

Licensing Applications Committee

14 November 2024



Reading
Borough Council
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Title	Hackney Carriage Vehicle Emissions and Age Policy Review
Purpose of the report	To make a decision
Report status	Public report
Report author	Clyde Masson, Principal Licensing Enforcement Officer
Lead Councillor	Councillor John Ennis
Corporate priority	Healthy Environment
Recommendations	1. That the proposed changes to the Hackney Carriage Vehicle Emissions and Age Policy, as outlined in paragraph 3.7 of the report, be approved.

1. Executive Summary

- 1.1. The current Hackney Carriage Vehicle Emissions and Age Policy was adopted by Licensing Committee in 2019 to remove the older and more polluting vehicles whilst also improving local air quality within Reading.
- 1.2. In 2020 the Hackney Carriage Vehicle Emissions and Age Policy was paused for two years until 1st October 2022 due to the impact of the pandemic. This was further, later, extended to 1 of October 2023 which has now passed.
- 1.3. This report provides a review of the Policy and proposes some adjustments.
- 1.4. The current Policy runs until 1 October 2028, if the changes to the Policy are agreed it will run until 2035 unless reviewed sooner. A list of dates outlining the main changes in the Policy can be seen at Appendix 1.

2. Policy Context

- 2.1. Licensing Committee resolved to adopt the current Hackney Carriage Vehicle Emissions and Age Policy on 23 October 2019 with the purpose of improving the hackney carriage vehicle fleet by removing the older and more polluting vehicles whilst also improving local air quality within Reading.
- 2.2. This was in line with the Government's move to end the sale of conventional petrol and diesel vehicles by 2030 and a commitment to meet short and longer-term reductions in air quality emissions. The Government have since delayed stopping the sale of petrol/diesel vehicles to 2035, as announced in September 2023. Our policy is in line with the Reading Climate Emergency Strategy 2020-25, Local Transport Plan and Air Quality Action Plan.
- 2.3. At Committee on 9 December 2020 the Hackney Carriage Vehicle Emissions and Age Policy was paused for two years until 1 October 2022 due to the impact of the pandemic. At the time of the report, Reading Taxi Association (RTA) had requested a 3 year delay to the implementation of the Policy due to the challenging economic conditions at the time. The RTA stated that they had been running at a loss of 70-75% of their work in the day time and up to 95% after 10pm, with only 50% of the fleet working.

- 2.4. A further report was brought to Licensing Committee in February 2022 with the purpose of reviewing this decision and at the request of the RTA to extend the pause in the Policy by a further year, to 1 of October 2023. Committee agreed to extend the pause in Policy but to remove the oldest and most polluting vehicles from the fleet by October 2022. The incentive of a free licence for 100% electric vehicles was continued.
- 2.5. These temporary arrangements have now come to an end, the effects on the trade of Covid-19 are over and we are seeing an increase in drivers and vehicles, a number (around 50) of our licensed vehicles are now hybrids, and Government policy has changed. Hence the Policy needs to be reviewed and adjusted to keep it fit for purpose.
- 2.6. A report was brought before Members on 11 July 2024 for approval to consult on proposed updates to the current Policy which are set out at 3.6 and 3.7 to this report.

3. The Proposal

- 3.1. The current Policy uses a staged approach to remove the older and more polluting vehicles whose exhaust fumes are harmful to health and detrimental to the environment. The Policy was formulated in consultation with the Reading Taxi Association (RTA) and the Reading Cab Drivers Association (RCDA) following the declaration of the Climate Change Emergency.
- 3.2. The Council received representations from the Reading Taxi Association (RTA) in relation to the timetabled approach on 19 August 2020 and 15 October 2020 due to the economic impact of the pandemic. The representations were for a reprieve to the timetable until the pandemic was under control as it was stated the trade could not afford to upgrade vehicles during a period of downturn in custom.
- 3.3. The RTA subsequently requested a further delay to implementation of the Policy for all vehicles Euro 5a and below, which was agreed by the Licensing Committee on 23 October 2019. This meant no changes to the existing fleet until 1st October 2023.
- 3.4. The Council have been offering the following incentives for those upgrading their vehicles:

Date	Incentives
From 1 April 2020 Ultra Low Emissions Vehicle (ULEV)	All ULEV (CO2 <50g/km emissions) pay a 25% reduction in the annual standard vehicle fee. £336 - 25% = £252 100% electric vehicles will receive a 50% reduction in the annual standard vehicle fee.
Offer extended until (ended on) 1 October 2023	Any ULEV/100% electric vehicle that has never been on the fleet before receives a free licence for its first year on the fleet.

- 3.5. Although the offer officially ended on 1 October 2023, officers have been continuing with it and propose it continues until 2028 when all vehicles will be a minimum ULEV compliant.
- 3.6. The current Policy (as shown in full in Appendix 1) runs until 1st October 2028 and sets out the following dates for vehicles to be replaced:
- 23rd October 2024 - The remaining 15 Euro 5a vehicles will be removed from the fleet.
 - 1st October 2025 - All Replacement vehicles are a minimum ULEV and less than 8 years old. This rule will apply regardless of whether the vehicle is new or an existing vehicle.
 - 1st October 2028 - All vehicles to be a minimum of ULEV.

3.7. In addition, it is proposed that the revised Policy further stipulates:

- a) 1st October 2028 - All replacement vehicles shall be a minimum of ULEV and less than 5 years old. This rule shall apply regardless of whether the vehicle is new to fleet or an existing vehicle being transferred within the fleet.
- b) 1st October 2028 - Age limits for ULEV vehicles shall be set at a maximum of 15yrs and then removed from the fleet. *Each vehicle shall be assessed on its own merit and an extension of up to a maximum of 2 additional years may be granted on renewal of the licence after a successful RBC compliance test.
- c) That the revised Policy shall run to 2035 when it will be reviewed again unless changes prompt a review sooner (e.g. changes to Government policy, changes to our Climate Emergency Strategy or Air Quality Plan, different vehicles becoming available onto the market).

3.8 Transport for London (TfL) licence hackney carriages using the same type of vehicles as Reading and has similarities to Reading’s emissions and age policy. Since 2018 TfL taxis presented for the first time of licensing have needed to be Zero Emissions Capable (ZEC). This means having CO2 emissions of no more than 50g/km and a minimum 30 mile emission range. First-time taxi vehicle licences are no longer granted to diesel taxis. ZEC taxis with petrol engines need to meet the latest emissions standard (currently Euro 6). The maximum age limit for taxis is 15 years. The below table demonstrates the comparisons between Reading Borough Council’s approach and TfL:

	Age & Emissions (Current)	1 st Oct 2025 to 1 st Oct 2028	1 st Oct 2028
RBC (Current)	<p>Only vehicles that are less than 8yrs old from new will be licensed.</p> <p>Vehicles that are more than 8yrs old will not be transferable within the fleet.</p> <p>Only vehicles that are a minimum of Euro 5a will be licensed.</p> <p>Vehicles will cease to be licensed after 12yrs of age. *23rd Oct remaining Euro 5a vehicles removed from fleet.</p> <p>Diesel, Electric & LEVC (ZEC) vehicles are licensable</p>	Only vehicles that are less than 8yrs old from new & a minimum of ULEV will be licensed.	Only vehicles that are a minimum of ULEV will be licensed.
RBC (Proposal) 2028 to 2035	No change	No change	The revised Policy shall run to 2035 when it will be reviewed again unless changes prompt a review sooner.

			<p>Only vehicles that are less than 5yrs old from new & a minimum of ULEV will be licensed.</p> <p>Vehicles that are more than 5yrs old will not be transferred within the fleet.</p> <p>Max 15yrs + up to 2 extra years in exceptional circumstances</p> <p>LEVC (ZEC) & Electric vehicles are licensable.</p>
TfL	Current – Max 15yrs off fleet LEVC (ZEC)	No change	No change

3.9 Details of the consultation were advertised on the Council’s website and Reading Taxi Association (RTA) were invited to make representations within the consultation period between 09 September 2024 and 07 October 2024. RTA members were requested to make any representations through their trade body to avoid repetitious representations. Five representations were received during the consultation period, one from the RTA representing its members, and the others through the consultation portal. These representations are set out in appendices 2 and 3 respectively to this report.

4. Contribution to Strategic Aims

4.1. The Council’s Corporate Plan established three themes for the years 2022/25. These themes are:

- Healthy Environment
- Thriving Communities
- Inclusive Economy

4.2. This Policy contributes to the aspiration to work towards a clean, safe town which is easy to travel around, where people feel the benefits of clean air, as it will reduce carbon dioxide and nitrogen oxide (NOx) and particulate matter.

4.3. Reduction in carbon emissions can be achieved by converting to Ultra Low Emission Vehicles (ULEV). These vehicles will be either 100% electric which will emit no tail pipe CO₂, NO_x or particulate matter or a Zero Emissions Capable (ZEC) model which uses electric with a backup EURO6 petrol engine for use when the battery has run out during long journeys. The petrol engine will emit some CO₂, NO_x or particulates. The proposed Policy contributes to the Air Quality Management Strategy and Air Quality Action Plan objectives. It also contributes to the roadmap to a carbon neutral Reading by 2030, protecting residents now and in the future.

4.4. Hackney Carriage drivers are part of our thriving community. The Policy will provide certainty for them to confidently invest in new greener vehicles utilising our offer to waive the initial licence fee.

4.5. Encouraging the move to more socially responsible cleaner vehicles, highlighting the benefits to the trade and providing greater choice to taxi users all supports the inclusive economy objectives. Residents, visitors and businesses demand a greener alternative transport offer which we are supporting.

4.6. “Our Foundations” are also being supported:

- People first – We are providing greater choice for more environmentally sound options, as well as contributing to a cleaner and healthier environment.
- Digital transformation – We are making it quicker, easier and more efficient for licence applicants by harnessing technology.
- Building self-reliance – Encouraging drivers to invest in less-polluting vehicles that they can confidently use for many years to recoup their investment.
- Getting the best value – The best deal here is to protect people, jobs, the environment and our income.
- Collaborating with others – Apart from the close working relationship we have fostered with the trade associations, we consult on all large policies that have potential to affect them or their livelihood, including this one.

5. Environmental and Climate Implications

- 5.1. The proposals in this revised Policy will move Reading closer to the objective of a net zero carbon Reading by 2030 and contribute to the Reading Climate Emergency Strategy 2020-25 which covers electric vehicle infrastructure and scrappage of older vehicles.
- 5.2. The Policy will contribute to the pathway to net zero priority seeking de-carbonising transport systems and by encouraging a switch to low/zero carbon modes of transport as well as supporting the phased replacement of petrol/diesel vehicles with electric vehicles.
- 5.3. This will reduce reliance on generation of carbon energy, and supports the key part of the pathway to net zero for Reading to 'go electric' and moving our population to a lower carbon lifestyle.
- 5.4. This policy also contributes to the Transport Theme Action Plan element T19 "Reduce emissions from the Taxi Fleet", the described aim of which is "Require all taxis and private hire vehicles to be electric or hybrid by 2030".

6. Community Engagement

- 6.1. The public and hackney carriage trade were consulted by way of public consultation advertised on the Council's website running 09/09/2024 to 17/10/2024 and through the hackney carriage trade association, the RTA.

7. Equality Implications

- 7.1. The proposals within the revised Policy are not believed to have a differential impact on people with protected characteristics, being: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex (gender) or sexual orientation.
- 7.2. The vehicle age and emissions criteria will apply equally to all vehicles used by Hackney Carriage drivers and has no foreseeable intentional or unintentional consequences of causing disadvantage to any individuals or group based on their protected characteristics. The trade has been consulted on these proposals.

8. Other Relevant Considerations

- 8.1. Public Health implications – Improvement in air quality will cause an improvement to the health of residents.

9. Legal Implications

- 9.1. The Local Government (Miscellaneous Provisions) Act 1976, section 47(1) states that a Council may attach to the grant of a licence of a Hackney Carriage Vehicle (HCV) under the Town Clauses Act 1847 such conditions as the Council may consider reasonably necessary. Section 47(2) states that without prejudice to the generality of the foregoing subsection, a district council may require any HCV licensed by them under the 1847 Act to be of such a design or appearance or bear such distinguishing marks as shall clearly identify it as a HCV. Section 47 (3) states that any person aggrieved by any conditions attached to such a licence may appeal to a Magistrates' Court.

10. Financial Implications

- 10.1. All HCVs must be licensed annually and will require a similar amount of staffing in order to process the licence and carry out the enforcement action. The amount of enforcement action will be the same for ULEV and electric as for 100% fuel vehicles. The Council will receive a lower income (see table below) from owners who purchase a ULEV or 100% electric vehicle. It has been seen over the last two years that it is a very gradual increase, which we anticipate will continue at a gradual rate until 2028 when all vehicles will be a minimum ULEV compliant.
- 10.2. The financial implications arising from the proposals will depend on take up of the incentives. An estimate indicates that there would be a net loss of income of between £10-15k per annum when all vehicles have made the switch and a varied loss dependent on the numbers due for an upgrade prior to this.

	2022/23 £000	2023/24 £000	2024/25 £000
Employee costs (see note1) Other running costs Capital financings costs	£76,272	£76,272	£76,272
Expenditure	£76,272	£76,272	£76,272
Income from: Fees and charges (see note2) Grant funding (specify) Other income	227 HC plates issued at a cost of £336 =£76,272	=£76,272- £15,000	=£76,272- £15,000
Total Income	£76,272	=£61,272	=£61,272
Net Cost(+)/saving (-)	0	+£15,000	+£15,000

Note 1: If there is a take up of the incentives offered due to the move to EV or ULEV there will be an impact on the budget income, but the expenditure will stay the same.

Note 2: The reduction in income is based on 130 vehicles upgrading and applying a 25% reduction for ULEV and 50% reduction for electric upgrades.

11. Timetable for Implementation

- 11.1. Once agreed the new policy will take immediate effect.

12. Background Papers

- 12.1. There are none.

13. Appendices

Appendix 1 – Hackney Carriage Vehicles Emissions and Age Policy Dates

Appendix 2 – Consultation Response from the RTA

Appendix 3 – Consultation Responses via the portal

Appendix 4 - Climate Impact Assessment