

Report to: **Licensing Committee**

Date: **17<sup>th</sup> November 2022**

Title: **Hackney Carriage and Private Hire Policy – Proposal to delay implementation of the Euro NCAP Safety Rating Standard**

Portfolio Area: **Customer First**

Wards Affected: **All**

Urgent Decision: **Y** Approval and clearance obtained: **Y**

Date next steps can be taken:  
**Full Council on 15<sup>th</sup> December 2022**

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## **Recommendations:**

### **That the Licensing Committee:**

- (1) considers the following proposed change to the Hackney Carriage and Private Hire Policy:-**

**Section 17 of the Policy is amended to delay the implementation of the requirement for currently licensed vehicles to hold a Euro NCAP Safety rating of 4 or 5 stars (out of 5), from 1<sup>st</sup> January 2023 until 1<sup>st</sup> January 2024, or a later date as directed by the Committee.**

- (2) recommends to Council that the draft Hackney Carriage and Private Hire Policy, as amended, is adopted at the meeting on 15th December 2022.**

## **1. Executive summary**

- 1.1 The South Hams Hackney Carriage and Private Hire Policy implemented on 1<sup>st</sup> April 2018 introduced a prescriptive vehicle standard which requires currently licensed vehicles to fulfil the vehicle requirements and specifications by 1<sup>st</sup> January 2023. Specifically, one of the principal requirements is that currently

licensed vehicles must have a Euro NCAP safety rating of 4 or 5 stars by that date, resulting in approximately 15% of the currently licensed vehicle fleet needing to be replaced.

- 1.2 Given the impact on the Taxi and Private Hire trade due to the Covid-19 pandemic, the recent rises in the cost of living, and specifically the very significant rises in the price of second hand vehicles, Officers have decided to identify to the Committee the significant financial impact this policy requirement will place on the trade at a time when they are still recovering from the impact of the Covid-19 pandemic.
- 1.3 In light of the above, Officers have recommended that the policy requirement for all currently licensed vehicles to be compliant with a Euro NCAP safety rating of 4 or 5 stars by 1st January 2023, be delayed initially for a 1-year period until 1st January 2024, with a review of this again in October or November 2023.

## **2. Background**

- 2.1 The Euro NCAP Safety rating scheme has been in existence since 1996 and has made a significant positive impact on vehicle safety standards through a system of standardised safety tests and the publishing of results. The scheme is widely recognised and enjoys a high degree of credibility. The specification of Euro NCAP star ratings levels within Hackney Carriage and Private Hire Policies is considered by the Department of Transport to represent good practise in that this places public safety at the forefront of vehicle specification standards, and the use of Euro NCAP was again recommended in the 2022 Draft Department of Transport Taxi and Private Hire Best Practise.
- 2.2 Officers therefore recognise the importance of such a specification within the Policy, and the motivation for its inclusion remains unchanged (protecting public safety). Officers do however recognise a number of significant current issues that may impact on the ability of members of the trade who would be required to change vehicle to afford this:
  - As with many other sectors of the economy, the Covid-19 pandemic had a severe impact on the taxi and private hire trade that led to significant numbers of drivers and vehicles leaving the trade. The evidence for this conclusion is presented clearly in the Department for Transport Taxi and Private Hire vehicle statistics 2022, which shows a 22,600 drop in licensed drivers nationally between 2020 and 2022. The pandemic severely limited the mobility of the entire population for a sustained period, leading to demand for taxis being very limited during this time. Despite a number of Government funded grant schemes through the pandemic, the taxi/PH trade remain in recovery;

- Research published by the AA in October 2021 suggested that the price of the UK's most popular cars have increased up to 57% since 2019. The research attributes this rise in particular, to a global shortage of semi-conductor computer chips used in car production, leading to a much reduced number of new vehicles being manufactured. This in-turn has driven up the price of second-hand vehicles, particularly nearly-new vehicles which would be the sort of vehicles that licensed drivers would be looking to replace their cars with. Further research by Auto Trader published in the Guardian in February, also reported that the average price of a used car on Auto Trader increased by 29% in the previous year, with prices up an average of £4,200 in the previous 6-months; and
- The cost of living crisis continues to be a point of major concern for the taxi/PH trade. The Office for National Statistics recently reported that the consumer price index rose to 10.1% in September 2022. The impact of this is that even with recent tariff rises, it would likely be less affordable for the trade to replace their current vehicles, and also potential customers are likely to go out less in an effort to save money, thereby impacting on the demand for evening fares.

### **3. Outcomes/outputs**

- 3.1 Legislation prescribes that the Council is empowered to adopt the Draft hackney Carriage and Private Hire Policy. Adoption cannot be delegated to the Licensing Committee.
- 3.2 The following timetable is proposed in respect of adoption of the Draft Policy:
  - Licensing Committee approval of the proposed amended policy and agreement to recommend to Council for adoption: 17th November 2022;
  - Amended Policy put before Council for approval: 15th December 2022;
  - Amended Hackney Carriage and Private Hire Policy to be published: 19<sup>th</sup> December 2022;

### **4. Options available and consideration of risk**

- 4.1 The Committee may decide to refuse the proposed amendment and to allow the policy to be implemented as published, but Officers are concerned that this may lead to a reduction in licensed vehicles as the proprietors may not be able to afford to change to a compliant vehicle at this time.

- 4.2 A reduction in licensed vehicles may in turn impact on public safety via less licensed vehicles being available to convey passengers home at night. In addition, a reduction in licensed vehicles would particularly impact on persons with mobility difficulties who are more likely to rely on licensed vehicles for their personal mobility.
- 4.3 Officers consider that a delay of 1-year to the implementation of this policy point would be proportionate to the issues highlighted above, and any risk of doing so could be reduced by regularly reviewing the matter.

## 5. Proposed Way Forward

- 5.1 That the Committee recommends to Council that the Hackney Carriage and Private Hire Policy, as amended, is adopted at the meeting on 15th December 2022.

## 6. Implications

| Implications   | Relevant to proposals Y/N | Details and proposed measures to address   |
|--|---------------------------|--|
| Legal/Governance   | Y                         | Legislation prescribes that the Council is empowered to adopt hackney Carriage and Private Hire Policy.<br><br>Best Practice Guidance published by the Department for Transport recommends that Local Authorities publish a consolidated Hackney carriage and Private Hire Policy. |
| Financial implications to include reference to value for money |                           | The associated preparation and publication costs will be met in full from Taxi/Private Hire applications and renewal fees income. Therefore, there are no financial implications to the Council from this report.  |
| Risk   |                           | Proceeding with the published timetable for this policy implementation may lead to a reduction in licensed vehicles, which may in turn lead to risks to public safety as outlined above.   |
| Supporting Corporate Strategy                                  |                           | Strengthening Community well being   |
| Climate Change - Carbon / Biodiversity Impact                  |                           | No direct impact on delivering our climate change programme identified, albeit the replacement of licensed vehicles with newer, likely lower emission vehicles, would be of benefit.   |

| Comprehensive Impact Assessment Implications |  |  |
|--|--|--|
| Equality and Diversity                       |  | There is the duty on Council when considering applications or enforcement action to comply with Human Rights Act 1998. Equality Impact Assessment carried out prior to publication.                    |
| Safeguarding                                 |  | Protecting children and other vulnerable persons from being harmed or exploited is one of the key priorities of the Policy. The proposed policy amendment would not adversely impact on this priority. |
| Community Safety, Crime and Disorder         |  | No direct impacts identified.  |
| Health, Safety and Wellbeing                 |  | No direct impacts identified.  |
| Other implications                           |  |  |

### **Supporting Information**

#### **Appendices:**

Appendix A – Hackney Carriage and Private Hire Policy 2018.

#### **Background Papers:**

Department for Transport Taxi and Private Hire vehicle statistics 2022.

### **Approval and clearance of report**

Report Cleared by Monitoring Officer and S151 Officer.