

Report of Director of Environments and Housing

Report to Licensing Committee

Date: 7 February 2017

Subject: DEFRA Air Quality Improvement Plan & OLEV Grants

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The UK Government published a plan to improve the UK's air quality in December 2015, this plan as set out by The Department for Environment Food & Rural Affairs (DEFRA) has determined that Leeds must implement a Clean Air Zone. This zone means that 'dirty' older vehicles will be discouraged from entering the city centre and areas with air quality concerns. DEFRA consulted on their draft national framework for this at the end of 2016.
2. Taxi and Private Hire vehicles will be impacted by Clean Air Zones in all named cities, with the emissions from these vehicles determined as being disproportionately high due to the significant mileage travelled by vehicles in this industry. DEFRA recommend that policy levers are utilised to encourage emissions reductions across transport categories.
3. Leeds City Council has a programme plan that identifies the steps required to scope, design and implement a Clean Air Zone. The programme will report to Executive Board in June 2017 with recommendations for the location and scope of the Clean Air Zone (CAZ). This will be followed by a period of public consultation on the CAZ plans.
4. West Yorkshire Combined Authorities co-ordinated a regional application for funding to the Office for Low Emission Vehicles (OLEV) Clean Taxi Scheme in order to secure funding to support the transition of taxi and private hire fleets to ultra-low emission vehicles (ULEVs). If the application is successful; funding will be available to deliver a network of electric vehicle charge points across the West Yorkshire region for use by the Taxi and Private Hire trade.

5. Leeds City Council has also submitted an application for funding to DEFRA to request grant funding to assist Taxi and Private Hire owners and operators with the purchase costs for Electric vehicles.

Recommendations

It is recommended that the committee note;

1. The information regarding the programme plans for delivery of a CAZ in Leeds, in particular the key milestone of the June Executive Board.
2. The update on the submission of an application for funding from OLEV to support delivery of electric vehicle charge point infrastructure for the trade.
3. That the authority has sought to secure funding to assist the taxi and private hire trade with the purchase of electric vehicles.
4. That a further report will be provided with details of any proposed vehicle licensing condition changes that may be considered following discussion with the other West Yorkshire and York authorities. The aim of these discussions is to look at a common approach across the region. Any proposals for change would be subject to the usual full public consultation.

Purpose of this report

- 1.1 This purpose of this report is to update the committee on the progress made in terms of CAZ implementation and the submission of applications for funding. The Committee were provided with details of DEFRA's CAZ plans and the opportunity to submit funding requests in July 2016.

Background information

- 1.2 Air quality is now a major issue of growing interest and significance at a national and international level. Leeds was identified last year by DEFRA as one of six locations in England that is not expected to meet air quality standards by 2020 and to require the introduction of a Clean Air Zone. DEFRA's proposal is for charges to be levied on all pre Euro 6 diesel vehicles, excluding the private car, to prevent exceedances on the Inner Ring Road.
- 1.3 A Supreme Court ruling on 2nd November 2016 that found the government's air quality improvement plan was inadequate, suggests that more cities will be required to take action. The government has said it will not appeal against the decision that their current plans to improve air quality are insufficient. They have also agreed to produce a new timetable for more realistic pollution modelling and the steps needed to bring pollution levels down to legal levels. The governments revised draft plan to improve air quality will be issued in April 2017. Following a short period of consultation the final plan will be published in July 2017.
- 1.4 The results of work on DEFRA's proposal for a clean air zone for Leeds will be brought to Executive Board in the June 2017. In order to verify the predictions of the modelling produced by DEFRA, the Council is monitoring the air quality of the inner ring road and a number of other city centre sites, as well as conducting an analysis of the types of vehicles using the roads. This analysis will enable the Council to come forward with specific proposals about where and what measures need to be applied to become compliant. The monitoring will assist in confirming

the type and scope of Clean Air Zone required by Leeds. The work study will also set out, for consultation, the geography and vehicles affected.

- 1.5 It is anticipated by DEFRA that a CAZ proposal in Leeds will require the introduction of a charge for diesel buses, coaches, taxis, HGV's and LGV's but not domestic cars, which have pre Euro 6 diesel and pre Euro 4 petrol engines. DEFRA are progressing with introduction of legislation for the introduction of Clean Air Zones, rather than leave their introduction to the discretion of the affected local councils.
- 1.6 DEFRA have indicated in their Draft National Framework for Clean Air Zones that they will revise the engine standards for CAZ's in 2025. It is not known what the revised standard will be – however Leeds is engaging with fleet operators to encourage them to consider this horizon date when considering procurement of vehicles. ULEV purchases are considered to offer a greater lifespan for vehicles as they are more likely to be compliant with any future standards that DEFRA will apply to a CAZ in 2025.
- 1.7 A Joint Air Quality Unit (JAQU) has been set up, which is a combined team of the Department for Transport and DEFRA. Leeds has worked closely with JAQU since the publication of their latest action plan but progress has been slow since BREXIT and the changes in central government over the summer.
- 1.8 Following legal action by non-governmental organisation Client Earth, the government has lost two successive trials at the supreme court resulting in a verdict that current plans to tackle air quality are illegal on the basis that;
 - Best effort is not being made to meet air quality standards as soon as possible
 - Over-optimistic pollution modelling has been used, which have produced inaccurate representations of air quality in towns and cities
- 1.9 At the time of writing, the government has agreed to discuss further actions to be taken to bring air pollution to legal levels within the shortest possible time, rather than the previous ambition to achieve air quality standards by 2020.
- 1.10 DEFRA have stated that pending their new plans being published, we in Leeds should continue to work to their existing plans. It should be noted that the speed of the Court Ruling and the government's indication that they would not appeal suggests that revised plans are likely to be more significant than the original plan as published in 2015. This may mean that a greater number of towns and cities may be called to take action and it is possible that other roads within Leeds may be identified. The government has indicated that the decision to leave the EU will not affect the UK's commitment to meeting air quality targets.

2 Main issues

2.1 Current and Planned Actions to address air quality in Leeds

- 2.1.1 The importance of air quality as an issue is reflected in the Council's arrangements to oversee progress. Air quality is part of one of the Council's seven breakthrough projects. A cross departmental officer group is chaired by the Director of Environment and Housing. There is a cross party working group chaired by the Executive Member for Environment and Sustainability which has

been established to oversee initiatives. The Scrutiny Board for Environment and Housing has also set up an inquiry.

- 2.1.2 Significant steps have been taken to improve air quality in Leeds through a number of projects. To provide an example to other major fleet operators in the city, a new procurement framework for fleet purchases has been introduced in the Council. All procurements are considered with reference to the availability of ultra-low emission vehicles. Life time costs and environmental factors are considered, rather than a simple up front cost. As a result an increasing number of the corporate fleet are being replaced with zero or ultra-low emission vehicles, with over 100 projected to be on fleet by the end of the current financial year.
- 2.1.3 The Park and Ride scheme at Elland Road has been extended with an average of 11,000 cars and 24,000 patrons using this facility each month. Additional Park and Ride schemes are planned, with a new 1000 space site now under construction at Temple Green adjacent to the M1 and the Leeds Enterprise Zone, due to open in 2017. Funding from the Office of Low Emission Vehicles was successfully gained, through the Go Ultra Low Clean Bus Fund that will enable hybrid buses to be used at this new Park and Ride scheme. Funding has also been secured through the Clean Bus Technology Fund that is enabling the installation of 'retrofit' technology that will improve the emissions of over 50 buses that operate in the Leeds region, with high frequency buses serving areas with air quality concerns being targeted for this installation.
- 2.1.4 The Cycle Superhighway has been opened, providing a cycle link between Bradford and Leeds. A monitoring programme is now in place to determine the success of this scheme including full before and after studies and user surveys planned. Two additional railway stations have also been opened, with this increased offering designed to provide a viable alternative to commuting by car to residents serviced by the new stations at Apperley Bridge and Kirkstall Forge.
- 2.1.5 Free parking has been offered to owners of Zero and Ultra Low Emission vehicles at Council operated car parks. 253 permits have been issued to drivers since the scheme was launched at the end of March 2016, with approximately 10 applications per week currently being received.
- 2.1.6 Planning is underway for the establishment of the UK's largest alternative fuel station. This will provide both city scale opportunities to commercial fleets as well as enabling the conversion of 200 corporate vehicles to Compressed Natural Gas (CNG) from diesel, including the refuse collection fleet. Opportunities to include provision of further alternative fuel will also be sought, with potential for hydrogen, or electric charging from this development also being considered. The CNG station is planned to be located in the Leeds Enterprise Zone.
- 2.1.7 Activity to promote sustainable travel and improve air quality in schools has seen 80 Leeds schools register for the 'Mode Shift Stars' scheme. Mode Shift Stars is an externally assessed scheme that assesses schools travel plans and home to school travel profiles and awards schools for developing low impact travel behaviours. Currently 27 schools have achieved accreditations, with 5 of these attaining the 'gold' level award. This work will form part of wider programmes to promote more sustainable travel which will be continue to emphasis health and

environment benefits. A list of schools registered and accredited through this scheme is attached in Appendix A.

- 2.1.8 Ongoing engagement with fleet operators to raise awareness of Air Quality is also being undertaken. Large and small bus operators have been engaged with in terms of DEFRA's plans to ensure that they take part in the National Framework Consultation being undertaken by government. We are seeking commitment from operators to ensure their fleets are upgraded to reduce emission impacts with the minimum bench mark of Euro 6 diesel standard by 2020, and we are looking to support operators going further and trialling alternative fuels and zero emission opportunities. Active dialogue with key fleet operators is ongoing with priority being given to ensure city centre fleets meet this standard minimum a Euro 6.
- 2.1.9 Additionally, taxi and private hire forums have been utilised to discuss air quality and raise awareness of alternative fuel opportunities. Businesses have been approached through organisations such as the Chamber of Commerce and Fleet Associations, with all key stakeholders being encouraged to take part on the National consultation exercise. Leeds City Council plans for delivery of a CAZ, timescales and advice on DEFRA's outline plans for the CAZ have been outlined to operators at Hackney and Private Hire forums. Additionally details of the applications for funding have also been advised through forums and by contact via newsletters.
- 2.1.10 DEFRA announced an air quality grant fund in early October with a total value of £3 million, split into two lots. The Council have been able to submit a bid for each lot as well as to be part of a consortium bid for lots. Money that is awarded through this scheme will be available from the start of March 2017 up to March 2018. The Council has submitted three appropriate bids with details outlined below in section 2.3. The announcement on whether bids are successful will be made in late January 2017.
- 2.1.11 The Office for Low Emission Vehicles (OLEV) also announced a grant scheme for workplace electric vehicle charging and details of a grant that will support Taxi and Private Hire vehicles being replaced with electric vehicles. The Council worked with the West Yorkshire Combined Authority and partners to make a submission for the OLEV Clean Taxi Grant, with details of this bid detailed below in section 2.3.
- 2.1.12 The OLEV has two grants available currently that could be utilised by the trade. Firstly the Home Charge Grant that vehicle owners can apply for to assist with the cost of installing home electric vehicle charge points would mean that drivers could charge their vehicles at home whilst off shift – reducing reliance on a public network. Secondly workplace grants are also available, meaning that offices, or business premises can apply for a grant to support installation costs of charge points, again allowing for taxi and private hire vehicles could be charge without being reliant upon a public network. The wider government strategy for electric vehicle charge points ensures that major road networks (motorway and major A-roads) will have charge point coverage, providing a national spine network.
- 2.1.13 A programme is in development for the forward strategy to invest the £173.5 million earmarked for Leeds by the government following the Secretary of State's

decision not to give consent to the next generation Trolleybus scheme. The programme being prepared for public transport focused funding was reported to Executive Board in December 2016. It is anticipated that this major new investment to enhance public transport in the city will have significant benefits to the environment and air quality, both lower emissions from an improved public transport operation and complementary air quality improvements from changes in travel mode. As well as the further development of park and ride capacity, the scope for adopting modern vehicle fleets including alternative fuels, innovative new technologies and information provision will form key components of the developments proposals.

- 2.1.14 The proposed investment programme will sit alongside the wider development of the city transport strategy as informed by the continuing transport conversation in the city and the development of the new West Yorkshire Transport Strategy.

2.2 Engagement Plans

- 2.2.1 In addition to the conversations currently underway, the Council is looking at how it can engage more fully with all interested and involved parties in managing air quality in Leeds. The promotion of a city-wide 'pledge' campaign, to seek commitment to small but significant changes by businesses and private car owners alike, is taking place. A long term campaign will be supported by the development of an air quality brand identity for Leeds.

- 2.2.2 Air Quality communications and engagement plans will aim first to raise awareness of the significance of air quality, as a necessary background to understand any measures which may need to be introduced. A communication strategy will also be required to spell out the implications of any measures for businesses and the travelling public. Thirdly, the communication strategy will seek to encourage businesses and commuters to make transportation choices which help improve air quality in the city.

2.3 Applications for funding

2.3.1 OLEV Clean Taxi Grant Bid

- 2.3.2 West Yorkshire Combined Authorities co-ordinated an application for funding to the Office for Low Emission vehicles. This West Yorkshire ULEV Taxi Scheme bid is proposed to transform taxi and private hire operations in West Yorkshire through a comprehensive package of investment in an electric vehicle charge network.

- 2.3.3 Initial information about the OLEV Clean Taxi Grant suggested that there may have been provision to support purchase of purpose built pure electric Hackney vehicles as part of this scheme. This element of the OLEV grant was withdrawn however, focussing this grant on provision of infrastructure only.

- 2.3.4 In order to seek to address this omission Leeds City Council has sought separate funding to support vehicle purchases. (See 2.3.9.) The vehicle support element of the OLEV scheme would only have been applicable to new purpose built Hackney style EV WAV's , which are a high cost purchase which, even with a grant, would have been significantly higher than the typical purchase price of Taxis purchased on Leeds.

2.3.5 The application for funding has requested funding on the basis of the below table;

Area	2017/18	2018/19	2019/20	Total
Leeds	£336,255	£336,255	£672,509	1,345,020
West Yorkshire	£894,000	£894,000	£1,788,000	£3,576,000

2.3.6 The funding (if approved by OLEV) will support delivery of a charge point infrastructure as below;

Area	Fast Chargers	Rapid Chargers	Total	Funding
West Yorkshire	48	144	192	£3,576,000

2.3.7 The Energy Savings Trust Taxi and Private Hire feasibility study identified that the below proportion of the taxi and private hire fleets could be ULEV by 2020 if the charge network detailed above is delivered.:

- 22.3% of total Hackney / Taxi Fleet to be ULEV by 2020
- 10% of total Private Hire Fleet to be ULEV by 2020.
- 11.3% of all taxi & private hire fleet to be ULEV by 2020
- This equates to approximately 1,400 vehicles across West Yorkshire

2.3.8 The transformation of taxi and private hire fleets can also be supported through consideration of measures that would utilise licensing levers to encourage uptake of ULEV vehicles. Rapid chargers provide a higher power, and quicker delivery of charge to a vehicle allowing for shorter charge events. Typically a rapid charger will provide an 80% charge to a battery in around 20-30 minutes. A 'Fast ' charge would require a longer charge event time to deliver a similar 'top-up' to a vehicle, but are cheaper to install and operate. A blend of the two charge points is deemed appropriate to cater for different charge requirements and maximisation of the availability of points that can be installed within a set budget.

2.3.9 Collectively the five authorities have considered that ULEV uptake in the taxi and private hire sector can be encouraged through licensing and policy incentives. The following bullet points will be discussed with other licensing authorities in West Yorkshire in an attempt to seek a common approach to support introduction of greener licensing policies;

- Building on existing strong licensing arrangements e.g. an average of 10 year age limit for hackney carriages,
- Implementation of the Leeds Clean Air Zone by 2020 with the potential for wider CAZ measures to be announced by DEFRA
- Proactive engagement with the taxi and private hire trade to understand barriers and opportunities, plus creation of ULEV taxi 'champions'
- Demonstration of the benefits of ULEVs to the taxi and PH trade – with a Green Fleet ULEV event scheduled to take place in Leeds, July 2017
- Consider which proposed district licensing incentives to promote ULEV taxi uptake could be identified and consulted upon.
- Deliverability of sites with quick wins i.e. a Charge Point Site Technical Feasibility Study (2016) has detailed delivery and installation costs for the initial delivery of 16 key local authority taxi charge point sites recommended by EST study – with flexibility for further sites on local authority land where required.
- Value for money – evidenced support from the taxi/private hires trade to provide match funding for taxi charge point infrastructure.
- Value for money – with economies of scale through the potential procurement of a single West Yorkshire charge point operator with significant private/match funding investment potential
- Adoption of a West Yorkshire Low Emission Strategy by all five of the West Yorkshire Local Authorities in 2016 with commitments to support taxi uptake including service provision procurement changes to favour taxi/private hire operators with ultra-low and zero emission fleets.
- A supportive Combined Authority that intends to play a full part in delivering air quality improvements

2.3.8 OLEV will announce whether the West Yorkshire application for funding has been successful in February 2017.

2.3.9 DEFRA T&PHL Scrappage

2.3.10 Leeds City Council made a submission to DEFRA through their Air Quality Grant 2016/17 scheme for funding to support ULEV uptake in the Taxi and Private Hire trade.

2.3.11 An application for £320,000 in funding was made in December 2016 in order for Leeds City Council to be able to provide grants to owners and operators to take older, more polluting licensed diesel vehicles off the roads to be replaced with licensed ULEVs.

2.3.12 If this funding is awarded Leeds City Council would initiate a transparent process through which licensed owners or operators can apply for a grant to assist with purchase of ULEVs to be licensed and used in Leeds where an older diesel vehicle is taken out of use.

2.3.13 This scheme would aim to support those who wished to transition to ULEV's and would also assist with demonstrating the viability of ULEV's in this trade sector. Allowing for operators to make a meaningful comparison between the fuel costs of diesel and electric vehicle will enable savings to be realised on the basis that

typical cost per mile to 'fuel' an electric vehicle is approximately a third of the cost of a diesel vehicle. Therefore over the life of a vehicle an electric vehicle can deliver savings.

- 2.3.14 Encouraging uptake of ULEVs at this time is opportune as the majority of vehicle manufacturers will be entering, or will be increasing the range of electric vehicles available on the market.
- 2.3.15 DEFRA will announce the outcome of this application in late January 2017.

2.4 Licensing conditions

- 2.4.1 It is recommended that the committee gives consideration to the review of licensing conditions in response to DEFRA's recommendations for implementation of policy incentives within a Clean Air Zone designed to reduce emissions in order to maximize the potential for ULEV vehicles entering the fleet as detailed above.
- 2.4.2 All local authorities in West Yorkshire are reviewing their licensing conditions in order to consider what amendments could be made that would both deliver an encouragement to operators considering ULEV's whilst remaining conducive to delivering viable business models.

3 Corporate Considerations

3.1 Consultation and Engagement

- 3.1.1 Consultation with the trade on licensing proposals would be carried out in line with any recommendations made by the committee and in line with existing arrangements.
- 3.1.2 Wider engagement with all key stakeholders on Air Quality awareness, implementation of the Clean Air Zone and direct consultation with businesses, including taxi and private hire operators will be conducted in line with the programme communications plan.
- 3.1.3 Engagement with the trade via existing forums will also be maintained to ensure that CAZ developments, implementation plans and consultation are ongoing.

3.2 Equality and Diversity / Cohesion and Integration

- 3.2.1 Equality and Cohesion Screening Assessments are carried out on the policies agreed at Licensing Committee which are used to inform decision making.
- 3.2.2 Long term exposure to elevated levels of air pollution can contribute to a wide range of adverse health effects. Among them are respiratory diseases (including asthma and changes in lung function), cardiovascular diseases (including heart disease and strokes), adverse pregnancy outcomes (such as preterm birth), and early death. Those affected by poor air quality are concentrated in our more deprived inner city areas. Deprived areas in cities typically experience heavier than average traffic and consequently potentially higher levels of pollution. Air pollution, deprivation and poor-health status combinations can create increased and disproportionate disease burdens. There is, however, a need to reduce air pollution related risks for all. Health gains can result from considering local air pollution problems. The identification of localised Air Quality Management Areas

(AQMA's) and development of an Air Quality Action Plan are an intrinsic part of improving air quality in affected areas and reducing health inequalities.

4 Council policies and City Priorities

- 4.1 The identification of areas of poor air quality and the introduction of AQMA's contributes to the Council's cutting carbon and improving air quality breakthrough project. Key drivers for the breakthrough project include a reduction in energy consumption and emissions and the promotion and encouragement of energy efficiency. The introduction of AQMA's and Air Quality Action Plans will support a reduction in vehicle emissions and the adoption of more fuel efficient, less polluting vehicles.
- 4.2 The ability to identify and target those areas of most concern is in line with the Council's ambition to reduce health inequalities across Leeds. There is a need to reduce air pollution-related risks for all. However, it is also the case that greater health gains can result from targeting those areas and people most at risk.
- 4.3 Air quality is one of the indicators that contribute to the Index of Multiple Deprivation Indices. The Index of Multiple Deprivation, commonly known as the IMD, is the official measure of relative deprivation for small areas (Lower-layer Super Output Areas) in England. All current and proposed AQMA's with the exception of Main Street in Pool are ranked amongst the 30% most deprived areas of Leeds. Main Street in Pool is ranked within the 10% least deprived areas of Leeds.
- 4.4 The review of AQMAs supports the ongoing work of the Council's Low Emission Zone project and the West Yorkshire Low Emissions Strategy.

5. Resources and value for money

- 5.1 Delivery of support for the uptake of electric vehicles through provision of vehicle purchase assistant grants and installation of infrastructure will be funded by central government. Procurements will be open and transparent and will conform to Leeds Financial Processing Regulations to ensure value is delivered.
- 5.2 However it should be noted that the Taxi and Private Hire Licensing service is cost neutral to the council and by virtue of the Local Government (Miscellaneous Provisions) Act, 1976, raises its own revenue by setting fees to meet the cost of issuing and administering licences. This means that if the proposals were associated with additional costs, they would be funded via licence fees and will not place additional pressure on the council's budget.

6. Legal Implications, Access to Information and Call In

- 6.1 A legal view was obtained as to whether any proposed change to vehicle condition to restrict new hackney carriages to EV/ULEV WAV vehicles would be in breach of competition legislation. The initial legal view is that whilst there are currently only a limited number of manufacturers for EV/ULEV WAV vehicles, this is due to current market demand. Should there be an increase in demand for EV/ULEV WAV vehicles, there may also be an increase in manufacturers who can produce such vehicles. Any proposed policy change in terms of vehicle licensing would not be deemed to seek to manipulate or shackle the market.

6.2 This report is not subject to call in or publication.

7. Risk Management

7.1 Consideration will be given to each proposal prior to introduction.

8. Conclusions

8.1 The Committee will be apprised of recommendations made to Executive Board in June 2017 on the recommendations for a Clean Air Zone in Leeds.

8.2 Committee will be advised on the outcome of funding applications.

8.3 The Committees opinions are welcomed in terms of the formation of proposals to encourage ULEV uptake utilising licensing and policy levers.

9. Recommendations

9.1 That Members note the information in this report.

It is recommended that the committee note;

1. The information regarding the programme plans for delivery of a CAZ in Leeds, in particular the key milestone of the June Executive Board.

2. The update on the submission of an application for funding from OLEV to support delivery of electric vehicle charge point infrastructure for the trade.

3. That the authority has sought to secure funding to assist the taxi and private hire trade with the purchase of electric vehicles.

4. That a further report will be provided with details of any proposed vehicle licensing condition changes that may be considered following discussion with the other West Yorkshire and York authorities. The aim of these discussions is to look at a common approach across the region. Any proposals for change would be subject to the usual full public consultation.

10. Background documents

Appendix A – Schools accredited with Modeshift Star awards.

Appendix B – Leeds University / Leeds City Council summary findings on fuel savings from Hybrid vehicles.