

BIRMINGHAM CITY COUNCIL

**REPORT OF THE ACTING DIRECTOR OF REGULATION AND ENFORCEMENT
TO THE LICENSING AND PUBLIC PROTECTION COMMITTEE**

23 OCTOBER 2017

ALL WARDS

**EMISSION STANDARDS AND SUITABILITY FOR USE OF
BIRMINGHAM HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLES**

1 Summary

- 1.1 In April 2016 your Committee considered a report on the consequences for the taxi and private hire trade of the introduction of a Clean Air Zone in Birmingham. In February 2017 your Committee approved a consultation on a policy to achieve the vehicle emissions standards required to comply with a Clean Air Zone. This report considers the outcome of the consultation and proposes a revision to the policy that was considered in February 2017.
- 1.2 On 26 July 2017 the Government published DEFRA's UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations (The UK Plan). It requires local authorities to 'develop local plans and implement them at pace so that air quality limits are achieved within the shortest possible time.' Birmingham is required to submit its outline plan by the end of October 2017 and its full plan by summer 2018.
- 1.3 The UK Plan clearly states that the government expects Birmingham, Leeds, Nottingham, Derby and Southampton, to deliver Clean Air Zones by the end of 2019, 'with a view to achieving statutory NO2 limit values within the shortest possible time, which the latest assessment indicates will be 2020.'
- 1.4 In September 2017 Birmingham's Health & Social Care Overview & Scrutiny Committee published its report 'The Impact of Poor Air Quality on Health'. It identified the link between pollution and poor health and said that 'The City Council needs to demonstrate leadership and take ownership of this issue by developing a strategy to address this effectively.'
- 1.5 This report recommends minimum vehicle emission standards for hackney carriage and private hire vehicles as part of a range of measures that the City is undertaking in order to respond to the need for Birmingham to improve air quality in the City.

2. Recommendations

- 2.1 Birmingham City Council will revise its current Policy on the approved vehicle types for use as Private Hire Vehicles and Hackney Carriage Vehicles

whereby it will not license or permit the use of any vehicle as a hackney carriage or private hire vehicle after 31 December 2019 that does not meet the minimum emission standards of Euro 4 for petrol engines, Euro 6 for diesel engines or is Ultra Low Emission or a Zero Emission Capable Vehicle.

- 2.2 That the policy described in paragraph 2.1 above will apply to the grant of new vehicle licences and the renewal of existing licences likewise.
- 2.3 That officers are asked to prepare a separate report to consider a medium to long-term emissions policy in respect of hackney carriage and private hire vehicles beyond 31st December 2019.
- 2.4 That officers are asked to prepare a separate report for this Committee at the earliest opportunity to consider an absolute age policy in respect of hackney carriage and private hire vehicles.
- 2.5 That Birmingham City Council will continue to license hackney carriage vehicles that have been converted to LPG under the Department for Transport funded scheme until December 2025, subject to them passing a strict annual inspection to verify their mechanical and structural condition, the criteria for which will be developed in due course; and subject to any intervening local or national policy decisions that might take precedence.
- 2.6 That Birmingham does not propose to license any vehicles, or vehicles that are not wheelchair accessible as hackney carriages.
- 2.7 That outstanding minute 651(iii) of 20.04.16 be discharged (That officers engage with the neighbouring West Midlands Licensing Authorities to discuss proposals for a regional emissions standard for hackney carriages and private hire vehicles).
- 2.8 That a short-life officer/member working group be created to consider what criteria or specification Birmingham should adopt for engine sizes or power outputs for electric vehicles and for that working group to make recommendations to the Licensing & Public Protection Committee.

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3. Background

- 3.1 In December 2015 the Government announced that Birmingham would be one of six cities that would be required to put in place a Clean Air Zone in order to improve air quality. Those cities were London, Birmingham, Leeds, Nottingham, Derby and Southampton. That decision was reported to your Committee on 17th February 2016.
- 3.2 On 15th February 2017 the Licensing & Public Protection Committee agreed to consult on a draft vehicle emissions policy in the context of the Government's decision that Birmingham had to adopt a Clean Air Zone (CAZ) as one of a series of measures to improve air quality in the city due to the impact that pollution is having on the health of the population.
- 3.3 The consultation took place over 14 weeks between 1 March 2017 and 9 June 2017. The consultation was hosted on the Council's BeHeard website and was promoted through meetings with taxi and private hire trade representatives, social media and Birmingham City Council's principal website. Individual post cards were sent to every licensed hackney carriage and private hire driver or owner and every private hire operator to alert them to the consultation. The responses to the consultation are considered below in part 4 of this report.
- 3.4 On 26 July 2017, upon the direction of the Supreme Court, the Government published DEFRA's UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations (The UK Plan). Under that plan each city must adopt its own measures to improve air quality. By March 2018 local authorities must have published their initial plans, with final plans to be produced by December 2018. The Supreme Court ruled that the UK government must reach legal compliance with EU air quality standards 'in the shortest possible time.'
- 3.5 The UK Plan expects Birmingham, Leeds, Nottingham, Derby and Southampton, to deliver Clean Air Zones by the end of 2019, 'with a view to achieving statutory NO₂ limit values within the shortest possible time, which the latest assessment indicates will be 2020.'
- 3.6 **Legislative Background.** The EU Air Quality Directive 2008/50/EC sets out the national targets on emission of pollutants, including nitrogen dioxide (NO₂). The directive and target emission levels are set out and implemented in England under the Air Quality Standards Regulations 2010 and 2016. Under S.82 Environment Act 1985 the Council is required to review air quality within its area and to designate Air Quality Management Areas (AQMA) where air quality objectives set out under the Air Quality (England) Regulations 2000 and 2002 are not achieved and to prepare an action plan detailing remedial measures to tackle the problem.
- 3.7 Birmingham is currently non-compliant in a number of areas of the city centre. The pressing urgency is that the Government issued the UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations in July 2017 which identified Birmingham as one of the areas experiencing the greatest problem with NO₂ exceedances. The Plan requires the Council to undertake assessments aimed

to deliver the best option to achieve statutory NO2 limit values within the shortest possible time. The plan for tackling NO2 exceedances will need to be finalised by summer 2018. The plan also requires local authorities to consider innovative options and new technologies to reduce emissions including; public and private uptake of ultra-low emission vehicles (ULEVs) and using innovative retrofitting technologies and new fuels to address air quality compliance as soon as possible before 2020.

- 3.8 **Health & Social Care Overview and Scrutiny Report.** On 12th September 2017 Birmingham's Health & Social Care Overview and Scrutiny Committee published its report 'The Impact of Poor Air Quality on Health'. It identified that in Birmingham up to 900 deaths per year are linked to man-made air pollution. In adults air pollution is linked to heart disease, diabetes, asthma, obesity, cancer and dementia. In children it is linked to still births, infant deaths, low birth weight, organ damage and premature death. In high pollution areas children are four times more likely to have reduced lung function when they become adults. Taxi and private hire drivers are three times more exposed to pollution than anyone else. The report's first recommendation says:

There is now clear and compelling evidence that poor air quality has an impact on general population health and child development. The evidence also shows that diesel vehicle emissions are the most prevalent and impactful source of health-affecting air pollution in Birmingham. The City Council needs to demonstrate leadership and take ownership of this issue by developing a strategy to address this effectively, with particular emphasis on selected priority hotspot zones where the risk of public exposure is highest.

- 3.9 The most harmful types of pollution are nitrogen oxides and particulates (PM2.5 and PM10). Both pollutants are mainly created by road transport. The largest source is emissions from diesel cars and vans. Just under 40% of cars in the UK now use diesel fuel.

- 3.10. The conclusion of the Scrutiny Report is copied below:

The impact of poor air quality on health and the need to take action urgently to tackle the problem is becoming increasingly clear. The evidence demonstrates that poor air quality is a major public health issue. In Birmingham, Public Health estimate that poor air quality causes approximately 900 premature deaths a year. It is rapidly becoming clear that exposure to air pollution is associated with a much greater public health risk than had previously been understood and evidence about associated adverse health effects is emerging all the time.

There is also growing recognition that air quality is a major cross-cutting issue. It has a wide impact and any effective response to the issue will require a joined-up approach across a number of Council areas of responsibility. It will also necessitate joint working together with communities, businesses and other partners across

the city and across the wider West Midlands region with the West Midlands Combined Authority and the West Midlands Mayor.

Birmingham needs to respond to the challenge of improving air quality and achieving compliance with air quality limits as soon as possible. But local action alone will not be sufficient to produce a successful solution to reducing emissions. Responding to the problem successfully, achieving compliance and bringing about the scale of behaviour change needed will require a very clear and consistent message to be communicated about the health implications of poor air quality. The City Council needs to continue to collaborate with the West Midlands Mayor to build on the vision set out in the Birmingham Connected Transport Strategy and to take a lead to get clarity and commitment about the measures needed to both support sustainable and inclusive growth and to achieve compliance with air quality limits across the region.

- 3.11 A copy of the Scrutiny report is attached as Appendix 13. The report evidences the need for all parts of the Council to take action to improve air quality. The Licensing and Public Protection Committee can play a key role in supporting the Council's aims through its hackney carriage and private hire vehicle licensing policies.

4. Consultation Results

- 4.1 We received 775 online responses to the consultation, which included responses from trade associations, organisations representing hackney carriage and private hire drivers and from the general public.
- 4.2 The consultation asked for people's views on the draft policy that was considered by the Licensing & Public Protection Committee on 15 February 2017. (The relevant document that summarises the draft policy is attached at Appendices 1(a) and 1(b)). Not only did the consultation ask for simple YES / NO replies, it also asked respondents to qualify their answers, give reasons for their answers or make suggestions. The responses have been analysed and are presented in two separate reports: one is a statistical analysis of YES / NO responses, together with the demographic profile of the respondents (Appendix 2). The second report (attached as Appendix 3) analyses the narrative responses thematically and then analyses the themes statistically. It also cites examples of answers to support the major themes and where relevant it highlights any opportunities that came out of the responses. There were more than 3,500 individual narrative responses.
- 4.3 The complete set of all narrative responses runs to 1,344 pages of Excel spreadsheets. It is not presented with this report as it contains personal data, but a redacted version can be made available on request.

5. Summary of Consultation Responses and Key Themes

Breakdown of Respondents

- 5.1 35.5% of respondents (275) were Birmingham licensed hackney carriage drivers or owners and 35.1 % (272) were licensed Birmingham private hire drivers or owners. Only 10 (out of 89) private hire operators responded to the consultation. 22.8% of respondents (177) were members of the public.

Understanding why we need a Policy

- 5.2 714 respondents (92.1%) understood that the impact of pollution on people's health was why the policy was being developed.
- 5.3 434 respondents (56%) agreed with our ambition that by 2030 all of Birmingham's licensed hackney carriage and private hire vehicles should be zero-emission, although 28.8% (223) disagreed and 15.2% (118) did not know or did not answer.

Proposal to prohibit the oldest vehicles first (Questions 7 and 8)

- 5.4 49% of respondents agreed that we should remove the oldest vehicles first (which will be the most polluting by virtue of their age). 44% disagreed with this approach.
- 5.5 Of those who disagreed, 26% thought that emissions should be the basis of the decision to license a vehicle, not the age of the vehicle, with some suggesting that if a vehicle passes the MOT emissions test it should be allowed to be licensed as a taxi.
- 5.6 The remaining responses to this question, although relevant to the overall consultation, largely did not answer the question of why they disagreed with targeting the oldest vehicles first. Their replies have been picked up elsewhere in considering our policy.

Whether there is sufficient time for vehicle owners to update their vehicles to meet the EU standards (Questions 9 and 10)

- 5.7 24.6% of respondents thought that there was sufficient time to update their vehicle before the deadlines contained in the proposed policy and 66% thought that there was not.
- 5.8 Of those who thought that there was insufficient time to update their vehicles before the deadlines, 36% said that the deadline should be extended until 2020 and 26% thought that it should be extended variously between 2021 and 2025. Many disagreed that there was sufficient time to update vehicles but did not propose an alternative deadline. 12% thought there should be no deadline at all.
- 5.9 Other responses referred to there being insufficient work for drivers to afford new vehicles and some referred to drivers licensed by other local authorities not being required to update their vehicles, which is perceived to be unfair. A

number referred to the fact that drivers are in the middle of loan agreements to buy their existing vehicles and cannot afford to buy another vehicle.

Imposing an upper age limit on all licensed vehicles (Questions 11 and 12)

- 5.10 There was a proposal in the draft policy to impose an absolute upper age limit of 14 years for hackney carriages and 8 years for private hire vehicles. 37% of respondents agreed with the proposal. 34% thought that there should be no age limit at all and 23% thought that there should be different age limits.
- 5.11 Of those that wanted different age limits, 30% asked for the age limits to be extended by either one or two years for both classes of vehicle, although 14% wanted limits of 15 years for private hire vehicles and 20 years for hackney carriages. 31% thought that age limits were not relevant, with the determining factor only being emissions. These respondents considered that the condition of each vehicle should be determined individually and that compliance with emission standards would determine whether a vehicle could be licensed.
- 5.12 6% referred to the prospect of retrofit emissions kits being an answer to the problem and that if a vehicle was retrofitted or was a hybrid or if it was converted to LPG, then it should be exempted from any age limits.
- 5.13 The survey identified a feeling amongst some private hire drivers that it was unfair that hackney carriages should be allowed a longer lifespan than private hire vehicles, although the reason for the difference is that hackney carriages are made specifically for the task of carrying passengers, whereas private hire vehicles are made for the domestic market and are therefore likely to be less robust or as durable for the type of work they fulfil.

A mixed fleet of hackney carriages (Questions 13 and 14)

- 5.14 Respondents were asked for their views on whether Birmingham should license a mixed fleet of London-style black cabs and a range of saloon cars as hackney carriages to allow hackney carriage drivers a greater choice of low-emission vehicles at more affordable prices. 42% of respondents agreed with the proposal, 35% disagreed and 22% did not know.
- 5.15 Of those who disagreed with the proposal, 42% were concerned about the iconic nature of the London black cab and the loss of identity for the taxi trade. There was also concern that it would be confusing for the public by blurring the distinction between hackney carriages and private hire vehicles, which in turn would create public safety issues, highlighted by 17% of those that were against the proposal.
- 5.16 Having considered the responses, officers agree that having a mixture of saloon vehicles and London taxis licensed as hackney carriages would be likely to confuse the public, which could create public safety issues and make it harder for the public to know whether a vehicle was allowed to ply for hire or not. Although this issue was considered in relation to giving hackney carriage owners a greater choice of vehicles from which to choose, they are not restricted to London style taxis given that Birmingham licenses van derivatives manufactured by companies such as Fiat, Citroen and Peugeot as hackney

carriages. It is therefore recommended that we should not license saloon vehicles as hackney carriages. **(Recommendation 2.6)**

Impact on Disabled People (Question 16)

- 5.17 12% of respondents who did not agree with a mixed fleet of black cabs and saloon vehicles mentioned concerns about the consequences for disabled people of a smaller fleet of wheelchair accessible vehicles. Some hackney carriage drivers were concerned that if they maintained a wheelchair accessible vehicle they would bear the responsibility of transporting wheelchair passengers whereas drivers of saloons would not have that responsibility.
- 5.18 256 respondents (51%) thought that reducing the number of wheelchair accessible vehicles would have a significant effect on disabled people, with 73% believing that there would be at least some impact for the disabled. Officers therefore recommend that due to the impact that it might have on people with disabilities we should not license saloon vehicles, or vehicles that are not wheelchair accessible as hackney carriages. **(Recommendation 2.6)**

Options to Rent Vehicles (Questions 17 and 18)

- 5.19 The consultation asked for the views of drivers and vehicle owners on renting or hiring vehicle, as opposed to buying them, with a view to making cleaner, newer vehicles more affordable. 47% said that they would not consider renting or hiring a vehicle. Only 4% responded positively to this question with a further 15% saying that they might consider renting or hiring a vehicle.
- 5.20 Of those who said that they would not consider renting, 47% said that their reason related to the high cost of renting with 17% blaming competition from drivers licensed by other authorities (with Uber being named specifically) as a reason for their inability to earn sufficient income to be able to rent a vehicle and 12% referring to the low fares and insufficient work to enable them to earn enough money.
- 5.21 People willing to rent regarded an affordable rent to be no more than £150 per week, including all other overheads, with some suggesting that the council should rent vehicles to drivers or make grants available to them to rent.

Ideas for driving cleaner vehicles or reducing pollution (Question 19)

- 5.22 We asked respondents what they thought the Council or Government should or could do to help vehicle owners to drive cleaner vehicles or reduce levels of pollution. The main theme from the responses (44%) was the need for drivers to be given financial support or incentives to upgrade their vehicles.
- 5.23 14% recommended improvements to the highway system, such as more cycling routes, improvements to traffic lights, more electric charging points and encouraging the use of suburban railway stations for car owners to park and ride. 12% recommended the use of retrofit solutions, including LPG conversions as a way of improving emissions.

General Comments (Question 20)

- 5.24 We asked respondents for any other comments or suggestions that they wished to make about the draft emissions policy. The largest identifiable theme (19.5%) related to drivers' concerns that the policy did not allow sufficient time for them to change their vehicle. 18% repeated earlier comments about their need for financial assistance to help them transition to cleaner vehicles.
- 5.25 14% asked that Birmingham should limit or control the number of 'out of town' taxis and private hire vehicles that work in Birmingham to protect the income of drivers licensed by Birmingham. 6% referred to the use of retrofit products as a way of improving vehicle emissions.

6. Revised Policy

- 6.1 The responses to our consultation evidenced some clear themes around the impact of the policy, which are that:
- i. Drivers of hackney carriages and private hire vehicles are concerned that the cost of replacing their vehicles with cleaner, newer vehicles is prohibitive.
 - ii. Given the cost involved to replace a vehicle, drivers feel that the timescales envisaged by the draft policy do not allow sufficient time to plan for vehicle replacement.
 - iii. There was a call for the timescales in the draft policy to be extended to permit drivers and vehicle owners as much time as possible to enable them to prepare for purchasing cleaner vehicles.
- 6.2 We have responded to these concerns by extending the deadlines that were in the draft policy to allow drivers and vehicle owners as long as possible to change their vehicles (where necessary), and still ensure that the deadlines will not compromise Birmingham's overall compliance with the implementation of a Clean Air Zone or the need to achieve European air quality standards in the shortest possible time.
- 6.3 The Euro 4 and Euro 6 standards are taken from the Government's Clean Air Zone framework, although we recommend that they are adopted because of the impact that poor air quality has on health, irrespective of whether Birmingham adopts a Clean Air Zone. **We propose that the deadline for compliance with Clean Air Zone emission standards for all currently licensed vehicles (whether diesel or petrol), be extended from 31st December 2018 to 31st December 2019.** That standard is Euro 4 for petrol engines, Euro 6 for diesel engines or that they are Ultra Low Emission (ULEV) or Zero Emission Capable (ZEC) Vehicles. This is one year later than was proposed by the February 2017 draft policy. (Recommendations 2.1 and 2.2).

- 6.4 This proposal removes the December 2017 interim deadline that was in the draft policy after which hackney carriages that fell below Euro 3 or Euro 4 for petrol vehicles or Euro 5 for diesel private hire vehicles would not be licensed.
- 6.5 This proposal reduces the minimum standard for all petrol vehicles that are already licensed from Euro 5 in the draft policy, which is higher than the Clean Air Zone minimum requirement, to Euro 4, which is the minimum requirement.
- 6.6 We propose that after 31st December 2019 we will only grant licences to new or replacement vehicles or allow the use of those vehicles if those vehicles meet the minimum emission standards of Euro 4 for petrol engines, Euro 6 for diesel engines or are Ultra Low Emission (ULEV) or Zero Emission Capable (ZEC) Vehicles. This deadline is 24 months later than was proposed by the draft policy. If a vehicle owner acquires a vehicle in the interim period that does not meet the relevant standard for it depending on the fuel type, that person does so knowing that it will not be allowable after 31st December 2019. **(Recommendations 2.1 and 2.2)**
- 6.7 To clarify what this means, as an example, a vehicle which did not meet the relevant standard could renew its licence at any point in the 12 months preceding 31st December 2019, but that licence would expire at midnight on 31st December 2019. The policy would not permit a driver or vehicle owner to renew a vehicle licence immediately before the deadline and continue to use the vehicle for the next 12 months into 2020.
- 6.8 This policy removes the requirement from the draft policy that required all newly licensed private hire vehicles to be Ultra Low Emission beyond December 2017.
- 6.9 By allowing drivers the longest period possible it will remove the immediate problem that the draft policy created for drivers of the oldest hackney carriages and private hire vehicles which would no longer be licensable after December 2017. It would give drivers of all vehicles more than 2 years to prepare for changing their vehicle and sets out clearly the intention of the Licensing and Public Protection committee to improve the standard of vehicles that it licenses.
- 6.10 The Euro 4 and Euro 6 standards are the current minimum standards required by a Clean Air Zone and are prescribed by the Department for Transport and DEFRA. As vehicle technology improves it is inevitable that these standards will rise in future in order to move towards the ultimate goal of an emission-free standard. Therefore the minimum standards that are recommended in this report will be applicable to vehicles licensed by Birmingham until such time that this Committee approves higher minimum standards, moving towards the eventual goal of all licensed vehicles being zero emission. Drivers who are considering replacing their vehicles now should consider replacing them with the cleanest technology possible to avoid the need to replace them again when standards increase.

- 6.11 **Aspirational Standards.** Some of the deadlines that were proposed in the February 2017 draft policy were aspirational in that they attempted to achieve standards that were higher than the Clean Air Zone standard and to apply the policy incrementally by removing the worst polluting vehicles first. The new approach outlined in this report attempts to strike a balance between the health benefits to be obtained from a faster transition to cleaner vehicles and recognition of the economic impact that the transition will have for some drivers.
- 6.12 **Recharging Infrastructure.** We believe that allowing the maximum time for drivers to replace their vehicles also acknowledges the fact that the recharging infrastructure has not yet been installed, which would create difficulties for any early adopters of plug-in vehicles. Allowing a longer transition period should enable the infrastructure to be installed in readiness for owners of plug-in vehicles as they acquire them.
- 6.13 **Availability of Electric Hackney Carriage Vehicles.** The new LEVC (formerly London Taxi Company) electric hackney carriage (known as the TX) is unlikely to be available for supply until early 2018 in Birmingham. It is the only ULEV hackney carriage on the market, although there are diesel powered hackney carriages available from LEVC and other manufacturers that would meet the Clean Air Zone standard. Our February 2017 draft policy would have taken all hackney carriages below Euro 3 off the road from December 2017. It would be unreasonable to require these drivers to replace their vehicles when it will not be possible to purchase a ULEV hackney carriage within this timescale.
- 6.14 **Changing Landscape.** The decision to extend the transition period is also based on the fact that this policy is set against a rapidly changing background. DEFRA's UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations was published as late as 26th July 2017.
- 6.15 **Retrofit Solutions.** There is a possibility that certain technical solutions might be approved by the government in the future to improve vehicle exhaust emissions and avoid owners having to replace their vehicles. They are commonly referred to as 'retrofit solutions' and largely consist of mechanical alterations to engines to improve NOx emissions. LPG conversions are one such solution. In its Clean Air Zone Framework document DEFRA and the Department of Transport said in May 2017 that the government was setting up a Clean Vehicle Retrofit Accreditation Scheme (CVRAS) to provide independent evidence that a vehicle retrofit technology will deliver the expected pollutant emissions reductions and air quality benefits. The Framework document anticipated that the CVRAS would be in place in 2017. A retrofitted vehicle that meets the requirements of a Clean Air Zone under an accredited CVRAS scheme would be exempt from a charge in a charging zone. Birmingham will require a CVRAS certificate to prove that a vehicle has been retrofitted to the correct standard in order to license it.
- 6.16 If any products or technologies are approved they could provide a more affordable option to drivers, as an interim measure to achieve compliance before taking the step of replacing a vehicle. Extending our deadlines for

drivers to replace their vehicles will allow them the maximum time in which to take up retrofit solutions if and when any are approved.

- 6.17 **Scrappage Schemes.** Targeted government scrappage schemes of the type suggested in the Government's national plan might be made available between now and the implementation of this proposed policy which could assist or encourage drivers to change their vehicles. It would therefore be unfair to require drivers to update their vehicles immediately without knowing whether additional financial support might become available to them at a later date.
- 6.18 At the time of writing this report Volkswagen has announced a diesel scrappage scheme for owners of diesel vehicles registered before 2010 with emission standards lower than Euro 5. The scheme advertises discounts from new vehicles of between £1,800 and £6000 depending on the type of vehicle purchased. When coupled with the Government's Plug-In grant for purchasing an Ultra-Low Emission Vehicle (ULEV), purchasers could find that the cost of a vehicle is up to £10,000 lower. Other vehicle manufacturers also have scrappage schemes, making the change to a cleaner vehicle more affordable for private hire drivers.
- 6.19 **LPG Conversions.** Birmingham's project to convert hackney carriages to LPG has proved successful. The £0.5m grant from the Office of Low Emission Vehicles was used to convert 65 vehicles to LPG. Recent independent tests have confirmed that in real world driving conditions the vehicles achieve the standard equivalent to a Euro 4 petrol engine, which is a minimum standard for a petrol engine. It is hoped that the success of the project will persuade the Department for Transport to make more funds available to subsidise similar conversions (subject to the caveats identified in paragraph 10.1 below).

7. Vehicle Numbers Affected by the Policy

- 7.1 The tables in Appendix 4 set out the number of vehicles licensed by Birmingham that are compliant and non-compliant with the minimum Clean Air Zone standards of Euro 4 for petrol and Euro 6 for diesel. The information is summarised in paragraphs 7.3 and 7.4 below. Appendix 5 is a breakdown of the age profile of Birmingham's licensed vehicles. The application of this policy will affect the following number of vehicles that Birmingham licenses: 24% of **private hire vehicles** currently licensed will comply with the Euro 4 petrol or Euro 6 diesel standard applicable to the relevant vehicles and 76% will not comply. Only 6% of **hackney carriages** comply with the Euro 6 standard (which includes the 65 vehicles converted to LPG).
- 7.2 The total numbers of vehicles that will not meet the standard and which will need to be replaced or be retrofitted are:

Private Hire Vehicles: 3,351

Hackney Carriages: 1,193

8. **Private Hire - Breakdown of Compliant / Non-Compliant Vehicles**

	Number	Percentage
Non-Compliant Private Hire Petrol or non-diesel Vehicles Euro 3 or below	355	8%
Non-Compliant Private Hire Diesel vehicles Euro 5 or below	2996	69%
Compliant Private Hire Petrol Vehicles Euro 4 or above	818	19%
Compliant Private Hire Diesel Vehicles Euro 6	152	3.5%
Totals	4,321	100%

9. **Hackney Carriage - Breakdown of Compliant / Non-Compliant Vehicles**

	Number	Percentage
Non-Compliant Hackney Carriages Euro 5 or below	1193	94%
Compliant Hackney Carriages Euro 6	7	1%
Compliant Hackney Carriages converted to LPG	65	5%
Totals	1265	100%

10. **Lifespan of LPG Conversions**

- 10.1 We have successfully converted 65 LTI TXI and TX2 hackney carriages from diesel engines to LPG (with a small petrol tank for ignition) during 2016 and 2017. The conversions were funded by the Department for Transport as a pilot project to assess the feasibility of the concept and to achieve the reduction of NOX (Nitrogen Oxide) emissions by at least 80%. The subsequent analysis of real-time exhaust emissions has resulted in the

conversion meeting this requirement and achieving the Euro 4 petrol engine Clean Air Standard, which is a minimum requirement for petrol vehicles. The LPG retrofit solution can be applied to LTI TX1s, TX2s and TX4s only and only when the vehicles are fit for purpose, well maintained and have passed a rigorous mechanical inspection and are no older than 15 years. This potentially will account for 150 vehicles (depending on the structural and mechanical integrity of each vehicle) of the Hackney Carriage fleet.

10.2 Each conversion cost £7,615.00 and each owner had to pay the VAT element of the price, which was approximately £1,300.00. Eligibility criteria were applied to decide which vehicles could be converted, namely:

- Vehicles were prioritised to the LTI TX1 and TX2 (which are older versions of the traditional London taxi).
- Vehicles had to be well maintained. This was assessed by a physical inspection at a garage approved to carry out the conversion work.
- Only vehicles between **9 to 15 years old** at the time of conversion could be considered.
- Vehicles had to be capable of being on the road for at least five years after the conversion.
- The vehicle had to operate within Birmingham city centre, specifically in and around Navigation Street, New Street Station, Moor Street, Moor Street Station and Broad Street.

10.3 These criteria were applied to meet the conditions of the Department for Transport grant (which were aimed at achieving the greatest improvement in NOx (Nitrogen Oxide emissions), to ensure that the vehicles were sufficiently roadworthy, to and ensure that they were in a good mechanical state of repair and that they were capable of being on the road for at least five years to warrant the cost of conversion. In the majority of cases owners had to have work done to their engine or vehicle at their own cost in order to meet the criteria, which sometimes amounted to several thousand pounds. When added to the VAT and the value of the grant, as much as £10,000 has been invested in each vehicle.

10.4 Under our original draft policy we had proposed that by 2021 no hackney carriage could be licensed older than 14 years. By 2021 the oldest hackney carriage vehicles converted to LPG would be 21 years old and the youngest would be 14. This policy would effectively take all of the converted vehicles off the road in 2021. **It is therefore proposed to license all hackney carriages converted to LPG under the Department for Transport scheme until December 2025, subject to them passing a strict annual inspection to verify their mechanical and structural condition. Details of how the mechanical and structural assessment will be made will be developed in due course.** This proposal recognises the financial investment that has gone into each vehicle and ensures value for money from that investment. It takes account of the high vehicle emission standard that they have achieved and

importantly it recognises the fact that their standard of structural and mechanical integrity is better than most other hackney carriages of an equivalent age. **(Recommendation 2.5)**

- 10.5 Under the proposal in paragraph 10.4 above, by 2025 the oldest LPG hackney carriage will be 24 years and the youngest 18 years.

11. Vehicle Age Policy

- 11.1 The policy outlined in the report to your Committee in February 2017 recommended that absolute age criteria should be applied to all licensed vehicles of 14 years for hackney carriages and 8 years for private hire vehicles. It would remove the 'exceptional condition' test that we currently use to permit vehicles older than this to remain licensed. Under our existing licensing rules there is no absolute age limit for any vehicle provided that it meets the exceptional condition criteria, but new vehicles cannot be introduced if they are older than 14 years for hackney carriages or 8 years for private hire.
- 11.2 An absolute age policy would ensure that vehicles are replaced more frequently and would therefore automatically be more compliant with minimum vehicle emission standards as they inevitably become more stringent. It will also guard against the situation we now find ourselves in with one of the oldest fleets of licensed vehicles in the country.
- 11.3 There were no compelling arguments in the consultation against such a policy apart from vehicle owners who would like to see no age limits or extended age limits purely on the grounds of economic impact. An age policy should also be considered in connection with the emission values of the relevant vehicles, and as has been highlighted by the example of the LPG converted taxis above, the amount of investment that has been required to achieve compliance is relevant.
- 11.4 Given the complexity associated with setting an absolute age limit for licensed vehicles, it is proposed to deal with this issue in its own right through a separate report to this Committee. The report will take into consideration retro fit conversions, when and if any are approved nationally, their cost and the impact that they will have on emissions. The report will also consider how other licensing authorities address the question of vehicle age policy. **(Recommendation 2.4)**

12. Policy from 2026 and Beyond

- 12.1 The draft policy considered by this committee in February 2017 outlined long-term proposals for all licensed vehicles to be Ultra Low Emission by 2026 and for all vehicles to be zero emission by 2030. The vast majority of the replies to our consultation focussed on the short-term consequences of applying Euro 4 and Euro 6 emission standards to vehicles within the next 2 years. This was

understandable because it will have an immediate impact. Very little attention was paid to the 2026 and 2030 targets. Given the low level of engagement from drivers and vehicle owners on the question of our policy from 2026 onwards it is proposed that this question be considered separately once your committee has resolved its emissions policy for the period between now and 2020. **(Recommendation 2.3)**

13. West Midlands Emissions Standard

- 13.1 At its meeting on 20th April 2016 when this Committee first considered the effects of a Clean Air Zone on licensed vehicles it resolved to ask officers to engage with neighbouring West Midlands authorities to discuss proposals for a regional emissions standard for hackney carriage and private hire vehicles.
- 13.2 Annex K of the UK Plan for Tackling Roadside Nitrogen Dioxide Concentrations contains a list of local authorities where DEFRA's model forecasts concentrations of nitrogen dioxide above statutory limits. The table identifies how nitrogen dioxide levels are predicted to fall each year if no action is taken based on the assumption that the numbers of the oldest most polluting vehicles will naturally decline and be replaced by cleaner more modern vehicles.
- 13.3 Of the seven local authorities that comprise the West Midlands County, Birmingham has the highest levels of roadside nitrogen dioxide measured at 58 micro grams per cubic metre (against a statutory annual mean limit of 40 micro grams per cubic metre) and is the only authority that is required to introduce a Clean Air Zone. After Birmingham Coventry has the next highest recorded levels of nitrogen dioxide at 51 micro grams per cubic metre and it is required to produce a local action plan by March 2018 on the basis of modelling which indicates a number of roads need a solution.
- 13.4 Nitrogen dioxide levels in the remaining five local authorities are recorded as Solihull 50, Walsall 50, Wolverhampton 49, Sandwell 47, and Dudley 45. The extent of non-compliance will vary from one authority to another. Non-compliance can equate to only one road in a local authority exceeding the statutory annual mean limit. Therefore each authority's response will depend on the scale of the problem in its particular area, but none apart from Birmingham are mandated to introduce a Clean Air Zone.
- 13.5 Whether or not each authority decides to introduce an emission standard for the vehicles that they license will be for each to decide independently, but given the extent to which private hire vehicles can work across local authority boundaries, a West Midlands regional policy is becoming increasingly relevant and would have a beneficial impact on air quality for the entire population of the region. Many respondents to our consultation for Birmingham's emissions policy made reference to vehicles working in Birmingham that are licensed by other local authorities and they questioned whether Birmingham licence holders would be disadvantaged compared to drivers licensed in other local authorities.

- 13.6 Birmingham has organised two recent meetings of the Chairs and Heads of Service for the seven West Midlands Licensing Authorities. The meetings were held on 24th July 2017 and 21st September 2017 in Birmingham and primarily considered how we can respond to the problems caused by the growth of cross border hire. Birmingham took the opportunity to explain how it is responding to air quality and what its emissions policy for licensed vehicles might look like. Each authority is at a different stage in terms of considering local emissions standards for hackney carriage and private hire vehicles, but none is as far advanced as in Birmingham.
- 13.7 One of the outcomes from the meetings was an agreement to work towards common licence conditions for drivers and vehicles across the West Midlands. Work has already begun by mapping the differences between each authority's requirements. The six other licensing authorities in the West Midlands are very interested to observe how we develop our policy in Birmingham. If the policy in this report is approved it will form part of the mapping exercise by which authorities will decide whether to adopt shared conditions or policies. A separate report will be presented to your committee to explain what we are trying to achieve working in partnership with colleagues across the West Midlands. **(Recommendation 2.7)**
14. Comparison with London's Emissions Policy for Private Hire and Hackney Carriage Vehicles
- 14.1 In London the emissions standards for private hire vehicles are regulated by Transport for London via statutory instrument under the Greater London Authority Act 1999 and the Private Hire Vehicles (London) Act 1998. The Private Hire Vehicles (London PHV Licences) (Amendment) Regulations 2015 came into force on 1st November 2015 and set out the minimum vehicle emission standards for private hire vehicles. The Regulations achieve a higher standard than that proposed by the policy in this report. There is an absolute age policy of 10 years for private hire vehicles in London. A vehicle must be no older than 5 years to be licensed for the first time and it must be at least Euro 4.

Date	Standard
1 st January 2018 to 31 st December 2019	All PHV vehicles granted a licence for the first time must be Euro 6 (whether petrol or diesel) or a petrol hybrid that is a minimum of Euro 4.
1 st January 2020 to 31 st December 2022	All new (less than 18 months old) PHVs licensed for the first time will have to be zero emission capable. PHVs over 18 months old will need to have a Euro 6 engine when licensed

Date	Standard
	for the first time.
From 1 st January 2023	All PHVs (of any age) will need to be zero emission capable when licensed for the first time.
From September 7 th 2020 all PHVs that do not meet Euro 4 petrol or Euro 6 diesel emissions standards will be subject to £12.50 per day charge to enter the Ultra Low Emissions Zone (ULEZ).	

- 14.2 The policy in London for hackney carriage vehicles is that from 1st January 2018 taxis presented for the first time will need to be Zero Emission Capable (ZEC). A first-time taxi vehicle licence will no longer be granted to a diesel taxi. ZEC taxis with petrol engines will need to meet the latest emissions standard (currently Euro 6). There is a maximum age limit for taxis of 15 years which will remain in place and taxis will be exempt from paying the charge to enter the Ultra Low Emissions Zone. Taxis converted to LPG with approved TfL technology can be licensed for an additional 5 years. TfL has a target to license 9,000 ZEC taxis by 2020.

15. Engine Sizes

- 15.1 Birmingham's existing policy for the licensing of private hire vehicles requires vehicles to have a minimum engine size of 1600 cc, or 1500 cc in the case of petrol hybrid vehicles (such as the Toyota Prius for example). This policy is no longer consistent with the wider air quality strategy that the Council is pursuing or with the proposals in this report for licensing private hire vehicles as it encourages the use of large internal combustion engines and prevents the use of electric vehicles. Our policy which requires 1600 cc engine sizes has been in place for many years and was intended to ensure that passengers could be transported in 'reasonable comfort and safety'.
- 15.2 Since that policy was thought to be necessary motor vehicle technology has advanced enormously and combustion engines are now far more efficient than they used to be. Having said that, it is difficult to identify what criteria should be adopted to decide what power output is necessary to allow a car to be licensed for private hire. The reliance on power output alone is not the only factor as the weight of the vehicle and the number of passengers on board will affect the performance.
- 15.3 Many local authorities do not have any requirements in respect of engine size or power output. Of more relevance might be the Euro NCAP (European New Car Assessment Programme) safety standard for the vehicle combined with a dimensional standard. In London there is no requirement for a vehicle to have a minimum engine size. Policy is based on the age of the vehicle (no older than 5 years) and emissions (at least Euro 4). There are no requirements

relating to the size of the vehicle and 2-door cars are licensable, but for one passenger only (depending on the ease with which a passenger can exit the vehicle).

- 15.4 We recognise that we must act quickly to address this anomaly in our policy which is acting to restrict innovation and investment from private hire operators who wish to buy fleets of low emission vehicles.
- 15.5 We propose that a short-life officer/member working group be created to consider what criteria or specification Birmingham should adopt for engine sizes or power outputs for electric vehicles and for that working group to make recommendations to the Licensing & Public Protection Committee.
(Recommendation 2.8)

16. Consultation

- 16.1 A 14-week public consultation was hosted on BeHeard which drew 775 responses from taxi and private hire drivers, private hire operators, trade representatives and members of the public. Every licensed driver and vehicle owner was sent a postcard to alert them to the consultation. Individual responses to the consultation were submitted separately to Licensing by TOA (Appendix 6), RMT (Appendix 7), 24 7 Carz (Appendix 8) and Birmingham and Solihull Taxi Alliance (Appendix 9).
- 16.2 Responses from the consultation are summarised in appendices 2 and 3. A full set of all replies are available as background papers on request.
- 16.3 In addition, this emissions policy has been discussed with trade representatives at our regular scheduled bi-monthly meetings and at meetings for trade representatives specifically to consider the policy as it was being formulated.
- 16.4 We have tried to accommodate the concerns expressed by drivers and vehicle owners about the timetable for achieving compliance as far as possible in the recommendations, having departed significantly from the timetable and the standards that were proposed in the report considered by your Committee in February 2017.

17. Implications for Resources

- 17.1 The cost of licensing vehicles with lower emissions will be the same as the cost of licensing vehicles with higher levels of emissions. However, there is a risk to overall licensing income if the effect of the policies recommended in this report encourage drivers and vehicle owners to seek licences from other authorities that do not have vehicle emissions standards.
- 17.2 The number of drivers licensed in one authority and working in another has become more prevalent since the Deregulation Act 2015 was enacted. In Birmingham we see large numbers of drivers and vehicles working here who

are licensed by other authorities. We are lobbying the relevant ministers and MPs to try to change the legislation to restrict the ability of drivers to do this and we are talking to our counterparts in neighbouring West Midlands authorities about shared standards for all our licensed vehicles and drivers. If Birmingham introduces a charging Clean Air Zone, drivers licensed by other authorities using vehicles that do not meet Clean Air Zone standards would be required to pay to enter the zone, which would remove any incentive to seek a licence elsewhere.

18. Implications for Policy Priorities

- 18.1 The Council's Vision and Priorities 2017-2020 document identifies four priorities for Birmingham namely: Children, Housing, Jobs and Skills, and Health. The recommendations in this report support the Council's main priorities at the highest level, in particular those for Health, Children, and Jobs and Skills. These include 'Creating a healthier environment for Birmingham', creating 'an environment where our children have the best start in life', and developing 'a modern sustainable transport system that promotes and prioritises sustainable journeys'.

19. Public Sector Equality Duty

- 19.1 Attached as Appendices 10, 11 and 12 are tables showing the demographic profile of drivers and vehicle owners by reference to ethnicity, age and gender respectively. The information shows that, excluding those drivers who have declined to record their ethnicity 94.2% are from black or minority ethnic backgrounds. The age profile of drivers and vehicle owners follows a normal distribution, peaking at the highest frequency in the 45-49 age range. Female drivers and vehicle owners form less than 0.4% of the total.

- 19.2 Under the Duty we must have regard to the need to:

- Eliminate unlawful discrimination, harassment, and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

- 19.3 The recommendations contained in this report do not unlawfully discriminate, harass or victimise people affected by the policy, whether vehicle owners, drivers or members of the general public. The extensive consultation that has taken place in the compilation of this report evidences the fact that we have attempted to advance equality of opportunity between people who share a protected characteristic and those who do not by encouraging people from protected groups to participate in public life.

- 19.4 We recognise that there will be financial consequences for large numbers of drivers and vehicle owners if they are required to replace their vehicles or to retrofit engines to achieve compliance with emission standards, however,

these consequences arise because of the fact that they are licensed drivers and owners and are not attributable to a protected characteristic.

- 19.5 In terms of mitigation for drivers and vehicle owners affected by the proposed policies there are options for drivers which include:
- Government plug-in grants of up to £4,500 for purchasers of new electric and hybrid vehicles and up to £7,500 towards the cost of electric taxis
 - The Government's Electric Vehicle Homecharge Scheme will fund up to 75% (capped at £500 including VAT) to pay for the installation of a dedicated domestic recharging unit.
 - Individual vehicle manufacturer scrappage schemes for people replacing older vehicles with newer cleaner vehicles.
 - The possibility of retrofitting engines, including replacement with LPG as a fuel. Birmingham City Council will bid for additional funding support LPG conversions if Government announces that funds will be made available.
 - LEVC (formerly LTC) has announced a Personal Contract Purchase (PCP) scheme for taxi drivers to spread the cost of its new TX electric taxi and is also making second hand TX4 vehicles (with Euro 6 diesel engines) available on a PCP scheme.
 - A company in Birmingham is making electric private hire vehicles available for rent to licensed drivers on an hourly basis.
- 19.6 We have moved the implementation date for our emissions policy as far back as possible to 1st January 2020 in order to allow drivers and vehicle owners the longest possible time to prepare for the change.
- 19.7 We have considered the impact that licensing saloon vehicles as hackney carriages would have on the number of wheelchair accessible vehicles available to the public. We have had regard to the comments received as part of our consultation from people who consider that it would reduce the availability of wheelchair accessible vehicles and have therefore recommended that Birmingham does not license non-wheelchair accessible vehicles as hackney carriages in order to advance equality of opportunity for disabled passengers.
- 19.8 Based on an initial Equality Analysis, for the reasons set out in section 19 of this report, we have concluded that a full Equality Analysis is not deemed appropriate or necessary.

ACTING DIRECTOR OF REGULATION AND ENFORCEMENT

List of Appendices:

- Appendix 1: Summary of draft emissions policy approved for consultation by Licensing and Public Protection Committee on 15th February 2017.
- Appendix 2: Statistical summary of response to consultation and demographic profile of respondents.
- Appendix 3: Summary of narrative response to consultation.
- Appendix 4: Numbers of compliant and non-compliant vehicles licensed by Birmingham.
- Appendix 5: Age profile of vehicles licensed by Birmingham.
- Appendix 6: TOA response to consultation
- Appendix 7: RMT response to consultation
- Appendix 8: 24 7 Carz response to consultation
- Appendix 9: Birmingham and Solihull Taxi Alliance response to consultation
- Appendix 10: Ethnicity of vehicle owners and drivers
- Appendix 11: Age profile of vehicle owners and drivers
- Appendix 12: Gender profile of vehicle owners and drivers
- Appendix 13: Birmingham's Health & Social Care Overview and Scrutiny Committee report 'The Impact of Poor Air Quality on Health'.

Background documents:

A Clean Air Zone Framework: Principles for Setting up Clean Air Zones in England May 2017 - DEFRA and Department for Transport.

The Private Hire Vehicles (London PHV Licences) (Amendment) Regulations 2015.

Birmingham's public consultation on an emissions policy for private hire and hackney carriage vehicles – narrative responses.