

**Manchester City Council
Report for Resolution**

Report to: Licensing & Appeals Committee – 30 November 2020

Subject: Temporary Amendments to Vehicle Testing and Age Policies

Report of: Director of Planning, Building Control and Licensing

Summary

The report sets out relevant information, considerations and risks for the Committee following approaches by both the taxi and private hire trades to consider temporary relaxation of vehicle testing and age policies in light of the impacts of the Covid-19 pandemic.

Recommendations

Subject to anything discussed in the meeting, officers have set out the following recommendations below which could be accepted in full, amended or rejected in full:

1. To extend the age limit of both HCVs and PHVs by an additional year, until the conclusion of the Clean Air and MLS work, when both policies will be fully revised
2. To reduce vehicle testing requirements to 2 tests per year for all vehicles except brand new vehicles, which will continue to be subject to 1 test within the first 12 months. To continue to require vehicles beyond the set age limit to 3 tests per year as per the current policy. This would mean:

AGE	Number of tests required	
	Hackney Carriage	Private Hire vehicle
Brand new (delivery mileage only)	1	1
Less than 8 years old	2	2
Over 8 years old and up to 14 years old	2	N/A
Beyond the Age Limit	3	3

3. For the changes to take effect immediately and be reviewed by the Committee in March 2021.

Wards Affected: All

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

Licensed vehicles are a significant section of the public transport offer and are currently included in all categories for proposed implementation of a Clean Air Zone (CAZ) in the City, with the majority of licensed vehicles in Manchester not currently compliant with the Euro Emissions standard that would be required by the CAZ. Vehicle age and maintenance are key factors in the environmental impact that a vehicle has.

Any decisions taken following this report, may be temporary in nature and other pieces of work in relation to the CAZ and Minimum Licensing Standards seek to address the current emissions standard within the whole GM fleet, including the provision of government funding under a 'Clean Taxi Fund' to help proprietors replace non-compliant vehicles.

Manchester Strategy Outcomes	Summary of the contribution to the strategy
A thriving and sustainable City: supporting a diverse and distinctive economy that creates jobs and opportunities	The decisions in this report seek to balance the desire to support the licensed trade to remain viable and assist in their recovery from the impacts of the pandemic, against the public safety and environmental objectives of the City.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit and work.	

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

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Background documents

Report on Hackney Carriage and Private Hire Vehicle Inspection Results – Licensing and Appeals Committee 31 August 2010

Report on Hackney Carriage Vehicle Policy – Consideration of temporary extension to the age limit – Licensing and Appeals Committee 3 June 2019

Various reports to the GMCA with regards to the Clean Air Zone and Minimum Licensing Standards

Licensing business system records

1. Introduction

- 1.1 This report seeks to set out the relevant information for the Committee in consideration of any amendments to the current vehicle testing and age policies in light of the impacts of the Covid-19 pandemic.
- 1.2 The current vehicle testing policies for both Hackney Carriages and Private Hire Licences have been in effect since 1 April 2011. The policies were introduced following data provided to the Committee in relation to the testing failure rates as vehicles got older. The average test failure rates at that time (2009/10) were 41% (private hire) and 50% (Hackney Carriages).
- 1.3 The frequency of tests was increased to provide greater assurance of the mechanical function of the vehicle for public safety, to encourage better routine vehicle maintenance from proprietors, and to reduce the higher levels of pollution from vehicles that were poorly maintained.
- 1.4 Based on the data provided to the Committee in 2010, the following testing frequencies were determined:

AGE	Number of tests required	
	Hackney Carriage	Private Hire vehicle
Brand new (delivery mileage only)	1	1
Less than 5 years old	N/A	2
Less than 7 years old	2	3
Over 7 years old	3	N/A
Beyond the Age Limit	3	3

- 1.5 The current age policy limits are 13 years (from the date of first registration) for a Hackney Carriage and 7 years for a Private Hire Vehicle. Vehicles can be licensed beyond the determined age limit and are currently subject to 3 tests per year. Vehicles beyond the age limit will not usually be licensed if they fail on any major items.

2. Background – Impacts of Covid, Clean Air and MLS

- 2.1 When the Covid 19 pandemic resulted in the first nationwide lockdown in March 2020, the Licensing Unit responded by temporarily pausing all routine testing of vehicles. The vehicle testing facility at Lawton Street retained a skeleton operation, providing retests to those vehicles that had failed a test prior to lockdown, and any vehicles that required testing either for compliance

reasons or because the vehicle proprietor wanted to put a replacement vehicle onto an existing licence.

- 2.2 Members will also be aware that government provided a temporary extension to normal MOT's for other classes of vehicles (licensed taxis and PHVs were not referenced) at the start of the pandemic, but that mandatory MOT testing resumed as of 1 August 2020.
- 2.3 The situation was continually monitored as the nationwide response to the pandemic developed. The Council's vehicle testing service provision was reconfigured during the first lockdown to ensure it could operate covid safely for staff and customers, which meant amending working hours to accommodate a reduction in testing bays (due to social distancing). This ensured that going forward we could retain the testing capacity required of our current fleet without having to fully amend the 1000s of test appointments already allocated to customers throughout the rest of the financial year.
- 2.4 All routine tests were waived from 24 March 2020 until 1 July 2020 when the testing facility was properly re-opened. The fees for these waived tests were either refunded or carried over to apply to the next required test.
- 2.5 Routine testing resumed from 1 July through to 30 October 2020 for those vehicle proprietors who wished to keep their vehicle plated. However, where a vehicle proprietor could not, or did not want to use their vehicle due for Covid related reasons, the Licensing Unit offered the suspension of the plate so that the vehicle would not require a test.
- 2.6 On 2 November 2020, the testing regime was altered once again in response to the second nationwide lockdown as follows:
 - If a vehicle was due to have a routine test during either November or December 2020, but had already been tested once previously in 2020, then the test was waived
 - If a vehicle was due to have a routine test during November or December and had not yet had a test in 2020, then it was required to attend the test appointment if the proprietor wished to keep the vehicle plated
 - Continued offer of suspension of the licence (plate) as necessary
- 2.7 The tiered restrictions and lockdowns have hit the Hackney and Private Hire trades particularly hard. The reduction in business from both patrons and employees in other affected sectors; in non-essential retail, hospitality and travel (particularly the airport, business travel, school closures, and restrictions on working from offices) has caused a dramatic decline in work for these trades.
- 2.8 In addition to the Covid pandemic, the licensed trade are also subject to pending changes in relation to the Clean Air Plan and Minimum Licensing Standards (MLS). The proposed changes have the biggest financial impact for vehicle proprietors.
- 2.9 The Clean Air Zone (CAZ) was originally due to be subject to a public consultation in Summer 2019, with an intended implementation date of April

2020. This was delayed and it was intended that consultation would go live earlier this year with an intended implementation of April 2021. Clearly, due to the pandemic, the consultation was delayed once again. The proposed implementation date of April 2021 for implementation of MLS for new to licence drivers and proprietors will be reviewed in light of consultation responses.

- 2.10 The Committee may recall it considered a report on 3 June 2019 for a temporary extension to the Hackney Carriage age limit. This was following representations from the Hackney Trade in relation to those proprietors due to upgrade their vehicles prior to any final decisions in relation to vehicles requirements following the CAZ and MLS consultations. At that meeting on 3 June 2019, Members extended the previous age limit of 12 years, to 13 years for a period of 12 months.
- 2.11 Since the temporary extension was reached this Summer, officers have not enforced the current age limit of 13 years pending this report; and a small number of vehicles beyond the current age limit have been licensed as long as they have met the conditions of fitness.
- 2.12 Members should also be aware that the CAZ and MLS proposals relevant to vehicle upgrades (and currently subject to live public consultations) mean that:
- All MCC HCVs will have to be at least Euro 6 emissions standard (Sept 2015 manufactured onwards) by 2023 to avoid the daily clean air zone charge of £7.50 (all MCC HCVs will be subject to a temporary exemption when the CAZ is implemented as they are wheelchair accessible vehicles)
 - All PHVs (non-wheelchair accessible) will have to be at least Euro 6 emissions standard by April 2022 (proposed CAZ start date) – for MCC licensed vehicles they will automatically be compliant by virtue of our private hire vehicle age limit if it remains unchanged
 - All new to licence vehicles will have to be zero emissions capable (ZEC) by April 2025
 - All existing fleet licensed vehicles will have to be ZEC by April 2028
- 2.13 The Committee will note that as the CAZ implementation has been delayed, this has brought forward the required dates for compliance with the CAZ emissions standard. The effect is that vehicle proprietors will be more likely to have to consider upgrading to a ZEC or electric vehicle sooner rather than later to avoid having to upgrade their vehicle twice in the next 8 years. It is also understood from government that grant funding for vehicle upgrades will be aimed towards supporting the longer-term aspiration for ZEC vehicles.
- 2.14 Members will also be aware that the cost of a purpose built ZEC or electric Hackney Carriage compliant with Manchester's purpose-built policy is substantial. The proposed Minimum Licensing Standard across GM is that all Hackney Carriages are purpose-built models. Such compliant models are currently available on the market for around £60k.

- 2.15 Whilst £10.7m of funding has already been approved for the private hire vehicle transition to the new standards, the funding support that will be available for the Hackney transition is yet to be agreed with government, and therefore remains uncertain for the Hackney trade.
- 2.16 The Hackney Trade have made a number of representations (pre-covid) to politicians across GM, to TfGM and to the Licensing Unit about the severe impact that the proposals under the Clean Air and MLS will have on their businesses. Post-covid, Hackney Trade Representatives have expressed very clearly that the impact on their trade will be monumental should the proposals go ahead as planned, stating that most proprietors are not in a position to invest such substantial amounts of money into compliant vehicles even with a possible proposed grant of £10k, especially given the uncertainty of the continued effects of the pandemic on the industry.
- 2.17 As a result of these issues, Trade representatives from both the Hackney and private hire trades are now taking part in working groups set up by the GM Wider Leadership Team (and being led by Trafford Chief Executive Sara Todd) alongside TfGM and Licensing Officers (Manchester's Licensing Unit Manager attends) to gather additional evidence to form the basis of further talks with the GM Mayor in relation to the CAZ proposals.
- 2.18 We are not expected to have reports on the outcome of these CAZ and MLS consultations until the new year, at which point reports will have to be prepared for each local authority to determine any amendments to its current licensing policies.
- 2.19 As a result of all the matters outlined in this section of the report, various individual licensees and Trade representatives (of both trades) have approached the Licensing Unit, asking that the Council consider the current testing regime, age policies and any other help or support that may be possible during this particularly challenging time.

3. Data and Considerations

- 3.1 Trade feedback since the pandemic has been that licensed vehicles are doing much reduced mileage with vastly reduced number of journeys. Trade reps have reported that many drivers are choosing not to work as a result, or due to fears over Covid. It has also been fed back that during the tighter restriction periods, drivers could do only 3 or 4 jobs in an 8 hour shift with an average wait of up to 90 minutes on city centre ranks, and waits of up to 7 hours at the airport for a single job.
- 3.2 Licensing Unit Taxi Compliance officers have continued working in the City proactively throughout the pandemic. Their feedback and observations support the anecdotal evidence provided by trade members. Officers have fed back that during September and October 2020, City centre ranks were full throughout the day with much longer dwell times than you'd expect at pre-covid levels. Hackney drivers report that that trade had dropped off by at least

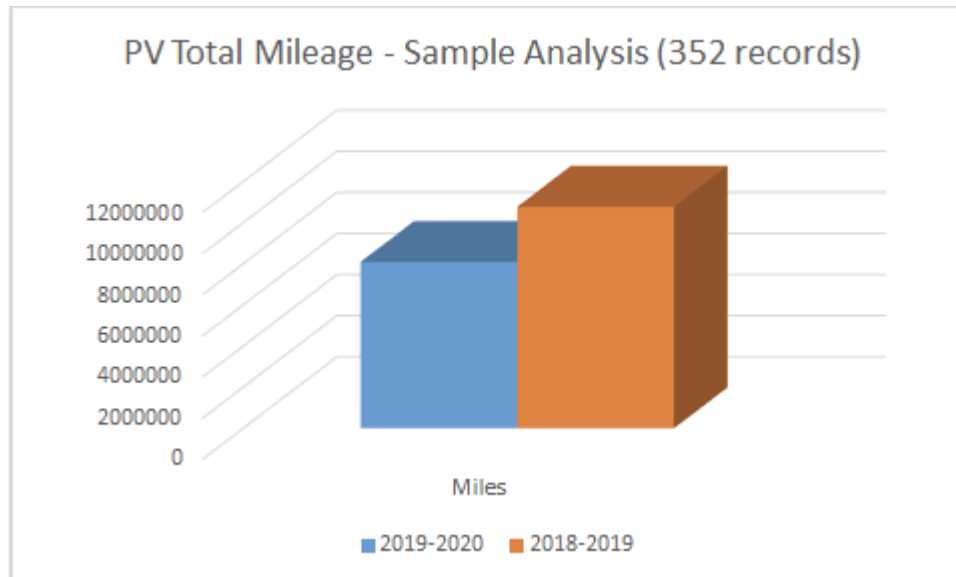
60%, and whilst we don't have specific data from observations pre-covid to compare demand levels, the team of very experienced compliance officers would say this is a fair estimate based on the numbers of visitors to the City and rank movements they've observed. Rail station ranks remain the busiest but again, with vastly reduced train capacity and reduced business commuter trade, the dwell time on these ranks was also vastly increased.

- 3.3 Clearly the evening and night-time economy has seen the biggest decline in available work. The imposition of the 10pm curfew had a further negative impact on the trade. Whilst there was a small spike in trade around 10pm, hackney drivers were extremely lucky to get more than one job at this time due to:
- reduced footfall
 - reduced leisure offer dispersal condensed into a shorter time frame (egress was almost over by 10.30pm and fully finished well before 11pm)
 - increasing number of visitors using other forms of public transport that they might not normally be running when they were going home (trains, trams, buses)
 - earlier terminal hour encouraged more people to drive themselves into the city centre or to be picked up by family members

Drivers may only get a single fare around 10pm and return to the City to find dispersal over. Officers also reported a marked increase in lay vehicles in the City at night throughout the Summer but particularly following the introduction of the 10pm curfew, commenting that it was at the levels you normally observe during an Arena event

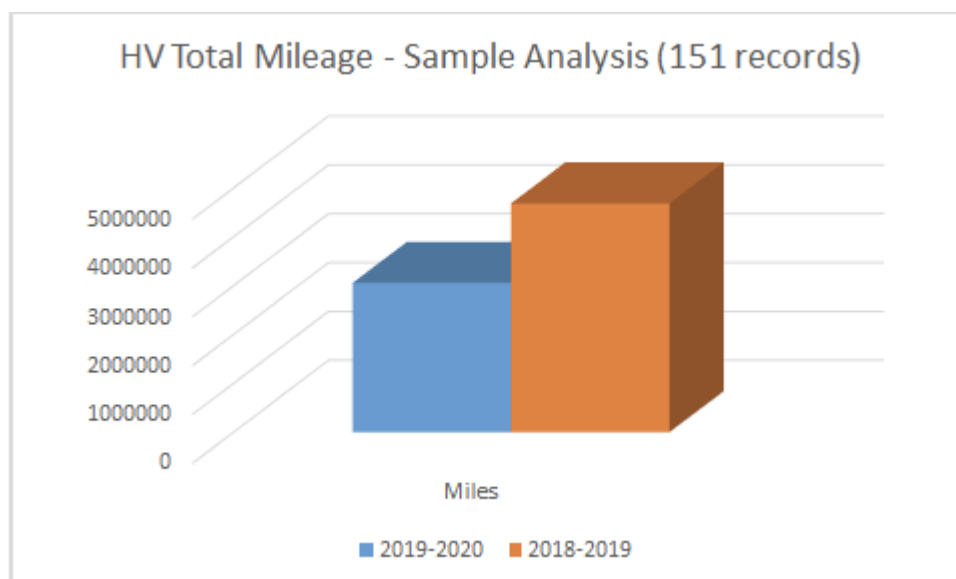
- 3.4 Taxi Marshals employed via Showsec have also been able to advise that by September 2020, taxi flow per hour through the City centre ranks had roughly halved compared to pre-covid levels
- 3.5 The Licensing Unit records mileage data at each vehicle test, and so conducted some analysis of the average mileage of a sample of vehicles over the past 3 years. This piece of work was fairly complex due to the frequency with which vehicles are changed on any one licence. A sample of licences were taken from those who had an 'annual renewal test' during July, August or September 2020. Only licence records where the vehicle had remained unchanged from the previous annual renewal test in both 2019 and 2018 were used. The total mileage data was then compared year to year. Whilst the data sample used was fairly limited both as a proportion of the overall fleet, and only takes into account the first few months post-covid, the data indicates that on average private hire vehicles have already seen around a 25% reduction in mileage and that Hackney Carriages have seen around a 33% reduction in mileage:

Private Hire Vehicle Analysis (based on a sample of 352 records - approx 10% of fleet)



2019-2020 - 22999 average mileage per vehicle
2018-2019 - 30625 average mileage per vehicle
Difference: **-7625**

Hackney Vehicle Analysis (based on a sample of 151 records - approx 12.5% of fleet)



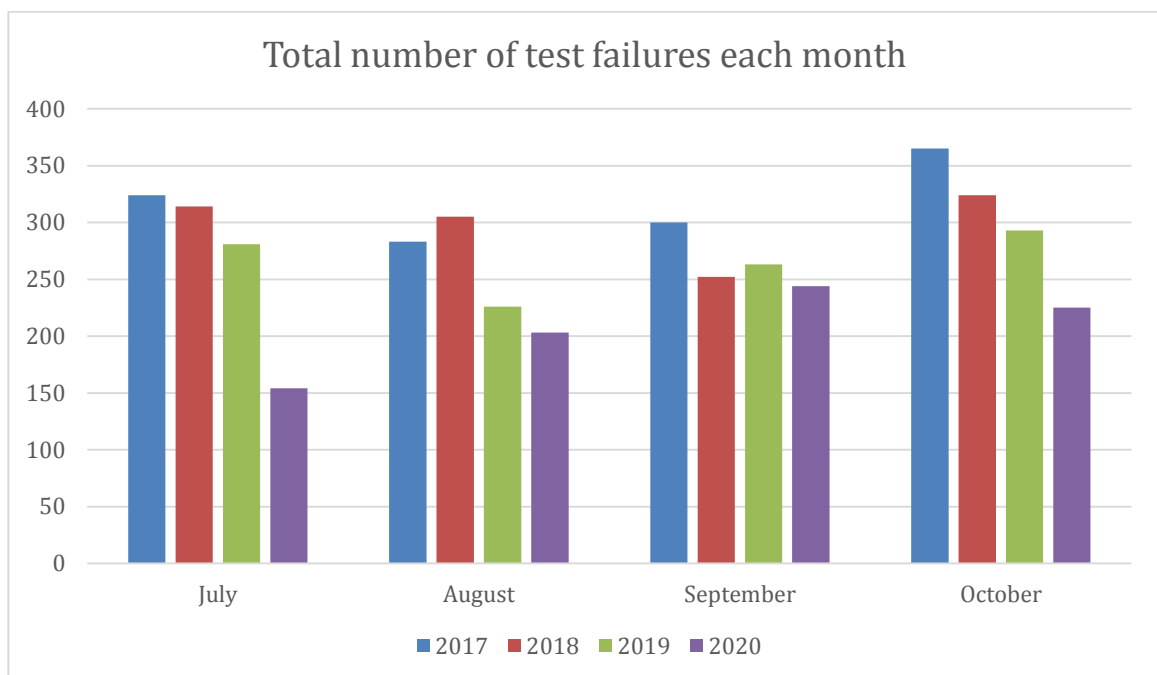
2019-2020 - 20219 average mileage per vehicle
2018-2019 - 31012 average mileage per vehicle
Difference: **-10794**

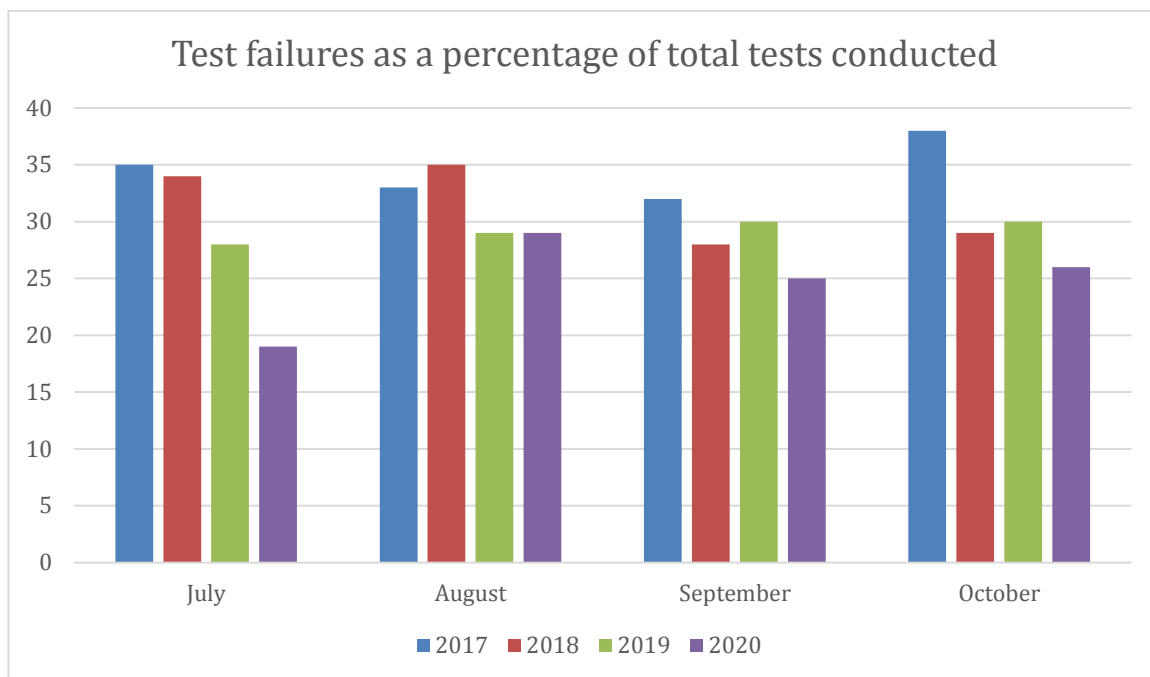
- 3.6 Recent testing data has also been reviewed. Unfortunately, it was not possible to provide the data split between private hire vehicles and hackney carriage vehicles in time for this report.
- 3.7 Officers have taken data from the 4 months that the vehicle testing station resumed routine testing in the post-covid months of July – October 2020 (for those vehicles wishing to remain licensed) and compared the failure rates with that of the corresponding failure rates in the same months during 2019, 2018 and 2017. The data is as follows:

Table 1: shows the total number of tests conducted each month and the corresponding number of vehicles that failed the vehicle compliance test across the years 2017-2020:

	2017		2018		2019		2020	
	Tests	Failures	Tests	Failures	Tests	Failures	Tests	Failures
July	929	324	930	314	1015	281	791	154
Aug	869	283	876	305	768	226	697	203
Sept	938	300	895	252	866	263	982	244
Oct	965	365	1101	324	972	293	868	225

The following two charts illustrate the data from the table above in comparative numbers, and failures as a percentage of the total tests conducted:





3.8 The average test failure rates (as a percentage of the overall tests conducted) each year are as follows:

Table 2: Average test failure rates as a percentage of total tests conducted

2017	2018	2019	2020	
			Pre Covid*	Post Covid**
36%	32%	31%	33%	25%

* Data for Jan, Feb & Mar 2020 = 31%, 31% and 36% respectively

**Data as in Table 1 above used

3.9 Some further analysis of test failure data, split between major and minor failures is as follows:

Table 3 – shows major and minor failures as a percentage of the failure totals

2017		2018		2019		2020			
						Pre-covid		Post-covid	
Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor
73%	27%	76%	24%	79%	21%	79%	21%	76%	24%

3.10 Analysis of the last 4 years testing data shows that in 2020 there was a decrease each month in the number of vehicles failing their test, and that this wasn't just as a result of fewer tests being conducted. The number of tests conducted during these months in 2020 was lower than in previous years, but not to the degree that it correlates with the between 15 – 35% reduction in the overall percentage of failed tests. The split between major and minor faults however remains largely unchanged. Of note, the decrease in July 2020, immediately after the initial lockdown when most vehicles had either not worked or done very limited work, was most significant with the percentage of

failures (19%) significantly lower than the first 3 months of 2020. Trade Members have fed back that due to the severe impacts of the pandemic on their income, they are also struggling to afford routine vehicle maintenance. Only further analysis of data over the coming months will evidence if this results in an increase in test failures.

- 3.11 It would be reasonable to assume that following a further 4 week national lockdown and with Manchester exiting into Tier 3 restrictions until at least 16 December 2020, that the average mileage on our licensed vehicles would continue to decline, and the corresponding testing failure rate would decrease also.

4 Risks

- 4.1 The primary function of the Licensing Authority is public safety. Manchester's testing regime and vehicle age policies were introduced with public safety at the core of those decisions and to align with strategic objectives to licence a world-class fleet.
- 4.2 A quick comparison of annual average figures in recent years compared to prior to the current testing frequency being introduced, shows that there has been a significant improvement in the percentage of vehicles passing their test at first time of asking (comparing Table 2 with the figures at 1.2 in the report).
- 4.3 There is a risk that by reducing the frequency of required tests, even on a temporary basis, that licensed vehicles will not be maintained to the same mechanical standard that we currently have.
- 4.4 In these unprecedented times, there are also significant risks to the livelihoods of the proprietors and drivers of those vehicles, and since the policies were introduced, the licensing regime is in a different place nationally. As Members will know, deregulation means there is a risk that private hire licensees could apply to another local authority for a licence instead and return to work in Manchester. This risks the Licensing Unit's cost recovery and the wider Council budget in turn.
- 4.5 Similarly, a reduction in tests will have to be funded and this would have a very significant impact on the Council's ability to recover costs, without having to increase the unit cost of tests at a later date. We need to understand the full implications for the service but there is no doubt that any change in testing policy will have a significant bearing on the income required to continue to support the licensing function. Trade representatives have made reference to the other local authorities licensing regimes using covid related funding to support their taxi and private hire trades.
- 4.6 Manchester's current testing regime is the most stringent possible (under section 50 of the Local Government and Miscellaneous Provisions Act 1976, a local authority may require a vehicle to be submitted no more than 3 occasions in a 12 month period). As a comparison, Transport for London only require 2 tests per year of all vehicles (except brand new vehicles) and have a 15 year rolling age limit.

- 4.7 A further temporary relaxation of the Hackney Carriage vehicle age limit carries less of a risk from a mechanical/public safety perspective, with reduced mileage throughout 2020 and being subject to ongoing routine tests. The Committee should be aware that with an aging fleet, the bigger risk is to the increased number of licensed Hackney vehicles that will need to transition at such a time as a CAZ is implemented and any temporary exemptions end. However, the ongoing uncertainty over what will be determined as the emissions standard and transition period for implementation of these standards, makes it extremely difficult for Hackney Carriage proprietors to know what to invest in (if they are able to invest) at this very precarious stage for their trade and the economy.
- 4.8 A temporary extension to the private hire age limit also is relatively low risk for the Council, but again may impact on the number of proprietors eligible for private hire vehicle grants when the CAZ scheme goes live. However Manchester's current age limit is already well above that of the Minimum standard proposed as part of the MLS project (10 year limit), and we are one of only 2 of the 10 boroughs that currently meet or exceed the proposed MLS standard.
- 4.9 There are also key equality impact implications for the Committee to consider. Data held on Licensing Unit records shows that the age profile of our fleet of licensed Drivers and Proprietors is aging, and that this is more relevant in the Hackney Carriage fleet, We know that the over 50s are considered to be more vulnerable to Covid, and may also face more difficulties accessing finance to invest in vehicle upgrades at this time.

Table 3 shows the following the ages as a percentage of the total number of licensees:

	Aged 50+	Aged 60+
Hackney Vehicle Licence Proprietor	48%	20%
Hackney Driver	44%	16%
Private Hire Vehicle Licence Proprietor	24%	7%
Private Hire Driver	36%	11%

Whilst race and ethnicity data is not collected or recorded as part of the licensing process, we know from seeing our applicants in person and our daily interactions that the vast majority of our licensed fleet are non-white males (both British and non-British); therefore any adverse impacts of decisions taken in response to this report, will likely affect this target group disproportionately.

- 4.10 In addition to the testing regime set out under s 50 of the Local Government (Miscellaneous Provisions) Act 1976 as referred to in paragraph 4.2 there is also a further power under s 68 of the Local Government (Miscellaneous Provisions) Act 1976 which provides that authorised officers and constables have the power at all reasonable times to inspect and test, for the purpose of ascertaining it's fitness any hackney carriage or private hire vehicle licensed

by the Council. If the vehicle does not satisfy the Councils requirements then a Notice can be issued suspending the licence pending a retest of the vehicle. If the proprietor does not satisfy the Council that the vehicle is fit within 2 months of the Notice being issued the vehicle licence is automatically revoked under this section. Licensing Compliance officers are authorised to take enforcement action under this section.

5. Key Policies and Considerations

(a) Equal Opportunities

No further impacts to those already identified within the report.

(b) Risk Management

No further risks to those already identified within the report.

(c) Legal Considerations

The purpose of the testing regime is to ensure passengers feel safe, comfortable and secure in licensed vehicles. The specific legislation governing the Councils powers to check fitness of licensed vehicles is set out in paragraphs 4.6 and 4.10 above. As with any decision of the Council it may be subject to Judicial Review if it is determined to be unreasonable.

6. Conclusion and Recommendations

- 6.1 The report sets out relevant information, considerations and risks for the Committee following approaches by both the taxi and private hire trades to consider temporary relaxation of vehicle testing and age policies in light of the impacts of the Covid-19 pandemic.
- 6.2 The Committee have a number of options available to them:
- i. To make no changes to any current policy
 - ii. To temporarily allow an extension of either or both hackney and private hire vehicle age limits
 - iii. To reduce the testing frequency of either or both hackney and private hire vehicles
- 6.3 The biggest risk is reducing the testing frequency of vehicles. Funding to support such a measure has not been identified. Members will want to consider this against the risks and impacts of not reducing the required frequency, taking into account the fairly limited improvement in test failure rates as a result of reduced mileage. If the Committee is minded to temporarily reduce the frequency of tests, consideration may be given to limiting the change to the end of March 2021, with further data being brought back to the Committee at that point to review the position.
- 6.4 Whilst ultimately it is a decision for the Committee, officers have set out recommendations below which could be accepted in full, amended or rejected in full:

1. To extend the age limit of both HCVs and PHVs by an additional year, until the conclusion of the Clean Air and MLS work, when both policies will be fully revised

2. To reduce vehicle testing requirements to 2 tests per year for all vehicles except brand new vehicles, which will continue to be subject to 1 test within the first 12 months. To continue to require vehicles beyond the set age limit to 3 tests per year as per the current policy. This would mean:

AGE	Number of tests required	
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3. For the changes to take effect immediately and be reviewed by the Committee in March 2021.