Cambridge Sustainable Travel Zone

December 2022

Summary

- Logistics UK supports the objective to reduce congestion and emissions in Cambridge and to fund improvements to bus services, walking and cycling.
- Where charges are applied, they should be considered in the context of the availability of alternative vehicles or travel options, as well as the economic and social value of the trip.
- The proposed zone covers a very large area and is therefore going to have a significant detrimental impact on logistics companies servicing businesses and residents across the city, particularly if high charge levels are applied to HGVs and vans.
- Logistics UK is strongly opposed to the targeting of HGVs in the phasing in proposals.
- Logistics UK is strongly opposed to the proposed daily charge levels of £50 for HGVs and £10 for vans.

About Logistics UK

Logistics UK is one of Britain's largest business groups and the only one providing a voice for the entirety of the UK's logistics sector. Our role, on behalf of over 20,000 members, is to enhance the safety, efficiency and sustainability of freight movement throughout the supply chain, across all transport modes. Logistics UK members operate over 200,000 goods vehicles - almost half the UK fleet - and some one million liveried vans. In addition, they consign over 90 per cent of the freight moved by rail and over 70 per cent of sea and air freight.

We seek to ensure that our industry can continue to supply businesses and consumers with the goods they require every day whilst reducing any social impacts – including carbon dioxide emissions and air pollution. The logistics industry wishes to play a positive role in helping reduce emissions.

Logistics UK's policy positions are determined by the members of its Councils. Over 300 managers and leaders from across road freight attend Logistics UK's Freight Councils throughout the UK three times a year. These Policy Councils meet in 13 locations across the UK. Nominated members are then able to participate in the UK-level Road Council where our policy positions on road issues are ratified. There are also Air, Rail and Water Councils that all members can join, as well as Shippers Council for logistics customers and a Strategic Council to address long-term issues.

About the Logistics industry

The logistics industry plays an indispensable role servicing our towns and cities, supplying communities and supporting local economies. To enable the industry to operate as efficiently as possible, logistics must be considered part of the UK's essential infrastructure, with appropriate local and national policies and regulatory frameworks in place to support its crucial role.

The impact of logistics operations in urban areas can be minimised through careful consideration of road space reallocation, supportive urban planning and appropriate steps to enable future vehicle and mobility technologies.

There is an inherent transport cost in everything we buy. As the UK recovers from the global pandemic, we are now faced with a cost-of-living crisis. According to Logistics UK's Manager's Guide to Distribution Costs, total vehicle operating costs increased by 16.7% for the first six months to July 2022. While rising fuel costs is a key element of this, vehicle maintenance has risen by 7.5% and overheads 12.3%. The Office for National Statistics (ONS) estimates that the Consumer Prices Index (CPI) rose to 11.1% in October and in the view of Logistics UK, the current economic climate is placing an unsustainable burden on industry, particularly among the small businesses.

Supporting an efficient supply chain and minimising unnecessary regulatory barriers is essential in keeping the cost of goods and services as competitive as possible for Cambridge's residents, businesses and visitors.

Response to consultation

Proposal to introduce a Sustainable Travel Zone

Logistics UK supports the objective to reduce congestion and emissions in Cambridge and to fund improvements to bus services, walking and cycling. But where charges are applied, they should be considered in the context of the availability of alternative vehicles or travel options, as well as the economic and social value of the trip. Whilst most private car users could consider switching to public transport, walking and cycling, essential freight deliveries have few alternatives to using HGVs and vans.

Congestion causes significant inefficiencies in the logistics sector in terms of delivery times and operating costs, and it also contributes to further CO_2 emissions through tailpipe emissions as vehicle engines idle whilst in traffic. According to INRIX 2021 Global Traffic Scorecard[1], Cambridge was the second most congested city in the UK after London. Drivers in Cambridge lost on average 75 hours per year due to congestion equating to £618 per driver with a total cost of congestion in Cambridge of £11 million.

Congestion is predominantly caused by passenger cars: In the year ending September 2022, 239.8 billion vehicle miles (bvm) were driven by cars, compared to 59.5 bvm for vans and 17.9 bvm for lorries[2]. Given the economic importance of road freight traffic, the Greater Cambridge Partnership should focus on keeping road freight moving.

Feedback on the proposed Zone and its boundary

The proposed zone covers a very large area and is therefore going to have a significant detrimental impact on logistics companies servicing businesses and residents across the city, particularly if high charge levels are applied to HGVs and vans.

The other consideration is ensuring that drivers who are forced to enter the zone, either due to planned diversions, such as roadworks, or as a result of unplanned diversions, such as road traffic collisions, are not required to pay the charge. The preference would be for cameras to be switched off on diversion locations, so PCNs are not issued in the first place. And where a PCN is issued to a vehicle on a diversion route, there needs to be an easy process for the PCN to be cancelled.

Hours of operation of the Sustainable Travel Zone

The proposed 7am to 7pm hours of operation of the zone provides few realistic alternatives for deliveries and servicing activity. Greater access for deliveries to be made at night when the roads are quieter through the relaxation of night-time delivery restrictions, such as planning conditions, is one potential option. Enabling goods vehicles to spend less time in congestion will significantly increase their efficiency and reduce emissions. However, this needs to be balanced with the needs of local residents, especially in areas with low ambient noise levels. Additionally, many businesses will require deliveries during normal business hours and residents will not want to receive home deliveries late at night or early in the morning.

Phasing in the Sustainable Travel Zone charge

Logistics UK is strongly opposed to the targeting of HGVs in the phasing in proposals. As explained above, commercial vehicles have fewer alternative options to private cars, and introducing charges for HGVs first will have a significant impact on the cost of servicing Cambridge's residents and businesses. Congestion is predominantly caused by passenger cars, so HGVs will be charged without seeing any benefits from reduced congestion.

Proposed charge levels

Logistics UK is strongly opposed to the proposed charge levels for HGVs and vans. It is proposed that vans will be charged £10 a day, double the charge for cars, whilst HGVs will face a £50 daily charge, which is five times the charge for vans and ten times the charge for cars. It is a very simplistic approach to apply significantly higher daily charge levels for commercial vehicles. They need to be viewed in the context of the substantial economic and social benefits they deliver. With the average profit of a haulier around 1 or 2%, £50 a day for an HGV will make many deliveries

[1] https://inrix.com/scorecard

[2] https://www.gov.uk/government/statistics/provisional-road-traffic-estimates-great-britain-october-2021-to-september-2022/provisional-road-traffic-estimates-great-britain-october-2021-to-september-2022

economically unviable. Either the costs will be passed onto the customer, reducing the economic competitiveness of Cambridge as a city, or some delivery companies may choose to not service Cambridge at all.

Whilst the consultation document notes the potential to explore a 50% discount for zero emission vehicles, this is an unrealistic option for most logistics operators, particularly those operating HGVs, where zero emission technology is still at the early stages of development and is many years away from being market-ready and at comparable costs to Euro VI HGVs.

Logistics UK members are committed to reducing carbon emissions and achieving net zero. Whilst the take up of zero-emission Light Goods Vehicles is growing, van operators wishing to switch to zero emission vehicles are facing lengthy lead times of approximately 18 months to two years. And there are significant challenges in terms of recharging infrastructure, both for publicly accessible charge points and dedicated charging at depots.

For larger goods vehicles, the shift to zero tailpipe emission vehicles is more challenging. The Government has pledged that by 2035, new HGVs weighing 26 tonnes and under must be zero emission at the tailpipe, with new HGVs over 26 tonnes having until 2040 to be zero emission at the tailpipe to be eligible for sale. At the end of 2021, there were just 507 licensed ultra-low emission HGVs. According to Logistics UK's Industry Survey 2021/22, the primary barriers to the take up of alternatively fuelled HGVs are high initial capital costs; limited availability of fuelling options/infrastructure constraints; issues with on-board fuel storage and limited range; number of charging points; and lack of vehicle models available.

Other cities which have introduced Clean Air Zones have not applied charges at all to HGVs and vans which meet the Euro VI/6 emissions standard. Logistics UK calls on the Greater Cambridge Partnership to exempt freight vehicles from all charges and focus on modal switch for private cars. This is the approach that will be taken by Oxfordshire County Council in the implementation of traffic filter trials in Oxford in 2023[3].

Proposed discounts, exemptions and reimbursements

Whilst Logistics UK welcomes the inclusion of breakdown vehicles in the list of exemptions, the exemption must not be restricted to Taxation Class Recovery Trucks. Trucks are often used where vehicle recovery is required. However, the priority should be to fix and/or recover where possible using a van. Doing so will allow a faster service, reducing congestion without having to call in another vehicle resource, wasting time and creating further emissions. Therefore, vans operated by breakdown companies should be included within the exemption.

Conclusion

Logistics UK has serious concerns about some of the measures proposed in this consultation, particularly the exponential charges under consideration for vans and HGVs, which we believe will have a detrimental impact on Cambridge's residents and businesses. However, we welcome the engagement by the Greater Cambridge Partnership team who participated in a webinar with Logistics UK members in December 2022 to present the plans and hear their feedback. We look forward to continuing to engage and help shape the scheme to ensure it delivers its intended benefits without the unintended consequences to essential logistics activity.

Natalie Chapman
Head of Public Affairs
Logistics UK
nchapman@logistics.org.uk

[3] https://www.oxfordshire.gov.uk/residents/roads-and-transport/connecting-oxfordshire/traffic-filters