

REPORT TO LICENSING COMMITTEE

DATE	22nd November 2012
PORTFOLIO	Housing and Environment
REPORT AUTHOR	Karen Davies
TEL NO	01282 425011 Ext 7247
EMAIL	kdavies@burnley.gov.uk

Strategic Review of Taxi Policy and Age Limits of Hackney Carriage Vehicles**PURPOSE**

1. To provide Members with the information requested by Executive on 24th August 2010 when hackney carriages (HC) and private hire vehicles (PHVs) age limits were increased. The increase in age limits was agreed subject to an 18 month review focussing on pass rates, maintenance and appearance of vehicles. PHV age limits were subsequently reviewed in December 2011.

As part of this HC review, the taxi trade representatives have made various proposals through the Taxi Task Group for changes to the age limits which they wish the Council to consider. The various options proposed by them are outlined in this report at paragraph 19.

2. The discussions have raised other potential changes to the Council's taxi policies, specifically vehicle types, and the report proposes to move those forward by a strategic policy review.

RECOMMENDATION

3. That, in the absence of evidence to support a change in the Council's Age Restriction Policy, Licensing Committee recommends to Full Council that no changes be made to the age limits for hackney carriage vehicles, except that:
 - a) where a hackney vehicle over three years old is taken off the fleet as a result of accident damage, the damaged vehicle can be replaced by a vehicle no older than that involved in the accident, and
 - b) as an interim measure in light of Maganese Bronze being placed in administration, licences for vehicles over 12 years old will continue to be renewed until such time as a policy review of hackney vehicle types has been completed and approved by Council.
4. That the Head of People, Law and Regulation be asked to undertake a strategic

review of taxi licensing policy. The review will initially focus on hackney vehicle types, and a scoping paper will be brought back to the January 2013 Licensing Committee for approval.

REASONS FOR RECOMMENDATION

5. To encourage a fleet of safe, well-maintained vehicles that have a smart appearance and ensure the environmental emissions from the fleet continue to improve in line with European standards.
6. To put in place interim measures in light of the hackney manufacturer, Manganese Bronze, having been placed in administration.
7. To consider the various other issues raised by the trade in the course of discussions about the age limits.

SUMMARY OF KEY POINTS

8. In August 2010 the lower age limit of 3 years was retained (ie all new vehicles brought onto the fleet should be less than 3 years old) and the upper age limit at which a HC could be relicensed was increased from 10 to 12 years. The justification for this increase was twofold a) the continued improvement in test pass rates at the time (59%), and b) the substantial investment required when purchasing replacement specialist vehicles in the current economic climate.
9. This increase provided HC proprietors with a 9 year vehicle lifespan, giving 2 additional years to prepare for the purchase of a new vehicle to meet the lower age limit. Currently a 3 year old vehicle costs in the region of £22k. This cost, apportioned over 9 years, equates to a £200 per month overhead, plus interest.
10. Since 2010 officers have gathered additional information on vehicle standards from a broader base than simply test pass results, giving better evidence on which Members can now rely. Data from the following tests is now collected.
 - a) Pre-test results. These tests are conducted at the request of the vehicle owner shortly before the standard VOSA test is due. The vehicle is licensed and working in the condition that it is presented for this test.
 - b) Standard VOSA test. This is the official renewal test.
 - c) Enforcement spot checks. These vehicles are stopped on the street at random whilst offering their services and taken for testing.

11. Data obtained between January and April 2012 is as follows. All these tests have been conducted at the same facility:

HACKNEY CARRIAGE VEHICLE TEST DATA (Jan – April 2012)

	PRE-TESTS CARRIED OUT			STANDARD VOSA TESTS			ENFORCEMENT SPOT CHECKS		
	Number	Pass	Fail	Number	Pass	Fail	Number	Pass	Fail
HACKNEYS	20	1	19	30	30	0	5	1	4
		5%	95%		100%	0%		20%	80%

Although the VOSA test pass rate was 100%, 19 of the 30 vehicles had failed at pre-test. Four of the five hackneys taken for a spot check also failed. These figures indicate a fleet compliance rate of 34% with the vehicle safety requirement. (Members should note that 'Improving the condition of the vehicle fleet' is a work stream currently being progressed by the trade/Council's Taxi Task Group.)

There are 42 hackney carriages on the fleet and there is no significant difference in pass/fail rates for vehicles of different ages.

12. The Taxi Task Group proposals, outlined at para 19 below, represent each party's interests which can be summarised as:
- the Private Hire Associations would wish to open up the hackney market by increasing the lower age limit for all vehicle licences to 6 years, and so reducing the investment to new entrants,
 - both Hackney groups would like to restrict new entry to the trade by retaining a lower 3 year limit for new applicants,
 - the Hackney Drivers Association Ltd would wish to relax the lower limit to the benefit of existing licence holders only, and increase the upper limit to give a vehicle age range of 6 to 13 years,
 - the Hackney Carriage Owners group would wish to maintain all existing limits.
13. It is the view of officers that the extended test results do not justify a recommendation to increase the upper limit. Nor is there a new economic argument beyond that already accommodated in 2010. Officers are satisfied that the two year increase in August 2010 provides sufficient additional time to accumulate the necessary money to invest in a nearly new vehicle. We are only now coming to the point where the oldest 12 year old vehicles are leaving the fleet. Since the limit was raised in 2010 no new vehicles have been licenced, having the overall effect of increasing the average age of the fleet.
14. Since the age limit discussion began the manufacturer of those vehicles currently licenced on the hackney fleet, Manganese Bronze, has been placed in administration. This means that the Council's current stipulation - to replace an old vehicle with one of that type, which is less than three years old – cannot reasonably be enforced at the moment. The Taxi Task Group trade reps have, as part of the strategic review, requested a specific review of the types of vehicle allowed onto the fleet. Given the situation with Manganese Bronze it is considered appropriate to accelerate this review, and allow older vehicles to continue to be relicenced until the review is complete. This proposal is supported by the Taxi Task Group.

15. In relation to the lower limit, officers feel that a dual entry age, ie 3 years for new applicants & 6 years for existing licence holders, discriminates against new entry into the market and would be unfair to new applicants. In relation to affordability, increasing the lower age limit would reduce the purchase price to circa £15k, with a 6 year life. This monthly overhead would equate to £200 per month providing no financial benefit to licence holders. Importantly, it is considered appropriate for environmental and aesthetic reasons to constantly refresh the fleet by maintaining the lower 3 year limit.
16. For information, the following table outlines how the age of the vehicles impacts on the environment. As each new Euro emissions standard is introduced the particulate matter and NOx emitted from the vehicle are reduced significantly.

Emissions Standard	Particulate matters (PM) (mg/km)	Oxides of nitrogen (NOx) (mg/km)
Euro 2 (1996)	80-100	-
Euro 3 (2000)	50	500
Euro 4 (2005)	25	250
Euro 5 (2009)	5	180

17. In relation to accident damaged vehicles officers have accepted the trade's concerns that insurance payouts are often insufficient to replace the vehicle for one less than 3 years old. It is therefore recommended that the age restriction policy be amended to permit replacement vehicles to be no older than the vehicle damaged by accident, as an alternative to less than three years old. This proposal is supported by the Taxi Task Group.
18. A number of other interesting ideas have been raised by the trade throughout the course of discussions on this matter which cannot be properly considered and assessed until a more thorough piece of work is completed. It is therefore proposed to take these matters forward through a strategic review of taxi policy, which will by definition involve a further review of age limits within the context of the overall policy package. The first part of this process will be the production of the scoping paper recommended above, followed by a substantive review, for Member consideration in due course.

19. **IEWS OF THE TAXI TASK GROUP**

Extensive discussions have taken place at the Taxi Task Group and whilst the group has tried to reach a consensus position, that has not proved possible. As a result a number of proposals have been tabled for consideration by the Committee:

- a) A retention of the lower 3 year limit for all applicants (HC Owners rep)
- b) A retention of the 3 year lower limit for new applicants, with a 6 year lower limit for existing licence holders (Hackney Drivers Assocn Ltd)
- c) Increase the lower age limit to 6 years for all applicants (Licenced Private Hire Owners Rep & Private Hire Assocn rep)
- d) A retention of the upper 12 year limit (HC Owners rep)
- e) An increase of the upper limit to 13 years (Hackney Drivers Assocn Ltd)
- f) Permit accident damaged replacement vehicles to be up to 6 years old (HC owners rep)

In order to accommodate the views of the trade reps they have been invited to submit their comments to the Committee which are summarised below. The full responses are appended to the report for your consideration. The trade reps have agreed to submit their views in this way so that Members are in a position to make an informed decision.

SUMMARY OF CONSULTATION RESPONSES

Where marked * extended responses have been received and are provided in full at Appendix 1.

20. Mohammed Arif (Private Hire Association)

We would like you to consider the following options please:-

- We are in favour of 6 yrs minimum age limit of HC for new and existing vehicles
- We are also in favour of 6 yrs minimum age limit of HC vehicles for new & existing drivers.
- A maximum age of 12yrs for all HC vehicles with disabled access.
- We are also in favour of being allowed to use different makes of vehicles for HC in Burnley for e.g., Peugeot E7, Citroen dispatch, Fiat Doblo and any other purpose built wheelchair access vehicle, the vehicles we are proposing to use are used in many of the different boroughs already.

I would like to add that the majority of Private Hire is in favour of these changes and so are a lot of the HC drivers as well.

21. Nazir Khan (Hackney GMB)

After speaking to my members they agree to the following proposals. There was a vote and the decision was unanimous.

The proposals for consideration are:

- 1) A retention of the 3 year lower limit for new applicants, with a 6 year lower limit for existing licence holders.
- 2) An increase of the upper limit to 13 years.
- 3) Permit accident damaged replacement vehicles to be up to 6 years old.
- 4) To Allow other NON LTI vehicles to operate in Burnley as Hackney carriage vehicles

I also wish to state that in my absence from Task force meetings I am more than happy for Charles Oakes to make decisions or speak on my behalf as whenever there is an issue we normally have an informal chat to discuss the matter first.

As you can see, the 3 proposals put forward are there for a number of reasons, mainly being the current Economic crisis and the larger factor being the uncertainty of the future of Manganese Bronze, the owners of LTI.

22. Khalid Mahmood (Private Hire Owners)*

Our preferred options are as follows:

- 1) A minimum age limit of 6 years for all Hackney Carriage vehicles - for new and existing drivers.
- 2) A maximum age limit of 12 years - for new and existing drivers.
- 3) We welcome the councils proposal to relicence current vehicles that are approaching their maximum age limits, until a review of vehicle types for Hackney Carriages has been carried out.
- 4) With regards to replacing vehicles that are damaged due to being written off in accidents, with vehicles of the same age. We believe this could become complicated and should only be offered if the restrictive 3 year minimum is kept in place and will not be necessary if the minimum age limit is raised to 6 years - thus maintaining the council and trades desire to continuously modernise the fleet with fuel efficient, less polluting vehicles.

23. Mohammed Jamil Munir (Hackney Carriage Owners)*

I represent 29 Owners who request you to reject the proposal which seeks an extension, and ask that not even a day should be granted over the current age limit. We would like the elected members to support the officer's recommendation and amendments to the current policy as set out in the report. I can prove, in writing that I have 24 members, and a further 5 members who wish to be represented by me and support this cause. The total number of issued Hackney Carriage owners is 42.

What has the private hire trade got to do with the hackney carriage vehicle trade that they feel they have the right to give their opinions in our business? This is why Private Hire wishes the council to make changes to existing system:

Since the council and the police are continuing to implement restrictions upon private hire 'touts' outside pubs/nightclubs through prosecuting, they, the private hire trade wish to exploit these circumstances which Hackney Carriage owners face and use older vehicles. This results in an overflow within the market of the Burnley region and affects the business which most Hackney Carriage owners need to maintain their livelihood.

We Hackney Carriage owners are not against anyone entering the region where we trade, however we do not want to be exploited nor do we want the high standards we have worked hard maintain to be harmed or worse lowered in any way by new people entering our trade area and giving our customers the impression of a low standard of practice.

As for Mr Oakes, who merely represents approximately 8/9 owners, we are only interested in owners only. The number opposing the request is 29 and there are approximately 2/3 owners who have not signed up to anyone group, their opinion and views are not known to me.

24. Charles Oakes (Chairman Hackney Carriage Drivers Ltd)

Charles Oakes, being the Chairman of The Hackney Drivers Association Ltd, and who is Duly Authorised by Its members to make such a statement.

Due to the unforeseen change of circumstances that have arisen because of the London Taxi Firm Manganese Bronze going into administration, we are happy to support the extension of Licences for vehicles who have reached the age limit and are due to come off the fleet in the next few months, while we look along with council to consider alternative Vehicles.

In addition to this:

1. We would like to request a raise in the age limit from 12 years to 13 years for Hackney Carriages in Burnley.
2. To allow existing Drivers to replace vehicles from new to 6 years old, and then come off at 13years, if it can be demonstrated that the vehicle has been well maintained and has passed its test without any real issue.

Rational for request

1. it does not seem right that those drivers who have spent money over the years maintaining that vehicle and looking after it so it passes the council test over and over again, should be made sell that vehicle and benefitting someone else, and maybe replacing it with one that may not have been well looked after.
2. the trade is facing a bad time with many people losing their jobs, pubs and clubs closing, the cost of fuel up & insurance at an all-time high.

Charles Oakes on behalf of our members

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

25. None

POLICY IMPLICATIONS

26. The recommendation seeks to amend the Council's Age Restriction Policy for Hackney Carriage Vehicles.

DETAILS OF CONSULTATION

27. Councillor Julie Cooper, Leader of Council
Councillor Howard Baker, Executive Member Housing & Environment
Councillor Ann Royle, Chair Licensing Committee
Councillor John Fifield, Vice Chair Licensing Committee
Taxi Task Group

BACKGROUND PAPERS

28. Minutes Executive 24th August 2010
Vehicle test results kept in Licensing Office

FURTHER INFORMATION

PLEASE CONTACT:

Karen Davies

ALSO:

Peter Henderson

APPENDIX 1 – Extended Responses

Khalid Mahmood (Private Hire Owners)

Once again, thank you for considering our opinions.

Our previous response is still valid, but the option of alternative vehicles is even more crucial with the news that the parent company that manufactures the traditional London Taxi, Manganese Bronze Holdings, has gone into administration.

Our preferred options are as follows:

1) A minimum age limit of 6 years for all Hackney Carriage vehicles - for new and existing drivers.

2) A maximum age limit of 12 years - for new and existing drivers.

3) We welcome the councils proposal to relicence current vehicles that are approaching their maximum age limits, until a review of vehicle types for Hackney Carriages has been carried out.

4) With regards to replacing vehicles that are damaged due to being written off in accidents, with vehicles of the same age. We believe this could become complicated and should only be offered if the restrictive 3 year minimum is kept in place and will not be necessary if the minimum age limit is raised to 6 years - thus maintaining the council and trades desire to continuously modernise the fleet with fuel efficient, less polluting vehicles.

The current situation in the Hackney Carriage trade is that an owner purchases a cab that is less than 3 years old and will keep that for possibly **9** years on the roads in Burnley. This current policy does not encourage a great deal of change of fleet, as has been seen over the last 2 years there has been no new vehicles added onto the HC fleet. What does this show ? We are discouraging existing drivers from changing their old vehicles for newer ones and new entrants are discriminated against with the unreasonable 3 year old minimum age requirement, with the associated £18000-£22000 cost of a purpose built taxi. The current HC's are not fuel efficient, mostly TX2 and TX4's, the miles per gallon are terrible, @ 23mpg; whereas the considerably less expensive Peugeot E7 and other modern vehicles can give a range of 30-50mpg. I agree we need to constantly refresh the fleet but to do so in the current market conditions we need to take action now and lower the minimum age to 6 years and allow alternative vehicles. We also need to attract new blood onto the ranks and encourage new entrants into the HC trade. This will allow for more vehicles available for the travelling public at busy times, especially at night time, reducing night time disorder around nightclubs/taxi ranks and reduce the likelihood of the public getting into unlicensed vehicles or private hire vehicles illegally plying for hire.

Introducing a new criteria of replacing accident damaged vehicles with a vehicle no older than that involved in the accident brings in an extra restriction for new entrants into the HC trade and will make a mockery of the councils and the trades desire to modernise and regularly update the HC fleet with more fuel efficient, less polluting vehicles. This has been poorly thought out. This may appeal to the person with a 2001 registered vehicle but suppose an owner of a 2010 registered vehicle has an accident, he has to bring in a 2010 vehicle ! We already know that in real life the actual value of a car and what the insurance company classes as market value are quite a distance apart and will bring more discord on the ranks. If this happens, then you will have the Private Hire trade asking for the same conditions ! Keep it simple and listen to the trade - **one rule for existing and new entrants !**

As can be seen from the Vehicle Test Data, the ageing HC fleet and Council policy is failing. To encourage a modern fleet, that is environmentally friendly, fuel efficient, less polluting and is of smart appearance we would like to propose a **minimum age limit of 6 years and a maximum of 12 years (in line with the current requirements for Large MPV and Minibuses on the Private**

Hire fleet); with the addition of alternative vehicles such as the Peugeot E7 and modern 4 door saloons so that we can provide a HC fleet that is accessible to all. That is the able bodied and the wide range of disabled people, who have wide ranging disabilities and who are currently being carried in the current HC fleet in an unsafe, unrestrained manner - that is mainly due to the poor access manoeuvrability of larger wheelchairs in the current HC fleet. There are approximately 10 licensing authorities in the whole of the UK who insist on the London standard of only allowing LTi TX vehicles or the Mercedes Vito Taxi as Hackney Carriages, we are 1 of them. We need to modernise and look closer to neighbouring authorities and allow owners to license vehicles that are more suitable to the requirements of our area and economic conditions. Also, by reducing the minimum age limit and allowing alternative vehicles, this will lead to an increased HC fleet and this could be utilised as a revenue stream for the Licensing department, thus reducing licensing/operating costs of operators/drivers with lower fees.

We the trade reps know the trade and have many years of experience, and want to provide the travelling public with safe, well maintained, modern and accessible vehicles, whilst ensuring that new and existing drivers are able to earn an income, commensurate with the hours worked. Asking drivers to put away £200 per month for 9 years in readiness for a replacement vehicle is ridiculous and a slap in the face for the working class man/woman, in these tough trading conditions that we find ourselves in TODAY. We need real solutions to the real problems we are facing. People are having to make tough decisions that will affect them now; whether to put food on the table or pay the mortgage or pay the gas/electric bill and NOT about replacing their HC vehicle in x amount of years. They will deal with that when the time comes - we are not all on salaries that leave £200 at the end of the month and we won't have a generous pension to look forward to when we retire !!

I hope that our views are taken into account when decisions are made.

Mohammed Jamil Munir (Hackney Driver Owners)

Dear Chairperson,

Ladies and gentlemen of the Burnley Council both elected and officers alike. If you are not aware let me introduce myself, I am Mohammed Jamil Munir, and I currently represent a majority number of Hackney Carriage owners in Burnley. I am here to voice the opinion of those I represent and make sure you are fully informed and are aware of our cause and views.

I am sure you, the elected members have read the report prepared by the appropriate officers in full. Allow me to rub salt in the wounds of those individuals who wish to seek the extension my group are so vigorously opposing.

I would firstly like to ask the obvious question of what has the private hire trade got to do with the hackney carriage vehicle trade that they feel they have the right to give their opinions in our business. If they cannot provide a positive opinion then they should keep out of our dealings. I hope to highlight and explain within the short time I have been given, why Private Hire wishes the council to make changes to existing system.

Since the council and the police are continuing to implement restrictions upon private hire 'touts' outside pubs/nightclubs through prosecuting, they, the private hire trade wish to exploit these circumstances which Hackney Carriage owners face and use older vehicles. This results in an overflow within the market of the Burnley region and thus affects the business which most Hackney Carriage owners need to maintain their livelihood.

Allow me to make this a crystal clear point, we Hackney Carriage owners are not against anyone entering the region which we trade, however we do not want to be exploited nor do we want the high standards we have worked hard maintain to be harmed or worse lowered in any way by new people entering our trade area and giving our customers the impression of a low standard of practice.

As for Mr Oaks, who merely represents approximately 8/9 owners, we are only interested in owners only. I am proving, in writing that I have not 22 members but 24, and a further 5 members who wish to be represented by me and support this cause and have also submitted their views to the council in writing. The total number of issued Hackney Carriage owners is 42. The number opposing the request is 29 and there are approximately 2/3 owners who have not signed up to anyone group, their opinion and views are not known to me.

29 Owners humbly request to the elected members to reject this proposal which seeks an extension, and that not even a day should be granted over the current age limit. We would like the elected members to support the officer's recommendation and amendments to the current policy as set out in the report.

Many thanks for reading our request and listening to our cause. I thank you on behalf of 29 owners of Hackney carriage vehicles in the Burnley area.

Kind regards,

M J Munir
Chairman Burnley Hackney Owners Association

