Public Affairs

RAC submission to the joint committee inquiry into air quality

This response has been written by Nicholas Lyes, RAC Public Affairs Manager, on behalf of RAC Motoring Services

About the RAC

With more than eight million members, the RAC is the oldest and one of the UK's most progressive motoring organisations, providing services for both private and business motorists. As such, it is committed to making driving easier, safer, more affordable and more enjoyable for all road users.

The RAC, which employs more than 1,600 patrols, provides roadside assistance across the entire UK road network and as a result has significant insight into how the country's road networks are managed and maintained.

The RAC is separate from the RAC Foundation which is a transport policy and research organisation which explores the economic, mobility, safety and environmental issues relating to roads and their users.

The RAC website can be found at www.rac.co.uk.

In September 2017, the RAC published its latest Report on Motoring.

RAC Response

1. **How effectively do Government policies take into account the health and environmental impacts of poor air quality?**

1.1 The RAC supports measures to tackle air pollution and as a responsible motoring organisation we also believe that efforts to reduce roadside emissions from vehicle exhausts is integral to this.

1.2 The Government is faced with the consequences of policies of previous Governments over the last decade. These policies have:

- Prioritised carbon dioxide emissions reduction at the expense of air quality
- Failed to appreciate the extent to which real world nitrogen dioxide emissions of diesel vehicles exceeded levels defined in standard type approval emissions testing.

As a consequence, purchasers were incentivised through Vehicle Excise Duty and fuel duty rates to purchase fuel-efficient diesel cars and light commercial vehicles.

1.3 Current Government Policy is aimed at tackling the urgent need to reduce nitrogen dioxide emission in areas of poor air quality whilst trying to be fair to those owners of diesel vehicles who purchased these in response to the incentives put in place by previous governments. Immediate imposition of restriction or charges, which are not proportionate to the problem and do not give sufficient advanced warning would be hugely damaging to the

economy and to personal mobility. A balance must therefore be struck and generally, we believe that the Government Air Quality strategy succeeds in achieving the right balance.

1.4 Around 60% of local Nitrogen Dioxide is emitted by local road traffic and a further 18% comes from background road traffic (UK plan for tackling roadside nitrogen dioxide concentrations, DEFRA, July 2017[1]) and therefore it is right for government strategy to focus on reduction of emissions from local road traffic as the priority. However, almost a quarter (22%) arises from other sources (other forms of transport, industrial and domestic sources) and therefore it is essential that these sources are addressed in parallel. The figures quoted are averages and in some locations, the contribution of non-road traffic sources will be far higher. We have some concerns that government plans are far less prescriptive to address non-road traffic sources and we would like to see greater detail on how Government intends to address these.

2. **Do these plans set out effective and proportionate measures to achieve necessary emissions reductions as quickly as possible?**

2.1 We recognise that, whilst poor air quality is a national problem that requires national guidance, combating air quality is going to be most effective at a local level because:

- Air quality varies very considerably by area and those areas of poorest air quality are primarily in town and city centres and in corridors along some very busy major urban and inter-urban roads.

- The primary contributors to poor air quality are not the same in all areas. For example, whilst diesel cars typically across the UK contribute 35% (UK plan for tackling roadside nitrogen dioxide concentrations, DEFRA, July 2017) of the nitrogen dioxide emitted by local road transport, their contribution is closer to 25% in central London. The measures imposed locally therefore need to reflect the local situation and will not therefore be the same in all locations where air quality improvement measures are implemented.

2.2 However, we need to avoid a scenario in which road users are faced by a patchwork of disparate local measures which create confusions. We therefore welcome the Government's framework for Clean Air Zones as we believe this will provide a nationally consistent standard for drivers and businesses entering different cities across England and Wales. We also welcome the Government's recognition that congestion and slow moving vehicles contribute to poor air quality and that steps need to be taken at a local level to look at road design and road

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633270/air-quality-plan-detail.pdf

layout, as well as optimising traffic flow through improved traffic light sequencing and more consistent road speeds.

2.3 We believe that motorists accept the need for actions of the type proposed. In research for the 2017 RAC Report on Motoring:

- 57% of respondents support the banning of the most polluting vehicles and 59% support charges for the most polluting vehicles entering areas with the poorest air quality
- 57% of motorists support the introduction of charges for diesel vehicles that do not comply with the Euro 6 standard entering areas with the poorest air quality and 42% support such charges for all diesel vehicles
- 59% support government proposals for establishing clean air zones
- However, amongst diesel drivers themselves, only 23% believe that diesel vehicles are the main source of local air pollution.

2.4 However, there are areas where the RAC has concerns:

- There needs to be an even greater emphasis on reducing emissions from the most polluting vehicles in urban areas doing the greatest mileages. These tend to be buses, taxis and delivery vehicles (LGVs). The Government should be encouraging local authorities to set even more stretching targets for the transition to ultra-low emission buses and taxis. A recent report published by the RAC Foundation showed[2], that this is likely to deliver better value for money and produce quicker results than a poorly targeted diesel scrappage scheme for owners of older diesel cars.

- The air quality strategy provides clear guidance that the charging drivers of diesel cars that do not comply with Euro 6 and petrol cars that do not comply with Euro 4 should be considered only after it can be shown that alternative measures will not achieve the necessary improvements to air quality. However, we have concerns that some local authorities may not have the skills or resources to conduct the necessary modelling and analysis in order to make evidence-based decisions. The government needs therefore to assist local authorities by provision of both technical and financial support. The government also needs to monitor, and if necessary require revisions to plans that propose unnecessarily severe restrictions or charges that are not proportionate to the problem. We note that only £40m will initially be made available so local authorities can take immediate action to improve air quality and we question the adequacy of this.

- There is no simple method by which vehicle owners can check which Euro emissions standard their vehicle falls into. We believe this should be a priority before Clean Air

[2] http://www.racfoundation.org/research/environment/would-a-targeted-diesel-scrappage-scheme-work

Zones start to appear so drivers are able to look up through a website or through the DVLA database whether their vehicle will be subject to restrictions or charges.

3. Are other nations or cities taking more effective action that the UK can learn from?

3.1 The RAC has not conducted comprehensive research to identify best practices in other countries. However, evidence from Norway on incentivising the take-up of cleaner vehicle appears to have been extremely successful[3]. Norway has the highest market penetration per capita in the world for the sale of new plug-in/pure electric vehicles. Around 30% of all new vehicles purchased have plug-in capacity. One of the reasons for this is the exemption of all pure electric car and van fleets from purchase taxes in Norway, including VAT exemptions[4]. There has also been steps to allow EVs to use bus lanes and other priority traffic lanes in some urban areas. However, we acknowledge that taxation on the purchase on new cars is high in Norway and that cheap electricity generated from hydo-electric sources is readily available.

3.2 The UK has the Plug-In Grant scheme which contributes to the cost of purchasing new ultra-low emission vehicle and also exempts pure electric vehicles costing less than £40,000 from Vehicle Excise Duty both in the first and subsequent years,. However, we would like to see greater incentives to purchase plug-in hybrid vehicles through VED reductions in the second and subsequent years of ownership. These were largely removed when new ED rates were introduced earlier this year.

4. Is there enough cross-government collaboration to set in place the right fiscal and policy incentives?

4.1 There is some evidence that the Treasury may not be entirely in step with the other departments (DfT, DEFRA, DCLG).

4.2 Plug-in grants are an important incentive for purchasers of new vehicles to select ultra-low emissions options and experience in Norway demonstrates just how effective such incentives can be. However, there is no long term commitment to incentives in the UK and the current plug-in grant scheme has been subject to regular short term extensions and funding. Given the Government's commitment to the take-up of ULCV, we would expect to see a long term commitment to the plug-in grant scheme of at least 3-5 years. However, there is no Treasury commitment to the current scheme beyond 2018 which is insufficient for motor manufacturers, fleet operators, businesses and individuals to plan and budget effectively for an uptake in demand.

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[3] https://www.theguardian.com/environment/2017/feb/07/power-to-the-ev-norway-spearheads-europes-electric-vehicle-surge

[4] http://www.climatexchange.org.uk/files/3114/9847/8403/EU_case_studies_Norway_Transport.pdf

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4.3 We indicated above that we do not believe that the new rates Vehicle Excise Duty (VED) introduced by the Treasury in April 2017 provide sufficient incentives to achieve the transition to ultra-low emission vehicles that other government department are seeking. Research for the 2017 RAC Report on Motoring[5] showed that only 5% of drivers are considering a plug-in hybrid as their next vehicle and just 2% will opt for a pure electric vehicle. 49% of respondents indicated that changes in VED rates in favour of ultra-low emission vehicles such as plug-in hybrids was the single most important Government measure that would encourage them to purchase such vehicles in preference to conventional petrol and diesel vehicles.

4.4 Vehicles costing less than £40,000 already benefit from zero rating of VED in both the first and subsequent years so there is no scope for further reductions. However, a purchaser of a plug-in hybrid vehicle pays only £10 per year less VED than someone with a more polluting vehicle in the second and subsequent years of ownership. In March 2017, the RAC published research[6] which showed how some ultra-low emission vehicles falling under the 2017 VED regime (which commenced in April 2017) could end up paying nearly £600 more in car tax over 5 years (after year 1) than they would have been had they bought the same model under the previous Vehicle Excise Duty regime. The RAC believes that the Government should recognise that plug-in hybrid vehicles currently represent the only practical ultra-low emissions option for many vehicle owners because of the range limitations of affordable pure electric vehicles and the immaturity of the charging network. However, many motor manufacturers are introducing plug-in hybrid versions of their most popular models. These have the ability to travel for 20 miles or more on battery alone and so can become zero emissions when travelling through areas of poor air quality. They therefore represent a practical next step towards the zero emissions world of the future and the VED regime should incentive their purchase to a greater extent than it currently does.

5. **How can those charged with delivering national plans at local level be best supported and challenged?**

5.1 We have already commented at a high level on this in earlier responses and believe that local authorities or the Local Government Association are better placed to give a more detailed answer to this question.

Please address any comments or further contact to:

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[5] https://www.rac.co.uk/pdfs/report-on-motoring/rac_rom_2017.pdf

[6] https://www.rac.co.uk/press-centre#/pressreleases/buyers-of-new-low-emission-cars-to-be-unreasonably-hit-by-aprils-tax-rise-1864246

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Date of submission: 7th November 2017