



The Mayor's T-Charge Explained

The Mayor's T-Charge (also known as toxicity charge) is a supplementary financial charge of £10 to the Congestion Charge on the most polluting diesel and petrol cars, and will operate at the same time and in the same area. This is one of the Mayor's flagship policies, and is a precursor to the "world's first" Ultra Low Emission Zone (ULEZ) to be introduced in 2019.

Overview

On 23 October 2017 the Mayor of London, Sadiq Khan, introduced the Toxicity Charge (T-Charge) in central London. This is one of the measures announced to tackle London's polluted air, and is intended to act as a stepping stone to the implementation of the Ultra Low Emission Zone (ULEZ), coming in 2019 (April or September subject to consultation).

Poor air quality causes and contributes to a number of serious negative health impacts. Research shows that in London, it contributes to approximately 9,400 premature deaths a year and costs the health service between £1.4 and £3.7 billion. Air pollution does not respect administrative boundaries, therefore concerted action from all levels of government, business and society is needed to clean up London's air.

The T-Charge is a financial charge on top of the existing Congestion Charge. It will see a £10 supplement for vehicles that do not meet certain environmental standards. The Mayor has set the standard at Euro 4 for both petrol and diesel vehicles, and includes both NO_x and particulate matter (PM). The Euro 4 standard applies to vehicles registered from 1 January 2006, meaning that the T-Charge will affect vehicles registered before that date (or that are roughly 11 years-old and above).

The charge will only apply during the operational hours of the Congestion Charge Zone (CCZ), which is Monday to Friday from 7am to 6pm. This excludes bank holidays and the period between Christmas Day and New Year's Day inclusive. It will also cover the exact same area as the Congestion Charge Zone.

There is a 90 per cent discount for residents, a 100 per cent discount for blue badge holders and exemptions for emergency service vehicles, certain NHS and Ministry of Defence vehicles and motorbikes.

TfL have developed the 'Cleaner Vehicle Checker' which is an online tool the public and businesses can use to check if their vehicle meets the required emissions standard.

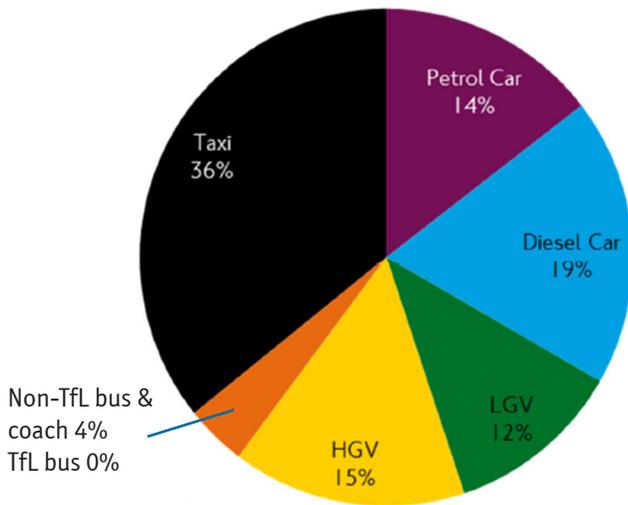
If a non-compliant vehicle without a valid discount or exemption enters the CCZ and doesn't pay the daily charge, a Penalty Charge Notice (PCN) will be issued payable by the registered keeper or operator. This will be £130 (reduced to £65 if paid within 14 days).

You can see the full details of the T-charge online, [here](#).

Analysis

TfL analysis shows that pre-Euro 4 vehicles are disproportionately more polluting than other individual vehicle types. Of all emissions in central London, 13 per cent come from pre-Euro 4 vehicles. The diagram below shows the breakdown of NOx emissions from these pre-Euro 4/IV vehicles in central London.

Figure 1. Relative proportion of emissions by vehicles type from pre-Euro 4 vehicles.



The analysis also shows the number of vehicles likely to be affected in London by the T-Charge, which can be seen in the table below.

Table 1. Approximate number of vehicles affected by the T-Charge

Vehicle type	Affected vehicles per day
Cars	7,000
Vans	2,000
HGV	400
Non-TfL bus and coach	600
Powered three-wheelers and quadricycles	<50

One of the main criticisms of the T-charge is that the emissions savings that will be derived from its introduction will be minimal. TfL modelled two different scenarios for emissions reduction resulting from the T-charge. Scenario 1 looked at the maximum emissions savings that could be achieved if all non-compliant vehicles stopped travelling into the CCZ. Scenario 2 looked at the maximum emissions savings that could be achieved if all non-compliant light vehicles upgraded to Euro 6. See the table below for the different projected emission savings:

Table 2. Percentage reduction in emissions (NOx and PM) across all vehicle types in first year.

Emission type	Scenario 1	Scenario 2
NOx	3%	1%
PM ₁₀	1%	1%

It is stated that this is the maximum projections, and in reality there will be a mixture of compliance and non-compliance, and also of people taking different actions in response to the T-Charge. TfL’s analysis shows that the mid-range estimates assume 40 per cent upgrade and seven per cent stop travelling into the CCZ. This would lead to emissions savings from cars of two per cent for NOx and one per cent for PM₁₀. For total road transport, the emissions savings are 0.5 per cent for NOx and 0.3 per cent for PM₁₀.

The Integrated Impact Assessment (IIA) showed that there were a number of minor positive and negative impacts of the scheme. These can be seen below:

Table 3. Positive and Negative impacts of the T-Charge identified in the IIA.

Positive and neutral impacts	Negative impacts
A minor positive improvement in air quality, particularly in central London	Waste materials produced during disposal of non-compliant vehicles
Potential further indirect reduction in CO ₂ through anticipated small reduction in traffic	Differential impact on some equality groups, although expected to be negligible
Positive international perception of London as a ‘clean’ and ‘green’ city	Some SMEs to face economic disadvantage due to cost of compliance
Likely positive impact on noise as newer vehicles are much quieter	Minor negative impact on groups that rely on charitable or voluntary services to access central London, as 9+ seater vehicles and minibuses will be subject to T-charge
Improved health impacts due to less air pollution	

Commentary

During the consultation period on the T-Charge, London Councils raised a number of points that we wished the Mayor to consider when introducing the scheme.

Operating hours

London Councils called for the operational hours of the T-Charge (7am and 6pm Monday to Friday) to be on a 24/7 basis. It could be argued that the Emissions Surcharge would be easier for residents to understand if applied to existing CCZ times, but this seems too simplistic and limits the effectiveness of the policy, and undermines the Mayor’s commitment to improving air quality as it sends out the wrong message that it is a part-time issue.

Sunset Period

We also called for amendments to how the discounts to the T-Charge and the 'sunset period' for the subsequent ULEZ, was applied. A 90 per cent discount to apply across the timeframe of the T-Charge and for the first three years of the ULEZ is a long time (to April or September 2022 subject to consultation). With this proposal, residents would only be liable to pay £1 for the duration of that period, and we stated that we felt this would not provide a big enough disincentive. The sunset period for the Emissions Surcharge (and ULEZ) needs to be shorter, and should be on a sliding scale, beginning at 90 per cent and reducing by a certain amount every year. This should have more of an impact, and influence residents' behaviour more effectively.

Exemptions and discounts

We understand that certain types of organisations or events in London rely on the use of historic tax class vehicles and Showman's vehicles and understand that these cannot be altered to improve their performance due to their nature. But it is a little unclear why that should mean they should not pay the T-Charge. Considering many of these vehicles are going to be some of the worst polluters, it seems counterintuitive to exempt them from the charge. It might be better to include them as standard, and then have a system where they can apply for temporary exemptions based on a time-period, therefore allowing them to meet certain obligations, such as involvement in parades, classic car shows, and fairgrounds etc., but disincentives people who own very old vehicles to drive in London outside of these periods.

We also disagreed with the exemption of taxis from the T-Charge given that 36 per cent of NOx emissions from pre-Euro 4/IV in central London come from taxis. This is by far the largest portion of NOx emissions by vehicle type. We also opposed the exemption and/or 100 per cent discount for a number of other vehicle types.

Stronger standards

London Councils felt that there needed to be a bigger differentiation between the petrol and diesel Euro classifications and that the T-charge should also apply to Euro 5 diesel. We felt that this would have more of an impact on air pollution in central London in the period before the ULEZ is implemented, and also better prepare Londoners for that.

There is also the issue that using the Euro standards does not deal with the discrepancies seen in the performance of vehicles in real world driving conditions, which still breach the standards set in many cases. However, the T-Charge should be viewed as a positive first step on the journey towards cleaning London's transport network, and will be an important tool in preparing Londoners for the more effective ULEZ. London Councils will continue to make these points to TfL with the view of influencing the ULEZ implementation.

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The T-Charge should be viewed as a positive first step on the journey towards cleaning London's transport network
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Links:

[T-Charge \(TfL website\)](#)

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Portfolio holders and those members who requested policy briefings in the following categories: Transport and Environment; Health