

Report of Director of Resources and Housing

Report to Licensing Committee

Date: 24th May 2018

Subject: Clean Air Zone Update

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

- The recommendations for the Leeds Clean Air Zone (CAZ) were approved by Executive Board on 13th December 2017, with the plans having been published on the 5th December.
- A period of consultation and engagement with key stakeholders across the city was undertaken between 2nd January 2018 and 2nd March 2018. The responses to that consultation are in the process of review and analysis in order to inform the revised iteration of the Clean Air Zone to be proposed to Executive Board in June 2018.
- This update report focuses on the actions that will be required to support the implementation of the Clean Air Zone in relation to the taxi and private hire sector. The report outlines the high level timescales that the Council must work to in order to meet a ministerial direction for submission of the Clean Air Zone business case and implementation of measures to ensure compliance with National Air Quality Standards.
- 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.

1 Recommendations

1.1 It is recommended that;

1.2 The committee notes the timescales for the development of the revised Clean Air Zone (CAZ) plan and for submission of Leeds City Council's business case to central government as well as the implementation timescales for the zone itself, particularly in respect of the potential impact on the taxi and private hire trade.

1.3 The committee considers the implementation of the CAZ and the vehicle standards that the CAZ is encouraging when reviewing licensing conditions.

2 Purpose of this report

2.1 This report aims to advise the Committee of the timescales for defining the next iteration of the Clean Air Zone to be proposed, the consultation on that and the implementation period that will follow a successful application to government for funding to support this proposal.

2.2 The report further aims to illustrate how the process to ensure that Leeds is compliant with National Air Quality standards requires support from the Committee and the trade. Successful engagement with the trade will assist with the development of a business case that will include a submission of a bid for funding to government to assist mitigation of the impacts of the CAZ on this sector through the 'Clean Air Fund' (CAF).

3 Background information

3.1 Clean Air Zone (CAZ) Plan recommendations

3.1.1 The recommended CAZ that was consulted upon is defined by the following key characteristics;

- The boundary of the CAZ had been defined by, but did not include the Outer Ring Road, with the M1 and M62 providing the border to the South/East of the city.
- No charge would apply to vehicles that divert around the Outer Ring Road (ORR)/motorways, or vehicles that cross the city using the M621 unless they left the M621 to enter the city.
- Charges will apply to vehicles entering the CAZ only if they are identified as 'non-compliant'. The consultation is proposing that the following criteria will apply
 - Private cars, Light Good Vehicles (LGV's), motorbikes/mopeds would **not** face a charge for entering the CAZ
 - Buses and Heavy Goods vehicles (HGV's) must be *Euro VI* standard or above, or will be charged for entering the CAZ
 - To be compliant with air quality standards Taxi and Private Hire vehicles need to transition to ultra-low emission (petrol-hybrid/plug in/full electric).

The consultation collated views on whether enforcement of this, or incentivising this change would be the best approach. It is also considered whether Licensing conditions would need to be reviewed in order to support and encourage this transition.

- Wheel Chair Accessible Vehicles (WAV) would be exempt from this charge.
- Daily charges were proposed at £100/day for buses/HGV and £12.50/day for Taxi & private hire.

3.1.2 The outcome of the consultation has informed work that will revised the CAZ.

- The boundary is being reviewed by modellers
- The charge is under review by economic consultants
- Support measures and policies to support those impacted by the CAZ have been informed by the consultation responses and are being designed. Support measures requested through the consultation include;
 - Consideration of use of licensed vehicles for private/family use and how the daily charge would be applied in these instances.
 - Consideration of vehicles owners locked into finance arrangements beyond the CAZ start date that would incur a prohibitive cost to breach.
 - Consideration of the potential for 'dual-city' charging should vehicles enter more than one charging CAZ in the course of their work.
 - Financial measures to support transition costs based on assistance with licensing costs, vehicle transfer costs and operational costs. Funding is being secured from JAQU/DEFRA to support this in the short term as well as through the Clean Air Fund (CAF).
- The project is working with stakeholders, including the government's Joint Air Quality Unit, Department for Environment, Food & Rural Affairs (DEFRA), Energy Savings Trust and Office for Low Emission vehicles (OLEV) to establish the potential parameters for design of such support measures.

3.2 Communication with the trade

3.2.1 Consultation approach

The consultation was designed to ensure that all stakeholders were aware of the recommended clean air plan for Leeds and provided an opportunity for feedback to be made in respect of that. The consultation analysis will assess all responses, in terms of whether the plan goes far enough, goes too far, the vehicles included in the plan, their categorisation, and charges to be enforced and so on.

3.2.2 Further engagement

Further consultation and engagement with the trade is planned to ensure that the views and issues faced by this sector are fully understood and that the council can work with operators, drivers and proprietors to seek support from the government to assist with the transition to lower emission vehicles that is required by the

introduction of a CAZ. A focus group to consider potential financial and policy support measures is due to be arranged so that potential schemes can be peer-reviewed by members of the trade.

3.2.3 *Second Stage Consultation*

A revised Clean Air Zone proposal will be submitted to Executive Board in June 2018. This will be followed with a second consultation stage that will enable the trade to engage again in the review of proposals. This two stage approach was outlined during the first consultation. Following this consultation that will take place from late June, through July and into early August, the council must complete and submit its final plan to government. This submission must be in the form of a Final Business Case (FBC) in line with Treasury Green Book guidance and needs to be submitted by September 15th in order to meet a ministerial instruction. This FBC will include details of the CAZ, the implementation costs and the costs and details of support measures that are required to support impacted groups. As such it is important that the trade engage as early as possible in order for these to be determined for inclusion in this submission to government. Support measures will be funded from the government's 'Clean Air Fund' (CAF) – a £220m pot that all 28 Clean Air Cities will be seeking to secure funding from.

The government will then consider the submitted FBC; Leeds require approval from the Secretary of State for the submitted business case in order to access the CAF and therefore deliver the support schemes that will have been proposed. It is anticipated that approval should be received before the end of 2018 at which point Leeds will move to scheme implementation with the CAZ operational at the beginning of 2020.

3.3 Enquiries from the trade

An email address has been created to allow for ad hoc enquiries to be made in respect of the CAZ from the trade that is already receiving a number of contacts.

3.4 Link to existing work

The work to identify supporting measures for the trade will also be aligned to the West Yorkshire Combined Authority led project to deliver a rapid charge point network for the taxi and private hire trade.

3.5 Link to the Licensing Service & Conditions

The CAZ will require the taxi and private hire vehicles to reach Ultra-Low Emission (ULEV) standard in order for Leeds to achieve compliance with National Air Quality standards. As such the CAZ will (subject to policy exemptions, such as WAV's) apply a daily charge to vehicles that are operating as private hire or taxi's that do not meet the Ultra-Low Emission (ULEV) standard – determined as petrol hybrid, or plug-in. That CAZ standard will need to inform the existing and planned review of licensing conditions. The requirement of the CAZ for taxi and private hire vehicles to

meet this ULEV standard to avoid charges can be supported by a review of licensing conditions that both encourages and supports drivers accessing these vehicles. The committee is requested to consider the CAZ when conducting the review of these conditions.

It is important to note that a CAZ daily charge will apply to all non-compliant vehicles, whether licensed in Leeds or by any other licensing authority. A National database of all licensed vehicles is a pre-requisite with government lobbied nationally for this to be delivered before a charging CAZ in any city is launched. CAZ support measures will be made available to Leeds licensed vehicles only, as such this CAZ scheme should not have an effect of incentivising licensing outside of Leeds.

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 The completed consultation and the planned second stage consultation will ensure that there is liaison with the trade, through conducting surveys, focus groups, driver engagement events and working with major operators to determine the level of impact from the CAZ and the measures that will be needed to support them.

4.2 Equality and diversity / cohesion and integration

4.2.1 The consultation on the CAZ in itself does not propose changes to licensing regulations, or actions that will effect changes to communities or citizens; additionally this report is for information purposes. However the standards that the CAZ is proposing for this sector may support the need for licensing conditions to be reviewed in order to be consistent with the charging scheme to be implemented in Leeds in 2020. As such there are no direct impacts upon inclusion, equality or diversity and therefore no screening has been required. The consultation is designed to consider any impacts on protected groups that may arise from the CAZ and the equalities team have been consulted in its design.

4.3 Council policies and best council plan

4.3.1 The requirement to introduce a Clean Air Zone links with work already undertaken by the Council, in particular the Cutting Carbon and Improving Air Quality breakthrough project.

4.4 Resources and value for money

4.4.1 Delivery of the consultation will be completed with costs for events, communications activity or hosting of web-based material managed to ensure that value for money is secured.

4.5 Legal Implications, access to information and call In

4.5.1 No legal implications in terms of the update to Committee.

4.6 Risk management

- 4.6.1 Risks are being managed by the wider CAZ delivery project teams with regular reviewing and updating of risks as the project to deliver a CAZ is managed. This is in association with work with DEFRA and DfT
- 4.6.2 Should Leeds (or other cities) fail to meet targets for air quality standards then significant European Union infraction fines may be handed down to the United Kingdom. The government is likely to utilise the Localism Act 2011 to pass those fines down to failing Local Authorities.

5 Conclusions

- 5.1 It is recommended that the Licensing committee note that the consultation on the Clean Air Zone commenced with effect from 2nd January 2018 and that part of the consultation is based on the objective of delivering an accelerated transition of greater numbers of ULEV vehicles operating across the taxi and private hire trade.

6 Recommendations

- 6.1 It is recommended that;
- 6.2 The committee notes the timescales for the development of the revised Clean Air Zone plan and for submission of Leeds City Council's business case to central government as well as the implementation timescales for the zone itself, particularly in respect of the potential impact on the taxi and private hire trade.
- 6.3 The committee considers the implementation of the CAZ and the vehicle standards that the CAZ is encouraging when reviewing licensing conditions.