local residents

¹⁰³ Cambridge Economic Policy Associates (CEPA), (2018) 'TfL – PHV Congestion Charging Study'. Available at: www.tfl.gov.uk/ccyourviews

¹⁰⁴ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

Protected characteristic group	Proposal	Positive, negative or no impact	Affected group	Evidence justifying impact rating according to Section 149 of the Equality Act
				who are exposed to pollution while in the CCZ. This may mean positive health benefits for disabled people.
				c) No evidence that relates to this requirement has been identified.
	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
	Proposal 1	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
Gender reassignment	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
Marriage or civil partnership	Proposal 1	No Impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
Pregnancy and maternity	Proposal 1	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
Race	Proposal 1	Negative	Driver	a) No evidence that relates to this requirement has been identified.
				b) Evidence suggests a number of operators would expect drivers to cover the additional cost of paying the Congestion Charge if the PHV exemption is removed causing some drivers, who frequently operate within the CCZ during charging hours, to find their professional costs increase. Data provided by TfL on the ethnic profile of PHV drivers highlights that c.94 per cent of PHV drivers are from a black, Asian and minority ethnic (BAME) background ¹⁰⁵ . Given that BAME drivers make up a high proportion of PHV drivers, it can be expected that they would be disproportionately impacted by any increases in their professional costs.
				c) No evidence that relates to this requirement has been identified.
	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
Religion or belief	Proposal 1	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.

¹⁰⁵ TfL (2018): 'Taxi and PHV Demographic Stats'. Available at: <http://content.tfl.gov.uk/taxi-and-phv-demographic-stats.pdf>

Protected characteristic group	Proposal	Positive, negative or no impact	Affected group	Evidence justifying impact rating according to Section 149 of the Equality Act
	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
Sex	Proposal 1	Negative	Driver	a) No evidence that relates to this requirement has been identified.
				b) Evidence shows that a higher proportion of women across all industries tend to work part-time (42 per cent of women compared with 13 per cent of men) ¹⁰⁶ . The additional cost of paying the Congestion Charge may cause a barrier to entry, and staying within, the profession for those who work part-time and are less able to spread the cost of the charge across a number of journeys. Women can be assumed to be more likely to work as part-time drivers and so be disproportionately impacted by this proposal. However, this impact is likely to be very low as women make up less than 2 per cent of PHV drivers in London ¹⁰⁷ , of which not all will work part-time.
		Positive	Passenger	c) No evidence that relates to this requirement has been identified.
				a) The CEPA report noted that a likely outcome of the removal of the exemption is that drivers and operators will pass the cost on to passengers ¹⁰⁸ . This was also noted in the stakeholder interviews undertaken as part of this research. It has been argued by stakeholders that if the cost of the charge is passed through to the customers (i.e. passengers), some vulnerable passenger groups may be disproportionately affected. One of these groups includes female passengers. Overall there tends to be little difference in the proportion of male and female Londoners using PHVs at least once a week. However, more vulnerable women tend to be higher users. For example, younger women are more likely to use PHVs (nine per cent of females under 25 years old use PHVs once a week compared to seven per cent of men of the same age), as are older women (six per cent of women over 65 years compared with five per cent of men of the same age). ¹⁰⁹
	Proposal 1	Negative	Passenger	b) No evidence that relates to this requirement has been identified.
				c) No evidence that relates to this requirement has been identified.
		Positive	Passenger	a) No evidence that relates to this requirement has been identified.
				b) Removing the PHV exemption could potentially reduce congestion which could have subsequent benefits for air quality and health of pedestrians, cyclists, others: road users and local residents who are exposed to pollution while in the CCZ. This may mean positive health benefits for female passengers.
			c) No evidence that relates to this requirement has been identified.	

¹⁰⁶ House of Commons (2017): 'Briefing paper: Women and the Economy'. Available at: <http://researchbriefings.files.parliament.uk/documents/SN06838/SN06838.pdf>

¹⁰⁷ TfL (2018): 'Taxi and PHV Demographic Stats'. Available at: <http://content.tfl.gov.uk/taxi-and-phv-demographic-stats.pdf>

¹⁰⁸ Cambridge Economic Policy Associates (CEPA), (2018) 'TfL – PHV Congestion Charging Study'. Available at: www.tfl.gov.uk/ccyourviews

¹⁰⁹ TfL (2015) 'Travel in London: Understanding our diverse communities'. Available at: <http://content.tfl.gov.uk/travel-in-london-understanding-our-diverse-communities.pdf>

Protected characteristic group	Proposal	Positive, negative or no impact	Affected group	Evidence justifying impact rating according to Section 149 of the Equality Act
	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
Sexual orientation	Proposal 1	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.
	Proposal 2	No impact		On the basis of the desk review and our stakeholder engagement, no disproportionate impact in relation to Section 149 of the Equality Act has been identified.

Source: Mott MacDonald

F. Topic specific methodologies

Each technical discipline has taken an individual approach, informed by best practice, in order to complete the assessment framework for each proposal. These methodologies are outlined below:

F.1 Health impact assessment

The health impacts of the proposals have been considered by looking at five areas that are identified in TfL's 'Improving the health of Londoners: Transport action plan'¹¹⁰. These are:

- Physical activity
- Air quality
- Road traffic collisions
- Noise
- Access and severance

The application of the assessment framework identified the priority health issues – informed by scale, severity and duration and their rating. The assessment was qualitative, with the magnitude of the impact being informed by the strength of relationship to health identified through the research. Preliminary enablers or opportunities to support positive impact and mitigate negatives have also been considered.

A short-term engagement exercise was undertaken to discuss the impacts of these proposals with key stakeholders; stakeholders were targeted with regards to health impacts of these proposals, whilst wider stakeholders familiar with the PHV sector were also given the opportunity to comment on this category of impacts. The findings from this engagement were fed into the assessment of impacts.

F.2 Equality impact assessment

The Equality Act 2010 provides a single legislative framework to effectively tackle disadvantage and discrimination toward people with certain 'protected characteristics'. The protected characteristics and social groups who share them are set out in the table below.

Table 13: Protected characteristics under the Equality Act 2010

Protected characteristic	Equality and Human Rights Commission (EHRC) definition
Age	A person belonging to a particular age (for example 32-year olds) or range of ages (for example 18 to 30year olds).
Disability	A person has a disability if she or he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.
Gender reassignment	The process of transitioning from one gender to another.
Marriage and civil partnership	Marriage is a union between a man and a woman or between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples (except where permitted by the Equality Act).

¹¹⁰ Mayor of London (February 2014) 'Improving the health of Londoners: Transport action plan'. Available at: <http://content.tfl.gov.uk/improving-the-health-of-londoners-transport-action-plan.pdf>

Protected characteristic	Equality and Human Rights Commission (EHRC) definition
Pregnancy and maternity	Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.
Race	Refers to the protected characteristic of race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.
Religion and belief	Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (such as Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition
Sex	A man, woman or non-binary person
Sexual orientation	Whether a person's sexual attraction is towards their own sex or both sexes.

Source: EHRC

The equality impact assessment (EqIA), in accordance with the Equality Act has considered the needs and challenges of the above 'protected characteristics'.

In order to identify how different protected characteristics are likely to be affected by the proposals, the following steps were taken:

- Review of existing policy, strategy, research, and other published literature, with the aim of identifying:
 - The sensitivity of different equality groups to changes being proposed.
 - Possible disproportionate positive and negative impacts that could arise as a result of the proposals.
 - Enablers or opportunities that may support enhanced positive impact and reduced negative impacts on people from these groups.
 - Experience from elsewhere in maximising benefits and mitigating any negative impacts on these groups.
- Analysis of findings using the impact matrix. Each impact was assessed according to the assessment framework including consideration of the below factors:
 - the equality/community group and sub-group likely to experience the impact;
 - whether the impact is positive or negative;
 - the sensitivity of the group to the impact;
 - the duration and distribution of the impact;
 - mitigation measures for any negative impacts; and
 - any opportunities to further promote equality.
- Findings of the assessment clearly set out which of the protected characteristics are likely to experience disproportionate positive and negative impacts of each proposal and identify if and where further analysis and engagement is recommended.
- A short-term engagement exercise was undertaken to discuss the impacts of these proposals with key stakeholders; representative groups were targeted with regards to equality impacts of these proposals, whilst wider stakeholders familiar with the PHV sector were also given the opportunity to comment on this category of impacts. The findings from this engagement were fed into the assessment of impacts.

The discussion in Chapter 3 is limited to the groups who have been identified as experiencing a disproportionate need. Appendix E provides further information about the assessment in Chapter 3.

When referring to groups who may experience a disproportionate need we talk about sub groups of a protected characteristic. For example, we refer to impacts on Black, Asian and minority ethnic (BAME) PHV drivers. An impact is not felt on 'race and ethnicity' because everyone has a race and an ethnicity. In these cases, we have specified the sub-groups to be clearer about what section of a protected characteristic group is experiencing an effect.

F.3 Environment

Air quality in the UK is regulated through standards for pollutants in ambient air (including nitrogen dioxide (NO₂) and particulate matter (PM₁₀) and through standards for pollutants at the source of emissions, including vehicles. There are no legally binding requirements relating to CO₂ concentrations in ambient air, however there are emission standards applied to vehicle emissions.

Ambient air quality is affected by many sources such as regional pollution sources, power production, industry and transport and therefore this assessment has quantified impacts on air quality and CO₂ through potential effects on vehicle emissions only.

A short-term engagement exercise was undertaken to discuss the impacts of these proposals with key stakeholders; wider stakeholders familiar with the PHV sector were also given the opportunity to comment on this category of impacts. The findings from this engagement were fed into the assessment of impacts.

F.4 Economics and business

The economic and business aspect of the IIA provides an indication of the likely impacts on London's economy and where possible, with a focus on small businesses.

The data reviewed for this exercise came from a range of sources including market-wide statistics about the PHV sector, TfL held data on vehicles entering the CCZ, previous research looking at the impact of the ULEZ and emissions discount to the Congestion Charge, and survey research exploring PHV behaviour.

A rapid engagement exercise was undertaken with key stakeholders to better understand the impacts of each proposal; stakeholders most directly affected were targeted and were given the opportunity to outline the implications each proposal would have on their business. Additionally, wider stakeholders familiar with the PHV sector were also given the opportunity to comment. The findings from this engagement were fed into the assessment of impacts.

Based on the evidence gathered through the literature review and engagement exercise, the prospective impacts of each proposal were mapped and assessed in terms of duration, distribution, scale, and sensitivity (i.e. the strength of stakeholders' reaction to the actual of perceived negatives of each proposal) and assigned an impact rating based on the seven-point scale.

G. PHV deprivation data

Table 14: Deprivation and PHV home address

Deprivation quintile	% of PHV drivers living in area	% of London population
Most deprived	34%	23%
Second most deprived	37%	31%
Third most deprived	18%	21%
Fourth most deprived	8%	15%
Least deprived	3%	10%

Source: Mott MacDonald

Figure 1: Deprivation in London

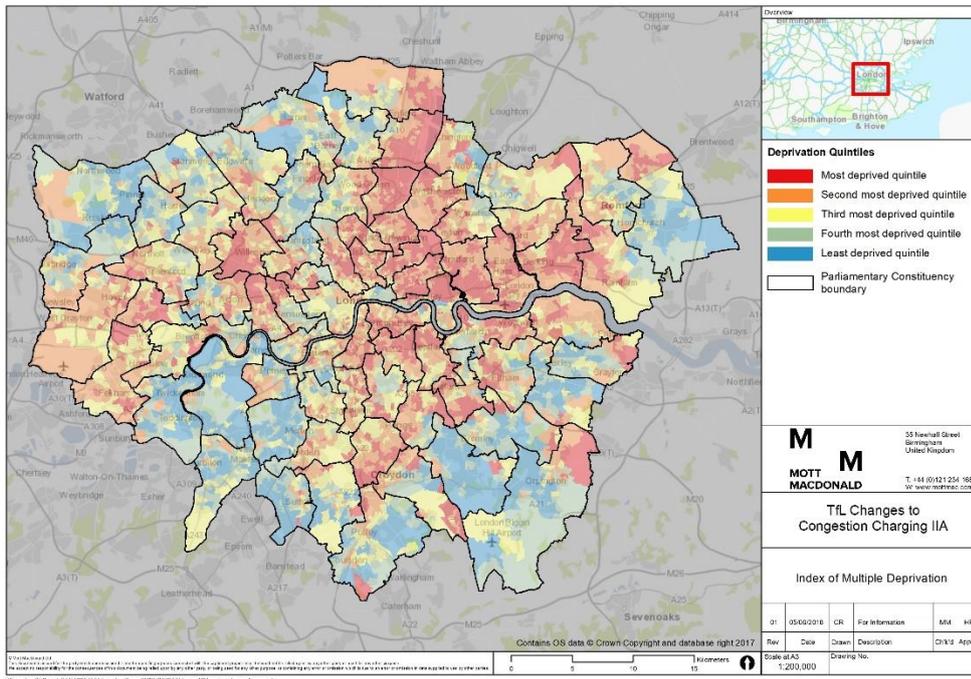
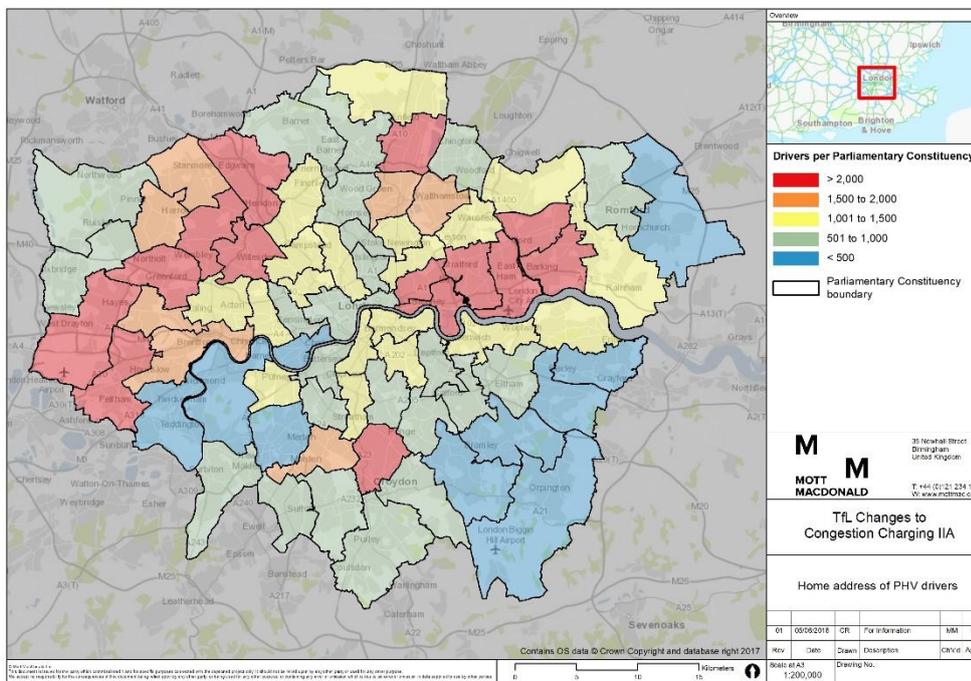


Figure 1: Driver home addresses in London



Have your say on proposed changes to the Congestion Charge

Public and stakeholder consultation on a Variation Order to modify the Congestion Charging scheme - Scheme description and supplementary information
July 2018

1 Introduction

1.1 Purpose of the document

We are consulting on proposals to change the Congestion Charge scheme by:

1. Introducing a new, phased, Cleaner Vehicle Discount (CVD) to replace the Ultra Low Emission Discount (ULED)
2. Removing the exemption to the Congestion Charge for most Private Hire Vehicles (PHVs)
3. Changing the boundary of the Congestion Charge zone at Old Street roundabout
4. Making minor administrative changes to the Congestion Charge Scheme Order and scheme order underlying the Ultra Low Emission Zone

Any change to the Congestion Charge scheme requires public and stakeholder consultation. This document provides information on the first two of these proposals and sets out the forecast impacts of the two proposals.

1.2 Background and scheme description

The Congestion Charge was introduced in central London in February 2003. The primary objective of the scheme is to reduce traffic and congestion in central London. The Congestion Charge applies to all motorised vehicles being driven within the zone from 7am to 6pm, Monday to Friday, unless they are exempt or registered for a discount.

Since its introduction, there have been a number of changes to the scheme, including to the level of the daily charge and penalty charge, the charging area, payment methods and to the discounts to the charge.

We are now proposing to make further changes to the scheme to ensure the Congestion Charge remains effective in achieving its primary objective to reduce traffic and congestion in central London.

2 Supporting documents

2.1 TfL-PHV Congestion Charge study

TfL commissioned Cambridge Economic Policy Associates (CEPA) to undertake an independent study of the impacts of removing the PHV exemption to the Congestion Charge. This study built on work by CEPA in 2016 and 2017 that provided early insights into the potential impacts of

removing the exemption. The work in 2016 and 2017 had limited engagement with the private hire trade and, as such, its draft findings were based on a number of assumptions. It, therefore, could not be considered conclusive without further engagement.

The most recent study, commissioned in early 2018, aimed to understand in more detail the impact of removing the PHV exemption on PHV operators and drivers. It included engagement with the private hire trade to assess high-level traffic impacts and analysed how different types of PHV operator and PHV drivers would respond to the change. The report, in particular, aimed to provide insight on cost absorption, market specialisation and elasticity of demand. [The document can be downloaded in full here.](#)

2.2 Integrated Impact Assessment

TfL commissioned the consultancy firm Mott MacDonald to undertake an Integrated Impact Assessment (IIA) on the proposed removal of the PHV exemption and replacement of the Ultra Low Emission Discount (ULED) with a new, phased Cleaner Vehicle Discount (CVD). The objective of the IIA is to understand the relevant impacts of the proposed changes both separately and cumulatively. The impacts assessment covers the following:

- I. Equality impacts;
- II. Business/ economic impacts;
- III. Environmental impacts;
- IV. Health impacts;

The IIA also identifies possible mitigations to reduce the impact of the proposals. The IIA is an independent piece of work that informs TfL's recommendations to the Mayor of London and the Mayor's decision on the proposals. A summary of the IIA is given in sections 4.5 and 5.5 below and [the full document can be downloaded here.](#)

3 The Congestion Charge

3.1 History of the scheme

The introduction of the Congestion Charge in central London in February 2003 was a significant milestone in London. The Congestion Charge (currently £11.50) applies to all motorised vehicles being driven within the zone from 7am

to 6pm, Monday to Friday, unless they are exempt or registered for a 100 per cent discount. The objectives of the scheme are to reduce traffic and congestion in central London.

In the short term, the scheme was very effective in achieving these objectives. The immediate impact was a 30 per cent reduction in congestion in the zone and 15 per cent reduction in circulating traffic¹. Traffic in central London has since remained stable or continued to decline by a small amount each year until the most recent period². This reflects improved public transport and conditions for walking and cycling, and increasing use of these modes for travel across London. However, over time, congestion in the zone has increased although, without the Congestion Charge scheme, it would be far worse than it is now.

There are a number of causes for this increase in congestion levels in the zone. One element is the composition of the traffic in the zone. To some extent, the reduction in private cars has been offset by a large increase in the number of PHVs in the zone with the number continuing to rise.

Another factor is the intentional reallocation of road space away from motorised vehicles to other modes such as walking, cycling and buses in order to encourage these healthier, sustainable modes.

The Congestion Charge scheme is kept under review to ensure it remains an effective mechanism to reduce motorised traffic in the remaining road space. As a consequence, there have been a number of changes to the scheme since it began including the level of the daily charge (and the penalty charge for non-payment of the charge), the payment methods available and the discounts and exemptions to the scheme.

3.2 The Congestion Charge in recent years

In the Mayor's Transport Strategy (MTS), the Mayor sets out his commitment to a Capital where it is easy for people to walk, cycle and use public transport. He also commits to road space that is carefully managed to prioritise these modes as well as facilitate the efficient and green movement of essential freight and delivery services. This Healthy Streets vision sets a target of 80 per cent of trips being made by walking, cycling or public transport by 2041 (up from 64 per cent now).

As well as helping to manage traffic and congestion, the Congestion Charge scheme has a role to play in achieving this vision. In central London it is vitally important to increase the high walking, cycling and public transport mode share by ensuring that streets are attractive to those who use these modes, and make best use of scarce and valuable road space for freight, servicing and other essential vehicular trips.

¹ <http://content.tfl.gov.uk/impacts-monitoring-report-2.pdf>

² <http://content.tfl.gov.uk/mts-challenges-and-opportunities-report.pdf>

London's streets are some of the most congested in the world³, worsening air pollution, delaying vital bus services and freight trips, and making too many streets unpleasant places for walking and cycling. Without further action, average traffic speeds are forecast to fall across London, with central London particularly badly hit. Excess traffic is estimated to be responsible for around 75 per cent of congestion in London so managing demand for road space is crucial⁴.

In addition to inconvenience to the road user, congestion has a cost to London's economy. The annual cost of congestion in London is assessed at around £5.5 billion⁵. This figure does not include the cost of congestion on bus passengers and bus operating costs. By 2041, if action is not taken it will take more than an hour to travel 10km by road in central London, 15 minutes longer than today⁶. A reduction in traffic of about 10-15 per cent (six million vehicle kilometres per day) by 2041 is required to keep congestion in check, while also achieving the aims of the Mayor's Transport Strategy⁷.

The number of discounts and exemptions available to the Congestion Charge⁸ has a direct impact on the effectiveness of the scheme. Several recent reports into congestion in London have highlighted growing congestion levels in the Congestion Charge zone and have recommended that the PHV exemption be reviewed:

- In 2016, TfL's **Taxi and Private Hire Action Plan** highlighted the growth of PHVs and concerns for congestion and air quality⁹;
- In October 2017, Centre for London's **Street Smarts: Report Of The Commission On The Future Of London's Roads And Streets**¹⁰ recommended reforming the current Congestion Charge regime by removing the exemption for PHVs;
- In November 2017, Integrated Transport Planning Ltd's **Understanding and Managing Road Congestion report**¹¹ recommended reviewing the Congestion Charge exemptions for both PHVs and taxis and that any exemption from the Congestion Charge should only be retained if its social value strongly outweighs the adverse impact that exempting vehicles has on congestion levels in the Congestion Charge zone.

While on a much smaller scale, the volume of vehicles eligible for the ULED has also been growing.

³ <http://inrix.com/scorecard/>

⁴ <http://content.tfl.gov.uk/travel-in-london-report-9.pdf> (figure 6.10)

⁵ <http://content.tfl.gov.uk/total-vehicle-delay-for-london-2014-15.pdf>

⁶ <http://content.tfl.gov.uk/mts-challenges-and-opportunities-report.pdf>

⁷ <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

⁸ <https://tfl.gov.uk/modes/driving/congestion-charge/discounts-and-exemptions>

⁹ <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

¹⁰ <https://www.centreforlondon.org/reader/street-smarts-report-of-commission-on-future-of-londons-roads-and-streets/>

¹¹ <http://content.tfl.gov.uk/understanding-and-managing-congestion-in-london.pdf>

In comparison to other schemes in the UK and abroad, the Congestion Charge scheme has a considerable number of discounts and exemptions. Overall, only around 50 per cent of vehicles currently seen in the Congestion Charge zone during charging hours pay the full charge¹², limiting the impacts of the scheme. The new Mayor's Transport Strategy was published in March 2018 and contains the following commitment:

Proposal 20

The Mayor, through TfL, will keep existing and planned road user charging schemes, including the Congestion Charge, Low Emission Zone, Ultra Low Emission Zone and the Silvertown Tunnel schemes, under review to ensure they prove effective in furthering or delivering the policies and proposals of this strategy.

As part of this proposal, we are now consulting on two proposed changes to the Congestion Charge – the removal of the PHV exemption and replacement of the ULED with a new, phased CVD.

It is not considered appropriate at this time to make changes to other discounts and exemptions available for the Congestion Charge; however, as already noted, these are kept under review. Any future proposed changes would be subject to a public consultation.

4 Proposal 1 – Replacing the Ultra Low Emission Discount with a new, phased Cleaner Vehicle Discount

4.1 Background and context

Although the main objective of the Congestion Charge scheme is to manage congestion in the zone, a 100 per cent 'green discount' for cars and vans has always been offered. This is to incentivise drivers who choose to drive in the zone to do so in the cleanest vehicles. The discount criteria is tightened every few years to reflect improving vehicle technology and to regulate the numbers eligible, thereby helping to maintain the original congestion reduction objectives of the scheme.

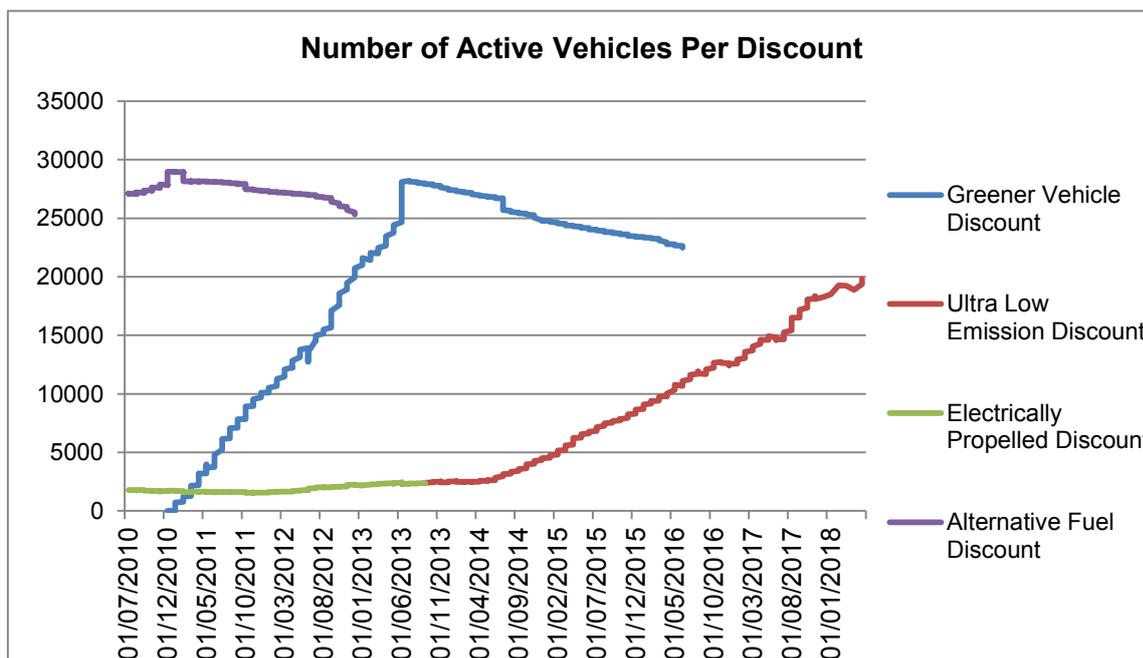
Since the introduction of the Congestion Charge scheme in 2003, the 'green discount' criteria has been updated twice. These updates have achieved a temporary reduction in the number of vehicles registered for the 'green discount'. However, the general trend is an increase in registered vehicles over the lifetime of the discount. This is to be expected as the range of affordable lower emission vehicles available expands. This in itself is a positive effect of the discount on the vehicle market, which in turn has positive impacts beyond the zone. The most recent change was in 2013 when the existing ULED was

¹² <http://content.tfl.gov.uk/mts-challenges-and-opportunities-report.pdf>

introduced. To qualify for the ULED, vehicles must meet the Euro 5 emissions standard and emit less than 75g per km of CO₂.

Over the past few years, the number of vehicles registered for the ULED has been steadily rising. There are now approximately 20,000 vehicles registered for the discount with numbers rising rapidly. In May 2017, there were approximately 14,500 vehicles registered for the discount, an increase of 5,500 vehicles in one year¹³ (see Figure 1).

Figure 1: Vehicles registered for the 'green' discount over time



4.2 What is proposed

We are now proposing to tighten the criteria again by replacing the ULED with a new, phased Cleaner Vehicle Discount (CVD). There will be two stages to tightening the criteria before the 'green discount' to the Congestion Charge scheme ends entirely in 2025. This change is to reflect the advancement in cleaner vehicles and to maintain the congestion reduction benefits of the Congestion Charge scheme.

Additionally, an update is required in order to reflect emissions standards which are being introduced through another measure, the Ultra Low Emission Zone (ULEZ). The ULEZ will come into force from the 8 April 2019 and cover the same area as the Congestion Charge zone. Both the Congestion Charge scheme and the ULEZ will operate in parallel. Unlike the Congestion Charge scheme where the main objective is to manage congestion, the main objective of ULEZ is to reduce harmful air pollution emissions from vehicles, thereby improving London's air quality.

¹³ TfL data – not published

While the Congestion Charge scheme uses the ‘green discount’ as a means of encouraging those who continue to drive to use the cleanest vehicles, the ULEZ requires *all* vehicles to meet a minimum emissions standard in order to drive within the zone without paying a daily charge. As the ‘green discount’ encourages the use of the cleanest vehicles it has a tighter criteria than the ULEZ.

If the criteria for the current ‘green discount’, the ULED, was left unchanged then it would have lower requirements for diesel vehicles than ULEZ. This means a diesel vehicle may be required to pay the ULEZ daily charge whilst being eligible for a 100 per cent discount to the Congestion Charge. This is contrary to the aim of the ‘green discount’ to encourage the use of the cleanest vehicles. It is important, therefore, to change the ‘green discount’ so that the criteria is tighter than that required for ULEZ.

Appendix 1 provides more information on the ULEZ and its precursor, the time-limited Emissions Surcharge (also known as the T-Charge).

So far, changes to the ‘green discount’ have been made in single stages. Now, for the first time, we are setting out future phases in advance. This signals to Londoners how we will continue to seek to improve London’s air quality and enables them to make vehicle purchasing decisions knowing what the future requirements of the ‘green discount’ will be. The standards we are proposing for the new CVD are shown in Table 1 below.

Table 1: proposed phases of Cleaner Vehicle Discount

Phase	Starting	Cleaner Vehicle Discount
Phase 1	From 8 April 2019	Euro 6 standard, emit no more than 75g per km of CO ₂ and have a minimum 20 mile zero emission capable range
Phase 2	From 25 October 2021	Electric vehicles only (including hydrogen fuel cell vehicles)
Phase 3	From the 25 December 2025	Discontinuation of the Cleaner Vehicle Discount

In phase one, any vehicle that meets the emission limits prescribed by Euro 6, whether or not they are designated as Euro 6, will be eligible for the discount as long as they meet the other two criteria around CO₂ emissions and zero emission capable range. In phase two, electric vehicles will include vehicles powered by a hydrogen fuel cell.

Most of the vehicles that are currently eligible for the ULED already meet the proposed criteria for phase 1 of the CVD proposed to commence 8 April 2019.

4.3 Rationale for the CVD criteria

The criteria for phase one of the CVD has been developed with regard to recognised existing low emission vehicle standards. It seeks to provide a balance between the ambition of moving towards zero emission vehicles and ensuring that there is a range of affordable car and van options, which meet the criteria.

The CVD phase one criteria aligns with categories one to three of the Government's Office for Low Emission Vehicles (OLEV) plug-in grant criteria¹⁴. The plug-in grant is a grant for up to £4,500 for the purchase of low emission cars (£8,000 for vans). By aligning with OLEVs standards we are ensuring consistency in definitions and that there are as wide a range of vehicles as possible that people can purchase using the grant that will also be eligible for the CVD in 2019.

In phase two of the CVD, which will apply from October 2021, the criteria will be further tightened so that only electric vehicles (EVs) will qualify. There are a number of EVs already registered for the ULED.

From the end of 2025, the discount will expire. Future incentives for the uptake of zero emission vehicles will be considered to support the ambition of the Mayor's Transport Strategy for zero emission road transport by 2050 and the introduction of a Zero Emission Zone within central London from 2025¹⁵.

4.4 Implementation dates

A sunset period has been provided in the past when the qualifying criteria of the Congestion Charge 'green discount' has changed. This has been done in order to give affected individuals additional time to prepare for the change, to allow for an increased number of qualifying vehicles to come to market and to reflect average car purchasing or leasing cycles.

However, it is proposed that no sunset period will apply to those who are currently registered for the ULED in any of the phases set out. In phase one, this is because the tighter criteria results in only certain types of vehicles becoming ineligible (hybrid vehicles with emissions at or below 75g/km of CO₂ but not capable of substantive zero emission operation) and, therefore, only a small number of vehicles will be affected (around 2,000 out of 20,000).

In phase two in 2021, the requirements of the CVD will tighten further, and apply only to electric vehicles. This consultation acts as a three year period of prior notification of the phase two standard coming into effect, and almost seven years for the discount ending entirely in phase three in 2025.

By 2020, ahead of when the CVD is further tightened in 2021, TfL will have delivered over 300 electric vehicle rapid charge points (there are 100 already) and 2,000 standard on-street residential charge points to support the switch to full electric vehicles. The Mayor has also recently launched a new Electric Vehicle Infrastructure Taskforce, in partnership with the private sector, dedicated to boosting the infrastructure needed to increase the take-up of electric vehicles.

¹⁴ <https://www.gov.uk/plug-in-car-van-grants>

¹⁵ Mayor's Transport Strategy <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf> (Proposal 35)

4.5 Expected impacts of the change

The following expected impacts are informed by a range of sources most notably the Integrated Impact Assessment (IIA).

4.5.1 Impact on drivers

Drivers who are currently registered for the ULED but whose vehicles will not be eligible for the CVD will no longer receive the discount to the Congestion Charge. This will have an adverse economic impact on drivers who choose to continue to use their existing vehicle to travel in the Congestion Charge zone during charging hours. This will affect a small number of drivers in 2019, but will affect a greater number of drivers in 2021 when phase two of the CVD starts and in 2025 when the CVD is ended. Drivers have many options to avoid paying the Congestion Charge including switching to an eligible vehicle, making their journey outside of the Congestion Charge hours of operation or using an alternative mode of transport.

4.5.2 Impact on PHV drivers and operators

PHV drivers and operators who drive and own vehicles that would be eligible for the CVD will benefit from receiving the 100 per cent discount from the Congestion Charge. Other PHV drivers and operators could benefit from receiving the discount if they switch to an eligible vehicle. In both cases, this would allow PHV drivers and operators to continue to not pay the Congestion Charge if the PHV exemption is removed (see section 5).

4.5.3 Impact on the wider London population

The wider London population will receive health and environmental benefits from a potential reduction in the number of vehicles in the Congestion Charge zone, as a result of drivers being deterred from entering the zone because they no longer receive the discount, and from drivers switching to cleaner vehicles in order to receive the discount.

5 Proposal 2 – Removing the exemption from the Congestion Charge for Private Hire Vehicles

5.1 Background and context

Private hire licensing commenced in Greater London in January 2001 as a consequence of amendments to the Private Hire Vehicles (London) Act 1998 and the creation of the Greater London Authority, the Mayor of London and TfL. Prior to this, minicab and other private hire services in London were unregulated, although services were licensed outside London. The policy aim

for PHVs at that time was to ensure that they were safe, reliable and of good quality to enhance overall passenger experience.

Developing and consulting on a Congestion Charge scheme was one of the first major commitments of the first Mayor of London. The original proposals for the Congestion Charge in July 2001 included a 100 per cent discount for taxis but not for PHVs.

Following the public consultation on the initial proposals for the Congestion Charge scheme, the proposal was amended such that PHVs fully licensed in London were made eligible for an exemption. The consultation report to the Mayor at that time described the rationale for this change in approach as follows:

The 100 per cent discount for fully licensed private hire vehicles (minicabs) will support the priority in the Mayor's Transport Strategy towards incorporating licensed private hire vehicles into London's transport system. The discount will only be valid once an operator, vehicle and driver are licensed under a London licensing system, and when the vehicle has been hired. This is to ensure the operational effectiveness of the scheme. Rigorous checks will be applied to these and other vehicles afforded a discount or exemption for the Scheme. TfL does not consider it appropriate to extend the 100 per cent discount to minicabs outside Greater London.

The principal rationale for the PHV exemption, therefore, was to support the new licensing requirements in order to improve safety standards and overall quality of service in the context of an emerging integrated transport system in the Capital.

For taxis, the rationale for the exemption was on different grounds including the need to enable a wide variety of users (including disabled passengers) to make short trips efficiently. Section 5.6 provides more information on the differences between taxis and PHVs relevant to the current proposal to remove the PHV exemption.

5.2 What is proposed

We are proposing to remove the PHV exemption for the Congestion Charge scheme. This will mean that PHVs will have to pay the Congestion Charge during hours of operation. This will be the case regardless of whether they are undertaking a booking. PHVs that are designated as wheelchair accessible will continue to be exempt from the Congestion Charge providing they are undertaking a booking in the zone.

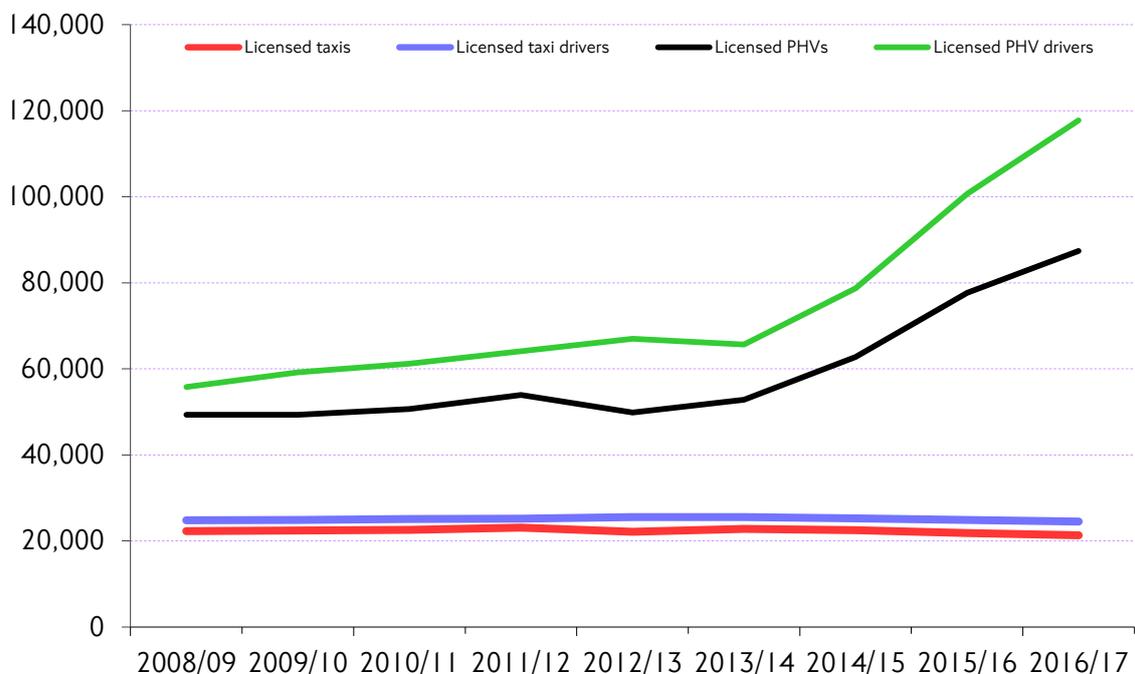
5.3 Why the change is needed

The report to the Mayor on the original Congestion Charge scheme in 2002 estimated that there would be c. 4,000 PHVs in the zone each day in charging hours. In the fifteen years since the implementation of the Congestion Charge scheme, PHVs have grown significantly in number and as their mode share in London. Their volume in the Congestion Charge zone far exceeds that anticipated when the exemption was first proposed.

In 2004/05, there were over 16,000 licensed PHV drivers in London, which has increased to over 113,000 in 2017/8¹⁶. The number of licensed PHV vehicles has increased from 32,000 to 87,000¹⁷ in the same period, with half that growth occurring in the past three years. By contrast, in 2004/05, there were 24,700 licensed taxi drivers and 21,000 licensed taxis in London. This has remained relatively stable into the present day with 23,826 taxi drivers in 2017/18 and 21,026 licensed taxis¹⁸. This is illustrated in Figure 2.

This growth – which has a number of causes – means that PHVs are no longer fulfilling the same transport role in central London as was envisaged in 2001.

Figure 2: Taxis and PHVs licensed in London in the past decade



Of direct relevance to this consultation is the fact that this growth in PHVs is reflected in the Congestion Charge zone in charging hours. On an average chargeable day in 2017, 18,248 PHVs were seen in the zone¹⁹ (a six percent increase from 2016). When the exemption was first introduced this figure was estimated to be around 4,000 individual PHVs each day.

The increased circulation of PHVs in the zone also contributes to vehicle emissions and has a detrimental impact on air quality. Although improving air

¹⁶ Of the licensed drivers, around 72,000 were actively registered with an operator and available to fulfil bookings in January 2018 (TfL Data – unpublished). Figures for ‘active’ drivers are not available prior to 2015.

¹⁷ Of the licensed vehicles, around 75,000 were actively registered with an operator and able to fulfil bookings in January 2018 (TfL Data – unpublished). Figures for ‘active’ vehicles are not available prior to 2015.

¹⁸ TfL Data – unpublished

¹⁹ TfL Data – unpublished

quality is not a stated objective of the scheme, it is recognised as an important beneficial impact.

5.4 Expected impacts of the change

The following expected impacts are informed by a range of sources including the TfL-PHV Congestion Charge study and the Integrated Impact Assessment (IIA).

5.4.1 Traffic impacts

The indicative impacts from the PHV Congestion Charge study suggest that the removal of the PHV exemption would reduce the number of unique PHVs (i.e. the number of different PHVs entering the zone on a given day) entering the Congestion Charge zone by approximately 45 per cent. This is due to some PHV drivers choosing not to enter the zone during charging hours, and operators 'specialising' their fleets so that a smaller number of vehicles provide for trips in central London. The impact on traffic flow, therefore, is expected to be smaller as the vehicles that continue to enter the zone would potentially undertake more trips in the zone than previously. Overall, the proposal is expected to reduce PHV traffic in the zone in charging hours by around six per cent, and all road traffic by about one per cent.

A one per cent reduction in traffic in the zone is not an insignificant benefit in a location where the potential for more radical change (during charging hours) is very limited, but congestion is still very high. The removal of the PHV exemption should be understood as an immediate intervention in central London and the first stage of the Mayor's long-term approach to tackling congestion. The Mayor has set a target in his MTS of achieving 80 per cent sustainable mode share city wide, which equates to 95 per cent of journeys in central London needing to be made on foot, by cycle or on public transport by 2041²⁰.

5.4.2 Potential impact on emissions

Although the Congestion Charge scheme has as its aims a reduction in congestion and traffic volumes, improvements in air quality have always been recognised as a consequential benefit of the scheme. This is reflected in the inclusion of 'green discount', which incentivises use of the cleanest vehicles in the zone.

As well as reducing traffic in the zone, the removal of the PHV exemption has the potential to enhance air quality benefits by reducing exhaust emissions, tyre and brake wear. The proposed exemption removal is complementary to new emissions focused licensing requirements that were introduced for newly

²⁰ <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

licensed PHVs in January 2018 (with further changes planned in 2020 and 2023²¹) and the introduction of the ULEZ.

5.4.3 Impact on PHV drivers

Liability to pay the Congestion Charge rests with the registered keeper, or hirer, of the vehicle. For PHVs, the registered keeper or hirer depends on the business model adopted by the PHV operator and is usually either the PHV operator or the driver. A fleet discount applies to registered keepers of multiple vehicles who pay by Auto Pay, which reduces the daily congestion charge to £10.50 (from £11.50). Individual drivers would also be able to register for Auto Pay to benefit from the reduced daily Congestion Charge of £10.50. There is a £10 annual registration fee per vehicle for Auto Pay²².

The IIA states that PHV drivers who choose to enter the zone every day during charging hours would pay £230 a month (if paying the charge by Auto Pay). This assumes that the driver does not pass any of the cost of the charge onto customers or have the charge paid for them by the operator they work for. If the driver has to pay the full charge, it could result in reduced wages and the potential need to work longer hours to cover the additional cost to them. This could in turn result in adverse impacts on their health and the potential need to work more unsociable hours.

This impact would largely be felt by drivers from Black, Asian and Minority Ethnic backgrounds, because they make up a large proportion of registered PHV drivers. There could also be a greater impact on part-time/ female drivers (two per cent of drivers) if they are less able to change their hours of work, and currently work during charging hours.

5.4.4 Impact on PHV operators

The IIA suggests that operators who pay the charge rather than passing it onto customers, or who choose to pay on behalf of their drivers, could have their revenue squeezed. The IIA anticipates that most operators will pass the charge, at least in part, onto customers or expect their drivers to pay. Those who choose to pass the cost onto customers could potentially lose business if customers feel the cost increase makes their trip unviable with that operator. Those who choose not to pay the charge on behalf of their drivers may lose drivers to alternative operators who are prepared to pay the charge or who are less likely to lose business as a result of passing the charge onto customers. They may also find it hard to get drivers to agree to drive in the Congestion Charge zone in charging hours.

Smaller operators are likely to be more greatly impacted by the proposal because, without access to sophisticated technology, they are less likely to be able to allocate trips to reduce the number of drivers entering the zone in charging hours. This could particularly impact smaller operators in outer

²¹ <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/cleaner-greener-phvs>

²² <https://tfl.gov.uk/modes/driving/congestion-charge/auto-pay>

London or those with fixed-term contracts who make fewer trips into the zone during charging hours.

Operators with larger fleets may be more able to specialise by distributing their bookings so that a smaller number of vehicles work in the zone and pay the daily charge. Specialisation may make it easier for drivers to pass the charge on to customers through relatively low increases in fares. If this occurs, smaller operators may lose market share to larger operators. This could adversely affect the health of those who run small operators.

The PHV industry has changed significantly in recent years, particularly with regard to app-based business models. The uptake of app-based technology by the PHV industry allows customers to download an application to their mobile device to book a journey using a PHV. Some smaller operators are also joining app-based platforms which create a marketplace for operators to offer their services to customers or work together to increase the number of bookings they are able to accept and complete. It is anticipated that removing the PHV exemption may increase the use of these platforms by smaller operators.

5.4.5 Impact on PHV passengers

Analysis undertaken for the TfL-PHV Congestion Charge study indicates that the proposed removal of the PHV exemption would likely result in an average additional charge of £1-2 per fare per journey in the zone (assuming that operators pass on the full charge to customers). The IIA indicates that this could particularly impact on women, unemployed and disabled passengers as they have a greater use of PHVs. The IIA does, however, indicate that the overall impact on customers is likely to be minor.

The IIA also indicates that there could be an impact on passengers from a reduced supply of PHVs. The IIA anticipates that this may impact on older and disabled passengers' access to social infrastructure and their quality of life. This impact is expected to be minor as there is only likely to be a small reduction in total PHVs in the zone (a six per cent reduction in total PHV traffic is forecast) and it would only affect those passengers entering the zone during charging hours. To reduce the impact on disabled passengers, designated wheelchair accessible PHVs will remain exempt from paying the Congestion Charge. In instances where a wheelchair accessible PHV is not available, or a disabled passenger does not use a wheelchair, then disabled passengers may be able to utilise the existing Blue Badge discount, which allows them to nominate two vehicles that can benefit from the 100 per cent discount. Other passengers who do not require a wheelchair accessible PHV may be able to use an alternative mode of transport or make their journey outside of charging hours.

5.4.6 Impact on other transport modes

The analysis undertaken for the TfL-PHV Congestion Charge study suggests that there could be a small increase in taxi demand if the PHV exemption from the Congestion Charge is removed. There will also be some customers who

choose to utilise the extensive public transport network in central London, or walk and cycle, instead of using PHVs as a result of this change.

5.5 Why there is no proposal to remove the taxi exemption

There are a number of key differences between taxis and PHVs in London. One aspect is volume, while the number of PHVs licensed in London has grown significantly, the number of taxis has remained largely stable. Indeed, the number of licensed taxis in London has shown a gradual decline in recent years, decreasing by five per cent in the last five years to 21,026 in 2017/18²³.

It is worth noting in this context that TfL is obliged to license all taxis and PHVs, which meet the licensing requirements. There are also a number of important differences between taxis and PHVs with regard to driver licensing requirements, vehicle requirements, operating patterns and fares. These are outlined below:

5.5.1 Compellability and route requirements

Taxi drivers are compelled to accept any hiring within a six mile radius of Charging Cross or up to one hour in duration or 12 miles long (20 miles if the journey begins at Heathrow Airport). This means that taxi drivers plying for hire on the street, or on a designated taxi rank, will be compelled to accept a hiring where the destination is in the Congestion Charge zone or the route of the hire requires that the zone is entered. Refusing a hire is potentially an offence and could result in a taxi driver's licence being suspended or revoked. However, there is no such compellability requirement on private hire operators and they can choose to not accept a booking.

The relevance of this requirement for the Congestion Charge exemption is that taxis cannot refuse to drive in the zone if a passenger hires them and their destination is in the zone. By contrast, PHV drivers (or operators) may decide to specialise in trips which avoid the zone, limit the vehicles they allow to operate in the zone, or plan their journeys so that the daily charge is spread across several trips.

A further difference is that, when hired, taxi drivers are expected to take the shortest, most direct route. Taking a longer than necessary route, which leads to an increased fare, is an offence. As a consequence, taxi drivers may be required to enter the Congestion Charge zone if this will result in the shortest possible route being taken. However, there is no equivalent obligation on PHV drivers who have the opportunity to plan and take routes that avoid entering the zone.

5.5.2 Plying for hire

Taxis are permitted to ply for hire and can be hailed on the street or at designated taxi ranks anywhere in London including in the Congestion Charge

²³ TfL licensing data - unpublished

zone. This means that they are compelled to both pick up and drop off passengers in the zone. However, all PHVs must be booked through a licensed PHV operator. Operators may be able to allocate trips amongst drivers to reduce the number of PHVs that enter the zone.

5.5.3 Accessibility

All taxis are legally required to be wheelchair accessible. While some PHVs are wheelchair-accessible, the proportion of wheelchair accessible PHVs is much lower. Despite there being almost 90,000 licensed PHVs only around 550 (less than one per cent) are designated as being wheelchair accessible²⁴. In addition to wheelchair accessibility, taxis contain a range of other accessibility features which means they are better placed to meet the needs of passengers with a range of accessibility needs and provide a door-to-door service in the zone. These include:

- Swivel seat
- Intermediate step
- High visibility seat panels
- Large, coloured, grab handles
- Low level floor lighting
- Intercom
- Hearing aid induction loop

Because of their accessible nature, taxis are used to carry out the majority of Taxicard journeys and also provide support to Dial-a-Ride services. Some of the journeys undertaken will involve dropping off or picking up passengers in the Congestion Charge zone.

5.5.4 Fares

Taxi fares are regulated by TfL and whilst drivers can charge less than the metered fare, they cannot charge more. PHVs do not have a meter and a fare estimate is quoted when the customer books the journey. PHV fares are set by individual operators, allowing them to reflect particular circumstances. This is demonstrated by the range of PHV services available, from more expensive chauffeur services (with premier vehicles) to airport specialists to local operators.

5.5.5 Summary

The number of taxis, the characteristics of the taxi market, and their role in providing for short, fully accessible journeys are both broadly unchanged since the Congestion Charge scheme began. Part of the reason for this lack of changes is that the taxi market is strictly-regulated to ensure the highest standards of service are maintained. Becoming a taxi driver entails considerable financial and time investment including the purchase of purpose-built vehicles that meet specified accessibility requirements (i.e. the need for all taxis, unlike PHVs, to be wheelchair accessible). Taxis provide an essential service for passengers who cannot easily access other forms of transport or

²⁴ <http://content.tfl.gov.uk/designated-vehicles-equality-act-2010-4-june.pdf>

who may require door-to-door transport, in the same way they did when the exemption was created.

However, a number of factors, including the emergence of mobile apps, have led to a change in the role of PHVs that differs from when their exemption was introduced. There are now an increased number of PHVs in the zone that far exceeds the number originally envisioned. In addition to this, the private hire trade is not bound by the fares, accessibility and compellability requirements that apply to the taxi trade.

The Mayor is committed to creating a vibrant market for both taxis and PHVs, while driving up standards to improve safety, quality and accessibility of the service offered to all Londoners and the city's visitors. The private hire trade has an important role to offer, but this differs from the fully accessible service offered by taxis.

5.6 PHV mitigations

5.6.1 Cleaner Vehicle Discount

If the PHV exemption was removed, PHVs would instead be entitled to register for the CVD if they have an eligible vehicle. This provides an option for PHV drivers and operators to continue not paying the Congestion Charge up until 2025. In this way we are supporting both operators and drivers who are committed to driving low emission vehicles. This approach also helps to contribute to the achievement of MTS objectives, including better air quality and health by encouraging mode shift to the cleanest vehicles.

We propose to align the removal of the PHV exemption with the introduction of ULEZ, and the introduction of phase one of the CVD in order that these changes may be considered together by PHV drivers and operators, and inform purchasing decisions. Some PHVs will be nearing the end of their ten-year life (in terms of licensing in London) and be due for replacement anyway; and some will already require replacement in order to continue to meet the licensing requirements²⁵.

Because of these vehicle licensing requirements, PHV drivers and operators are accustomed to planning ahead for vehicle purchase, and to replacing older vehicles with newer, cleaner models. This may serve to mitigate some of the impacts of the proposed PHV exemption removal. Some operators have already expressed their willingness to switch to cleaner private hire vehicles and some have already started doing so. While the uptake in cleaner vehicles is hard to predict due to uncertainties from an operator perspective, these commitments from operators highlight the industry's awareness of the need to move the fleet towards lower emission vehicles.

²⁵ <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/cleaner-greener-phvs>

5.6.2 Wheelchair accessible

We are proposing that if the PHV exemption is removed, designated wheelchair accessible PHVs would retain their exemption. At present, this will mean that around 550 PHVs will keep their exemption. This will mitigate the impact of removing the exemption on disabled customers who use wheelchairs and who require access to specialist PHVs.

5.6.3 Other discounts and exemptions

In addition, PHV drivers may be eligible for other Congestion Charge discounts and exemptions. This includes the 90 per cent residents discount for those who live in the zone and the 100 per cent Blue Badge discount, where holders can nominate up to two vehicles to be eligible for the discount when transporting them.

6 Conclusion

It is critical to keep the Congestion Charge scheme under review and consult on appropriate modifications in order to maintain the deterrent effect of the charge and ensure that the scheme aligns with the objectives in the MTS.

In 2009/10, there were over 59,000 licensed PHV drivers in London, which has increased to over 113,000 in 2017/18. The number of licensed PHV vehicles has increased from 49,000 to 87,000 in the same period, with half that growth occurring in the past three years. This growth, reflected in increasing usage of the zone in charging hours, is undermining the effect of the Congestion Charge and also leads to negative impacts on air quality. It is considered appropriate to remove the Congestion Charge discount for PHVs so that this is addressed.

The changes to the 'green discount' (currently the ULED) are, in principle, similar to previous updates to the criteria, which help to ensure that the discount incentivises use of only the cleanest vehicles available. The 'green discount' is now available to an increasing number of vehicles and the logical conclusion is that we move to a new criteria, which encourages only the cleanest vehicles. An important difference in the current proposal is the three phases which give notice of future changes to affected drivers.

Under these proposals, PHVs which meet the new 'green discount' would continue to be able to drive in the zone without paying the charge. This is a fair approach, which offers an opportunity to drivers and operators to limit costs, incentivises them to use cleaner vehicles and aligns to the broader strategy related to ULEZ and changes to PHV licensing.

It is acknowledged that the impacts of both these changes on congestion are likely to be small. However it is important that we use the Congestion Charge scheme as a tool to manage congestion in the ways that are available to us.

Appendix 1: How is ULED different to the ULEZ and T-Charge?

The ULED is the current iteration of the 'green' discount for the Congestion Charge. The discount was introduced with the start of the Congestion Charge in 2003 and is aimed at encouraging the uptake of cleaner, greener vehicles while maintaining the primary objective of the Congestion Charge to manage traffic congestion in central London.

The primary objectives of both the T-Charge and Ultra Low Emission Zone (ULEZ) differ from that of the ULED. The ULED was set up to encourage greener vehicles within a scheme that aimed to reduce congestion. Both the T-Charge and ULEZ have been developed in response to an urgent need to improve air quality and are part of a package of measures to reduce emissions in London.

The T-Charge is a 'bolt on' to the Congestion Charge scheme as a measure to improve air quality prior to the start of the ULEZ. Once the ULEZ starts operation on 8 April 2019, it will supersede the T-Charge. The operation of the Congestion Charge will not be affected by the end of the T-Charge and subsequent start of ULEZ; it will continue to operate as usual (Monday- Friday 0700-1800).

The ULEZ is a set of proposals, which will require vehicles driving in central London to meet new emissions requirements or pay a daily charge. This will reduce emissions and improve air quality. The new standards have been set to reflect vehicle size, fuel and contribution to emissions on an individual basis. The ULEZ will apply alongside the Congestion Charge in central London from 8 April 2019 for all vehicles, including PHVs. For vehicles which do not meet emissions standards (Euro 4 for petrol cars and Euro 6 for diesel cars), the ULEZ daily charge of £12.50 will be payable. From October 2021, the ULEZ zone will be expanded from central London up to, but not including, the North and South Circulars for light vehicles.

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List of stakeholders who responded to the consultation & summaries of stakeholder responses

The table below lists those stakeholders who responded to the consultation, and includes a summary of the response we received from each.

Alliance of British Drivers	Oppose the proposals for both removing the exemption for PHVs and tightening the discount criteria. ABD feel that it won't positively impact air quality and/or congestion. Also comment saying that ABD feel it is a money making scheme and that it will not have any impact.
Addison Lee	Supports objectives to deliver a cleaner and healthier London. However, does not agree with the proposals to remove the PHV exemption and introduce the CVD. Includes own report and alternative proposal (Appendix D). Questions the specialisation assumption put forward and states that driver income will fall. States there are issues around Competition Law and State Aid.
Autogas Ltd	All for LPG vehicles to be encouraged in the proposals. Thinks it is good that TFL and the Mayor are looking at other alternative fuels. However Autogas believes we are running out of time. Wants TFL to accommodate LPGs in the latest proposals of CVD. Says "We must ensure that drivers who buy or retrofit their vehicles to run on LPG are rewarded for their efforts to reduce the emissions of their vehicles." Also wants LPG vehicles accommodated in phase 1 of CVD.
Better Bankside	Supports both proposals. State the need to improve air quality and reduce congestion. Think PHV and taxi fleets should be zero emission.
Brent Cyclists	Made no substantive comments but rated all proposals as very important.
British Guild of Tourist Guides	Believe that they account for a distinct segment of PHVs. This is evidenced by a comparison between tour guides and black taxis including reference to black taxis informal guiding. Highlight the risk of making the business unsustainable. No suitable available models of greener vehicle.
Campaign for Better Transport	Support removing the exemption for PHVs. States: "Polluting vehicles are no less polluting if operating as private hire vehicles." Feel there would be no major adverse impacts. Support replacing ULED with a phased basis. CBT think it won't cause any hardships, but in fact benefit people instead. Agrees with the proposals at Old Street.

Caroline Russell AM	Caroline Russell AM supports the proposal to remove the PHV exemption but states that TfL should seek to ensure that operators not drivers pay the charge and to take steps to mitigate impacts on smaller operators. Ms Russell states that she would welcome further changes to the Congestion Charge including a smart road pricing system.
Centre for London	Welcomes all steps for reducing congestion in London, particularly removal of exemption for PHVs. Think that we should look at extending the Congestion Charging hours, as more trips are being made outside these current hours. These extensions of hours should be applied to all vehicles. Supports capping the number of licenses to PHVs. Zero emission vehicles still give off non-tailpipe emissions (like road wear). Also says a clean vehicle is still contributing to congestion, so will increase once all cars are clean. Think a more sophisticated road user charging scheme is needed.
Chartered Institute of Logistics and Transport	Agreed with the proposed introduction of the CVD and the removal of the exemption for PHV drivers. Suggested that a review of the Congestion Charge scheme be carried out, and a potential new scheme introduced with higher charges at areas of London with the highest levels of congestion
Clean Air in London	Made no substantive comments but rated all proposals as very important
Client Earth	There is an urgent need to tackle air quality. Therefore Client Earth strongly supports the Mayor's proposals to reduce traffic. Support both the proposals but ask the Mayor to accelerate the timescales. The Mayor also needs to take further measures to tackle air quality outside of the central area.
Confederation of Passenger Transport	Broadly supports measures which reduce congestion, although they questioned the effect of the proposals in reducing congestion. Called for measures which would enable road space to be concentrated on more efficient modes. Also sought reassurances that the most efficient modes would not face punitive measures in future.

Driver Guides Association	Made the case that Driver Guides offer a different service to PHV drivers, of appeal particularly to elderly and disabled users. Highlighted that some Driver Guides have chosen to leave the industry as a result of the imposition of previous regulations, and that more may choose to do so as a result of TfL's proposals. Suggested that the impact of Driver Guides on pollution and congestion in central London is 'infinitesimal'. Commented that PHV drivers would not in practice be free to choose to avoid central London, and that the 'main and obvious cause' of congestion here is the introduction of cycling infrastructure. Commented finally that elderly and disabled people would be adversely affected by the removal of the exemption to the Congestion Charge for PHVs.
Florence Eshalomi AM (GLA Labour group)	Florence Eshalomi AM opposes the removal of the PHV exemption and calls into question the data which has been used by CEPA in its report, noting that there are several other sources of data that could also have been used. Ms Eshalomi states that the data suggests that the rise in PHVs is driven by a switch from private car use and that some of the demand for PHVs would be taken up by taxis. For these reasons, removing the exemption would have little effect on congestion and air quality.
Ford Motor Co	Fully supportive of the aims of reducing traffic and congestion with resulting benefits in air quality. Supportive of phase 1 CVD proposal but would like phase 2 to be technology-neutral. They have particular concerns over commercial vehicle ability to be electric-only.
Freight Transport Association	Commented that HGVs could not be eligible for the CVD as proposed, and asked that the eligibility criteria be amended so that low emission and gas powered HGVs could be included. Support the removal of the exemption to the Congestion Charge for PHVs. Sought guarantees that discounts would apply for the life cycle of electric vehicles.
Friends of the Earth	Friends of the Earth have supported the Congestion Charge since its inception and the current proposed strengthening, but recognise that changes are needed. The Mayor has taken steps to improve air quality but more needs to be done to ensure compliance with legal limits in the shortest time.

Gareth Bacon AM (GLA Conservative Group)	Gareth Bacon AM opposes the removal of the PHV exemption and calls into question the data which has been used by CEPA in its report, noting that the proposals will hit smaller operators and rivers the hardest and would put a significant amount of small operators out of business. Furthermore, given the estimated reduction in traffic is low; he argues this is just a way for TfL to generate additional revenue. He motioned for the Mayor to withdraw his plans at an Assembly meeting which was passed 16-3.
GMB Union	GMB Union Professional Drivers branch disagree with the removal of the congestion charge for the private hire trade and argue it will create hardships not just for drivers and small operators but also for those passengers such as disabled passengers and the elderly who rely on these services. They also state that it is easier for other businesses (tradesman etc) to pass charges onto customers as part of work but harder for PHV industry to do so - see charge as a revenue making scheme.
Greenpeace UK	Rated all proposals as very important but commented that they would prefer that an incentive to switch to the cleanest vehicles should remain.
Justine Greening MP	Agrees with the overall aim and the idea behind it however she feels the timescale is too soon and that we should allow the public time to save and be able to afford to buy a new green vehicle. Feels that TfL should investigate how much energy it would take to scrap all the current vehicles if everyone has to shift to an EV, and that they would have lost their value due to the implementation of this. Concludes that this will be impacting the poorest the greatest, who do not have the money to buy a brand new electric car - therefore making it harder for them to live in London
Licensed Private Hire Car Association	Completely opposes the removal of the PHV exemption as proposal will harm many individuals and businesses, increase costs and will not reduce congestion. State they will challenge these proposals on competition aspects should they move forward and question the consultation process.
Licensed Taxi Drivers Association	LTDA welcomes the recognition that numbers of PHVs have increased rapidly. Supports the removal of the exemption as a commitment to reduce PHV congestion. Welcomes keeping the exemption for taxis. Does not think that PHVs should be eligible for CVD

LB Bexley	No objections to proposals as there are in line with ULEZ proposals and the Mayor's objectives.
LB Camden	Supports the reduction of traffic in London and the proposals for removing the exemption to the Congestion Charge for PHV drivers, the introduction of the CVD and its eventual withdrawal. Called for the Mayor to be more ambitious however, and for the timescales for introducing the CVD (and then withdrawing it), to be advanced.
LB Hackney	The London Borough of Hackney welcomes the proposal to replace the ULED with CVD; to make the discount available only to electric vehicles from 2021; and its discontinuation from 2025. However it believes the proposal should be technology-neutral. It also supports the removal of the PHV exemption but states that the review of the Congestion Charge should go further and include hours and charge levels. It states that the challenge presented in achieving Healthy Streets in London requires an early and regional approach to road pricing in London.
LB Hammersmith and Fulham	Support proposal to remove PHV exemption. Support CVD proposals if it only applies for Euro 6 diesel vehicles who real world emissions are below the official EU limit for nitrogen oxides which is 60mg/km.
LB Islington	Broadly agreed with the proposals, but called for clarity on the differences between the Ultra Low Emission Zone and Congestion Charge, particularly the discounts and exemptions that would be available for the latter. Had concerns about the phased introduction of the CVD, with comments on the timings and eligibility criteria for the later phases. Called for greater efforts in introducing new charging infrastructure, to assist in encouraging the public to switch to low/zero emission vehicles.
LB Redbridge	Given the number of deaths attributable to poor air quality it is critical that action is taken to improve air quality at the soonest possible opportunity. Clean and wheelchair accessible private hire vehicles will still be entitled to a 100% discount on the Congestion Charge. Replacing the Ultra Low Emission Discount (ULED) with a new phased Cleaner Vehicle Discount (CVD) provides a publicly acceptable staged process for reducing congestion and pollution in central London. The anticipated availability of zero emission vehicles by 2025 makes the removal of the Ultra Low Emission Discount entirely, a feasible proposition.

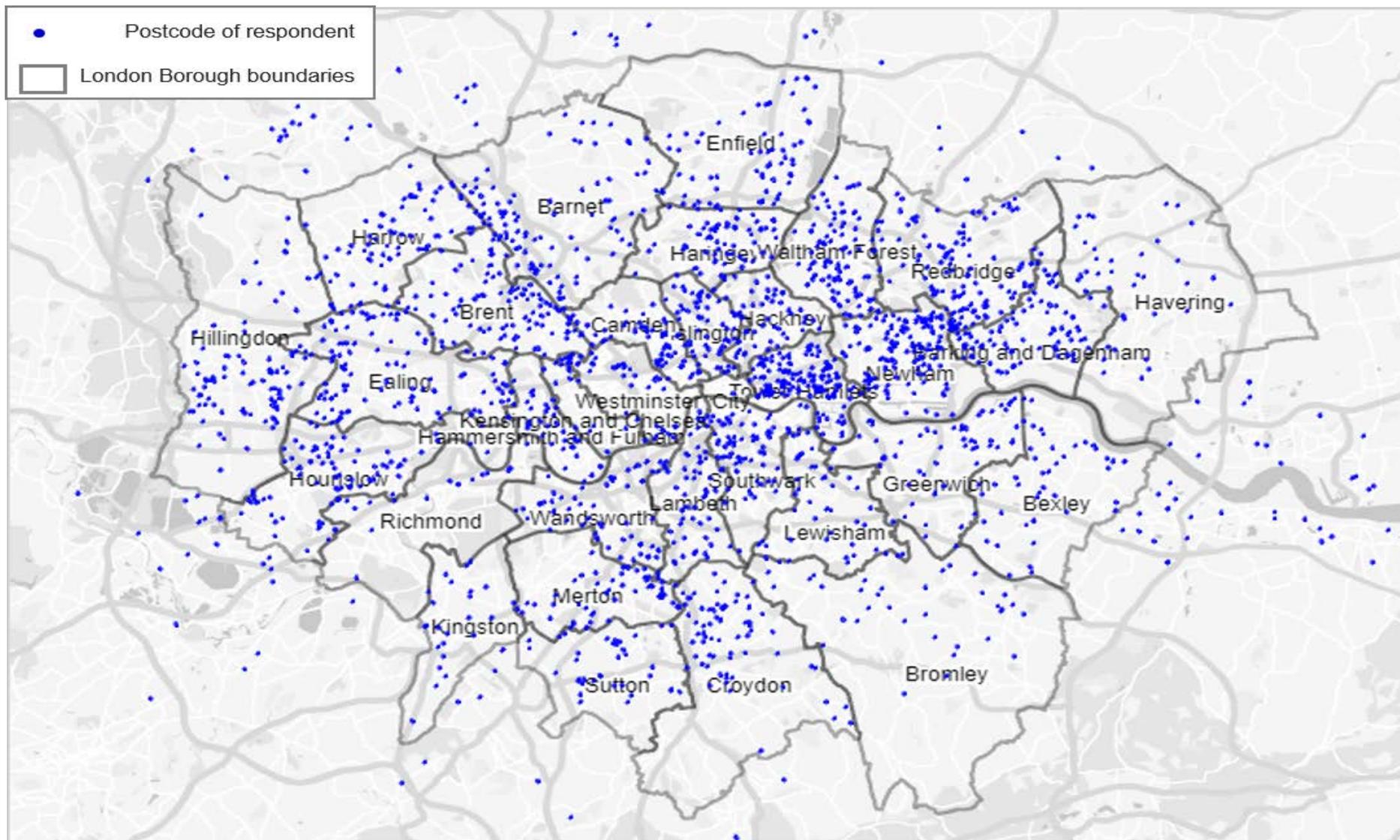
London Councils	London Councils states that the CVD should be available only to the cleanest vehicles and that as 2025 approaches; boroughs and TfL should work together on different approaches to reducing car use and improving air quality. It supports the removal of the PHV exemption and states that the impacts on Taxicard holders should be considered. It supports the minor administrative changes proposed.
London Cycling Campaign	LCC sees the current proposals are interim steps. They would like to see dynamic road pricing and the revenue reinvested in sustainable transport. Believe that licensed taxis should also be included and that wheelchair users should be entitled to reduced fares through a voucher or card scheme for PHVs or black cabs.
London First	Want to see more sophisticated road user charging. Think TfL should have reviewed all discounts and exemptions to find the solution that had the maximum impact. Does not believe that 1% is adequate reduction in traffic. Question why we didn't look at black cabs (especially as they have access to more rapid chargers), hours of operation and level of charge. Work on CVD should link with work by EV Infrastructure taskforce to ascertain whether the suggested timeframes are appropriate
London Forum of Amenity & Civic Societies	Agree with proposals but feel that the Congestion Charge needs to be more specific to time of day, distance travelled etc. Talks about bus reliability and decline in bus usage, due to congestion. Feels people on lower-incomes are impacted the greatest due to unreliable buses for them to travel to work.
London Living Streets	Called for the introduction of the CVD to be brought forward and the eligibility criteria tightened. Supported the removal of the exemption to the Congestion Charge for PHVs and called in general terms for further action in improving air quality.
London Travel Watch	Supportive of all proposals. Stated that the most space efficient modes should be prioritised by restraining less efficient modes.
Low Carbon Vehicle Partnership	Made detailed comments about the eligibility criteria for the CVD.
Metroline Travel Ltd	Supported the removal of the exemption to the Congestion Charge for PHVs and commented about the effect on bus services of cycling infrastructure.

National Express	Highlighted a lack of zero-emission coaches commercially, and made the case that the benefit of coaches in reducing traffic should not be lost through a move to encourage take-up of zero-emission vehicles.
Private Hire Board	There is a need to reduce traffic but need to explore the impact of deliveries and a reduction in road space. Question if per hour charge would work better. There has not been enough work looking at journeys done by private hire. Broadly agree with ULED proposals if charging infrastructure is present. Encouragement to change with discounts must be better overall. More investigation is needed into movements and reasons for the movements before anything should be done as this could impact the most vulnerable, reduce employment and increase costs whilst not having any benefits at all.
RB of Kensington and Chelsea	Agree with tightening the criteria and to introduce the CVD. Also support the idea on removing the CVD altogether in 2025. Similarly with removing the exemption for PHVs. A bit concerned with TfL's estimate that removing the exemption will make only a very small difference to overall traffic levels within the zone. RBKC feel more will need to be done to arrest the growth in private hire's contribution to traffic congestion.
Stop Killing Cyclists	Welcomed the proposals to remove the exemption to the Congestion Charge for PHVs but called for taxis also to be charged. Suggested that passengers of all taxis/PHVs entering central London be charged a £5 fee, similar to a system in New York.
Tesla	Agrees that CVD is a positive step but feels it does not go fast enough. Says that the current proposals still allow polluting vehicles on the road (PHEVs), and at a discount. Think 2021 will see a significant increase due to tightening of the criteria but feel between now and 2021 the criteria should be tightened even more.
The Society of Motor Manufacturers and Traders	Supported the introduction of the CVD but had concerns over the tightening of the new discount and its eventual withdrawal in later phases, suggesting that qualifying low-emission HGVs might not be commercially available in time for the two phases.

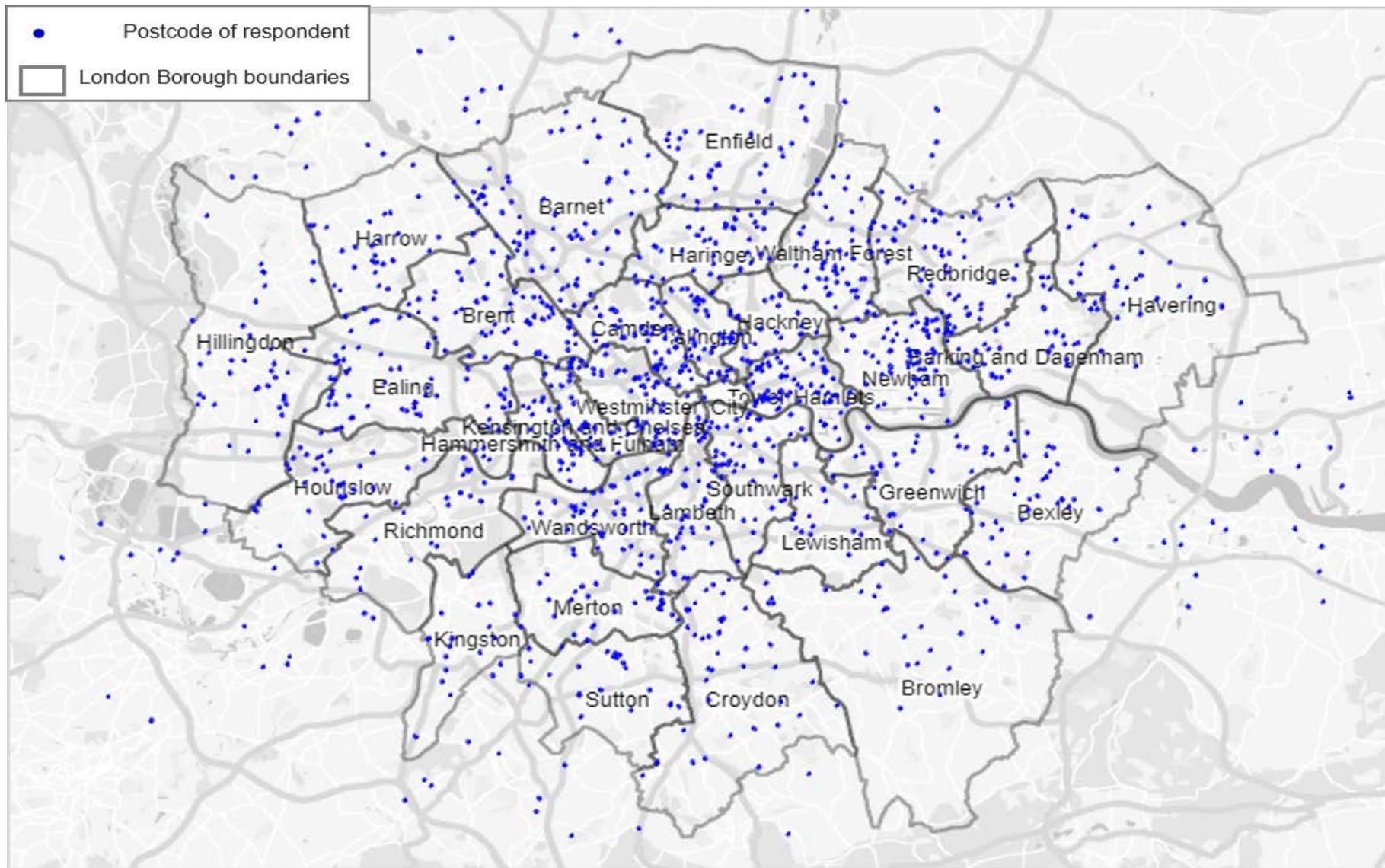
Toyota	Commented about the CVD eligibility criteria, specifically that hybrid vehicles should not be excluded. Called for hybrid, battery electric and fuel cell PHVs be exempt from the Congestion Charge.
Uber	Congestion is an issue and Uber supports reducing traffic. Disagrees with removing exemption as not persuaded it would reduce traffic and would create hardship for vulnerable transport users (especially the disabled) and drivers. It may increase traffic as drives who would have only taken one trip in the Zone, now take multiple. Pricing should be applied fairly to all vehicles (including taxis). Support next generation road user charging. Uber's pricing model already incentivises drivers to avoid peak congestion hours. Support updating CVD in principle but needs more workable timetable, more charge points and to address cost of vehicles. Think 2025 deadline should be extended.
Unite the Union	Supported the removal of the exemption to the Congestion Charge for PHVs, citing a number of benefits. Also supported the introduction of the CVD.
United Private Hire Drivers	United Private Hire Drivers opposes the removal of the PHV exemption and states that it is not correct to contend that there are differences between taxis and PHVs with regards to the requirement to accept a booking and the need to take the shortest route. It states that if the exemption is removed, TfL should ensure that the cost is passed to the operator and the customer, not the driver.
UPS	Overall, supports the idea. Concerned that in the CVD, HGVs will not be able to comply with this, meaning forced to pay, as the technology is not sufficiently advanced. Asks that the DfT definition of an Ultra-Low Emission Truck (ULET) is adopted so that heavier vehicles can obtain the CVD. Short term, want to see discounts for gas powered vehicles. Supports the inclusion of Public Service Vehicles (PSVs) in the congestion charge. Wants to ensure electric vehicles purchased at the time of the proposed changes to the CVD and which will still be within their lifespan beyond 2025 will continue to be exempt. Wants TfL to support projects which utilize innovative final mile solutions such as e-bicycles and walker/rider trailer projects which aim to reduce vehicles on the road. Wants REEVs (range extenders) to be exempt.

ViaVan	<p>Support reducing congestion and vehicle emissions. ViaVan supports comprehensive congestion pricing schemes. If taking policy forward, ViaVan recommends including provision to incentivise drivers and PHVs to provide pooled rides instead of single passenger ones such as a rebate of the charge for drivers who take pooled trips. Believe it does not make sense to charge PHVs and not taxis. Thinks it will be difficult to spread the cost across rides.</p>
Westminster BIDs	<p>Strongly agree that something needs to be done. Concerned that traffic will increase around the Inner Ring Road as PHV drivers wait and try to avoid the Congestion Charge. Thinks more should be done to encourage taxi drivers to switch to a cleaner vehicle as they have a 15 year age span, less efficient licensed taxis could continue to operate on central London's roads until 2032, which we believe to be too long.</p>

Map to show the location of respondents who identified themselves as a PHV driver



Map to show the location of respondents who identified themselves as being ULED registered



CODE	# of responses	%
Total	6881	100.00%
Overall Agreement/Disagreement (Net)	313	4.50%
I agree/I support this/it's a good idea (unspecified)	96	1.30%
I disagree/do not support this/it's a bad idea (unspecified)	148	2.10%
No changes needed/leave it as it is	73	1.00%
Congestion Charge Zone Area (Net)	111	1.60%
Ban all private vehicles from Oxford Street	1	0.00%
Do not extend the congestion charge zone area	10	0.10%
Do not pedestrianise Oxford Street	2	0.00%
Enforce existing rules such as Oxford Street cabs & buses only allowed in zone	8	0.10%
Expand CC zone area	63	0.90%
Only allow commercial vehicles use of CC zone area	4	0.00%
Only allow emergency service vehicles use of CC zone area	1	0.00%
Only allow London residents use of CC zone area	4	0.00%
Only allow low/zero emission vehicles use of CC zone area	3	0.00%
Only allow PHVs use of CC zone area	5	0.00%
Only allow public transportation use of CC zone area	8	0.10%
Only allow taxis/black cabs use of CC zone area	9	0.10%
Remove the requirements which would force black cabs to enter the Congestion Charge zone	1	0.00%
The Ultra Low Emission zone should be restricted to central London or surrounding major airports only	1	0.00%
There should be a maximum number of times a vehicle can enter the CC zone area	1	0.00%
There should be a maximum vehicle size/weight limit that is allowed in the CC zone	3	0.00%
Total ban on all motor vehicles entering CC zone while new buildings are going up	1	0.00%
Traffic/Congestion (Net)	4157	60.40%
All vehicles should be required to pay the congestion charge/no exemption	83	1.20%
All vehicles should not be required to pay the congestion charge/exempt	11	0.10%
Black Cabs should be required to pay the congestion charge/no exemption	220	3.10%
Black Cabs should not be required to pay the congestion charge/exempt	93	1.30%
Buses should be required to pay the congestion charge/no exemption	24	0.30%
Buses should not be required to pay the congestion charge/exempt	8	0.10%
Business/servicing/tradespeople should not be required to pay congestion charge/exempt	4	0.00%
Businesses will use foreign-registered cars to avoid paying the Congestion Charge	1	0.00%
Commercial vehicles should be required to pay the congestion charge/no exemption (parcel/delivery/construction vehicles)	22	0.30%
Commercial vehicles should not be required to pay the congestion charge/exempt (parcel/delivery/construction vehicles)	3	0.00%
Cyclists should be required to pay the congestion charge/no exemption	21	0.30%
Cyclists should start paying some sort of tax/road tax	5	0.00%
Diesel vehicles should be required to pay the congestion charge/no exemption	37	0.50%
Diesel vehicles should not be required to pay the congestion charge/exempt	6	0.00%
Disabled users/drivers should not be required to pay the congestion charge/exempt	19	0.20%
Electric/zero emissions/hybrid vehicles should be required to pay the congestion charge/no exemption	26	0.30%
Electric/zero emissions/hybrid vehicles should not be required to pay the congestion charge/exempt	128	1.80%
Emergency service vehicles should not be required to pay the congestion charge/exempt	8	0.10%
Foreign embassies do not pay the congestion charge	2	0.00%
Give a discount to the Congestion Charge only for private hire vehicles which are registered to an address in London	1	0.00%
Motorcyclists should not be required to pay the congestion charge/exempt	5	0.00%
Non environment friendly/older vehicles should be required to pay the congestion charge/no exemption	27	0.30%
Older vehicles should not be required to pay the congestion charge/exempt	1	0.00%
Operators should assume charges for their drivers	32	0.40%
Pedestrians should be required to pay the congestion charge/ not exempt	1	0.00%
Petrol vehicles should be required to pay the congestion charge/no exemption	9	0.10%
PHV/Taxi passengers should be required to pay the Congestion Charge	73	1.00%
PHVs should be required to pay the congestion charge if not registered in area	1	0.00%
PHVs should be required to pay the congestion charge/no exemption	659	9.50%
PHVs should not be required to pay the congestion charge/exempt	980	14.20%
PHVs without a booked job/passenger should be required to pay the congestion charge/no exemption	1	0.00%
Private Chauffers should not be required to pay the congestion charge/exempt	1	0.00%
Private owned vehicles/London residents should be required to pay the congestion charge/no exemption	27	0.30%
Private owned vehicles/London residents should not be required to pay the congestion charge/exempt	9	0.10%
Public transportation vehicles should be required to pay the congestion charge/no exemption	2	0.00%
Public transportation vehicles should not be required to pay the congestion charge/exempt	4	0.00%
Raise the CVD threshold to 100g CO2	1	0.00%
There are already too many exemptions (unspecified)	6	0.00%
Tourist guides should not be required to pay the congestion charge/exempt	3	0.00%
Train companies should pay the Congestion Charge when train services are cancelled	1	0.00%
Traveling for medical reasoning should not be required to pay congestion charge/exempt (i.e., Dr. appointment, visiting friends/family in hospital)	7	0.10%
Vehicles that meet the Euro 5, or Euro 6 standards should not be required to pay the congestion charge/exempt	16	0.20%
Wheelchair accessible vehicles should not be required to pay the congestion charge/exempt	13	0.10%
Congestion charge is not successful/does not work (unspecified)	1	0.00%
Introducing the CVD will help reduce traffic/congestion	6	0.00%
Introducing the CVD will not help reduce traffic/congestion	7	0.10%
Proposals will increase traffic/congestion (including shifting to other times/areas)	22	0.30%
Reducing the number of PHVs would reduce traffic/congestion	47	0.60%
Requiring PHVs to pay congestion charge would not help reduce traffic	387	5.60%
Requiring PHVs to pay congestion charge would help reduce traffic	229	3.30%
The Congestion Charge has not been successful in reducing traffic in London	109	1.50%
The Congestion Charge is successful in reducing traffic/congestion in London	4	0.00%
These measures will be successful in reducing traffic/congestion (unspecified)	29	0.40%
These measures will not be successful in reducing traffic/congestion (unspecified)	78	1.10%
All/Any vehicles cause traffic/congestion	21	0.30%
Buses/bus lanes contribute to London traffic/congestion problem	133	1.90%
City events cause contribute to London traffic/congestion	1	0.00%
Commercial vehicles contribute to London traffic/congestion problem (parcel/delivery/construction vehicles)	88	1.20%
Commuters into London contribute to London traffic/congestion problem	1	0.00%
Congestion charge hours should be extended	143	2.00%
Congestion charge is getting confused with other charges/pollution charges	5	0.00%
Create a working hours cap on PHV drivers	1	0.00%
Cyclists/cycle lanes cause traffic jams/congestion	323	4.60%
Deters PHVs from entering the CC zone	1	0.00%
Diesel vehicles contribute to London traffic/congestion problem	12	0.10%
Discounts will create traffic/congestion problems	3	0.00%
Eliminating vehicle road space contributes to London traffic/congestion problem	119	1.70%
Encourage more active forms of transport (walking, cycling)	39	0.50%
I support reducing congestion/London has too much traffic/congestion	583	8.40%
Increase speed limits to reduce congestion	9	0.10%
Lack of parking/affordable parking contributes to London traffic/congestion problem	1	0.00%
Most of the congestion is outside of CC hours	1	0.00%
Need to reduce number of vehicles passing/entering congestion zone	13	0.10%
Need to reduce traffic congestion/improve traffic system	0	0.00%
New buildings going up in London contribute to London traffic/congestion problem	28	0.40%
PHVs contribute to London traffic/congestion problem	1018	14.70%
PHVs contribute to reduction of private vehicles/congestion in the zone	19	0.20%
Reduce traffic/congestion by keeping roads open	38	0.50%
Road closures contribute to traffic/congestion problem	1	0.00%
Single occupancy vehicles contribute to London traffic/congestion problem	2	0.00%

Spread businesses/job opportunities to outside Central London to reduce congestion	6	0.00%
Stop widening pedestrian paths	16	0.20%
Taxis/black cabs contribute to London traffic/congestion problem	108	1.50%
Taxis/black cabs help to reduce the number of private cars on the road	5	0.00%
TfL / TfL's road schemes/projects contribute to London traffic/congestion problem	79	1.10%
Tourists contribute to London traffic/congestion problem	1	0.00%
Traffic/Congestion problems are delaying emergency vehicle services	16	0.20%
ULE vehicles still create traffic/congestion	21	0.30%
Pollution/Air Quality (Net)	1218	17.70%
Introducing the CVD will help reduce pollution/emissions	8	0.10%
Introducing the CVD will not help reduce pollution/emissions	5	0.00%
Reducing the number of PHVs would reduce pollution/emissions	20	0.20%
Reducing traffic/congestion would reduce pollution/emissions	36	0.50%
Requiring PHVs to pay congestion charge would help reducing pollution/enhancing air quality	49	0.70%
Requiring PHVs to pay congestion charge would not help in reducing pollution/enhancing air quality	63	0.90%
The Congestion Charge has not been successful in reducing pollution/enhancing air quality	26	0.30%
The Congestion Charge is successful in reducing pollution/enhancing air quality in London	3	0.00%
The ULED is successful in reducing pollution/enhancing air quality in London	3	0.00%
These measures will be successful in reducing pollution/enhancing air quality (unspecified)	20	0.20%
These measures will not be successful in reducing pollution/enhancing air quality (unspecified)	33	0.40%
These measures will push pollution/poor air quality to other areas/times	8	0.10%
All/Any vehicles/Too much traffic/congestion contributes to London pollution/air quality problem	85	1.20%
Boats on the Thames contribute to London pollution/air quality problem	2	0.00%
Buses contribute to London pollution/air quality problem	89	1.20%
Clean air is important/imperative/cleaner air will benefit all	62	0.90%
Commercial vehicles contribute to London pollution/air quality problem (parcel/delivery/construction vehicles)	48	0.60%
Cyclists/Cycle Highway contribute to London pollution/air quality problem	45	0.60%
Diesel vehicles contribute to London pollution/air quality problem	46	0.60%
Electric/ zero/ low emission vehicles still have some environmental impact	17	0.20%
Eliminating vehicle road space contributes to London pollution/air quality problem	18	0.20%
Grondon recycling centre contributes to London pollution/air quality problem	2	0.00%
Hybrid vehicles contribute to London pollution/air quality problem	19	0.20%
Hybrids are clean/environmentally friendly	1	0.00%
I support reducing emissions/London has too much pollution/poor air quality	366	5.30%
I support reducing noise pollution/London has too much noise pollution	39	0.50%
Lack of parking/affordable parking contributes to pollution/air quality problem	7	0.10%
London/TfL should create more greener parks/plant more trees	15	0.20%
Low emissions zones are very confusing	2	0.00%
Low/20 mph speed limits contribute to pollution/air quality problem	8	0.10%
Monitor emissions from individual vehicles, identify those with the highest emissions and retro-fit emissions reduction technology to them	1	0.00%
Older/aged vehicles contribute to London pollution/air quality problem	6	0.00%
Petrol vehicles contribute to London pollution/air quality problem	6	0.00%
PHVs contribute to London pollution/air quality problem	289	4.10%
Pollution in London/the congestion charging zone area is not that bad	3	0.00%
Reducing number of flights from near airports will help improve air quality	5	0.00%
Reducing number of new buildings going up will help improve air quality	13	0.10%
Road closures contribute to London pollution/air quality problem	10	0.10%
Scrapping cars is a waste of resources/contributes to pollution	4	0.00%
TfL / TfL's road schemes/projects contribute to London pollution/air quality problem	9	0.10%
The Agricultural industry is responsible for a greater proportion of harmful emissions	1	0.00%
TfL should remove the discount in 2025	6	
PHVs should not be eligible for CVD	1	
Newer/Environmentally Friendly Vehicles (Net)	572	8.30%
Agree the 2021 change to electric vehicles	1	0.00%
Buses should be electric/zero emissions vehicles	30	0.40%
Commercial vehicles should be electric/zero/low emission vehicles	3	0.00%
Electric/zero/low emission vehicles don't pollute	21	0.30%
Electric/zero/low emissions vehicles are not reliable/advanced enough	22	0.30%
Encourage use of electric/zero/low emissions vehicles (Hybrid vehicles)	158	2.20%
London should only allow electric/zero emissions vehicles	37	0.50%
London should only allow Euro 6 vehicles	4	0.00%
Over six passenger electric/zero emission vehicles are not available to buy or lease	5	0.00%
Taxis/black cabs should require use of electric/zero/low emissions vehicles	40	0.50%
The use of electric/zero emission vehicles should be compulsory for the PHV trade	31	0.40%
Trains should be electric/zero emissions vehicles	1	0.00%
Only hybrid vehicles should be allowed in London	6	0.00%
Over six passenger hybrid vehicles are not available to buy or lease	2	0.00%
PHV drivers must all convert to hybrid vehicles	16	0.20%
All new cars should come with low to zero emissions as standard	13	0.10%
Newer/environmentally friendly vehicles need to have a larger range/distance they can travel on a charge	33	0.40%
PHVs are mostly electric/hybrid/new vehicles	251	3.60%
There are too few options for low emission commercial vehicles	7	0.10%
TfL should remove the discount in 2025	6	
Older Vehicles (Net)	470	6.80%
Most taxis/black cabs are older/not environmentally friendly	470	6.80%
Economy (Net)	2779	40.30%
Commercial vehicles should pay a higher CC rate (parcel/delivery/construction vehicles)	6	0.00%
Increase the cost of the Congestion Charge for higher emission vehicles (i.e., petrol and diesel vehicles)	17	0.20%
Increase the cost of the Congestion Charge for people who do not live in London	2	0.00%
Need to increase the congestion charge	85	1.20%
Need to increase the congestion charge annually in line with RP	1	0.00%
Need to increase the congestion charge during peak hours	1	0.00%
Older/Classic vehicles should pay a higher charge	6	0.00%
PHVs should pay a higher CC rate	11	0.10%
Private vehicles should pay a higher charge	6	0.00%
Single occupancy/less than two passengers in a vehicle should pay a higher charge	5	0.00%
Taxis/black cabs should pay a higher CC rate	5	0.00%
Vehicles should pay based on their emissions	2	0.00%
Allow a number of free entries to the Congestion Charge Zone	2	0.00%
Congestion charge is expensive	125	1.80%
Congestion Charge should be based on current traffic conditions	5	0.00%
Operators/company charging drivers/not passing on to customers	96	1.30%
Penalise vehicle services that drive around empty/with no passengers	36	0.50%
PHVs should only pay the Congestion Charge from Thursday - Sunday	1	0.00%
Set a different charging system to be used based for each entry into the CC zone, not just one payment per day	10	0.10%
Set a different charging system to be used based on miles traveled in the zone	12	0.10%
Set a different charging system to be used based on the amount of emissions from the vehicles	16	0.20%
Set a different charging system to be used based on the size of PHV company	2	0.00%
Set a different charging system to be used based on the size/weight of vehicle	8	0.10%
Set a different charging system to be used based on time/hours traveled in the zone	13	0.10%
The level of the Congestion Charge should be linked to income/vehicle value	3	0.00%
There should be a new charge designed to reduce emissions in central London	1	0.00%
Black cabs are expensive to use	78	1.10%
Black cabs earn the most money/PHV earn less money	8	0.10%
Fares will rise/additional cost will be passed on to passengers	465	6.70%

Fuel prices are expensive/keep rising in price	36	0.50%
If you can afford a car, you can afford the charges	1	0.00%
Make public transportation free	10	0.10%
Parking is expensive in London	11	0.10%
PHV drivers are already underpaid/earn less than minimum wage/struggling/have lots of overheads	56	0.80%
PHVs are more affordable/better value than other transportation services	113	1.60%
Reduce the cost of public transportation	65	0.90%
TfL should create a scrappage scheme for high emissions vehicles	6	0.00%
TfL should regulate PHV fares in the same way as Taxi fares	26	0.30%
Too expensive to replace to a new/environment friendly vehicle	188	2.70%
Will cause a cost increase in delivery charges/customers will pay more for deliveries	1	0.00%
Discount should be discontinued before 2025	16	0.20%
Discount should be extended beyond 2025	182	2.60%
Discount should not be eliminated, just reduce the amount of discount given	11	0.10%
Discounts should be given to London residents	6	0.00%
Discounts should not be given to electric/zero/low emissions vehicles	2	0.00%
Do not replace ULED	1	0.00%
Give a discount to the Congestion Charge only for private hire vehicles which are registered to an address in London	1	0.00%
Give discounts to disabled/wheelchair accessible vehicles	11	0.10%
Give discounts to taxis/black cab vehicles	0	0.00%
Non-polluting/hybrid vehicles should receive discounts	12	0.10%
Offer more benefits/discounts for use of electric/zero emission vehicles (free parking/charging points/no registration fee)	125	1.80%
Phase out ULED to encourage use of electric/low emission vehicles	9	0.10%
Phasing out ULED will discourage buying/keeping green cars	82	1.10%
PHV drivers should be given a partial discount to congestion charges	14	0.20%
Resident discount should be reduced	4	0.00%
Should be a discount based on length of service as driver	2	0.00%
Too many vehicles may qualify for this discount	2	0.00%
Affects/hurts low class income people/bracket	100	1.40%
Bad for London's economy	77	1.10%
Cost of living in London will increase	18	0.20%
Proposals will affect businesses/small businesses within the zone	63	0.90%
Proposals will affect tourism in London	27	0.30%
Will hurt drivers/cause wages/job loss	1339	19.40%
Will put funding pressures on Local Authorities and other public services as they would also need to pay the Congestion Charge in some circumstances	3	0.00%
Will put PHV drivers on government benefits	2	0.00%
Yes, they will create hardships for those traveling to the hospital	12	0.10%
Yes, they would create hardships for disabled passengers (including cost increase)	14	0.20%
Yes, they would create hardships for elderly passengers (including cost increase)	15	0.20%
Yes, they would create hardships for families, including low income families	1	0.00%
Yes, they would create hardships for people living in/around the zone	13	0.10%
Yes, they would create hardships for PHV drivers	1	0.00%
Yes, they would create hardships for PHV operators	2	0.00%
Yes, they would create hardships for PHV passengers (including increases to fares, waiting times and shortage of PHVs)	513	7.40%
Yes, they would create hardships for tradespeople/service workers	1	0.00%
Yes, they would create hardships for visitors/tourists	1	0.00%
American companies do not contribute to the economy through taxes	4	0.00%
Black Cab drivers have a lot of expenses	1	0.00%
Drivers will switch to registering in their council causing TfL to lose revenue	6	0.00%
Increase the cost of the PHV license to cover the annual cost of entering the zone	4	0.00%
Less taxes for government from PHV drivers	3	0.00%
Should add charge to fuel instead	1	0.00%
TfL should provide Black Cabs with financial help to replace their high emissions vehicles	1	0.00%
TfL should provide PHVs with financial help to replace their high emissions vehicles	52	0.70%
TfL will lose revenue	1	0.00%
The Mayor should focus more on creating employment	5	0.00%
Non-Road Related Safety/Crime (Net)	30	0.40%
Mayor should focus more on crime/violence issues	5	0.00%
TfL should focus more on crime/violence issues	5	0.00%
Will have an impact on crime	20	0.20%
Safety/Health (Net)	476	6.90%
Black cabs need to improve poor road behaviour/road aggression	12	0.10%
Buses are a danger to the roads/traffic	2	0.00%
Cyclists are a danger to the roads/traffic	32	0.40%
Cyclists should be required to get insurance	11	0.10%
Mayor should focus more on safety issues	4	0.00%
Need to improve safety for cycling/cyclists	44	0.60%
Need to improve safety for pedestrian	35	0.50%
Need to make roads safer/less accidents/injuries/deaths	43	0.60%
PHV drivers have good/standard driving skills/are not dangerous/are a safe/safer service	4	0.00%
PHV drivers lack good/standard driving skills/are dangerous/causing accidents	189	2.70%
PHV drivers will need to work longer hours which will impact safety	19	0.20%
Reducing congestion/pollution is important for health reasons	137	1.90%
TfL should focus more on safety issues	9	0.10%
The amount of traffic/congestion is dangerous to cyclist	10	0.10%
The amount of traffic/congestion is dangerous to pedestrian	13	0.10%
These measures will make cycling safer	5	0.00%
These measures will make pedestrians safer	5	0.00%
Revenue Raising Scheme (Net)	719	10.40%
Concern the proposals are a money making/revenue raising scheme	700	10.10%
Money collected needs to be reinvested in public transportation/road infrastructure/green incentives	20	0.20%
Discrimination/Bias (Net)	1695	24.60%
Biased/unfair/targets PHV drivers/putting pressure on PHV industry (unspecified)	1092	15.80%
Biased/unfair/targets poor/low income people	70	1.00%
Biased/unfair/targets taxi/black cab drivers/putting pressure on taxi/black cab industry (unspecified)	10	0.10%
Either everyone should pay, or everyone should be exempt	1	0.00%
If you charge PHVs then you must charge Taxi's/buses/everyone as well	631	9.10%
Mayor of London is favouring taxi/black cab drivers/vehicles	68	0.90%
Police are favouring taxi/black cab drivers/vehicles	10	0.10%
Removing the exemption to the Congestion Charge for Private Hire drivers is racist because so many Private Hire drivers are from minority backgrounds	53	0.70%
Should be grandfather rights/clause for PHV drivers who have been registered with TfL for many/10 plus years	4	0.00%
Shows favoritism/bias toward cyclists	4	0.00%
This policy breaches competition rules/law	30	0.40%
This will create monopoly for Black Cabs/reduce competition	34	0.40%
The CVD proposals will create hardships for individuals	1	
Unfair to penalise drivers of older cars to have to change them due to proposals	165	2.30%
Banning Certain Vehicles (Net)	194	2.80%
All vehicles should be banned in London	19	0.20%
App based booking platforms should be banned in London	1	0.00%
Ban driving in London except for buses/taxis/black cabs/lorries/commercial vehicles	13	0.10%
Black cabs/taxis should be banned in London	26	0.30%
Buses should be banned in London	17	0.20%
Commercial vehicles/delivery vans should be banned in London	14	0.20%
Diesel/fossil fuel/high emission vehicles should be banned in London	71	1.00%
Older vehicles should be banned in London	18	0.20%

PHV vehicles/companies should be banned in London	50	0.70%
Public transportation should be banned in London	2	0.00%
Public transportation should be banned on weekends	1	0.00%
Single occupancy should be banned	3	0.00%
Number Of Vehicles (Net)	1036	15.00%
Not enough taxis/taxi service	13	0.10%
Too many buses/bus numbers should be limited/reduced	51	0.70%
Too many commercial vehicles (parcel/delivery/construction vans/vehicles)	16	0.20%
Too many cyclists	2	0.00%
Too many diesel vehicles/diesel vehicles should be limited/reduced	4	0.00%
Too many PHVs/PHV numbers should be limited/reduced	968	14.00%
Too many taxis/taxis numbers should be limited/reduced	27	0.30%
Public Transportation (Net)	293	4.20%
Black Cabs are an important part of London public transportation	13	0.10%
Encouraging cycling reduces public transportation usage	3	0.00%
Need to encourage use of public transportation	112	1.60%
PHVs are not a part of London's public transportation system	12	0.10%
Public transport cannot be used in all cases/driving a car is still a necessary alternative	9	0.10%
Public transport needs improvement	123	1.70%
Public transportation does not cover all routes/destinations	11	0.10%
Public transportation has limited hours/does not run 24 hours a day	5	0.00%
Public transportation is not fully accessible for people with disabilities	2	0.00%
Reduce bus service between 10 am and 5 pm	6	0.00%
There is good availability of public transportation options available	5	0.00%
These measures will speed up bus journey/travels	4	0.00%
Will negatively impact public transportation (eg crowding)	3	0.00%
Would allow public transportation (buses, taxis) to run more efficiently	15	0.20%
Road Infrastructure (Net)	342	4.90%
Bus stops are too close to each other	1	0.00%
Taxis/black cab drivers shouldn't be using bus lanes	12	0.10%
Cyclist lanes are rarely/never used	28	0.40%
Cyclists use the roads instead of cycle lane	13	0.10%
Give more road space to cyclists	21	0.30%
PHVs shouldn't be using cycle lanes	2	0.00%
Redesign/reroute cycle lane	8	0.10%
Give more road space to pedestrians	13	0.10%
Pedestrian zones should be introduced to London/Central London/Encourage more people to walk	27	0.30%
Change traffic light synchronisation	67	0.90%
Eliminate/cut the traffic lights down	18	0.20%
Better coordination with other groups/councils in completing roadworks	10	0.10%
Build more overpasses/bridges/underpasses	9	0.10%
Concern about the roadwork/roads in London	161	2.30%
Create more one way roads	4	0.00%
Do not increase speed limit	1	0.00%
Eliminate doing road construction at busy traffic times	3	0.00%
Reduce number of one way roads	2	0.00%
Stop narrowing roads / widen narrow roads	10	0.10%
There should be a reduction in parking provision in London/ increase cost	6	0.00%
There should be an increase in parking provision in London	26	0.30%
Political Affiliation (Net)	323	4.60%
Assisting the Black taxis interest groups who finance political campaigns	18	0.20%
Do not like/agree with the mayor	105	1.50%
Government must help drivers financially	1	0.00%
Mayor needs to listen to people/road users views	7	0.10%
Mayor of London is looking for ways to make it difficult for PHVs to operate in London	67	0.90%
Political strategy to gain votes/more votes	8	0.10%
Politicians/Government is looking for ways to make it difficult for PHVs to operate in London	13	0.10%
Politicians/Government should focus on other (non-specified) issues	3	0.00%
Should do much more to protect private hire drivers from exploitation by operators and TfL	115	1.60%
Too much government bureaucracy/red tape	12	0.10%
TfL Image (Net)	439	6.30%
Do not like/agree with TfL/should resign/not fit for job	193	2.80%
TfL doesn't care about air quality	106	1.50%
TfL doesn't care about traffic or congestion	59	0.80%
TfL is looking for ways to make it difficult for PHVs to operate in London	90	1.30%
TfL is looking for ways to make it difficult for taxis/black cabs to operate in London	7	0.10%
TfL needs to listen to people/road users views	50	0.70%
TfL should focus on other (non-specified) issues	6	0.00%
Additional Information Needed (Net)	24	0.30%
Consultation was not publicised enough	1	0.00%
Lack of data to make conclusions / more data is required / consultation materials were misleading	4	0.00%
Not aware/need to know more information before comment	12	0.10%
What are the proposals for all electric vehicles	1	0.00%
What is the reasoning behind replacing the CVD in 2025	7	0.10%
Miscellaneous (Net)	417	6.00%
Brexit is coming/there are more important things in London to worry about (i.e., Brexit)	12	0.10%
City is growing/population is increasing in London	16	0.20%
Comments about the English language test requirement for PHV drivers	9	0.10%
Commercial vehicles/delivery vans should travel/make deliveries in early morning/evening/after midnight	72	1.00%
Customer controls whether driver enters congestion zone	2	0.00%
Discourage people from using cars/private transport	1	0.00%
Government must cap/control licensing	5	0.00%
Motorists are being victimised/punished	40	0.50%
People will learn to adapt to the changes/hardship will be limited/temporary	1	0.00%
PHV drivers will be forced to work longer hours to make extra income	2	0.00%
PHV drivers will register their car to an authority outside London to avoid TfL Licensing fees	2	0.00%
Proposal plan/scheme is confusing/too complex	16	0.20%
Should focus on measures affecting the operators and not the drivers	1	0.00%
Some/Many register as PHVs drivers/vehicles to avoid paying the congestion charge fee	81	1.10%
Take more effective enforcement action against PHV drivers which don't meet TfL standards/requirements	15	0.20%
The PHV industry is already very competitive	13	0.10%
These measures will cause illegal operators/unlicensed cabs	1	0.00%
Too many rules/restrictions on roads/where to park/unable to use bus lanes/taxi stands	78	1.10%
Waste of time as decision has been made	5	0.00%
Will not make a difference/change anything/These measures would not be successful/solve the problem (unspecified)	37	0.50%
Would reduce/eliminate cross-border hiring	1	0.00%
You can expect protests/mass protests	21	0.30%
Unclear comment	81	1.10%
Out of scope	82	1.10%
Proposals do not adequately understand PHVs current movements to enable accurate future predictions	5	
Does not recognise the current issues with traffic and congestion therefore does not support proposals	1	0.00%
Comment about range extender vehicles	1	0.00%
Agree the 2021 change to electric vehicles	1	0.00%
Need an overall review of the congestion charge	5	
TfL's assumption that operators might 'specialise' in arranging bookings is flawed	1	0.00%

TfL must not relicense the oldest/most polluting taxis/PHVs	1	0.00%
LPG fuels should be included within the CVD	2	0.00%
Driver guides should not be required to pay the congestion charge/no exemption	1	0.00%
TfL should not insist that Driver guides in London are licensed as PHVs	1	0.00%
TfL should take enforcement action against unregulated Driver guides	1	0.00%
TfLs proposals might destroy the Driver guide industry	1	0.00%
TfL should promote methods small businesses could take to consolidate deliveries	2	0.00%
TfL/the Mayor must improve air quality in outer London	1	0.00%
TfL should confirm that it does not plan to charge any other vehicle types	1	0.00%
TfL must publish the data behind its proposals	1	0.00%
TfL must investigate the 'dead miles' phenomenon in relation to the proposals to remove the PHV exemption to the Congestion Charge	1	0.00%
Ultra-low emission trucks (as defined by the DfT) should be included in the requirements for the CVD	1	0.00%
Extend the Congestion Charge into west London	1	0.00%
Some PHV drivers may fraudulently pass on a single charge to multiple customers	1	0.00%
The CVD should provide a discount to the Congestion Charge for Hydrogen vehicles	1	0.00%
Work collaboratively with London Councils to review plans to reduce car use/improve air quality	1	0.00%
Undertake an Equalities Impact Assessment on the effect of the proposals to remove the PHV exemption to the Congestion Charge on Taxicard customers	1	0.00%
Disabled people should be protected from increases in PHV fares through a new card/voucher system	1	0.00%
Congestion Charge exemptions/timings should be linked to national clean air initiatives	1	0.00%
There should be a common criteria/terminology for highway charge discounts for low emission vehicles/work with LCVP to create one	1	0.00%
Green discounts to the Congestion Charge should be based on measurable emissions criteria	1	0.00%
Yes, they would cause hardships to coach passengers	1	0.00%
TfL should support new approaches to reduce traffic (e-bicycles, walker/rider trailer projects etc)	1	0.00%
TfL should encourage car sharing/pooling	1	0.00%
TfL should accelerate proposals for improvements to the Inner Ring Road	1	0.00%
TfL is seeking to cap the number of PHV drivers in London despite not having the necessary Parliamentary powers to do so	1	0.00%
PHV drivers/operators are not in practice free to refuse a booking/avoid the CCZ	1	0.00%
Yes, they would cause hardships for outer London residents	1	0.00%

CODE	# of responses
Total	5191
Hardships For The Phv Trade And Passengers (Net)	1837
Depressing/demoralizing the PHV industry	22
Deters PHVs from entering the CC zone	42
May cause PHV drivers to claim bankruptcy	3
PHV drivers are already underpaid/earn less than minimum wage/struggling/have lots of overheads	324
PHV drivers will be forced to work longer hours to make extra income	89
PHV drivers will have fewer/lose customers	63
PHV drivers will lose income/cannot afford it	503
Will make PHVs less financially competitive	21
Will put PHV drivers on government benefits	35
Will put PHV drivers out of work	183
Yes, they would create hardships for PHV operators, (includes mentions of small operators)	37
Yes, they would create hardships for the PHV trade as a whole	13
Yes, they would create hardships on families of PHV drivers	73
Yes, will impact health of PHV drivers	9
Yes, they would create hardships for PHV drivers (including low income drivers, drivers who work part time, who drive hybrid/low emissions vehicles or	863
Yes, they would create hardships for PHV passengers (including increases to fares, waiting times and shortage of PHVs)	670
Yes, there would be hardships for drivers who need to enter the Congestion Charge zone for multiple operators per day	1
Yes, they would cause hardships for Black, Asian or Minority Ethnic PHV drivers	1
Hardships For Other Groups (Net)	1018
The costs of replacing a Black Taxi are very high	2
Yes, they would create hardships for Black Cab/Taxi drivers	56
Yes, they would create hardships for taxi passengers (unspecified)	8
Will cause a cost increase in delivery charges/customers will pay more for deliveries	4
Will cause a cost increase/will become too expensive for road users (unspecified)	42
Yes, they will create hardships for parents taking children to school/activities	6
Yes, they would create hardships for all road users	52
Yes, they would create hardships for delivery drivers	21
Yes, they would create hardships for drivers (unspecified)	42
Yes, they would create hardships for drivers of other vehicles (Diesel/ Hybrid/ Low emission)	297
Yes, they would create hardships for those who carry luggage/equipment	11
Yes, they would create hardships for those with older/less clean vehicles	16
Yes, they would create hardships for people living in/around the zone	34
Yes, they would create hardships for people who work in London/the congestion zone	75
Yes, they would create hardships for families, including low income families	27
Yes, they would create hardships for hard workers (unspecified)	19
Yes, they would create hardships for hard working immigrants	4
Yes, they would create hardships for low income individuals (not specified who)	91
Yes, they would create hardships for low-income passengers	8
Yes, they would create hardships for middle-class	4
Yes, they would create hardships for the working class	15
Yes, they would create hardships for those who cannot afford to use black cabs	46
Bad for the economy as a whole/economy will suffer	22
Drivers/customers would suffer equally	12
Favours the rich over the poor	57
People will avoid Central London	11
Proposals will affect businesses/small businesses within the zone	91
Will put funding pressures on Local Authorities and other public services as they would also need to pay the Congestion Charge in some circumstance:	7
Yes, they would create hardships (not specified who for)	92
Yes, they would create hardships for cyclists	4
Yes, they would create hardships for pedestrians	4
Yes, they would create hardships for public transport passenger through an increase in use	10
Yes, they would create hardships for the public/tax payers	9
Yes, they would create hardships for tradespeople/service workers/self-employed people	19
Yes, they would create hardships for visitors/tourists	9
Hardships For Vulnerable People Or Users (Net)	135
Would benefit disabled people who travel by bicycle	4
Yes, they would create hardships for children	5
Yes, they would create hardships for disabled passengers (including cost increase)	86
Yes, they would create hardships for elderly passengers (including cost increase)	40
Yes, they would create hardships for people unable to use public transportation	14
Yes, they would create hardships for people unable to use public transportation due to phobias	1
Yes, they would create hardships for people with health problems/chronic illness/travelling to hospital	18
Yes, they would create hardships for the vulnerable	16
Yes, they would create hardships for those having difficulty navigating London	6
Yes, they would create hardships for those wanting to use PHVs for safety reasons	11
Yes, they would create hardships for those with mobility/health issues who do not qualify for a blue badge	4
General In-Principle Views (Net)	1758
Contextual comments describing a range of hardships already felt by different road users	410
Benefits do not outweigh the negatives/hardships	3
Benefits outweigh the negatives/hardships	94
Breach in human rights of free unobstructed movement	3
Changes are necessary/something needs to be done	68
Concern the proposals are a money making/revenue raising scheme	348
No changes needed/leave it as it is	53
No, they would not create hardships	534
No, they would not create hardships for PHV drivers	40
No, they would not create hardships for PHV passengers	5
Opposition but without specific reference to any particular proposal	121

People will learn to adapt to the changes/hardship will be limited/temporary	31
PHV drivers could claim the cost of the Congestion Charge as a tax-deductible business expense, lessening the hardship of paying the charge	7
PHV drivers will register their car to an authority outside London to avoid TfL Licensing fees	2
Proposals do not do enough/offer only a limited/short-term fix	9
Requiring PHVs to pay congestion charge would not help reduce traffic	4
Support but without specific reference to any particular proposal	42
There is good availability of public transportation options available	45
These measures will cause unlicensed cabs	3
Will improve London/community	15
Would allow PHV earnings to increase as number of PHV vehicles decreased	8
Would benefit road users	36
Would encourage a shift in consumer behaviour/to give more consideration to how they travel	9
Old Street Extension (Net)	58
Boundaries go far enough/no need to change it	23
Changing Old Street area will cause more congestion	12
Leave Old Street alone/do not extend boundary	11
Old Street extension won't change congestion	7
Support for extension of boundary at Old Street	8
Exempt/Not Exempt (Net)	957
Airline companies should be required to pay congestion charge/no exemption	1
All vehicles should be required to pay congestion charge/no exemption	63
Black Cabs should be required to pay the congestion charge/no exemption	174
Black Cabs should not be required to pay the congestion charge/exempt	24
Blue badge holders should not be required to pay the congestion charge/exempt	10
Buses should be required to pay congestion charge/no exemption	22
Buses should not be required to pay the congestion charge/exempt	9
Business/servicing/tradespeople should not be required to pay congestion charge/exempt	6
Commercial vehicles should be required to pay the congestion charge/no exemption (parcel/delivery/construction vehicles)	2
Commercial vehicles should not be required to pay the congestion charge/exempt (parcel/delivery/construction vehicles)	8
Cyclists should be required to pay the congestion charge/not exempt	19
Delivery drivers should be required to pay congestion charge/no exemption	2
Diesel vehicles bought based on government advice should not be required to pay CC/exempt	10
Diesel vehicles should be required to pay congestion charge/no exemption	16
Either everyone should pay, or everyone should be exempt	21
Electric/zero emissions/hybrid vehicles should be required to pay the congestion charge/exempt	14
Electric/zero emissions/hybrid vehicles should not be required to pay the congestion charge/exempt	50
Emergency vehicles should not be required to pay congestion charge/exempt	6
Euro 5 compliant vehicles should not be required to pay the congestion charge/exempt	8
Euro 6 compliant vehicles should not be required to pay the congestion charge/exempt	9
Key sector workers should not be required to pay the congestion charge/exempt	2
Motorcyclists should not be required to pay the congestion charge/exempt	5
Motorcyclists should pay the congestion charge/no exemption	4
New vehicles should not be required to pay congestion charge/exempt	1
Non-environmentally friendly vehicles should be required to pay congestion charge/no exemption	17
Pedestrians should pay congestion charge/no exemption	1
Petrol vehicles should be required to pay the congestion charge/no exemption	3
PHVs should be required to pay the congestion charge/no exemption	217
PHVs should not be required to pay the congestion charge/exempt	291
PHVs without a booked job/passenger should be required to pay the congestion charge/no exemption	33
Pointless to implement a system and then allow exemptions	9
Private owned vehicles/London residents should be required to pay the congestion charge/no exemption	7
Private owned vehicles/London residents should not be required to pay the congestion charge/exempt	8
Set a different charging system to be used based on the amount of emissions from the vehicles	32
Should be an exemption for those carrying disabled passengers	36
Should be an exemption for those traveling to/from the hospital	2
Traffic/Congestion (Net)	1086
Introducing the CVD will help reduce traffic/congestion	4
Requiring PHVs to pay congestion charge would help reduce traffic	97
These measures will be successful in reducing traffic/congestion (unspecified)	73
Would allow public transportation (buses, taxis) to run more efficiently	19
Concern that the proposals would not be successful in reducing congestion/traffic but without reference to a specific proposal	111
Congestion charge for PHVs would not be successful in reducing traffic/congestion	65
Introducing the CVD will not help reduce traffic/congestion	4
Proposals will increase traffic/congestion (including shifting to other times/areas)	66
Buses/bus lanes contribute to London traffic/congestion problem	21
Construction vehicles contribute to traffic/congestion	2
Cyclists / cycle lanes cause traffic jams/congestion	66
Delivery and other commercial vehicles contribute to traffic/congestion	18
Empty buses spending too much time on road/waiting for work cause congestion	26
Far too many vehicles have too few passengers	10
Narrow roadways cause congestion/pollution	41
No left/right hand turns cause congestion	5
PHVs are not the main cause of London traffic	12
PHVs contribute to London traffic/congestion problem	289
Taxis/black cabs contribute to traffic/congestion	19
TfL / TfL's road schemes/projects contribute to London traffic/congestion problem	6
Traffic lights cause traffic/congestion/create more efficient traffic light system	16
Address road closures to reduce traffic/congestion	35
Allow car traffic to use cycle lanes during certain hours of the day	2
Commercial vehicles should only be in service at certain times (garbage, construction, delivery trucks)	39
Congestion charge hours should be extended/24 hrs a day	24

Discourage people from using cars/private transport	13
Do not allow PHVs to block areas waiting for pre-booked job	4
Encourage more active forms of transport (walking, cycling)	16
Expand CC zone area	31
Increase speed limits to reduce congestion	5
Need to allow a way for emergency services to get around easier/quicker	4
Need to reduce traffic congestion/improve traffic system	226
Pedestrian zones should be introduced to London/Central London/Encourage more people to walk	3
PHVs contribute to reduction of private vehicles/congestion in the zone	5
PHVs should be restricted from working at certain times of day/during congestion charge hours	7
Remove all parking and loading bays in Westminster	1
Spread businesses/job opportunities to outside Central London to reduce congestion	2
Too many commercial vehicles (parcel/delivery/construction vans/vehicles)	1
Congestion charge is not successful/does not work (unspecified)	16
Traveling to the zone is necessary for work	49
Pollution/Air Quality (Net)	811
Introducing the CVD will help reduce pollution/emissions	3
Requiring PHVs to pay congestion charge would help reducing pollution/enhancing air quality	18
These measures will be successful in reducing pollution/enhancing air quality (unspecified)	48
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Introducing the CVD will not help reduce pollution/emissions	12
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These measures will not be successful in reducing pollution/enhancing air quality (unspecified)	10
Buses pollute the air the most	20
Commercial vehicles contribute to London pollution/air quality problem (parcel/delivery/construction vehicles)	12
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All older vehicles with higher emissions should not be allowed on the road	30
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London/TfL should create more greener parks/plant more trees	5
Need to improve air quality/pollution	174
PHVs contribute to reduction of pollution in the zone by reducing private vehicle use	2
Electric/ zero/ low emission vehicles still have some environmental impact	4
I support reducing emissions/London has too much pollution/poor air quality	1
I support reducing noise pollution/London has too much noise pollution	1
No scientific evidence that there is pollution	2
All new cars should come with low to zero emissions as standard	15
Battery technology/battery life/range needs to improve	9
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Eliminating the ULED will discourage the move to cleaner vehicles	20
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Hybrids are clean/environmentally friendly	8
Lack of incentive to switch to/keep clean/low emissions/environmentally friendly vehicles	26
London should only allow electric/zero emissions vehicles	1
Phase out ULED to encourage use of electric/low emission vehicles	3
PHVs are mostly electric/hybrid/new vehicles	58
PHVs can choose to operate cleaner/less polluting vehicles	3
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Charge Congestion Charge based on vehicle usage	8
Charge Congestion Charge per job instead of per day	2
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Charge to drivers should be a symbolic amount	3
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Eliminate the congestion charge	13
If you can afford a car, you can afford the charges	14
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Increase congestion charge	16
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Do not replace ULED	29
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Give a discount to the CC for people entering the city between 4-6pm	1
It is unsustainable to punish all London vehicles by removing all discounts	1
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Offer more benefits/discounts for use of electric/zero emission vehicles (free parking/charging points/no registration fee)	40
PHV drivers should be given a partial discount to congestion charges	11
Black cabs are expensive to use	42
Black cabs earn the most money/PHV earn less money	20

Create a system to automatically take the Congestion Charge from vehicles entering the zone	1
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Operator will cover the charge for the driver	7
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Assisting the Black taxi interest groups who finance political campaigns	4
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Assessing Transport for London's Congestion Charge proposals

Prepared for
Addison Lee Group

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www.oxera.com

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Executive summary

In March 2018, the Mayor of London set out the transport challenges for London as including congestion and air pollution, alongside road safety and a lack of physical activity among Londoners.¹

To support the objectives of reducing congestion and improving air quality, Transport for London (TfL) is consulting on two changes to transport policy in London:²

- to remove the exemption from the Congestion Charge that is currently applied to private hire vehicles (PHVs), but retain this exemption for licensed taxis;
- to replace the Ultra Low Emission Discount (ULED) with a new, phased Cleaner Vehicle Discount (CVD).

These policy proposals have been based on analysis conducted for TfL by CEPA and Mott MacDonald.³

Addison Lee has commissioned Oxera Consulting LLP (Oxera) to provide an independent economic review of the analysis conducted by CEPA and Mott MacDonald, and to assess a package of policy options developed by Addison Lee as an alternative to TfL's proposals.

Removal of the exemption will have no tangible impact on congestion and could make things worse

According to CEPA's analysis, TfL's proposals would result in a reduction of 1% in overall traffic within the Congestion Charge Zone (CCZ) during charging hours. TfL states that 'although a one per cent reduction in traffic appears modest, we believe that it is an important step in managing and reducing congestion in central London.'⁴

However, the 1% reduction in traffic is not supported by evidence. CEPA caveats its overall finding, saying that its 'quantitative outputs should be considered as "broad estimates" rather than "firm results"'.⁵ CEPA does not provide estimates of the uncertainty around its finding of a 1% reduction; however, the lack of strong support for this figure in its analysis suggests that the effect on traffic is likely to be small and could be indistinguishable from zero: meaning that this scheme may not meet its objectives in materially reducing congestion.

TfL's evidence base is not robust

The evidence base for TfL's proposals is not robust in supporting the outcomes it claims or in meeting its objectives. Oxera's assessment of TfL's analysis finds weaknesses in the logic linking vehicle entries into the CCZ, trips and distance, and consequently the congestion and air quality impacts. The work

¹ Mayor of London (2018), 'Mayor's Transport Strategy', March, p. 14.

² Transport for London (2018), 'Have your say on proposed changes to the Congestion Charge', <https://consultations.tfl.gov.uk/policy/private-hire-charge-exemption/>. TfL also proposes a number of minor changes to the Scheme Order, which are not the subject of this report.

³ Mott Macdonald (2018), 'Changes to the London Congestion Charge scheme – Integrated impact assessment', analysis for TfL, July 3.

⁴ Transport for London (2018), 'Why remove the exemption from the Congestion Charge for Private Hire Vehicles?', available from: <https://consultations.tfl.gov.uk/policy/2e97d2cb/>

⁵ CEPA (2018), 'TfL – PHV congestion charge study', 27 March, p. 3.

by CEPA and Mott MacDonald is overly reliant on stakeholder views and does not cite academic or industry evidence in support of some key drivers of the findings. TfL has also misinterpreted the context and accuracy of the heavily caveated analysis.

The assumption of specialisation is flawed

The most critical weakness in the analysis being used to support the proposals relates to operator specialisation. CEPA's analysis rests on the critical assumption that, in response to having to pay the charge, larger PHV operators (such as Addison Lee and Uber) would specialise, bringing different fleets in to operate inside and outside of the CCZ. However, this assumption does not reflect the commercial realities of ride-hailing businesses such as Uber or Addison Lee's operating model.

Ride-hailing business models rely on many drivers making independent decisions on which passenger trips to serve. Typically a driver cannot see the destination of a rider (and hence whether it would need to enter the CCZ) until after accepting that rider. As there is no central allocation of rides/trips, these businesses cannot commit to specialisation.

Addison Lee operates a dispatch system that it has developed over many years to optimise vehicle allocation to customer jobs. For Addison Lee's operations in London, approximately 70% of the passenger trips start or end outside the CCZ,⁶ and thus involve trips that cross the CCZ boundary. Vehicles that would need to be allocated to trips that involve travel to or from the CCZ would spend most of their time outside the zone. Imposing a restriction like this would be sub-optimal for the business, and could lead to a reduction in the efficiency of its business model and an increase in congestion.

Given this, it seems unlikely that either Uber or Addison Lee would or could specialise in the way that CEPA suggests. Since this is the fundamental assumption behind CEPA's finding of a 1% reduction in traffic, we conclude that the proposed scheme is unlikely to reduce congestion.

The analysis of who will bear the Congestion Charge is unclear

In view of the extent of demand for cross-CCZ boundary travel outlined above, if the Congestion Charge exemption that is currently applied to PHVs is removed, and licensed taxis continue to be exempt from paying the charge, the balance of the costs of the Congestion Charge will need to be met. The net cost of this policy could fall on three distinct groups, as follows.

- **Drivers:** in many cases, the driver of a PHV is also the registered keeper of the vehicle. They will therefore be faced with paying the Congestion Charge themselves, unless this new cost were absorbed by the PHV operator (see below). If drivers are not able to be compensated by the CC (i.e. increased wages), they would absorb the charge. Facing a drop in income, drivers may seek employment elsewhere in the PHV sector or leave the market altogether.
- **PHV operators:** PHV operators could choose to pay the Congestion Charge on behalf of their drivers or offset the income loss to drivers in another way (by increasing their pay). This may limit the supply-side risk of drivers leaving their firms. PHV operators may also adjust existing fares to

⁶ Oxera analysis of Addison Lee data

passengers to account for cost increases. These responses would reduce profit or passenger volumes for PHV operators respectively in an industry where margins are already challenged.

- **Passengers.** If PHVs increase their fares to passengers, this could result in some passengers not making trips, others paying more, and a switch from PHVs to licensed taxis and other modes of transport.

In reality, the outcome would be likely to be some combination of these responses.

CEPA's description of cost absorption and pass-through lacks transparency; only final fare changes are shown (without the underlying assumptions and intermediate steps). The analysis relies on stakeholder inputs (but not a recognisable economic framework) to determine the likely response. This could result in internal inconsistencies in the analysis.

TfL's policy proposal will distort competition between PHVs and licensed taxis

PHVs and licensed taxis do compete with each other, as the Competition and Markets Authority has previously highlighted to TfL.⁷ The differential treatment of PHVs and licensed taxis within this specific proposal has the potential to create further regulatory divergence. Imposing an additional cost on PHVs is likely to distort competition within the CCZ. CEPA's analysis suggests that smaller operators are likely to lose significant passenger volumes. To the extent that some operators exit, this may restrict the choice available to consumers in this market.

Market testing, undertaken by Addison Lee, suggests that if it were to increase fares to cover the increases in its costs from the proposed new policy, and if other transport providers and its competitors did not do the same, many of its passengers would switch to alternatives. As a consequence, the policy will have an impact on Addison Lee and other PHV operators profitability, leaving it with less revenue to invest in electrification of their fleets, at a time when TfL is hoping that the PHV market will switch to electric vehicles and charging infrastructure.

TfL's proposals will have unintended consequences

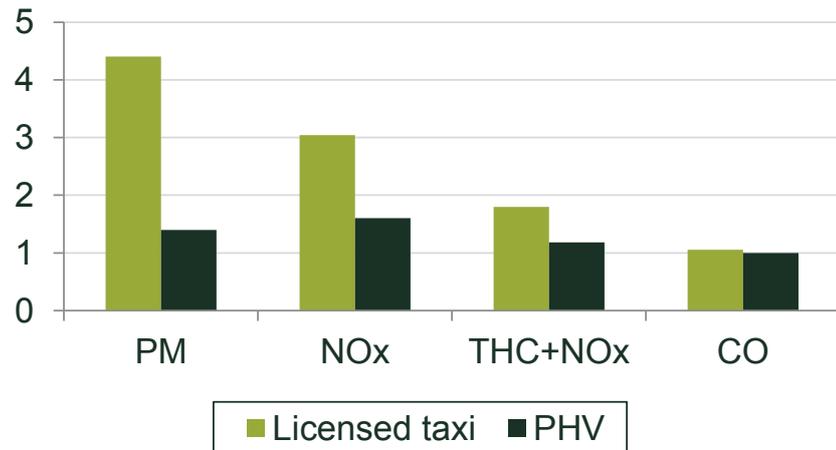
Poorer air quality and increased congestion

TfL's analysis does not fully consider the consequences of specialisation by operators, even if it did occur (which Oxera analysis suggests it would not). Specialisation may cause PHV drivers to congregate at the CCZ boundary, entering the zone only when a fare becomes available. This could unintentionally raise congestion in key locations within London.

To the extent that there is shift from PHVs to licensed taxis, this is likely to worsen rather than improve air quality because, on average, licensed taxis have higher emissions than PHVs, as illustrated in the figure below.

⁷ Competition and Markets Authority (2015), 'Competition and Markets Authority response to Transport for London's private hire regulations proposals', response to consultation, December 2.

Weighted average emissions standards by fleet, based on vehicle age, compared to Euro 6 (i.e. Euro 6 limit = 1)



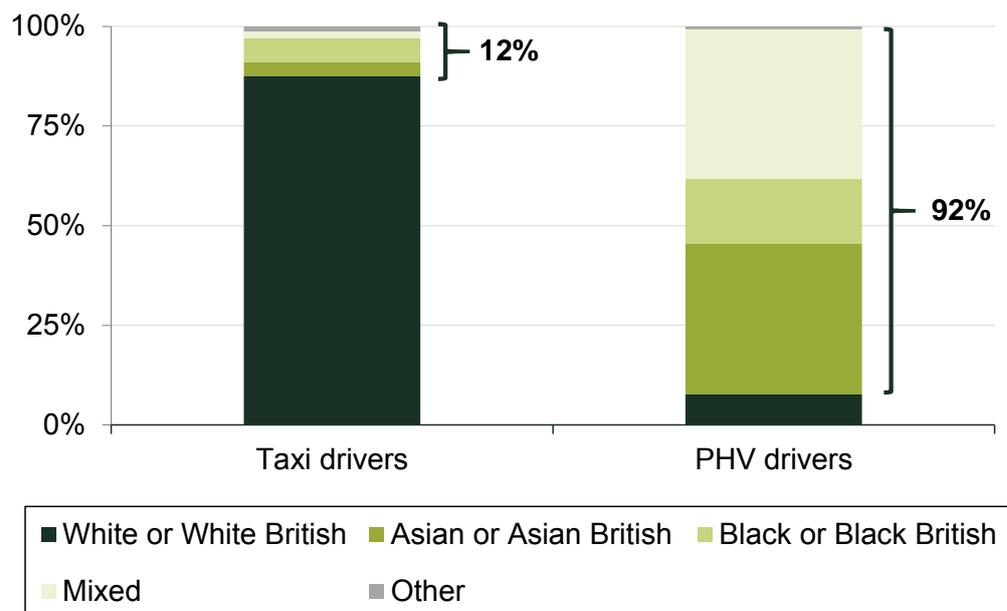
Source: Oxera.

Furthermore, CEPA has not considered the possibility of a demand shift (or supply shift) in the PHV market that would, for example, defer journeys until after charging hours. While a demand shift could reduce congestion, TfL data on entries into the CCZ shows that the busiest two hours in the day are from 18:00 to 20:00, outside charging times. Adding further traffic to these two hours is likely to increase congestion.

Minorities will be disproportionately affected

The effects of TfL's proposed policies on licensed taxi and PHV drivers would fall largely on individuals of particular ethnic groups, as illustrated in the figure below.

Taxi and PHV driver ethnicity



Source: Oxera analysis of TfL data.

In short, the evidence does not support TfL's proposed policies. The evidence itself has a number of conceptual issues; the proposed policies have the potential for some unintended consequences; and some of these consequences would fall disproportionately on drivers among minority groups.

Addison Lee's policy alternative is more effective in meeting TfL's objectives

Addison Lee is keen to work with TfL to develop policies that would, in the longer term, have widespread benefits in improving London's air quality and reducing congestion.

Addison Lee would therefore like to propose to TfL a suite of alternative policy options, with the first four of these options being implemented in their entirety in a single policy framework. The final proposal requires further impact studies before it could be implemented.

1. phase out non-Euro 6 (diesel) and non-Euro 4 (hybrid petrol) PHVs. This would directly improve vehicle emissions for trips within the CCZ;
2. establish a rapid electric charger network in London and make the existing 'licensed taxi'-only electric chargers accessible to PHVs. This would support the adoption of electric vehicle technology across the wider PHV industry;
3. raise standards across the PHV industry. This would address more general concerns about driver quality and, by extension, reduce the number of licences;
4. adjust taxi licensing such that all vehicles have to be under 10 years old. This would eliminate older, more polluting, vehicles and increase safety;
5. While it does not form part of Addison Lee's core proposal, an increase in the current CCZ or an extension of the CCZ would raise millions to pay for rapid electric charging network. This would address congestion and pollution over a wider footprint.

Oxera understands that, within this suggested suite of policy options, Addison Lee would be able to support TfL in its objectives. These options would enable Addison Lee to invest £60m in 2019 alone and provide a greener, safer fleet of vehicles, as is required to meet Ultra Low Emission Zone (ULEZ) standards. However, this is dependent on there being sufficient returns within the industry and regulatory certainty about the Congestion Charge, ULEZ and licensing.

To improve air quality and reduce congestion in London, TfL could consider increasing the Congestion Charge to reduce travel among private road users. Alternatively, the CCZ could be expanded to the ULEZ (i.e. the North/South Circular roads in London), reducing traffic ingress across a wider footprint. A full impact assessment of these options would be required, and Addison Lee is offering to assist TfL to evaluate whether this suite of options would have a positive impact in London.

Oxera has assessed all of Addison Lee's policy proposals against a number of criteria obtained from our review of TfL's strategy documents (see table below).

Economic criteria and findings

Criteria	TfL's policy proposal	Addison Lee's policy proposal
Reduce congestion	1% reduction in total traffic is a negligible impact	Increasing the Congestion Charge by £1 would have a similar 1% traffic reduction. CCZ expansion could reduce entries into Inner London by 14–27%
Improve air quality	Volume reduction small. Policy could divert journeys to older, more polluting licensed taxis	Expansion of charging infrastructure supports more rapid adoption of zero emissions vehicle (ZEC) in the PHV market. Older taxis taken off the roads sooner
Be compliant with state aid rules, competition law and meet equality obligations	Incidence of exemption removal is skewed towards PHV drivers from minority groups. Risks in relation to both state aid and competition law	Proposals achievable within TfL's existing toolkit. Retains equality of treatment between drivers of licensed taxis and PHVs
Minimise negative wider economic effects	Could have unintended impacts on congestion outside the zone or near the boundaries, or on driver standards	Vehicle age standards may have positive safety benefits. Minimal licensed taxi/PHV market distortion
Cost-effective for TfL	CEPA suggests £20m–£40m p.a. revenue for TfL. Implementation costs small	Significant investment in electric vehicle chargers required, although could be recouped through charges to those using the facilities. Upfront investment could be funded by an increase in the Congestion Charge or geographic expansion of the CCZ.

Source: Oxera.

Oxera's independent economic review of Addison Lee's proposed policy options shows that together (and including the additional CC/CCZ modifications) they would be more effective in achieving TfL's objectives than TfL's current proposals.

1 Introduction

Addison Lee has commissioned Oxera to provide an independent economic review of the analysis conducted by CEPA and Mott MacDonald and to assess a package of policy options developed by Addison Lee as an alternative to TfL's proposals. This report is Oxera's contribution to TfL's consultation on proposed changes to the Congestion Charge.

Improving air quality through reducing emissions is a key aim in the Mayor's Transport Strategy 2018.⁸ The Congestion Charge is an important element in TfL's strategy to achieve less congestion and lower emissions in central London. To support the objectives of reducing congestion and improving air quality, TfL is consulting on two changes to transport policy in London:⁹

- to remove the exemption from the Congestion Charge that is currently applied to private hire vehicles (PHVs), but retain this exemption for licensed taxis;
- to replace the Ultra Low Emission Discount (ULED) with a new, phased Cleaner Vehicle Discount (CVD).

These changes could have wide implications for Londoners, and therefore need to be assessed robustly. In this report Oxera details an economic framework for assessing policy options, and then evaluates TfL's and Addison Lee's policy proposals.

Structure of the report

- section 2 presents the policy context in which TfL has proposed changes to the Congestion Charge;
- section 3 sets out the economic framework for assessing policy options in order to meet TfL's objectives;
- section 4 provides an assessment of TfL's proposals;
- section 5 provides an assessment of Addison Lee's proposals;
- section 6 concludes.

⁸ <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

⁹ Transport for London (2018), 'Have your say on proposed changes to the Congestion Charge', <https://consultations.tfl.gov.uk/policy/private-hire-charge-exemption/>. TfL also proposes a number of minor changes to the Scheme Order, which are not the subject of this report.

2 Policy context

2.1 The Congestion Charge

The Congestion Charge was introduced in 2003 to reduce congestion in Central London. The CCZ is shown in Figure 2.1. From 2007 to 2010 the area covered by the charge was larger, incorporating the Western Extension Zone (WEZ).

Figure 2.1 The Congestion Charge Zone



Source: TfL (2018), 'Congestion Charge zone', <https://tfl.gov.uk/modes/driving/congestion-charge/congestion-charge-zone>, map data from Google.

Initially, the Congestion Charge was £5 per day, subsequently increasing to £8 in 2005; £10 in 2011 and £11.50 in 2014 (although drivers who use pay via the Auto Pay channel are charged £10.50).¹⁰ The charge applies Monday to Friday 7am–6pm. At present, licensed taxis, PHVs, motorcycles and bicycles, and buses are exempt.¹¹ Additionally, residents within the CCZ receive a 90% discount.

In the first year of the charge, traffic entering the CCZ fell by 27%, and has been broadly stable since.¹² The introduction of the WEZ in 2007 reduced traffic entering that zone by 14% (although the WEZ was subsequently removed on the basis of political considerations).¹³

2.2 Congestion and air quality in London

Congestion has been increasing in Greater London and within the CCZ, as shown in Figure 2.2, and congestion worsens air quality as vehicles at slower speeds produce more emissions per kilometre.¹⁴

¹⁰ The introduction of the Congestion Charge and the increase of the Congestion Charge from £5 to £8 per day both reduced congestion in the CCZ. For example, the elasticity from the price increase of £5 to £8 was found by TfL to be -0.16. The precise impact of the subsequent increases is unclear from publically available data. See TfL (2008), 'Demand Elasticities for Car Trips to Central London as revealed by the Central London Congestion Charge', Prepared by Reg Evans for the Modelling and Evaluation Team, September, available at: <http://content.tfl.gov.uk/demand-elasticities-for-car-trips-to-central-london.pdf>.

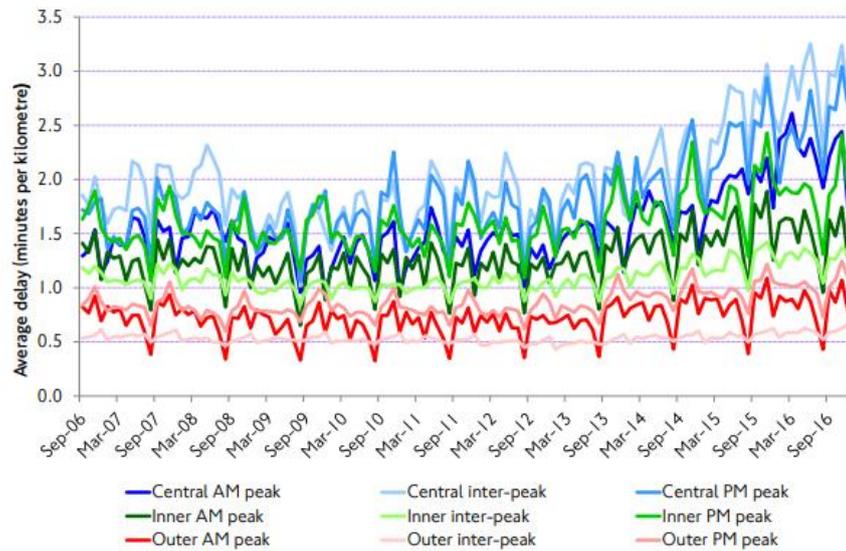
¹¹ Vehicles with nine or more seats that are licensed with the Driver and Vehicle Licensing Agency (DVLA) as buses.

¹² <http://content.tfl.gov.uk/congestion-charge-factsheet.pdf>

¹³ <http://content.tfl.gov.uk/appendices-to-the-report-to-the-mayor.pdf>

¹⁴ Greener Journeys (2017), 'Tackling Pollution and Congestion', <https://greenerjourneys.com/wp-content/uploads/2017/06/TACKLING-POLLUTION-AND-CONGESTION-15-JUNE-2017-FINAL.pdf>

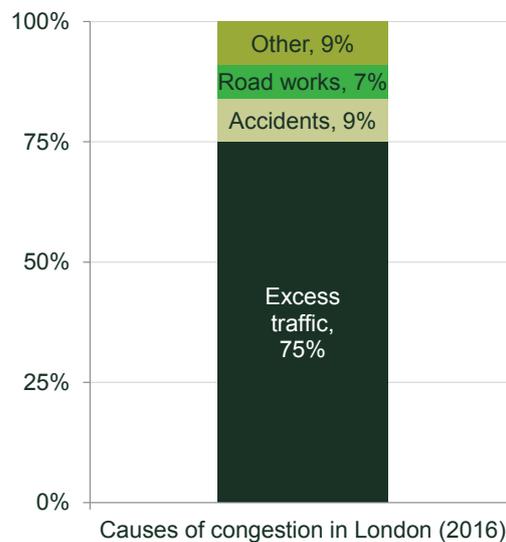
Figure 2.2 Average vehicle delay (minutes per kilometre), working weekdays



Source: TfL Surface Transport, Outcomes, Insight & Analysis.

Source: Transport for London (2018), 'Travel in London' Report 10, Figure 6.18, February 23
 Excess traffic is the main cause of congestion, as shown in Figure 2.3.

Figure 2.3 The causes of congestion in London

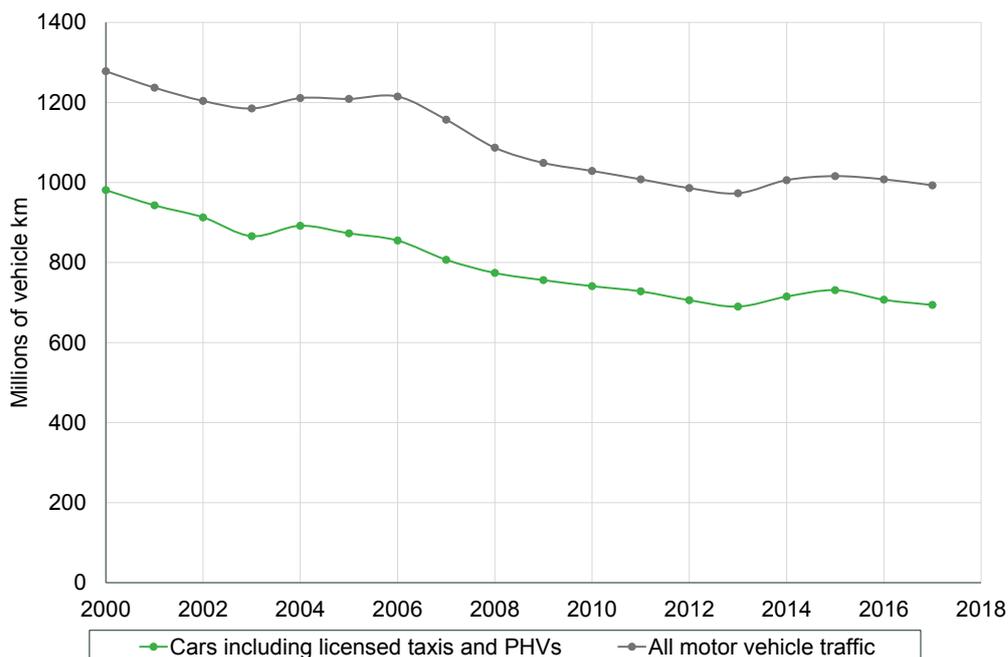


Note: Excess traffic is recurrent traffic demand over the available supply or capacity of road space.

Source: TfL, <http://content.tfl.gov.uk/travel-in-london-report-9.pdf>

Most vehicle-kilometres within Central London are due to cars (including taxis and PHVs)—see Figure 2.4. However, it is not clear what proportion of car-kilometres in the area are due to private cars, taxis or PHVs.

Figure 2.4 Vehicle-kilometres in Westminster and City of London



Note: The London boroughs of Westminster and City of London are provided as a proxy for the CCZ.

Source: Oxera analysis of Department for Transport road traffic statistics.

2.3 Competition between London licensed taxis and PHVs

Competition and regulatory authorities delineate markets using a tool called market definition. This defines the boundary of a market on the basis of supply and demand substitution. If consumers regard two products as substitutes then the prices of these products could constrain each other; it also implies that products that are in separate markets do not compete. Recent decisions by the Competition and Markets Authority have found that licensed taxis and PHV are in the same market.¹⁵

Despite the nature of competition between PHVs and licensed taxis, the latter receive a number of unique privileges and subsidies from TfL and the government. For example:

- licensed taxi vehicles can be up to 15 years old, whereas PHVs can only be 10 years old;¹⁶
- licensed taxi vehicles are eligible for a government-led Plug-in Taxi Grant (part-funded by TfL) of £7,500 towards a new zero emissions vehicle (ZEC). PHVs are not eligible for this, although they may be eligible for a category 1, 2, or 3 grant of up to £4,500;¹⁷

¹⁵ See Competition and Markets Authority (2015), 'Sheffield City Taxis / Mercury Taxis merger inquiry', Decision ME/6548-15, October 29

¹⁶ <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/cleaner-greener-taxis> <https://tfl.gov.uk/info-for/taxis-and-private-hire/licensing/private-hire-vehicle-licence>

¹⁷ <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/cleaner-greener-taxis>

-
- licensed taxi vehicles are eligible for TfL's taxi de-licensing scheme, whereby TfL pays drivers up to £5,000 to de-license vehicles that are at least 10 years old. PHVs are not eligible for this.¹⁸

The removal of the exemption just for PHVs appears to extend further advantage to licensed taxi operators. The imposition of additional charges on PHV operators and drivers may limit their ability to invest and switch to electric vehicles; we examine this further in section 4. Next, in this context we outline Oxera's economic framework for assessing policy options.

¹⁸ <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/cleaner-greener-taxis>

3 Economic framework for assessing policy options

In this section we outline an economic framework for assessing policy options to achieve TfL's objectives.

3.1 TfL's objectives

The primary objectives behind TfL's proposals in the consultation entitled 'Changes proposed to Congestion Charge to reduce traffic and improve air quality' are clear.¹⁹ TfL wishes to reduce congestion and improve air quality in central London.²⁰

If we are to clean up the capital's toxic air and tackle congestion in central London, we need to have the appropriate incentives as well as the right interventions.

Additionally, as stated in the Mayor's 2016 Taxi and Private Hire Action Plan, the Mayor's overarching objectives are to:²¹

- Ensure the markets for licensed taxi drivers and private hire drivers are fair – with special privileges built in, as they always have been, for those who become a licensed London taxi driver
- Ensure driver safety standards are rigorously enforced across both industries
- Retain the exclusive right of licensed taxi drivers to use bus lanes and ply for hire

The Mayor's Transport Strategy 2018 also states an objective is to reduce car dependency.²²

3.2 Economic framework for assessing policy options

TfL's primary objectives behind the policy proposals are therefore clear: to reduce congestion and improve air quality. Thus, these two objectives form the first criteria in the economic framework. Of similar importance is that any policy is compliant with legal requirements, such as the Equality Act, competition law and state aid rules.

Best-practice policymaking, however, considers more than just the primary objectives and legal requirements. Wider economic impacts, such as changes to competitive market dynamics or the impact on consumers and business, should also be carefully considered. Equally, it is important that any policy is cost-effective for TfL to implement.

Oxera's economic framework for assessing policy options is shown in Figure 3.1 below. Primary objectives are those that must be met in order for a policy to be a viable option for TfL. Secondary objectives are those that should be met for the policy to be a viable option for TfL, but which may not be met under certain mitigating circumstances (if the impact is not excessive). Across all of these themes, any proposed policy should be evidence-based; policy conclusions should be based on robust methods and reliable data.

¹⁹ <https://tfl.gov.uk/info-for/media/press-releases/2018/july/changes-proposed-to-congestion-charge-to-reduce-traffic-and-improve-air-quality>

²⁰ <https://tfl.gov.uk/info-for/media/press-releases/2018/july/changes-proposed-to-congestion-charge-to-reduce-traffic-and-improve-air-quality>

²¹ <http://content.tfl.gov.uk/taxi-and-private-hire-action-plan-2016.pdf>

²² <https://www.london.gov.uk/sites/default/files/mayors-transport-strategy-2018.pdf>

Figure 3.1 Economic framework for assessing policy options



Source: Oxera.

Next, we assess TfL's proposals within this economic framework.

4 Assessment of TfL's proposals

4.1 Introduction

TfL is proposing to:

- remove the Congestion Charge exemption for PHVs only. Currently, licensed taxis and PHVs are exempt from the charge;
- replace the ULED with a phased CVD.

The ULED at present provides a discount of 100% on the Congestion Charge to vehicles that meet all of the eligibility criteria. The ULED and CVD criteria and phasing are outlined below in Table 4.1.

Table 4.1 Current and proposed ULED and CVD criteria for 100% discount on Congestion Charge

	ULED	CVD
Present criteria	Vehicles must weigh less than 3.5 tonnes, meet the Euro 5 standard, and emit less than 75g/km of carbon dioxide	
From April 8, 2019		Euro 6, emit no more than 75g/km CO ₂ , 20 mile ZEC range.
From October 25, 2021		Fully electric vehicles
From December 25, 2025		Discount expires for all vehicles

Source: Transport for London (2018), 'Why amend the Ultra Low Emission Discount (ULED)?', consultation document, available <https://consultations.tfl.gov.uk/policy/dc2e118e/>.

Vehicles must weigh less than 3.5 tonnes, meet the Euro 5 standard, and emit less than 75g/km of carbon dioxide. Under the CVD, the criteria will be tightened. From April 2019, vehicles will need to meet Euro 6 standards, emit no more than 75g/km, and have a minimum 20-mile zero emission capable (ZEC) range. From October 2021, these criteria will be tightened to apply only to fully electric vehicles. Finally, from December 2025, the discount will expire for all types.

Note that the current ULED criteria are already quite strict from the perspective of PHV operations. A review of the list of compliant vehicles shows finds that most are compact city cars, or premium luxury and SUV vehicles – either too small or too expensive to operate as a PHV.²³

In our assessment of TfL's proposals, Oxera has applied the economic framework to the policy, as discussed in section 3. We have assessed the proposals in terms of their likelihood to achieve the policy objectives, and in regard of TfL's other obligations in relation to competition law and equality.

²³ See for example <https://www.nextgreencar.com/congestion-charge-exempt/>, accessed September 20, 2018.

In section 4.2, we give an overview of the supporting material. In the remaining sections, we assess the policy proposals within the assessment framework illustrated in Figure 3.1.

4.2 Review of TfL's analysis

In support of its analysis, TfL has made available the following three documents:

- the TfL consultation document, setting out the motivation, policy context and high-level traffic analysis;²⁴
- CEPA's analysis.²⁵ This is an economic assessment of the impact of the proposed policies on vehicle traffic, prices, supply shares and revenue to TfL;
- the Mott MacDonald integrated impact assessment.²⁶ This is a qualitative review of the policy, looking at environmental, social, health and safety impacts.

The Mott MacDonald document is a qualitative assessment, and as such does not permit an assessment of costs and benefits. Most of Oxera's assessment presented within this section is therefore directed at the TfL and CEPA documents. We briefly comment on the evidence and methodology for this document (see section 4.8).

4.3 Impact on congestion

Oxera's review of TfL's proposed policy finds that the net impact of removing the exemption (under CEPA's analysis) is small in relative terms—a 1% reduction in traffic, and dependent on assumptions on how the PHV industry responds to the proposal. Furthermore, the policy may have relatively modest net consumer impacts—limiting the extent to which the policy can affect travel decisions and effect modal shift.

4.3.1 TfL's own analysis projects a 1% reduction in traffic

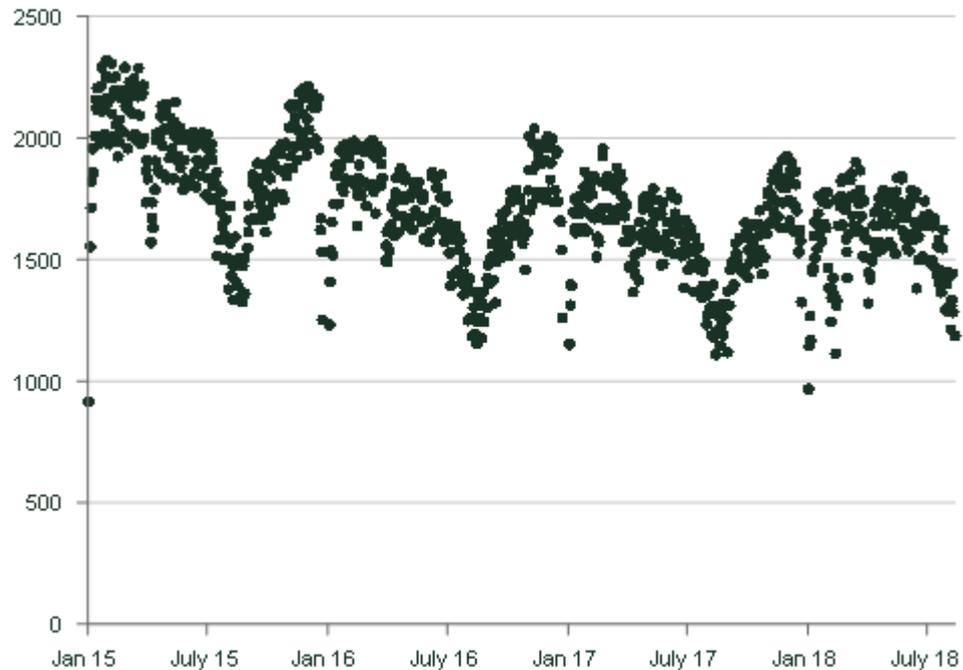
CEPA's main analytical finding is that the policy would reduce PHV traffic within the CCZ by 6% and overall traffic by 1%. This is small, relative to the scale of traffic, and the variation in journeys within the CCZ. To put this into context, the day-to-day volume of entries by Addison Lee is plotted in Figure 4.1.

²⁴ Transport for London (2018), 'Consultation on proposed changes to the Congestion Charge', consultation document, July 6, <https://consultations.tfl.gov.uk/policy/private-hire-charge-exemption/>

²⁵ CEPA (2018) 'TfL –PHV congestion charge study', analysis for TfL, March 27.

²⁶ Mott Macdonald (2018), 'Changes to the London Congestion Charge scheme – Integrated impact assessment', analysis for TfL, July 3.

Figure 4.1 Number of unique entries by Addison Lee into the CCZ per day, during charging hours



Source: Oxera analysis of Addison Lee dispatch data.

The day-to-day variation in Addison Lee's entries to the CCZ is significant—on one measure, around an order of magnitude higher than those of CEPA's findings.²⁷ Vehicle delay (as shown in Figure 2.2) as a measure of congestion is also volatile in nature. Congestion is a dynamic phenomenon with interrelated strands including planned and unplanned events.²⁸ In this setting, a 1% reduction which is caveated as a 'broad estimate[s]' is likely to be imperceptible.

In addition, the proposed policy appears to ignore the bulk of the increase in PHV traffic entering the zone. TfL data suggests that the busiest part of the day in terms of PHV entries (during weekdays) is the late evening peak from 19:00–00:00.²⁹ This part of the day has also experienced the largest growth in PHV traffic in recent years. The policy does not tackle this (which may explain the small impact) and could even exacerbate evening peak congestion. We discuss this further in section 4.3.4.

On the basis of CEPA's analysis, the policy would be negligible in terms of meeting TfL's objective on reducing congestion.

4.3.2 The traffic reduction relies on PHV specialisation

The finding that the policy reduces PHV traffic in the CCZ rests on the 'specialisation' assumption, whereby Addison Lee and Uber divide their fleets into vehicles that enter the CCZ and those that do not.³⁰ This assumption is not backed up by evidence within the industry.

²⁷ The standard deviation for 2018 is 169 entries, or around 10% of the average level.

²⁸ TfL's own analysis describes these factors. See, for example, ITP (2017), 'Understanding and Managing Congestion', report for TfL, November 11.

²⁹ Transport for London (2017), 'Travel in London' Report 9, Table 6.7, p. 188, May 5.

³⁰ CEPA's analysis assumes that only larger operators (Addison Lee and Uber) are able to do this.

First, evidence from Addison Lee's data suggests that PHV operators would find it difficult to specialise—a summary of Addison Lee's CCZ journeys is shown in Table 4.2.

Table 4.2 Breakdown of Addison Lee's journeys within the CCZ

Year	Total journeys with a CCZ pick-up or drop-off	Journeys entirely within the CCZ	Proportion entirely within the CCZ
2015	1,526,185	442,235	29.0%
2016	1,307,235	356,936	27.3%
2017	1,154,954	301,897	26.1%
2018 (year to date)	649,788	157,743	24.3%

Note: Data is based on the number of complete customer journeys.

Source: Oxera analysis of Addison Lee operational data.

Less than 30% of journey that have a drop-off or pick-up within the CCZ are journeys that stay within the CCZ. For the remaining 70% or more, Addison Lee is exiting the CCZ to complete the job. Examining trip distance, a measure more relevant to congestion, is shown in Table 4.3.

Table 4.3 Breakdown of Addison Lee's vehicle-km within the CCZ

Year	Total distance (km) with a CCZ pick-up or drop-off	Distance (km) entirely within the CCZ	Proportion of total distance entirely within the CCZ
2015	13,323,400	1,781,490	13.37%
2016	12,499,770	1,363,127	10.91%
2017	11,792,409	1,146,769	9.72%
2018 (year to date)	6,965,730	582,922	8.37%

Note: Data is based on estimates of total vehicle journeys.

Source: Oxera analysis of Addison Lee operational data.

For journeys with a CCZ component, the majority involve travel outside the zone. Only a small fraction of an average CCZ-originated or -destined journey is actually within the CCZ. To serve journeys of this type, most of the time a vehicle spends its time outside the zone. Specialisation is also likely to limit the capacity utilisation of operations similar to those of Addison Lee, by limiting the rides that a CCZ-designated vehicle can take while it is outside the zone. Oxera has reviewed capacity utilisation metrics, as shown in Table 4.4.

Table 4.4 Capacity utilisation (passenger-km/total km) by area, 2018

CCZ only	Outside CCZ only	All other
81%	83%	77%

Note: Data is based on estimates of customer distance divided by total journeys for these groups.

Source: Oxera analysis of Addison Lee operational data.

To calculate these measures, Oxera organised the data on vehicle trips by day, and separated those that stayed within the CCZ and those that stayed outside the CCZ (with a final category containing all other types—including those that travel between the regions). We then summed the customer and total vehicle distance for these vehicles.

Capacity utilisation is high and fairly consistent across the geographic regions. This suggests that, at present, Addison Lee is able to make efficient job allocations, regardless of location. However, if specialisation was imposed it is likely that this would go down, especially considering the large proportion of journeys that transit the zone. For example, after completing a drop-off at Heathrow, a CCZ-allocated driver may be instructed to return to a job in the zone, rather than take on jobs in West London outside the zone. This additional constraint in organising the fleet is likely to lead to a sub-optimal job allocation. Given that Addison Lee have developed its dispatch technology over years to take into account traffic, delays, distance and therefore emissions it is possible that specialisation could increase emissions per passenger mile and make congestion worse in some areas.

CEPA's analysis assumes that the largest operator, Uber, would be able to specialise in response to the policy. This ignores two important features of the ride-hailing model. First, ride-hailing platforms are not strictly 'dispatch'-oriented. Flexibly matching a casual driver supply to rider demand means that drivers can autonomously decide the time of day and location they wish to serve. The ride-hailing model does not centrally allocate a driver to an area or ride.

Second, ride-hailing drivers in general do not observe their rider's destination until they have accepted the job.³¹ They will not be able to determine whether a potential job enters (exits) the CCZ until it is too late. These features make it implausible that a ride-hailing platform would specialise within the CCZ in this way.

Despite these operational realities, and input from PHV operators stating that specialisation would be difficult, CEPA's analysis was based on an assumption that larger operators would be able to do this.

4.3.3 The net impact on end-users may be quite small

TfL's policy aims to reduce congestion and air pollution by increasing end-user pricing to induce a reduction in demand or a switch to an alternative mode of transport.

We assess this aspect of the impact by reviewing price elasticity of demand within the PHV and licensed taxi market.³² Recent evidence suggests that market-wide elasticity is moderate, with estimates ranging from -1.0 (as a licensed taxi-specific finding), to -0.16 (as per the 2008 Congestion Charge expansion study).³³ Where there are several PHV substitutes available to consumers, cross-price elasticity is likely to be high.³⁴ The CEPA analysis

³¹ This is a measure to avoid drivers 'cherry-picking' by attempting to refuse less profitable journeys.

³² Elasticities estimate the percentage change in one variable in response to the change in another variable. In this setting we are interested in how the volume of demand (for PHV journeys) changes in response to a price change.

³³ Cohen, P., Hahn, R., Hall, H., Levitt, S, and Metcalfe, R. (2016), 'Using Big Data to Estimate Consumer Surplus: The Case of Uber', 30 August, <http://www.datascienceassn.org/sites/default/files/Using%20Big%20Data%20to%20Estimate%20Consumer%20Surplus%20at%20Uber.pdf>.

Evans, R. (2008), 'Demand Elasticities for Car Trips to Central London as revealed by the Central London Congestion Charge', September, <http://content.tfl.gov.uk/demand-elasticities-for-car-trips-to-central-london.pdf>. Rose, J.M. and Hensher, D.A. (2013), 'Demand for taxi services: New elasticity evidence for a neglected mode', ITLS WP 13-20, October,

http://sydney.edu.au/business/_data/assets/pdf_file/0003/185340/ITLS-WP-13-20.pdf.

³⁴ Cross-price elasticities measure the change in the demand for one good or service in response to the price of another good or service. As such, they can measure switching between services.

appears to support this, suggesting significant volume reallocation among the PHV sector in response to the Congestion Charge.

TfL's proposal retains the Congestion Charge exemption for licensed taxis. Academic studies indicate that there may be substitutability between licensed taxis and PHVs.³⁵ There is also evidence that PHV services may be a complement (rather than a substitute) to public transport in some circumstances.³⁶ For instance, users could combine a PHV journey with a tube journey to make a trip that that would not have made solely by tube or PHV. Under these conditions, users of PHV services could respond to the policy by switching to PHV operators charging lower fares, or to an older, more polluting taxi fleet. The combined effect on traffic congestion may be quite small.

4.3.4 Unintended consequences of the policy may increase congestion

Some supply-side and demand-side responses to the policy appear to have been ignored in the analysis. First, in some cases the policy may simply divert congestion onto roads that border and transit the CCZ. These boundary effects could arise as drivers seek to avoid entry—for example, by re-routing cross-city journeys or negotiating drop-off and pick-up locations that are just outside the zone. PHV drivers could also delay entry into the zone to arrive outside charging hours, which may have a similar displacement effect around the boundary.

On the demand side, TfL's own analysis shows that the busiest two hours within the CCZ are just after charging hours, from 18:00 to 20:00.³⁷ These are likely to be the most congestion prone times on the road network. If passengers (or drivers) respond to TfL's policy by delaying their trip such that it occurs just after 18:00, it will add further traffic to the most congested period of the day.

4.4 Impact on air quality

Oxera's analysis of the TfL proposal finds that road traffic volumes are unlikely to reduce significantly in net terms. We also find that alternatives (which may become cheaper in relative terms) use older vehicles which with higher levels of emissions. Finally, we assess PHV operators' incentives to switch to ZEC vehicles within the CVD scheme and find that this does not influence decisions.

4.4.1 Small changes in road traffic imply small first-order effects

Assessing air quality impacts is challenging, as pollution can be driven by sources outside of London (or non-transport emissions) and be affected by weather patterns. In reference to the policy objectives, TfL aims to address air quality by reducing road usage, and by encouraging road users to switch to less polluting transport alternatives. On the first of these, Oxera's analysis, presented in section 4.3, shows that the volume reduction in road usage is small, and difficult to distinguish from no effect at all. Oxera's analysis indicates

³⁵ Chang, H.-H. (2017), 'The economic effects of Uber on taxi drivers in Taiwan', *Journal of Competition Law & Economics*, 133, 1 September, <https://academic.oup.com/jcle/article/13/3/475/4429543>. Hall, J.D., Palsson, C. and Price, J. (2017), 'Is Uber a substitute or complement for public transit?' Working Papers, University of Toronto, Department of Economics, 13 June, http://individual.utoronto.ca/jhall/documents/Uber_and_Public_Transit.pdf. OECD (2018), 'Taxi, ride-sourcing and ride-sharing services', Working Party No. 2 on Competition and Regulation, 4 June, [https://one.oecd.org/document/DAF/COMP/WP2/WP2\(2018\)26/en/pdf](https://one.oecd.org/document/DAF/COMP/WP2/WP2(2018)26/en/pdf). Shim, H.S. and Mammen, K. (2017), 'New York City Taxis: Demand and Revenue in an Uber World', 31 December.

³⁶ Hall, J.D., Palsson, C. and Price, J. (2017), 'Is Uber a substitute or complement for public transit?' Working Papers, University of Toronto, Department of Economics, 13 June.

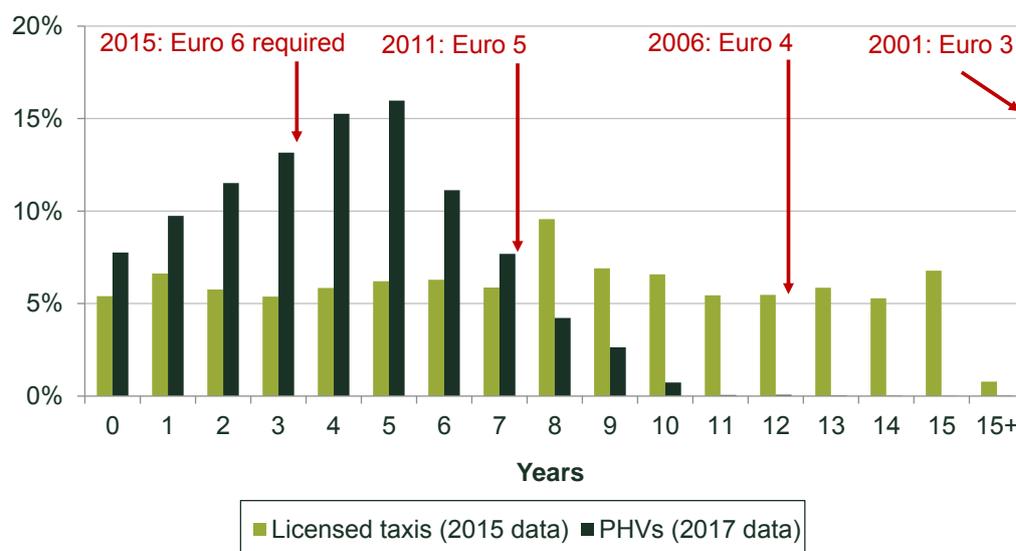
³⁷ Transport for London (2018), 'Travel in London' Report 10, Figure 3.31, p. 77, February 23.

that the volume effect as a driver of air quality changes is likely to be minimal in the first instance.

4.4.2 Alternative modes such as licensed taxis may have higher emissions

In terms of encouraging people to switch to alternative transport modes, Oxera considers the fleet emissions of alternatives to PHV transport. We examine the treatment of PHVs and taxis, and review evidence on vehicle age.³⁸ First, data from TfL suggests that the fleet is significantly older than the PHV fleet.

Figure 4.2 Vehicle age and emissions standards by fleet



Source: Oxera.

Older vehicles, typically being compliant with contemporaneous rules, will meet less stringent emissions standards. European emission limits are shown in Table 4.5.

Table 4.5 Emission limits for diesel cars (mg/km)

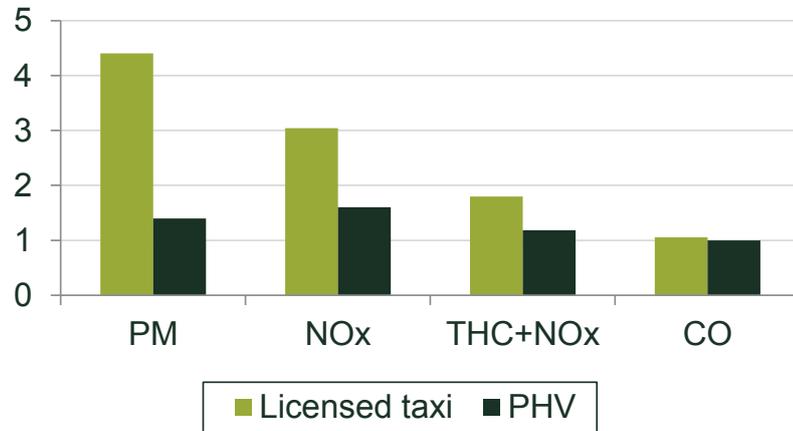
	CO	THC	NMHC	NOx	THC + NOx	PM	PN
Euro 3	0.64	-	-	0.5	0.56	0.05	-
Euro 4	0.5	-	-	0.25	0.3	0.025	-
Euro 5	0.5	-	-	0.18	0.23	0.005	6 x 10 ¹¹
Euro 6	0.5	-	-	0.08	0.17	0.0045	6 x 10 ¹¹

Source: <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A31998L0069> <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A31998L0069> <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:171:0001:0016:EN:PDF>

³⁸ Transport for London (2015), response to FOI-1560-1516 from Mr M. Burke, 18 December 2015. Information as at 24 November 2015, https://www.whatdotheyknow.com/request/spread_of_ages_of_londons_black. Transport for London (2017), 'Private hire vehicles by model and age - June 2017', <http://content.tfl.gov.uk/private-hire-fleet-information-june-2017.pdf>

When we weight the emissions by fleet composition we see that the average licensed taxi currently emits around 4 times the particulates of an average PHV and twice the NOx, as shown below in Figure 4.3.³⁹

Figure 4.3 Weighted average emissions standards by fleet, based on vehicle age, compared to Euro 6 (Euro 6 limit = 1)



Source: Oxera.

However, the difference between taxis and PHVs may be expected to gradually narrow over time, as newly registered taxis (which are ZEC) lead to lower average emissions.

4.4.3 TfL's proposed policy does not incentivise a switch to ZEC vehicles

Oxera has modelled the effect of the PHV exemption on a PHV operator's decision to switch to ZEC vehicles. The stylised assumptions are set out in Table 4.6.

³⁹ Oxera understands that Addison Lee's fleet vehicles are a maximum of three years old, and hence are all Euro 6 compliant. This is an approximate approach to map emission standard to the vehicle age data

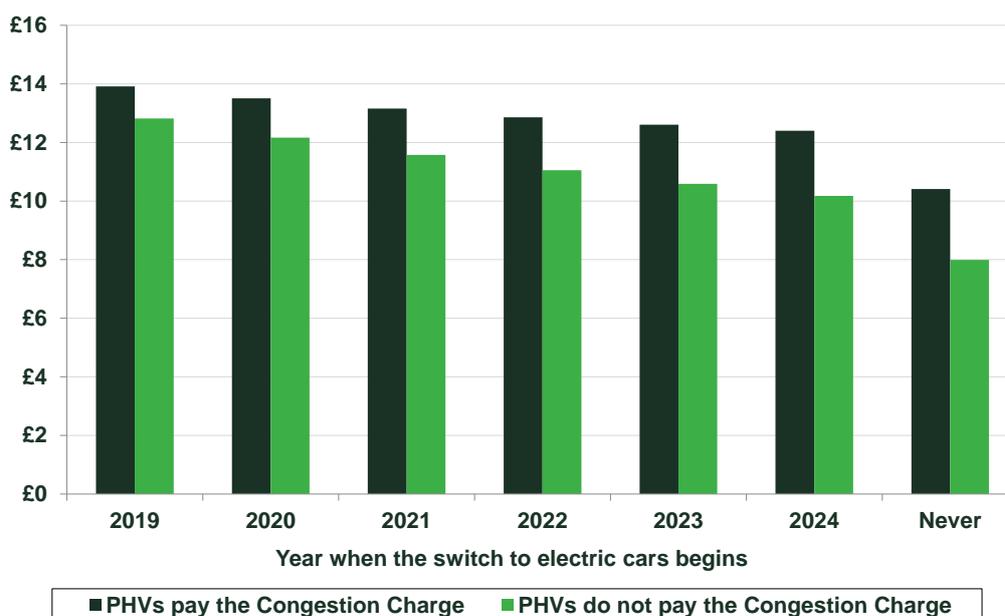
Table 4.6 Stylised fleet cost assumptions, as used in switching analysis

Variable	Value
Annual discount rate	5%
Size of fleet	100 vehicles
Diesel fleet	
Vehicle purchase cost	£20,000
Vehicle purchase cost - annual real inflation	-5%
Residual value after three years	25%
Tax, MOT (annual)	£195
Cost of diesel per litre	£1.32
Cost of diesel per litre - annual real inflation	0%
Congestion Charge per day (with AutoPay)	£10.50
Electric fleet	
Vehicle purchase cost	£55,000
Vehicle purchase cost - annual real inflation	-5%
Residual value after 3 years	25%
Tax, MOT (annual)	£55.00
Cost of electricity per mile	£0.10
Cost of electricity per mile - annual real inflation	0%

Source: Oxera.

Oxera assesses the PHV operator's decision in terms of the year when it begins to replace end-of-life diesel vehicles with fully electric vehicles. This assumes that the PHV operator commits to a 3 year vehicle life cycle, and does not retire vehicles early. The results of the analysis are shown below in Figure 4.4.

Figure 4.4 Present-value analysis of decision to switch to electric vehicles, cost of fleet (£m), 2019–30



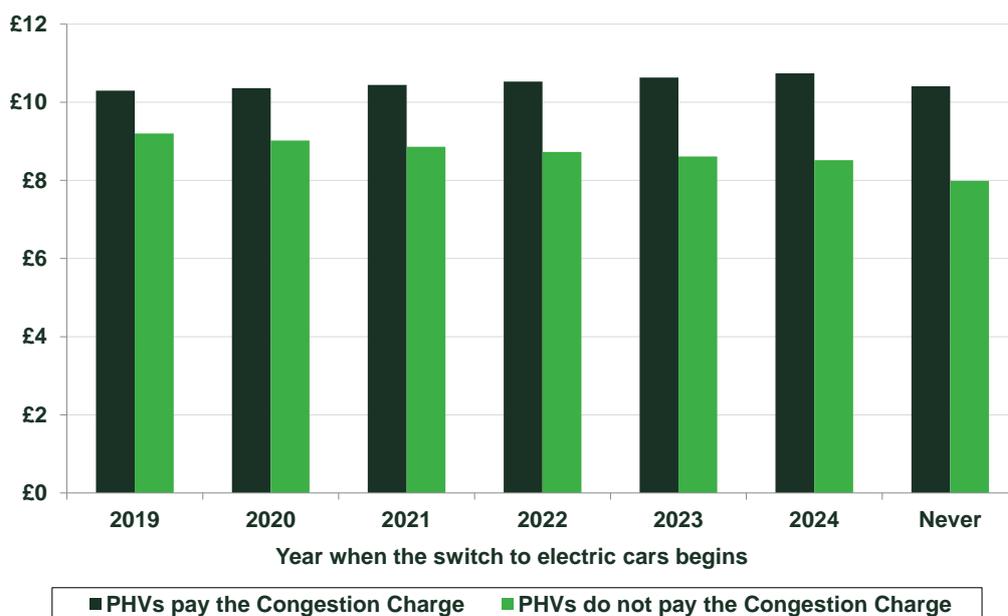
Source: Oxera.

The horizontal axis shows the switching options an operator faces—in effect, the year they decide to start buying ZEC vehicles rather than diesel ones. Each vertical bar represents the total discounted present value of making the switch at that time period. So when assessing over time, a rational operator would seek to reduce total costs. The best option is to choose the cheapest total operating costs.

The analysis shows that PHV operator's best option is to defer the switch to the ZEC vehicles, and maintain the current fleet type – never upgrading is the cheapest. The decision to switch would not be affected by the proposed policy.

The main driver of this analysis is the large upfront expense of electric vehicles. At present, there is no suitable electric vehicle on the market that could meet a PHV operator's size, range and other operational expectations. The cost is estimated using the ZEC London taxi as a benchmark, which is listed at £55,000, before any available government ZEC vehicle rebates. If a suitable vehicle were available, at a far lower price (e.g. £35,000 net of subsidy), the policy could influence the decision, as shown below in Figure 4.5.

Figure 4.5 Switching decision, assuming a £35k vehicle cost, cost of fleet (£m), 2019–30



Source: Oxera.

In this specific example, the best response when paying the Congestion Charge is to switch to ZEC immediately. If the Congestion Charge is not payable, it remains a better response to not switch. So in this example, the change of policy towards the CVD does influence the decision. With this model and assumptions, a vehicle price of around £35,000 (net of any grants and subsidies) is close to the inflection point for the policy – below this, and the CVD is effective; above this point and the policy does not influence decisions.

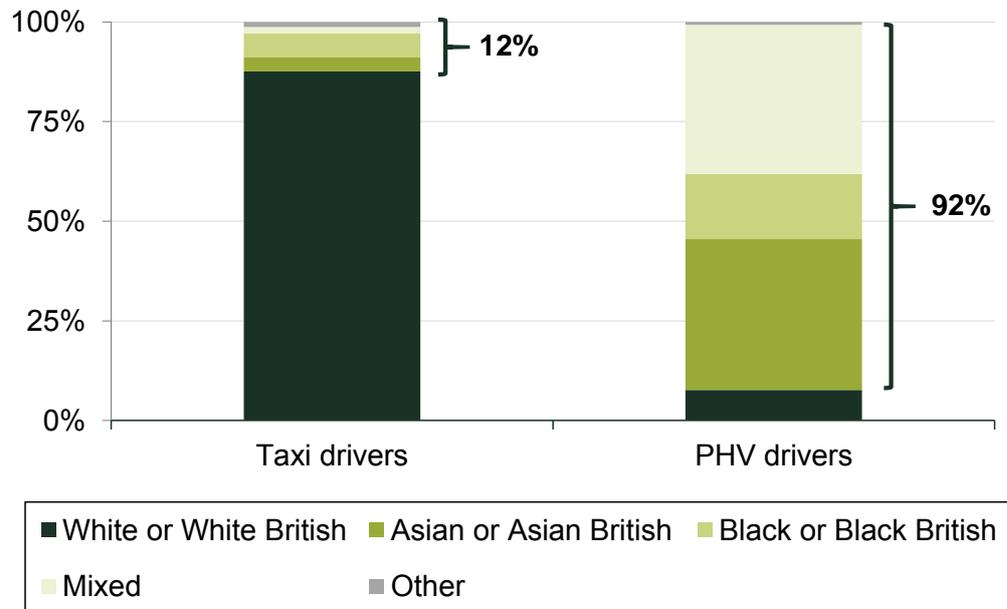
This highlights how the proposed policy's aim of accelerating the migration to other transport modes is unlikely to be achieved. It indicates a wider lack of market readiness for the TfL's proposals—the motor vehicle market is not yet able to supply a suitable ZEC vehicle for the PHV market. Moreover, the incentive to switch is too small and short-lived to affect participants' decisions.

4.5 Equality, competition law and state aid considerations

4.5.1 Equality

Oxera has examined evidence on taxi driver demographics, comparing the ethnicity of PHV drivers with the licensed taxi driver demographics.⁴⁰ Taxi and PHV driver ethnicity is shown in Figure 4.6.

Figure 4.6 Taxi and PHV driver ethnicity



Source: <http://content.tfl.gov.uk/taxi-and-phv-demographic-stats.pdf>

The PHV driver distribution has a much higher representation of BAME individuals relative to the taxi driver group. It is also significantly different to the broader population—86% of the people in England and Wales are white.⁴¹ To the extent that the incidence of the removal of the Congestion Charge exemption falls on drivers, it disproportionately affects specific ethnic groups. There is a duty on public authorities to consider how their policies or decisions affect people who are protected under the Equality Act. The Mott MacDonald report does identify this issue and highlights this disproportionate impact. TfL could be challenged by PHV drivers on this matter.

4.5.2 Competition law considerations

Oxera note that the CMA has responded to previous TfL consultations regarding the regulation of PHVs.⁴² It has highlighted the fact that PHVs and licensed taxis compete on price and non-price factors. The CMA has cautioned TfL against increasing the regulatory divergence between PHVs and licensed taxis, distorting the level playing field between them or favouring certain groups or business models. These factors are all present in the implementation and impact of this policy. As pointed out by the CMA, these kinds of intervention

⁴⁰ Transport for London (2018), 'Taxi and private hire demographic statistics', February 2018, <http://content.tfl.gov.uk/taxi-and-phv-demographic-stats.pdf>

⁴¹ Census 2011.

⁴² Competition and Markets Authority (2015), 'Competition and Markets Authority response to Transport for London's private hire regulations proposals', response to consultation, December 2.

are likely to reduce consumer choice, innovation and the opportunity to lower consumer prices.

TfL's proposals create a distortion of competition between PHVs and licensed taxis. TfL's proposals will clearly limit the ability and incentive of PHVs to compete against licensed taxis and will limit consumer choice. TfL's proposals therefore raise competition concerns which are not considered in further detail in this report but which are raised separately by Addison Lee in its response to the consultation.

4.5.3 State aid considerations

TfL's proposals should not involve illegal state aid, which could distort competition between EU Member States.⁴³ For TfL's proposals to be problematic, they would need to involve the transfer of state resources from it to an undertaking (or undertakings); affect competition between Member States; and be selective (affect one part of the market, but not another).

Retaining the Congestion Charge exemption for licensed taxis entails waiving a charge which would otherwise be payable to the state. As demonstrated in this report, PHV operators and drivers will face an increase in their operating costs, while operating costs for licensed taxis will stay the same. This will clearly put PHVs at a competitive disadvantage compared to licensed taxis in London. TfL's proposal therefore raise legal issues in relation to state aid concerns which are not considered in further detail in this report but which are raised separately by Addison Lee in its response to the consultation.

4.6 Wider economic impacts, competition and impacts to consumers and businesses

TfL's own analysis, conducted by Mott MacDonald, has assessed wider impacts. It finds that adverse impacts occur mainly within the PHV sector and its drivers. Within Oxera's analysis, we have already indicated the possibility of unintended consequences, such as users switching to older, more polluting taxis. To the extent that older vehicles have lower safety standards, this may also imply a wider impact on passenger and road user safety. Oxera has not been able to fully assess the extent of this impact.

To expand on this analysis, it is relevant to consider the possible impact on PHV profitability and the consequences of the proposed policy on the competitive supply of PHV services. We estimate that the Congestion Charge is likely to impose over £4m per annum in direct costs on Addison Lee and its supply chain (e.g. its drivers). This is likely to have a net impact on profitability.

Considering the impact on the wider PHV market, if all firms face a common marginal cost increase, economics tells us they would seek to pass this on in full in the form of higher prices. However in this case, if there is switching to taxis, the PHV operators may not be able to pass on the cost in full. CEPA's analysis suggests that smaller firms will be required to pass on more of the costs than the larger firms.

To the extent that PHV operators already have low profit margins, being unable to pass on the cost shock arising from the proposed policy could lead to firms exiting the market and reducing the competitive supply of PHV services. The

⁴³ A state aid regime will remain post-Brexit.

CEPA analysis itself suggests significant market share reallocations towards the larger operators.

4.7 Cost-effectiveness

CEPA's analysis finds that the proposed policy would generate between £20m and £40m in annual revenue for TfL. A significant driver of the CEPA analysis is the degree of specialisation. The evidence for specialisation is not strong (as discussed in section 4.3.2), and a 'low specialisation' is most likely. This will put the expected revenue towards the higher end of CEPA's range.

4.8 Robustness of evidence and methodology

Oxera has reviewed the credibility and robustness of the evidence base which supports the TfL's proposal. In addition to the challenges we have already identified, we note more general weaknesses throughout, as follows.

- **Logical links within impacts.** CEPA's analysis identifies vehicle entries into the CCZ as a key metric, and concludes that a 1% traffic reduction is possible. However, it does not clearly translate vehicle entries into vehicles trips and vehicle distance in a way that can support its conclusion. This is relevant, as vehicle distance is far more pertinent to congestion and pollution than the number of entries into the zone.
- **Dependency on stakeholder views.** The CEPA analysis appears to be overly dependent on stakeholder views. For important drivers of specialisation, cost pass-through and substitution, the approach appears to review stakeholder views and then arrive at a CEPA viewpoint. It does not make reference to theoretical models or relevant studies on these critical aspects of the policy's mechanism. In the example of cost pass-through, there are developed economic approaches that could frame the assumption with more robustness.
- **Evidence on demand elasticity.** CEPA references demand elasticity as a factor in its analysis, but does not identify the point estimates, the original sources, or context within which these were estimated.
- **Narrow sample of respondents to the IIA.** The Mott MacDonald study appears to rely on respondents within the PHV industry and associated bodies. The list of respondents includes few if any representatives of the general public, taxi drivers, users of taxi services, and businesses more widely. This would appear to limit the ability of the Mott MacDonald study in assessing the likely wider impacts.

More generally, the CEPA analysis is heavily caveated and flagged as not providing firm results. Evidence of this standard, with these weaknesses, is not sufficiently reliable as a source from which to draw policy conclusions.

5 Assessment of Addison Lee's proposals

5.1 Overview of Addison Lee's proposals

Addison Lee is proposing a suite of policy options for TfL's consideration. The greatest positive impact could be achieved if the suite of policy options is undertaken in its entirety.

The core proposal is that air quality in London could be improved by:

1. phasing out non-Euro 6 (diesel) and non-Euro 4 (hybrid petrol) PHVs;
2. establishing a rapid electric charger network in London;
3. raising standards across the PHV industry;
4. adjusting licensing for taxis, such that no licensed taxis can be over 10 years old.

Oxera understands that, within this suggested policy framework, Addison Lee would be able to support TfL in its objectives. This suite of options would enable the company to invest £60m in 2019 in a greener, safer fleet of vehicles, as is required to meet Ultra Low Emission Zone (ULEZ) standards. However, this is dependent on there being sufficient returns within the industry and regulatory certainty on the Congestion Charge, ULEZ and licensing.

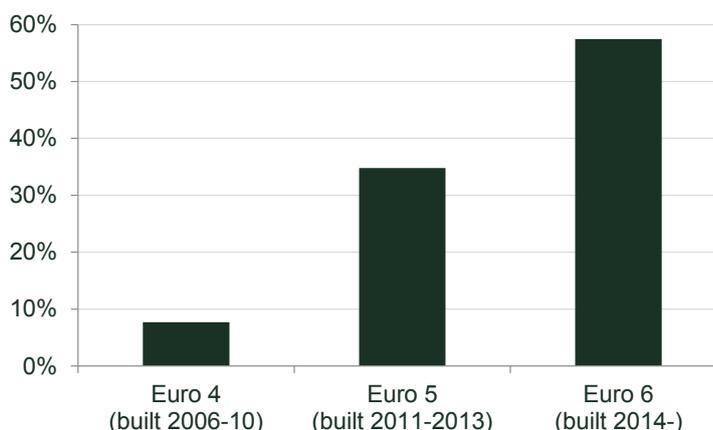
Additionally, Addison Lee is keen to work with TfL to develop policies that would, in the longer term, have widespread benefits in improving air quality and reducing congestion across Inner and Outer London. For example, TfL could consider whether the CCZ should be expanded to the ULEZ (i.e. the North/South Circular roads), or TfL could increase the Congestion Charge by £1 per day. A full impact assessment of these options would be required, and Addison Lee would be interested in assisting TfL to evaluate whether these proposals would have a positive impact in London.

Next we assess Addison Lee's proposals within the economic framework.

5.2 Phasing out non-Euro 6 (diesel) and non-Euro 4 (hybrid petrol) PHVs

As from January 1 2018, all new PHVs in London were required to be Euro 6 (diesel) or Euro 4 (hybrid petrol). However, there remain many PHVs that do not meet these standards. PHVs in London can be up to 10 years old, meaning that while 57% of diesel PHVs meet Euro 6 emissions standards, 35% are Euro 5 and 8% are Euro 4—see Figure 5.1 below.

Figure 5.1 PHV diesel emissions standards, based on vehicle age (% of PHV fleet)



Source: Oxera; Transport for London (2017), 'Private hire vehicles by model and age - June 2017', <http://content.tfl.gov.uk/private-hire-fleet-information-june-2017.pdf>.

As shown in Table 4.5, older Euro standards are worse for air quality. For example, Euro 5 allows more than double the NO_x emissions from diesel cars than Euro 6.

Therefore, air quality would be improved if TfL took action to prohibit the use of non-Euro 6 diesel PHVs in London. A similar logic applies to prohibiting non-Euro 4 hybrid petrol cars in London. This could be done by mandating that all PHVs are Euro 6 (diesel) or Euro 4 (hybrid petrol) by 2020, including those PHVs that are already licensed in London. In 2020 this policy would affect approximately 15% of PHVs (as 15% of PHV were 7–10 years old in 2017).

Therefore, this policy lever would remove the most polluting 15% of PHVs in London in one step (i.e. remove the most polluting from circulation). This would have positive effects outside of the CCZ (as these most polluting vehicles would no longer be making journeys outside the CCZ either). Also, to the extent that the older vehicles are re-used in the secondary market, the existing Congestion Charge and ULEZ policies would address these and penalise use from April 2019 onwards.

A full assessment is detailed in Table 5.1.

Table 5.1 Assessment against criteria: phasing out non-Euro 6 (diesel) and non-Euro 4 (hybrid petrol) PHVs

Criteria	Assessment
Reduce congestion	Minimal impact, if polluting vehicles are replaced by cleaner vehicles. Positive impact if polluting vehicles are not replaced by cleaner vehicles
Improve air quality	Positive impact as the PHV fleet becomes cleaner more quickly, both inside and outside the CCZ
Legal compliance	No obvious legal compliance issues
Minimise negative wider economic effects	Negative effect on some PHV drivers who would have to replace their vehicle earlier
Cost-effective for TfL	Cost-effective, as no substantial costs for TfL

Source: Oxera.

5.3 Establishing a rapid electric charger network in London

As highlighted by the 2017 Energy Saving Trust study for TfL, the infrastructure facilitating the operation of an electric PHV fleet needs to be in place before PHV operators switch to electric fleets.⁴⁴ The Energy Saving Trust recommended that TfL 'install infrastructure ahead of demand':⁴⁵

The PHOs interviewed have each expressed some degree of concern as to the perceived lack of progress made in improving the public chargepoint network in London. This is especially the case in the context of fast and rapid charging. This lack of confidence may not entirely prevent the adoption of ULEVs in London's private hire industry – the business case is arguably strong enough to overcome that – but it will certainly cause PHOs to act with a degree of caution. This may potentially slow the uptake of ULEVs, particularly BEVs. By installing infrastructure to outweigh early demand, some PHOs have stated that they would be likely to more rapidly convert their fleets to ULEVs. This is why TfL has commissioned this piece of work to inform its investment in charging infrastructure in London.

This concern was echoed by the 2017 Analytically Driven study commissioned by Addison Lee, which found that Addison Lee cannot justify investment in ULEVs until the supporting infrastructure is in place.⁴⁶ Analytically Driven estimated the required number of charging points and found that:⁴⁷

Estimates suggest that realistically it would take a minimum of 330 rapid (43kW or 50kW) recharging points just to satisfy Addison Lee's recharging needs, if they were to switch their fleet to ULEVs. If only 25% of the 108,700 taxis and private hire vehicles operating in London were to convert to ULEVs then, assuming they face the same constraints as Addison Lee drivers, over 2,135 rapid chargers would be required just to meet the needs of this sector. If all 108,700 converted then 8,540 would be required, without considering the needs of other types of fleet operator or private users. In contrast, the current stock of rapid recharging points available in London is 75, and the plan is only to increase this to 150 by the end of 2018 and 300 by 2020.

It is also worth noting that, of the 150 rapid charging points installed by the end of 2018, 90 will be solely reserved for licensed taxis, further reducing the available rapid charging points for PHVs.⁴⁸ According to TfL, there are only 20 non-TfL-funded rapid charge points in London.⁴⁹ Therefore PHVs in London will have access to approximately 80 rapid charge points by the end of 2018, less than 1% of the required 8,540 (as estimated by Analytically Driven).

In short, meeting the ULEZ standards will require TfL to invest in the provision of rapid charging points that can be used by PHVs. This policy lever, while costly in the short run for TfL, is necessary to achieve a cleaner, greener PHV sector.

⁴⁴ Energy Saving Trust (2017), 'Mapping rapid chargepoint locations for private hire vehicles in London', January, <http://content.tfl.gov.uk/chargepoint-infrastructure-for-the-london-private-hire-industry-draft.pdf>.

⁴⁵ Energy Saving Trust (2017), 'Mapping rapid chargepoint locations for private hire vehicles in London', January, p. 29.

⁴⁶ Analytically Driven (2017), 'The Provision of Rapid Charging Points in London: The case for government intervention', September, http://www.analytically-driven.com/uploads/2/7/8/1/27818525/electric_vehicle_charging_infrastructure_for_london_-_sept_2017_-_final_v1.pdf.

⁴⁷ Analytically Driven (2017), 'The Provision of Rapid Charging Points in London: The case for government intervention', September, p.3.

⁴⁸ Transport for London (2018), 'Cleaner greener taxis', <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/cleaner-greener-taxis>.

⁴⁹ Transport for London (2018), 'Rapid Charge Points in London (non TfL funded)', <http://content.tfl.gov.uk/rapid-charge-points-non-tfl.pdf>.

Table 5.2 Assessment against criteria: establishing a rapid electric charger network in London

Criteria	Assessment
Reduce congestion	Minimal impact
Improve air quality	Positive impact as PHV operators and drivers invest in hybrid technology
Legal compliance	No obvious legal compliance issues
Minimise negative wider economic effects	No obvious negative wider economic effects
Cost effective for TfL	Upfront investment required by TfL, although this may be recouped over time

Source: Oxera.

5.4 Consistency of licensing in the PHV industry

PHV licensees may currently licence themselves in one area with the intention of working 100 per cent of the time in another. Such practices undermine local efforts to raise standards, which differ from one licencing authority to another.

Addison Lee is therefore proposing that TfL work with other licensing authorities and Government to introduce mandatory national minimum standards for operators, drivers and vehicles, which could be implemented through a single legislative framework. Further, a nationwide database could be introduced to record all license refusals, revocations and suspensions on a central register. This would give local licensing authorities access to better information when making licence approval decisions.

These policies would improve passenger safety and may, in the long run, reduce the number of PHV licensees operating in London (as fewer licensees would cross the border into London from other areas).

Table 5.3 Assessment against criteria: raising standards in the PHV industry

Criteria	Assessment
Reduce congestion	In the long run there may be fewer PHV licensees
Improve air quality	Minimal impact
Legal compliance	Minimal impact
Minimise negative wider economic effects	Improved passenger safety
Cost effective for TfL	Minimal costs for TfL

Source: Oxera.

5.5 Adjusting licensing for taxis such that no licensed taxis can be more than 10 years old

TfL currently treats PHVs and licensed taxis differently, in that PHVs cannot be more than 10 years old, while licensed taxis may be up to 15 years old. As shown in section 4.4.2, in 2015 43% of licensed taxis vehicles were 11–15 years old.⁵⁰ These older licensed taxis are likely to be the most polluting

⁵⁰ Transport for London (2015), response to FOI-1560-1516 from Mr M. Burke, 18 December 2015. Information as at 24 November 2015.

https://www.whatdotheyknow.com/request/spread_of_ages_of_londons_black

vehicles, as air quality has improved over time with the introduction of successive Euro emissions standards.

In the absence of evidence showing how older licensed taxis are less polluting than older PHVs, TfL could consider reducing the age limit for licensed taxis to 10 years, in line with the age limit for PHVs. This would remove the most polluting 43% of licensed taxis from London's roads.

Licensed taxi drivers already have access to two subsidy schemes which lessen the cost of switching to electric vehicles—the Government Plug-In Taxi Grant and the TfL de-licensing scheme. This means that the economic impact of the policy on licensed taxi drivers would be lessened.⁵¹

Table 5.4 Assessment against criteria: adjusting taxi licensing, such that no licensed taxis are more than 10 years old

Criteria	Assessment
Reduce congestion	Minimal impact if polluting vehicles are replaced by cleaner vehicles. Positive impact if polluting vehicles are not replaced by cleaner vehicles
Improve air quality	Positive impact as the licensed taxi fleet becomes cleaner more quickly
Legal compliance	No obvious legal compliance issues
Minimise negative wider economic effects	Negative effect on some licensed taxi drivers who would have to replace their vehicle earlier. However, licensed taxi drivers have access to the Government Plug-In Taxi Grant and the TfL de-licensing scheme
Cost-effective for TfL	Cost-effective, as no substantial costs for TfL

Source: Oxera.

5.6 Additional options for consideration

In addition, Addison Lee would also be keen to work with TfL to design policies that may, in the longer term, have widespread benefits in improving London's air quality and reducing congestion beyond the CCZ.

For example, TfL could consider whether the CCZ could be expanded to the ULEZ, or TfL could increase the Congestion Charge.

A full impact assessment of these options would be required, and Addison Lee would be interested in assisting TfL to evaluate whether this policy would have a positive impact in London. Oxera's analysis of these scenarios is based on publicly available data, some of which dates from several years ago. A full impact assessment using more recent TfL data would give more precise figures.

Box 5.1 details Oxera analysis of the impact of expanding the CCZ to the North/South circular roads (i.e. the ULEZ).

⁵¹ Transport for London (2018), 'Cleaner greener taxis', <https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/cleaner-greener-taxis>.

Box 5.1 Exploring the expansion of the Congestion Charge Zone

TfL could consider whether the CCZ should be expanded to the ULEZ (i.e. the North/South Circular roads). This policy would involve granting residents discounts (90%) to drive in the ULEZ, although anyone in the ULEZ would still pay the current Congestion Charge to enter the CCZ. The policy could be implemented after the introduction of the ULEZ, when the infrastructure is already in place along the ULEZ boundary.

While a full impact assessment would be required, it is possible to estimate the likely outcomes based on publicly available data, some of which dates from several years ago. However, it is useful to illustrate the broad order of magnitude impact that the policy could achieve. This method takes into account the fact that ULEZ residents will receive discounts, as it extrapolates from CCZ data where there is a residents' discount.

First, the number of chargeable vehicles crossing into the ULEZ boundary can be estimated. Data from 2011 on boundary crossings by car (TfL, 2012) can be updated to 2016 numbers according to the published data on trends in car crossings (TfL, 2017). Approximately 700k cars crossed into the ULEZ each day in 2016. Also available is the number of chargeable entries into the CCZ in 2008 (TfL, 2008b), which can be used to compute the proportion of all entries into the CCZ that were chargeable in 2008 (approximately 20–30%). Applying this percentage to the 2016 data on car crossings into the ULEZ provides a broad estimate of the number of chargeable entries into a new, expanded congestion zone (ULEZ)—approximately 140,000–210,000 per day.

Second, it is possible to estimate the reduction in traffic that the expansion of the CCZ would generate. The introduction of the Congestion Charge in 2003 reduced traffic by 27% (TfL, 2018b), while the WEZ reduced traffic into the WEZ by 14% (TfL, 2008a). A reduction of 14–27% of chargeable entries into the ULEZ would be approximately 20,000–55,000 fewer entries. This would have a substantial impact on reducing congestion and improving air quality in London (beyond the CCZ).

Third, assuming that the remaining chargeable entries each pay £10.50 per day, the lower-bound estimate (20% of traffic is chargeable, and there is a 27% reduction in traffic) is that TfL would generate approximately £390m in revenues annually. The upper-bound estimate (30% of traffic is chargeable; 14% reduction in traffic) is that TfL would generate annual revenue of approximately £690m. For context, TfL generated revenue of £230m in 2017–18 from the Congestion Charge (TfL, 2018a). This additional revenue could be allocated to the necessary investment in a rapid charger network in London, enabling PHV operators and drivers to switch to electric vehicles, further facilitating improvements in air quality.

Source: Oxera; Transport for London (2008a), 'Report to the Mayor on the Congestion Charge Western Extension consultation Appendix 1 – Consultation materials', 1 September, available at: <http://content.tfl.gov.uk/appendices-to-the-report-to-the-mayor.pdf>; Transport for London (2008b), 'Impacts Monitoring: Sixth Annual Report', July, <http://content.tfl.gov.uk/central-london-congestion-charging-impacts-monitoring-sixth-annual-report.pdf>; (2012), 'Traffic Analysis Centre Traffic Note 3: TfL Cordon and Screenline Surveys 1971-2011', March, <http://content.tfl.gov.uk/traffic-note-3-cordon-and-screenline-surveys-2011.pdf>; (2017), 'Travel in London Report 10', <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>; (2018a), 'Annual Report and Statement of Accounts 2017/18', 25 July, <http://content.tfl.gov.uk/tfl-annual-report-and-statement-of-accounts-2017-18.pdf>; (2018b), 'Congestion Charge Factsheet', <http://content.tfl.gov.uk/congestion-charge-factsheet.pdf>.

Box 5.2 below details Oxera analysis of the impact of increasing the Congestion Charge by £1 per day.

Box 5.2 Exploring increasing the Congestion Charge

The Congestion Charge has remained constant at £10.50 per day (with Auto Pay) since 2014. TfL could consider increasing the Congestion Charge by £1 to £11.50 per day, given that prices have increased by 6.8% since 2014, the equivalent of an extra £0.72 (ONS, 2018).

A full impact assessment would be required on this policy, and Addison Lee is offering to assist TfL in evaluating the policy. However, it is possible to make broad estimates over the impact of increasing the Congestion Charge by £1. These estimates are based on publically available data, some of which dates from several years ago. However, it is useful to illustrate the broad order of magnitude impact that the policy could achieve.

First, it is possible to calculate the average cost of a trip in the CCZ in terms of fuel costs plus the Congestion Charge (cost of time and cost of parking are excluded). This requires a number of assumptions, detailed below.

Assumption	Input	Source
Average vehicle speed in the CCZ, 2016	12kmph	TfL (2017)
Average trip length, 2008	15.5km	TfL (2008)
Change in average trip length, 2008-17	-15%	TfL (2017)
Average number of trips into the CCZ per day by those incurring the Congestion Charge, 2008	2.5	TfL (2008)
Change in average number of trips, 2008-17	-15%	TfL (2017)
Petrol cost per litre, 2018 average	£1.24	BEIS (2018)
Petrol per kilometre based on average vehicle speed, 2017	0.14 litres	DfT (2017)

Multiplying petrol per kilometre by trip length gives the fuel per trip (1.84 litres). Multiplying petrol per trip by the cost of petrol equals the petrol cost per trip (£2.29). Dividing the Congestion Charge (£10.50) by the number of trips per day (2.13) equals the Congestion Charge per trip (£4.94). The sum of the petrol cost per trip and the Congestion Charge per trip is the average cost per trip, of £7.23.

Second, increasing the Congestion Charge from £10.50 to £11.50 per day equates to an increased cost per trip of £0.47, taking the average cost per trip to £7.23 (an increase of 6.51%).

Third, it is possible to estimate the impact of the 6.51% increase in average cost per trip on the number of trips taken. TfL (2008) calculated the elasticity of demand from the increase in the Congestion Charge from £5 to £8 as -0.16 (in terms of the number of trips made, when the trip cost is the sum of fuel costs and the Congestion Charge). The elasticity multiplied by the percentage increase in cost is 1.04%. Therefore there would be approximately 1.04% fewer trips as a result of the £1 per day increase in the Congestion Charge. If the elasticity was -0.11 then there would be a 0.72% reduction in trips as a result of the increase in the Congestion Charge. If the elasticity was -0.21 then there would be a 1.37% reduction in trips as a result of the increase in the Congestion Charge.

A £1 increase in the Congestion Charge which resulted in 1.04% fewer chargeable entries into the CCZ would increase TfL's revenue from the Congestion Charge by approximately 8.5%. In 2017-18 TfL generated £230m from the Congestion Charge—an additional 8.5% would be approximately £19m per annum.

Source: Oxera; TfL (2008), 'Demand Elasticities for Car Trips to Central London as revealed by the Central London Congestion Charge', Prepared by Reg Evans for the Modelling and Evaluation Team, September, available at: <http://content.tfl.gov.uk/demand-elasticities-for-car-trips-to-central-london.pdf>; TfL (2017), 'Travel in London Report 10', available at: <http://content.tfl.gov.uk/travel-in-london-report-10.pdf>; DfT (2017), 'Forthcoming Change to WebTAG', announced February, available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/594061/tag-data-book-forthcoming-change-may-2017.pdf; BEIS (2018), 'Weekly road fuel prices', 18 September, available at: <https://www.gov.uk/government/statistical-data-sets/oil-and-petroleum-products-weekly-statistics>; ONS (2018), 'CPIH INDEX 00: ALL ITEMS 2015=100', 19 September, available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/l522/mm23>.

5.7 Summary

Oxera's assessment of Addison Lee's combined policies indicates that they are more likely to be effective in tackling congestion and improving air quality in London than TfL's proposals. Analysis of Addison Lee's policies does not rest on flawed assumptions, as TfL's analysis does (see section 4). This means that Addison Lee's policies are more likely to be effective and avoid unintended consequences.

Together, the suite of policy options would:

- remove the 15% most polluting PHVs in 2020;
 - accelerate the PHV switch to hybrid electric vehicles, ensuring that the ULEZ timescale can be met;
 - remove the 43% most polluting licensed taxis by 2020;
 - reduce congestion in the CCZ;
 - reduce congestion across the ULEZ.
-

6 Conclusion

Oxera's assessment has found that TfL's proposed policy is unlikely to meet the stated policy objectives of reducing congestion and improving air quality in London.

Within Oxera's objective framework that assesses broader dimensions, we find that the policy could have unintended consequences on competitive supply of PHV services and equality among drivers. These shortcomings are compounded by weaknesses in the supporting analysis, which has logical flaws, assumptions that lack supporting evidence and an opaque methodology.

Oxera's review of Addison Lee's proposals finds that there are alternative policy solutions that could better meet the challenges of reducing congestion and improving air quality in London. Ultimately, these proposals tackle congestion over a broader scope than an asymmetric intervention on one segment of road users, and seek to address the most polluting vehicles.

These proposals put forward by Addison Lee are largely within TfL's existing current suite of interventions and entail fewer unintended consequences. The proposals focus on setting the right regulatory environment and delivering the infrastructure to enable the industry to adopt lower-emission fleets.

www.oxera.com



9th November 2018

Christina Calderato, TfL

By email

Dear Christina,

Re: CEPA PHV Analysis

Further to our recent discussions on the Oxera report for Addison Lee, which discusses our work for TfL on removing the PHV exemption, and your sharing with us points raised by the Labour Group, I set out below a response to the concerns raised. As I expect you will wish to publish this letter, I have annexed our standard disclaimer (on Page 8) and draw other readers' attention to it. We also highlight the disclaimer and important caveats on Slides 3 and 4 of the relevant [report](#).

As general context and in part in response to points that Oxera make regarding transparency, we think it is helpful to understand that the published report is the culmination of a piece of work that has been undertaken over two years. The analysis began with initial discussions with industry representatives in March 2016 and was further developed thereafter when the scenario model that we have developed was created. The most recent work that we have undertaken was in effect a testing of that model and its assumptions and results with industry.

An additional piece of important context, which has been missed by some commentators, is that a core assumption of the project is that although it is drivers that initially bear the charge, ultimately it will in whole or substantial part be passed onto customers. Drivers are unlikely to be able to bear the charge in its entirety; this is a relatively low wage and competitively priced industry. We model scenarios where operators absorb some of the charge although we do not expect them to absorb it all as margins in the industry have fallen.

We have considered the points that Oxera make on behalf of Addison Lee (labelled AL) and discuss those in more detail below – focusing on the methodology and facts of the study rather than any interpretation of the results, which we consider is a matter for TfL. We also include discussion of the points raised by the Labour Group (labelled LG).

Yours sincerely,

Gaynor Mather

Associate Director, CEPA

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Specialisation

Addison Lee disagree with the assumption of specialisation, which it argues is “not backed up by evidence within the industry” and would be difficult to implement in their software. The detailed points made are:

- “The finding that the policy reduces PHV traffic in the CCZ rests on the ‘specialisation’ assumption, whereby Addison Lee and Uber divide their fleets into vehicles that enter the CCZ and those that do not. This assumption is not backed up by evidence within the industry. This assumption is not backed up by evidence within the industry. [...] Evidence from Addison Lee suggests that PHV operators would find it difficult to specialise” [AL]
- “[Assuming specialisation] ignores two important features of the ride-hailing model. First, ride-hailing platforms are not strictly ‘dispatch’ oriented. Secondly ride-hailing drivers in general do not observe their rider’s destination until they have accepted the job.” [AL]
- “The day-to-day variation in Addison Lee’s entries to the CCZ is significant – on one measure, around an order of magnitude higher than those of CEPA’s findings.” [AL]

Points raised regarding other specific inputs and assumptions are also relevant here:

- “CEPA references demand elasticity as a factor in its analysis, but does not identify the point estimates, the original sources, or context within which these were estimated.” [AL]
- “CEPA’s description of cost absorption and pass through lacks transparency; only final fare changes are shown (without underlying assumptions and immediate steps).” [AL]
- “CEPA do not offer any evidence to suggest that 75% of lost journeys are redistributed and 25% are cancelled or diverted. They also provide no explanation of what diverted means.”¹ [LG]
- “CEPA have offered no evidence to show their redistributed demand estimates are correct and have provided no data on price offered by different operators.” [LG]

CEPA comments in response

We have discussed the issues raised by Addison Lee with them previously and our report was written in the knowledge of their opinions on these matters. Our report takes a different view because in our experience markets adapt to change. We have seen evidence of adaption in the London market over the course of this study e.g. small companies working together and sharing the same software platform to enable them to compete with larger players.

Rationale for the specialisation assumption

The underlying rationale for our specialisation assumption is that the London Congestion Charging Scheme, if applied to PHVs, would make it financially worthwhile for PHV suppliers to specialise their provision between drivers who make an increased number of trips in the CCZ in charging hours (and pay the CC), and those who reduce or avoid trips into the CCZ (and avoid the need to pay CC). Such specialisation would, for many suppliers, produce a worthwhile reduction in cost and the fare they can charge the customer. Companies that fail to take advantage of this possibility risk having a competitive disadvantage against those who do, at least at the competitive frontier. There would be competitive

¹ Cancelled or diverted refers to journeys that do not take place in a PHV, either because they are completely cancelled, or because they will use an alternative means of transport or travel (e.g. taking buses or the underground). They could also travel at a different time of day.

pressure to specialise where it was practical and effective to do so. Businesses that are in some way differentiated, e.g. by offering a higher quality of service, may have more independence of action in comparison to suppliers at the competitive frontier. But the competitive frontier is what will drive the main effects.

The precise nature of the ride-hailing models found in the UK are specific to the legal and market environment here – not every detail of an operator’s operating model is intrinsic to the ride-hailing model itself. Specialisation requires that passengers provide their destination up front, but drivers would not necessarily need to know the destination before accepting a ride. PHV schedulers could use destination information to make decisions to find the best trade-off between the number of Congestion Charges paid and commercial advantage. In our view, while specialisation may be inconvenient to the precise present business model in Britain of some existing suppliers, ultimately there would be competitive pressure to specialise – and the PHV market has previously demonstrated both capacity and willingness to evolve and adapt to new technological and legal environments.

This is the basis on which we have decided that **some** specialisation will likely take place if the Congestion Charge is introduced for PHVs, even if some suppliers are very resistant to having to do that. Our discussion with operators concluded that it is feasible, and we consider there would be competitive pressure to do it. Our published scenario is not based on 100% specialisation within any category of PHV, and indeed it is based on no specialisation occurring in some categories of PHV. Rather we have said that **some** specialisation will occur, and it will be greater for certain kinds of supplier i.e. those with more drivers and the most sophisticated software.

Impact of the specialisation assumption

CEPA’s finding that the proposed policy would reduce PHV traffic does not rely on the specialisation assumption: the driver of the reduction in traffic in CEPA’s model is the reduction in demand for PHV arising out of the increase in price of the service. The price increase is of course driven by the increase in cost from paying the Congestion Charge. Clearly specialisation reduces the number of chargeable entries required to serve the same number of fares. If the congestion charge exemption remained in place, the model suggests that specialisation alone would not create any reduction in traffic, because there would be no change in price and therefore in the number of fares

We have referred to the literature to assess the likely range of demand elasticity of taxi/PHV trips to price.² Unfortunately, there is not a satisfactory London-specific study on which to base this, many studies are old, and there are no estimates of cross-elasticity between taxis and PHVs. The available studies produce a range of estimates. In deciding where in the range in the literature we should set our assumption, we spoke to stakeholders, some of whom provided their own work in this area but our discussions with them and the material that they provided are confidential for commercial reasons. This is why the details of the elasticities used, and several other aspects of CEPA’s model, are not in the public domain. To provide greater insight, we describe the operation of the model in further detail in Box 1.

² We considered several papers in Europe and the US, including a reanalysis of UK evidence: Toner, J. (2010), “[The Welfare Effects of Taxicab Regulation in English Towns](#)”, *Economic Analysis & Policy*, Vol. 40 No. 3.

We also considered a paper focused on Uber, which may present an underestimate of wider demand elasticity due to biased data: Cohen et al. (2016) “[Using Big Data to Estimate Consumer Surplus: The Case of Uber](#)”

Box 1: Operation of the model

CEPA's model allows for a number of alternative assumptions as to how companies might pass the cost of the Congestion Charge on to customers, and what proportion of the charge they would consider recoverable from passengers. These alternative assumptions feed into the sensitivity analysis presented in the report. On the basis of discussions with stakeholders, alternative policies that suppliers might consider could be, at one extreme, to increase prices in general to all customers, for example by a constant percentage or amount ("smeared increase"); or else focus price increases only on those trips that cross the CCZ in charging hours ("focused increase"). We also have alternative assumptions for how much of the charge is recovered. It seems possible that the realities of competition may limit the tenability of a smeared increase policy. This is because suppliers who strictly or mainly avoid travelling in the CCZ will have no material cost increase, not change their price, and so place competitive pressure to keep prices unchanged for trips outside the CCZ and charging times. This would make it difficult for a firm trying to use a smeared increase to impose a price increase on such customers. Nevertheless, we currently remain agnostic on the point. We choose the smearing option in our standard example because it produces a more conservative estimate of the demand effect than without it. If a more focused increase is ultimately what happens, the Congestion Charge is mainly recovered from those who travel in the CCZ. In that case, lower specialisation will increase the price customers have to pay, because the driver will have to recover the cost over fewer fares, and that would have a greater impact on demand.

Our model also has an indirect interaction between specialisation and the price/demand effect. This is because we use a two round demand model. In the first round, some demand is lost by suppliers due to own-price elasticity. The second round is, in effect, a cross-elasticity effect: some of the demand lost to PHVs in the first round considers its options, and some of it will return either to a different supplier in the PHV market, or to a black cab. The rest would either not travel or use a different mode. We have no direct evidence on which to size this second round effect, as we are unaware of any cross-elasticity studies at this level of detail. So, we make an assumption as to how much of the demand lost in the first round will participate in the second round. In the standard case, we take quite a high proportion, as this is the conservative approach. Specialisation affects the second round effect as follows. Because there are more PHVs available for hire for CCZ trips in a less specialised market, we assume that PHVs have more opportunities to obtain demand in the second round. The final demand reduction for PHVs, taking account of both rounds, is lower when there is less specialisation. The size of this effect is quite small.

The interaction between the assumption of a smeared price increase, and the effect of specialisation on demand, is why in our model reduced specialisation implies a smaller traffic reduction. However, if the price increases were more focused (e.g. split across only CCZ fares rather than across all fares), the price increases in the CCZ in charging hours would be larger and at some point this would mean that increased specialisation would result in a larger demand effect. Specialisation can either intensify or reduce the demand effect, depending on what you think the pricing policy could be, and what cross-elasticities might be.

Ultimately the aim of our modelling has been, given the shortage of direct evidence, to make a plausible estimate of the approximate magnitude of these effects, and to do so in a conservative way. In this context, a conservative view means being careful not to overstate the traffic impact of the proposed policy.

Range around 1%

Concerns that we do not provide a range for the 1% and claims that the range would show that zero is likely. Specific points made are:

- “CEPA does not provide estimates of the uncertainty around its finding of a 1%; however, the lack of strong support for this figure in its analysis suggests that the effect on traffic is likely to be small and could be indistinguishable from zero.” [AL]
- “On the basis of CEPA’s analysis, the policy would be negligible in terms of meeting TfL’s objective on reducing congestion.” [AL]
- “Vehicle delay as a measure of congestion is also volatile in nature. Congestion is a dynamic phenomenon with interrelated strands including planned and unplanned events. In this setting a 1% reduction which is caveated as a broad estimate is likely to be imperceptible.” [AL]

CEPA comments in response

As described in detail above, CEPA’s aim has been to produce a conservative estimate of the traffic effect, given the difficulty of obtaining clear and demonstrable evidence for a more precise sizing of the effect. Nevertheless, the general thrust of the argument i.e. that fares must go up to allow PHVs to recover the cost of the charge and this must have an effect in reducing demand for PHVs in the CCZ in charging hours – we would argue is robust. There can be a debate over what one considers to be the size of the fares increase in view of the additional cost, and where it is focused. There can also be a debate over whether there might be a cross-elasticity effect whereby some customers choose a different supplier rather than cease buying altogether.

It would be problematic to set out a clear set of sensitivities in a public document. As noted above, our model has been populated with assumptions that are contingent on confidential discussions we have had with stakeholders. Published sensitivities would allow some of those parameters to be inferred.

We agree that there is uncertainty over the size of the effect, as discussed in the main body of the report and emphasised in the Disclaimer and ‘Other important caveats’ on Slides 3 and 4 of the [report](#). But because we consider that we have taken a conservative approach, we believe the published figure is likely at the lower end of the range.

Use of stakeholders' views

Criticism that the model is overly influenced by stakeholder views, and lack of an economic framework. Specific points made are:

- “The CEPA analysis appears to be overly dependent on stakeholder views. For important drivers of specialisation, cost pass-through and substitution, the approach appears to review stakeholder views and then arrive at a CEPA viewpoint. It does not make reference to theoretical models or relevant studies on these critical aspects of the policy’s mechanism. In the example of cost pass-through, there are developed economic approaches that could frame the assumption with more robustness.” [AL]
- “The work by CEPA and Mott MacDonald is overly reliant on stakeholder views and does not cite academic or industry evidence in support of some key drivers of the findings.” [AL]
- “CEPA’s analysis relies on stakeholder inputs (but not a recognisable economic framework) to determine the likely response. This could result in inconsistencies in the analysis.” [AL]

CEPA comments in response

Stakeholder engagement is an important input to any study of this nature. We met with a range of PHV operators and trade representatives to understand their views and take their input on key assumptions into account. We have been informed by those views but have also compared those views with a dispassionate analysis using our professional judgement and considering the possible unreliability of stakeholder opinions. In general, we have taken a conservative view – being careful not to overstate the traffic impact of the proposed policy. As noted in the discussion around specialisation, we used available literature where it exists and is relevant to the specifics of this proposed policy.

Specific concerns regarding the methodology

“CEPA has not considered the possibility of demand shift (or supply shift) in the PHV market that would, for example, defer journeys until after charging hours.” [AL]

A demand shift to defer journeys after charging hours would reduce traffic in the CCZ in charging hours, and thus intensify the traffic reduction reported. We were aware of this likely dynamic, but as a conservative approach, we did not take account of the point. We had no basis to quantify it and it seemed likely, on the whole, to be small.

Concerns regarding the link between chargeable entries and traffic:

- “CEPA claim a 45% reduction in PHVs entering the zone equals a 6% reduction in PHV traffic, which means a 1% reduction in overall traffic. Nowhere in the report do they explain the methodology they used to reach this conclusion” [LG]
- “[CEPA] does not clearly translate vehicle entries into vehicles trips and vehicle distance in a way that can support its conclusion. This is relevant, as vehicle distance is far more pertinent to congestion and pollution than the number of entries into the zone.” [AL]

The difference between a 45% reduction in PHVs entering the CCZ and 6% reduction in PHV traffic can be explained by specialisation: 45% fewer vehicles are assumed to enter the CCZ, but those that do enter undertake, on average, more trips inside the CCZ during their shift than they did before. This means that the reduction in PHV traffic is lower than the reduction in PHV entries to the CCZ, at 6% (Slide 22).

The calculation of the 1% reduction in overall traffic is then based on data regarding the PHV percentage of overall motorised traffic circulating in the CCZ during CCZ hours, taken from TfL’s ANPR data. This data is not publicly available, but TfL previously disclosed a closely-related statistic: in 2016, between 6am and 8pm, 12% of motorised traffic circulating in the CCZ was from PHVs.³

Concerns regarding data on PHVs’ use of time and ‘dead miles’:

- “The CEPA study does not have any data on how PHVs spend their time, inside and outside the zone and what effect the removal of the exemption will have.” [LG]
- “CEPA do not make any estimate of the dead miles the removal of the exemption will have. We do not have any confidence that the number of miles travelled by PHVs will drop significantly because of these proposals given the likely increase in dead miles.” [LG]

CEPA’s understanding of the number of fares taken by PHV and taxi drivers inside and outside of the CCZ in a typical day is informed by driver diary data provided to TfL. While the report recognises the issue of dead miles and the expectation that specialisation might increase dead miles, suitable data was not available to TfL or CEPA for us to be able to produce a credible estimate of how dead miles might change under the proposed policy.⁴ Therefore, we do not include any estimate of changes in dead miles in the model. Issues such as this fed into the decision to take a conservative approach to estimating the traffic impact.

³ TfL (2016) “[Travel in London: Report 9](#)” p.11

⁴ There are few estimates of “dead miles” as a percentage of overall miles, but no discussion that might suggest how road charging could affect it. The [2006 New York City Taxicab Fact Book](#) suggests 35% to 45%, and Guildford County Council’s [2016/17 fares methodology](#) assumes 45%.

Annex A. DISCLAIMER

This letter was prepared by Cambridge Economic Policy Associates LLP (CEPA) for the exclusive use of the client(s) named herein.

Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been independently verified, unless expressly indicated. Public information, industry and statistical data are from sources we deem to be reliable; however, we make no representation as to the accuracy or completeness of such information, unless expressly indicated. The findings enclosed in this report may contain predictions based on current data and historical trends. Any such predictions are subject to inherent risks and uncertainties.

The opinions expressed in this report are valid only for the purpose stated herein and as of the date of this report. No obligation is assumed to revise this report to reflect changes, events or conditions, which occur subsequent to the date hereof.

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CEPA also brings to the readers' attention the disclaimer and important caveats on Slides 3 and 4 of the relevant [report](#).

Appendix F – TfL’s response to the GLA Labour Group response

The response from Florence Eshalomi AM on behalf of the GLA Labour Group referred to aspects of TfL’s data and TfL’s response to this is set out below.

Where the response referred to the CEPA study, CEPA’s response is at Appendix E.

Florence Eshalomi AM on behalf of Labour Group

	Labour Group point	TfL response
1.	‘TfL should publish the driver diary data, and other un-published data sources, to ensure any decision is transparent.’	TfL provided CEPA with a range of data to forecast the likely impacts, including survey data and driver diaries. There are no plans to publish driver diaries at present.
2.	<p>Table 6.7 of the Travel in London 9 report shows a 54% increase in volumes of licensed PHVs observed circulating in the central London Congestion Charging zone (CCZ) during CC Hours between 2013 and 2015. The report says:</p> <p>‘In considering these trends, it is necessary to bear in mind that overall traffic volumes within the charging zone have been falling for several years. Although there is evidence, therefore, of a substantial recent increase in PHVs, particularly in central London, this has largely been in terms of a ‘substitution’ for other vehicles. Of themselves they are not therefore</p>	In the quotation from TiL 9 the words in bold are based purely on a count of the numbers of vehicles. The rise in the number of PHVs is of a similar magnitude to the decline in other vehicles. However, it is not known whether these PHV trips are actually replacing private car trips, nor does the report claim this. The PHV trips may be replacing public transport trips or walking or cycling, for example.

	<p>contributing directly to increased congestion, although congestion would be lower had this increase not taken place.'</p>	
3.	<p>In 2017 Report 10 was published. The report said;</p> <p>'In 2016, taxi and private hire trips increased by 9.8 per cent compared with 2015, following a 2.9 per cent increase in the previous year. This is clearly linked to the increase in licensed PHVs in recent years, although it is notable that the increase in taxi and private hire trips is not as high as the increase in licensed PHVs and PHV drivers. This increase in taxi and private hire trips is particularly focused on central London and in the late evening period.'</p>	<p>In the context of long term falling overall traffic in the CCZ, it is noticeable that the number of PHVs has risen rapidly in recent years. . These proposals seek to address congestion in the CCZ during charging hours, and the significantly increased numbers of PHVs seen in the CCZ during charging hours.</p>
4.	<p>'The Travel in London Reports are clear. Every PHV in the Congestion Charge Zone is taking more than one Private Car off the streets, which is why we are seeing a fall in the number of cars in the zone.'</p>	<p>This is not a quotation from TiL and is assumed to be an interpretation made by the Labour Group.</p> <p>As above (response 3), we do not yet have sufficient evidence to say what type of trips the PHVs are replacing. There could be benefits where PHVs replace private car ownership, but it is not certain that this is always or most often the case.</p>
5.	<p>'The study is flawed on its own merits, but it is also flawed as it completely ignores the wealth of information</p>	<p>TfL provided CEPA with a range of other data sets to forecast the likely impacts of these proposals, including survey data and driver diaries. It is acknowledged that there is uncertainty about driver and operator responses, which are explored and explained in the report..</p>

	and knowledge contained in other TfL reports.'	
6.	'TfL should give urgent consideration as to whether people are swapping their private cars for other modes of transport, including PHVs, and what effect, if any, the removal of the exemption will have on that trend.'	<p>We agree that there is not enough evidence on what types of trips PHVs are undertaking or potentially replacing, and we are seeking to address this with further work.</p> <p>It is not disputed that historic data on PHVs in the zone is fairly limited, however the rise in numbers of PHVs in the CCZ during charging hours means it is right to review current discounts and exemptions. Our rationale for removing the PHV exemption is set out elsewhere in the Report to the Mayor.</p>

Appendix G – TfL’s response to the alternative proposal put forward by

Addison Lee

In their response, Addison Lee included a report it had commissioned from Oxera, *Assessing TfL’s Congestion Charge Proposals*. Parts of the report directly concern the methodology and assumptions behind the CEPA study which TfL published as part of the consultation materials. CEPA’s response to these matters is at Appendix L.

The Oxera report and Addison Lee response also contained a set of alternative proposals (in section 5). The TfL response to these is set out below:

	Addison Lee proposal	TfL response
1	‘Phasing out non-Euro 6 (diesel) and non-Euro 4 (hybrid petrol) PHVs ‘	<p>This type of approach was considered as part of the changes to taxi and PHV licensing consulted on in 2014 and 2015, and subsequently introduced from January 2018. It was not considered appropriate. The reports on this consultation are available on TfL’s website:</p> <p>https://consultations.tfl.gov.uk/environment/ulez-2/</p> <p>https://consultations.tfl.gov.uk/environment/ultra-low-emission-zone/</p> <p>The adopted standards are here:</p> <p>https://tfl.gov.uk/info-for/taxis-and-private-hire/emissions-standards-for-phvs</p> <p>The proposal to replace the ULED with a new phased CVD is intended to incentivise all those who drive in the CCZ during charging hours to do so in the cleanest possible vehicle. It is not a proposal which is specific to PHV drivers. It is prudent that the ULED is changed prior to the launch of the Ultra Low Emission Zone (ULEZ) in April 2019, otherwise it could be the case that a vehicle which does not meet ULEZ standards could receive a 100% ULED discount to the Congestion Charge.</p>
2	‘Establish a rapid electric charger network in London’	<p>TfL is committed to supporting the delivery of a rapid charge point network in London. This is essential to giving drivers the confidence to invest in new ZEC PHVs.</p> <p>TfL is also facilitating a market-led approach to the provision of rapid charging infrastructure in London. This will result in multiple charge point operators running rapid charging infrastructure, ensuring competition between operators and the best price for drivers.</p>

		<p>TfL is working with suppliers to deliver 150 rapid charge points in London by the end of 2018 and 300 rapid charge points will be delivered by the end of 2020.</p> <p>Rapid-charging points are currently prioritised for taxis (which operate differently, plying for hire on street, especially in central London).</p> <p>Non-rapid charging alternatives exist for PHVs (and other vehicles), including home and on-street charging. The Mayor's London Environment Strategy sets out his commitment to supporting EV charging infrastructure and the Mayor's Electric Vehicle Infrastructure Taskforce has been created to understand the needs of different users, including PHVs, and how we can work with the private sector to deliver the charging network needed to facilitate a shift to electric vehicles in London.</p>
3	Raising standards across the PHV industry	<p>TfL has been working closely with the DfT and other stakeholders as part of the task and finish working group reviewing taxi and private hire licensing. The report setting out the working group's recommendations has now been published and is available here:</p> <p>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/745516/taxi-and-phv-working-group-report.pdf.</p> <p>We are now awaiting the Government's response to the report.</p>
4	Adjusting licensing for taxis, such that no licensed taxis can be over 10 years old'	<p>Policies to reduce taxi emissions are kept under review.</p>
5	expansion of the CCZ and/or increase to the Congestion Charge	<p>As described in the consultation materials, and in Chapter 1 of this report, Proposal 20 of the MTS states that the Congestion Charge will be kept under review to ensure it remains effective. From time to time there is a consultation on proposals to change the Congestion Charge, including the present consultation. As described in the main Report to the Mayor, any future proposals to change the Congestion Charge would be subject to a statutory public consultation. There are no further plans to change the Congestion Charge at the current time.</p>

Examples of vehicles eligible for CVD

Manufacturer	Model	Description	Fuel type	CVD Phase 1 / 2	Body Type	Vehicle Type	CO2 Emissions	Emission Free Range (Miles)	Doors	Seats	Boot Space (Litres)
AUDI	A3 Sportback	e-tron 1.4 150PS S-tronic 17" wheels	Electricity / Petrol	Phase 1	Hatchback	Car	38 g/km	30	5	5	280
AUDI	Q7	e-tron 3.0 TDI quattro (258PS) V6 8speed Tiptronic with 19" wheels	Electricity / Diesel	Phase 1	SUV	Car	48 g/km	34	5	5	650
BMW	2 Series Active Tourer F45	225xe Active Tourer - 16" & 17" tyres	Electricity / Petrol	Phase 1	MPV	Car	46 g/km	25	5	5	400
BMW	3 Series Saloon F30	330e - 18" & 19" wheels	Electricity / Petrol	Phase 1	Saloon	Car	49 g/km	23	4	5	370
BMW	5 Series Saloon G30	530e 18", 19", 20" run flat tyres	Electricity / Petrol	Phase 1	Saloon	Car	46 g/km	29	4	5	410
BMW	7 Series Saloon G11	740e - 18" tyres	Electricity / Petrol	Phase 1	Saloon	Car	49 g/km	28	4	5	420
BMW	7 Series Saloon G12	740Le - 18" tyres	Electricity / Petrol	Phase 1	Saloon	Car	54 g/km	27	4	5	420
BMW	i Series - i8	i8	Electricity / Petrol	Phase 1	Coupé	Car	49 g/km	23	2	4	154
HYUNDAI	IONIQ	PHEV	Electricity / Petrol	Phase 1	SUV	Car	26 g/km	39	5	5	550
KIA	Niro	'3 PHEV' 1.6 GDi 8.9kWh lithium-ion 139bhp DCT	Electricity / Petrol	Phase 1	SUV	Car	29 g/km	36	5	5	324
KIA	Optima Saloon	'PHEV' 2.0 GDi 202bhp	Electricity / Petrol	Phase 1	Saloon	Car	37 g/km	33	4	5	307
KIA	Optima Sportswagon	'PHEV' 2.0 GDi 202bhp	Electricity / Petrol	Phase 1	Estate	Car	33 g/km	39	5	5	440
LAND ROVER	Range Rover	2.0L Petrol PHEV (404PS)	Petrol Hybrid	Phase 1	SUV	Car	64 g/km	31	5	5	446
LAND ROVER	Range Rover Sport	2.0L Petrol PHEV (404PS)	Petrol Hybrid	Phase 1	SUV	Car	64 g/km	31	5	5	446
MERCEDES-BENZ	E-Class Saloon	E 350 e with 18" rear wheels	Electricity / Petrol	Phase 1	Saloon	Car	49 g/km	21	4	5	400
MERCEDES-BENZ	S-Class Limousine	S 560 e with 19" rear wheels	Electricity / Petrol	Phase 1	Saloon	Car	49 g/km	31	4	5	395
MINI	Countryman F60	MINI Cooper S E ALL4 Countryman - 17" & 18" tyres without Runflats	Electricity / Petrol	Phase 1	Hatchback	Car	49 g/km	26	5	5	405
MITSUBISHI	Outlander PHEV	GX5h 2.0 PHEV	Electricity / Petrol	Phase 1	SUV	Car	44 g/km	32	5	5	465
PORSCHE	Cayenne E	Cayenne S E-hybrid Platinum Edition	Electric / Petrol	Phase 1	SUV	Car	75 g/km	27	5	5	
PORSCHE	Panamera	4 E-Hybrid PDK	Petrol Hybrid	Phase 1	Hatchback	Car	56 g/km	29	4	5	495
PORSCHE	Panamera	4 E-Hybrid Sport Turismo	Petrol Hybrid	Phase 1	Estate	Car	59 g/km	30	4	5	Not stated
PORSCHE	Panamera	Turbo S E-Hybrid	Petrol Hybrid	Phase 1	Hatchback	Car	66 g/km	30	4	5	495
PORSCHE	Panamera	Turbo S E-Hybrid Sport Turismo	Petrol Hybrid	Phase 1	Estate	Car	69 g/km	30	4	5	Not stated
TOYOTA	Mirai	Mirai Hydrogen	Hydrogen	Phase 1	Saloon	Car	0 g/km	312	4	4	361
TOYOTA	Prius Plug-in	1.8 VVT-i Auto with 15 inch wheels	Electricity / Petrol	Phase 1	Compact	Car	22 g/km	25	5	4	360
VAUXHALL	Ampera	Ampera (Also known as Chevrolet Volt)	Electric / Petrol	Phase 1	Hatchback	Car	27 g/km	50	5	5	300
VOLKSWAGEN	Golf	GTE 1.4 TSI 150PS DSG	Electricity / Petrol	Phase 1	Hatchback	Car	38 g/km	29	5	5	272
VOLKSWAGEN	Passat Estate	1.4 TSI Plug-In-Hybrid 218PS DSG GTE	Electricity / Petrol	Phase 1	Estate	Car	40 g/km	31	5	4	483
VOLKSWAGEN	Passat Saloon	1.4 TSI Plug-In-Hybrid 156PS DSG GTE	Electricity / Petrol	Phase 1	Saloon	Car	40 g/km	31	4	5	402
VOLVO	S90	T8 Twin Engine	Electricity / Petrol	Phase 1	Saloon	Car	46 g/km	31	4	5	500

Examples of vehicles eligible for CVD

Manufacturer	Model	Description	Fuel type	CVD Phase 1 / 2	Body Type	Vehicle Type	CO2 Emissions	Emission Free Range (Miles)	Doors	Seats	Boot Space (Litres)
VOLVO	V60	D6 Twin Engine	Electricity / Diesel	Phase 1	Estate	Car	48 g/km	31	5	5	430
VOLVO	V90	T8 Twin Engine	Electricity / Petrol	Phase 1	Estate	Car	46 g/km	31	5	5	560
VOLVO	XC60	T8 Twin Engine	Electricity / Petrol	Phase 1	SUV	Car	49 g/km	28	5	5	314
VOLVO	XC90	T8 Twin Engine AWD Inscription 19" Alloys	Electricity / Petrol	Phase 1	SUV	Car	59 g/km	23	5	5	314
VOLVO	XC90	T8 Twin Engine	Electricity / Petrol	Phase 1	SUV	Car	49 g/km	28	5	5	314
BYD	E6	E6	Electricity	Phase 1 & 2	SUV	Car	0 g/km	250	5	5	Unknown
BMW	i Series - i3	i3 - 19" tyres	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	193	5	4	260
CITROEN	C-Zero	C-Zero	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	93	5	4	166
HYUNDAI	IONIQ	Electric	Electricity	Phase 1 & 2	SUV	Car	0 g/km	174	5	5	455
HYUNDAI	Kona	EV 39KWh Battery	Electricity	Phase 1 & 2	SUV	Car	0 g/km	194	5	5	332
HYUNDAI	Kona	EV 64KWh Battery	Electricity	Phase 1 & 2	SUV	Car	0 g/km	300	5	5	332
JAGUAR	I-PACE	EV400 90kWh AWD TEH	Electricity	Phase 1 & 2	SUV	Car	0 g/km	260	5	5	356
KIA	Niro EV	'3' 64kWh Lithium-ion	Electricity	Phase 1 & 2	SUV	Car	0 g/km	298	5	5	450
KIA	Soul	EV	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	132	5	5	281
MERCEDES-BENZ	B - Class Electric Drive	Electric Drive	Electricity	Phase 1 & 2	MPV	Car	0 g/km	115	5	5	500
NISSAN	E-NV200	E-NV200 Combi	Electricity	Phase 1 & 2	MPV	Car	0 g/km	105	5	5-7	Not stated
NISSAN	Leaf	Leaf 24kWh	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	124	5	5	435
NISSAN	Leaf	Leaf 30kWh	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	155	5	5	435
NISSAN	Leaf 40KW	Leaf 40KW	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	168	5	5	435
PEUGEOT	iOn	iOn	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	93	5	5	168
RENAULT	Twizy	Expression	Electricity	Phase 1 & 2	Compact	Car	0 g/km	62	2	2	31
RENAULT	Twizy	Cargo	Electricity	Phase 1 & 2	Compact	Car	0 g/km	62	2	1	180
RENAULT	Zoe	Zoe	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	149	5	5	338
RENAULT	Zoe	Zoe Rapid Charge	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	130	5	5	338
RENAULT	Zoe	Dynamique Nav Q90	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	230	5	5	338
RENAULT	Zoe	Dynamique Nav R90	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	250	5	5	338
RENAULT	Zoe	Expression Nav R90	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	149	5	5	338
SMART	fourfour	electric drive with 15" rear wheels	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	95	5	4	185
SMART	fortwo cabrio	electric drive with 15" rear wheels	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	95	2	2	260
SMART	fortwo coupé	electric drive with 15" rear wheels	Electricity	Phase 1 & 2	Coupé	Car	0 g/km	98	3	2	260
TESLA	Model S	100D	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	393	5	5-7	894

Examples of vehicles eligible for CVD

Manufacturer	Model	Description	Fuel type	CVD Phase 1 / 2	Body Type	Vehicle Type	CO2 Emissions	Emission Free Range (Miles)	Doors	Seats	Boot Space (Litres)
TESLA	Model S	75D	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	304	5	5-7	894
TESLA	Model S	P100D	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	381	5	5-7	894
TESLA	Model X	100D	Electricity	Phase 1 & 2	SUV	Car	0 g/km	351	5	4-7	N/A
TESLA	Model X	75D	Electricity	Phase 1 & 2	SUV	Car	0 g/km	259	5	4-7	N/A
TESLA	Model X	P100D	Electricity	Phase 1 & 2	SUV	Car	0 g/km	337	5	4-7	N/A
VOLKSWAGEN	Golf	eGolf	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	186	5	5	341
VOLKSWAGEN	UP	e-UP	Electricity	Phase 1 & 2	Hatchback	Car	0 g/km	99	5	5	251
MITSUBISHI	Outlander Commercial	Car Derived Van	Electricity / Petrol	Phase 1	Van	Van	41 g/km	33	-	-	-
BD AUTO	eDucato Cargo	Cargo Van	Electricity	Phase 1 & 2	Van	Van	0 g/km	125	-	-	-
BD AUTO	eDucato Passenger	Passenger Van	Electricity	Phase 1 & 2	Van	Van	0 g/km	125	4	12	-
BD AUTO	eTrafic Cargo	Cargo Van	Electricity	Phase 1 & 2	Van	Van	0 g/km	99	-	-	-
BD AUTO	eTrafic Passenger	Passenger Van	Electricity	Phase 1 & 2	Van	Van	0 g/km	99	4	8-9	-
CITROEN	Berlingo Electric	Mini van	Electricity	Phase 1 & 2	Van	Van	0 g/km	106	-	-	-
FAAM	Jolly	Jolly 2000	Electric	Phase 1 & 2	Van	Van	0 g/km	75		2	
FORD	Transit	Smith Electric Conversion Edison	Electric	Phase 1 & 2	Van	Van	0 g/km	100	-	3	
LDV	EV80	Chassis Cab	Electricity	Phase 1 & 2	Van	Van	0 g/km	Not stated	-	-	-
LDV	EV80	Van	Electricity	Phase 1 & 2	Van	Van	0 g/km	Not stated	-	-	-
MERCEDES-BENZ	Vito	Vito E-Cell	Electric	Phase 1 & 2	Van	Van	0 g/km	80		2	6600
NISSAN	E-NV200	E-NV200 Cargo Van	Electricity	Phase 1 & 2	Van	Van	0 g/km	187	-	-	-
PEUGEOT	ePartner	Partner Electric - L2 SE Panel Van	Electricity	Phase 1 & 2	Van	Van	0 g/km	106	-	-	-
RENAULT	Kangoo	Van Z.E 33	Electricity	Phase 1 & 2	Van	Van	0 g/km	170	-	-	-

Please Note:

The data taken has been from the vehicle's manufacturer's website, VCA (Vehicle Certification Agency), Autocar and Top Gear Reviewers. Figures are correct as of November 2018. Please note that this list is not exhaustive of all available models on the market. It has been simplified to take into account similar variations of models offered by the same manufacturer and is intended only to be an illustration of the range of vehicles available.

Appendix I: Stakeholder meetings related to the consultation

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|----|-------------------------|-------------------|
| 1. | PHV trade organisations | 11 September 2018 |
| 2. | GLA Labour Group staff | 14 September 2018 |
| 3. | Addison Lee | 9 November 2018 |