

# The City of Edinburgh Council

10.00am, Thursday 29 August 2024

## Low Emission Zone (LEZ) – summer 2024 update – referral from the Transport and Environment Committee

Executive/routine  
Wards  
Council Commitments

### 1. For Decision/Action

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- 1.1 The Transport and Environment Committee has referred a report on the Low Emission Zone (LEZ) – summer 2024 update to the City of Edinburgh Council for decision.

**Dr Deborah Smart**

Executive Director of Corporate Services

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# Referral Report

## Low Emission Zone (LEZ) – summer 2024 update

### 2. Terms of Referral

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- 2.1 On 15 August 2024 the Transport and Environment Committee considered a report on the Low Emission Zone (LEZ) – summer 2024 update.
- 2.2 The report provided an update on the Council's LEZ Local Exemption and Temporary Suspension Decision-making Framework and sought approval to update the Council's Local Exemption policy.
- 2.3 The report also outlined the LEZ Annual Report process and noted that officers were seeking further guidance from Transport Scotland on developing a consistent approach across all four LEZ cities.
- 2.4 The report further provided clarity on the Council's approach to any potential surplus income generated from penalty charges.
- 2.5 The Transport and Environment Committee agreed to refer the report to Council for decision.

### 3. Background Reading/ External References

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- 3.1 Minute of the Transport and Environment Committee of 15 August 2024
- 3.2 [Transport and Environment Committee – 15 August 2024 webcast](#)

### 4. Appendices

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Appendix 1 – Report by the Service Director, Operational Services.

# Transport and Environment Committee

10.00am, Thursday, 15 August 2024

## Low Emission Zone (LEZ) – summer 2024 update

Executive/routine  
Wards

Executive  
All

### 1. Recommendations

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- 1.1. Transport and Environment Committee is asked to:
  - 1.1.1 Note this update on the Low Emission Zone (LEZ) in Edinburgh and the annual reporting arrangements;
  - 1.1.2 Note that LEZ's effectiveness in meeting statutory objectives relies on maximising compliance with emission standards across all vehicle types not covered by national exemptions;
  - 1.1.3 Agree to maintain the current local exemption policy with the addition of the three categories only, as outlined in paragraph 4.4; and
  - 1.1.4 Agree to the approach to reporting and potential surplus income as set out in Appendices C and D.

**Gareth Barwell**

Service Director, Operational Services

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## Low Emission Zone (LEZ) – summer 2024 update

### 2. Executive Summary

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- 2.1 This report provides an update on the Council's Low Emission Zone (LEZ) Local Exemption and Temporary Suspension Decision-making Framework and seeks approval to update the Council's Local Exemption policy.
- 2.2 The report also outlines the LEZ Annual Report process and notes that officers are seeking further guidance from Transport Scotland on developing a consistent approach across all four LEZ cities.
- 2.3 Finally, the report provides clarity on the Council's approach to any potential surplus income generated from penalty charges.

### 3. Background

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- 3.1 The LEZ is a public health measure designed to improve air quality and reduce greenhouse gases.
- 3.2 The Council's LEZ [Scheme](#) was approved by Committee in March 2022 and approved by Scottish Ministers in May 2022. It has been enforced since 1 June 2024, following a two-year grace period for all. [National exemptions](#) apply for a range of vehicle types, including blue badge holders and emergency services.
- 3.3 National and local communication campaigns have been undertaken to advise motorists of the Scheme. The Scottish Government has provided funding for vehicles to be retrofitted since October 2019 and scrappage grants for householders and businesses since autumn 2020.  
Local 'time-limited' exemptions
- 3.4 Section 17 of the Transport (Scotland) Act 2019 includes powers for a local authority to grant and renew local 'time limited' exemptions for up to 12 months at a time.
- 3.5 Committee agreed to encourage compliance and that, generally, no local 'time-limited' exemptions would be granted.

- 3.6 A briefing note was circulated to all Councillors in May 2024 detailing the approach that has been taken to determining local exemptions since May 2022. This reflects the information which is also published on the [Council's LEZ webpages](#).

#### Temporary suspensions

- 3.7 The Act enables local authorities to suspend their LEZs to take account of unavoidable road closures because of works or incidents that require vehicles to be routed through the zone.
- 3.8 The Act also enables local authorities to suspend the operation of a LEZ for a specified period, in respect of the whole zone or any part of the zone, where they consider it appropriate to do so for the purposes of an event which:
- 3.8.1 Is held within, or in the vicinity of, the zone; and
- 3.8.2 The local authority considers to be of national importance or significant local importance.

## 4. Main report

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### **Local time-limited exemptions and temporary suspensions**

- 4.1 While the legislation enabled local authorities to introduce time-limited exemptions, to improve compliance the Council agreed that no exemptions would be granted.
- 4.2 However, the Council recognised that there may be circumstances where an exemption would be appropriate and a process for determining local exemptions was introduced.
- 4.3 To date, two exemptions have been permitted due to the specialist nature of the vehicles which were requested to be considered.
- 4.4 Committee is asked to agree to update the Council policy on local exemptions to agree to local time-limited exemptions for three classes of vehicles where sufficient evidence is received that vehicles meet these definitions:
- 4.4.1 All vehicles heavily modified for road-rail operations that require highly specialised equipment to be fitted to the base of the vehicle in order carry out their assigned tasks relating to ongoing rail maintenance;
- 4.4.2 Highly specialised Heavy Goods Vehicles (HGVs) adapted to allow for the moving of fragile and unique artwork; and
- 4.4.3 Taxis that have applied for a retrofit solution via the Energy Saving Trust's (EST) Clean Vehicle Retrofit Accreditation Scheme (CVRAS). In this case, the exemption may be granted until 31 October 2024, only if evidence of delay is provided in the form of a letter from EST and proof that a deposit for the retrofit activity has been paid. Applications and evidence for taxis will be accepted no later than 17.00 on 29 August 2024. No other retrofit-delay

related applications for taxis or other vehicles will be considered in order to maintain LEZ efficacy.

### **Monitoring and Reporting**

- 4.5 National [LEZ Guidance](#) summarises what LEZ annual reporting should cover (Appendix C) in Scotland. Discussions are ongoing with Transport Scotland on the provision of a template to ensure consistency across all four LEZ cities.
- 4.6 The Council continues to monitor and report on air quality via the established Air Quality Annual Progress Report (APR). Officers have been monitoring the awareness and understanding of LEZ in the years before enforcement as well as fleet compliance rates across the city. These findings are presented on the [monitoring and evaluation webpages](#).
- 4.7 A traffic survey was conducted in March 2024, repeating previous surveys, as part of the National [Low Emission Framework](#) and associated National Modelling Framework published by Scottish Government. Data from this survey has been shared with the Scottish Environment Protection Agency (SEPA) for LEZ analysis and officers are working with them to understand timescales for this analysis.
- 4.8 Previous air quality, traffic and other evidence relating to LEZ is publicly available on the Council's [LEZ evidence webpage](#), from 2018 to 2022.
- 4.9 Some aspects of LEZ monitoring may prove challenging to measure and is highly dependent on continued support from external key partners, in particular from SEPA.

### **Potential Surplus Income**

- 4.10 The strict and escalating LEZ penalty charge regime is designed to be a deterrent and the Scheme's main objective is to address harmful emissions and to protect public health.
- 4.11 Emerging evidence from Glasgow indicates that surplus income may be generated by Scotland's LEZ model, against operational and maintenance costs, but there is currently insufficient data to confirm if this will be replicated in Edinburgh.
- 4.12 The Council's approach to potential LEZ surplus income is set out in Appendix D.

## **5. Next Steps**

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- 5.1. If Committee agree the proposed exemptions set out in paragraph 4.4, the Council's scheme for the LEZ will be updated.
- 5.2. In the next update to the Council Scheme of Delegation it is proposed to seek delegated authority to the Executive Director of Place to suspend the LEZ in circumstances such as unavoidable road closures as a result of works or incidents that require vehicles to be routed through the zone or for events (as set out in paragraph 3.11).

- 5.1 An annual report on LEZ operation and effectiveness is due to be submitted to Scottish Ministers in autumn 2025. This will be shared with Committee in advance of submission. Air Quality reporting will continue to be published as part of the established APR regime.
- 5.2 Monthly LEZ operation statistics and updates on the number of local exemption and temporary suspension applications determined each quarter will be published on the LEZ webpage, including the [number of penalty notices issued](#).

## **6. Financial impact**

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- 6.1 In 2024/25 the operating cost of the LEZ enforcement system is anticipated to be approximately £300,000. This predominantly relates to staffing costs for administering and operating LEZ.
- 6.2 Transport Scotland will meet the staffing costs incurred by the Council in financial year 2024/25.
- 6.3 Capital costs to install the LEZ enforcement system have been provided by Transport Scotland. Transport Scotland have also provided support funding for individuals and businesses (via Energy Savings Trust) within 20km of Edinburgh's LEZ to achieve LEZ compliance.
- 6.4 An outline of the approach for potential surplus income is provided in Appendix D.

## **7. Equality and Poverty Impact**

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- 7.1 An [Integrated Impact Assessment \(IIA\)](#) has been completed and uploaded to the [LEZ evidence webpage](#). Impacts will be included in future annual reports.

## **8. Climate and Nature Emergency Implications**

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- 8.1 The climate emergency implications of the LEZ will be presented in the LEZ annual report, in accordance with guidance and analysed data available, legal requirements and LEZ objectives.
- 8.2 Air quality reporting will continue to be published as part of the established APR regime.

## **9. Risk, policy, compliance, governance and community impact**

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- 9.1 The Council's policy of no local exemption and no temporary suspensions other than in exceptional circumstances will ensure LEZ maximises contributions towards its statutory objectives. Maintaining this robust and consistent approach reduces the

risk of lowering LEZ efficacy. It also reduces the risk of challenge from those who have made efforts to be LEZ compliant in advance of enforcement beginning.

- 9.2 Applying the recommended potential surplus income approach and presenting via LEZ annual reporting structures will ensure the Council meets its statutory obligations. Not applying this approach risks the Council not complying with legislation, reducing the wider potential positive impacts of LEZ and potentially having to return surplus Penalty Charge Notice (PCN) income received to the Scottish Government.

## **10. Background reading/external references**

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- 10.1 [Scotland LEZ Guidance](#) (Transport Scotland, 2021).
- 10.2 [Scotland National Low Emission Framework](#) (Scottish Government, 2019)
- 10.3 [Transport and Environment Committee, Low Emission Zone – Objections Report and Final Submission](#) (The City of Edinburgh Council, 31 March 2022)
- 10.4 [The City of Edinburgh Council’s Proposal to Make a Low Emission Zone Scheme: Final Submission to Scottish Ministers](#), (The City of Edinburgh Council, 28 April 2022)
- 10.5 [LEZ monitoring and evaluation](#) (The City of Edinburgh Council, 2024)
- 10.6 [LEZ evidence - 2018 to 2022](#) (the City of Edinburgh Council, 2024)
- 10.7 [LEZ PCN – net surplus income policy](#) (Aberdeen City Council, 2023).

## **11. Appendices**

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- Appendix A – LEZ Objectives and Measures (May 2022)
- Appendix B – LEZ Exemption Applications up to 14.03.2024
- Appendix C – LEZ Monitoring and Reporting
- Appendix D – LEZ Potential Surplus Income



## Appendix A – LEZ Objectives and Measures

LEZ Objective	Measure
a) Contribute towards meeting the air quality objectives prescribed under Section 87(1) of the Environment Act (1995).	Downward NO <sub>2</sub> trend to meet statutory objections (annual mean below 40µg/m <sup>3</sup> )
b) Contribute towards reduction of emissions in fulfilment of Part 1 of the Climate Change (Scotland) Act 2009	Transport-related emission reduction (tCO <sub>2</sub> e). Progress measure towards the Council target of net zero carbon emissions by 2030
c) Minimise the impact from traffic displacement across the city's transport network, related to LEZ scheme	A Network Management strategy to ensure efficient operation across LEZ scheme will include measures such as public transport journey time analysis, traffic surveys and monitoring public feedback
e) Strategically align with Council sustainable transport, active travel and placemaking objectives	LEZ integration strategy, with City Centre Transformation (CCT) projects, the City Mobility Plan (CMP) and Local Air Quality Management statutory regime
d) Strategically align with national funding provision policies, supporting individual and business adaptation	Uptake of LEZ Support Funds and other retrofit funds (Transport Scotland, Energy Savings Trust)

## Appendix B – LEZ Exemption Applications (to 14.03.2024)

Vehicle/applicant classification	Total applications	Not granted	Granted
Bus/coach	4	4	0
Charity	9	8	1
Commercial	47	47	0
Taxi	2	2	0
Public sector	2	1	1
<b>TOTAL</b>	<b>64</b>	<b>62</b>	<b>2</b>

## Appendix C – LEZ Monitoring and Reporting

- 1.1. Air quality continues to be monitored and reported via the Air Quality Annual Progress Report (APR) [available online](#) and via the Local Air Quality Management regimes that are a statutory requirement for the Council. The latest Council APR report was published in [October 2023 and reported to Committee in January 2024 for noting](#). This report provided narrative on the interaction of the Central Air Quality Management Area (AQMA), the LEZ and potential implications in relation to long term air quality trends observed.
- 1.2. In addition to the APR, the Council is required to produce an annual LEZ report on operation and effectiveness of the scheme. This report sets out timescales and requirements for an LEZ annual report and how the LEZ will be presented in relation to other statutory reporting frameworks. Transport Scotland have [provided Scotland LEZ guidance](#) which provides topics to be covered in the annual report – see Table 1.
- 1.3. Officers are in discussions with Transport Scotland on the provision of a template for all four LEZ cities (Edinburgh, Glasgow, Aberdeen and Dundee) to use for consistency.

Table 1. Transport Scotland LEZ guidance on topics for local authorities to cover in annual reports

Operation	Effectiveness
<ul style="list-style-type: none"> <li>• scheme size, boundary location, vehicle scope, date of scheme introduction and grace period start/end date(s);</li> <li>• number of PCNs issued, number of appeals received and summary of decision made regarding those appeals;</li> <li>• costs of proposing, making and operating the scheme;</li> <li>• gross and net revenue from operation the scheme;</li> <li>• details of how revenue has been used towards the scheme’s objectives</li> </ul>	<ul style="list-style-type: none"> <li>• air pollution level reduction trends and how the scheme contributes to carbon reduction targets;</li> <li>• <i>*transport vehicle demographics, including the monitoring of variation in vehicle emission standard profiles;</i></li> <li>• <i>*health benefits that could be attributed to LEZ;</i></li> <li>• <i>*contribution towards transport modal shift (particularly to active and public transport) that could be attributed to the LEZ being introduced.</i></li> </ul> <p><i>* denotes topics that are desirable to report on, where possible</i></p>

## Appendix D – LEZ Potential Surplus Income

- 1.1 It is not known how much income the LEZ will generate but officers will continue to monitor the experiences of Scotland's other LEZ cities (Glasgow, Aberdeen and Dundee), and continue liaison around this topic.
- 1.2 According to section 27 (a) of the Transport (Scotland) Act 2019:

*Any monies received from penalty charges in respect of a low emission zone scheme may be applied by the local authority only for the purposes of—*

  - (a) *facilitating (directly or indirectly) the achievement of the scheme's objectives and*
  - (b) *if (and only if) any surplus remains, making any repayments required as a condition of a grant under section 25(1)(b).*
- 1.3 In addition to this, Transport Scotland has indicated that any penalty charge notice (PCN) income must be used first and foremost to cover the operational costs associated with the LEZ enforcement system.
- 1.4 If the income exceeds operational costs and the Council cannot identify relevant projects to direct this money towards, it may have to be paid to the Scottish Government to offset previous LEZ grant funding awarded to the Council.
- 1.5 In accordance with legislation and associated national guidance, should there be any income remaining once operational costs have been covered, surplus income will be spent on the achievement of the scheme's mandatory and/or discretionary objectives, and thus support at least air quality and/or climate change emission reduction activities.
- 1.6 Projects and activities that would fit into scope for this funding are listed in section 5 of the [Air Quality Action Plan \(January 2024\)](#) and in the [City Mobility Plan Implementation Plan](#).
- 1.7 Income will be monitored and will be allocated as follows:
  - 1.7.1 In the first instance, the cost of operating the LEZ will be covered by surplus income on an annual basis, as required by the LEZ legislation.
  - 1.7.2 Surplus funds will be held by the Council and declared on an annual basis.
  - 1.7.3 Surplus funds will contribute towards Council projects that contribute to air quality and/or climate change emission reduction, including those listed in section 5 of the AQAP and/or the CMP Implementation Plan.
  - 1.7.4 Projects using LEZ surplus income must identify their contribution to air quality and/or climate change emission reduction.
- 1.8 The LEZ annual report will include information on how any surplus funding has been used.