Air Quality: Consultation on the draft national Air Quality Strategy

21 April 2023

Summary

- The logistics industry acknowledges the role it must play in addressing air quality and has made significant improvements in recent years.
- Local authorities must recognise the economic and social importance of freight when considering air quality improvement measures.
- Infrastructure improvements, better traffic management and measures to discourage single passenger vehicles must all be considered before additional costs are levied on logistics.
- Where Clean Air Zones are necessary, they must be progressive, standardised and fair.
- Local areas can work effectively with the logistics industry to support new ways of working that improve air quality and must be encouraged to do so.

About Logistics UK

Logistics UK is one of the country's largest business groups, supporting, shaping and standing up for safe and efficient logistics. We are the only organisation representing the entire logistics sector.

We represent a sector delivering an increasingly innovative, productive and sustainable system of essential national infrastructure. This system ensures the availability of the products that households, businesses and public services rely on every day, and is supporting the UK's transformation for the future. Our membership of over 20,000 includes global, national and regional businesses and SMEs spanning the road, rail, sea and air industries as well as the buyers of freight services, such as retailers and manufacturers.

Response to consultation

Introduction

HGVs and vans play an indispensable role in servicing our towns and cities, supplying local communities and supporting local economies. It is important that in seeking improvements to road safety and emissions there is also recognition that the logistics industry is a central part of the UK economy, bringing essential goods needed by communities nationwide.

The logistics industry understands the health impacts of atmospheric pollutants and that emissions need to reduce. The take up of Euro 6/VI requirements through fleet replacement has delivered significant emissions reductions of up to 90% on-road reductions in local pollutants, with more reductions expected in the years ahead without any further intervention in the market. Similarly, the industry continues to make strides in exploring and adopting zero-tailpipe emission vehicles.

As local areas have sought to address air quality issues, such as through the introduction of Clean Air Zones (CAZs), Logistics UK has proposed a progressive, standardised and fair approach through a national framework, that will achieve the same environmental impact while reducing business costs. In the first instance, local authorities should be encouraged to implement mitigation measures and intelligent traffic management before charging schemes are introduced. On a practical level, this framework should include clear and consistent guidelines covering the size of zones and charges levied, a nationwide interoperable portal for collecting payments to reduce administrative burdens for all parties, allow extra time for compliance in specific cases and a flexible approach towards van operators and local businesses.

We believe that alternative approaches should also be considered which could deliver similar and ongoing long-term benefits to urban areas through a range of measures including congestion management, retiming deliveries, consolidation, working with customers and offering local incentives to operators of the cleanest vehicles.

In responding to this consultation, Logistics UK has given consideration to the full draft Air Quality Strategy. However, the majority of this submission relates to the powers available to local authorities relating to transport (Question 8). Where evidence relates to other questions, this is referenced.

Actions for local partners

In line with the industry's support for the need to reduce the harms caused by poor air quality, Logistics UK recognises that local authorities must give due consideration to the issue when developing Local Transport Plans. Depending on the specific circumstances of a given local area, there will inevitably be a range of measures that could be used to improve air quality. However, these plans must take into account the vital economic role played by the logistics sector.

HGVs and vans play an indispensable role in servicing our towns and cities. Every commodity we need is delivered by the freight industry, which plays a crucial role in supplying local communities and supporting local economies. There are social and environmental impacts from vans and lorries, in terms of road safety and emissions, but there are social benefits too: keeping costs down, enabling local businesses to function and ensuring residents and visitors get the goods and services they desire or need.

We therefore believe that this national strategy must require local authorities to both engage constructively with the logistics sector when tackling air quality and to explore interventions that address the issue while keeping freight moving, instead of moving straight to financial measures that ultimately lead to increased costs for consumers.

Congestion and infrastructure

Our urban centres are becoming more populated, and this is putting huge pressure on the transport network as more people need to move around. More people also create more demand for deliveries and servicing activity. As there is limited space in our towns and cities to build new roads, the UK needs to think about how we can use existing infrastructure more intelligently.

Congestion has a direct impact on fuel consumption and emissions. Although drivers are advised to switch off engines when they have been stationary in traffic for a long period of time, in urban environments with frequent stop-starts this may not be possible.

Measures in this space could include infrastructure changes to alleviate bottlenecks, innovative policies such as allowing low-emission commercial vehicles to use under-utilised bus lanes and planning decisions that allocate land in such a way as to support efficient logistics.

The draft strategy refers to stronger enforcement of traffic restrictions as a means of encouraging modal shift away from polluting forms of transport. While this may be true for passenger vehicles, and while our industry believes that fair traffic restrictions can be a valuable tool in reducing congestion, there is again a need to recognise that enabling freight to quickly and efficiently access urban areas is both an economic and environmental imperative.

Passenger transport

While freight vehicles are undoubtedly a significant contributor of atmospheric pollutants, congestion is predominantly caused by passenger cars. Given the economic importance of road freight traffic, public authorities should put more focus on getting freight moving. This means encouraging the use of public transport or active travel and targeting congestion penalty measures to single-occupancy private cars.

This would help to improve capacity, and therefore journey efficiency, for vital freight movements while reducing the air quality impact of passenger vehicles and potentially brining other public health benefits.

Clean Air Zones

Logistics UK has engaged heavily in the development of CAZs, including responding to the national CAZ Framework and individual proposals put forward by local authorities. In doing so, we believe there are number of principles which contribute to a progressive, standardised and fair approach to developing CAZs that will achieve the same environmental impact while reducing business costs:

- Environmental standards must be consistent in stipulating Euro 6/VI for diesel, Euro 4 for petrol and Euro 3 for motorcycles.
- CAZs should be kept as small as possible, with strong evidence for the boundaries that are set.
- Charging regimes across all areas should be set at the same level.
- A single portal must be developed to allow 'auto-pay' for all charging zones, and rapidly expanded to include other schemes such as the Dart Charge and Mersey Crossing.

- Additional time for operators to comply should be considered in specific circumstances.
- Financial support should be available to aid compliance.
- Support and flexibility are needed for van operators, especially those reliant on the second-hand market for sourcing vehicles.

While we accept that, in some locations, use of CAZs is unavoidable, there is also a need for them to be kept under regular review. The intention of CAZs must be to incentivise the right behaviour, rather than to raise revenue. As the logistics industry, and transport as a whole, moves to cleaner forms of propulsion then there ought to be a corresponding reduction in penalties for those operators who are unable to transition due to a lack of alternative technologies or vehicles.

Additional powers and support (questions 12 & 13)

The logistics industry is a willing partner in the drive to improve air quality. The investment and improvements made by the sector in recent years should be recognised, yet further support is needed to ensure that our vital freight operators can continue to transition to cleaner fleets. An environment which enables and encourages investment brings far more benefits than one which simply seeks to apply punitive costs. Measures which could help to support logistics companies in this regard include:

Retiming deliveries: Logistics UK supports measures that enable more logistics operations to be retimed outside of peak times. This will make better use of limited road space and allow vehicles to travel when the roads are less congested which will have a direct impact on improvements on emissions. Through its retiming deliveries programme, which we supported, Transport for London (TfL) worked with freight operators and customers to help retime deliveries. This helped move 166,000 deliveries out of the peak times each year[1]. This approach should be adopted across the UK's major city regions.

Logistics UK has been championing the benefits of retiming deliveries for many years, but we recognise that, if we are going to use the roads during sensitive hours, we need to do so responsibly and quietly. Therefore, over the last decade or so, we have been working with the Noise Abatement Society on initiatives to promote the use of quiet technology and working practices.

Consolidating deliveries: Consolidation centres can, in certain circumstances, help reduce the numbers of freight vehicle movements. However, they can struggle to be financially independent and often require ongoing public funding. It should also be recognised that a lot of consolidation already takes place in the supply chain, so it is important to ensure those already maximising the efficiency of their operation are not required to split loads via a consolidation centre. Equally, a medium lorry can carry the same capacity as 10 vans and a large lorry the capacity of 25 vans, so we need to ensure we do not replace one large vehicle with many smaller ones.

HGVs are in effect mobile consolidation centres: they function in an efficient way by bringing multiple consignments together into a single large vehicle, thus reducing both congestion and pollution by reducing overall freight vehicle miles. Compared to the year 2000, the amount of goods lifted by GB-registered HGVs in 2019 was 10% lower, while HGV vehicle kilometres have fallen by 17% over the same period[2]. This suggests that HGVs have become more efficient over time.

Working with customers: Ultimately, the logistics industry delivers what the customer wants, when they want it so, if we are going to change what we do, we also need customers to be willing to change; this includes businesses and consumers alike. Businesses could consider setting up joint procurement networks with neighbouring businesses, perhaps through Business Improvement Districts. Not only could this reduce the amount of vehicle movements but, through economies of scale, they could also negotiate more competitive prices. Retail has seen a huge shift to online ordering over the last few years and there are opportunities to signpost and enable more 'click and collect' options, particularly to reduce first-time delivery failures.

Incentivising cleaner, low-emission freight vehicles: Public authorities at all levels, whether local, city-region, devolved or national governments, have several policy measures available to them to incentivise the next generation of cleaner freight vehicles. While the numbers of ultra-low and zero tailpipe emission vehicles that qualify for DfT grant funding has increased, there are still limited numbers, particularly for larger commercial

[1] https://tfl.gov.uk/info-for/deliveries-in-london/delivering-efficiently/retiming-deliveries?intcmp=37935
[2] DfT, Domestic road freight activity statistics, RFS0101: Goods moved, goods lifted and vehicle kilometres

vehicles. The grant eligibility criteria are subject to change, often at very short notice, which is unhelpful for business investment planning[3].

Logistics UK welcomed the £20 million fund announced in the *10 Point Plan for a Green Industrial Revolution*[4] for freight trials to pioneer hydrogen and other zero emission lorries, to support industry to develop cost-effective, zero emission HGVs in the UK. At the local or city region level, incentives such as congestion charge discounts and the ability for low-emission freight to use bus priority lanes should also be considered.

The use of Low Carbon Fuels (LCFs) should also be supported as they can provide a viable option for immediately reducing emissions from logistics by 80%, including where battery is not a current option and given many logistics vehicles have a long life. LCFs, in terms of use and production, should be incentivised in the tax system and a long-term plan is required to make strategic decisions over infrastructure, manufacturing and which fuels would be best used by which industries, to increase business's confidence to invest in the use of LCFs.

For the van market, electrification is accepted as the most appropriate solution to enable vans to move away from fossil fuels; however, significant barriers to uptake remain. Logistics UK's 2019 EV Report[5] identified recharging infrastructure, grid capacity, vehicle availability, cost, mileage range and heavier vehicle model range as the biggest barriers to greater uptake. We support Government policies to encourage uptake of electric vans, which include upfront purchase grants, zero VED ratings and congestion charge exemptions, but more must be done to address the commercial and technical barriers associated with recharging infrastructure, including increasing energy supply capacity.

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[3] https://www.gov.uk/plug-in-car-van-grants
[4] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/936567/10_POINT_PLAN_BOOKLET.pdf
[5] https://www.logistics.org.uk/evreport