

BIRMINGHAM CITY COUNCIL

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

21 SEPTEMBER 2022
ALL WARDS

**REQUEST FOR POLICY AMENDMENTS TO FACILITATE THE LICENSING OF
FULLY ELECTRIC HACKNEY CARRIAGE VEHICLE CONVERSIONS**

1. **Summary**

- 1.1 A proposal has been submitted from a company asking Birmingham City Council to consider the licensing of their fully electric hackney carriage vehicle (HCV) conversion within the Birmingham City Council taxi licensing regime.
- 1.2 The conversion is carried out on TX type vehicles (traditional hackney carriages), in similar fashion to that which is already approved for LPG conversion of the traditional London cabs.
- 1.3 Some amendments to policy would be necessary to allow the vehicles to be licensed, but also may be a factor in making the conversions cost effective.
- 1.4 While a fully electric conversion could give a useful new lease of life to older vehicles and these would be fully compatible with the emissions requirements of the Clean Air Zone (CAZ) and contribute to the Council's broader ambition to create a net zero carbon emissions city it is unclear as to whether or not the conversion of these vehicles also applies to the interiors.

2. **Recommendation**

- 2.1 That the report is noted and that any specific views are emailed to officers for consideration in the upcoming Hackney Carriage and Private Hire Policy Review.

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3. Background

- 3.1 Prior to the pandemic, Birmingham licensed just under 1200 HCVs. Post pandemic the number of licensed vehicles has fallen to 675.
- 3.2 The pandemic appears to have had a significant impact on numbers, but so too has the introduction of the CAZ and the conversion of all taxi driver's licences to dual licences, allowing the holder to drive both hackney and private hire vehicles. Indeed, it appears that many drivers have opted to move to private hire during the pandemic as a way of upgrading to CAZ compliant vehicles that are considerably cheaper than hackney carriages.
- 3.3 The conversion process offers the market a fully electric zero emission alternative to an ultra-low emission LEVC TX (an electric hybrid vehicle). As such eligible HCV drivers could be able to benefit from the Clean Air Zone operating expenses grant (up to £10,000) towards the cost of a vehicle that had been converted in this way.
- 3.4 Cost differences might be offset against increased longevity, but that would require the current age limit of 15 years for vehicles that have been converted in this way to be significantly extended or removed altogether.

4. The Proposal

- 4.1 The attached proposal at Appendix 1, details the methodology and requests amendments to policy to accommodate the conversion. To date the conversion has been approved for licensing by Oxford City Council.
- 4.2 The conversion appears to offer a viable alternative to new electric hybrid hackney carriage vehicles and because it is based on an all-electric solution meets the emissions standards of the CAZ and contributes to the Council's ambition of creating a net zero carbon emissions city by 2030.
- 4.3 The company propose to offer the vehicles for rental initially, so the cost of conversions would be carried by the company in the first instance. However, as the conversion involves a complete rebuild and refurbishment of the donor vehicle, conversion of the transmission and installation of a new electric powerplant and batteries, it is potentially not viable without the suggested exemptions.
- 4.4 Some modifications to policy and practice would be necessary to accommodate the proposal. The first relates to allowing the converted vehicles to be licensed on the basis of an IVA, an Individual Vehicle Assessment, conducted by VOSA.
- 4.5 Policy requires BCC only license purpose built hackney carriage vehicles. For this reason a converted vehicle subject to an IVA is not usually considered sufficient to meet the standard. However, it should be emphasised that

position is intended to guard against second hand commercial vehicles and minibuses being turned into hackney carriages on an ad hoc basis. The vehicles under consideration here are already purpose-built hackney carriage vehicles and so the purpose of the IVA is to determine that the power plant conversion is safe and proper.

- 4.6 The second is potentially more problematic, as it relates to the vehicle age limit. Members may be aware a mandatory age limit of fifteen years applies to most black cabs. With an extension to the end of 2025 for vehicles re-engined with LPG powerplants under the CVRAS approved scheme, in order to ensure they have a minimum of five years useful life after conversion.
- 4.7 The company would like the Licensing and Public Protection Committee to consider amending age limits for vehicles that have undergone a full conversion to 100% electric. The proposer would prefer age limits to be removed altogether but acknowledges this may not be acceptable.
- 4.8 In order to offer an alternative and in acknowledgement of the amount of work put into stripping, rebuilding and returning these vehicles to near showroom condition, including the addition of a brand-new motor and battery, The proposed suggests resetting the clock on age to the date of remanufacture, as an alternative to removing the age limit.
- 4.9 The additional submission at Appendix 2 offers a breakdown of the remedial work undertaken in order to complete the conversion and to bring the vehicle back to near new condition. It is worth noting the TX series cabs are specifically designed so that individual parts of the bodywork can be removed and replaced very easily. So long as the chassis and sub-frame are sound, other parts can be replaced as necessary to produce a vehicle which is essentially as new.
- 4.10 Appendix 2 also includes details of pricing and intentions for financing and sale of vehicles.

5. Licensing Service Assessment

- 5.1 This proposal could offer a new lease of life for aging hackney carriage vehicles, in which fashion it is similar to the BCC approved CVRAS scheme, which retrofits engines and LPG gas tanks into older TX type hackney carriage vehicles. However, where the CVRAS approved scheme results in cleaner vehicles with less harmful emissions, this proposal would provide vehicles with zero emissions and would also include a full rebuild of the vehicle body.
- 5.2 Officers suggest allowing these converted vehicles to be licensed on the basis of an IVA would not undermine the policy requiring only purpose-built hackney carriage vehicles be licensed, as that is exactly what these cabs are. The purpose of the IVA in this instance being to confirm the conversion from a diesel to an electric powerplant had been carried out properly and safely.

- 5.3 The cost of converting the vehicles and returning them to as new condition is higher than the cost of an LPG conversion, but less expensive than purchasing a brand-new alternative outright. Owners with a suitable donor vehicle, might be tempted by the conversion, especially if your Committee is willing to allow an extended lifespan for these vehicles in recognition of the extensive rebuild and the lack of emissions.
- 5.4 Amending the age limit for electric only vehicles may result in an increase in requests to extend the active life of other hackney carriage vehicles. Such requests would need to be considered on an individual basis and according to the merits of each case, which the current licensing policy allows for. Any concession with respect to electric only vehicles would be subject to amendment of the existing policy, but would not bind your Committee, Sub-committee or Officers acting under delegation, to make similar concessions to other vehicles in other circumstances.

5.5 Removing the Age for All-electric Vehicles

This option would be beneficial to the proposer and to any other all-electric manufacturer entering the market later, as it would remove any limit on the time scale available to recoup the cost of conversion and would be a positive selling point when competing for sales with vehicles which remain subject to the fifteen-year limit. It would also be seen as a benefit for those drivers able to take advantage of a converted vehicle, as they would not face a mandatory requirement to replace their vehicle at fifteen years old.

With no age limit at all the cost of conversion can be recouped over an indefinite period, which is likely to appeal to drivers. Similarly the indefinite lifespan itself will be attractive. This option would probably attract the most interest from drivers and so could have the positive effect of bringing a greater number of zero emission vehicles into the fleet.

The powerplant and emissions are not the only reasons for maintaining an age limit. Vehicles used in this role will become worn out and tatty in time and historically we have seen a tendency for vehicles to be kept in service long after they might reasonably have been retired. With no age limit, there is a danger we could see the same practice applied to these vehicles.

Having no age limit could also be seen as unfair by those members of the trade unable to benefit from the concession. Officers would expect to see an increase in exemption requests, especially from drivers of hybrid and gas converted vehicles, aggrieved their own vehicles were not included in the policy change.

5.6 Resetting the age limit to date of remanufacture:

This option would also benefit the proposer and any other all-electric manufacturer entering the market at a later date. It would set a limit on the time scale available to recoup the cost of conversion, but that limit would be

the same fifteen years applicable to a brand-new vehicle. It would place converted vehicles on a similar footing when competing with conventional vehicles for sales. It would also be seen as a benefit for those drivers able to afford a converted vehicle, as whilst they would still face a mandatory requirement to replace their vehicle, it would be the same fifteen-year lifespan applicable to newly manufactured vehicles.

With a full fifteen-year lifespan to recoup the cost, drivers may well be tempted to move to an all-electric vehicle with the positive effect of bringing zero emissions vehicles into the fleet.

Again, the powerplant and emissions are not the only reasons for maintaining an age limit. With an extended age limit worn and tatty interiors are a risk and this, not unreasonably, is a real issue for passenger comfort.

An extended age limit may be seen as unfair by those members of the trade who were not able to benefit, and officers would expect to see an increase in exemption requests, especially from drivers of hybrid and gas converted vehicles, aggrieved their vehicles were not included in the policy change.

5.7 Putting a limit on the age of vehicles to be converted:

Officers suggest this could be achieved by the simple expedient of refusing an extension to the age limit for converted vehicles or by agreeing a shorter extension. In effect the manufacturer would then self-regulate as there would be no benefit to converting a vehicle which was not young enough to maintain a valid licence for a period sufficient to comfortably recoup the cost of conversion. It should be noted, this is not an option suggested by the proposer as the cost of younger donor vehicles in addition to the cost of conversion would likely push the overall costs to a point where it was not commercially viable.

It is likely this option would be less attractive to drivers and so less likely to drive interest in the conversion.

From a licensing perspective this option would require the fewest concessions and with limited or possibly no extension to the age limit, issues of old, tired interiors are less likely and officers could reasonably expect the policy to provoke fewer additional exemption requests.

6. Next Steps

- 6.1 Officers will consider feedback from the Committee as part of the process to prepare the Hackney Carriage and Private Hire Policy Review that will be carried out later this year.

7. Implications for Resources

- 7.1 There are no direct resourcing issues for the Licensing Service.

8. Internal Consultation

- 8.1 The content of this report has been shared with the Cabinet Member for Transportation. and the CAZ Team. If members consider the proposal has merits, officers will liaise with the CAZ Team when preparing recommendations for implementation.

9. Implications for Policy Priorities

- 9.1 The content of this report is compatible with the Clean Air Strategy for Birmingham.

Public Health England described air pollution as the single biggest environmental risk to public health. And air pollution contributes to between 28,000 and 36,000 premature deaths across the UK every year through conditions such as cancer, heart and lung disease.

The Government and local authorities are working to tackle this issue in a number of ways. In Birmingham the air pollutant of greatest concern is nitrogen dioxide. And around 80% of the pollutant is created by internal combustion engines.

The Clean Air Zone is one of the tools the Council is using to address this public health issue. It will achieve this by encouraging the owners of the most polluting vehicles to avoid the zone or to upgrade or replace these vehicles.

10. Public Sector Equality Duty

- 10.1 The majority of people licensed as hackney carriage drivers identify as being from ethnic minority communities. The trade has been affected, by the introduction of the CAZ and far more so by the effects of the pandemic. Making more affordable CAZ compliant vehicles available, especially where many drivers already own potential donor vehicles may allow people to stay in the trade, who might otherwise be unable to afford to do so.
- 10.2 A decline in the number of wheelchair accessible vehicles could impact on those members of the community dependent on hackney carriages for their daily travel needs. Introducing an alternative source of CAZ compliant hackney carriage vehicles may help to address that problem.

DIRECTOR OF REGULATION AND ENFORCEMENT

Background Papers: Technical submissions provided by Clipper Cabs at Appendix 3

