

Item

HACKNEY CARRIAGE AND PRIVATE HIRE ULTRA-LOW and ZERO EMISSION VEHICLE POLICY



To:

Licensing Committee

Report by:

Yvonne O'Donnell, Environmental Health Manager

Tel: 01223 457951

E-mail: yvonne.odonnell@cambridge.gov.uk

Wards affected:

All

1. Executive Summary

- 1.1 The purpose of this report is to consider the proposed implementation of incentives to support the update of Ultra-Low and Zero Emission vehicles within the Hackney Carriage and Private Hire vehicle fleet.
- 1.2 There is a need to reduce polluting emissions to improve poor air quality in City Locations dominated by emissions from buses, taxis and service vehicles. This must be achieved whilst maintaining sufficient levels of access and capacity for travel in the City, for the vehicles using those areas.
- 1.3 This can only be achieved by intervening to ensure uptake of Ultra-low and Zero emission technologies within those vehicle fleets.

- 1.4 Vehicles which are considered to be Ultra-Low emission are:
- Plug in hybrid vehicles
 - Extended Range electric vehicles (E-REV)
- 1.5 Zero emission vehicles are those which emit no emissions during their operation. These vehicles are:
- Electric only vehicles
 - Fuel cell vehicles (e.g. hydrogen)
- 1.6 Further information on these vehicles can be found attached as Appendix A
- 1.7 The UK government has a long term vision for all new cars and vans to be zero emission by 2040 and for nearly every car and van to be zero emission by 2050. These recommendations fit with national policy.
- 1.8 The Central Government Office for Low Emission Vehicles (OLEV) provides funding to support a rapid electric charging infrastructure for taxis.
- 1.9 Financial support for rapid charging infrastructure for taxis was committed by the City Council at Full Council in February 2016.
- 1.10 In October 2016 Members amended the Hackney Carriage and Private Hire Policy to include a commitment to implement changes to increase the uptake of Ultra-Low and Zero emission vehicles, such as hybrid and electric.
- 1.11 At Full Council on 22 February 2018, it was agreed that financial support to be committed in order to help effect the change to Ultra Low and Zero emission licensed vehicles over the next 5 years.

- 1.12 This report details further the proposed implementation scheme in order to encourage an incentivised cost effective shift to Ultra-Low and Zero emission licensed vehicles.

2. Recommendations

- 2.1 Members of the Licensing Committee are recommended to determine which, if any, of the proposed incentives should form part of the environmental considerations in the Hackney Carriage & Private Hire Licensing Policy in order to encourage and reward the uptake of Ultra-Low and Zero emission vehicles within the licensed vehicle fleet.
- 2.2 Members are asked to consider whether or not there should be:
- 2.2.1 A licence fee exemption for Zero emission vehicles.
 - 2.2.2 A licence fee discount for Ultra-Low emission vehicles.
 - 2.2.3 An extended age limit for Zero emission vehicles.
 - 2.2.4 An extended age limit for Ultra-Low vehicles.
 - 2.2.5 A set date for all New Licensed Saloon vehicles to be Ultra-Low or Zero emission.
 - 2.2.6 A set date for all Licensed Saloon Vehicles to be Ultra-Low or Zero emission.
 - 2.2.7 To reduce the total number of Wheelchair Accessible Vehicles within the Hackney Carriage Fleet from 65% to 50% (213 to 163) and those 50 plates to be replaced by Zero emission vehicles. Consideration should be sought to review this in 3 years.
 - 2.2.8 A set date for all Wheelchair Accessible Vehicles to be Ultra-Low or Zero emission as and when the market allows.
 - 2.2.9 To restrict City Centre Access to Ultra-Low and Zero emission Licensed Vehicles only.
- 2.3 If members are minded to adopt any of the incentives as policy, as set out above, then a timeframe will need to be set for implementation.

3. Background

- 3.1. In March 2015 the City Council set a policy direction for pursuing a low emission strategy for Buses and Taxis within Cambridge over a period of 10 years through its Air Quality Action Plan.
- 3.2 In pursuance of this aim for Taxis, the Council's Environmental, Quality and Growth team successfully won a bid from the Central Government Office for Low Emission Vehicles (OLEV) to provide funding to support a rapid electric charging infrastructure for Taxis.
- 3.3 As part of the bid process, the Council was granted a funded Taxi Scheme Feasibility Study which was completed in March 2016 and gave recommendations in order to support the local environment policy for taxi licensing.
- 3.4 Officers and the trade have been engaged and working together from a very early stage and it was evident that in order to facilitate the shift to low emission licensed vehicles, there needed to be a long term policy plan to incentivise electric vehicle uptake in the primary years to reward early adopters.
- 3.5 In June 2016 Executive Councillor of Environment and Waste approval was sought and granted on a series of options, in principle, for further consultation. Also to approve in principle, revenue support to offset the reduction in income associated with the waiving of taxi license fees for low emission taxis.
- 3.6 As part of the Hackney Carriage and Private Hire Licensing Policy (Appendix B) Review in 2016, public consultation took place where attention was given to the potential incentive measures that could facilitate the uptake of low emission taxis in Cambridge. As part of the consultation, stakeholders were asked to rank in order of priority, the following:
 - i) Renewal/ Registration fee discount or exemption

- ii) Waive or extend age limit for Ultra-Low or Zero emission vehicles
- iii) Waive requirement for 6 month inspection
- iv) Create an Electric Taxi only rank
- v) Vehicle Purchase Subsidies for Electric vehicles
- vi) Provision of 'Rapid – Taxi Only' charging infrastructure
- vii) Set date for all newly registered vehicles to be Zero or Ultra-Low emission
- viii) Restrict City Centre Access to Zero or Ultra-Low emission Taxis only.

3.7 The points which were for consideration (above) as part of the Taxi Policy consultation were for agreement in principle with a view to implementation once funding had been agreed by OLEV (Office for Low Emission Vehicles).

3.8 There were 10 responses to the consultation; however none of the responses were related to low emission taxis.

3.9 At Full Council on 22 February 2018, it was agreed that financial support be committed in order to help effect the change to Low Emission licensed vehicles over the next 5 years.

3.10 Currently, the Hackney Carriage and Private Hire Licensing Policy takes consideration of the Air Quality Action Plan and states that *“minimum age limits and Euro Standards will be maintained and new policy incentives to incentivise the update of hybrid and electric taxis will be consulted upon and implemented”*

3.11 Currently the policy states that :

i) a new vehicle licence will not be granted in respect of a vehicle unless it is less than 4 years old, and it meets the Euro 5 standard or higher.

(ii) a vehicle licence will not be renewed unless the vehicle is less than 9 years old and it meets Euro 4 standard or higher.

3.12 The table below illustrates the age profile of the fleet as vehicles reach 9 years old and will need replacing:

Year	Private Hire Saloon	Hackney Carriage Saloon	Hackney Carriage WAV
2018/19	4	9	28
2019/20	14	11	17
2020/21	25	17	13
2021/22	27	23	24
2022/23	22	18	35
2023/24	24	19	48
2024/25	19	7	16
2025/26	7	7	18
2026/27	5	3	14

3.13 Work has already been undertaken to encourage the move to Ultra-Low and Zero emission vehicles as part of the Air Quality Action Plan. The installation of two rapid charging points for electric vehicles on Newmarket Road is currently underway and is expected to be functional in April 2018. This facility will allow for the battery of an electric vehicle to be charged within 30 minutes. Cambridge City Council are installing a number of rapid and fast charging points for taxis only, across the city, with 21 points to be put in place by 2020. There are also charging points in place at public car parks within Cambridge and at the P&R facilities around the City.

3.14 Zero emission vehicles emit zero emissions in their life-cycle. The range of electric only vehicles is typically around 100 miles but this can be higher depending on the vehicle model and manufacturer. Electric

vehicles require less maintenance than hybrid or conventional vehicles as they require little or no regular maintenance of their battery, motor or associated electronics. In addition there are fewer fluids to change and less moving parts. The regenerative braking system also means there is less wear and tear on the brakes.

- 3.15 Fuel cell vehicles typically have a range of up to 300 miles depending on the model and can be re-fueled within a few minutes. As with purely electric vehicles they emit no emissions during their life-cycle.
- 3.16 Ultra-Low emission vehicles (Hybrid and E-REV) use a conventional engine to either act as an additional fuel source for the vehicle or as a fuel source for the battery. Hybrids and E-REV have lower CO₂ emissions as a result of improved fuel economy and the ability to operate in electric only mode. Typically CO₂ emissions are between 15-30% less than conventional models when not in electric only mode. Hybrid vehicles and E-REV's still have a combustion engine and therefore require a similar maintenance schedule as for conventional vehicles. As with electric only vehicles they often use a regenerative braking system which reduces wear and tear on the brakes.
- 3.17 The national government, as part of its agenda to incentivise Zero emission vehicles, updated the car tax regime for vehicles registered on or after 1st April 2017. This is now based on the amount of CO₂ emitted by the vehicle. Electric only vehicles are currently not subject to vehicle tax under this regime.
- 3.18 Vehicle purchase subsidies are available for electric vehicles, dependent on the emissions. OLEV have different levels of Plug In Car Grant for different vehicles as detailed in the table below:

Category 1	Category 2	Category 3
CO ₂ emissions less than 50g/km and zero emission range of at least 70 miles £4,500	CO ₂ emissions less than 50g/km and zero emission range of 10 – 69 miles £2,500	CO ₂ emissions 50 – 75g/km and zero emission range of at least 20 miles £2,500

3.19 Alternatively, there is a Plug In Taxi Grant (PiTG)¹ available for purpose-built, wheelchair accessible taxis of up to £7,500, as set out in the table below.

Category 1	Category 2
CO ₂ emissions less than 50g/km and zero emission range of at least 70 miles £7,500	CO ₂ emissions less than 50g/km and zero emission range of 10 – 69 miles £3,000

3.20 Following the demand survey which was presented to Licensing Committee in January 2018 where it found that there is no significant unmet demand and therefore the limit on the numbers of hackney carriage vehicles (HCV) remains at 321.

3.21 Currently the Hackney Carriage policy requires all new HCVs to be wheelchair accessible and at present 65% of the HCV fleet is wheelchair accessible. As part of the demand survey, research was carried out to determine if there was a correct balance of saloon and wheelchair accessible. The research suggests that the present level of 65% is still a very high value for a mixed fleet.

3.22 The table below summarises the key categories of intervention which could be made:

Item	Option	Rationale	Timeframe/ Implementation
1	Licence Fee Exemption for Zero emission, Vehicles	In order to encourage proprietors to licence a Zero emission vehicle, it is proposed that a full licence fee exemption be offered for Zero emission vehicles licensed for up to 5 years dependent on funding availability.	With effect from 1 April 2018

¹

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/682046/plug-in-taxi-grant-vehicle-application-guidance.pdf

2	Licence Fee Discount for Ultra-Low Emission Vehicles	In order to encourage proprietors to licence a Ultra-Low emission vehicle, it is proposed that a 50% discount be offered for Ultra-Low emission vehicles licensed for up to 5 years dependent on funding availability	With effect from 1 April 2018
3	Extended Age Limit for Zero Emission Vehicles	It is proposed that Zero Emission Vehicles have an age limit of up to 15 years, subject to obtaining Certificate of Compliance every 6 months.	With effect from 1 April 2018
4	Extended Age Limit for Ultra-Low Vehicles	It is proposed that Ultra-Low emission vehicles have an age limit of up to 12 years, subject to obtaining Certificate of Compliance every 6 months.	With effect from 1 April 2018
5	A set date for all new Licensed Saloon Vehicles to be Zero or Ultra-Low Emission	In setting a date after which traditional internal combustion engine vehicles could not be newly registered as a licensed vehicle in Cambridge City would focus proprietors/ potential proprietors to plan for moving to Ultra-Low or Zero emission vehicles.	With effect from 1 April 2020
6	A set date for all Licensed Saloon Vehicles to be Zero or Ultra-Low Emission	Currently the age restrictions on licensed vehicles mean that no vehicle will be licensed if it is over 9 years old. In setting a back stop date where all City licensed saloon vehicles must be Zero or Ultra-Low emission vehicles means that Proprietors have reasonable notice of the change to allow adequate business planning.	By December 2028
7	To reduce the total % of Wheelchair Accessible Vehicles within the Hackney Carriage Fleet to 50%	Following a demand survey which was undertaken in 2017, it was found that there is no significant unmet demand. The current vehicle policy states that any new Hackney Carriage Vehicles must be wheelchair accessible. This takes the proportion of Wheelchair Accessible Vehicles in the Hackney Carriage Fleet to 65%. In order to encourage the uptake of	With effect from 1 April 2018

		Zero emission vehicles, the council could introduce a policy that the % WAV to be reduced to 50% Proprietors will be offered the chance to 'give up' their Wheelchair Accessible Vehicle on the condition it is replaced with a Zero emission saloon vehicle. This reduces the number of wheelchair accessible taxis from 213 to 163	
8	A set date for all Wheelchair Accessible Vehicles to be Ultra-Low or Zero Emission as and when the market allows	Further to option 7 (above), currently the market does not provide Ultra-Low or Zero Emission Wheelchair Accessible Vehicles.	By December 2028. Subject to review in 2026
9	To restrict City Centre Access to Ultra-Low and Zero Emission Licensed Vehicles only	<p>This is an important factor in ensuring compliance with the Ultra-Low and Zero Emission criteria.</p> <p>The Greater Cambridge Partnership project considers traffic restrictions on key access routes. This policy is outside the Licensing powers and would only be deliverable with the co-operation of the County Council. However, considering changes that have come into effect regarding access management of the City Centre to Automatic Number Plate Recognition (ANPR) there is the potential that this could be delivered.</p>	By December 2028

3.23 Members are now required to review the aforementioned potential incentives and determine what, if any, should be implemented into the Hackney Carriage & Private Hire Licensing Policy.

4. Implications

(a) Financial Implications

There are revenue support costs for the reduction in income associated with options 1 and 2 above. In terms of cost to the Council, these fee waivers

would be funded via the general fund which has been agreed at Full Council in February 2018

(b) Staffing Implications

There are no staffing implications.

(c) Equality and Poverty Implications

There will be a positive impact on public health, in particular benefitting those who live in areas of poor air quality.

An EQIA has been undertaken and can be found at Appendix C.

(d) Environmental Implications

The proposals have been assessed with a Medium Positive +M rating- This will reduce the overall use of Fossil Fuels and will reduce local CO2 and polluting emissions substantially.

(e) Procurement Implications

Any projects that require the engagement of external contractors will be subject to the Council's procurement and contract procedure rules.

(f) Community Safety Implications

Any of the incentives and the vehicles involved would be required to meet all the mandatory mechanical fitness tests.

There would be some benefit to community health which would be as a result from the improvements in pollutant levels.

5. Consultation and communication considerations

In July and August 2016, public consultation took place to seek comments and feedback from the trade and other stakeholders in relation to amendments to the Hackney Carriage and Private Hire Licensing Policy. There were no responses in relation to low emission taxis. Furthermore, as part of the Feasibility Study, targeted consultation and specific led liaison took

place with the trade. These proposals have been developed with regard to these consultations.

6. Background papers

Background papers used in the preparation of this report:

- (a) Cambridge City Council's Hackney Carriage and Private Hire Licensing Policy
- (b) Cambridge City Council's Hackney Carriage and Private Hire Licensing Handbook
- (c) Cambridge Air Quality Action Plan 2015-2025: Environment Scrutiny Committee Report – 17 March 2015
- (d) Encouraging the Shift to Low Emission Taxis: Environment Scrutiny Committee Report – 28 June 2016
- (e) Hackney Carriage and Private Hire Licensing Policy: Licensing Committee Report – 17 October 2016

7. Appendices

Appendix A – Information on the different types of vehicles

Appendix B – Hackney Carriage and Private Hire Licensing Policy 2016

Appendix C - EQIA

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Vickie Jameson, Licensing, Policy & Administration Team Leader, tel: 01223 - 45786, email: victoria.jameson@cambridge.gov.uk