

**Manchester City Council  
Report for Resolution**

**Report to:** Licensing & Appeals Committee – 8 March 2020

**Subject:** Review of temporary amendments to Vehicle Testing and Age Policies

**Report of:** Director of Planning, Building Control and Licensing

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**Summary**

The report sets out relevant information, considerations and risks for the Committee further to its request to review the temporary amendments to the Vehicle Testing and Age policies, it made at its November 2020 meeting.

**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 allow the continued temporary extension of the age limit (as set by the Committee in November 2020) of both HCVs and PHVs until the conclusion of the Clean Air and MLS work, when both policies will be fully revised in any event
2. To revert vehicle testing requirements to normal policy requirements, that is to say:

	Number of tests required	
AGE	Hackney Carriage	Private Hire vehicle
Brand new (delivery mileage only)	1	1
Less than 5 years old	N/A	2
Less than 8 years old	2	3
Over 8 years old	3	N/A
Beyond the Age Limit	3	3

3. For the changes to take effect from 1 April 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
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**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

Report on Temporary amendments to Vehicle testing and age policies - Licensing and Appeals Committee 30 November 2020

Licensing business system records

## 1. Introduction

1.1 The Committee considered a report on 30 November 2020 regarding recommended temporary changes to the Vehicle Testing and Age Policies.

1.2 Upon considering the reduced mileage that the licensed fleet were undertaking due to the impacts of Covid, alongside the issues surrounding specific financial support for the taxi and private hire trade, the Committee resolved to make the following amendments to the policies:

1. To temporarily extend the age limit of both HCVs and PHVs by an additional year (to 8 years for PHV and 14 years for HCV)
2. To temporarily 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) and to continue to require vehicles beyond the set age limit to 3 tests per year as per the current policy.

	Number of tests required	
AGE	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

1.3 These amendments were made on a temporary basis with the Committee requesting officers bring back further information in March 2021 to enable a review of these decisions, given the ever changing nature of the response to the pandemic.

1.4 This report seeks to provide the Committee with further relevant information in its consideration of whether to extend the temporary amendments to these policies or not.

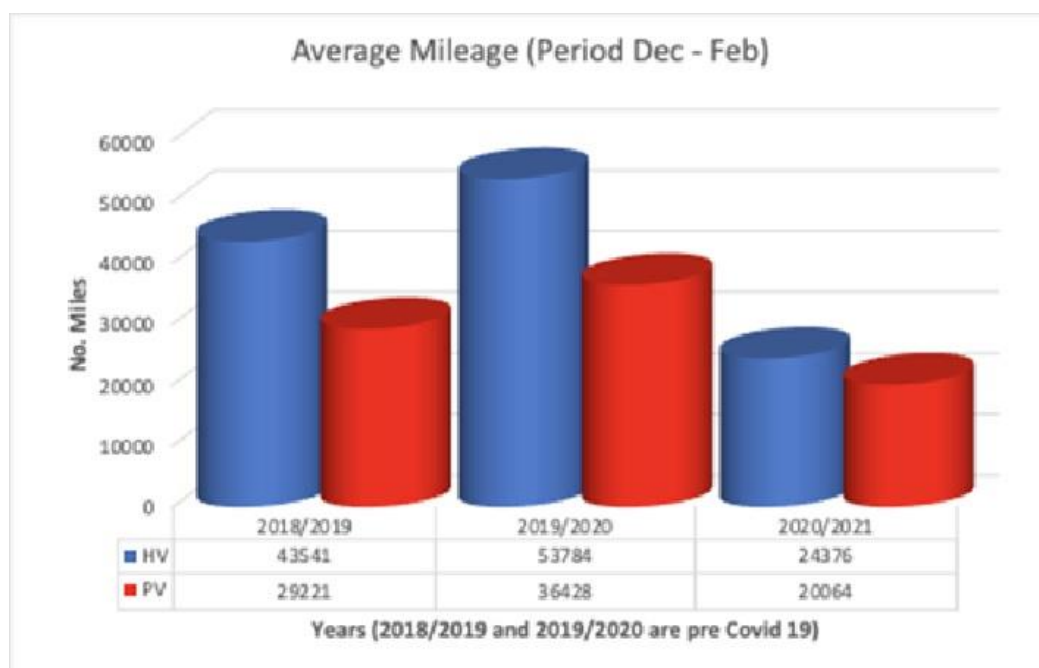
## 2. Data

### Mileage

2.1 Since the last report in November, the situation has remained largely unchanged for the taxi and private hire trade, with no lifting of the national

lockdown restrictions as yet but a roadmap out of restrictions being announced shortly before this report was published.

- 2.2 Further analysis of recorded mileage data provides some evidence of the ongoing impact of Covid on the trade's ability to conduct their business. As per the previous report, a sample of licences were taken from those who had an 'annual renewal test' during either December 2020, January 2021 or February 2021. Only licences where the vehicle attached to the licence remained unchanged from the previous annual renewal tests were used. The total mileage data was then compared year on year between 2018-2021:



- 2.3 It should be noted that the annual figures in the chart above are taken from the 12 month period March – February (so the 2019/20 figures are fully pre-covid impact hence the high total mileage).
- 2.4 The data indicates that the situation has worsened since the averages from the data sample taken and reported in November 2020. Private Hire Vehicles are now conducting on average of around 30-40% fewer miles than in the previous 2 years, and Hackney Carriages have seen a reduction of between 45- 55%.
- 2.5 The Committee will undoubtedly be aware that the mileage is just an indicator, albeit a good one, of the level of reduced trade experienced by licensees, as a percentage of the mileage will be from domestic/personal use, as well as wasted mileage (particularly for Hackneys whilst plying their trade). Similarly, we know from our engagement with the trades that many licensees have put their vehicles to other use undertaking deliveries and similar work (including volunteer work) during the pandemic.

#### Testing data

- 2.6 **Table 1** below shows the total number of tests conducted each month over a 4 month period (since the decision to reduce the required frequency of testing was made in November 2020) and the corresponding number of vehicles that failed the vehicle compliance test across those same months in the years 2017-2021:

	Nov		Dec		Jan		Feb	
	Tests	Failures	Tests	Failures	Tests	Failures	Tests	Failures
2017/18	1039	377	747	253	980	337	942	353
2018/19	972	301	737	196	1040	319	929	281
2019/20	868	293	721	211	878	274	806	246
2020/21	386	94	325	72	582	119	588	163

- 2.7 The data shows, not unexpectedly, that the failure rate has continued to fall in correlation with the reduced frequency of tests and the reduced mileage the vehicles are conducting. **Table 2** below shows the average test failure rates (as a percentage of overall tests conducted):

2017/18	2018/19	2019/20	2020/21	
			Pre Nov report	Dec - Feb
36%	32%	31%	29%	23%

- 2.8 Some further analysis of test failure data, split between major and minor failures is as follows in **Table 3**:

2017/18		2018/19		2019/20		2020/21			
						Pre Nov report		Dec - Feb	
Major	Minor	Major	Minor	Major	Minor	Major	Minor	Major	Minor
73%	27%	76%	24%	79%	21%	78%	22%	76%	24%

### 3. Other Considerations and Risks

- 3.1 The short timeframe of data above shows that there has been some improvement in the failure rate following the reduced frequency of testing, but that when vehicles are failing, the split between major and minor remains the same. It also doesn't appear to suggest that the extension of the vehicle age limits is having a negative impact in the short term on mechanical maintenance.
- 3.2 We now have the government's roadmap to recovery announcement which provides for the restrictions on businesses and travel (that have impacted the trade so severely) be gradually lifted (subject to 4 tests being met at each stage) over the next 4 months. As such, we would expect to see the miles conducted by our licensed vehicles increasing substantially and hopefully returning to a level of normality by June.

- 3.3 We also know from the data (as referenced in the November report) that when the current vehicle testing policy was introduced in 2011, 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. The policy clearly had the desired impact with testing failure rates reducing from between 40-50% in 2010 to around 30% pre-covid.
- 3.4 The Committee will no doubt want to consider whether it wants to continue to risk these hard won improvements across the fleet, alongside the risks to public safety, with any further extension of the reduced testing frequency at this time.
- 3.5 The main driver for the Committee's decision to amend the testing policy in November 2020 was to provide some relief and support to the trade having been so severely impacted, and in the absence of other specific funding support at that time. The Committee will know that in February 2021, it was announced that £1.5m Additional Restrictions Grant (ARG) funding (out of a total of £15m allocated for businesses in Manchester) was to be allocated to support the taxi and private hire trades.
- 3.6 The scheme developed by the Licensing Unit (in consultation with key Members), therefore prioritised vehicle licence holders in recognition of the higher costs they bear with the fixed asset costs of the vehicle. As such, Manchester's taxi and private hire ARG scheme will provide:
- Every current Vehicle Licence holder will get their next licence renewal paid for from the grant
  - Every routine vehicle test (on existing licences) will be paid for by the grant for a period of 12 months
- 3.7 This scheme will see up to 4070 vehicle licensees receiving between £204 and £482 (depending on the type and age of the vehicle) of ARG funding each.
- 3.8 If the Committee were minded to extend the temporary amendment to the testing frequency at this time, they should be aware that there has been no funding identified to support the impact that would have to the recovery of the cost of delivering the vehicle testing service over the next financial year. The Licensing Unit have frozen all licence fees at this time and are committed to continuing to review all aspects of service delivery going forward, to ensure that costs as kept as low as possible whilst maintaining high standards for public safety.
- 3.9 As referenced in the previous report, the Clean Air Plan and linked Minimum Licensing Standards consultation was conducted later than planned due to Covid. We are still awaiting a full report on the consultation responses, which will then need to go through each local authority's governance structures before any changes can be implemented to policies affected vehicle specification.

- 3.10 The temporary relaxation of the Hackney Carriage vehicle age limit carries less of a risk from a mechanical/public safety perspective, if the testing frequency is reverted to normal policy requirements. The bigger risk would be to the increased number of licensed Hackney vehicles that will need to transition at such a time as a Clean Air Zone (CAZ) is implemented and any temporary exemptions end. However, the trade will not have any assurance or certainty around what investment to make in replacing current vehicles, or have access to the related Clean Taxi funds that are part of the Clean Air Plan, until they are made available if secured from government (and the GMCA is gathering evidence for further submissions to government in this respect).. In these circumstances the Committee may want to consider allowing the temporary amendments to the age policies to remain until these decisions are made.
- 3.11 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 compliance level with emissions standards under the CAZ is already the highest across GM at 67% due to the strictness of the current age limit so the risk in the circumstances is fairly low. Furthermore, the cost for private hire proprietors to transition to a compliant vehicle is much lower as they have a much wider market and minimal restrictions on the type of vehicle they can licence as a private hire vehicle.

#### **4. 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 are and feel safe, comfortable and secure in licensed vehicles. There are no further risks to those already identified within the report.

#### **5. Conclusion and Recommendations**

- 5.1 The report sets out relevant information, considerations and risks for the Committee further to its request to review the temporary amendments to the Vehicle Testing and Age policies made at the November 2020 meeting.
- 5.2 The Committee have the following options available to them:
- i. To continue the extension of the current relaxation of either or both policies (to a defined date)
  - ii. To revert both policies back to normal
- 5.3 The biggest risk is continuing the reduced frequency of vehicle testing. Funding to support such a measure has not been identified. Furthermore, the longer the testing frequency is relaxed, the bigger the potential for public



safety to be put at risk due to issues relating to the mechanical function of the vehicle not being picked up or addressed.

- 5.4 The costs related to the testing of the vehicles will be covered through the application of the ARG funding, so reverting to the usual frequency should not impact adversely on the trade at this time.
- 5.5 Whilst ultimately it is a decision for the Committee, officers have set out recommendations below:
1. To allow the continued temporary extension of the age limit (as set by the Committee in November 2020) of both HCVs and PHVs until the conclusion of the Clean Air and MLS work, when both policies will be fully revised in any event
  2. To revert vehicle testing requirements to normal policy requirements, that is to say:

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