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“It’s cheaper to pay the charges” say a quarter of UK companies

Almost a quarter (23%) of UK firms would prefer to pay a charge than invest in upgraded fleets to operate in clean air zones, research by RAC Business has revealed as a government consultation into UK-wide zones comes to an end today (Nov 6).

RAC Business has found a significant number of UK firms expect to be punished financially by the introduction of schemes such as the Ultra Low Emission Zone, or ULEZ, set to go live in London progressively from 2018, with cars and light commercial vehicles affected from 2020.

The research with 500* UK businesses, showed that 27% of firms run fleets with vehicles that already comply with the standards required by London’s ULEZ. However, a further 23% say it will cost less to accept a charge each time they drive into the zone than it would to upgrade their vehicles.

Drivers in vehicles that would be subject to charges could be paying £12.50 for cars and up to £100 for HGVs in London’s proposed ULEZ. But almost one in 10 (8.5%) say they cannot afford to upgrade their vehicles in order to avoid the charges, and 5% say they will have to operate their business outside of the ULEZ or areas affected by similar schemes elsewhere.

In addition, one in five businesses said they would expect their leasing firms to supply greener vehicles that already comply with the new regulations, which for vans and lorries will be the Euro 6 standard. And, 15% said they would invest in new technology such as electric and hybrid vehicles.

The consultation by the Department for Environment, Food and Rural Affairs (Defra) could give the green light for local authorities in major cities across

the UK to introduce similar schemes.

The new zones, which may need to go further than the existing low emission zone currently operational in London, could see charges introduced for the most polluting vehicles, or in some cases as a last resort they could even be banned altogether.

RAC Business corporate sales director Jenny Powley said: “It may be three years before the first Ultra Low Emission Zone goes live in London and five before cars and light commercial vehicles are affected, but the results of our research suggest there is still a lot of work to be done to ensure businesses are ready for the changes that could be mirrored across the country.

“It is a concern that there are a large proportion of businesses prepared to pay the charges instead of looking at alternative vehicles. This is presumably because they think it will be more cost-effective to keep their old vehicles and pay the charges that they will be subject to, rather than invest in new compliant vehicles.

“But in fact a lorry driving into central London once a week would cost a business an extra £5,200 a year and a car making a daily trip would cost the business, or individual, an extra £3,000 per year in charges.

“It’s a false economy to think you might save money by not ensuring your fleet is ready, but we can see that smaller businesses in particular will have concerns about the cost implication. That is why as an industry we need to be looking at how this transition is made without some firms feeling like they are being penalised unfairly.”

About RAC Business Services

RAC is one of the UK's most progressive motoring organisations, providing services for both private and business motorists.

RAC Patrols repair vehicles on average within 31 minutes at the roadside and carry more than 500 parts and tools, so we're always well-equipped and ready to fix wherever possible

RAC Business offers a comprehensive range of services and products for UK businesses of all sizes and currently has around 24,000 corporate and SME customers.

Products available include: fleet breakdown coverage, telematics, fuel cards, accident management, inspections, training, commercial and fleet insurance, fleet management (Business Club) and risk management services.

RAC also provides client-branded outsourced services and call centre support for customers of leading car manufacturers, insurance, fleet providers and logistics companies, as well as truck breakdown, truck warranty and insurance for vehicles from 3.5t to 44t.

RAC press releases, news alerts and a wealth of motoring research is available from www.rac.co.uk/press-centre/.

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