

**To:** City Executive Board  
**Date:** 18 July 2017  
**Report of:** Executive Director for Sustainable City  
**Title of Report:** Low Emissions Taxi Infrastructure Scheme

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	The Council and its partners have been awarded £370k capital funding by Office of Low Emission Vehicles (OLEV). The funding is to deliver electric vehicle charging points for Hackney carriages and private hire vehicles operating in Oxford. Further funding may be available depending on degree of uptake of ultra-low emission taxis. The total project value may therefore exceed £500k in total. This report seeks to obtain Project Approval and delegated authority to allow officers to deliver the scheme.
<b>Key decision:</b>	Yes
<b>Executive Board Member:</b>	Cllr John Tanner, A Clean, Green Oxford
<b>Corporate Priority:</b>	A Clean, Green Oxford & A vibrant, sustainable economy
<b>Policy Framework:</b>	Low Emissions Strategy
<b>Recommendations:</b> That the City Executive Board resolves to:	
<ol style="list-style-type: none"> <li>1. <b>Grant project approval</b> for the electric vehicle charging for taxis project referred to in this report;</li> <li>2. <b>Delegate authority</b> to the Director for Sustainable City to complete negotiations with OLEV with a view to the Council being appointed as the accountable body for, and receiving grant funding under a funding agreement with OLEV;</li> <li>3. <b>Delegate authority</b> to the Director for Sustainable City, in consultation with the Monitoring Officer and Section 151 officer, the authority within the funding envelope provided by the Council to enter into:               <ol style="list-style-type: none"> <li>a) a grant agreement with OLEV;</li> <li>b) appropriate agreements with our bid partners; and third parties required to deliver the project subject to their being selected under an appropriate procurement process.</li> </ol> </li> </ol>	
<b>Appendices</b>	
Appendix 1	Project risk register

## Introduction and background

1. The Council has committed itself to a vibrant, sustainable economy and a clean, green Oxford in its corporate plan. The low emissions taxi infrastructure project will contribute to both of these priorities by accelerating the move to a low carbon economy through increased uptake of sustainable, low carbon transport technology and, in doing so, by improving air quality and reducing carbon emissions in the city.
2. The Office of Low Emission Vehicles (OLEV) is a cross-Government, industry-endorsed team combining policy and funding streams to simplify policy development and delivery for ultra-low emission vehicles. Its core purpose is to support the early market for electric and other ultra-low emission vehicles (ULEVs).
3. An Ultra-Low Emissions Vehicle (ULEV) produces 75g or less of CO<sub>2</sub> per kilometre from the tailpipe, in addition to eliminating or greatly reducing NO<sub>x</sub> and Particulate Matter (PM) emissions. At the moment, all cars which can achieve this use electric power to directly turn the wheels to some degree, from a 100% electric car to a plug-in hybrid or extended-range electric vehicle.
4. In 2014 OLEV announced it would make at least £20m available for an ultra-low emission Taxi Scheme. This scheme forms part of the £500m package to grow the market for ultra-low emission vehicles (ULEVs) from 2015-20
5. In a bid led by Oxfordshire County Council, Oxford successfully secured funding for a feasibility study which was delivered by the City Council in Spring 2016. Cities that had submitted a feasibility study to OLEV in 2016 were eligible to apply for further funding in December 2016 and it has been announced that Oxford City Council has been successful in its bid. The City Council has been awarded £370K towards a project with a total value of £493K.
6. The project is to remove barriers from uptake of ULEVs in the taxi trade. A barrier to uptake of ultra-low emissions vehicles in the taxi fleet is access to rapid charging infrastructure that enables them to charge vehicles during their normal break periods (e.g. 20-30 minutes). This project will provide the critical enabling infrastructure to remove that barrier.
7. Other barriers to the uptake of these vehicles will be addressed in parallel to the roll out of this project:
  - Hackney carriages in Oxford are currently required to be purpose-built taxis (i.e. “black cabs”). Both Metrocab and London Taxi Company are launching ULEV purpose-built vehicles in 2017 in London, and in the regions by early 2018. The Sustainable City team are in discussions with manufacturers to bring vehicles to Oxford for test driving at the earliest opportunity. In addition the council may consider whether non-purpose-built taxis could be licensed: this would allow other ULEV vehicles to be available to the hackney fleet. It should be noted that many drivers prefer purpose-built taxis and any licensing decisions are subject to subject to recommendation by General Purposes Licensing Committee and approval by Council:.
  - Understanding the business case for purchasing vehicles: the vehicles themselves may be more expensive than current vehicles adopted in the taxi fleet, but the operating costs are much lower. Through the Low Carbon Oxford programme we will engage local operators to support them in understanding the new model and financing packages on the market for vehicle purchase. The Sustainable City team will support operators in accessing Government

“top-up grants” towards the cost of ultra-low emissions purpose-built taxis. Vehicles in the existing fleet may also be within the scope of a potential Government scrappage scheme for diesel vehicles. Details of any scheme are not yet confirmed.

- Demand: Our bid had the written support of local organisations and businesses that procure for private hire services indicating that they would consider preferring low emissions taxis in future procurement exercises. The Sustainable City team will work with these organisations to support them to do so, and to communicate the benefits to the local taxi trade.
8. Oxfordshire County Council supports the scheme, City Council Officers will work with their counterparts at the County Council to deliver this project. The project board structures already in place for the “Go Ultra Low Oxford on-street residential charging” project will be expanded to include the ultra-low emissions taxi scheme.
  9. This approval by CEB is sought in parallel with the process for negotiations with OLEV, therefore absolute and final cost figures may be subject to change. The indication from OLEV is that there is the possibility of further funding towards infrastructure if the uptake and use of the EV charging points is good.

### **Financial implications**

10. Oxford City Council will be appointed as the Accountable Body and as such will receive, and will be accountable for, the whole of the funding payable.
11. Oxford City Council will receive £370K of capital funding from OLEV, this is 75% of the total cost of the project. Council approved £105k of capital for this project in the 2017/18 budget on 20 February providing 21% match. Soft market testing has shown that further match funding will be invested by the market and officers will seek this match when procuring the installation and operation of the charging points.
12. It is possible that the council will not need to commit all of the match it has set aside however the availability of this match funding is important to ensure that the council is not obliged to award the tender of installation and operation to the supplier with the most investment, but has the discretion to use its own match funding in order to ensure the best quality supplier.
13. The funding reflects typical costs for the installation of rapid and fast speed chargers. Cost for a given location may be higher if, for example, an upgraded connection to the electricity grid is required. We will discover the likelihood of these costs when we commission surveys by SSE (the local “distribution network operator”). They will be mitigated by spreading match funding across the programme, considering alternative locations, securing additional supplier investment and prioritising the viable locations until the point at which we seek further funding from OLEV. Overall project costs will be controlled to be within the funding envelope provided by the Council, the grant and any contributions from bidders.
14. An existing project manager based at Oxford City Council will be funded through the grant by capitalising their revenue costs to lead the project management and £18k of revenue match funding also approved by Council on 20 February.

## Governance

15. The Council has already entered into a partnership agreement with the County Council in relation to the Go Ultra Low Oxford (GULO) residential on-street charging project. The role of the County Council in both the GULO project and the low emissions taxi infrastructure project will be to process and approve the necessary Traffic Regulation Orders. The governance of the low emissions taxi infrastructure project will therefore be provided for by expanding the scope of the existing partnership agreement to cover both projects.
16. The operation of the project board and reporting to OLEV will be carried out by the project manager based at the City Council. The project manager will work closely with the General Licensing Team (who are currently the main point of contact for taxi operators in the city).
17. The City Council will undertake a competitive procurement for the installation and operation of the charge points. The tender will provide for the possibility of bidding for additional funding from OLEV at a later date, depending on the successful uptake of ultra-low emissions taxis in the early stages of the scheme.

## Environmental Impact

18. The scheme will reduce barriers to ULEV uptake, accelerating Oxford's transition to electric vehicle use. Our feasibility study showed that the air quality benefits relating to the Hackney carriage fleet are as shown below. Additional benefits from improvements to the private hire fleet are also expected but were not modelled in the feasibility study.

	<b>Present</b>	<b>With secured funding</b>	<b>If additional funding is secured</b>
Number of hackney carriages that are ULEVs	0	39 (36.4%)	56 (52.3%)
NOx Ave g/km	0.626	0.359	0.316
Total NOx (g)	2,708,458	1,555,129	1,366,213
Total NOx change (g)		1,153,329	1,342,245
<b>% change</b>		<b>43%</b>	<b>50%</b>

19. The impact on emissions levels depends on modelling and our feasibility study confirms that a positive impact would be expected. In addition, as taxis are used by visitors and local residents we may expect an additional benefit due to the normalisation of electric vehicles accelerating uptake by other stakeholders.

20. The environmental benefits, and associated health benefits, described above depend critically on the level of take up of ULEV taxis. Take up is needed not only because of the direct reduction in pollutants by those vehicles, but because an expectation of regular use of the charging points is needed to secure long term investment from the private sector operator that will operate the charging points.

21. To mitigate this risk officers are engaged in or considering the following actions:

- Setting bold standards for licensed hackney carriages in the city by bringing in an upper age limit for the renewal of hackney carriage licences and a requirement that newly licensing hackney carriage vehicles are “ultra-low emissions vehicles”
- Engaging with the hackney owners and drivers to establish the business case for investment in ULEVs and the benefits such as much lower operating costs and decreased maintenance requirements.
- Bringing manufacturers to Oxford and facilitating their engagement with the trade regarding, for example, typical operating costs, vehicle performance and financing packaging.
- Providing support to vehicle owners to help them access national grants towards the cost of new ULEV vehicles.
- Providing support to operators to access national and local grants to install electric vehicle chargers on their premises (i.e. in addition to the charger we will install around the city).
- Exploring ways in which the Go Ultra Low Oxford residential on-street charging project can enable taxi drivers living in the city to access overnight charging.
- Providing support to vehicle owners to access any diesel vehicle scrappage scheme that the Government may bring forward as part of its Air Quality Action Plan.
- Working closely with the trade and with manufacturers regarding the timing of the launch of ULEV purpose-built taxis in order that local measures are joined up with market availability of vehicles.

22. Similar age and performance requirements may be imposed in respect of the Private Hire fleet. However, this fleet is substantially different in that the vehicles tend to be newer and many are already hybrid electric.

23. A full risk register is included in Appendix 1.

### **Equalities Impact**

24. The scheme supports ultra-low emissions vehicle uptake by Hackney carriage and private hire companies operating in Oxford.

25. The barrier that the project seeks to address relates to charging infrastructure suitable for taxis and will focus on locations recommended in our feasibility study (e.g. close to taxi ranks and locations that drivers often take breaks).

26. Monitoring of the scheme’s impacts will be designed in detail in the initial phase of delivery and opportunities to gather data regarding equalities will be considered in that design.

27. The Council's current Hackney Carriage requirements have ensured that all such vehicles in operation are wheelchair accessible. The approval of new vehicle types will have to have regard to accessibility issues.

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**Background Papers:** None