

**Manchester City Council  
Report for Resolution**

**Report to:** Licensing & Appeals Committee – 17 July 2023

**Subject:** Taxi & Private Hire Policy Revisions

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

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**Summary**

The report sets out some of the challenges facing licensing authorities due to the negative impacts of extensive out of area working within the private hire industry, including the decline in taxi and private hire licence numbers in Manchester and the approach made by trade representatives for amendments to key policy areas.

The report gives full consideration to the potential impacts of the proposed policy revisions.

**Recommendations**

The Committee is asked to note the report and approve the following policy revisions:

- 1) Remove the requirement for Operator stickers on private hire vehicles
- 2) Remove the requirement for bonnet stickers on private hire vehicles
- 3) Introduce a requirement for Council issued sticker to be displayed on the rear door of a private hire vehicle
- 4) Remove the routes section (Paper 2) of the private hire driver test, and the test fee adjusted accordingly.
- 5) Remove the requirement for a coming on to fleet age limit within both the Hackney and Private Hire vehicle policies
- 6) Extend the current emissions compliant date for the existing hackney and private hire vehicle fleets to 1 April 2026

The Committee is asked to instruct officers to consult on the further policy revisions as outlined at 4.2 of the report.

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**Wards Affected:** All

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

The emissions compliance date for licensed vehicles was previously set to 1 April 2024 on the assumption that funding would be available to support licence holders upgrade their vehicles. Extending that compliance date in line with the new legal directive is in line with other GM districts and allows licensees to await the revised Clean Air Plan and the funding attached.

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	<p>The decisions in this report continue to support the objectives in the Manchester Strategy by encouraging and enabling a licensed fleet of drivers, vehicles and operators, that are safe, greener, skilled and provide a professional level of service to residents and visitors.</p> <p>The proposals in the report seek to encourage new applications as well as encourage existing licence holders to remain licensed with Manchester. This in turn will enable Manchester to retain levels of control and influence over local licence holders and support growth and place making in Manchester as a place destination to live, visit and work.</p> <p>The report seeks to balance these objectives against the desire to support the licensed trade to remain viable and assist in their continued recovery from the impacts of the pandemic, and make Manchester licensed drivers and vehicles the preferred travel option for passengers.</p>
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.	
A connected city: world class infrastructure and connectivity to drive growth	

**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 Licensing and Appeals Committee – 24 January 2022 (GM Minimum Licensing Standards – Stage 2 Recommendations)  
Report to Licensing and Appeals Committee – 13 September 2021 (GM Minimum Licensing Standards – Stage 1 Recommendations)  
Minimum Licensing Standards Consultation booklet, questionnaire and related materials  
Department for Transport Draft Best Practice Guidance and Consultation 2022  
Department for Transport Best Practice Guidance 2010  
Manchester City Council Private Hire policies and licence conditions  
Manchester City Council Hackney Vehicle Policy

## 1. **Introduction**

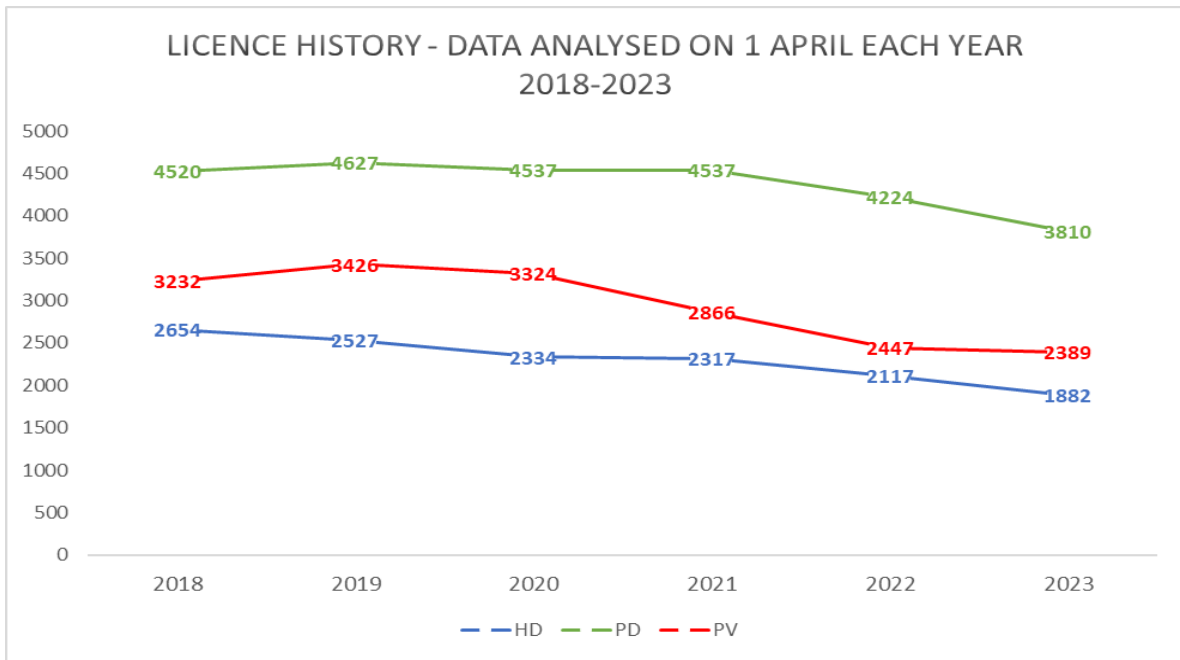
- 1.1 Members will be aware of the ongoing pressures on taxi and private hire licensing authorities with regards to the effects of out of area working. This continues to impact the ability to control local licensing standards and principles and to recover service costs by retaining income levels on vehicle and driver licences.
- 1.2 It has also been almost 2 years since this Committee approved Stage 1 of the Minimum Licensing Standards (MLS) for Taxi and Private Hire (Drivers and Operators) and 18 months since the approval of Stage 2 (Vehicles) as part of the harmonisation of standards project across Greater Manchester (GM). These standards are still not fully adopted or implemented across GM in large part due to the continued delay of the Clean Air Plan which has in turn delayed access to Clean Taxi Funds upon which many policy decisions are dependent.
- 1.3 Shortly after the MLS policy positions were initially agreed across GM, the Department for Transport (DfT) issued proposed Best Practice Guidance for Taxi and Private Hire licensing and ran a consultation from March – June 2022. Elements of this draft guidance departed significantly from the MLS that had been initially agreed across GM, namely the vehicle age and private hire sticker policies. The DfT is yet to respond to that consultation and has not committed to a timetable for issuing the final guidance.
- 1.4 With the ever-changing industry, continued licence shopping impacting many licensing authorities, and without final completion of Stage 1 & 2 of the MLS project being achieved (with three districts still yet to approve MLS vehicle standards for their current fleets) some GM districts have already felt compelled to review their position and depart from MLS policies they had previously approved. Consequently, the MLS project is currently under full review.
- 1.5 Changes in the industry are impacting on the business of the Licensing Unit. Manchester continues to work with other GM districts to achieve alignment in taxi and private hire policy as far as possible, however, it is no longer feasible to maintain all of the current MLS positions or await the DfT's Best Practice guidance.
- 1.6 This report outlines the current key policy areas that members of the trade have repeatedly approached officers and Members about and which policy revisions the Committee may want to consider.
- 1.7 As always, a prime consideration must be implications around safety and the report seeks to provide members with all relevant information about potential impacts if our policy position changes.

## 2. **Business retention**

- 2.1 Private Hire licensees can affectively choose to obtain their licences in one district with the intention of working in a completely different licensing area. Members will be aware that as the regional centre, Manchester has seen a

proliferation of vehicles and drivers working in the area but licensed elsewhere.

- 2.2 There are a range of related factors that encourage this behaviour all related to policy, customer service, cost and levels of enforcement. Officers have engaged with Unions and private hire operators for several years and the most common reasons cited for licensees leaving Manchester or not choosing to be licensed here are:
- Private hire vehicle sticker policy
  - Routes section of the driver knowledge test
  - Coming on to fleet vehicle age requirement
  - Private hire vehicle window tint policy
  - The robustness / level of proactive compliance we deploy (including our vehicle testing regime)
- 2.3 It is important to note that the trade acknowledge that the Licensing Unit's customer service delivery and administration is not a reason that applicants are choosing to go elsewhere. We have no waiting lists or delays in processing applications when received. Whilst recent procurement of a new business system, once fully implemented in 2024 will provide even greater efficiencies in the way we process applications, we are confident that the level of service we are currently providing is not a contributing factor here.
- 2.4 Similarly, whilst fee models vary considerably across the country as all councils fund their licensing services differently (some subsidise their fees for example whereas we are a full cost recovery service), the trade do not cite cost differentials as the major factor for applying elsewhere. Undoubtedly cost will play a role, particularly in the midst of a cost-of-living crisis; but there is a strong correlation between authorities with cheaper licence fees and their related policies around private hire vehicles and drivers. We have been able, through continuous service improvement, productivity and by process streamlining, to keep our fees at a fairly comparable level. One of the major contributing costs to our private hire licence fees is the level of compliance we deliver as part of our service.
- 2.5 The graph below shows how the number of licences issued by Manchester has declined over the past 5 years:



HD = Hackney Driver  
 PD = Private Hire Driver  
 PV = Private Hire Vehicle

NB. Our Hackney vehicle fleet is subject to managed growth so remains stable at around 1090 (some are SORN at present and we have some licences available to issue)

- 2.6 The graph illustrates that Manchester is continuing to lose licensees year and without intervention from the government to prevent licence shopping, this trend is only likely to continue.
- 2.7 As the Licensing Unit is a full cost recovery service, the only ways we can respond to this are to increase the fees, reduce the service structure or review policies that are deterring applicants.
- 2.8 Officers wish to reassure the Committee that extensive work continues to take place to streamline procedures whenever possible and that performance is monitored effectively, in order to keep costs low and productivity high. Vacancies are only filled when necessary and the service structure has been reduced by 7.5 FTEs since 2019.

### 3. Policies to be reviewed

- 3.1 Officers consider that in the absence of government addressing the impact of out of area working, it is no longer feasible to maintain certain policy positions which seek to meet our local strategic objectives.
- 3.2 In addition, the delayed Clean Air Plan implementation will require a review of the vehicle emissions compliance date currently set as 1 April 2024. That date was approved by this Committee in January 2022 in anticipation that access to the Clean Taxi Fund would be available in early 2022. As this has not yet materialised, this will need further consideration.

3.3 Officers recommend that the following policy areas be reviewed as a matter of urgency.

- Private Hire Vehicle stickers
- Private Hire Driver testing routes requirements
- Coming onto fleet age limit
- Vehicle Emissions compliance date

3.4 Private Hire Vehicle sticker policy

Our current policy requires that council issued non-magnetic stickers are placed as follows:

- Large bonnet sticker stating 'Advance bookings only' with MCC logo
- Two front wing stickers detailing Operator the vehicle is working for
- One rear window sticker detailing Operator the vehicle is working for
- All stickers have to be non-magnetic

3.5 This current policy was introduced over 20 years ago alongside the colour requirement for private hire vehicles, in order to make legitimately licensed vehicles more distinguishable and safeguard against the risk of individuals getting into unlicensed vehicles with unlicensed drivers of malintent. This livery also made it easier for compliance and other authorised officers to quickly identify licensed vehicles and note which operator they are working for.

3.6 It is important to remember that the way vehicles were ordered and dispatched was considerably different to the most common operating models today where Private Hire Operators use mobile applications and text messaging services to provide customers with details of the driver and vehicle they have dispatched.

3.7 Manchester current policy by default means that our licensed vehicles can only work for one operator at a time. Private hire drivers regularly approach officers explaining that changes to Operator business models means it is almost impossible to make a reasonable standard of living whilst working for only one operator at a time. Drivers complain of over supply in the local market and regularly state that the reason they are leaving Manchester to licence with other local authorities is because they need to be able to work for more than one operator.

3.8 Private hire drivers also regularly advise officers that the vehicles are targeted with criminal damage and other anti-social behaviour. They have requested a reduced signage requirement in order to reduce the risk of being targeted.

3.9 Private hire operators are increasingly operating across whole regions and in the case of the larger operators, globally with driver not obliged to work specific contracted hours to meet local demand. As such, it is impossible for these larger operators to predict how many drivers will work on specific days and times and no limit is placed on the number of drivers and vehicles some operators will have working on their platform. At peak times supply outstrips demand and drivers are struggling to get sufficient work. It is widely

considered that this operating model is also encouraging private hire drivers to work off platforms illegally in order to increase their income.

- 3.10 The current DfT Best Practice guidance issued in 2010 referred to the benefits of having clear identifying on private hire vehicles to ensure the public can distinguish between a private hire vehicle and a taxi (hackney) and avoid confusion between the two modes of travel:

*... requiring some additional clearer form of identification can be seen as best practice. This is for two reasons: firstly, to ensure a more positive statement that the vehicle cannot be hired immediately through the driver; and secondly because it is quite reasonable, and in the interests of the travelling public, for a PHV operator to be able to state on the vehicle the contact details for hiring;*

- 3.11 In the DfT's draft revised Best Practice Guidance consulted upon in 2022, the government changed their proposed approach;

*... licensing authorities should seek to minimise the profile of private hire vehicles as these can only be legally engaged through a booking with a licensed operator.*

*Licensing authorities should not impose a livery requirement on private hire vehicles. The more distinctive a private hire vehicle is made to appear, the greater the chance this might be confused with a taxi.*

*Licensing authorities' private hire vehicle signage requirements should be limited to the authority licence plate or disc and a "pre-booked only" door sign. This approach enables passengers to be given a clear and consistent message that you should only get in a vehicle that 'looks like a taxi' unless [sic] you have pre-booked a private hire vehicle and have received information from the operator to identify it. A private hire vehicle driver and proprietor are free to work with more than one operator and licensing conditions or requirements that effectively tie a vehicle or driver into an exclusive relationship with an operator should not be implemented or should be discontinued where these are currently imposed.*

- 3.12 Whilst this draft revised guidance is not yet finalised and published, it gives a good indication of the DfT's current thinking with regards to private hire livery. The guidance does not address any risk associated with unlicensed drivers and vehicles.

- 3.13 Officers consider that signage on private hire vehicles is still necessary to help passengers identify their pre-booked vehicle, remind passengers that private hire vehicles must be pre-booked, mitigate the risk of bogus drivers and vehicles posing as legitimately licensed, and help distinguish private hire vehicles from taxis.

- 3.14 Whilst having the Operator name visible for compliance and other authorised officers would be preferable and makes investigating incidents and potential offences much easier, it is accepted that this restricts drivers and is a barrier for drivers being licensed with Manchester. In order to mitigate the additional workload any removal of this requirement may produce, private hire operators could be requested to provide weekly data with regards to the vehicles working on their platform. This is a mechanism currently used by TfL.



Operators could also have the option to have stickers bearing their company name if they so wish.

- 3.15 As such it is considered that the current policy could be revised but still adheres to the following principles:
- Advise passengers that the vehicle must be pre-booked with the Operator
  - Remain non-magnetic so they cannot be easily transferred to non-licensed vehicles
  - Reduce the required number of stickers to mitigate the risk of vehicles being targeted for anti-social behaviour
  - Not restrict drivers to only working for one operator
  - Include the MCC logo
- 3.16 Officers consider that the wing and rear window Operator sticker requirements could be removed, as well as the bonnet sticker which should be replaced by a rear door sticker issued by the Council displaying the Council logo and the wording *Private Hire Vehicle – Not insured unless pre-booked with the Operator* could be required instead. Operators could request permission to place additional signage with the Council if desired.
- 3.17 Private Hire Driver Test – Routes section
- 3.18 In addition to the training that is provided to our driver applicants, they are then tested with regards to certain components before they can be granted a licence. Manchester's current Driver Testing regime comprises of 5 components:
- Paper 1 – Ability to use an A-Z
  - Paper 2 – Routes / topographical
  - Paper 3 – Safeguarding
  - Language proficiency
  - Numeracy proficiency
- 3.19 Since the introduction of the route component of the driver test for private hire drivers, the use of satellite navigation technology has become increasingly prevalent to the point that it would be highly unusual for a private hire driver not to use this technology whilst working. A lot of mobile platforms that Operators use, include this technology to track the location of the vehicle and the journey undertaken.
- 3.20 Private hire vehicles should not be available immediately for hire in the same way as a Taxi is, therefore in theory drivers should have the opportunity to check the details of a route before starting a journey if they need to. As such it is increasingly considered unnecessarily burdensome to require a private hire applicant to sit a topographical or routes test.
- 3.21 Paper 2 of our test covering routes comprises of 10 multiple choice questions, providing drivers with two locations and asking them to choose the correct shortest route between the two locations. Applicants have to answer 8 questions correctly to pass this element of the test. Most applicants fail this test at the first attempt and on average take 3-4 attempts to pass it. As such

the trade have fed back that this is a significant factor in drivers choosing to apply to other authorities instead of Manchester.

3.22 With so many drivers working in Manchester but licensed elsewhere (where they do not have to pass this local topographical test), and with the considerable reliance on satellite technology, it is increasingly questionable what value this element of the driver test provides.

3.23 Whilst it is true that satellite technology cannot always be relied upon, it couldn't be stated with any real conviction that the passing of the topographical test would ensure that drivers are safer because they would know where they are going if they did not have access to a sat nav. The test would have to be made much more extensive in order to present this claim. Officers consider it more important that drivers demonstrate that they understand how to use an A-Z which they already do within the Manchester test.

3.24 As such officers recommend that the routes section of the private hire driver test be removed, and the test fee adjusted accordingly.

3.25 Coming on to fleet maximum age limit

The current age policies in Manchester are:

- PHV – under 5 years on to fleet and 10 years off
- PHV WAV – under 7 years on to fleet and 15 years off
- Purpose built HVC – under 7 on to fleet and 15 years off

3.26 These policies were approved by this Committee in January 2022 as part of the MLS Stage 2 and had also been adopted by 6 other GM districts. Prior to 2022 Manchester did not have a coming on to fleet age limit. The rationale for introducing a coming on to fleet age limit was to encourage proprietors to licence newer, more energy efficient vehicles and safeguard against having a majority of the fleet at the older end of the age limit scale.

3.27 However this policy proposal was initially put forward before the pandemic and subsequent cost-of-living crisis and in recent months GM districts have come under increasing pressure to revise the coming on to fleet maximum age requirement. At their meeting in June 2023, Oldham Council's Licensing Committee removed this requirement and other districts are considering following suit.

3.28 Officers consider that there is no clear public safety benefit to requiring proprietors to purchase a vehicle less than 5 (private hire) and 7 (hackney) years old when first licensing that vehicle but recognise the financial burden this places on licensees if they are struggling to replace their existing vehicle. As such it is recommended that this requirement be removed.

3.29 Vehicle Emissions Compliance

Manchester's current policy states:

- All new to licence vehicles to be emissions compliant

- For existing licences – to have an emissions compliant vehicle attached to the licence by 1 April 2024
- 3.30 This policy standard was approved by this Committee in January 2022 as part of the MLS Stage 2 and was originally adopted by 7 other districts, albeit with some variation on the determined compliance date for existing fleets to transition to emissions compliant vehicles.
- 3.31 The original date of compliance by 1 April 2024 for existing fleets was proposed in anticipation of the Clean Taxi Fund being opened in February 2022. However, Members will recall that the Clean Air Plan was paused in February 2022 and a revised plan is yet to be agreed with government. As such there is no clarity on if and when any funding provision will be available to the trades as part of a revised Clean Air Plan, but it is looking increasingly unlikely any funding scheme will be available in 2023.
- 3.32 As it stands, 3 districts are yet to determine an emissions policy standard with agreed transition period for existing fleets and 4 districts have already extended their transition period to 1 April 2026 (in line with the new legal directive for GM clean air compliance).
- 3.33 Proprietors need some clarity with regards to when they are required to replace their existing vehicles with emissions compliant vehicles for their business planning.
- 3.34 In the absence of an agreed revised Clean Air Plan or further clarity on the funding offer, officers consider reasonable to extend the current emissions compliant date for the existing fleet to 1 April 2026.

#### **4. Policy positions requiring further consultation**

- 4.1 There are other policy areas for both Hackney and Private hire licences that trade representatives have approached officers about, and it would be timely to review. Ultimately any and all policy revisions need to be pulled together into one comprehensive policy document for taxi and private hire licensing.
- 4.2 Officers request permission to engage and conduct targeted consultations with key stakeholders on the following policy areas before bringing a further report back to Committee for consideration of the relevant matters:
- Hackney Driver test - routes requirement
  - Hackney vehicle colour and advertisement policy
  - All vehicles – front plate policy
  - Private Hire Vehicle window tint policy
  - Requirement for fire extinguishers and first aid kits in vehicles
  - Convictions policy (Fitness and Suitability)

#### **5. Key Policies and Considerations**

##### **a) Equal Opportunities**

Whilst we do not have exact demographic data (as we do not collect this data as part of the licensing process), we know from our customer interactions that a significant majority of Hackney Carriage licence holders are from BAME communities. We also know that members of the BAME community (and communities in the North-West), were disproportionately impacted by the pandemic.

Hackney Carriages also provide key accessible transport for passengers with mobility issues or other disabilities and must remain a viable option for these key affected groups.

**b) Risk Management**

No further considerations for this report.

**c) Legal Considerations**

Under sections 47(1) and 48(2) of the Local Government (Miscellaneous Provisions) Act 1976, the Council may attach any such conditions to the grant of a hackney carriage or private hire vehicle licence as it considers to be reasonably necessary. Any person aggrieved by any conditions attached to their licence may appeal to the magistrates' court.

**6. Conclusion and Officer Recommendation**

- 6.1 Whilst public safety remains paramount to Manchester as a licensing authority, it is becoming more challenging to strive for standards that meet our strategic aspirations for a higher quality fleet due to inaction by government to address the negative impacts of extensive out of area working.
- 6.2 Manchester needs to strike the right balance between fulfilling its duty to ensure greater public safety whilst responding to the changing nature of the private hire industry. The reality is that where any local authorities take a more stringent line on any of these policy areas, it is likely to result in continued reductions in drivers and vehicles licensed by that authority, and in Manchester that means leaving the City with even less control and influence over the safety standards of the fleet working in its district.
- 6.3 The report sets out full consideration of the potential impacts of the policy revisions proposed. These 4 policy areas were consulted upon extensively during the MLS project and have been the subject of extensive engagement with the trade over the past couple of years.
- 6.4 The Committee is asked to note the report and approve the following policy revisions:
- 1) Remove the requirement for Operator stickers on private hire vehicles
  - 2) Remove the requirement for bonnet stickers on private hire vehicles
  - 3) Introduce a requirement for Council issued sticker to be displayed on the rear door of a private hire vehicle
  - 4) Remove the routes section (Paper 2) of the private hire driver test, and the test fee adjusted accordingly.

- 5) Remove the requirement for a coming on to fleet age limit within both the Hackney and Private Hire vehicle policies
- 6) Extend the current emissions compliant date for the existing hackney and private hire vehicle fleets to 1 April 2026

6.5 The Committee is asked to instruct officers to consult on the further policy revisions as outlined at 4.2 of the report.