

Appendix 3: Financial summary of the CAZ

Non-compliant vehicles contribute the most towards a worsening of air quality and daily charges for their use are designed to encourage drivers to consider an economic decision whether to use their vehicle within the zone or not. Charges are set at such a level to also encourage vehicle owners to consider upgrading, replacing, or switching travel mode entirely to maximise the air quality improvements and health benefits of the zone. Charges are designed to influence behaviours and disincentivise non-compliant vehicle use rather than generate income for the council.

Revenue from daily charges and penalty charges is used to fund the running of the scheme. Any surplus revenue must be used for the purposes set out in the [CAZ Charging Order](#) with benefits towards sustainable transport projects or schemes which compliment wider air quality improvements.

Finances 1 January 2024 – 31 December 2024:

Operational costs: **£2.73m**

Of this amount, **£230k** has been paid back to Central Government to cover the cost of its services associated with the CAZ.

Net revenue generated from daily charges and penalty charges 1 January 2024 to 31 December 2024: **£3.11m**

Finances from scheme launch 15 March 2021 to 31 March 2025:

Operational costs: **£10.56m**

Of this amount, **£1.12m** has been paid back to Central Government to cover the cost of its services associated with the CAZ.

Net revenue generated from daily charges and penalty charges 15 March 2021 to 31 March 2025: **£18.75m**

Surplus revenue from operation of the CAZ is split across four reserves:

-Smoothing reserve: to cover future operational deficits as vehicle compliance improves. **£3.57m**

-Decommissioning reserve: B&NES remain under a ministerial direction to deliver the CAZ at this time, this reserve provides resilience to costs should a future decision be made to remove the CAZ. **£377k**

-Monitoring and Modelling reserve: to cover air quality monitoring and future year modelling predictions. **£457k**

-Re-investment Reserve: used for the purposes set out in the [CAZ Charging Order](#) with benefits towards sustainable transport projects or schemes which compliment wider air quality improvements.

This reserve receives the highest contribution of net revenue with a current balance of **£3.1m** net of contributions paid to schemes previously outlined. Schemes we're already committed to funding total **£7.4m** and **£4.3m** has already been paid out.

To support our commitments to reinvestment of CAZ proceeds, we have allocated these funds to support a number of projects. A full breakdown of these can be found in [Appendix 4 of the 2023 Annual CAZ Report](#).

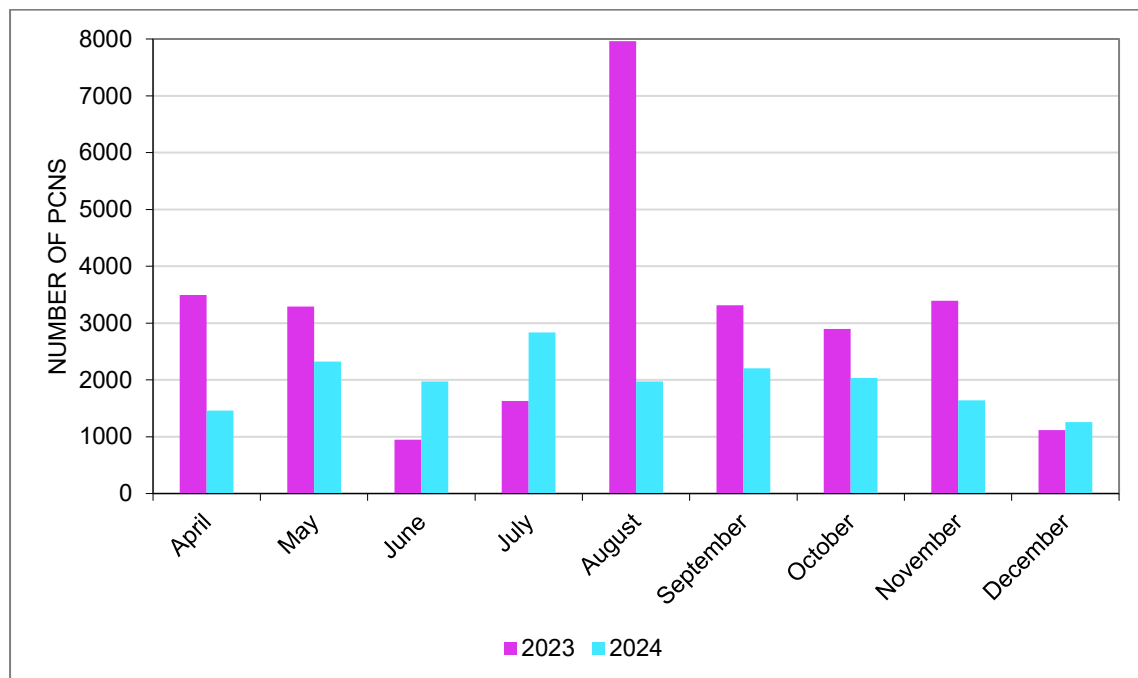
Penalty Charges

The following section looks to outline the number of penalty charges issued in the calendar years of 2023 and 2024.

Penalty Charge Notices (PCNs) have seen a 19% decrease since implementation in 2023. Total annual figures are demonstrated below:

	2023	2024
Total PCNs issued	28037	23480

Monthly PCN data is shown below for 2023 and 2024. Comparison data is presented from April-December.



The number of Representations made by members of the public against an issued Penalty Charge Notice (PCN) active during 2024 is **5932**

Please note, this figure may include Representations made against PCNs issued in previous years, as well as not including Representations made against PCNs issued in 2024 but made in 2025. This figure may also include duplicate Representations made against individual PCNs, for instance where a Transfer of Liability has been made and subsequently a secondary Representation made by the secondary party.