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**IMPORTANT INFORMATION ON BIRMINGHAM'S POLICY FOR LICENSING TAXIS AND PRIVATE HIRE VEHICLES**

On 10 April 2019 Birmingham's Licensing and Public Protection Committee approved a series of new policies to regulate the maximum age of vehicles that it will license after 1 January 2020 to prepare for the introduction of the Clean Air Zone (CAZ).

This letter provides you with information on how the policies will broadly affect you, but we are also preparing a more detailed document that will be sent to you to give you information about how you can apply for financial support if relevant to you. This will be ready within a few weeks.

**SUMMARY OF KEY CHANGES**

- From 1 January 2020 we will apply a maximum age limit to taxi and private hire vehicles. Taxis will not be relicensed after they are 15 years old and private hire vehicles will not be licensed after they are 12 years old.
- If your vehicle is older than its age limit on 1 January 2020 you will be able to use it until the date that its licence expires in 2020, but if your vehicle does not meet the CAZ emission standard you will not be exempt from paying the daily CAZ charge (£8) if you enter the CAZ area.
- If you own a TX model taxi, you will be eligible to apply for it to be retrofitted with an LPG engine, depending on its condition.
  - If your vehicle is suitable you will receive £5,000 towards the cost. The cost of the conversion depends on the particular model but is likely to be up to £12,500 in total.
- Once converted, your vehicle can be licensed until 31 December 2025 even if it means that it will be more than 15 years old by then.

- A vehicle that is converted to LPG under this scheme will comply with the CAZ emission standard and will not pay the CAZ daily charge.
- If your application for a conversion is accepted and if you have entered a binding contract for the conversion, you will be exempted from paying the CAZ daily charge even if the conversion is not completed before 1 January 2020.
- The Clean Vehicle Retrofit Accreditation Scheme will test any new engineering products that manufacturers present to it to determine whether they can reduce pollution levels for the particular make and model of vehicle for which they have been made.
  - If any new products are approved for taxis or private hire vehicles, owners will be eligible for the same financial support package that has been made available for the LPG retrofit scheme, which remains the only approved system.
    - We are aware of at least one company working on an after-treatment solution for the TX4 model.
- If you want to replace your vehicle (taxi or private hire) with a vehicle that meets the CAZ emission standards, you have until 31 January 2021 to license a new petrol or diesel vehicle.
- After that date any new vehicles must be Ultra Low Emission (ULEV), which is defined by the Office for Low Emission Vehicles as emitting less than 50g CO<sub>2</sub>/km and able to travel at least 70 miles without any emissions at all.

## **BACKGROUND**

Our policy before 10 April required all vehicles to comply with the CAZ emission standard by 1 January 2020. The minimum standard for petrol engines is Euro 4 and for diesel engines it is Euro 6. These standards were introduced by vehicle manufacturers in about 2006 for Euro 4 petrol engines and 2015 for Euro 6 diesel engines (although these dates are not exact and you must take steps to verify the emissions standard for your own vehicle before you make any licensing or vehicle replacement decisions).

The effect of our policy would have resulted in large numbers of vehicles having to be replaced on 1 January 2020. We conducted a consultation that began last November, (all drivers and vehicle owners were asked to respond) and engaged with taxi and private hire trade representatives to consider other ways of implementing an emissions policy. As a result of that consultation we have taken a different approach to the CAZ.

Instead of basing our vehicle licensing criteria on emissions standards, we have based them on vehicle age. However, the consequence of this is that vehicles that we continue to license that do not meet the CAZ emission standards will be required to pay the daily £8 charge to enter the CAZ.

## **NEW VEHICLE AGE POLICY**

Our new policy, which will take effect on 1 January 2020, applies to all taxis (hackney carriages) and private hire vehicles. It allows taxis to be licensed until they are 15 years old from the date of first registration. Private hire vehicles can be licensed until they are 12 years old.

Both these age limits are different to our current policy that allows them to continue to be licensed provided they pass the relevant exceptional condition test regardless of their age. We will license Ultra Low Emission hackney carriages (such as the new LTI TX model) until they are 18 years old.

If you have renewed your vehicle licence since 1 January 2019 and if your vehicle does not meet the relevant CAZ emission standard, you will have been given a vehicle licence that expires on 31 December 2019. Under our new policy we will still license your vehicle after 31 December 2019 and therefore your licence will be extended for its full 12 months.

Models of the TX hackney carriage will be eligible to apply for a conversion which will make them compliant with the CAZ emission standard. Where a vehicle is suitable, we have agreed that it can remain licensed until it is 15 or until the end of 2025, whichever is the later. This means that there is no restriction on their age, provided they are in a good structural condition at the time of conversion.

We have agreed with the Cabinet Member for Transport and Environment that where eligible vehicles cannot be converted before 1 January 2020 due to the inability of the conversion company to meet demand, drivers will not pay the CAZ daily charge whilst waiting for their conversion. Vehicles that are allowed to continue past their 15<sup>th</sup> anniversary will be required to pass 2 MOT tests per year and 2 exceptional condition tests per year.

The only conversions that will be considered for financial support are ones undertaken by a garage approved under the government's Clean Vehicle Retrofit Accreditation Scheme (CVRAS).

As of April 2019, there is only one such garage in England, Vehicle Repowering Solutions Ltd (VRS), which is based in Alcester, 19 miles south of Birmingham. They provide a conversion to LPG (the diesel engine is replaced by a petrol engine and an LPG system is added).

It is hoped that VRS will be able to set up agents in Birmingham later this year. We are aware that at least one other CVRAS conversion is being developed for TX4 (and possibly Mercedes Vito) models, but at the time of writing it is not guaranteed that the conversion will receive approval. If it is approved, we will write to owners of those vehicles for which it has been accredited.

We have also agreed that where a vehicle cannot be licensed after 1 January 2020 because it is too old, its licence will be allowed to expire naturally during 2020, not stop immediately on 1 January 2020. This means, for example, if you have a 14 year old private hire car whose licence expires at the end of August, you will be able to relicense it for a full 12 months. When its licence expires in 2020 you will not be able to license it again.

We have agreed that from 1 January 2021, any vehicle (taxi or private hire) that is licensed for the first time by Birmingham must be Ultra Low Emission (ULEV) or Zero Emission Capable (ZEC) – this is defined as a taxi emitting less than 50gCO<sub>2</sub>/km and capable of travelling at least 70 miles without emissions at all. This does not relate to vehicles that are already licensed by Birmingham. Although your trade representatives have asked that we extend this deadline until 2026 we have been unable to do so because it will extend the period during which drivers could continue to license new diesel vehicles and would undermine our efforts to ensure compliance with our air quality targets.

Drivers and your trade representatives have also been asking for an exemption from payment of the daily CAZ charge where they do not meet the CAZ emission standards.

We have not been able to agree to this because it would completely remove any incentive for drivers to upgrade their vehicles, which would make the entire policy ineffective, and would go against the air quality plan agreed with Central Government. The purpose of the CAZ is to improve air quality.

From 2030 we have said that all newly licensed vehicles must be entirely emission-free, although we have guaranteed to review this aspect of the policy before 2025 to ensure that technology has advanced sufficiently by then.

## **SUPPORT FOR DRIVERS**

The Council has successfully bid for significant financial support for taxi and private hire owners from DEFRA (Department for Environment, Food and Rural Affairs). This amounts to £14.75m and represents 39% of the total package of financial support (£38m) the Council will use to support the people who live and work in Birmingham.

This package of support is summarised as follows:

- **£2.75m for the City to buy a fleet of electric taxis which drivers can lease or hire.**  
We will use the money to either buy up to 50 of the latest electric taxis or rent a fleet ourselves, which should enable us to acquire even more.
- **£5m for a package of measures worth up to £5,000 each for up to 1,000 taxi drivers to offset the running costs of an Ultra Low Emission Vehicle** (spread over 4 years) or to use the money towards a conversion (any certified conversion, e.g. LPG or aftertreatment technology). In the case of an LPG conversion, drivers must pay the balance of around £7,000 themselves.
- **£7m for private hire drivers:** up to £2,500 towards the running costs of the cleanest ULEV vehicles, or £2,000 towards the purchase price of a hybrid or certain other ULEV vehicles, or £1000 towards the price of a CAZ compliant diesel or petrol car.

I hope that you can see that we have not only taken on board your concerns to adapt our policy to your needs as far as we possibly can, but also you will be eligible for considerable government support in certain circumstances.

Although some drivers and their representatives continue to ask for more concessions and to relax the policy around payment of the CAZ charge, we cannot agree to their requests because we would be required to repay the money to government as we would no longer be

able to deliver the promised air quality improvements and be in breach of the terms upon which the government has awarded financial support to our drivers. This would be self-defeating for drivers and vehicle owners.

We have also been asked for drivers to be given the same assistance that people living inside the CAZ area will be entitled to, or that low income workers travelling into the CAZ will be offered. As taxi and private hire vehicle owners are already being compensated through the **Clean Air Fund** you cannot be compensated twice.

We are preparing more detailed information for you, which will also explain the process for applying for financial support. Please do not assume that you will be eligible for financial support or purchase a replacement vehicle on the assumption that you will receive financial support until you have received written confirmation that you have been approved.

We will also post information on our website: [www.birmingham.gov.uk/licensing](http://www.birmingham.gov.uk/licensing).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Emma Rohomon', written in a cursive style.

*Emma Rohomon*

**Acting Head of Licensing**

**REGULATION AND ENFORCEMENT DIVISION**