

PPHDA Recommendations Regarding Vehicle Age increase Proposals

Change in vehicle age policy from 3yrs to 6yrs when first entered and from 8yrs to 10yrs of Max life in service

Background

At the present moment to enter a new vehicle in to the Private Hire Trade it must be no older than 3yrs from first registered and the running life in service is up to 8yrs. In Peterborough there has always been more drivers that have owned their own cars and have been in control of livelihoods. Due to the economical situation many of the owner drivers have found it difficult to sustain a good standard of living and as a result we now find more and more drivers opting to relocate to other towns and cities, as Peterborough City Council have some of the most stringent licensing policies within the eastern region.

A few years ago a Peterborough based Private Hire Company King Carz who had a fleet of 40 vehicles, had to relocate their business to Yaxley which is under Huntingdon District Council, have relaxed conditions on vehicles among other things. There is no limit on age at HDC and with over 90% of King Carz customer base being in Peterborough they operate with lower operating cost. In 2009 there was a lot of talk that having no age limit King Carz would be unstoppable and would fast grow and flood the market with older and cheaper vehicles and lots of Peterborough drivers would follow suit and take advantage of the lower running costs. We now can see that having older cheaper vehicles does not necessarily mean that their would be a flooding of vehicles, as King Carz two years on only have 43 vehicles and with all new vehicles entering the trade are within the age that we are recommending to the committee from 3yrs to increase to 6yrs. Evidence shows that by allowing this increase will not flood the market but would be a step in the right direction in supporting the trade in these economically difficult times. Initially several but not all drivers who moved to Yaxley purchased older and cheaper vehicles, but soon realised that this was not financially viable due to the unreliability of these types of older vehicles (some of which where 12 years and over in age)

At the moment King Carz operates within Peterborough but are not licensed by PCC and there for PCC have no enforcing powers over these drivers which is a loophole. We are confident that by allowing this change in policy the attraction to move to Yaxley from others in Peterborough would be addressed appropriately and would be highly beneficial to PCC. As this would be the first positive step towards strengthening the partnership with the PPHDA and PCC, which we have built over the past 12 months.

since 2007 to the current time there has been a massive 35% reduction in new vehicles being sold in the UK, as a result there are fewer vehicles within the current 3 year age limit available on the open market. Hence the used car price has also increased according to Parker's Used Car Guide.

An increasing number of older drivers are moving over to places like Stamford, Spalding, Huntingdon, Cambridge and even as far as Milton Keynes Newer drivers coming in to the trade are unable to purchase their own vehicles and as result are having to drive Company cars and this has fuelled a price war as the average driver cant afford to purchase their own vehicle and are taken advantage of by Company owners. Until this situation isn't made easier by empowering drivers the situation in Peterborough will go from bad to worse. As an association for the drivers we are committed to promoting fairness and equality across the trade by empowering and educating members of their rights.

Safeguards:

Current policy in Peterborough with regard to the 3 year age limit hasn't stopped more and more people applying to become Private Hire Drivers within Peterborough. We feel in controlling numbers PCC should consider introducing NVQ's for all new applicants in conjunction with any change in age policy. We have recommended to PCC Licensing that to control the number of drivers applying for licences should undergo a more rigorous form of testing for potential licensees in English reading, writing, and most importantly oral, along with a maths and knowledge test at a minimal of NVQ level.

We are working very closely with all operators in controlling the number of vehicles entering the trade and trying to work to a level of earnings that are in line with the current minimum wage.

Some of the other reasons why our recommendation should be considered:

- It will enable drivers to become more independent.
- A massive price war has had a serious impact of the overall earnings of drivers, this is all as a result of drivers being unable to purchase vehicles for themselves, and having to drive for the Owner/Operators.
- In the current economical climate it will be more financially viable for drivers to buy their own vehicles.
- By allowing older vehicles in to the trade this would as a result increase the number of owner drivers and lower the amount of company cars hence creating a more fairer and equitable work place.
- Financially drivers would benefit with a lower outlay.
- Vehicles would change more frequently.
- Better makes and models of vehicles.
- Having more control in amount of new driver applicants

We have given long and deep thought to our recommendation and have considered all risks and possibility's as we have had considerable consultation with the trade and PCC, we are all in agreement that change in vehicle age policy is a much needed step in the right direction.

It has come to our knowledge that the Hackney Federation do not wish to take advantage of the change in age restrictions being considered, we respect their view and hope they understand our reasons for wanting change as this would be the first step in reforming the trade and will provide a sound footing in tackling the issue of ridiculously low fixed prices, we have started to address the issue of low fixed pricing by working with PCC, Trading Standards, OFT and the trade.

Peterborough Private Hire Drivers Association