

COMMERCIAL BANKING



CLEAN AIR ZONES – NEWCASTLE

THINKING OF UPGRADING YOUR VEHICLE?

The creation of Clean Air Zones (CAZs) in major UK cities is part of the government's broader Air Quality Plan, which aims to improve air quality and address sources of pollution.

CAZs are believed to be the most effective measure to help reduce nitrogen dioxide levels to within the legal limits in the shortest possible time.

The Newcastle and Gateshead City Council launched a CAZ on 3rd October 2022 to cut harmful traffic emissions, improve air quality and protect people's health. Vehicles that do not conform to the emissions standards set for the zone are subject to a daily charge if they enter the controlled area.





Signs and cameras have been installed and are in operation with charging being introduced in two phases – with non-compliant taxis, private hire vehicles, buses, coaches and HGVs charged from 30th January 2023 and vans and light goods vehicles facing charges from July 2023.

If your vehicle does not meet CAZ requirements, you will be able to apply for financial support to help you replace or upgrade your vehicle. Details of how to apply for a vehicle upgrade grant will be published on the council website as soon as they are available:

<https://www.breathe-cleanair.com/grants>

Whilst it may be possible for your business to fund the additional costs from your own cash reserves, it may be worth considering the use of alternative sources that do not impact your working capital, such as Hire Purchase.

Key Benefits

-  Hire Purchase enables investment that can deliver competitive advantage and improved productivity, supporting growth.
-  Protecting working capital by avoiding the need to make a lump sum payment or release locked-in value from fixed assets.
-  Funding can be secured against the asset, rather than needing to provide alternative forms of security.
-  Asset ownership – you will have title to the asset at the end of the term and therefore have the freedom to keep using the asset or to sell and replace/upgrade.

If you would like to find out more about Hire Purchase and how it can support your buying plans, please scan or click the QR code.



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How could Hire Purchase help?

Hire Purchase can allow you to fund the purchase of a new vehicle over an agreed term, usually linked to the vehicle's useful life. You can normally borrow up to 90% of the purchase price.

Hire Purchase is available to both **new and existing** Lloyds Bank customers.

Eligibility

- The asset must be for use in your own business.
- Your turnover must be more than £100,000 per annum.
- Your business must have been trading for a minimum of 24 months and be UK-based.
- Funding starts at £15,000, after deposit (minimum deposit of 10%).
- Repayment period between 12 and 60 months.

Newcastle and Gateshead City Council grant scheme

A total of £18.2m of grant funding for taxi, van and HGV upgrades will be offered and the two councils are appointing a finance provider to help manage and distribute these funds. A separate fund of £1.7m will be administered directly by the councils for bus operators.

Drivers who are in the process of accessing funding and upgrading their vehicle may be entitled to a temporary exemption while they wait for their upgrade to be completed.

Only older higher polluting taxis, vans, buses, coaches and HGVs will be affected by the CAZ. Private cars, motorbikes and low emission vehicles are not affected. Lorries, buses and coaches that do not comply with emission standards will have to pay £50 per day, while non-compliant vans and taxis will be charged £12.50 per day.


For more information about the grant scheme, please visit the website:

<https://www.breathe-cleanair.com>

Our service promise

If you experience a problem, we will always try to resolve it as quickly as possible. Please bring it to the attention of any member of staff. Our complaints procedures for businesses with an annual turnover of up to £25m are published at lloydsbank.com/business/contactus and for businesses with an annual turnover of £25m or more they can be found at commercialbanking.lloydsbank.com/contact-us/

 Go to lloydsbank.com/business/asset-finance/hire-purchase

 or call 0345 602 4796

Please contact us if you would like this information in an alternative format such as Braille, large print or audio.

Important information

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The provision of credit or leasing services by us is subject to you meeting our credit approval. Please ensure that you only apply for credit or leasing services that you can comfortably afford.