

**Report to** Licensing  
14 June 2012  
**Report of** Head of citywide services  
**Subject** Hackney carriage vehicle and driver licensing

**Item**  
**6**

---

### **Purpose**

To consider the results of public consultation asking whether the council should:

- restrict the number of hackney carriage vehicle licences issued;
- apply specific age limits in respect of hackney carriage vehicle licences;
- review standards relating to exhaust emissions;
- amend the licensing criteria for hackney carriage vehicle drivers; and
- clarify the hackney carriage vehicle mechanical fitness test.

### **Recommendation**

That Members resolve:

- not to place a numerical limit on the number of hackney carriage vehicle licences issued by the authority;
- to adopt with effect from 1 July 2012 the proposed hackney carriage vehicle licence conditions detailed in paragraph 32 of the report;
- to implement a computerised system to test the route knowledge, language, numeracy skills and 'Green Book' knowledge of applicants for hackney carriage drivers licences;
- to agree a review of the byelaws, regulations and conditions applicable to hackney carriage and private hire vehicle proprietors, drivers and operators ('The Green Book').
- to ask the Head of city development services to consider the feasibility of providing additional taxi rank spaces

### **Corporate and service priorities**

The report helps to meet the corporate priority A safe and clean city and the service plan priority of protecting the interests of the public through the administration of the licensing function.

### **Financial implications**

The initial £2,000 cost and annual licence cost of £300 for the computerised driver test will be funded from existing budget.

**Ward/s:** All wards

**Cabinet member:** Councillor Driver – Environment and neighbourhoods

### **Contact officers**

Ian Streeter

01603 212439

## Background

1. At the meeting of the Licensing committee on 31 March 2011 members considered a report following a request from the hackney carriage trade that the council review the current policy in relation to the granting of hackney carriage vehicle licences. Members resolved that the senior licensing officer be asked to carry out consultation with the hackney carriage trade and general members of the public on the following matters:
  - restricting the number of hackney carriage vehicle licences issued
  - applying specific age limits in respect of hackney carriage vehicle licences
  - review standards relating to exhaust emissions
  - amending the licensing criteria for hackney carriage vehicle drivers
  - clarifying the hackney carriage vehicle mechanical fitness test.
2. The committee were informed at their meeting in September 2011 that unfortunately, due to unavoidable resource issues and other priorities, work on the consultation had been delayed and it was now planned to complete this work by March 2012
3. The public consultation was carried out between 5 March and 30 April 2012 via an online survey and was publicised in the spring edition of the council's Citizen magazine. All hackney carriage proprietors were written to informing them of the consultation and how to take part.

## Consultation

4. The headline results of the online survey are attached at Appendix A. Written representations from the Norwich Hackney Trade Association are attached at Appendix B.
5. More detailed findings from the consultation are set out in the tables below.

*Question 3: (if answer 'Yes;') What should the upper age limit be when black cabs are first licensed?*

Age of vehicle		New	2 years old	3 years old	4 years old	5 years old	6 years old	7 years old
No. of responses		3	1	5	1	20	1	2

*Question 5: (if answer to question 4 'Yes') What should the upper age limit be for black cabs already licensed?*

Age of vehicle		5 years old	6 years old	7 years old	8 years old	10 years old	10+ years old
No. of responses		6	2	1	1	18	10

*Question 6: (if answer to question 4 'No') Should any other criteria to be applied in respect of the age of vehicles (eg more regular testing)?*

Summary of responses:
Consistent testing – remove 'exceptionally good condition'
More regular emissions testing – paid for by taxi proprietors
Twice a year testing, regardless of age
As long as vehicle passes test – no problem
Current system twice yearly seems sufficient
As PCO (Public Carriage Office, London), 6 monthly inspections for all vehicles regardless of age

*Question 8: If a higher standard (of exhaust emissions) is adopted what period of time should be given for existing licensed black cabs to meet the standard?*

Period of time		Up to 6 months	Up to next MOT	1 year	2 years	3 years	5 years	10 years
No. of responses		5	1	16	18	8	8	2

*Question 9: (if answer 'Yes') Please specify any other element of a knowledge test that should also be applied for black cab drivers?*

Summary of responses:
Clear communication
B-Tech in taxi driving
Street knowledge
Customer care / safe wheelchair loading
Driving standards
English test
Highway code and 'roadcraft' test to PCV and LGV standard
Regular change of knowledge test questions to stop 'cheat sheets' being used

*Question 10: Are there any other requirements that a black cab driver should satisfy before being granted a licence (eg language or numerical test)?*

Summary of responses:
Language and numerical testing
Communication skills / courtesy
Drivers should clearly speak and understand English, as is the local language requirements in Spain, France, Germany and Italy
Should at least be able to command the English language to a reasonable standard to communicate with customers

*Question11: Do you think anything else should be added to this black cab 'MOT'?*

Summary of responses:
Sort out 'exceptionally good condition' rule
Proof of regular servicing to be displayed in cab
Check air conditioning working
Cleanliness inspection of passenger compartment
Heating system check

*Question12: Any additional and relevant information that you feel might be helpful for this consultation.*

Summary of responses:
Find additional rank space
Drivers dress / appearance is scruffy
Ban renting cabs – employ drivers and pay wages so HMRC can check
Drivers 'MOT', driving skills etc
Limiting number financially unfair
Should be a government or council run MOT station
Limiting hours worked – no more than 12 a day
To many licences to drivers being issued
Dress code for drivers
Oppose any reduction in the number of licences issued
Priority should be to ensure free entry to the market subject to satisfying basic standards of safety, non-criminality, knowledge etc. Restricting access to the market raises prices.

6. In their response, the Norwich Hackney Trade Association have made three recommendations, prioritised in the following order:

1. *To prevent the situation deteriorating further the council should place a temporary cap on hackney vehicle licenses at the present number. Several councils have now taken this approach, including most recently Watford. Measures should be taken to avoid a black-market in licenses forming, with owners leaving the trade being required to return their licenses to the council, but allowing existing owners to transfer their license if changing to a different vehicle. The council could set a date, say two or three years on, when this policy should be reviewed. As a temporary policy brought about by exceptional economic conditions, any unmet need survey would not need to be as robust as for a permanent policy, and as such the costs might well be lower. Such costs as there are could be partially recouped by a levy on hackney vehicle license fees.*

2. *Various measures should be improved or introduced to make new hackney drivers' licenses harder to obtain. Accounts abound of some recent new drivers having an appalling lack of knowledge of the city and its surrounds and of lacking basic knowledge of how their wheelchair ramps work. The knowledge test should be made harder and should be fully computerised along the lines of the driving license theory test, with any additional costs falling on applicants. New entrants should be required to have passed the NVQ B-Tech qualification, which includes taxi and private hire knowledge and how to assist disabled people. Individuals with existing private hire drivers' licenses should be made to take the full hackney driving assessment and wheelchair test, as well as the knowledge one.*

3. *The term "exceptional condition" in the specifications should be replaced by a specific set of words with some actual meaning. We have accounts of testers saying that, in their opinion, any vehicle which passes the mechanical test is in this exceptional condition. This must be nonsense or else why would the words have been added in the first place? Whatever words are chosen must ensure that the vehicle condition must be something over and above the mechanical test.*

## **Restricting the number of hackney carriage vehicle licences issued**

7. By virtue of Section 16 of the Transport Act 1985, a district council may refuse an application for a hackney carriage vehicle licence in order to limit numbers only if they are satisfied that there is no significant unmet demand for taxi services in that area. This does not mean that district councils must limit hackney carriage vehicle numbers if they are satisfied that demand in their area is totally met, but acts to forbid district councils from restricting numbers for any other reason.
8. A Licensing Authority is not obliged to give reasons for not limiting taxi numbers, nor does it need to conduct a demand survey before deciding to

cease limiting numbers if such a restriction is in place. If a limit is in operation, the local authority is required to periodically re-assess whether or not there is unmet demand for taxi services.

9. The Department for Transport (Dft) first issued Best Practice Guidance in October 2006 to assist those local authorities in England and Wales that have responsibility for the regulation of the taxi and private hire vehicle (PHV) trades. The most recent edition of the guidance was published in February 2010.
10. The issue of quantity restrictions in relation to hackney carriage vehicle licensing outside London is contained in paragraphs 45 -51 of the latest guidance, which are reproduced below.

*45. The present legal provision on quantity restrictions for taxis outside London is set out in section 16 of the Transport Act 1985. This provides that the grant of a taxi licence may be refused, for the purpose of limiting the number of licensed taxis 'if, but only if, the [local licensing authority] is satisfied that there is no significant demand for the services of hackney carriages (within the area to which the licence would apply) which is unmet'.*

*46. Local licensing authorities will be aware that, in the event of a challenge to a decision to refuse a licence, the local authority concerned would have to establish that it had, reasonably, been satisfied that there was no significant unmet demand.*

*47. Most local licensing authorities do not impose quantity restrictions; the Department regards that as best practice. Where restrictions are imposed, the Department would urge that the matter should be regularly reconsidered. The Department further urges that the issue to be addressed first in each reconsideration is whether the restrictions should continue at all. It is suggested that the matter should be approached in terms of the interests of the travelling public - that is to say, the people who use taxi services. What benefits or disadvantages arise for them as a result of the continuation of controls; and what benefits or disadvantages would result for the public if the controls were removed? Is there evidence that removal of the controls would result in a deterioration in the amount or quality of taxi service provision?*

*48. In most cases where quantity restrictions are imposed, vehicle licence plates command a premium, often of tens of thousands of pounds. This indicates that there are people who want to enter the taxi market and provide a service to the public, but who are being prevented from doing so by the quantity restrictions. This seems very hard to justify.*

*49. If a local authority does nonetheless take the view that a quantity restriction can be justified in principle, there remains the question of the level at which it should be set, bearing in mind the need to demonstrate that there is no significant unmet demand. This issue is usually addressed by means of a survey; it will be necessary for the local licensing authority to carry out a survey sufficiently frequently to be able to respond to any*

challenge to the satisfaction of a court. An interval of three years is commonly regarded as the maximum reasonable period between surveys.

50. As to the conduct of the survey, the Department's letter of 16 June 2004 set out a range of considerations. But key points are:

**the length of time that would-be customers have to wait at ranks.**

However, this alone is an inadequate indicator of demand; also taken into account should be...

**waiting times for street hailings and for telephone bookings.** But waiting times at ranks or elsewhere do not in themselves satisfactorily resolve the question of unmet demand. It is also desirable to address...

**latent demand**, for example people who have responded to long waiting times by not even trying to travel by taxi. This can be assessed by surveys of people who do not use taxis, perhaps using stated preference survey techniques.

**peaked demand.** It is sometimes argued that delays associated only with peaks in demand (such as morning and evening rush hours, or pub closing times) are not 'significant' for the purpose of the Transport Act 1985. The Department does not share that view. Since the peaks in demand are by definition the most popular times for consumers to use taxis, it can be strongly argued that unmet demand at these times should not be ignored. Local authorities might wish to consider when the peaks occur and who is being disadvantaged through restrictions on provision of taxi services.

**consultation.** As well as statistical surveys, assessment of quantity restrictions should include consultation with all those concerned, including user groups (which should include groups representing people with disabilities, and people such as students or women), the police, hoteliers, operators of pubs and clubs and visitor attractions, and providers of other transport modes (such as train operators, who want taxis available to take passengers to and from stations);

**publication.** All the evidence gathered in a survey should be published, together with an explanation of what conclusions have been drawn from it and why. If quantity restrictions are to be continued, their benefits to consumers and the reason for the particular level at which the number is set should be set out.

**financing of surveys.** It is not good practice for surveys to be paid for by the local taxi trade (except through general revenues from licence fees). To do so can call in question the impartiality and objectivity of the survey process.

51. Quite apart from the requirement of the 1985 Act, the Department's letter of 16 June 2004 asked all local licensing authorities that operate quantity restrictions to review their policy and justify it publicly by 31 March 2005 and at least every three years thereafter. The Department also expects the justification for any policy of quantity restrictions to be included



*in the Local Transport Plan process. A recommended list of questions for local authorities to address when considering quantity controls was attached to the Department's letter.*

11. Members will note from paragraph 47 of the Dft guidance that the Department regards as best practice those licensing authorities who do not impose quantity restrictions.
12. In July 2011, the Law Commission agreed to undertake a law reform project on the law of taxis and private hire vehicles. The Commission have recently published a consultation document and in their summary under the heading "Outline of key proposed changes", item 5 reads "Licensing authorities could no longer limit the number of taxi licences".
13. This is expanded upon under "The main themes of reform" under the sub-heading "Taxis and quantity restrictions" and reads:

*We also provisionally propose that the power to limit the number of taxis which can be licensed in a licensing area should be removed. We accept that there are some good arguments for retaining the power (although not on the existing basis of a bureaucratic assessment of unmet demand), but provisionally consider that on balance quantity regulation is not justified. Transport for London does not have the power to limit the number of taxi licences, so our provisional proposal makes no change for the capital.*

14. In the response from the Norwich Hackney Trade Association, reference is made to other authorities who have placed a temporary 'cap' on hackney carriage vehicle licences and Watford borough council is named as the most recent. In a survey carried out by the National Private Hire Association in October 2010, out of 342 licensing authorities surveyed, 82 (or 24%) restricted the number of hackney carriage vehicle licences they issued.
15. Information available from Watford borough council's website reveals that a limit of 304 hackney carriage vehicle licences was set on 19 January 2012. The vehicles licensed include 'London-style taxis', 'people-carriers' or saloon/estate cars. Population and statistical information reveals that the population estimate by the Office for National Statistics (ONS) as at June 2010 for Watford borough was 86,000.
16. Comparing the information in paragraph 15 above with Norwich, the current number of hackney carriage vehicle licences issued is 218, hackney carriage vehicle licences will only be issued to vehicles that meet the council's standard vehicle specification (i.e. 'London-style taxis' and Peugeot E7) and the population estimate at the same period from the ONS was 143,500.
17. The Norwich Hackney Trade Association have suggested that a 'temporary cap' on hackney carriage vehicle licences could be applied at their present number for a period of two or three years and, due to the exceptional economic conditions, any unmet demand survey would not need to be as robust as a permanent policy. The DfT guidance recommends that the council should be reasonably satisfied that there was no significant unmet demand and that the survey should *"be approached in terms of the interests*

*of the travelling public - that is to say, the people who use taxi services". To establish that 'no significant unmet demand' existed would require a specialist survey being undertaken, the costs of which can run into thousands of pounds. The DfT recommends that the maximum period between such surveys should be three years. There is no provision within the licensing budget for such surveys, the cost of which would have to be borne solely by hackney carriage vehicle licence holders.*

18. Taking into account the DfT guidance and the proposal from the Law Commission, it is difficult to recommend an approach where vehicle licences are purely restricted by number.

## **Applying specific age limits in respect of hackney carriage vehicle licences**

19. Two of the conditions attached to all hackney carriage vehicle licences are related to the age of the vehicle, firstly regarding initial licensing and secondly in respect of how long the vehicle can be licensed. These conditions are:

*3. On initial licensing the age of the vehicle shall not exceed 5 years unless passed by the Director of Regeneration and Development as in exceptionally good condition.*

*4. The age of the vehicle shall not exceed 10 years unless passed by the Director of Regeneration and Development as in exceptionally good condition.*

20. The public consultation has raised an issue concerning the age of vehicles, in that if a vehicle passes the council's compliance test ('MOT') should it not be licensed on that basis only? It can be argued that the issue of vehicle age is somewhat arbitrary as an older vehicle may be in better condition than a newer one due to regular servicing, better maintenance and a lower mileage
21. Additionally, the Norwich Hackney Trade Association raised concerns over the phrase "exceptionally good condition" and about how this is applied in respect of the conditions outlined above. In practical terms it is the vehicle testers who carry out the council's hackney carriage vehicle compliance test who make a subjective assessment as to whether a vehicle is in exceptionally good condition. Up until two years ago, the testing of hackney carriages was carried out by one contractor, City Care, and there were a very limited number of testers who carried out the compliance tests. However, following the closure of City Care, and the tendering of the testing contract, the testing of hackney carriage vehicles is now carried out by three different providers using a number of testers. Accordingly, the subjective view of 'exceptionally good condition' has expanded.
22. Taking account of the views expressed during the consultation, it is recommended that the existing conditions are reviewed and any reference to age limits or 'exceptionally good condition' should be removed. The condition

of vehicles should be a matter for the compliance test which contains objective standards against which vehicles can be tested.

## Review standards relating to exhaust emissions

23. Section 10 of the current hackney carriage vehicle specification relating to exhaust systems reads:

*10. All exhaust systems must comply with the requirements of C & U Regulation 54.*

The specification does not contain standards relating to exhaust emissions. However, members may be aware of EC directives in respect of exhaust emissions which required all new vehicles to be compliant with the relevant Euro standard by a certain date (see table below).

Euro I technology	mandatory for new cars from 1992
Euro II technology	mandatory for new cars from 1996
Euro III technology	mandatory for new cars from 2000
Euro IV technology	mandatory for new cars from 2005
Euro V technology	Mandatory for new cars from 2011

24. The results of the public consultation reveal that over 64% of the people agree that the council should introduce a higher standard for exhaust emissions from black cabs. The majority of people who answered the subsequent question on the period of time to be given to existing licensed vehicles to meet any new standards gave a period of between 1–2 years
25. The council's environmental protection team have currently identified four air quality management areas (AQMA's) within the city: the Castle area of Norwich, Grapes Hill, St Augustine's Street and Riverside. The issue of air quality in these areas is caused by pollutants from traffic. It is proposed this Summer to revoke the existing four AQMA's and implement one central AQMA which would encompass the existing four sites and some additional areas within the city. Following the adoption of the central AQMA, an action plan will be drawn up to tackle the issues causing the air quality issues. Although this will primarily be the role of the county council, the city council will assist in the implementation.
26. Part of the action plan to address the current AQMA in the Castle area was to declare the area a Low Emission Zone (LEZ) in respect of buses and coaches, which meant that a large majority of buses and coaches must meet the Euro III emission standards before allowed entry into the LEZ. The possibility of requiring taxis to also meet this standard was previously explored in 2008 when the LEZ was proposed.
27. Introducing an exhaust emissions strategy for hackney carriages requiring vehicles to meet the Euro III standard or greater would assist in addressing the existing and proposed AQMA's. In addition, this may help to address the issues concerning the age and condition of hackney carriage vehicles by requiring newly licensed vehicles to meet the Euro V standard and existing licensed vehicles to work towards a higher standard

28. The suggested emission strategy would require vehicles manufactured after certain dates to be Euro Emission compliant. This will mean that the vehicle is either compliant with the emission standards, due to its date of manufacturer, or has undergone a certified conversion to ensure emissions meet the standard applicable at the time of compliance testing.
29. The dates contained in the table at paragraph 23 are mandatory for vehicle compliance, although it may well be perfectly feasible for some vehicles to be compliant prior to the mandatory date. In such a case, it may be necessary to refer to the vehicle log book (V5) to determine the Euro standard for that vehicle. If the information is not readily available on the log book, it would be for the vehicle proprietor to produce evidence of the vehicles Euro compliance rating when presenting the vehicle for a compliance test.
30. Certified conversions could be carried out by emission abatement technology companies which have been approved by Transport for London (Public Carriage Office) in conjunction with the Energy Saving Trust (EST), who maintain a register of approved systems and suppliers.
31. An analysis of the ages of existing licensed hackney carriages shows that by virtue of date of manufacture, 60% of vehicles should currently comply with Euro III requirements leaving 40% to be converted or replaced to meet Euro III standard or better.
32. To implement the strategy referred to in paragraph 27, the current hackney carriage vehicle licence conditions would have to be amended. The existing conditions and proposed replacement conditions are set out below.

**Existing conditions:**

- (2) Any vehicle licensed as a hackney carriage before 1<sup>st</sup> January 1991 may continue to be licensed only until 1<sup>st</sup> January 1996 unless the vehicle conforms to the standard specification adopted on 1<sup>st</sup> January 1991, and only so long as that vehicle continues to hold a valid Test Certificate issued by the Norwich City Council.
- (3) On initial licensing the age of the vehicle shall not exceed 5 years unless passed by the Head of citywide services as in exceptionally good condition.
- (4) The age of the vehicle shall not exceed 10 years unless passed by the Head of citywide services as in exceptionally good condition.

**Proposed conditions:**

- (2) (i) Licensed hackney carriage vehicles compliance tested after 1 July 2014 must meet Euro III exhaust emission standards either by virtue of the vehicle's date of manufacture, or by way of an approved conversion.

(ii) Licensed hackney carriage vehicles compliance tested after 1 July 2016 must meet Euro IV exhaust emission standards either by virtue of the vehicle's date of manufacture, or by way of an approved conversion.

(iii) Licensed hackney carriage vehicles compliance tested after 1 July 2018 must meet Euro V exhaust emission standards either by virtue of the vehicle's date of manufacture, or by way of an approved conversion.

- (3) On initial licensing the vehicle must meet the Euro V exhaust emission standards by virtue of the vehicle's date of manufacture.
- (4) Vehicles aged 10 years or older will be subject to six monthly compliance testing.

## **Amending the licensing criteria for hackney carriage vehicle drivers**

33. The current licensing criteria for hackney carriage drivers requires applicants to:

- Undergo an examination with their own GP to confirm their medical fitness;
- Satisfactorily complete a driving assessment carried out by the Driver Standards Agency;
- Be the subject of a criminal records bureau check; and
- Pass a knowledge test of Norwich and its environs.

34. One of the issues raised by the Norwich Hackney Trade Association, and contained in the public consultation, related to the knowledge test and the availability of 'cheat sheets'. The current route knowledge test is a verbal test administered by a member of the licensing team in which the applicant is given a start and finish point and has to take the most direct route between the two points, naming each of the roads that they travel along. In order to pass the applicant has to correctly answer 7 out of 10 numbered questions which are chosen from a pool of questions by the applicant. The pool of questions are amended or added to and the numbering system altered on a regular basis.

35. Other issues raised include the requirements for applicants to: speak and understand basic English; to have some form of numerical testing; hold a NVQ B-Tech qualification in taxi driving; and to understand the requirements relating to assisting wheelchair bound passengers.

36. A presentation has been arranged for members of a computerised system designed to test the knowledge of prospective taxi drivers, giving them a test with random questions, automatically marking the test, and then

optionally informing the candidate of their result. Further information on this product is attached at Appendix C.

37. Members will note from Appendix C that in addition to route knowledge the system can also test the applicant's language and numeracy skills. Questions on the council's licence conditions, regulations and byelaws ('the Green Book') could also be incorporated within a test.
38. Due to the concerns expressed about the suitability of the current method of testing applicant's knowledge, reverting to a computerised system would seem to address the issues raised. Additionally, this system could be used to test other areas of an applicant's competence which have been raised in the consultation.

## **Clarifying the hackney carriage vehicle mechanical fitness test.**

39. Question 11 of the public consultation relating to other matters that could be "added to the black cab MOT" contained a link to the current hackney carriage vehicle compliance testing manual. 84% of respondents did not think anything else should be added to the compliance test. However, the issue of 'exceptionally good condition' addressed earlier in this report was raised. Other matters commented upon already form part of the compliance test.
40. The frequency of testing was commented upon in question 6 of the consultation and it was suggested that hackney carriages be subjected to 6 monthly testing, regardless of age. Currently, licensed hackney carriages are tested annually until they reach 10 years of age, when they are then required to be tested every 6 months.
41. In paragraph 20 of this report it is suggested that refusing to issue a licence based purely on the age of a vehicle may be arbitrary as an older vehicle may be in better condition than a later registered vehicle. However, it would be reasonable to assume that older vehicles require more regular maintenance to ensure that the fitness of the vehicle is preserved. On that basis it is suggested that the current frequency of testing based on vehicle age is retained.

## **Additional consultation information**

42. A summary of the additional comments made in respect of question 12 of the consultation is contained in the table at paragraph 5 of the report. Where possible these have been addressed in this report. However, some of the issues raised, for example placing a limit on the hours drivers can work, are outside the control of the council as a licensing authority. Others, such as a driver dress code, would require further investigation and possible consultation with the hackney carriage and private hire trades. It is proposed that a review of the byelaws, regulations and conditions applicable to hackney carriage and private hire vehicle proprietors, drivers and operators ('The Green Book') be carried out later this year. A further report on this matter will be brought to a future meeting of the committee.

43. Another issue raised in the consultation, and by the Norwich Hackney Trade Association, is the number of hackney carriage rank spaces that are available in the city. This matter does not fall within the remit of the licensing committee, but members could request that the provision of additional rank space be considered by the Head of city development services.