

LICENSING COMMITTEE	AGENDA ITEM No. 5
16 FEBRUARY 2012	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr Hiller	
Contact Officer(s):	Licensing Manager Adrian Day Strategic Regulatory Services Manager Peter Gell	Tel. 454437 Tel. 453429

CHANGES IN THE LICENSING POLICY FOR HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE LICENCES

RECOMMENDATIONS	
FROM : The Licensing Team Licensing Manager Adrian Day	Deadline date : N/A
<p>The Licensing Committee is requested to approve the following recommendations relating to the Councils Vehicle Age Policy in relation to Hackney Carriage and Private Hire Vehicles:</p> <ol style="list-style-type: none"> 1) To extend the upper age limit for which Hackney Carriage Vehicles can be licensed from 12 years to 15 Years; 2) To extend the upper age limit for which Private Hire Vehicles can be licensed from 8 years to 10 years; 3) To extend the time at which 6 monthly testing commences from 5 years to 6 years; and 4) The committee are also asked to consider a request from the Peterborough Private Hire Drivers Association to extend the lower age limit for which Private Hire Vehicles can first be licensed from 3 years to 6 years. 	

1. PURPOSE OF REPORT

- 1.1 Members are asked to consider requests received from both the Peterborough Private Hire Drivers Association and the Peterborough Hackney Carriage Drivers Federation to amend the Council's vehicle age restrictions. These relate to the lower age limit this being the maximum age of a vehicle when it is first licensed, and the upper age limit when a vehicle is considered no longer eligible to be licensed.
- 1.2 Officers would also like to recommend that the Committee considers a revision of the current 6 monthly testing frequency insofar as the frequency of 6 monthly testing commences when the age of a vehicle reaches 6 years (currently this commences when the age of a vehicle 5 years).
- 1.3 The tables below show the current situation in relation to the vehicle age restrictions and also the changes requested:

Current Situation

	Hackney Carriage	Private Hire
Maximum age at time of first being licensed	3 years	3 years
Maximum age limit for a vehicle	12 years	8 years

Requested Changes

	Hackney Carriage	Private Hire
Maximum age at time of first being licensed	3 years	6 years
Maximum age limit for a vehicle	15 years	10 years

The table below highlights the proposed maximum mileage limit according to the age of a vehicle that will be applied when considering an application to licence a new vehicle.

Proposed Private Hire Vehicle Mileage Criteria (new vehicles)

Age (months)	0 - 12	13 - 24	25 - 36	37 - 48	49 - 60	61 -72
Mileage (maximum)	No restriction	No restriction	No restriction	No restriction	65,000	75,000

- 1.4 The Council currently has no mileage restrictions for new vehicles, it is proposed that if the lower age limits are increased from 3 years to 6 years as requested that the above mileage criteria would be applied. This would ensure that any vehicle being licensed for the first time above 4 years of age would be of average mileage, therefore not allowing older vehicles with high mileage to become licensed.

(It should be noted that if it comes to light that the mileage of a vehicle is not genuine and that the true mileage at the time of licensing was in fact above the maximum limit, the vehicle will be de-licensed).

2. BACKGROUND INFORMATION

- 2.1 All Councils have different policies in relation to Hackney Carriage and Private Hire Vehicles, when it comes to age restrictions and the testing of vehicles some council have decided not to set any restrictions at all, whereas others have decided to have very stringent restrictions, with others adopting restrictions somewhere between both extremes. The reasoning behind setting any restriction is to put measures in place to in order to achieve the required level of mechanical safety and that the interior and exterior of the vehicle is of a standard that is expected of the licensing authority. A summary of vehicle age limits for neighbouring authorities can be seen at **Appendix A**. (*age policy benchmark.doc*)
- 2.2 Peterborough City Council adopted its policy on age restrictions many years ago and is considered to have some of the most stringent of conditions where compared to many of its neighbouring authorities. Since the original age restrictions were adopted both technology and build quality of vehicles has moved on producing a higher quality of vehicles which are designed to last longer, and in turn supports the worlds sustainable resources. Many manufacturers are now offering 5 and 7 year warranties as standard on vehicles which would indicate confidence in quality of build. Technology in relation to body work and painting processes have also developed in recent years meaning that the life expectancy of a vehicle in relation to rust and corrosion has greatly increased due to these advances.
- 2.3 Maintenance is a key factor with any vehicle and good practice for all commercial vehicles is to be part of a planned preventative maintenance programme where all vehicles are routinely serviced to ensure safety and quality. The council expects this level of commitment from drivers and it should be noted that the 12 monthly and 6 monthly tests carried out by the testing centres are to confirm a level of safety and quality, rather than highlight to the driver what maintenance needs to be carried out.
- 2.4 Both the Peterborough Hackney Carriage Federation and the Peterborough Private Hire Drivers Association have spoken on many occasions regarding the possibilities of amending the council's age restriction policy. Both the Hackney Carriage and Private Hire trades have different requirements due to the way they operate in accordance with legislation and therefore have different opinions insofar as a blanket decision or restriction is not always relevant, suitable or appropriate to apply to both Hackney and Private Hire licenses.

- 2.5 With the down turn in the economic climate and the ever increasing costs of fuel together with the inflated cost of insurance premiums drivers are looking at ways to survive. We must appreciate that both Hackney Carriage and Private Hire vehicles provide a service to the city, a service that has to play a key role in the economic growth of the city and the plans to make the City of Peterborough a destination centre.

3. REQUEST FROM THE PETERBOROUGH HACKNEY CARRIAGE FEDERATION

- 3.1 The Peterborough Hackney Carriage Federation has requested that the council review its vehicle age policy in relation to the upper age restriction this current sets the maximum age limit of a Hackney Carriage at 12 years. The federation have requested that the upper age limit is raised to 15 years, as indicated by the Public Carriage Office guidelines.
- 3.2 The reason for the request is to allow vehicles that are still in a good mechanical condition, meet safety requirements, and have a good interior / exterior to remain in service for an additional 3 years. It has been indicated that this will also encourage drivers to maintain vehicles to a higher standard as the money spent on maintaining the vehicles of an older age can be more justified and cost effective.
- 3.3 It should be noted that the Hackney Trade are not in favour of any changes in the lower age restrictions for either Hackney or Private Hire in relation to the lower age restriction of a vehicle when it is first licensed. Instead they feel that this should remain at 3 years for both Hackney and Private Hire. The reason for this is that they believe this would encourage an increase in the market place of the number of vehicles licensed to operate.
- 3.4 A representative from the Peterborough Hackney Carriage Federation has been asked to attend the committee meeting to discuss the federation's requests in detail and concerns relating to the possible changes in the lower age restrictions an email outlining the reasons for the federation's requests and highlighting their concerns can be seen at **Appendix B.** (*hackney carriage vehicle age response.doc*)

4. REQUEST FROM THE PETERBOROUGH PRIVATE HIRE DRIVERS ASSOCIATION

- 4.1 The Peterborough Private Hire Drivers Association has requested that the council review its vehicle age policy in relation to the upper age restriction this currently sets the maximum age limit of a Private Hire Vehicle to 8 years. The association has requested that the upper age limit is raised to 10 years. The association have also requested that the lower age restriction or the maximum age of a vehicle when first licensed be increased from its current 3 years to 6 years.
- 4.2 The reason for the request is to allow vehicles that are still in a good mechanical condition, meet safety requirements, and have a good interior / exterior to remain in service for an additional 2 years. It has been indicated that this will also encourage drivers to maintain vehicles to a higher standard as the money spent on maintaining the vehicles of an older age can be more justified and cost effective.
- 4.3 The reason for the request to increase the lower age restriction is to enable drivers to invest in more executive type vehicles such as Audi, Mercedes, and BMW's at a suitable entry point in the marketplace. It is also to allow the drivers to become more empowered and purchase their own vehicles and work for themselves instead of working for some of the larger private hire companies where they are expected to work long hours for a minimum income.
- 4.4 A representative from the Peterborough Private Hire Drivers Association has been asked to attend the committee meeting to discuss the association's requests in detail and concerns relating to the possible changes in the lower age restrictions an email outlining the reasons for the association's requests can be seen at **Appendix C.** (*private hire vehicle age response.doc*)

5. CONSULTATION

5.1 Original consultation was carried out with both the Peterborough Hackney Carriage Federation and the Peterborough Private Hire Drivers Association, and their original responses can be seen at **Appendix B.** (*hackney carriage vehicle age response.doc*) and **Appendix C.** (*private hire vehicle age response.doc*)

5.2 A further 28 day consultation was carried out with all licensed drivers which ended on the 29 January 2012, a total of **33** individual responses were received have been summarised below: A log of the responses received can be seen at **Appendix D.** (*driver consultation log.pdf*)

To extend the upper age limit for which Hackney Carriage Vehicles can be licensed from 12 years to 15 years. **(26 Drivers - In favour)**

To extend the upper limit for which Private Hire Vehicles can be licensed from 8 years to 10 years. **(19 Drivers – In favour, 14 Drivers – No comment)**

To extend the time at which 6 monthly testing commences from 5 years to 6 years. **(23 Drivers – In favour, 10 Drivers – No comment)**

To extend the lower age limit at which Private Hire Vehicles can first licensed from 3 years to 6 years. **(17 Drivers – In favour, 12 Drivers – No comment, 4 Drivers – Against)**

* The 3 drivers who have responded against the amendment of the lower age limit have stated that they feel this change if implemented would cause an increase in the number of vehicles licensed within the city and hence have a detrimental effect on the trade.

** One driver who is in favour of extending the lower age limit has suggested an extension to 5 years rather than 6 years.

5.3 As a result of the further 28 day consultation with all licensed drivers the Peterborough Private Hire Drivers Association have submitted a further response to the consultation supporting the proposed changes. This is supported by a list of the Association's members which can be seen at **Appendix E.** (*private hire vehicle age response 2.pdf*)

6. ENVIRONMENTAL IMPACT

6.1 We have considered the environmental impact very carefully when considering the requests and although there is no way of quantifying or even determining the exact effect on the environment if the changes are implemented we have to be aware of the risks insofar as emissions etc. We have added to the new proposed licensing conditions mileage limits in order to stop older, high mileage vehicles being licensed for the first time. We have also added stringent conditions where if a vehicle fails its 6 monthly test for set criteria in its extended period it will be immediately de-licensed, this includes emissions.

6.2 In 2010 a massive piece of work was undertaken to assess the possibility of introducing a pricing structure where vehicles which are more environmentally friendly vehicles featuring low emissions would be subject to reduced licensing fees and in the same respect vehicles with much higher emissions would be charged much higher licensing fees.

6.3 At the time we were able to identify 2 councils which had adopted policies relating to emissions. Although the authorities could claim that they had adopted the policies and therefore promoting a greener environment, in reality they could not demonstrate any measurable benefit had been achieved.

6.4 With no hard evidence of any improvement to the environment together with a high cost of administering such a scheme a conclusion was made that it was almost considered a "tick in the box" scenario, this was also agreed with Cllr Sam Dalton and Cllr Peter Hiller.

6.5 It was agreed that we would look at other initiatives which would enable us to benefit drivers who choose to purchase more environmentally friendly vehicles, we are currently

looking at the possibility of reducing fees for dual fuel, electric and low tax band vehicles. The key here is to adopt a policy where there is very little or no administrative burden.

7. OFFICER COMMENTS

- 7.1 The principles relating the requests from the trade have been discussed with the Peter Gell Regulatory Services Manager, Adrian Chapman Head of Neighbourhoods and Cllr Peter Hiller Cabinet Member for Neighbourhoods, Housing and Business and they have agreed in principle that the requests should be presented to the Licensing Committee in order for them to consider all relevant information for the purpose of making a decision.
- 7.2 It is very apparent that the manufacturing processes have improved over the years where companies have been tasked with not only guaranteeing increased build quality along with increased longevity of vehicles. From an environmental aspect it is very important to consider sustainable resources and our carbon footprint. It can be seen as a benefit environment to increase the life span of vehicles rather than insisting that a perfectly serviceable vehicle is de-licensed.
- 7.3 It should be noted that the Hackney Carriage is a purpose built vehicle and according to the Public Carriage Office guidelines is expected to be serviceable for at least 15 years from manufacture.
- 7.4 If the committee approves the recommendation to extend the upper age limits as requested the licensing department will implement essential testing criteria for vehicles that fail tests starting from the commencement of the extended period (from year 8 for Private Hire, and year 12 for Hackney Carriages). Where a failure occurs in this period relating to one or more of the critical items as highlighted on the critical items list which can be seen at **Appendix F** (*vehicle critical testing criteria.doc*) then vehicle will be immediately de-licensed and will no longer be regarded as suitable for service. The type of failure is what should consider as being major and would indicate that regular preventative maintenance has not been carried out, or if it has it has not been effective. This decision as with any of the council's decisions will be able to be appealed at the Magistrates Court within 21 days of the decision being made.
- 7.5 With regard to the amendment on the lower age restriction both trades have their opinions on the effect of extending this limit from 3 years to 6 years, insofar as the Private Hire Drivers feel this will be a vessel to enable individuals to become more self-sufficient and move away from the dominance and monopolies of some of the private hire companies. They have indicated that individuals want to become more self-sufficient and developing a sustainable income for themselves rather than subsidising the larger companies, thus creating a greater community. It has been suggested that this in turn we would see a decline in the number of vehicles the larger companies are operating as more drivers branch out. Where as the Hackney Drivers have a different outlook on extending the lower age restriction, they have indicated concerns that this has the potential of increasing the number of vehicles entering service, and in turn this will have a detrimental effect on the trade overall, in a time where the market is already increasingly difficult.
- 7.6 An issue that is very pertinent to both trades is where a few private hire companies who charge extremely low fares which many of the other Private Hire and Hackney Carriage Drivers cannot compete with as they are not cost effective. It is believed that the only way the companies concerned can in fact charge such low fares is at the detriment on the drivers who work for them who are expected to split their takings with the company for whom they work.
- 7.7 A representative from both groups has been invited to speak at the meeting and they will demonstrate their reasoning behind the requests and also their concerns; the difficulty is that we are not lucky enough to definitely know what the actual outcome and effect of increasing the lower age restriction will have on the market place and therefore need to consider the benefits as well as the possible risks.

7.8 As a result of working very closely with both groups of the trade, the Hackney Carriage Federation and the Private Hire Association have demonstrated that they are very passionate, committed and focussed on improving not only their own areas of the business but also in developing the level of service that meets the requirements of the city.

8. IMPLICATIONS

8.1 Corporate Resources

The Legal Division support the Licensing Team regarding the provision of advice and guidance on taxi licensing issues matters.

Guidance has been sought from the Legal Section on the compilation of this report.