

Divisions Affected – Jericho & Osney

DELEGATED DECISIONS BY CABINET MEMBER FOR TRANSPORT MANAGEMENT

17 July 2025

Oxford Zero Emission Zone Pilot Amendments Report by Director of Environment and Highways

RECOMMENDATION

The Cabinet Member is **RECOMMENDED** to:

Instruct officers to amend the ZEZ pilot charging order to:

- a) Remove the discount end date for Blue Badge holders and disabled tax class vehicles;
- b) Remove the discount end date for ZEZ businesses' vehicles;
- c) Remove the discount end date for ZEZ residents' vehicles;
- d) Remove the end date for the hybrid taxis and hybrid private hire vehicles transitional period, and
- e) Continue the current ZEZ charges indefinitely, instead of doubling the charges in August 2025 as previously planned.

Executive Summary

1. This report outlines the results of two public consultations on amendments to the Oxford zero-emission zone (ZEZ) pilot, which has been in operation in Oxford city centre since February 2022. The purpose of the ZEZ pilot is to test the ZEZ on a small scale to inform future decisions about a possible larger ZEZ in Oxford. If a larger ZEZ is agreed and implemented, it will **replace** the ZEZ pilot. The Cabinet member is recommended to agree several changes to the ZEZ pilot in light of the results of the two consultations.

Consultations on Proposed Changes to ZEZ Pilot

2. Consultations on proposed changes to the ZEZ pilot ran in 2023 and 2024. The consultation in 2023 ran from 12 September to 24 October 2023. The consultation in 2024 ran from 22 November to 20 December 2024.

2023 Consultation

3. The changes proposed in the 2023 consultation and reasons for them are shown in Table 1.

Table 1 – ZEZ pilot changes proposed in 2023 consultation	
Change	Reason
<p>The 100% discount for Blue Badge holders and disabled tax class vehicles, and 90% discount for ZEZ business vehicles is currently due to end in July 2025.</p> <p>The 90% discount for ZEZ residents' vehicles is currently due to end in July 2030.</p> <p>Proposed change: remove these end dates, so the above discounts would continue indefinitely as long as the pilot is in place.</p>	<p>Considering cost of living pressures, the council does not consider it is necessary or appropriate for these discounts to end on the dates shown, so the consultation proposed these discounts should continue for as long as the pilot is in place.</p>
<p>Remove increase in daily charges from 1 August 2025</p> <p>The ZEZ charges are currently due to double in August 2025.</p> <p>Proposed change: ZEZ charges should stay at the current levels indefinitely.</p>	<p>Considering cost of living pressures, does not consider it is necessary or appropriate for the ZEZ pilot charges to double in August 2025, so the consultation proposed the current charges should continue for as long as the pilot is in place.</p>

Results from 2023 Consultation and Officer Responses

4. The results from the 2023 consultation are summarised in detail in the consultation survey report at Annex 1.

5. The majority of respondents support the proposed changes to remove the end dates for discounts and to remove the increase in daily charges. Between 55 and 64 per cent of respondents “definitely” or “somewhat” agreed with the changes, while for each proposed amendment around 25 per cent “definitely disagreed”.
6. Some of those who “definitely disagreed”, appear to have misread the proposal to mean that discounts themselves rather than the end dates would be removed.
7. Others objected to ‘watering down’ the ambition and purpose of the ZEZ.
8. Some respondents used the survey to raise concerns about the principle of the ZEZ, or about the ease of use of the ZEZ payment systems.
9. The main concerns raised in the consultation are summarised in Table 2 below together with officer responses:

Table 2 – 2023 consultation - main concerns and officer responses	
Concern	Response
Watering down of ZEZ, undermining objectives	<p>It is likely that ending some of the ZEZ discounts and increasing the ZEZ charges would increase its traffic reduction, air quality and carbon benefits.</p> <p>The scheme’s main purpose is to test the ZEZ on a small scale to inform future decisions about a larger ZEZ in Oxford. The benefits of the ZEZ pilot will always be limited by its small size.</p> <p>Ending selected discounts and increasing the ZEZ charges would be controversial and would require significant time and resource to communicate and explain to those affected. This time and resource would be better spent working towards a larger ZEZ, which will have far greater sustainability benefits, over a longer period.</p>
Concerns about removing discounts (mis-interpretation of proposals)	No discounts are proposed to be removed. The proposal is to remove the end dates for some discounts, thereby continuing discounts indefinitely.

Concern that disabled people using taxis or private hire vehicles have to pay extra to travel in the ZEZ	The proposed changes covered by the 2024 consultation help mitigate this concern by retaining the current discounts for selected hybrid private hire vehicles.
Objection to principle of ZEZ	Noted. The scope of this consultation was limited to specific scheme changes however the concerns raised will be noted as part of the council's consideration of plans for a larger ZEZ
Concerns about inefficient/difficult to use payment systems	Noted. Officers will consider improvements. These points will also be taken into account as part of the council's consideration of plans for a larger ZEZ.

2024 Consultation

10. The changes proposed in the 2024 consultation and reasons for them are shown in Table 3.

Table 3 – ZEZ pilot changes proposed in 2024 consultation	
Change	Reason
<p>Current scheme The discount for low emission petrol-electric hybrid non-Oxford Hackney carriages and private hire vehicles (PHVs) is currently due to end on 31 July 2025. The discount is 50 per cent.</p> <p>Proposed change: Remove the end date of the discount and instead allow the discount to continue indefinitely as long as the pilot is in place.</p>	<p>Considering cost of living pressures, we don't think it is necessary or appropriate for this discount to end on the date originally specified, so we're now proposing the discount will continue for as long as the pilot is in place. This will:</p> <ul style="list-style-type: none"> • provide relief from additional ZEZ charges for taxi and PHV users, particularly for people with disabilities who may rely on PHVs and taxis for getting around • provide clarity and assurance of costs for the remainder of the pilot scheme's operation for PHV and non-Oxford

	Hackney operators and their customers.
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Results from 2024 Consultation and Officer Responses

11. The results from the 2024 consultation are summarised in detail in the consultation survey report at Annex 2.
12. 50 respondents or 47 per cent, definitely or somewhat agreed with the proposal to continue with the discount, while 55 respondents, or 51 per cent, definitely or somewhat disagreed. Two respondents neither agreed nor disagreed.
13. Some respondents considered that the proposal would reduce the incentive to invest in zero emission vehicles.
14. Some respondents used the survey to raise other concerns about the ZEZ such as the principle of allowing the use of polluting vehicles in the ZEZ and about perceived driving behaviours.
15. The main concerns raised in the consultation are summarised in Table 4 below together with officer responses:

Table 4 – 2024 consultation - main concerns and officer responses	
Concern	Response
Reduces incentive to invest in zero emission vehicles	<p>The overall effect of the proposed change on taxi and PHV vehicle use and emissions is likely to be minor. Taxi and PHV operators with a significant workload in the ZEZ Pilot area will likely continue to transition to zero emission vehicles since they do not incur a ZEZ charge. Whilst some operators may choose not to make that transition, others, particularly those operating higher emission vehicles that have a relatively high daily mileage and for whom access to EV charging infrastructure may be challenging may be incentivised by the retention of the discount to upgrade to a low emission hybrid vehicle.</p> <p>The overall effect on taxi and PHV customers of retaining the discount is expected to be a reduction in costs.</p> <p>The pilot scheme's main purpose is to test the ZEZ on a small scale to inform future decisions about a larger ZEZ in Oxford.</p>

	<p>The benefits and effects of the ZEZ pilot will always be limited by its small size.</p> <p>Ending the discount would require significant time and resource to communicate and explain to those affected. This time and resource would be better spent working towards a larger ZEZ, which will have far greater sustainability benefits, over a longer period.</p>
Discounts should be available only to locally-licensed taxi and private hire operators	<p>Hackney carriage tariffs set by licensing authorities in Oxfordshire are applicable only for travel within the area of the individual licensing authority. Thus, for example, the tariff set by Oxford City Council is applicable only for journeys taken within the City by taxis licensed by the City Council. ZEZ charges for such journeys are not passed on to the customer. Any journey that includes travel beyond the City boundary permits the driver to negotiate a fare with the passenger,</p> <p>Tariffs for Oxford City licenced private hire vehicles are not regulated, and ZEZ charges may be passed on to the customer.</p> <p>Tariffs for private hire and hackney vehicles licensed outside of Oxford are not regulated and ZEZ charges may be passed on.</p> <p>There is a risk therefore that ending the discount would result in higher charges for customers to the detriment of accessibility for customers without access to a private car. This is a particular concern for low income households and people with disabilities who may rely on taxis and PHVs for travel.</p>
Objection to principle of polluting vehicles being allowed in the ZEZ	Noted. The scope of this consultation was limited to the taxi and PHV discount arrangements, however the concerns raised will be noted as part of the council's consideration of plans for a larger ZEZ
Concerns about driving styles and standards.	Noted. These concerns will be fed back to taxi and private hire vehicle operators in Oxford.

Corporate Policies and Priorities

16. The ZEZ pilot was introduced in 2022 to improve air quality, cut carbon emissions, and move towards zero emission travel in the city. The pilot is designed to test the ZEZ on a small scale to inform future decisions about a possible larger ZEZ in Oxford. The ZEZ supports several of the nine priorities in Oxfordshire's Strategic Plan. The ZEZ is part of the council's Local Transport and Connectivity Plan and its Central Oxfordshire Travel Plan.
17. The proposed changes to the scheme will not undermine its objectives.

Financial and staffing implications

18. The ZEZ pilot is a road user charging scheme. The income from the ZEZ charges and penalty charges covers the operating costs of the scheme and generates a surplus which will be reinvested in sustainable transport projects.
19. If the scheme were left unchanged (i.e. with the discounts expiring and charges doubling) the surplus income from the scheme would likely increase compared to the current situation. However, it is difficult to quantify this as the increased charges paid would be offset by a reduction in entries into the ZEZ as drivers and customers of taxis and private hire vehicles seek to avoid the higher charges. Notwithstanding this, an estimate is provided at Annex 4 of potential changes in scheme operating costs and income if the discounts expire and charges double.
20. It would not be logical for the ZEZ Pilot discounts to end and the daily charges to increase, as this would put the ZEZ Pilot in conflict with the published proposals for the wider ZEZ.
21. An increased surplus is not being relied upon to fund any existing or future commitments. No increase in income has been assumed or planned for as a result of the discounts ending or charges increasing. The current income is sufficient to cover the scheme's operating costs and generate a surplus.
22. The officer time required to consult on and make the changes to the scheme will be accommodated within existing budgets and will be charged to the project where appropriate.
23. Ending selected discounts and increasing the ZEZ charges as envisaged by the original scheme would be controversial and would require significant officer time to communicate and explain to those affected.

Comments checked by: Matthew Kocak, Management Accountant, Financial and Commercial Services, matthew.kocak@oxfordshire.gov.uk

Legal Implications

24. A change to the ZEZ pilot requires a modification to the ZEZ pilot charging order, which gives the scheme its legal effect under the Transport Act 2000.
25. The Transport Act 2000 requires that consultation is carried out before a charging scheme is introduced or amended. The consultations completed in autumn 2023 and in November-December 2024 fulfil this requirement.
26. If the Cabinet member agrees this report's recommendations, the charging order will be amended accordingly.

Comments checked by:

Jennifer Crouch, Principal Solicitor, jennifer.crouch@oxfordshire.gov.uk
(Legal)

Local Transport and Connectivity Plan Implications

27. The ZEZ is part of the council's Local Transport and Connectivity Plan and the Central Oxfordshire Travel Plan.
28. The proposed changes to the scheme will not undermine its objectives. The scheme will continue to reduce traffic and emissions in the ZEZ pilot area and provide useful information to inform future decisions about a possible larger ZEZ in Oxford.

Equality & Inclusion Implications

29. An Equalities Impact Assessment of the proposed amendments is at Annex 3. There are no unmitigated effects.

Sustainability Implications

30. Ending some of the ZEZ discounts and increasing the ZEZ charges would increase its traffic reduction, air quality and carbon benefits. However, the main purpose of the scheme was always to test the ZEZ on a small scale to inform future decisions about a possible larger ZEZ in Oxford.

- Paul Fermer**
Director of Environment and Highways

Annex 1 – 2023 consultation survey report
Annex 2 – 2024 consultation survey report
Annex 3 – Equalities Impact Assessment
Annex 4 - Estimate of future ZEZ Pilot scheme operating costs and income with and without changes to charges and discounts

July 2025