

Report to: **Licensing Committee**

Date: **9 November 2023**

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 14th December 2023

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Recommendations:

That the Licensing Committee:

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

Section 18 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 1st January 2024 until 1st January 2025, or a later date as directed by the Committee.

Section 20 of the Policy is amended to confirm that licences of affected vehicles may continue to be renewed until 31st December 2024 (rather than 31st December 2023).

- (2) If the policy is amended, recommends to Council that the Hackney Carriage and Private Hire Policy is adopted at the meeting on 14th December 2023.**

1. Executive summary

- 1.1 On 1 April 2018 it became a requirement of the South Hams Hackney Carriage and Private Hire Licensing Policy that licensed vehicles must have a Euro NCAP safety rating of 4 or 5 stars (out of 5). Any application for a new licensed vehicle received after this date has had to meet this standard. Proprietors were given until 1 January 2023 to ensure that currently licensed vehicles met this standard.
- 1.2 On 17 November 2022 the South Hams Licensing Committee agreed to postpone the date for currently licensed vehicles to meet the Euro NCAP safety rating requirement by 12 months to 1 January 2024. A decision was made that the position would be reviewed again in November 2023.
- 1.3 The reason for the postponement was due to the financial burden of this policy requirement at that time, following the impact of the Covid-19 pandemic, the rise in the cost of living, and specifically the very significant rises in the price of second hand vehicles.
- 1.4 Seven of our currently licensed vehicles (including both Hackney Carriage and Private Hire) only achieve a 3 star rating and would therefore not be eligible for renewal after 1st January 2024. This equates to roughly 5% of the total number of licensed vehicles.
- 1.5 We are requesting that the Licensing Committee review whether the postponement of the Euro NCAP requirement should be extended for another twelve months so that currently licensed vehicles would need to be compliant by 1st January 2025

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 practice 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 Practice.
- 2.2 The importance of such a specification within the Policy is clear, and the motivation for its inclusion remains unchanged (protecting public safety). However, it was recognised last year that there were several significant issues that may impact on the ability of members of the trade who would be required to change vehicle to afford this:

- Impact of Covid-19 pandemic
 - Sharp increase in the cost of second hand cars
 - Cost of living crisis
- 2.3 While these issues are still relevant today, the impact does not appear to be as significant as last year, so due consideration needs to be taken.
- 2.4 Covid-19 pandemic
The Covid-19 pandemic had a severe impact on the taxi and private hire trade which led to a significant number of drivers leaving the sector. While the number of drivers is still below the 2020 figure, there has been an increase in numbers nationally since last year bringing this figure closer to pre-Covid-19 levels.
- 2.5 Cost of second-hand vehicles
Between 2021 and 2022 it was reported that used car prices increased by as much as 30%, due to an international shortage of new vehicles being manufactured. This obviously had a huge impact on members of the taxi trade looking to purchase new vehicles. However, the AA has reported that in 2023 the price growth for used cars has been much slower. Overall prices remain just over 3% higher than last year, but the cost of the most popular used cars have started to fall.
- 2.6 Cost of living crisis
The recent sharp rise in the cost of living has had a massive impact. According to the Office for National Statistics, in the UK prices of consumer goods and services rose by 9.6% in the year to October 2022, the fastest rate in four decades. Since then the annual inflation rate as measured by the Consumer Prices Index has slowed. In the year to September 2023 the annual inflation rate was 6.3%, this was unchanged from August. Average fuel prices hit an all-time high in 2022, these have now come down, although not back to pre-2022 levels.
- 2.7 In response to the high fuel costs and cost of living crisis, the hackney carriage maximum fare tariff was reviewed in 2022 and a new table of fares introduced in June 2022. This saw an increase to the maximum fares which can be charged by hackney carriages on journeys within the South Hams. The cost of a 2 mile journey increased from £6 to £7.80, a rise of 30%.

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: 9th November 2023;
- Amended Policy put before Council for approval: 14th December 2023;
- Amended Hackney Carriage and Private Hire Policy to be published: 18th December 2023;

4. Options available and consideration of risk

- 4.1 The Licensing Committee in 2017 decided that they wanted South Hams licensed vehicles to be the most highly safety rated vehicles to promote public safety, which is the priority of the Licensing Authority. If it is decided to postpone the date of implementation of the 4* or 5* Euro NCAP rating for renewed vehicles, there must be good reasons for doing so.
- 4.2 Vehicles rated 3* or below are not deemed to be 'unsafe' and can be legally driven, however they do not have the highest level of safety features that other models have. The Department for Transport makes reference to a 2019 research paper from Sweden which considered differences in real-world injury outcome for occupants in cars rated by Euro NCAP. It concluded that the risk of fatal injury was reduced by 40% for occupants of a 5* rated car when compared with an equivalent 2* rated car.
- 4.3 If the Licensing Committee decides not to postpone the implementation date, 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. There is the possibility that a reduction in licensed vehicles may impact on public safety, due to fewer licensed vehicles being available to convey passengers home at night. However, as the number of vehicles affected by this requirement is relatively low, the impact is unlikely to be significant.
- 4.4 We would like the Licensing Committee to consider whether an additional 1-year delay to the implementation date for all currently licensed vehicles to have a 4* or 5* Euro NCAP rating, would be proportionate to the issues highlighted above. As advised in 2022, 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, if amended, is adopted at the meeting on 14th December 2023.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>Legislation prescribes that the Council is empowered to adopt Hackney Carriage and Private Hire Policy.</p> <p>Best Practice Guidance published by the Department for Transport recommends that Local Authorities publish a consolidated Hackney carriage and Private Hire Policy.</p>
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 2022.

Appendix B – Committee report from 17 November 2022.

Appendix C – Copy of minutes from meeting held 17 November 2022.

Background Papers:

None.

Process checklist	Completed
Portfolio Holder briefed	Yes/No
SLT Rep briefed	Yes/No
Relevant Exec Director sign off (draft)	Yes/No
Data protection issues considered	Yes/No
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	Yes/No