

Report of: Director of Resources and Housing and Director of City Development

Report to Executive Board

Date: 26 June 2019

Subject: Improving Air Quality in the City (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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. In November 2018 Executive Board approved the making of the Charging Order to underpin the delivery of the final proposal for the Leeds Clean Air Charging Zone (CAZ) category B with additional measures, imposing charges on those buses, coaches, Heavy Goods Vehicles (HGVs) as well as taxi and private hire vehicles which are not compliant with the required emission standards.
2. There is a legal obligation to take measures to secure compliance as soon as possible, so far as is consistent with the Council's legal duties and responsibilities. The Leeds CAZ has been carefully modelled to achieve the required reduction in emissions at specific locations where compliance with UK air quality objectives is not currently being achieved, but it will also result in a shared air quality benefit across the wider city.
3. To complement the Leeds CAZ, lots of other positive actions aimed at improving the city's air quality have been delivered with future activity in the pipeline. At a high level this includes:

- £2.95m Clean Bus Technology Fund to ensure all scheduled buses can achieve compliance.
 - Installation due to start shortly of 30 Electric Vehicle rapid charge points for the taxi and private sector with free electricity for users for 2 years.
 - Procurement to install publically accessible Electric Vehicle Charge Point infrastructure imminent.
 - 25 e-bikes procured for loan to businesses on a 'try before you buy' basis.
 - Intensive anti-idling campaign targeting schools and taxi ranks.
 - £2m electric vehicle 'try before you buy' scheme for local businesses.
 - Clean Air Day activity on 20 June (focusing on anti-idling, health and cycling).
4. Through partnership working and the shared learning (including our universities) we are continuing to grow our understanding of the role of behaviour change to help increase levels of Active Travel. Within the Connecting Leeds programme, safe and sustainable travel has an important place in realising the value of the £174m Leeds Passenger Transport Investment Programme schemes for doubling bus patronage whilst ensuring that local journeys on foot and bike are both convenient and attractive, and are part of an integrated and lower carbon transport system.
5. The Council has a long history of pedestrianising roads in the city centre to keep cars out of the City. Further plans for pedestrianisation include the closure of the City Square to traffic through the 'Our Spaces Strategy'.
6. On 21 November 2018 the Council approved the making the Leeds Clean Air Zone Charging Order (adopted on 19th December 2018). On 11 December 2018 the Council submitted its Full Business Case to Government for the Leeds Clean Air Charging Zone which was subsequently approved on 18 January 2019 with £29 million awarded, £6 million for the required infrastructure and £23 million to support businesses transition to compliant vehicles.
7. Implementation of the CAZ by the Council is progressing well, the first camera has been installed already and is in the process of being tested and calibrated. Following a competition, a million pounds has been approved for allocation to non-scheduled bus

and coach companies (subject to final checks) to enable them to upgrade their vehicles. Over 200 applications have been received from the HGV sector and are close to evaluation being finished. Approximately 2000 applications for grants/ loans have been received from the taxi and private hire sector.

8. It has recently come to light that the Government is proposing that Local Authorities develop an element of the charging service that previously the Government had committed to implement. This change will delay the go-live date beyond 6 January 2020 and the Council cannot begin to develop the required element of the central database until the Government has reached a design freeze on its own elements. It is anticipated that the CAZ will still go live in 2020.
9. In light of this emerging position and since approval of its final CAZ proposal in January 2019 this report is presented as an update to the Executive. It is part of a review process to assess the efficacy and appropriateness of measures based upon feedback and understanding. During the past 6 months it has more closely investigated the practical implementation of the approved CAZ and its exemption criteria and concluded some of these elements require clarification and potential refinement to better meet the objectives of the Charging Order. These elements are set out as follows:
 - Specialist Vehicle definition (for the HGV sector) and qualifying criteria (to qualify for Exemption).
 - Scope of Exemptions to taxi and private hire drivers.
 - Future emissions standards for taxi and private hire (including an extension to the sunset period for WAVs).
10. This may result in further refinement to the Charging Order after the conclusion of statutory public consultation.
11. When any material amendment is proposed on the CAZ Charging Order, there is a legal requirement to publically consult on the specific areas of the Charging Order. The Council will use the responses received from the statutory consultation to carefully consider whether the feedback warrants a formal amendment to the Charging Order. Amendments will only occur if they are necessary and appropriate.

12. Consequently, the 'take action' date of 31 July 2019 for businesses to qualify for the 'market capacity' exemption is being delayed for the **HGV sector only**, pending the outcome of the above mentioned Specialist Vehicle consultation (which affects the HGV sector only).
13. The Council has also been asked by the taxi and private hire sector to provide longer term certainty on CAZ emissions standards once sunset periods expire to provide them with the confidence to invest in new vehicles.
14. The report also confirms the conditions on which the £23m Clean Air Funding was provided by Central Government.

15. Recommendations

Executive Board is requested to:

- 15.1. Note and approve the funding conditions of the Clean Air Fund.
- 15.2. Approve the commencement of statutory public consultation on the specific points detailed below in the body of the main issues section.
- 15.3. Approve the change to the 'market capacity' take action date for the **HGV sector only** to 31st October 2019.
- 15.4. Note the progress made to date on implementation of the CAZ by the Council and the distribution of funding.
- 15.5. Note the delay to the go-live date.

Purpose of this report

1.1. This report:

- Provides an update to Executive Board following the Government's approval of Leeds Final Business Case and confirms the final funding position and spending conditions related to the Clean Air Funding awarded in January 2019.
- Details why clarifications and amendments for certain elements of the Charging Order are being considered. The main implications arising from this activity is the necessity to open up minor sections of the Charging Order to Public Consultation, and the delay to the take action date for the HGV sector.
- Details the longer term approach to establishing future emissions standards for the taxi and private hire trade
- Provides a progress report on both the implementation of the CAZ and the distribution of funding to impacted businesses.
- Informs the Board of a delay to the go-live of 6 January 2020, arising from a change instigated by Central Government.

Background information

1.2. In January 2019 Leeds City Council received approval of its Final Business Case for the CAZ which is due to go live on 6 January 2020. The funding allocation to enable each sector to transition to compliant vehicles is set out in the table below:

Category	Funding allocation
HGV	£14 million
Non Scheduled Bus/Coach	£2 million
Taxi/private hire	£7 million
Total	£23 million

1.3. As has been reported previously the funding bid was developed using primary and secondary data sources as an evidence base. Primary data included resources such as the Leeds Operator License (O-License) list and Leeds City Council taxi fleet data. Using the data sources that were reasonably available to the Council at the time, the Council calculated the anticipated level of financial support required from Central Government to assist in mitigating the economic impact of the CAZ.

1.4. The financial support packages that were secured from Government were developed using the data that was available to the Council at the time and as such, are targeted at business that are based in Leeds. A recent communication from

Central Government confirmed that the funding has been provided on the basis of the content in the Full Business Case.

- 1.5. The consultation process informed the development of CAZ Exemptions and Sunset Periods (temporary exemptions). Operators of vehicles that are subject to exemptions are not eligible to apply for financial support to achieve compliance because they will not be financially impacted by the CAZ charges.
- 1.6. Since the award of the funding a significant amount of work to successfully implement the Leeds CAZ has taken place. This has included the mobilisation of the ANPR contract with Siemens and commencing internal highways signage activity. During this time the Council has been working closely with Central Government in relation to the set-up of databases to support the successful delivery of the scheme.
- 1.7. The Council has also been facilitating the discharge of the Clean Air Funding and setting up CAZ operational management processes. This detailed work has brought to light a number of areas that require further consideration and are the main subject matter of this report.

2. Main issues

Funding spend objectives

- 2.1. The financial support packages that were funded by Central Government have started to be discharged by the Council.
- 2.2. The first round of funding for non-scheduled bus and coach companies has already closed and evaluation has been completed with successful companies notified of their funding award.
- 2.3. The first round of funding for HGVs has already closed and evaluation has almost concluded. Successful companies will be notified of their funding award at the earliest possible opportunity.
- 2.4. The taxi and private hire funding scheme opened on 1 April 2019 with over 2000 applications received to date for both grants and loans combined. These applications are being evaluated against the eligibility criteria for taxi and private hire grants and loans that is extensive and carefully set out on the Council's website.
- 2.5. One of the key application criteria is that applicants must be licensed by Leeds City Council. Leeds licensed drivers are considered likely to be those who are most economically affected by the CAZ given that it is reasonable to assume that Leeds is their primary operating base as they are licensed here. The CAZ will impact those that primarily operate here more than those that operate here as a secondary location. This assumption is further supported by our traffic surveys – ANPR reads confirm that 75% of the taxi fleet operating in the city are Leeds licensed. However, it is possible to license a taxi anywhere in the country and still operate in Leeds –

there are advantages to drivers who choose to do this, in terms of lower licensing costs and less stringent licensing standards (i.e. Leeds has a much higher threshold to obtain a license). In terms of the financial support eligibility criteria there is simply no practical method for the Local Authority to prove where a driver is actually operating their taxi service therefore, the authority the driver is licensed with has been deemed the most practical way of giving certainty that the applicant is working in Leeds (will feel the impact of the CAZ charges) and therefore qualify for financial assistance to upgrade their vehicle.

2.6. Importantly the FBC was approved on the basis that support would be provided to “Leeds-licensed taxi and private hire drivers”.

2.7. Taking into account the economic analysis and evidence gathered during FBC development, funding was sought on the basis of assisting operators of vehicles that mainly operate their business in Leeds. It would have been unfeasible from the outset to consider providing funding to operators of vehicles outside of the Leeds boundary for a number of reasons; mainly, there would have been no reasonable methodology to draw a line under where funding provision would end; this scenario would have led to a situation where the funding provided would have been rapidly depleted and diluted beyond the Leeds geographical boundary, whilst at the same time putting in jeopardy the delivery of the required air quality benefits in the city. Such a position would have been completely untenable and not fundable from a Central Government point of view.

Taxi and Private Hire temporary exemptions (sunset periods)

2.8. During both non statutory and statutory public consultation from 2 January to 2 March 2018, and 29 June to 12 August 2018 respectively, resulting in 12,063 responses, the Council consulted on a range of exemptions specific to the taxi and private hire trade. In response to representations received during the face to face events held with the sector, two of these sunset periods were made specific to Leeds licensed Taxi and Private Hire vehicles (those in a finance agreement prior to 17 October 2018, and Euro VI diesel and Euro IV petrol vehicles licensed to carry up to four passengers before 17 October 2018). The Charging Order was drafted to reflect this position. On review, the Council has determined that while the basis on which the proposed exemptions were made specific for Leeds licensed drivers only was sound due to it being in response to feedback received from the sector. However, there has been further representation on this narrow point from the out of town taxi and private hire sector and further survey work undertaken indicates that amending this specific point would not invalidate our ability to achieve the required outcomes. It therefore seems reasonable to consult on this specific point and consider whether the scope needs to be widened.

Vehicles licensed to carry up to eight passengers

2.9. During both the statutory and non-statutory consultation process, we consulted on the basis of vehicles licensed to carry 5-7 passengers meeting the CAZ emissions standards, and vehicles licensed to carry eight passengers and above being temporarily exempt. However, the Charging Order was drafted on the basis that vehicles licensed to carry 5-8 passengers must meet the CAZ standards therefore, there is currently a contradiction between the consultation and the charging order.

- 2.10. In the interests of implementing what we consulted on, it is proposed that the Charging Order is amended to reflect a temporary exemption until 31 December 2021 for vehicles licensed to carry eight passengers. There are approximately 160 non-compliant 8 seater vehicles licensed by Leeds City Council. As this portion of the fleet is low in number the air quality impacts will be minimal.
- 2.11. For clarity, this will result in an amendment to the Charging Order.

Executive Vehicles

- 2.12. The CAZ compliant standards for “Executive Vehicles” are aligned to Leeds City Council licensing conditions for Executive Vehicles. The Charging Order is drafted to this effect, which essentially means that only operators of these types of vehicles licensed in Leeds will be eligible to comply with the specific CAZ standard for “Executive Vehicles”. There are a number of stringent eligibility criteria for vehicles to pass in order to license as Executive Vehicles with Leeds City Council, such as vehicles must have an initial retail value of no less than £30,000 and no more than £39,000 at the point of first registration, and the vehicle must also be no more than 1 year old on the date of first application. There are currently only 16 executive vehicles licensed with Leeds City Council (as of 24 May 2019).
- 2.13. As the Charging Order is currently drafted to affect Executive Vehicles licensed by Leeds City Council only, the Council is able to ensure the administration of charges through auto-population of the ‘white list’ (database of exempt vehicles) with its own taxi licensing data to ensure these vehicles are identified as compliant. However, for out-of-town drivers of Executive Private Hire vehicles this is not possible. As such these drivers will need to proactively apply for an exemption to prove that their vehicle meets the Leeds’ Executive Vehicle standard using the application process that is due to be launched and managed by the council’s Sustainable Energy and Air Quality team.
- 2.14. The Charging Order shall require a clarification to explain the issue surrounding the need to meet Leeds’ Executive Vehicle licensing standards to be deemed compliant, and a consequential amendment setting out that for out-of-town drivers, this needs to be dealt with as an application based exemption as there are no other means for the Council to administer this process. This will ensure that the exemption is granted based on the vehicle type and associated emissions standard of the vehicle (as always intended) rather than operators only being able to benefit from the exemption by virtue of being a Leeds Licensed operator of an Executive Vehicle.
- 2.15. For clarity, this will result in an amendment to the Charging Order.

Implementation progress

- 2.16. The Council has serious regard to its legal obligations to meet emissions standards in the shortest possible time and accordingly the go live date of 6th January 2020 was adopted to allow the Council to meet emissions standards in the shortest possible time, consistent with its other public law obligations. However, this date has always been contingent on central government successfully developing a number of digital services to support the ANPR network of cameras supporting the Clean Air Zone and thus making the scheme operational and enforceable.
- 2.17. The Council has been working closely with Central Government on a number of key dependencies throughout business case development and implementation to support the successful development of the digital services, including the vehicle checker and payment portal.
- 2.18. Central Government have encountered delays with the development of the vehicle checker. This means that affected sectors will not be able to check whether their vehicle is subject to charge or not in sufficient time to make an upgrade decision in advance of the 6 January go live date. Central Government is working with the Council on interim options to mitigate this risk.
- 2.19. Central Government are proposing to transfer responsibility to Local Authorities for the development of the payment reconciliation service (the interface between the payment system and the vehicle checker system so that effectively you can see whether a charge has been paid for a non-compliant vehicle entering the zone or enforcement is required). This change represents a significant change to the scope of activity the Council was tasked with delivering. On the basis of the information that we have it will not be possible to achieve the 6 January go live date, despite the Council being ready for go live.
- 2.20. It is not possible for the Council to proceed with the development of the payment reconciliation service until Central Government reach design freeze on the products they remain responsible for, to allow the interfaces to be configured. The Council will be in a better position to report the duration of the anticipated delay to the Executive Board and affected sectors later in 2019 as it expects Central Government to confirm its key development milestones.
- 2.21. The Council continues to discharge the £23m Clean Air Funding to assist affected sectors in making the change to compliant vehicles in preparation for the CAZ going live in 2020.

Future Emissions Standards – taxi and private hire

- 2.22. During Final Business Case development the council was fully focussed in complying with its legal obligation in ensuring that it produced a proposal that would achieve compliance with EU Directive Air Quality Standards in the shortest possible time consistent with its other public law obligations. With this in mind, all technical work carried out to date has focussed on the short to medium term requirements. The Council is now in a position where it has an approved Full

Business Case (FBC), approved funding stream and Charging Order with an implementation date of January 2020. Its focus can now look to the long term approach for Clean Air in the City and also to give long term certainty of standards ensuring continued confidence in the air quality benefits of the CAZ, in addition to providing guidance to those sectors that are financially impacted to enable longer term fleet planning decisions. This is of particular relevance to those vehicle operators who will benefit from a temporary exemption until 31st December 2021, however our priority is to take steps to secure compliance within the shortest possible time consistent with other public duties and obligations

WAVs

- 2.23. WAVs are currently exempt from CAZ charges until 31 December 2021. The WAV fleet faces different challenges in regards to upgrading compared to the rest of the fleet, due to higher costs of suitable vehicles, but with no ability to charge a premium to customers.
- 2.24. Currently WAVs are unable to access financial support packages due to the sunset period that is in place.
- 2.25. It is essential that the council supports the operators of these vehicles to ensure that the vital service they provide to disabled and vulnerable citizens of Leeds is not adversely impacted by the introduction of the CAZ and to ensure proper discharge of our public sector duty.
- 2.26. In light of the recently declared climate emergency and the commitment to work towards zero carbon by 2030, the desired emissions standard for WAVs is zero emission vehicles. However, the council intends to consult on the most appropriate time to extend the current sunset period by, to allow the owners of WAVs sufficient time to prepare.
- 2.27. In respect of supporting rationale for this decision, under current Government subsidies, the total cost of owning an electric vehicle can still come at a cost premium relative to a petrol or diesel vehicle. However, this cost premium is declining at an increasing rate and is expected to reach cost parity in the mid 2020s. Analysis indicates that EVs will also have a lower subsidy-free purchase price before 2030. An electric drive train is mechanically simpler with fewer moving parts than conventional vehicle drivetrains and is therefore expected to require less maintenance.¹ WAVs make up a relatively small proportion of the overall taxi and private hire fleet therefore the Air Quality impacts arising from extending the existing sunset period to allow WAV owners time to prepare for the change to full electric are minimal.

Vehicles licensed to carry up to four passengers and vehicles licensed to carry five to eight passengers

- 2.28. The sector have made representations seeking assurance that they will not be asked to go beyond the emission standards that are currently set in the

¹ <https://www.theccc.org.uk/wp-content/uploads/2019/05/Net-Zero-Technical-report-CCC.pdf> page 139.

immediate future so they can have some comfort in the investment decisions made to meet the compliant standards that are being introduced in January 2020. This is particularly pertinent for those drivers who will benefit from a sunset period until 31st December 2021 and at that point will need to determine the most appropriate vehicle to purchase.

- 2.29. In light of the climate emergency declaration and to provide longer term certainty for taxi and private hire trade, the council will also be consulting on the most appropriate date to increase the standard to zero emission.

Specialist Vehicles

- 2.30. The CAZ Framework sets out the principles for the operation of Clean Air Zones in England. It provides the expected approach to be taken by local authorities when implementing and operating a Clean Air Zone. Within the framework it directs Local Authorities to define local SV exemptions.
- 2.31. The Framework guidance states: “Local Authorities should assess the nature of the specialist vehicle(s) concerned and provide for an exemption on a case by case, or by type, basis”.
- 2.32. In Phase 1 (non-statutory) and phase 2 (statutory) of the CAZ consultation SV exemptions were outlined. In the consultation we did not specifically consult on the definition of Specialist Vehicles in the questionnaire that was circulated. However, there were a number of opportunities for companies to highlight their specific circumstances such as open text fields within the consultation questionnaire. We also recorded the following feedback from the face-to-face events:

“Specialist HGVs will have even longer lead in times (beyond 2020) than standard HGVs even for businesses able to purchase new Euro VI e.g. mixers, fine art & music concert.”

“The notice of a CAZ of less than 3 years (2017-2020) was inconsistent with usual vehicle replacement cycles in the industry which can be anything from 5-10 years, although in the case of specialist vehicles this can be over 15 years.”

“Exemptions may be necessary for specialist vehicles where purchase costs are in excess of £200,000 but the build and assembly of the units mean there is no available space to add further equipment.”

- 2.33. The Leeds Clean Air Zone Charging Order 2018 within Annex 2 paragraph 9 provides a permanent exemption for ‘specialist vehicles’:
- (1) A specialist vehicle is a non-chargeable vehicle provided particulars of the vehicle are for the time being entered in the register.
 - (2) In this paragraph a “specialist vehicle” means any vehicle that the Council is satisfied has been adapted for a specialist purpose in such a way that it cannot be further adapted to meet the standards required of a compliant vehicle.

- 2.34. The development of retrofit solutions for the sector is not moving as rapidly as initially expected. There are no known retrofit solutions in the market, or indeed in the development pipeline for most of the HGV fleet in order for the exemption as currently drafted to properly apply. Consequently, the outline exemption set out in the current Order needs to be updated to respond to the current landscape. Further, it would provide clarity to define how the council intends to administrate the ‘Specialist Vehicle’ exemption by way of defining what it means by ‘Specialist Vehicle’ and outline qualifying criteria. These qualifying criteria constitute a consequential amendment as a result of clarifying the definition.
- 2.35. Producing a definition for Specialist Vehicles has proven challenging thus far because there is no national definition to rely on for the purposes of the CAZ Framework. The DVLA do make a distinction using tax class and body type information, however if we were to rely on this the exemption would be far too broad, to the point it would undermine the CAZ because it includes a wide range of HGVs on the road, leading to a higher level of exemptions than those anticipated, therefore impacting on the CAZ achieving its objectives.
- 2.36. The Council proposes to amend the Charging Order to produce a definition of a Specialist Vehicle: A Specialist Vehicle is one that meets the Council’s “Qualifying Criteria”.
- 2.37. There is a lack of data available for the Council to fully define what the Qualifying Criteria should be. Therefore, the Council intends to undertake consultation on this aspect to fully shape the qualifying criteria so it can be practically managed at an operational level.
- 2.38. The council proposes the public consultation on the qualifying criteria to be structured as follows:
- The vehicle must have no retrofit solution in existence or in the immediate development pipeline.
 - The consultation will ask for feedback on setting out the remainder of the criteria but at a high level these will be linked to extreme economic impact, air quality impact, and fleet prevalence.
- 2.39. The Council’s approach to consultation is described below at section 4.
- 2.40. The Charging Order as currently drafted conditions businesses to meet the ‘take action’ date in order to qualify for the ‘market capacity’ exemption. The Council acknowledges that there are some businesses in the HGV sector that are currently experiencing some uncertainty in regards to whether they qualify for the Specialist Vehicle exemption. With this in mind, the Council proposes an amendment to the Charging Order to change the take action date for the HGV sector be extended to 31 October 2018. This allows sufficient time for the consultation to conclude and for Executive Board to be informed of the result.
- 2.41. The Council intends to hold back a proportion of the HGV grant funding until the outcome of the consultation is known. This funding will be targeted at

businesses who have waited for the outcome of the consultation but do not qualify for the exemption.

Air quality measures

2.42. Clean Bus Technology Fund - An additional £2.975m has been awarded to West Yorkshire for delivery of retrofit to scheduled bus services. As per the previous Clean Bus funding, funds will be awarded to operators via a competitive process. Funding will be ranked based on emission reduction / grant requested, to ensure value for money is achieved. Operators submitted to the second Clean Bus competition an additional 105 vehicles that operate in Leeds, that they had not previously requested funding for in the first competition. This award means that over £8m in funding to retrofit scheduled West Yorkshire bus services to a Euro 6 standard will be delivered.

2.43. Taxi and Private hire rapid chargers – Leeds is now ‘over-programmed’ with 31 sites having received Project Board approval to be considered for Rapid charge point installation. Leeds has an allocation of 30 rapid charge points to be installed, so ‘over-programming’ offers resilience should sites be later ruled out due to unforeseen issues. The sites cover both local authority land and private/3rd party land. 8 sites have had final surveys and bay designs completed with installations programmed to commence from the end of June 2019 with commissioning and go live in July 2019. All 30 sites are scheduled for completion by December 2019. The 30 rapid charges will serve 60 parking bays due to the dual charge design, with one bay marked as for Taxi & Private Hire use only & the other bay accessible to all EV’s (public & T&PH). Authentication of licensed drivers will be in place to ensure only T&PH vehicles are able to access the designated bays. A user app will show nearest charge location across West Yorkshire and availability, with charge provide free for the first 3 years. Promotion of the charge network will commence on Clean Air Day with the launch of the web-app, with co-ordinated communications continuing to support the go live of charge points over the year.

Public charge point infrastructure - Pre-procurement work has commenced. Site identification work and consideration of requirements, evaluation criteria and procurement model are being drafted. Sites surveys of a selection of Leeds City Council sites have been undertaken for the ‘vehicle to grid’ trial.

2.44. E-bikes – We will be collecting expressions of interest from businesses on Clean Air Day where e-bike trials will be available.

2.45. Anti-idling campaign – 13 schools have held artwork competitions, ward councillors have selected winners at 11 so far, signs with artwork have been installed at five schools. A display of competition entries will be installed on Cookridge Street for Clean Air Day. Over 125 schools have requested anti-idling banners to erect on their school gates. Taxi rank anti-idling signs have been manufactured and are scheduled for installation by Clean Air Day.

2.46. £2m electric vehicle ‘try before you buy’ scheme – The scheme is now scheduled to launch in early October due to extended vehicle delivery times. Work

is underway to develop a communications programme for the scheme including promotional activities for launch. A number of businesses have already expressed an interest in the scheme and we will be contacting them to assess their needs and suitability for the scheme to ensure we are engaged with customers from the launch date.

- 2.47. Clean Air Day - The council is supporting the Clean Air Day campaign through a number of activities and communications campaigns focusing on anti-idling, health and cycling. Activities includes the closing of roads outside 12 primary schools for an afternoon with play activities for the children and anti-idling banners distributed to over 200 primary schools and nurseries throughout Leeds. The Sustainable Energy and Air Quality team have organised an event in the city centre which includes twelve stalls on Briggate for council departments and external organisations. There is a further part of the event on Victoria Gardens including giving members of the public the opportunity to try out electric bikes as part of the launch of the council's electric bike loan scheme. First Bus will also be handing out free bus tickets, Engie will be hosting a vehicle charging point exhibit and there will be an electric vehicle on location.
- 2.48. There is also an extensive communications campaign supporting Clean Air day activities and encouraging the public to move to walking, cycling, public transport or car share to reduce emissions.
- 2.49. The Our Spaces Strategy (City Centre) marks a step change in Leeds City Council and the City's approach, bringing forward a holistic consideration of streets and spaces (public realm) and how they positively contribute to the welfare of the city centre. The strategy identifies the challenges faced by the city centre and champions design excellence to mitigate these through seven design principles. These ensure welcoming accessible places which contribute positively to culture and the economy whilst improving bio-diversity and air quality through their design and green infrastructure. The draft strategy engagement ended in April 2019 (www.leedsourspaces.co.uk) with a view to the final strategy being issued late 2019/early 2020. The strategy also identifies a series of locations which will deliver on the ambition. Currently the strategy is setting out the approach to the new public spaces on Cookridge Street and New Briggate as well as informing the emerging approach to the re-design of City Square. The strategy is also integral to the greening and layout of the street scape within the LP-TIP gateway improvements.

Corporate considerations

3. Climate Emergency

- 3.1. The implementation of the Clean Air Zone is estimated to reduce carbon emissions by 47,594 tonnes in 2020. The proposal to shift the taxi and private hire fleet to zero emissions is in support of the climate emergency declaration and the requirement to achieve zero carbon by 2030. The shift to electric and other zero emission fuels will work in parallel with the national plan to decarbonise the grid.

4. Consultation and engagement

- 4.1. Over two public consultation phases undertaken in 2018 informed and directly shaped the final business case and Clean Air Zone Proposals. The consultation programmes were carefully planned and engaged in a wide ranging awareness campaign that included advertisements on social media, the radio, buses and on electronic road signage along the main routes into and out of Leeds.
- 4.2. We have worked with trade organisations and trade magazines as well as sending out a postcard to every household in Leeds.
- 4.3. There has been extensive Member consultation throughout the design of the scheme, with cross party briefings and presentations to cabinet and scrutiny at regular intervals.
- 4.4. The scheme has been developed by a cross directorate team to ensure that it has been considered from all perspectives i.e. highways, environmental health, public health, corporate communications, legal and finance.
- 4.5. Further consultation will be required to clarify and shape the consequential amendment to the Charging Order for Specialist Vehicles. The approach to Statutory Public Consultation is detailed below and is designed to ensure that relevant and focussed responses are collected.
- 4.6. The statutory consultation campaign will follow the approach used during Phase 1 and Phase 2 of the CAZ consultation process, utilising the following channels:
 - Pop-up content on the HGV and Exemptions page of the CAZ website that clicks through to the consultation (if webmaster permits)
 - A message sent through Yortender to everyone who has registered interest in the Large Vehicle grant schemes
 - Organic social media posts via the trade associations
 - Public-facing events with specialist vehicle operators
 - Content in partner newsletters and bulletins including the RHA, FTA
 - An email to everyone on the master list identified as being a HGV operator or who has registered for HGV updates
 - Physical letters to 1k+ mail addresses identified using O license data
- 4.7. Further consultation is required to determine whether extending the taxi and private hire temporary exemptions to Operators of vehicles licensed outside of the Leeds boundary should be considered, and to also determine when the standard for the taxi and private hire fleet (including WAVs) should be increased to zero emissions, providing sufficient lead in time and what this lead in time should be.
- 4.8. The outcomes from the questionnaire will be used to inform the final clarification to the meaning of 'Specialist Vehicles' and the consequential amendments required to practically administer this exemption. It will also inform the policy decisions described at 4.7.
- 4.9. The projected timetable for consultation is detailed below:

Executive Board approval	June 2019
Consultation design	June 2019
Consultation launch	July 2019
Consultation close	August 2019
Analyse results	August 2019
Return to Executive Board	September 2019

5. Equality and diversity / cohesion and integration

5.1. An equality impact assessment for the whole CAZ scheme was approved by Executive Board in October 2018. At this stage the Council shall continue to rely on the content of this EIA however, the EIA will be refreshed following the results of the consultation that is being proposed in this report to take account of any changes that may arise. The EIA is appended at Appendix 1.

6. Council policies and the best council plan

6.1. The importance of air quality as an issue is reflected in the Council's vision under our Best Council Plan. Our vision is for Leeds to be a healthy city in which to live, work and visit and we are working with partners to reduce emissions which will bring about health and wellbeing benefits including reducing premature deaths, improving health, promoting physical activity and reducing obesity levels.

7. Resources and value for money

7.1. There are cost implications arising from the payment reconciliation development work and potential cost implications arising from the delayed go-live date. The issues arising from this are set out below at Section 9 (risk management). However, the Council will be requesting that Central Government fully fund these additional, unexpected costs as these did not form part of the Council's FBC submission as signed off by Central Government.

8. Legal implications, access to information and call-in

8.1. Air Quality Standards Regulations 2010 ("the Regulations) have brought Directive 2008/50/EC of the European Parliament and of the Council on Ambient Air Quality and Cleaner Air for Europe in to UK Law. Regulation 26 of the Regulations requires the Secretary of State to draw up and implement an air quality plan to achieve the relevant limit or target value of pollutants in ambient air within the shortest possible time.

8.2. Since receiving Secretary of State approval of Leeds Final Business Case for a CAZ B and the making of Charging Order under the Transport Act 2000 the Council has fully complied with its legal duties in relation to the Environment Act

1995 (Leeds City Council) Air Quality Direction 2017 (“ 2017 the Direction”) which directed the Council to prepare and submit to the Secretary of State a full business case in connection with its duties in respect of air quality under Part 4 of the Environment Act 1995 (“the Act”) and as part of the UK Plan.

- 8.3. On approval of the Council’s Final Business Case, a new Ministerial Direction 2019 has been issued requiring full implementation by 2020 to ensure compliance with the legal limit value for nitrogen dioxide is achieved in Leeds in the shortest possible time. In light of the delay to the go live date, a varied Ministerial Direction is being sought by the Council as it is required as a result of delays to the go live date occasioned by Government.
- 8.4. The Council has already concluded both non statutory and statutory consultation to ensure that it is both meaningful and fair in finalising its proposals for its approved Final Business Case and adopted Charging Order
- 8.5. As part of the recommendations contained in this report, further consultation is proposed in order to further refine the proposals of the Clean Air Zone both for clarity of road users and proper application of the scheme. The proposed Statutory Consultation, although for very narrow areas of the Clean Air Scheme will be undertaken to section 170 of the Transport Act 2000. The Council proposes to fully consult the relevant representatives of local persons with regard to business, language and accessibility to information, who are directly affected by the scheme in order that appropriate and material responses have been gathered during the six week consultation period. The requirements for consultation for charging schemes permit authorities to undertake consultation as they consider appropriate. The report outlines the appropriate consultation of local persons for amendments to be made.
- 8.6. A copy of the current adopted Charging Order can be found at the following link:
<https://democracy.leeds.gov.uk/documents/s182326/Clean%20Air%20Zone%20Report%20Appendix%20A%20131118.pdf>

9. Risk management

- 9.1. There remains a continued risk of legal challenge with the CAZ scheme.
- 9.2. The Implementation of the Leeds CAZ is subject to formal project management controls. As such there is robust project governance in place to track progress and monitor project risk.
- 9.3. Air Quality is recorded as a risk on the Council’s corporate risk register and is monitored on a regular basis by CLT.
- 9.4. There is a risk that Government do not provide the funding required for the additional database development. This will leave the Council with an unfunded element of the project, and a financial liability to its ANPR contractor for its Operation and Maintenance contract arising from the delayed go-live date.
- 9.5. The take action date of 31 July was initially put forward to encourage compliance and it was always anticipated that the vehicle checker would be available prior to

this date to assist businesses who were unsure of the Euro standard of their vehicle. As the vehicle checker is now unlikely to be available until later in 2019, the Council will assist businesses at a local level to help determine whether they are non-compliant.

9.6. Despite the Council requesting an updated Ministerial Direction to reflect the current position of a likely delay to the go-live date, there is a risk that Central Government will not provide this. Should a varied Ministerial Direction not be provided the Council would be in breach, however, the Council has a clear evidence base to demonstrate this is as a direct result of Central Government actions. The Council remains an advocate of introducing a Clean Air Zone in 2020 to achieve compliance within the shortest possible time.

10. Conclusions

- 10.1. This report concludes that a delay to the go-live date of 6 January 2020 is unavoidable due to the delay in the development of the digital services by Central Government, and the subsequent proposed transfer of responsibility to Local Authorities to take on development of payment reconciliation. The length of this delay is currently unknown, although go live is still anticipated to be in 2020.
- 10.2. There remains an ongoing requirement to progress towards implementation of the Leeds CAZ, as such, public consultation on elements of the Charging Order (as described in the body of this report) will take place over the summer, with results reported back to Executive Board in September 2019.
- 10.3. The Council remains committed to driving improvements to air quality across the city, this is demonstrated by the extensive programme of activity highlighted in this report aimed at reducing transport emissions and increasing public awareness.

11. Recommendations

- 11.1. Note and approve the funding conditions of the Clean Air Fund.
- 11.2. Approve the commencement of statutory public consultation on the specific points detailed below in the body of the main issues section.
- 11.3. Approve the change to the 'market capacity' take action date for the **HGV sector only** to 31st October 2019.
- 11.4. Note the progress made to date on implementation of the CAZ by the Council and the distribution of funding.

11.5. Note the delay to the go-live date.

12. Background documents²

12.1. None.

² The background documents listed in this section are available for download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.