

**Manchester City Council
Report for Informaiton**

Report to: Neighbourhoods and Environment Scrutiny Committee – 4
March 2020

Subject: Taxi Licensing and Work across Greater Manchester

Report of: Strategic Director, Growth and Development

Summary

Members have requested a report that provides the Committee with information on the work undertaken in Manchester and across Greater Manchester to improve standards across Private Hire Taxis.

To assist Member's consideration of this, the report also provides contextual and background information with key information with regarding current issues affecting the regulation of Taxis and Private Hire Licences in the City. It also includes how we are engaging with the trades, in addition to GM colleagues to meet those challenges as we strive to improve standards.

Recommendations

That Committee note the report.

Wards Affected: All

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

No decisions are required from this report. However it should be noted that the Greater Manchester Minimum Licensing Standards have been drafted to align with the objectives of the Clean Air plan with regards to vehicle emissions standards, alongside proposed vehicle licence conditions in Manchester to prohibit private hire vehicle idling and travelling to the City for the sole purpose of circling and illegally plying for hire.

Manchester Strategy Outcomes	Summary of how this report aligns to the Manchester Strategy
A thriving and sustainable City: supporting a diverse and distinctive economy that creates jobs and opportunities	An effective and high quality licensing regime demands and encourages compliance and therefore raises standards and public confidence in licensed fleets. This has the potential to increase public use of these services which benefit the City economy, the licensed trade in Manchester and supports a safer night time economy in the City for visitors and residents as part of the overall transport offer.
A highly skilled city: world class and home grown talent sustaining the city's economic success	High standards and effective and proactive regulation of the Manchester licensed taxi and private hire trades, raises the quality of those operating within this part of the transport network and promotes a world class fleet.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Manchester strives to have a world class licensed fleet that promotes equality and confidence to those living, working in and visiting our City. Taxi and Private hire vehicle policies also have to be mindful of the economic impacts on individuals within those trades.
A liveable and low carbon city: a destination of choice to live, visit and work.	Effective regulation of taxi and private hire fleets can help reduce the carbon impact of this industry through vehicle emissions standards, as well as driver behaviour with regards to idling and circling around the City and the role that Operators have in this. Compliance activity provides a visible and reassuring presence to the public and serves to deter non-compliant and illegal taxi and private hire activity. All activity aims to ensure public safety and support Manchester as a safe destination to live, visit and work in.
A connected city: world class infrastructure and connectivity to drive growth	High standards in taxi and private hire licensing alongside effective regulation, supports the ambition for a world class fleet and one that will assist economic growth.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Law Commission Report 2014 - Taxi and Private Hire Services
De-regulation Act 2015
Immigration Act 2016
DfT Task & Finish Group report 2018
DfT Taxi and Private Hire Vehicle Licensing: Government response to independent report February 2019
DfT proposed Statutory Guidance for Licensing Authorities February 2019
Proposals for Greater Manchester Taxi and Private Hire Minimum Licensing Standards (Trade Briefing presentation) June 2019

1.0 Introduction

- 1.1 This report has been provided in response to a request from Members for information on the work undertaken in Manchester and across Greater Manchester to improve standards across the Taxi and Private Hire trades.
- 1.2 In doing so and to help Members consideration of the matter, the report provides an outline of the legal framework, the potential impacts of the pending Clean Air Plan, and how Manchester is responding to the impacts and challenges whilst continuing to pursue the highest of standards in this area.

2.0 Background

- 2.1 Currently, there are no national standards with regards to taxi and private hire licensing. Existing guidance on the assessment criteria allows for a wide interpretation; this means that the requirements that licensing authorities set for the grant of a taxi or private hire driver, vehicle or operator licence vary up and down the country.
- 2.2 With public safety at the core of the licensing function alongside our clear objective for being best in class, Manchester has some of the highest standards in this area in the country. We adhere strictly to regulatory requirements in our assessment and processing of applications; we require our driver applicants to undertake local knowledge, numeracy and English comprehension tests; we have a strict convictions policy which results in around 40 applicants each year being refused a licence or having their licence revoked by the Licensing and Appeals Sub-Committee; we require either 2 or 3 vehicle tests per year (depending on the age of the vehicle) and have a strict vehicle livery policy. Further we proactively conduct checks on driver DBS's; and are one of a few local authorities with a dedicated taxi and private hire compliance team who proactively ensure these policies and licence conditions are being adhered to.
- 2.3 Delivering these standards means that comparatively our licence fees can be significantly higher than some other authorities, although we are not dissimilar to other core cities. Manchester's Taxi and Private Hire functions are structured on a full cost recovery basis, although we are aware other licensing regimes have different fee models (for example they may receive a central revenue support and not all have a compliance element) which can account for a fee variance.
- 2.4 The national variance in fees and standards took on greater relevance following the commencement of the Deregulation Act 2015. This undoubtedly led to a new era of cross-border hiring across the private hire industry; the Act has enabled an operator to subcontract a booking to an operator licensed in another district; the effect of this is that private hire licensees can obtain their licences from one local authority and carry out work in another. In turn this has brought an element of commerciality to licensing authorities.

- 2.5 Even prior to the Deregulation Act it was already widely recognised that legislation governing taxi and private hire licensing was antiquated and not fit for purpose. A prior Law Commission report of 2014 made a number of recommendations to government to reform the legislative framework, the recommendations have not been responded to. Since the impacts of the Deregulation Act have been realised, there have been further numerous calls for central government to review the legislation. A Department for Transport task and finish group was set up in 2017 to conduct such a review and provide further recommendations, which it did in its report of July 2018. In all it made 34 recommendations, those of note include:
- Urgently revising taxi and private hire legislation.
 - Introduction of national minimum standards for drivers, vehicles and operators.
 - Large Urban areas, notably those that have a metro mayor, should combine into one licensing area.
 - Introduce a statutory definition of plying for hire.
 - Legislating that all journeys should start and/or end within the area for which the driver, vehicle and operator are licensed.
- 2.6 In February 2019, the Government provided a written response to those recommendations and consulted on proposed new Statutory Guidance for Local Authorities in licensing Taxis and Private Hire. Since that time there has been no further progress.
- 2.7 Taken together, the impacts of the Deregulation Act, the business models of some private hire Operators and a lack of legislative reform, means that larger towns and particularly cities like Manchester with vibrant night time economies, have experienced an influx of private hire vehicles and drivers licensed by other local authorities, working (both legitimately and illegally) in their districts.
- 2.8 It is not within our gift to prevent these vehicles coming into the City as it is primary legislation that facilitates this activity; current legislation also does not allow any local authority to cap the number of private hire licenses it issues (this can only be applied to Hackneys). Therefore as long as an applicant meets the criteria set by the relevant authority, a licence will be granted. The variance in standards and how they are enforced, means that Manchester's standards are potentially being undermined by a number of these drivers and vehicles, and the scale of the issue also places additional pressure on our licensed trade. This includes the ability of our own licensees to make a reasonable living, on our ability to effectively recover our costs, on our roads, on safe egress out of the City at night, and on our taxi and private hire compliance team. The concern with the latter is that we only have limited powers to address problems with those drivers and vehicles from other authorities.

3.0 Manchester’s Processes and Standards

3.1 Manchester has proudly sought to set relatively high standards in taxi and private hire licensing, reflecting key objectives for a safe, inclusive and accessible city. In responding to the challenges outlined above, the Licensing Unit has undergone significant change to make sure the service is as cost efficient as possible, whilst maintaining the high standards it seeks to promote. This is despite many calls from the licensed trade for Manchester to lower its policy requirements and relax licence conditions.

3.2 To obtain a taxi or private hire driver licence in Manchester, an applicant has to:

- Apply online.
- Attend a thorough ID and right to work checks appointment.
- Submit an enhanced DBS application.
- Have their DBS certificate and DVLA record checked against our strict convictions policy which may result in an attendance to Senior Officer Panel or Licensing and Appeals Sub-Committee for a decision to refuse or proceed with their application at that stage.
- Once their DBS & DVLA check has passed our convictions policy scrutiny, they are referred to our driver test team for local knowledge, numeracy and English comprehension tests, and a Safeguarding test paper.
- Obtain a Group II medical certificate (from their own GP or a GP with access to their full medical history) that is less than 4 months old at the point of licence issue.
- Agree to their DBS Status being checked quarterly.

3.3 We believe we are in a minority of local authorities who proactively check the DBS status of its drivers. As driver licences are only renewed now as standard once every 3 years, Manchester’s position is that it is in the interests of public safety that we take a more proactive approach as opposed to relying on a driver to declare that they are under investigation or have been convicted of a criminal offence (and only checking once every 3 years on the renewal of the licence).

3.4 Our current processing service standards, and our performance against those targets, for the processing of our main licence types are as follows:

Licence Type	Service Standard	Performance
New Driver Application	Begin processing within 2 working days of payment being received	Exceeding – currently within 1 working day
Driver Renewal Application	Begin processing within 2 working days of payment being received, and issue the licence before expiry as long as application	Exceeding – currently processing within 1 working day and issuing on average within 5 working days* - all licences issued prior to expiry (currently

	received 10 working days prior to expiry date	proactively working on licences that expire in May 2020)
New Vehicle Application	Begin processing within 2 working days of payment being received	Achieving target
Vehicle Renewal Application	Begin processing within 2 working days of payment being received	Achieving target and currently processing licences due to expire in April 2020.
Driver Tests Appointments	Offer an appointment date within 10 working days of request	Achieving and regularly exceeding – many applicants are offered an appointment date within 5 working days if desired
Vehicle Test appointments	Offer a vehicle test within 5 working days of request	Achieving – vehicle tests are pre-booked throughout the currency of the licence but when tests are required ad hoc (as a result of accident or rearranging) then we are able to offer these within 5 working days if not sooner. Re-tests are also accommodated in the main within the working week.

* length of time taken to issue is dependent on the applicant providing relevant documentation and having up to date certificates

- 3.5 To hold a Hackney Vehicle licence in Manchester, the proprietor has to obtain a purpose built hackney carriage vehicle, that conforms to all our vehicle conditions of fitness, which currently include wheelchair accessibility, a requirement for a swivel seat, to be of a Euro 4 (petrol) or Euro 6 (diesel) emissions standard, and are only allowed advertising wraps that have been approved by the Licensing Unit. No other form of advertisement or stickers are allowed, and all non-bespoke taxis have to be black in colour (bespoke vehicles can be the manufacturers colour). The age limit was 12 years for hackney carriages, and this was recently extended to 13 years pending the details of the Clean Air proposals. If the vehicle is over 2 years of age it will be tested twice a year, and vehicles over 7 years are tested 3 times per year.
- 3.6 To hold a Private Hire Vehicle licence in Manchester, the proprietor has to ensure the vehicle attached to the licence is either silver or white in colour. The vehicle cannot have a roof sign or carry any signs or advertising, and can only use non-magnetic operator name stickers approved and issued by the Council. Vehicle are tested twice annually between 2 and 5 years of age, and

3 times annually up to a maximum age limit of 7 years. Vehicles cannot have window tints (manufacturer's tint permitted at minimum light transmission criteria) for public safety reasons.

- 3.7 These vehicle policies were introduced in response to the Suzy Lamplugh Trust's long running campaign to reduce the risks posed by unlicensed drivers. The campaign called for clearer identification of properly licensed vehicles, and greater public awareness to reduce the risk of serious crimes and sexual assaults. As such, Manchester introduced its colour policies, requires licence plates on both the front and rear of the vehicle, and has strict rules about the placement of identifying stickers that cannot be magnetic (and therefore transferred easily to non-licensed vehicles). These identifiers also make it easier for both the public and authorised officers to capture evidence and identify any vehicles of concern; and make it easier for the public to identify when a vehicle is properly licensed or not. However, as other authorities do not have these policies (allowing hire signs on private hire vehicles, any make, model, colour of vehicle, requiring only rear plates, not requiring any identifying stickers at all or allowing magnetic stickers that can be easily removed or transferred) and many are working in Manchester, it just serves to undermine the level of public safety Manchester has worked hard to provide to its residents and visitors.
- 3.8 We have a dedicated taxi and private hire compliance team consisting of 7 front line officers, a senior officer and a team manager. The service runs two alternating shifts that cover days Monday to Friday (to manage casework relating to complaints, proactive investigations regarding licence breaches and prosecution cases) and Thursday, Friday and Saturday night shifts. The team cover the whole area within the City's boundary, including compliance issues at the airport, but focus most of their proactive time in the city centre.
- 3.9 Complaints are made in various ways (via the contact centre, online web form or emailing the team directly) and the service receives around 100 complaints/reports each month relating to drivers. Complaint numbers have gradually declined over the past 4 years following the creation of the dedicated compliance team and it is believed a subsequent increase in focus and taxi and private hire related outputs. The steady decline in complaint numbers is considered a positive reflection of increased compliance among our licensed trade. Officers also conduct around 150 proactive checks per week on vehicles and drivers. Cases and on street checks can result in anything from advice, to a formal warning, a vehicle notice, and FPN (for smoking), a prosecution or referral to Licensing and Appeals Sub-Committee. The team also work closely with GMP and run monthly operations focusing on illegal ply for hire activity where trained plain clothed special constables undertake journeys as customers followed by police vehicles. Taxi compliance officers then conduct the interviews under PACE and lead on the prosecution cases.
- 3.10 We currently licence around 6,750 drivers and 4,300 vehicles in Manchester, and in the last 12 months have:

- Referred 135 cases to either the Senior Officer Panel or Licensing and Appeals Sub-Committee (to review the licence or consider whether to grant or renew). Of these:
 - Refused 24 driver licence applications
 - Revoked 16 driver licences
 - Issued 80 warnings
- Issued 46 Compliance Notices (suspending a vehicle or requiring action on the vehicle to bring it into compliance).
- Issued 54 Fixed Penalty Notices (smoking whilst in a licensed vehicle).
- Issued 98 Prosecution cases at Court (95 of which are in relation to illegally plying for hire and 43 of which have been successful to date).
- Issued around 400 officer warnings.

We have also successfully prosecuted 7 unlicensed drivers in the last 3 years. As part of the performance framework and scrutiny quarterly reports on compliance are presented to the Licensing and Appeals Committee.

4.0 Greater Manchester Minimum Licensing Standards

- 4.1 The above provides a context for the challenge faced by Manchester and similar authorities in wanting to continue raising standards of public safety; in doing so it also outlines the risk of driving licensees and new applicants obtaining licences in authorities that have lower standards (and are cheaper), but then having those individuals working in Manchester with fewer direct controls and the potential to undermine our standards.
- 4.2 In 2017, the Greater Manchester Licensing Network (Licensing Managers from each of the 10 authorities) began looking at how we could collectively respond to and address these challenges. This included jointly lobbying central government for legislative reform and working to establish if there is a willingness to harmonise standards and licence conditions across the conurbation; the hope being to set a benchmark for national minimum standards. The network already had many similar policies, including a consistent convictions policy. The main variances exist with regards to vehicle requirements, fee models and the compliance offer.
- 4.3 A draft set of proposed minimum standards was developed and presented to Chairs of Licensing Committees and Executive Members periodically throughout 2018 and 2019. These can be broadly delineated into 22 separate policy points (across drivers, vehicles and operator licensing), as well as agreement on a common set of licence conditions and a revised Suitability Policy (which encapsulated the current convictions policies).
- 4.4 Of the 22 proposals for minimum taxi and private hire licensing standards across Greater Manchester, there are only 5 areas which would require Manchester to introduce a new standard:

Standard	Comment	Comparison across GM
Requiring a certificate of good conduct for applicants who have lived outside the UK for 6 months or longer	Other local authorities who currently request these report that they either do not receive a response or there is doubt as to their credibility. As such, Manchester did not see particular benefit in introducing this but is happy to amend the policy in line with proposed minimum standards.	5 GM authorities currently do this as part of their application process.
Requiring a driving proficiency test for drivers	There are specific courses aimed at taxi and private hire drivers with general positive feedback. Manchester has considered this before and is happy to introduce this to further raise standards within the licensed fleet	5 GM authorities currently require this as a pre-requisite to obtaining a licence
Requiring vehicle licence holders to have a DBS check	Not currently required in law but considered a sensible step forward, given learning from government reports and reviews on child sexual exploitation and serious organised crime groups	None at present
Vehicles to be fitted with CCTV	Manchester are keen to introduce this, and the trade seem generally in favour	None at present
Fit and Proper criteria for Operators	No current statutory guidance on what this should be, but Manchester supports this approach	None at present

4.5 In addition to the above, Manchester also has plans to:

- Update all licence conditions (new private hire driver and operator conditions were proposed to the Licensing and Appeals Committee in January 2020) – including restricting idling, plotting and waiting in areas of high congestion.
- Introduce additional driver training post licence issue in:

- disability awareness and vehicle accessibility;
 - licence conditions;
 - customer service, conduct and enforcement policies and procedures
- Continue to find efficiencies of process to reduce costs wherever possible (i.e. further integration of online applications and appointment booking systems).
 - Review all the Hackney Carriage ranks in the City to ensure they are fit for purpose and supporting the Hackney Trade to effectively ply their business.
 - Following the introduction of improved Operator licence conditions – ensure full compliance with those conditions and take enforcement action as necessary.
- 4.6 It is noted that any additional training, whether mandatory or not, would have to be funded either charging a fee or via central budgets. Customers and trade members have advised officers that any additional licence requirements that attract a fee for applicants are likely to encourage those applicants to apply to other authorities.
- 4.7 Whilst Manchester is fully supportive of working across GM both as a positive step forward and a demonstration to government that this harmonisation is possible; our long held position is that there remains some risks of the project being undermined unless we can concurrently harmonise our licensing fee regimes, and have a proportionate parity in a proactive compliance offer. Without the latter two elements and whilst remaining 10 separate licensing authorities, the risk will be that applicants are likely to seek a licence elsewhere and work across the conurbation. This is without, in theory, undermining the local licensing principles of other GM authorities. As such, work is now underway to develop a common framework for calculating licence fees.
- 4.8 There is no statutory requirement for licensing authorities to proactively inspect vehicles, or check compliance with licence conditions. As noted earlier many authorities choose not to do so or only do so on an ad hoc basis. This is a high profile area and it is firmly believed working proactively is essential to maintain high standards of public safety, deter illegal and particularly unlicensed activity. Anecdotally, we are told our proactive approach and strict convictions policy may lead to licensees going elsewhere; it is important we maintain confidence in the service and the high standards we set. Further discussions at a GM level are required to understand what comparative compliance offers could look like; a degree of parity of service offer or joint funding arrangements, for example, could support and enable authorities to delegate authority to enforce against each other's licences.
- 4.9 It is also recognised that without legislative reform and in particular national standards, the current wider challenges and risks to public safety will remain. Manchester alongside its GM colleagues are committed to continue to strive for improving standards and licence a professional, well trained fleet of drivers with the highest expectations of conduct, with vehicles that are safe, clean and

clearly identified as properly licensed vehicles and taking robust enforcement action when these standards are not met. However, unless there is a parity of fees and around enforcement, we have to be mindful of the risk of where licensees may choose to be licenced and the ramifications of this.

5.0 Inter-dependency with Clean Air

5.1 Given the clear inter-dependence with the developing Clean Air Plan, particularly in relation to licensed vehicles, the two pieces of work were aligned with the intention that consultations on both proposals would take place concurrently; this would allow stakeholders to consider their responses with full sight of each set of proposals.

5.2 The current minimum licensing proposals in relation to vehicles (and outlined to the trades across GM in briefings in June 2019) are:

- All licensed vehicles to be compliant with the current Euro Standard relating to vehicle emissions at first licensing (currently Euro 4 for petrol and Euro 6 for diesel) with a direction of travel towards a zero emission fleet to support the GM Environment Plan.
- A maximum vehicle age of 10 years.
- A common template for livery, advertising and signage for all vehicles, including permanently affixed plates front and back and no magnetic stickers.
- All Hackney Carriages to be Wheelchair Accessible Vehicles, black in colour (apart from bespoke Taxis which can be the manufacturer's colour).
- All Private Hire Vehicles to be white in colour.
- All vehicles to be tested at least twice per year over the age of 3 years.
- All vehicles to be fitted with CCTV.
- No tinted windows allowed (minimum light transparency criteria).

5.3 Taxi and Private Hire trades, and particularly vehicle proprietors naturally want to understand how they can transition their vehicles, what deadlines will be implemented by GM licensing authorities and what financial support would be available through the Clean Taxi Fund. Authorities have agreed that transition periods for vehicle policies other than emissions compliance, would need to be agreed in order not to penalise proprietors who have already bought an emissions compliant vehicle that may not conform to other policy proposals.

5.4 As we await government response to the outline business case for clean air, work is continuing on designing a Clean Taxi Fund policy. This will be the subject of a report to the Licensing and Appeals Committee when more is known. Further engagement with the trade to help co-design this policy is planned and final proposals will be consulted upon. As this work progresses we , along with other GM authorities intend to continually review the minimum standards proposals. For example, further consideration is being given to the maximum age of licensing for electric vehicles.

6.0 Conclusion

- 6.1 The report provides the Committee with key information with regards to current issues affecting the regulation of Taxis and Private Hire Licences in the City, and how we are working with GM colleagues and the trades to meet those challenges and strive to improve standards.