

Committee: Cabinet

Date: 25th March 2019

Wards: All

Subject: Terms of Reference for Diesel Levy and Emission based charges review.

Lead officer: Chris Lee, Director Environment & Regeneration &

Lead members: Cllr Whelton (Cabinet Member Cabinet member for Regeneration,

Housing and Transport Cllr Tobin Byers, Cabinet Member for Adult Social Care and Health

Contact officer: Ben Stephens, Head of Parking Services

Recommendations:

1. That Cabinet approves the Terms of Reference for a review of the diesel levy and emissions based charging as set out in the report.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The Council took the bold decision to introduce the diesel levy surcharge in 2016. The emissions from diesel engines are known to be particularly harmful. At the time of approval, Members requested the effect of the levy be reviewed after 2 years of its operation.
- 1.2. Since its introduction in Merton a number of other London Boroughs have followed Merton's lead with the aim of reducing diesel car usage.
- 1.3. Currently in Merton, the diesel levy is only charged on Permits, but consideration will be given to extending this to pay and display parking and season tickets.
- 1.4. A more recent practice is for councils to use emission based charging as a way of affecting driver behaviour and vehicle ownership. A revised [emissions based] charging approach will be considered as part of the review.
- 1.5. Merton parking service already contributes to; and helps deliver the key policies set out in: Merton's Health and Wellbeing Strategy; Merton's Air Quality Action Plan; the Council's Local Implementation Plan; and the Mayor of London's Transport Strategy.
- 1.6. The outcome of the review will further help inform Members of these key strategic issues, which will affect parking policy for the future.

2 TERMS OF REFERENCE FOR DIESEL LEVY REVIEW.

2.1.1 The review will explore the impact of the diesel levy and the extent to which it has contributed to a change in diesel car ownership.

2.1.2 The suggested terms of reference have been amended to include the revised reference set out in the Sustainable Communities Overview and Scrutiny Panel on 26th February 2019.

2.1.3 The review will seek to identify the type of behavioural change the levy has influenced, e.g. there might not be a fall in overall applications for permits, but over time there may be a trend for permits e.g. for less polluting vehicles, even though overall permit numbers remain broadly the same.

2.1.4 As an example, the list below sets out some of the considerations the review will look at and the wider issues of car ownership and trends.

2.1.5 Wider national trends:

- National Car ownership trends in the short and medium term, such as the uptake of Electric Vehicles, walking and cycling.
- New car sales and type of vehicles now being purchased nationally and locally [if possible]. Also the life span of car ownership and effect of long-term trends.
- Percentage of cars in high-low polluting vehicles and trends.
- Other Borough charges and policies.
- Timescale for change.
- Charging options.
- Use of technology to deliver a new charging policy:
 - The greater use of cashless parking systems and improved/modern P&D machines along with other technologies is known to be instrumental in implementing emission based charging and Members are asked to note section 1.12 and the ongoing work in this regard.

2.1.6 Local data and review:

- The review team will consider diesel permit sales in Merton over the two years of operation.
- Compare Merton's trends with other boroughs and national trends in diesel vehicle ownership trends over the same period.
- Assessment of the impact on the introduction of the diesel levy
- Explore the case for change.

2.1.7 The review will also explore the case for a diesel levy on pay and display (on and off-street car parking) by looking at experience and examples elsewhere and how much a levy can be used to reduce diesel vehicle use.

2.2. **Emission based charging**

2.2.1 Whilst not an existing or proposed levy, Officers wish to explore the case for emission based charging for resident permits and parking charges generally. The review will explore the experience of other councils in implementing such schemes – the benefits and disadvantages of such a scheme and the impact this can have on driver behaviour and air quality.

2.3. **In the context of Merton exiting policies, including:**

2.3.1 **Improved physical and mental health of Merton residents:** In Merton, levels of physical activity has dropped by two percentage points in two years. Furthermore based on Department for Transport statistics for 2016/17 the proportion of adults doing any walking or cycling once a week is 77.9% down from 81.5% for 2015/16.

2.3.2 By supporting the shift to more sustainable and active modes of transport, improving air quality and generally making streets more pleasant places for Merton residents to spend their time, parking policy can help increase the physical and mental health of Merton residents. This can help reduce levels of childhood and adult overweight and obesity, a key issue in Merton. In Merton, one in five children entering reception are overweight or obese and this increases to one in three children leaving primary school in Year 6 who are overweight or obese.

2.3.3 **Healthy places:** The ‘healthy streets’ approach defines a healthy street as one with things to see and do; places to stop and rest; shade and shelter; clean air; and pedestrians from all walks of life. It must be easy to cross; and feel safe, relaxing and not too noisy. Put simply, it needs to be an environment in which people choose to walk and cycle. Action against these indicators ultimately improves health, and parking policy has a role to play for example, by helping improve air quality, and incentivising people to walk, cycle and use public transport.

2.3.4 Example of healthy places and the role parking services can play: Parking Services are already working jointly with Public Health on the School Neighbourhood Approach Pilot (SNAP). This pilot recognises that there is not one solution to complex challenges and that many different government departments hold the levers to improving the urban environment and therefore the public’s health. The pilot involves identifying the levers the Council has to improve the urban environment in the 400 metres around a school, and then

working with a selected school to take action on issues that matter to them, such as air quality and an obesogenic environment, with the ultimate aim of reducing health inequalities.

- 2.3.5 We need to consider what we can do as a borough to ‘make the healthy choice the easy choice’, to improve public services and encourage residents to choose active travel options more often, and to reduce congestion and improve air quality.

2.4. **MERTON AIR QUALITY ACTION PLAN 2018-2023**

- 2.4.1 Air pollution is recognised, as a major contributor to poor health with more than 9000 premature deaths attributed to poor air quality in London Air pollution is associated with a number of adverse health impacts: it is recognised as a contributing factor in the onset of heart disease and cancer. Additionally, air pollution particularly affects the most vulnerable in society: children and older people, and those with heart and lung conditions. There is also often a strong correlation with equalities issues, because areas with poor air quality are often less affluent.

2.5. **Parking and Transport Management**

The role of parking and transport policy to deliver sustainable transport, public health and air quality objectives

- 2.5.1 Parking management serves a vital strategic and local function in regulating the amount of traffic attracted to an area. This is intended to discourage car use in congested areas where journeys are equally well served by public transport or other sustainable forms of transport, such as walking and cycling. The role of Parking can be very clearly linked to matters of Public Health and air quality.
- 2.5.2 In line with the Mayor’s Strategy to drive a shift away from non-essential car travel, walking and cycling improves the health of Londoners and can achieve considerable economic benefits.
- 2.5.3 On the 19th November 2018, TfL (in collaboration with partners) published research about the economic benefits of the Healthy Streets Approach.
<https://tfl.gov.uk/corporate/publications-and-reports/economic-benefits-of-walking-and-cycling>

2.6. **PAYMENT METHODS AND CASHLESS PARKING**

- 2.6.1 The review team will consider the use of P&D and cashless technologies, which will form part of the October 2019 report. The management of any emission based charging or diesel levy is for on and off street charging will be reliant on the use of cashless payments through RingGo and new Pay

and Display machines will be needed to evaluate the emissions of any given vehicle at any given time.

- 2.6.2 Members will in due course be asked to consider a carefully managed rationalisation of Pay and Display machines over the next few years, to achieve a higher percentage of cashless transaction. Cash alternatives will always be possible within the borough, either through local shops selling parking sessions, which works well in other boroughs, or sale of parking time in advance through a voucher system.
- 2.6.3 In some cases Parking Services will or have removed underutilised machines in cases where an alternative machine is nearby. This work is ongoing and Ward members will be informed as a machine removal is being considered in respective wards.
- 2.6.4 Cashless parking has been in operation in Merton for 4 years. Its introduction and subsequent update has been very successful and well received by customers. Cashless payments now account for 49% of all paid for transactions and this continues to grow. The service is provided by RingGo and the same service is available in 22 of the 32 London boroughs. We have recently extended the contract with RingGo for a further 4 years.
- 2.6.5 There has been a natural conversion by customers towards the use of cashless both locally and nationally. Some boroughs have used a number of initiatives to further increase the use of cashless. This includes removal of machines from locations where there are multiple machines, additional signs at P&D locations, and advertising on the back of P&D machines and tickets to raise awareness.
- 2.6.6 Savings can be achieved by increasing the proportion of parking payments made through cashless systems rather than through the cash-only ticket machines. This could be as little as one user per week.
- 2.6.7 Removing lesser-used ticket machines will reduce maintenance, repair, cash collection and banking charges while also reducing opportunities for theft or criminal damage. Analysis of usage patterns has established that many machines take a trivial amount of cash; some less than £10 per calendar month.

3 ALTERNATIVE OPTIONS

- 3.1. The Terms of Reference set out above will have been drafted to ensure all options are considered as part of this review. The Cabinet undertook to carry out a review of the impact of the levy when it was implemented in 2016, and therefore to not carry out the review is not being proposed as an alternative option.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None required for the purpose of this report.

5 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

5.1. None for the purpose of this report.

6 LEGAL AND STATUTORY IMPLICATIONS

6.1. None for the purpose of this report.

7 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

7.1. To be considered as part of the review.

8 CRIME AND DISORDER IMPLICATIONS

8.1. Removing cash-only pay and display ticket machines will reduce the frequency of thefts and damage. There are no known other implication, which the Terms of Reference would have on crime and disorder, but the review will be minding of this matter during the process.

9 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

9.1. There are no health and safety implications associated with this report at present.

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

10.1. None

11 BACKGROUND PAPERS

11.1 None

12 LINKED REPORTS

12.1. [Emissions Levy, Cabinet 14 November 2016](#)

12.2. [Public health, air quality and sustainable transport-a strategic approach to parking charges 2, Cabinet 10 December 2018](#)