

<b>DECISION-MAKER:</b>	LICENSING COMMITTEE		
<b>SUBJECT:</b>	REQUEST TO AMEND THE CONDITION TO REDUCE THE LIFE OF LICENSED PRIVATE HIRE VEHICLES AND HACKNEY CARRIAGES		
<b>DATE OF DECISION:</b>	8 APRIL 2014		
<b>REPORT OF:</b>	HEAD OF LEGAL AND DEMOCRATIC SERVICES		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>
Not applicable.

### **BRIEF SUMMARY**

Correspondence from sections of Southampton's Business Sector expressed concern at the decision to lengthen the life of Hackney Carriages and Private Hire vehicles. They believe presenting an aged fleet to their customers will not promote the right image of Southampton

The taxi trade considered the relaxation of the restrictions improved their options on how to run their business..

EU directives on vehicle emissions have recently changed and new standards are agreed to start in January 2015, improving the emissions of new vehicles.

### **RECOMMENDATIONS:**

- (i) To approve a change in the policy and conditions of hackney carriages and private hire vehicles to restrict the age (time period since first registration) of any such vehicle, at the time of application or renewal, to less than 10 years for category A vehicles and less than 7 years for category B vehicles.
- (ii) To approve the change as at (i) above to take effect from 1<sup>st</sup> April 2016.
- (iii) To approve the restriction in the age of hackney carriages or private hire vehicles that are either wholly electrical or use hybrid electrical engines, at the time of application or renewal, to be less than 10 years old from date of first registration.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. At the Trade Representatives Consultation meeting with Licensing Committee Members on 18<sup>th</sup> April 2013 the life of vehicles was raised by the trade with a request to extend the life by 1 or 2 years.

2. The Licensing Committee Members present at the meeting requested a report be submitted for consideration
3. A report was submitted and the Licensing Committee met on 19<sup>th</sup> September 2013 to consider the report. It was agreed by the Licensing Committee to extend the life of vehicles by 2 years. There were no representations from other parties.
4. Southampton currently has 10 areas identified as having issues caused by traffic pollution. Implementation of the policy, it has now come to light, will significantly affect other strategies tackling this concern. Pollution within the city directly affects the health and wellbeing of the public; including taxi drivers and their passengers.
5. Since the vehicles lives were extended Associate British Ports, Southampton and Region Hoteliers Association and Destination Southampton have written to sections of Southampton City Council expressing their concern on how this change will effect their different organisations and the image of the city to potential investors or visitors. ( Appendix 1)

#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

6. None. All options are contained in this report.

#### **DETAIL (Including consultation carried out)**

7. Licensed vehicles are either a Category A or B. Category A include vehicles made or adapted to 'M1' standards to allow wheel chair access for a person to remain seated in their wheelchair. Category B are all other types of vehicles
- 8.. Historically Category A vehicles will not be granted a new or renewed licence if it is more than 10 years since first registration and Category B is 7 years. On 19<sup>th</sup> September 2013 the Licensing Committee heard submissions from the taxi trade reps to increase the life of licensed vehicles by 2 years.
- 9.. At the consultation meeting the following points were raised:
  - the fact vehicles are tested twice in the year and that unacceptable vehicles should be suspended
  - at a time of recession a one year extension makes a difference and such a compromise will show the Council is listening.
  - owners will always have the choice to keep the car or not and may voluntarily change the vehicle before the age limit is reached.
  - Council records show at the end of their life the majority of licensed vehicles have recorded in excess of 150,000 miles
  - Evidence of one vehicle presented in a poor state for inspection, it had 10 failures and 15 advisory comments on the inspection report.
  - Lengthening the life of the vehicles reduces the new technologies in vehicles in the areas of emissions and safety.
10. The committee agreed to an extension of the life of the vehicles. Category A vehicles to 12 years and Category B to 9 years.

11. Since then business groups in Southampton have expressed their concern at the image portrayed of the city by increasing the age of licensed vehicles. They explain first impressions count and bookings or services provided to these groups reflect on them as well so an old uncomfortable taxi will reflect badly on them and the city in general. Their concerns are this is likely to have a negative impact on the city as whole.
12. EU directives on vehicle emissions have continued to change. Presently any new vehicles bought after 1<sup>st</sup> January 2011 have to comply with Euro 5 Standard, this is an 80% reduction in particles and 20% reduction in Nitrogen Oxides emissions compared to vehicles manufactured prior to 1<sup>st</sup> January 2011. From 1<sup>st</sup> January 2015 Euro 6 applies imposing a further reduction in Nitrogen Oxides of more than 50%. Retaining an older fleet will have a negative impact on emissions. A summary of these changes is attached as appendix 2.
13. Presently Southampton City Council has 10 Air Quality management Areas for air pollution caused by vehicles. A low emission strategy is being developed in Southampton, although the Euro 4 and 5 standards made little impact on reducing Nitrogen Oxide Euro 6 is predicted to make substantial reductions of Nitrogen Oxide.  
**By increasing the age of the taxi fleet in the City it would be difficult to argue that Southampton City Council is doing all it reasonably can to reduce pollution. Implementing the decision made on 19<sup>th</sup> September 2013, without amendment, would cause a delay to the adoption of Euro 6 standard emissions in taxis. This would be perverse, and may attract the attention of DEFRA's Air Quality Department.**
14. Electric or hybrid vehicles should be restricted to those vehicles that, from original manufacture, are powered by either a wholly electric engine or a hybrid engine (one of which power sources is an electric engine) and in any event whose emissions attract the zero rate of vehicle excise duty.
15. Southampton City Council is looking to introduce a Low Emission Strategy (LES) as part of its statutory duties concerning local air quality. The existing Air Quality Action has focused on private vehicle users and model shift. There is now a need to extend the scope of this work to incorporate business vehicle fleets, LGVs, buses and taxis. Over the next two years the LES will look at opportunities to encourage the use of low emission vehicles and a review of the taxi licensing process is proposed as part of this.
16. **Consultation**  
All hackney carriage and private hire vehicle proprietors and drivers listed on the authorities data base were written to on the 24<sup>th</sup> February 2014 seeking views on the proposals to end the subsidy for taxi cameras and reduce the age of private hire vehicles and hackney carriages to 7 and 10 years dependant on the type of vehicle. This amounted to 1353 letters. There were 23 responses, 22 of which related to the age of the vehicle. The majority were from individuals. There were also responses from Unite Cab Section, The Southampton Hackney Association and two managers of private hire companies. All of the responses were against the proposal to reduce the life of the taxis. It should be noted the letter did not contain the recommendation

to delay the reduction in ages until 1<sup>st</sup> April 2016.

17. The responses gave the following reasons for objecting to the proposal
- The council only recently agreed to increase the life of vehicles, changing makes it difficult for drivers
  - Times are hard for drivers with less jobs than previously
  - Vehicles are regularly tested and can be suspended if not meeting emission tests or road worthiness checks..
  - SCC is one of a few authorities requiring vehicles be changed after 7 years
  - Not enough time has passed to evaluate the effect of increasing the ages
  - Some younger cars are in a poor state when some older ones are in excellent condition.
  - The financial burden on the trade having to buy newer vehicles at a time of financial difficulty
  - Nearby areas have much less stringent age limits allowing reduced running costs allowing to put in reduced tenders for business.
  - The two year extension was a much needed financial life line for a number of drivers.
  - Is this sudden u-turn legal?
  - The council subsidises other public transport that has no such age restrictions
  - The emission argument is weak, engines already meet Euro standards
  - The second hand car market is presently strong increasing the costs of seeking newer vehicles at a time of recession.

A copy of the letters will be left in the members room prior to the meeting.

18. Since September 2013 when the licensing committee agreed to increase the ages owners and drivers of hackney carriages and private hire vehicles have made business decisions around replacement or repair of vehicles based on that decision. To protect those decisions and to allow proprietors to plan for the future it is sensible to give a date 2 years in the future when the ages will revert to the original policy ages of 7 years for category B vehicles and 10 years for category A

19. **Options**

**Option 1**

To retain the condition as it is, restricting the life of the vehicles to 9 and 12 years.

**Pros:** The taxi trade benefit from flexibility in the purchase and investment returns from vehicles.

**Cons:** Over a period of time the average age of the fleet will increase. Older vehicles are predominantly less safe, less efficient, more prone to serious break down, produce more harmful emissions and passenger comfort deteriorates. The council could attract attention/criticism for failing to tackle air

quality issues. The image of the city, particularly the views of business, cruise and leisure visitors may be damaged.

### **Option 2**

Revert to the previous age limits of 10 years for Category A vehicles and 7 years for Category B vehicles but delaying the implementation for two years to 1<sup>st</sup> April 2016 and allowing a longer life for electric or hybrid vehicles with immediate effect.

**Pros:** This was a proven policy that provided a balance between maintaining a high standard fleet that presented a positive image of the city and providing a degree of flexibility for the taxi trade to effectively manage their vehicles. By reinstating the policy Southampton City Council would acknowledge significant concerns relating to air quality caused by traffic pollution. By delaying the implementation by 2 years it supports those that have made business decisions based on increased life and gives a clear indication to the trade of what is expected in the future.

**Cons:** The taxi trade will have less options available to them when purchasing vehicles. The trade may feel aggrieved that an alternative policy decision is made so soon after the previous, but hopefully the impact can be reduced by delaying the start date.

20. In light of all the circumstances, on balance, the officers recommendation is option 2 as this provides a balance between maintaining a quality fleet of licensed vehicles that supports the trade to effectively maintain their vehicles and manage their business in a cost effective manner. In addition it is a step in the right direction to meet other policy requirements linked to emissions and air quality.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

21. There are no direct cost implications for the Authority.

### **Property/Other**

22. None.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

23. Section 37 Town Police Clauses Act 1847  
24. Section 47 Local Government (Miscellaneous provisions) Act 1976

### **Other Legal Implications:**

25. None.

## **POLICY FRAMEWORK IMPLICATIONS**

26. None.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:  
none

### SUPPORTING DOCUMENTATION

#### Appendices

1.	Letters from ABP, Southampton and Region Hoteliers Association and Destination Southampton.
2.	Letter sent to all proprietors and drivers of licensed hackney carriages and private hire vehicles.

#### Documents In Members' Rooms

1.	Report to the Committee on 19 <sup>th</sup> September 2013
2.	Summary of EU legislation concerning reduction of pollutant emissions from light vehicles <a href="http://europa.eu/legislation_summaries/transport/transport_energy_environment/l28186_en.htm">.http://europa.eu/legislation_summaries/transport/transport_energy_environment/l28186_en.htm</a>
3.	Copy of consultation letters received.

#### Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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#### Other Background Documents

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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