

**Manchester City Council  
Report for Resolution**

**Report to:** Licensing and Appeals Committee – 30 November 2015  
**Subject:** Review of Hackney Carriage Advertisement and Livery Policy  
**Report of:** Head of Planning Building Control and Licensing

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**Summary**

This is a follow up report to that presented to Committee in February 2015 as part of the Members consideration of the review of the Advertisement and Livery Policy. The report provides the Committee with more detailed information about advertisements on vehicles and outlines how the concerns raised at the earlier meeting could be addressed. It further references the outcome of a Financial Impact Study (FIS) which Members should have regard to as part of the decision making process.

**Recommendations**

Taking into consideration the contents of this report and any representations at the meeting the Committee are asked to agree the following proposed recommendations:

1. That no changes should be made to the current advertisement policy in relation to the display of advertisements.
2. That there should be no restrictions on the colour of a bespoke hackney carriages licensed by MCC.
3. Advertisement companies will in future be asked to provide, prior to approval of advertisements, to the Council (as prescribed).
  - the registration numbers and plate number of vehicles that are to be fitted with advertisements.
  - the duration of those advertisements.
  - the location on the vehicles of the advertisements.
  - the type of advertisement .

4. That the conditions relating to hackney carriage vehicles are amended as follows:

That the proprietor of any hackney carriage vehicle that has any type of external advertisement (excluding any signage as requested by the Council) fitted must:

- (i) prior to the fitting of any advertisement - remedy any defects in the bodywork to which advertisements are to be applied and bring the paintwork back to an acceptable standard (as defined in the MCC Vehicle Inspection Manual).

- (ii) at the end of the contract with the advertisement company, remove the advertisement and ensure that any defects in the bodywork to which advertisements have been applied are remedied and the paintwork brought back to an acceptable standard ( as defined in the MCC Vehicle Inspection Manual).
  - (iii) not have any replacement advertisement fitted to the vehicle until the vehicle bodywork has been inspected and found to be satisfactory (at the vehicles next vehicle inspection test).
- 5. To amend the current policy on livery and identification of vehicles to allow any existing new or replacement (bespoke) hackney carriage vehicles (that do not have any external advertisements (except those as required by MCC) displayed on the bodywork) to display the Manchester City Council crest, as issued by the Council, on the exterior, front doors.
- 6. That any vehicle (not being a bespoke taxi) that is licensed as a hackney carriage vehicle will during the currency of the licence be (and remain)
  - (i) black in colour.
  - (ii) The vehicle must display the manufacturer's taxi signage along both sides of the vehicle.
  - (ii) The proprietor shall ensure that the manufacturer's taxi signage is maintained in a clean and legible condition.
- 7. That following the Committees determination of the issues contained within the report officers bring back to Committee:
  - (i) an updated version of the relevant parts of the Hackney Carriage Vehicles Policy in relation to the :-
    - advertisement policy (including the matters referred to in 3.7 of the report).
    - hackney carriage vehicle proprietor conditions.
    - livery allowed on vehicles (that are not bespoke taxis) licensed by MCC as hackney carriage vehicles.
  - (ii) a guidance document which sets out the future provision of information required by advertisement companies, prior to any approval of advertisements.

**Wards Affected: All**

<b>Community Strategy Spine</b>	<b>Summary of the contribution to the strategy</b>
Performance of the economy of the region and sub region	Any enhanced restriction for advertising on hackney carriages is likely to result in a loss of income to those proprietors who currently choose to advertise on their vehicle(s). This may be offset if the Committee determined the permitted use of roof top advertisements on hackney carriage vehicles. In addition the promotion of a 'standard' vehicle has the potential to increase confidence in the fleet which would benefit the City.
Reaching full potential in education and employment	Any restriction on the use of full/part body wrap advertisements' would result in a loss of employment in local suppliers/fitters of such advertisements.
Individual and collective self esteem – mutual respect	Not applicable to the content of this report.
Neighbourhoods of Choice	Not applicable to the content of this report.

**Full details are in the body of the report, along with any implications for:**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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**Financial Consequences – Revenue -** None

**Financial Consequences – Capital -** None

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## **Background documents**

Report to the Licensing and Appeals Committee 9 February 2015.

## 1. Introduction

1.1 On 9 February 2015 the Licensing and Appeals Committee considered an initial review of the hackney carriage advertisement and livery policy.

1.2 At the meeting members raised the following:

- A concern that exterior vehicle advertisements could cover defects in the bodywork of a vehicle, and that this could lead to increased risk to the travelling public .
- a single, uniform livery could increase public confidence in the Manchester taxi fleet, and improve passenger safety insofar as this would enable members of the public to easily recognise a Hackney Carriage vehicles licensed by the Council providing the guarantee that both driver and vehicle had been subject to a vigorous testing/inspection regime.

1.3 Members considered the information available at the meeting and recommended the following should be considered further:

- amend the current policy to introduce a section relating to Health and Safety and Protection of the Public. This would include a presumption that advertisements that market the following will not be approved.

Alcohol  
Tobacco products and E-Cigarettes  
Gambling  
Payday loans

- amend the policy to preclude advertisements that cover whole or part of a Hackney Carriage exterior surface.
- amend the policy to allow advertisements on new and replacement vehicles on the interior of the vehicle only.
- Give consideration to the Livery of a vehicle so that new and replacement vehicles are a single colour (black) with a Manchester City Council coat of arms on the door of the vehicle.

1.4 Following the February meeting issues raised by Members have been given consideration.

1.4.1 In light of information received from the trade and advertisement companies regarding financial impacts if any change to the current advertisement policy was to be introduced, an independent Financial Impact Survey (FIS) was commissioned by the Council. This was to primarily identify the impact of any proposed changes of policy on the hackney carriage trade, local businesses and the Manchester economy.

- 1.5 A potential change in the Policy has further been considered in the context of the relevant legislation and recommendations are set out on how Members concerns could be best addressed in this regard.

## **2. Background**

- 2.1 The City Council initially introduced its Advertisement Policy relating to Hackney Carriages in 2005.. The Policy was reviewed in October 2011 and as part of a series of reports about the compilation and introduction of a single 'Manchester Statement of Policy in relation to Hackney Carriage Vehicles it was agreed a further review was timely.
- 2.2 Members have particularly asked questions of the policy in relation to how advertisements on vehicles may be affecting safety; this is both in terms of the vehicle but also how the visual appearance of a Hackney Carriage promotes confidence to the passenger. The latter is about the ability of a passenger to identify a Manchester licensed vehicle, given the apparent increase of 'out of town' cars in the City. This is also linked to Members wishing to give more thought to the differing colours of vehicles and the introduction of a 'Manchester' brand.
- 2.3 The context for considering any review is two-fold; firstly and a key material consideration is the legislative framework which governs such matters; the Local Government (Miscellaneous Provisions) Act 1976 which in simple terms states hackney carriages should be of a design and appearance or bear such distinguishing marks to clearly identify it as such. Secondly, and having regard to the legislation whether either advertisements or the colour of the fleet cause issues of safety.
- 2.4 Advertisements on the Manchester fleet have been a feature for many years. The number of vehicles with a display is, however, understood to be relatively modest with the response to a consultation in 2014 about the policy being particularly low (which could suggest limited interest). This was further supported by the survey undertaken as part of the FIS, which from 2'500 e-mails (sent to hackney carriage vehicle proprietors and drivers) only 357 responses were received.
- 2.5 Nevertheless the matter has provoked interest from some Trade representatives and those companies which provide the advertisement displays. It is important that the comments raised by interested parties are considered particularly in relation to any adverse financial implications.
- 2.6 If as set out in the report there is no demonstrable evidence that the display of an advertisement in itself cause's safety issues and still allows for members of the public to distinguish a hackney carriage in Manchester, it is reasonable for the authority to consider measures that could be introduced to ensure vehicles themselves remains in a fit and proper condition (especially in relation to the condition of their bodywork).
- 2.7 Notwithstanding this the consideration of a Manchester brand is believed to have significant merit and the report sets out how this could also be introduced within the confines of the legislation.

### **3.0 Consideration of the matters raised at the Licensing and Appeals Committee on 9 February 2015**

- 3.1 As already noted Members have expressed concern about potential safety issues connected with advertisements on vehicles. Not only is this connected with passenger safety and the ability to recognise a Manchester licensed carriage but also in relation to defective body work that can go undetected because they are covered by a full body wrap.
- 3.2 Safety issues are legitimate concerns and there is no doubt a regular review of policy in this respect is essential. The key question in considering any change in policy relating to advertisements is how reducing or removing the ability for such would improve safety.
- 3.3. In addition members expressed concerns about hackney carriage vehicles licensed by other authorities coming into the City which may not meet the high standards Manchester has worked hard to achieve. These vehicles additionally can not lawfully ply for hire in the City. A preference was therefore expressed to brand Manchester licensed hackney carriage vehicles with the Council crest so that the public, including the many visitors to the City, can clearly identify Manchester licensed hackney carriage vehicles.
- 3.4 Manchester's policy on Hackney Carriages only allows for the licensing of wheelchair accessible vehicles. All vehicles must comply with the MCC conditions of fitness. At present the vehicles, which comply with the Manchester conditions of Fitness are the London Taxi Company Tx range (which makes up the majority of the fleet), Mercedes Vito Taxi and M8, Peugeot E7 XS and Metro Cabs. Only the London Tx range and Metro Cab are permitted to be any colour.
- 3.4.1 The Council also licence Peugeot and Mercedes models as private hire vehicles and to distinguish them as licensed hackney carriages they must be a single colour (Black) and must also display the manufactures signage (which identifies them as being a hackney carriage). Whilst all hackney carriage vehicles are allowed to carry full advertisements none of these 'other models' on fleet display 'full wrap advertisements'.
- 3.4.2 In order to keep this distinction it would be reasonable to consider preventing any such vehicles in the future from displaying external advertisements.
- 3.5 It is believed that it would be difficult to substantiate an argument that hackney carriages on the fleet in Manchester are not distinguishable from similar vehicles licensed as private hire vehicles simply as a consequence of advertising. There have also been no reports of safety issues connected with failing to recognise a hackney carriage as a result of such.
- 3.6 One issue that is a concern is the impact such advertisements have on the condition of a vehicle. This is in relation to the potential to hide defects but also damage that could be caused by removing the display. This is detailed further below but it is considered this matter should and legitimately be addressed under the licensing remit.

3.7 A further matter raised at the meeting in February related to the content of advertisements and in particular this not be allowed where it was associated with:

- Alcohol
- Tobacco products and E-Cigarettes
- Gambling
- Payday loans

3.7.1 Although the matter was subject to some debate, there have been no responses, adverse or otherwise, from the trade or advertisement companies relating to this issue. This matter is further dealt with in paragraph 7 of the report.

#### **4. Financial Impact Study (FIS)**

4.1 In addition to the comments about safety as part of the consideration of any change in the Policy, there is clear guidance that regard should be had of any financial implications.

4.2 To assist in this regard an independent FIS has been carried out based on responses from the following stakeholders:

- Advertisement agencies
- Hackney carriage trade
- Companies who fit advertisements
- Companies who print advertisements

4.3 The aims of the study were to:

- Identify the impact of any proposed change of policy on the hackney carriage trade, local businesses and the Manchester economy.
- Identify the financial impact and
- Identify any financial benefits to the policy.

#### **4.4 FIS Conclusions**

4.1.1 Impact on the Hackney carriage trade

Part of the FIS included a survey with the hackney carriage trade. Around 2'500 e-mails were sent to hackney carriage vehicle proprietors and drivers providing them with a link to the FIS survey. 357 responses were received. From the responses that were received the FIS concluded that if a change was to be introduced, which would reduce or remove advertisement potential this would affect the 39% (140) of the 357 respondents who advised that they had advertisements on their vehicles. The survey estimated that collectively around £250,000 would be lost to the trade.

4.1.2 Impact on Businesses

The FIS concludes that the majority of businesses affected by any proposed change to the current advertisement policy are based outside of Manchester. There would however be serious implications for a number local businesses



who supply/fit advertisements ie loss of a main source of income and subsequently loss of jobs.

#### 4.1.3 Benefits of a policy change

The FIS concludes that any proposed change to the current advertisement policy may have a very limited benefit for the licensing unit in relation to removing a need to review and approve advertisements. However it is acknowledged that that this would be negligible.

4.1.4 One possible benefit of a change to the policy is in relation to the condition of the bodywork on hackney carriage vehicles. Full body wrap advertisements have the potential of hiding defects in the condition of the bodywork of vehicles. However this can be addressed by more robust policies relating to the fitting and display of advertisements, without removing the ability to have advertisements altogether.

### 5.0 Comments and recommendations

5.1 In light of the above consideration has therefore, in the context of the legislation, been given to:

- members concerns relating to safety surrounding advertisements on hackney carriage vehicles.
- members request that hackney carriages licensed by Manchester should be more easily recognisable by members of the public.
- the FIS report and it's conclusions.

5.2 Having regard to the legislation and its premise that there should be an ability to distinguish a hackney carriage vehicle from others, it is not recommended the Policy be amended to remove the provision to display advertisements.

#### 5.3 Condition of Bodywork

5.3.1 This is a concern and there is information to support the view that advertisements on vehicles, especially full body wraps, can hide bodywork defects (some serious).

5.3.2 The responses to the FIS report also reinforces this concern and appears to support a view that there should be a more robust process to ensure that advertisements are removed from vehicles at the end of a contract but also one which will address any underlying bodywork defects.

5.3.4 It is considered the most appropriate way to do this is to make changes to the current hackney carriage vehicle proprietor conditions and to set out guidance in relation to the provision of information required by advertisement companies prior to approval of any advert that will be displayed on a hackney carriage vehicles

5.3.4.1 In this regard the following is proposed:

- (i) Advertisement companies will in future be asked to provide, prior to approval of advertisements, to the Council (as prescribed)
- the registration numbers and plate number of vehicles that are to be fitted with advertisements.
  - the duration of those advertisements.
  - the location on the vehicles of the advertisements.
  - the type of advertisement.
- (ii) The conditions relating to hackney carriage vehicles are amended to include:

That the proprietor of any hackney carriage vehicle must:

- (i) prior to the fitting of any advertisement - remedy any defects in the bodywork to which advertisements are to be applied and bring the paintwork back to an acceptable standard (as defined in the MCC Vehicle Inspection Manual).
- (ii) at the end of the contract with the advertisement company, remove the advertisement and ensure that any defects in the bodywork to which advertisements have been applied are remedied and the paintwork brought back to an acceptable standard ( as defined in the MCC Vehicle Inspection Manual).
- (iii) not have any replacement advertisement fitted to the vehicle until the vehicle bodywork has been inspected and found to be satisfactory (at the vehicles next vehicle inspection test).

#### 5.4 Recognition of a Manchester licensed hackney carriage

- 5.4.1 It is recognised that Manchester has a fleet of hackney carriage vehicles that are a value to the City and that the standard is recognised as being one of the best in the country.
- 5.4.2 Promoting a world class fleet is fully in accord with the Councils objectives around 'People Pride and Place and is important in terms of strengthening the look and feel of the City. In this context consideration has been given to the introduction of the MCC crest (a copy of the proposed crest design will be available at the meeting) on all bespoke (London style cabs or metrocabs) hackney carriage vehicles as an effective means of achieving this objective. It would also send a very clear message to members of the public that these vehicles have been licensed with Manchester City Council.
- 5.4.3 It is therefore proposed to amend the current policy on livery and identification of vehicles so that any existing, new or replacement (bespoke) hackney carriage vehicles (that do not have any external advertisements displayed on the bodywork) would be allowed to display the Manchester City Council crest, as issued by the Council, on the exterior, front doors.

5.4.4 The proposed policy outlined above would only apply to bespoke hackney carriage vehicles ie London style cabs or metrocabs. The current policy, which relates to other vehicles ie Mercedes Vito taxi, Peugeot E7 etc would still need to be clearly distinguishable from similar vehicles, licensed as private hire vehicles. The Council currently has a policy (as outlined at 5.4.6 below) in place in relation to these vehicles.

5.4.5 Officers are proposing that the current policy relating to vehicles, other than bespoke taxi vehicles, should still be applied but that members may wish to consider that the reference to 'full advertisement livery' be removed.

5.4.6 The rationale for this is that in relation to any application for a hackney carriage proprietor's licence relating to a Mercedes Vito taxi or a Peugeot E7 taxi the current policy states that these vehicles must be:-

- (i) Black or completely covered by full advertising livery; and
- (ii) The vehicle must display the manufacturer's taxi signage along the side of the vehicle.

5.4.7 It is important that vehicles types currently licensed as hackney carriages, which are also licensed as private hire vehicles are distinguishable from each other. Whilst the current policy would allow a 'full body wrap advert' on these hackney carriage vehicles none of them at present carry such adverts. It is therefore proposed that the current related conditions be revised as follows:

That any vehicle (not being a bespoke taxi) that is licensed as a hackney carriage vehicle will during the currency of the licence be (and remain):-

- (i) black in colour.
- (ii) The vehicle must display the manufacturer's taxi signage along both sides of the vehicle.
- (ii) The proprietor shall ensure that the manufacturer's taxi signage is maintained in a clean and legible condition.

## **6.0 Content of the advertisements' allowed in the current policy**

6.1 At the meeting in February consideration was also given to an inclusion to the current policy that deals with the content of advertisements that would be permitted.

6.2 In relation to this specific issue no comments or objections were received either before or after the meeting by the trade or the advertisement companies.

6.3 The current advertisement policy states:

Static Advertising (relate to adverts that are placed on the outside of the vehicle) Advertising Materials

- Materials used must be professional in appearance and manufactured to a high standard so as to be durable and not easily defaced, soiled or detached.
- Vehicle owners should make available their advertisements to be inspected by Licensing Unit Officers when requested.

#### Advertising Criteria

- A number of factors will be considered when the City Council determines whether to consent to an advertisement. Each proposal will be considered on its own merits.
- One factor which may be considered is whether the advert complies with the British code of Advertising, Sales Promotion and Direct Marketing ('The Code'). Applicants should refer to the Code itself for a full explanation of all the guidelines. If an advertisement does not comply with the Code then consent may be refused or withdrawn
- Consent will not be given for advertisements which are:
  - *illegal* - marketers have primary responsibility for ensuring that their marketing communications are legal. Marketing communications should comply with the law and should not incite anyone to break it.
  - *Indecent or offensive* - marketing communications should contain nothing that is likely to cause serious or widespread offence. Particular care should be taken to avoid causing offence on the grounds of race, religion, sex, sexual orientation or disability. Marketing communications will be judged on the context, medium, audience, product and prevailing standards of decency.
  - *dishonest* - marketers should not exploit the credulity, lack of knowledge or inexperience of consumers.
  - *untruthful* - no marketing communication should mislead, or be likely to mislead, by inaccuracy, ambiguity, exaggeration, omission or otherwise.

6.4 The recommendation of the Committee on 9 February was that the following text should be added to the current policy, which would prevent the use of advertisements which promote the following.

6.5 Health/Safety and Protection of the Public – advertisements which market the following will not be approved:

- Alcohol
- Cigarettes
- Gambling
- Payday loans (or similar)

6.6 The aim of the Council in licensing hackney carriage and private hire vehicles is to protect the public. The Council has the power to impose such conditions as it considers reasonably necessary to promote safety, convenience and comfort of passengers. The Council also has a responsibility to ensure that they do not promote advertisements, which may have a detrimental affect on the health and well being of the public.

## **7.0 Legal Considerations**

7.1 Any requirements imposed by the Council that are deemed to be unreasonable could be subject to legal challenge.

7.2 The FIS report indicates that there would be a detrimental financial impact on the hackney carriage trade and a potential loss of employment in relation to local suppliers/fitters. If the Committee chooses not to re-consider its original recommendations as detailed within this report it is likely that the Council would be subject to a legal challenge.

## **8.0 Contributing to the Community Strategy**

8.1 (a) Performance of the economy of the region and sub region.

8.2 Any enhanced restriction for advertising on hackney carriages would result in a loss of income to proprietors who currently choose to advertise on their vehicle(s).

8.3 (b) Reaching full potential in education and employment.

8.4 Any restriction on the use of full/part body wrap advertisements' would result in a loss of employment in local suppliers/fitters of such advertisements.

8.5 (c) Individual and collective self-esteem – mutual respect.

8.6 (d) Neighbourhoods of Choice.

## **9.0 Key Policies and Considerations**

9.1 (a) Equal Opportunities.

9.1.1 There are no equal opportunities issues arising from this report. The policy would apply equally to all hackney carriage proprietor licence holders.

9.2 (b) Risk Management.

9.2.1 Any requirements imposed that are deemed to be unreasonable could be subject to legal challenge via the judicial review process.

9.2.2 Section 47 of the Local Government (Miscellaneous Provisions) Act 1976 provides an opportunity for licence holders to appeal any conditions imposed on a licence to Magistrates Court.

9.3 (c) Legal Considerations.

- 9.3.1 There are no additional legal considerations other than those already highlighted within the report.

## **10.0 Conclusion**

- 10.1 It is recognised the matter of Advertisements on Hackney Carriage vehicles and the question of a Manchester brand has provoked discussion and debate. Whilst there are differing views on how the fleet can remain one of the best in the Country, it is believed nonetheless there is a shared aspiration between the licensing authority and the Trade in promoting a world class service.
- 10.2 The fundamental question is therefore how we can work together to achieve this aspiration ensuing there are measures in place to address legitimate concerns around safety whilst at the same time offering the opportunity to promote a Manchester standard which fully accords with the Councils objectives of 'People, Pride, Place' .
- 10.3 The report sets out the key considerations in relation to the Policy, this is principally the legislative framework and also the outcome of a financial impact study, against which the issues raised by Members have been assessed. Within this context it is believed there are measures that can be introduced to provide the comfort required in relation to safety and to introduce a Manchester brand and the standard associated with this.
- 10.4 The report therefore outlines the consideration of those matters raised at the meeting in February taking into account the legislative framework and the outcomes of the FIS report. Further the report sets out a number of recommendations and proposals as a way of progressing matters.