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Oct 21, 2022 00:01 BST

Expansion of London's ULEZ boosts TfL's income by almost £100m

Ahead of the first anniversary of the expansion of London's Ultra-Low Emission Zone (ULEZ) to cover a much larger area, RAC analysis of Transport for London (TfL) figures* reveals the move has generated an estimated £93.6m of additional revenue from drivers of non-compliant vehicles having to pay £12.50 a day.

The data shows that since the beginning of November 2021 until June 2022 – a period of eight months – an average of 1.9m journeys were made into

the zone every month by vehicles not conforming to either Euro 6 diesel standards or Euro 4 petrol standards, resulting in £112.5m worth of revenue from those vehicles required to pay.**

By way of comparison between February and September 2021 prior to the ULEZ expansion, 329,527 journeys on average were made every month by non-compliant vehicles within the original central London boundaries, resulting in revenues of just under £19m.

These figures do not include TfL revenues for penalty charge notices (PCNs) issued to drivers for non-payment of the ULEZ charge. Data shows that in the first eight months since the expansion, an estimated 1.6m PCNs have been issued, compared to just 253,357 in the eight months prior to the boundary changes. Given the £160 fine amount (£80 for early payment), the RAC estimates the potential income from PCNs issued to drivers in the expanded zone is between £130.9m and £261.9m***, compared to between £20.3m to £40.5m in the eight months in the original central London boundaries.

Prior to expansion, around 13.1% of all vehicles were deemed non-compliant with emission standards. After expansion, this fell to 6.9%. The proportion of non-compliant vehicles issued with a PCN averaged 9.6% within the original zone, rising to 14.2% in the first two months of the expanded zone before falling back to the same average proportions that were prevalent in the old zone. It should be noted that around three-in-10 (28.5%) non-compliant vehicles were not required to pay the ULEZ*****.

RAC head of roads policy Nicholas Lyes said:

"The expansion of the Ultra-Low Emission Zone in 2021 meant a far larger geographical area was covered by the mayor's strict vehicle emissions standards. For many, this meant a very stark choice: either replace their vehicle with a compliant model or face paying the £12.50 daily charge. Failing to pay the charge wasn't an option either as it would result in a hefty penalty charge notice.

"The expansion of the ULEZ has resulted in a much-increased revenue stream for Transport for London, notwithstanding the costs associated with introducing the larger ULEZ. Londoners living outside the current ULEZ will now be worrying about the prospect of further expansion, mooted to be at the end of August 2023.

"While we accept that action is needed to reduce toxic emissions from vehicles, the cost-of-living crisis is hurting drivers in the pocket and there is a risk that further enlarging the zone will be hugely costly for those with older vehicles who can least afford to change them for something newer.

"As it is, RAC research suggests <u>drivers are holding on to their vehicles for longer</u>, so there is a real risk that more people with non-compliant vehicles will be forced to pay a charge they can ill afford to.

"We would encourage the mayor to take a pragmatic approach and redouble his efforts to support lower-income families and businesses with non-compliant vehicles with a targeted scrappage scheme ahead of any expansion plans."

Find out more about London's Ultra-Low Emission Zone.

- * https://tfl.gov.uk/corporate/publications-and-reports/ultra-low-emission-zone
- ** A proportion of non-compliant vehicles do not pay the charge
- *** Though PCNs are £160, they are reduced to £80 if paid within 14 days. The figures do not take into consideration successful appeals, hence stating above: 'value of PCNs issued'. Some drivers would have been issued with warning letters instead of PCNs in the early weeks of November 2021

**** https://tfl.gov.uk/modes/driving/ultra-low-emission-zone/discounts-and-exemptions

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About the RAC

The RAC, an iconic UK brand, provides complete peace of mind to 13 million UK private and business drivers, whatever their motoring needs. As well as its premium nationwide breakdown assistance service – with an expert branded patrol workforce attending more than two million breakdowns every year – it offers a wide range of market-leading products across insurance, legal services, vehicle inspections and service, maintenance and repair. The RAC is also at the forefront in helping drivers make the switch to electric vehicles and leads in the development of new solutions for businesses and OEMs, partnering with the best in the motoring and mobility space.

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