

# Report of the Strategic Director, Place to the meeting of the Regulations & Appeals Committee to be held on 11<sup>th</sup> March 2021

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## **Subject:**

Changes in taxi licensing conditions to support the Clean Air Plan (CAP) and align with the Clean Air Zone (CAZ) standards and support packages

## **Summary statement:**

The Council has prepared a plan to achieve compliance with legal limits for nitrogen dioxide (NO<sub>2</sub>) in the shortest possible time, in line with Ministerial Direction. The Clean Air Plan (CAP) will include the introduction of a Clean Air Zone (CAZ) on the 5<sup>th</sup> January 2022 that will require Hackney Carriages and private hire vehicles (PHV) licensed in Bradford to either meet the CAZ emission standards or pay a daily charge to enter the CAZ. The Government has confirmed funding of over £10m in support for Bradford taxi drivers to upgrade to CAZ requirements, setting a precedent for levels of grant funding for PHV nationally. The Council seeks to amend taxi licensing conditions to support the Clean Air Plan (CAP) and align with the Clean Air Zone (CAZ) standards and support packages.

## **EQUALITY & DIVERSITY:**

The Council has carried out an extensive Distributional Analysis and Equality Impact Assessment as part of the development of the proposals in the CAP FBC which has been approved by the Government. This work has informed the development of the Bradford CAP and supported the applications for funding to help mitigate against any adverse impacts of the CAZ.

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## **Portfolio:**

**Healthy People & Places**

## **Overview & Scrutiny Area:**

**Environment & Regeneration**

## 1. SUMMARY

The Council is required by Ministerial Direction to achieve legal limits for nitrogen dioxide (NO<sub>2</sub>) in the District in the shortest possible time. The Clean Air Zone (CAZ) will be introduced on the 5<sup>th</sup> January 2022 and will require taxis licensed by the Council to meet the CAZ emission standards or pay the daily charge to enter the zone.

The current vehicle age conditions for taxis do not align with CAZ emission standards because the latest diesel emission standards equate to petrol vehicle emissions from 2006 onwards. The CAZ emission standard for non-wheelchair accessible PHV is Euro 5 petrol hybrid which would include all such vehicles with a 59 plate or after. While this standard achieves better emissions for NO<sub>2</sub> than a Euro 6 diesel vehicle, the current age limit would prevent drivers from upgrading their vehicle to early Euro 5 petrol hybrid plates. Additionally, feedback from the trade indicates that drivers would have the confidence to buy newer vehicles, including electric vehicles, if they could keep them longer than the current age limits.

The Government has awarded the Council over £10m to support the Bradford taxi trade to upgrade to CAZ standard. This is one of the highest awards to date nationally. The grant level for PHV (non-WAV) sets a national precedent. Sufficient funding has been awarded to provide a grant to upgrade all non-compliant vehicles that were licensed by the Council as of 18<sup>th</sup> February 2020.

The CAZ enforcement system will be integrated with the Government database for national taxis to ensure that taxis that are not licensed by the Council will need to be compliant with CAZ standards or pay the daily charge.

Currently licensed vehicles regardless of their emission standards can remain and continue to be licensed to their maximum age of 10 years for Non-Wheelchair Accessible Vehicles and 12 years of age for Wheelchair Accessible Vehicles. This is subject to the following:

- The vehicle must pass its annual and any other vehicle compliance inspection.
- The vehicle must remain continuously licensed and with the same Proprietor.
- Vehicles that do not meet the Clean Air Zone (CAZ) emission standards will be subjected to a daily fee if they enter the CAZ area of Bradford District.

Once a vehicle has reached its maximum age if it is to be replaced the new vehicle must meet the requirements of the CAZ, set out below in table 1.

All NEW vehicles presented to be licensed after the 11<sup>th</sup> March must meet the CAZ requirements as set out below.

All new and currently licensed vehicles which meet the CAZ standard can be licensed up to a maximum of 15 years of age. This is subject to the vehicle passing its annual and any other vehicle compliance inspection.

**Table 1 – Clean Air Zone standards, charges, grants and exemptions**

	Vehicle	Compliance Requirement	Charge for non-compliant vehicles	Proposed Incentives	Exemptions/ Sunset Periods
HGVs		Minimum Euro 6 diesel including alternative fuels	£50	<p><b>HGV Upgrade Programme</b> Grant of £16,000 for retrofit, replacement or refuelling per vehicle</p> <p><b>Access to the Alternative Fuel Centre</b> (Biomethane to Hydrogen fuel community facilities at Bowling Back Lane)</p>	Some exemptions local SMEs within, and affected by the CAZ
Buses		Minimum Euro 6 diesel including alternative fuels	£50	<p><b>Bus Retrofit Programme</b> Grant of £16,000 to replace / retrofit / refuel all non-compliant commercial and tendered service buses</p> <p><b>Access to the Alternative Fuel Centre</b> (Biomethane to Hydrogen fuel community facilities at Bowling Back Lane)</p>	NONE
Coaches		Minimum Euro 6 diesel	£50	<p><b>Coach Upgrade Programme</b> Grant of £16,000 for retrofit or replacement</p> <p><b>Access to the Alternative Fuel Centre</b> (Biomethane to Hydrogen fuel community facilities at Bowling Back Lane)</p>	Some exemptions for local SMEs within, and affected by the CAZ  Exemptions for SMEs that are undertaking educational / charity / social value work
Minibuses		Euro 6 - Diesel Euro 4 - Petrol	£9	<p><b>Minibus Upgrade Programme</b> Grant of £4,500 for retrofit, replacement or re-fuel*</p> <p><b>Electric vehicle running costs programme</b> Grant of £4,500 paid in 2 instalments (2x£2,250) for ongoing running costs of an electric vehicle</p>	Some exemptions for local SMEs within, and affected by the CAZ  Exemptions for SMEs that are undertaking educational / charity / social value work
LGVs		Euro 6 - Diesel Euro 4 - Petrol	£9	<p><b>LGV Upgrade Programme</b> Grant of £4,500 for retrofit, replacement or re-fuel*</p> <p><b>Electric vehicle running costs programme</b> Grant of £4,500 paid in 2 instalments (2x£2,250) for ongoing running costs of an electric vehicle</p> <p><b>Access to the Alternative Fuel Centre</b> (Biomethane to Hydrogen fuel community facilities at Bowling Back Lane)</p>	Exemptions/sunset periods for local SMEs within, and affected by the CAZ with incentive to upgrade
Hackney Carriage		Euro 6 - Diesel	£12.50	<p><b>Hackney Carriage Upgrade Programme</b> Grant of £4,000 to upgrade/retrofit to CAZ standard*</p> <p><b>Electric vehicle running costs programme</b> Grant of £5,000 paid in 2 instalments (2x£2,500) for ongoing running costs of an electric vehicle</p>	NONE
Private Hire Vehicles (Non Wheelchair Accessible Vehicle)		Euro 5/6 Petrol Hybrid	£12.50	<p><b>Private Hire Vehicle (PHV) Upgrade Programme</b> Grant of £3,200 to upgrade to a higher CAZ standard*</p> <p><b>Electric vehicle running costs programme</b> Grant of £3,200 paid in 2 instalments (2x£1,600) for ongoing running costs of an electric vehicle</p>	NONE
Private Hire Vehicles (Wheelchair Accessible Vehicle)		Euro 6 Diesel	£12.50	<p><b>Private Hire Vehicle (PHV) Upgrade Programme</b> Grant of £4,000 to upgrade to a higher CAZ standard*</p> <p><b>Electric vehicle running costs programme</b> Grant of £5,000 paid in 2 instalments (2x£2,500) for ongoing running costs of an electric vehicle</p>	NONE
Private Cars		N/A	N/A	N/A	N/A

\* not available for electric vehicles

## 2. BACKGROUND

2.1 Poor air quality is closely linked to poor health in Bradford and frequently identified in the most deprived Wards in the District. The Council fully recognises that improving local air quality is essential to attain better health outcomes for all. This is particularly important for the above national average numbers of young people in the District (22% of the total population) who are particularly sensitive to the effects of poor air quality. They may experience life-long impacts resulting from pollutant exposure in their early years.

2.2 Levels of nitrogen dioxide (NO<sub>2</sub>) in the Bradford District have consistently exceeded legal limits at key locations, including:

- Shipley Airedale Road, between Leeds Road and Barkerend Road
- City Centre (see figure 1)
- Manningham Lane
- Bingley Road, Saltaire
- Outer Ring Road
- Mayo Avenue / Manchester Road

Current monitoring data for Mayo Avenue for the first 2 months of 2021 show that we continue to exceed the legal limit for NO<sub>2</sub> despite the fact that the District is under national lockdown conditions.

ANPR surveys show that our licensed taxis account for 10% of all vehicle movements within the Inner Ring Road and 7.5% within the Outer Ring Road area.

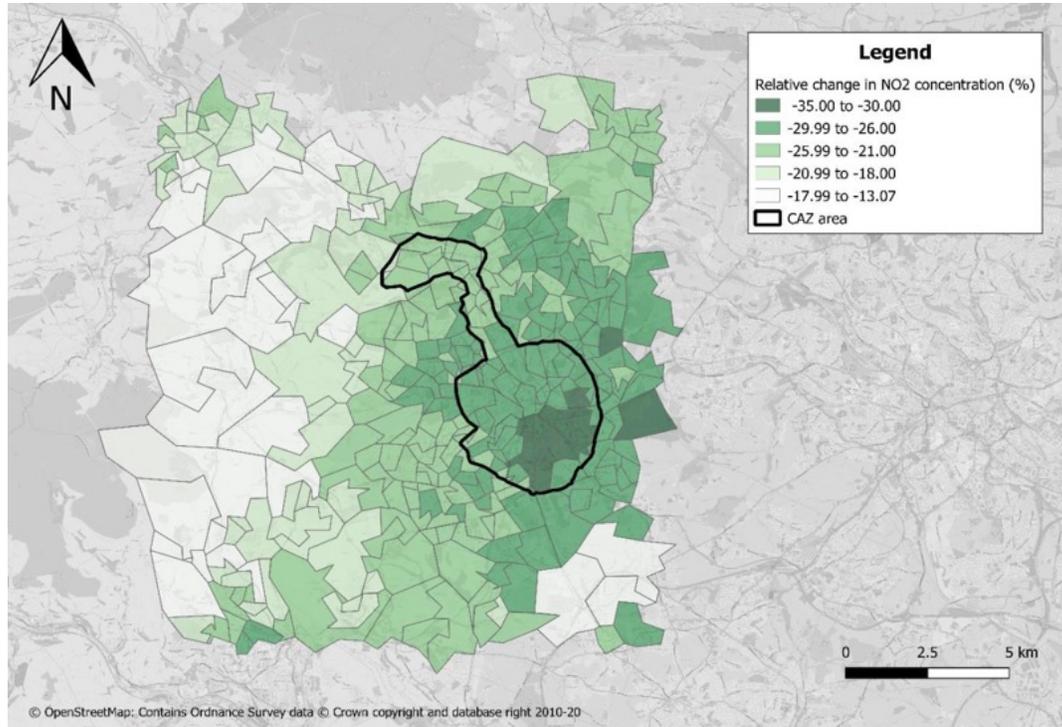
**Figure 1: NO<sub>2</sub> levels in the City Centre, 2018 (areas in red exceed legal limits)**



2.3 The Council is under the direction of Ministers to prepare and implement a local plan to achieve compliance with legal limits for NO<sub>2</sub> in the shortest possible timeframe. The Clean Air Plan (CAP) full business case (FBC) has been developed in full consultation with the Bradford taxi trade and has been approved by the

Government. The plan includes the implementation of a CAZ on the 5<sup>th</sup> January 2022. The introduction of the CAZ will see air quality improvements in all Wards of the District and up to 35% in key locations – see figure 2.

**Figure 2: NO<sub>2</sub> concentration changes in the District due to the implementation of the CAZ**



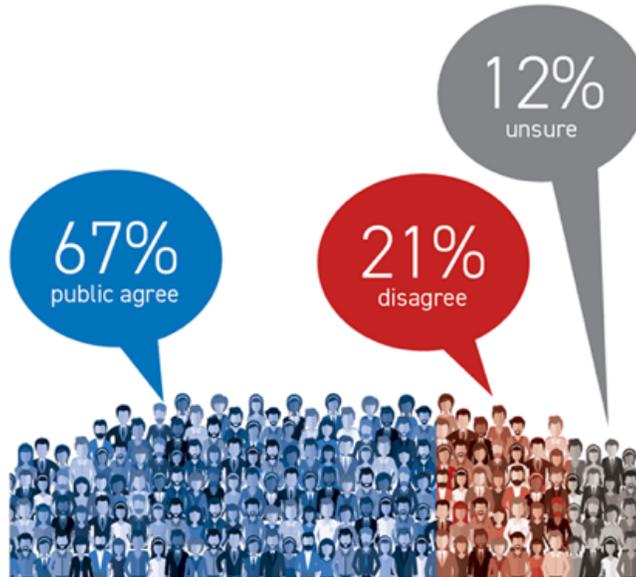
- 2.4 The Government has awarded total funding to the Council of £39.3m to develop and deliver the CAP. This includes over £10m to support the Bradford taxi trade to adapt to the CAZ. The award recognises the justification that the Council has provided for the above national funding for our taxis.
- 2.5 The Council carried out full, public consultation on the preferred option to improve air quality from the 18<sup>th</sup> February to the 8<sup>th</sup> April 2020. 1,637 responses were received, including 744 from taxi drivers and operators (circa 900 vehicles / 25% of trade) and from 88 from businesses. The findings of the consultation demonstrated that 67% of the public supported the implementation of a CAZ with 12% unsure. The majority of respondents who did not support the CAZ came from postcodes outside of the CAZ area to the west of the District, including Queensbury, who expressed concerns about increases in potential traffic re-routing to avoid the CAZ. In response, the Council will be carrying out extensive monitoring & evaluation of the CAZ, including any traffic displacement. See figure 3.

While there was a mixed response to the CAZ from taxi drivers and operators, 40% of the taxi trade said they were likely to move to an electric vehicle given the right incentives. The majority of responses from the taxi trade showed the need for financial support to transition to the CAZ. See figure 4.

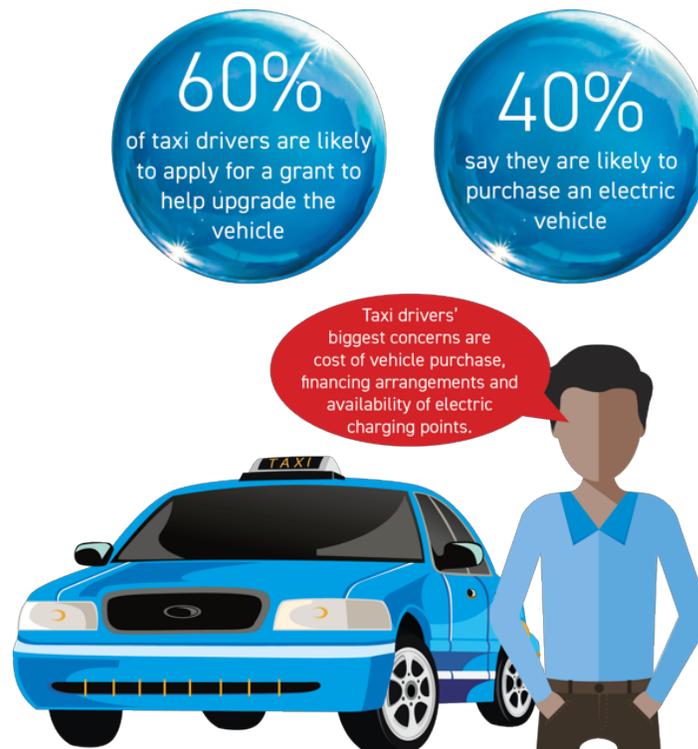
The CAP consultation feedback report can be found on the dedicated CAP website

– Breathe Better Bradford ( <https://www.bradford.gov.uk/breathe-better-bradford/clean-air-zone-consultation/clean-air-zone-consultation/>)

**Figure 3 – Do you agree with the introduction of a Clean Air Zone**



**Figure 4 – Taxi responses to the Clean Air Zone**



2.6 The CAZ area is shown in figure 5. The CAZ will operate 24 hours a day and any non-compliant HC or PHV, whether licensed with the Council or not, will be required to pay a charge of £12.50 per day to enter the zone. The Council, in association with the Government, will provide an on-line vehicle checker and payment portal to pay the daily charge up to 7 days in advance and 7 days in arrears.

**Figure 5: Clean Air Zone (CAZ) area**



2.7 The CAZ standards, grant levels and number of grants available are shown in table 2. Funding is also available to encourage 25% of the taxi trade to upgrade to electric vehicles.

**Table 2: CAZ taxi standards, grant levels and number of grants available**

<b>Taxi Type &amp; Grant No.</b>	<b>CAZ Standard</b>	<b>Grant level</b>	<b>Total</b>
<i>HC/PHV (wheelchair accessible), 427</i>	Euro 4 petrol / Euro 6 diesel	£4,000	£1,280,000
	Electric vehicle (up to 25%)	£5,000 (2 x £2,500 running costs)	£535,000
<i>Private Hire Vehicle (not WAV), 2,571</i>	Euro 5/6 petrol hybrid	£3,200	£8,227,200
	Electric vehicle (up to 25%)	(for vehicle upgrade or EV running costs)	
			<b>£10,042,200</b>

2.8 The Bradford CAZ will be heavily publicised to ensure that the taxi trade is aware of CAZ requirements and support.



### 3. OTHER CONSIDERATIONS

None

### 4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 The total additional grant funding available for the CAP is circa £39.3m, representing a mix of revenue and capital. This project is entirely grant funded which reduces the financial exposure of the Authority. Grant conditions provide a reasonable level of confidence that the Authority can meet the required conditions and mitigate the risk of grant clawback (subject to confirmation from Legal Services).
- 4.2 The financial aspect of the Business Case has been approved by the Government's Delivery Independent Review Panel (DIRP). There is confidence that the aspirational plans set out in the CAP can be delivered within the financial envelope offered by the Government.
- 4.3 Further detailed financial and performance reviews should be undertaken in conjunction with Financial Services over the following areas:
- i) The financial business case should be assessed for impact on the Authority's finances, with clear allocation between revenue and capital costs.
  - ii) The grant conditions outline a requirement for any and all surpluses to be ringfenced in a priority sequence, as follows:
    - To be used towards CAZ operation costs in the latter years of the project when income is expected to decline due to increased compliance;
    - To be allocated towards CAZ decommissioning and removal costs; and
    - To make final payments to Government for the use of the Central Service.

Final residual balances, after grant conditions have been met, can be used for future projects that contribute to 'improvements in air quality'. This project will need to be monitored with sufficient control and a project P&L maintained to ensure the transparent use of income and funds for their intended purpose to a rigour that can withstand any future inspection and audit review from the grant funding body.

- iii) It is expected that natural compliance of fleet will be achieved over time as people upgrade their vehicles. The CAP program provides an opportunity for the Authority to use 'nudge economics' to ensure project success, by effecting long term positive changes in behaviour through low cost, high impact strategies. A key success indicator for the CAZ project is that as stakeholders in the district choose to select low emission forms of transport as the 'norm', expected income generated from the CAZ should gradually decrease and be entirely eliminated over time, effectively planned obsolescence of the CAZ project. As such, financial modelling, benefits traceability, project risk management and performance evaluation should be performed over the full project lifecycle, from the time the project is placed into operation to decommissioning, with clear project exit criteria, based on verifiable changes in stakeholder behaviour, in order to remove the CAZ. Consideration has been given to later year costs being drawn from surpluses generated in earlier years and sourcing additional

funding from Government. This will require financial awareness in order to prevent or mitigate any adverse impact on the Authority's revenue position.

- 4.4 The points outlined in paragraph 4.3 will be presented to PAG on a voluntary basis in order to provide a line of sight for senior officers to this project. While this project is entirely grant funded and does not require PAG approval, this project will be discussed as an information item with PAG, in the interests of transparency.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

- 5.1 The Bradford CAP development has been overseen by the CAP Programme Board that meets on a monthly basis. Similarly, CAP delivery will be overseen by the CAP Delivery Programme Board. A detailed risk and issues log has been developed and will be maintained throughout the project. The log is regularly reviewed by the programme board and new risks and issues are identified, recorded, assessed and mitigated. The detailed arrangements for the governance, reporting and risk management approach on the CAP are detailed in the FBC Management Case.

Additional oversight is placed on the CAP as part of the grant conditions. The Council is required to produce annual audited accounts of income received and a regular benefits realisation report over the achievement of expected benefits will be provided to Government. Further assurance processes could include random, deep dive reviews after the CAZ is placed into operation.

- 5.2 There are a number of additional financial and non-financial risks that need to be considered that cannot be reflected in the financial modelling undertaken, these are listed below:

- i) There is a significant risk of program abuse and fraudulent claims for CAZ grant and exemption packages. See paragraph 5.3 below for a detailed discussion and risk mitigation.
- ii) A potential for legal challenge to the CSO exists. The Council has yet to consult on the draft CSO which may lead to implementation delays and/or material changes to the design of the planned CSO.
- iii) The impact of the COVID pandemic has given rise to new risks and other risks have increased in their intensity. It is unknown what (if any) the pandemic and any resultant change in people's behaviour will have over the medium term, particularly if government imposed restrictions, lockdowns or limitations continue. Travel restrictions may place pressure on CAZ income projections. Increased project costs may arise due to implementation stages not progressing as planned, leading to alternative project sequencing, slowdowns, shutdowns, project delays and restarts. Restrictions on movement, stay at home orders and increased health and safety measures may also impact staff productivity. Finally, the impact of the Covid-19 pandemic on future air quality and traffic levels, absent the impact of the CAZ, should also be considered.
- iv) Security and privacy risks as a result of collecting personally identifiable information to administer CAZ charges are inherent to this project. Government has imposed

strict requirements to ensure GDPR compliance that requires a privacy impact assessment and privacy design review over systems that interface to and from its applications. The Council is aware of its responsibility for securing personal information collected, used and stored within its own IT servers and will implement privacy controls to address GDPR requirements.

- v) The volume and complexity of system interfaces required to transfer data between Council and Government systems is high. While interface testing between systems will be conducted as part of the system implementation, there is a risk of project delays if testing does not go as planned. The Council has also adopted a different delivery model to other CAZ Authorities by deciding to build the ANPR camera system in-house rather than implement a turn-key solution. This will require additional IT resources and testing.

- 5.3 Funding provided under the Clean Air Fund is intended to be awarded to local businesses to help them adapt to the CAZ. Financial relief programs offered to third parties, such as the CAZ grant to upgrade vehicles and exemption packages for CAZ charges, are highly susceptible to fraud and abuse. As such, the design of the CAZ grant and exemption packages should be assessed for design vulnerabilities. Fraud risk management should be put into place to ensure that processes to assess eligibility, award and administer grants to third parties is equitable, transparent and monies used for their intended purpose, in order to mitigate risks of fraud and abuse to an acceptable level. The Council's corporate fraud unit is providing guidance.

## **6. LEGAL APPRAISAL**

The implementation of the proposed Bradford Clean Air Zone is required to comply with the 2018 Ministerial Direction with which failure to comply will leave the Council open to Government sanction and potential legal challenge. Implementation will require the adoption of a Charging Scheme Order following statutory consultation.

## **7. OTHER IMPLICATIONS**

### **7.1 SUSTAINABILITY IMPLICATIONS**

The challenges and opportunities of addressing air quality go hand in hand with wider environmental, social, health, economic and cultural issues. The Council is moving forward on District sustainable development and on a progressive approach to the Climate Emergency and the Covid-19 pandemic. The work seeks to secure multiple benefits, in addition to improving air quality including improvements to health, reducing GHG emissions and promoting and supporting clean growth.

The development of the Clean Air Plan and its implementation will be looking to develop further in 2021-22 and throughout the life of the CAZ to support sustainable development outcomes and key priorities, including climate action at pace and scale.

The CAP will seek to deliver the overall shared goals to deliver clean growth, sustainability, environmental resilience and a more inclusive and safe economy.

Making integrated progress on environmental protection and environmental quality across the District will support the most vulnerable and also support the Council's ambitions for a child friendly district and one in which investment helps secure a positive legacy for future generations.

## **7.2 GREENHOUSE GAS EMISSIONS IMPACTS**

Reductions in GHG emissions, in line with the Climate Emergency Agenda, are a key objective of the CAP and it is projected that the delivery of the CAP will achieve reductions of 150,000 tonnes over the life of the plan.

The plus measures are aimed at encouraging the taxis to go beyond the CAZ standards and incentivises electric taxis which have zero tailpipe emissions, which is in line with our clean growth and Climate Emergency aims of expanding the network of electric vehicle (EV) charging points and numbers of EV vehicles in the Bradford district.

Any revenue received from the CAZ is to be reinvested in transport projects within the district to further reduce NOx emission and improve air quality. Ultra-low or zero emission projects should be prioritised for investment giving regard the reduction in carbon / greenhouse gas emissions alongside the air quality benefits.

## **7.3 COMMUNITY SAFETY IMPLICATIONS**

None identified

## **7.4 HUMAN RIGHTS ACT**

The proposals set out for implementation in Bradford's Clean Air Plan support achievement of the right to breath clean air in England and Wales as set out in the Clean Air (Human Rights) Bill 2019-20 which is currently on its second reading in the House of Lords.

## **7.5 TRADE UNION**

None identified

## **7.6 WARD IMPLICATIONS**

All Wards

## **7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)**

None identified

## **7.8 IMPLICATIONS FOR CORPORATE PARENTING**

The CAP represents an example of corporate parenting

## **7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

The introduction of a Clean Air Zone in Bradford will require extensive processing of personal data for both the administration of grant defrayments and operation of the Clean Air Zone via its ANPR camera network. Data from the latter will require handling and processing by both the Council and central Government in order to ensure that payments of the daily charge for entering the CAZ can be reconciled, or where non-payment is found to process the relevant penalty charge notice. A Data Privacy Impact Screening Assessment has been undertaken which indicates a number of areas which require a full Data Privacy Impact Assessment (DPIA) to be produced, principally due to the requirements of data matching across multiple sources including locally hosted 'white' lists. The full DPIA is currently being prepared in conjunction with the Government and once signed off will be incorporated and reviewed throughout the implementation phase of the programme.

## **8. NOT FOR PUBLICATION DOCUMENTS**

None

## **9. OPTIONS**

The Council can retain the current age limits for all taxis, however, this will provide an impediment for the trade to adapt to the CAZ

The increase in the permitted age limits for CAZ compliant vehicles will help the trade to upgrade their vehicles and provide significant benefits to air quality in the District.

## **10. RECOMMENDATIONS**

**10.1** That members allow currently licensed vehicles regardless of their emission standards to remain and continue to be licensed to their maximum age of 10 years for Non-Wheelchair Accessible Vehicles and 12 years of age for Wheelchair Accessible Vehicles. This is subject to the following:

- The vehicle must pass its annual and any other vehicle compliance inspection.
- The vehicle must remain continuously licensed and with the same Proprietor.
- Vehicles that do not meet the Clean Air Zone (CAZ) emission standards will be subjected to a daily fee if they enter the CAZ area of Bradford District.

**10.2** That members recommend that once a vehicle has reached its maximum age, if it is to be replaced the new vehicle, that vehicle must meet the requirements of the CAZ, set out in table 1.

**10.3** That members recommend all NEW vehicles presented to be licensed after the 11<sup>th</sup> March 2021 must meet the CAZ requirements as outlined in this report.

**10.4** That members recommend all new and currently licensed vehicles licensed vehicles which meet the CAZ standard can be licensed up to a maximum of 15 years of age.

- This is subject to the vehicle passing its annual and any other vehicle compliance inspection.

## **11. APPENDICES**

None

## **12. BACKGROUND DOCUMENTS**

Clean Air Plan Taxi Consultation Report 2020