

Report of Head of Licensing and Registration

Report to Licensing Committee

Date: 25 June 2013

Subject: Executive Private Hire Vehicles Policy and Licence Condition relating to price at point of first licensing

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This is a follow up report originating from the Taxi & Private Hire Licensing Policy review report presented to Licensing Committee on 15 January 2013.
2. An issue arising from the consultation and highlighted at Committee resulted in the Licensing Committee agreeing to form a working group to consider the pricing condition upon Executive Private Hire saloon vehicles.
3. The working group met and consulted with trade representatives and subsequently presented alternative options to the licensed Executive Private Hire Operators.
4. The working group considered the additional consultation feedback and after discussion decided that the recommendation at 6.1 should be the preferred option for full Committee to approve.

Recommendations

5. That Licensing Committee approve the recommendation of the working group that the relevant pre-condition attached to the grant of an Executive Private Hire saloon vehicle should be:

To ensure a distinct category of Executive vehicle which divides Executive and standard Private Hire saloons the Executive vehicle will have an initial retail value of not less than £39,000 at the point of first registration. That

retail figure will be determined by reference to the industry's standard retail guides, 'CAP – Black Book' or 'Glasses Guide'.

and

The age of a vehicle, for licensing purposes, shall be determined by the date of first registration on the V5 document (Log Book). An Executive saloon vehicle will only be accepted for licensing if the date of first registration is less than 1 year old on the date of first application. The vehicle must be licensed for use within one month from the date of application.

6. That the approved pre-conditions attached to the grant of an Executive Private Hire saloon vehicle and the conditions upon such a licence shall apply with immediate effect to Executive Private Hire saloon vehicle licensing applications after the date of approval by the Licensing Committee.
7. That those Executive Private Hire saloon vehicles licensed under the existing policy will not be adversely affected by the introduction of this policy and will continue to be licensed under the terms of the previous policy.
8. That the approved Executive Private Hire vehicle saloon pre-conditions attached to the grant of a Executive Private Hire saloon vehicle licence and the conditions upon such a licence next be reviewed in 2018 and every five years thereafter, unless any change in circumstances requires the policy to be reviewed at an earlier date.

1 Purpose of this report

- 1.1 To respond to the issues raised at Licensing Committee on 15 January 2013 in respect of the price threshold for Executive Private Hire saloon vehicles contained within the pre-conditions to the Licensing of such a vehicle.
- 1.2 Inform Members of the further consultation that has taken place between the Licensing working group and licensed Executive Private Hire Operators leading to the recommendation of the working group to the Licensing Committee.

2 Background information

- 2.1 Taxi & Private Hire Licensing is carrying out a full review of all the policies and pre-conditions relating to the Private Hire and Hackney Carriage trade. Following consultation those policies and pre-conditions are being presented to the Licensing Committee to consider and determine.

- 2.2 The existing pre-condition to licensing an Executive Private Hire saloon vehicle is:-

To ensure a distinct category of Executive vehicle which divides Executive and standard Private Hire saloons the Executive vehicle will have an initial retail value of not less than £45,000 at the point of first registration. That retail figure will be determined by reference to the industry's standard retail guides, 'CAP – Black Book' or 'Glasses Guide'.

The existing pre-condition in respect of the age criteria for an Executive Private Hire saloon vehicle is:-

The age of a vehicle, for licensing purposes, shall be determined by the date of first registration on the V5 document (Log Book). An Executive saloon vehicle will only be accepted for licensing if the date of first registration is less than 2 years old on the date of first application. The vehicle must be licensed for use within one month from the date of application.

- 2.3 The 'lifetime' age criteria policy for standard Private Hire saloon vehicles is applied to Executive Private Hire saloon vehicles also and is set out below:-

INSPECTION POLICY FOR LICENSED VEHICLES SEEKING TO BE RE-LICENSED BEYOND 7 YEARS

A currently licensed vehicle may continue to be re-licensed beyond 7 years from the date of first registration providing that it is:-

- In suitable mechanical condition
- Safe
- Comfortable

and meets all licensing conditions. This will be determined by a formal inspection by an Authorised Officer of the Taxi and Private Hire Licensing Section.

It is the responsibility of the vehicle proprietor to ensure that vehicle inspection arrangements are in place prior to the expiry of the vehicle licence, allowing sufficient time for both the inspection and any remedial work to be completed prior to the expiry date.

2.4 The policy and conditions relating to Executive Private Hire saloon vehicles was considered by Elected Members on 15 January 2013 and they heard the issues around the price threshold for Executive Private Hire saloon vehicles. Elected Members decided a working group should be formed to further consider the price threshold issue.

2.5 The working group invited all the licensed Executive Private Hire Operators to a consultation meeting and heard the views of those attending. The working group of Elected Members decided to offer two alternative proposals to the existing pre-conditions price threshold for the Executive Private Hire trade to consider and asked Officers to consult on those proposals.

2.6 The proposals were:

Proposal 1

Type of Vehicle

- The Executive vehicle will have **an initial retail value of not less than £39,000 at the point of first registration**. That retail figure will be determined by reference to the industry's standard retail guides, 'CAP-Black Book' or 'Glasses Guide'.

Age Criteria

- The age of a vehicle, for licensing purposes, shall be determined by the date of first registration on the V5 document. An Executive vehicle will only be accepted for licensing if the date of first registration is **less than 1 year old from the date of first application**.

Proposal 2

- The Executive vehicle will have an **initial retail value of not less than £45,000 at the point of first registration**. That retail figure will be determined by reference to the industry's standard retail guides, 'CAP-Black Book' or 'Glasses Guide'.
- The age of a vehicle, for licensing purposes, shall be determined by the date of first registration on the V5 document. An Executive vehicle will only be accepted for licensing if the date of first registration is **less than 3 years old from the date of first application**.

- 2.7 The anonymized consultation responses in full are at **Appendix 1**.
- 2.8 A summary of the anonymized responses and the preferred option of each Executive Private Hire Operator is at **Appendix 2**.
- 2.9 Elected Members of the working group considered all of the issues, which are included in the 'main issues' and reached the recommendation presented to the Licensing Committee at 6.1.

3 Main issues

- 3.1 The Council is able to place appropriate pre-conditions prior to the grant of Private Hire vehicle and the issue.
- 3.2 The private hire industry has for some considerable time offered two levels of service to customers; standard private hire, of which there are 104 licensed operators with the Authority, or Executive Private Hire of which there are 6 licensed Operators.
- 3.3 Since first licensing Executive Private Hire vehicles Members have recognised the clear distinction between the two types of services and sought to demonstrate that by imposing a vehicle pricing threshold that emphasises and distinguishes the Executive Private Hire service from standard Private Hire.
- 3.4 Private Hire service providers have a business choice of either operating a business providing a standard saloon vehicle for bookings or an Executive style saloon vehicle. If the preferred business option is an Executive style saloon vehicle then both the full Licensing & Regulatory Panel in November 2007 and the working group making the recommendation in this report have demonstrated there must be a clear distinction between the two licensing groups. That distinction has been drawn by setting a price threshold which draws a line between the two types of licensed vehicle.
- 3.5 Throughout the working group meetings there was discussion concerning whether to set a monetary threshold or a threshold by way of vehicle specification. It was considered by Elected Members that the vehicle specification method had flaws; for example a range of standard family saloon vehicles could contain a similar specification (leather upholstery, tinted windows, heated seats, blue tooth, air conditioning, electric reclining seats etc, etc.) as a top of the range executive vehicle but it would not by any measure be considered an executive vehicle.
- 3.6 The preferred and more precise method was the monetary threshold, using price to draw a clearer distinction. Elected Members focused on the viewpoint of which vehicles might reasonably be considered to cross over to an executive style of vehicle from family or business saloons. The distinction was agreed on the BMW 5 series which might reasonably be considered to be an entry level into the every day understanding of an executive vehicle. The price band of £39,000 accommodates the higher range of BMW 5 series and Mercedes E Class but also creates the important differential between other

models of BMW and Mercedes which might be used as standard private Hire vehicles or standard family saloon vehicles.

- 3.7 Members should be aware that the proposed price threshold is significantly relaxed by allowing vehicle to be licensed up to one year after first registration. The dip in prices in the period can be significant. Applicants are not asked to produce receipts to show they have actually paid £39,000, they only have to demonstrate that was the showroom value of the vehicle at the point of first purchase (whoever may have purchased it) as quoted in the industry's standard retail guides. That leaves open the opportunity for negotiating prices down or 'trading in'. That price remains a constant in the 'CAP- Black book' or 'Glasses Guide'.
- 3.8 In order that existing licensed Executive Private Hire saloon vehicle operators would not be adversely affected by the introduction of a new policy, Members could consider that the introduction of the recommendation at 6.1 and 6.2 should not apply to those vehicles currently licensed and that they would still be subject to the existing pre-conditions and conditions.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation was initially undertaken for 3 months between 13 July 2012 and 5 October 2012. Results of this consultation were previously reported to committee on 15 January 2013. Following this, further consultation took place between Elected Members of the working group and licensed Executive Private Hire Operators from 25 February 2013 and 13 May 2013. Details of the outcome of the later consultation exercise is attached at **Appendices A and B**.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no adverse issues raised by the proposals.

4.3 Council policies and City Priorities

- 4.3.1 The Taxi & Private Hire Licensing policies create the principles the Council will use to exercise its functions, mainly under the Local Government (Miscellaneous Provisions) Act 1976, but also under other associated Acts of Parliament. Applicants for licences are expected to read the policy before making their application and the Council will refer to the policy when making its decisions.

- 4.3.2 The Taxi & Private Hire Licensing policies contribute to the following aims:

By 2030, Leeds will be fair, open and welcoming

- Local people will have the power to make decisions that affect them
- There is a culture of responsibility, respect for each other and the environment

- Our services meet the diverse needs of our changing population
- Everyone is proud to live and work

4.3.3 The Taxi & Private Hire Licensing policies contribute to the following city priorities:

Best city ... for communities

- Reduce crime levels and their impact across Leeds
- Effectively tackle and reduce anti-social behaviour in communities

4.4 Resources and value for money

4.4.1 There are no adverse or beneficial cost impacts to the Council in this policy.

4.5 Legal Implications, Access to Information and Call In

4.5.1 By virtue of Section 55 (3) Local Government (Miscellaneous Provisions) Act 1976 the local Authority can place conditions upon a Private Hire Operator licence as they may consider necessary. By Section 48 of the same Act the local Authority may attach to the grant of a vehicle licence such conditions as they may consider reasonably necessary.

4.6 Risk Management

There are no risks to the Authority associated with this policy other than the exercising of a legal challenge by any Operator effected.

5 Conclusions

5.1 That Elected Members of the working group have again decided there should be a clear distinction between standard and Executive Private Hire saloon vehicles which should be by way of a monetary threshold as set out at recommendation 6.1.

5.2 The recommendations of the working group is set in today's economic environment and sets a price threshold which takes that need for a clear distinction into account.

6 Recommendations

6.1 Licensing Committee approve the recommendation of the working group that the relevant pre-condition attached to the grant of an Executive Private Hire saloon vehicle should be:

To ensure a distinct category of Executive vehicle which divides Executive and standard Private Hire saloons the Executive vehicle will have an initial retail value of not less than £39,000 at the point of first registration. That retail figure will be determined by reference to the industry's standard retail guides, 'CAP – Black Book' or 'Glasses Guide'.

and

The age of a vehicle, for licensing purposes, shall be determined by the date of first registration on the V5 document (Log Book). An Executive saloon vehicle will only be accepted for licensing if the date of first registration is less than 1 year old on the date of first application. The vehicle must be licensed for use within one month from the date of application.

- 6.2 That the approved pre-conditions attached to the grant of an Executive Private Hire saloon vehicle and the conditions upon such a licence shall apply with immediate effect to Executive Private Hire saloon vehicle licensing applications after the date of approval by the Licensing Committee.
- 6.3 That those Executive Private Hire saloon vehicle licensed under the existing policy will not be adversely affected by the introduction of this policy and will continue to be licensed under the terms of the previous policy.
- 6.4 That the approved Executive Private Hire vehicle saloon pre-conditions attached to the grant of a Executive Private Hire saloon vehicle licence and the conditions upon such a licence next be reviewed in 2018 and every five years thereafter, unless any change in circumstances requires the policy to be reviewed at an earlier date.

7 Background documents

Consultation responses

Response 1

Hello #####

I would prefer to go with Proposal 2.

Response 2

Dear #####

We have considered the proposals and feel strongly that the 2 proposal do not address the key issue of the high value of vehicle cost at new. The lowering of the Value to £39 k is totally impractical as there is such a significant jump from executive standard ranging from £30k cars to luxury cars ranging from £50k plus that £39k has no measure of relevance.

The proposal to change the time from 2 years to 3 years would then mean that a vehicle then has to be changed at 5 years leaving an operation life span of 2 years before the vehicle then needs replacing. Notwithstanding the option to extend under the exception vehicle conditions this would not make operational sense and have absolutely no impact on public safety.

The reason that Executive cars was placed under licensing law was passenger safety and we agree with CRB checks and other safeguards. Unfortunately Leeds Licensing policy has had the opposite effect because the high price criteria of the cars has driven all the other companies operating in Leeds underground. Over one hundred companies were invited to the initial consultation meeting with Leeds and only three operate under Leeds Licensing. The rest operate without CRB etc because they find Leeds rules unrealistic.

The arguments put forward by officers at our recent meeting were false. They said that some private hire companies now owned Mercedes e class cars, this is irrelevant to the safety of the citizens of Leeds as both Executive Private Hire and Standard Private Hire are covered by stringent conditions. The decision by one private hire company to add a small number of black Mercedes cars to add to the fleet that operates out of Leeds and Bradford Airport should be applauded. It cannot be used as a factor in crippling executive private hire operators with unreasonable costs.

Executive operators cannot operate as private hire, we have different rules, different licences, different badges. Equally, private hire operators would have no success as executive hire because they are covered with the ph stickers and would not be attractive to executive customers. All the arguments put forward by licensing officers were not relevant in any way.

We believe that a bottom price of £30,000 from new up to 12 months is the right one, our customers would not use our services if they thought the cars used were not executive cars. There are no other safety issues relevant to the price. There are high standard BMWs, Mercs etc available new from £30,000.

We have with all our dealings with Administration Officers, Counter Staff, Garage and Inspectors found all to be a pleasure to deal with. On the issue of Value I have to say that I am now beginning

to feel that we are being bullied and victimized over this issue. The policy has so far forced virtually all our competition underground or has simply put other business's out of business as the conditions and threat of prosecution have been unacceptable. All at a time when the Council has done nothing as it promised to do in the first meetings to take unlawful operators to court.

After our meeting last week and the admission by Mr Broster that the consultation process was finished in 2007 with time constraints. I have looked at the process and am concerned that the policy of vehicle values we have been forced to follow may not be legal for the following reasons.

The consultation process was flawed as the time scales did not allow for proper consideration of objections to the value proposed. We had one meeting on the 18th October and a further meeting on the 2nd November 2007. It was not possible to consider the points raised on the 2nd November 2007 for 2 reasons. firstly no minutes of this meeting have been received. Secondly as the Licensing and Regulatory Panel met to approve the conditions on the 7th November it would not have been possible to include submission's into the briefing pack issued to Council Members for that meeting as these have to be issued at least 5 days in advance of meetings.

More importantly than concerns over the consultation process I would like to establish how the conditions relating to monetary value are legal when there is no list of approved vehicles and when values were not included in the details submitted to the Council on the 7th November 2007. I would welcome clarification on when the policy has been approved by the Council and at what stage it became law.

Conditions attached to pre conditions to Private Hire Executive Vehicle Licence (Appendix 8 Page 51) as voted on by Councillors on the 7th November 2007.

1. TYPE OF VEHICLE

(a) Glazing forward of the 'B' pillar shall comply with Construction and Use Regulation 32 with regard to the

level of tint. A minimum light transmission value of 70% shall be maintained in the off side front and near

side front windows. The windscreen shall have a minimum light transmission value of 75%. Tinted film

applied to any window on the vehicle is not permitted.

(b) A vehicle licence will not normally be granted if it has sustained accident damage resulting in structural

distortion beyond the accepted limits of the vehicle manufacturer, or, has been disposed of under an insurance salvage agreement (categories A, B, C, and D)²

(c) Once a vehicle has been inspected and a licence granted, it shall be maintained in that form and condition

including continued compliance with Condition 1(b) relative to accident damage. No change in the specification, design or appearance of the vehicle or addition of any body work accessories shall be made

within the duration of the licence without the prior written approval of the Council.

(d) (i) Fire Extinguisher – Saloon Vehicles / People Carriers

A fire extinguisher shall be carried at all times in the vehicle. This fire extinguisher shall be a 1kg dry powder giving a minimum 5A/21B rating as defined in BSEN 3-4 British Standard for portable fire extinguishers. It must be mounted in its correct transport bracket within the boot area of the vehicle in a position that is easily accessible to potential users. All fire extinguishers should conform to British Standard EN3.3

(ii) Fire Extinguisher – Wheelchair Accessible Vehicles

In the case of wheelchair accessible minibus two fire extinguishers shall be carried at all times in the vehicle. This fire extinguisher(s) shall be 2 litre foam (AFFF) giving a minimum 5A/70B rating as defined in BSEN 3-4 British Standard for portable fire extinguishers. It must be mounted in its correct transport bracket within the vehicle in a position that is easily accessible to potential users and location signs must be fitted. All fire extinguishers should conform to British Standards EN3.

(e) The vehicle shall carry at all times a fully equipped first aid kit which will contain:

- Guidance on First Aid Leaflet
- 10 x Non Alcoholic Wipes (Single)
- Conforming Bandage 7.5cm x 4.5m stretched
- 2 x Non Woven Triangular Bandage 96 x 96
- Safety Pins x 12

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- Medium Blunt/Blunt Stainless Steel Scissors 5”
- 2 x No. 16 Eye Pad Dressing
- 3 x Large Dressing 180 x 180 mm
- 30 Assorted Transparent Plasters

All stored in a suitably labelled container complete with transport bracket and fitted in a suitable prominent

position within the boot area of the vehicle for ease of use by the driver or passengers.

(f) Only those vehicles which are on the Council’s ‘Approved List of Executive Vehicles’ will be accepted for licensing.

2. AGE CRITERIA

(a) The age of a vehicle, for licensing purposes, shall be determined by the date of first registration on the V5

document (Log Book.) A vehicle will only be accepted for licensing if the date of first registration is less

than 2 years from the date of application. The vehicles must be licensed for use within one month from the

date of application.

(b) Where a currently licensed vehicle does not meet the requirements of part 2a) that vehicle will continue to

be re-licensed for up to 5 years from the date of first registration, providing that all other licensing requirements relating to that vehicle have been complied with and that the licence is renewed before the

Taxi and Private Hire Licensing Section’s last working day of the month of expiry of the licence.

Any break

in the licence will result in part (a) of this Condition coming into effect.

Appendix 13 page 73 does not make reference to the value of vehicles either.

I look forward to your response to the above concerns.

Response 3

Hi #####

Many thanks for your e-mail.

I do have quite strong views on this subject and have in the past tried to put my case across, with no resolution.

I think that the thresholds for Executive Private hire pricing structure in Leeds is way out of line with other authorities in the UK through experience. Although I welcome the fact that Executive private hire should be a higher threshold than standard private hire, I think they are still too high for operators to run vehicles within these margins. I work alongside many Operators nationwide including London companies which run under the PCO (Public Carriage Office) <http://www.pco-licence.com/#!rent-or-buy/c1kvx> and their criteria works for over 49.000 (Forty Nine Thousand) Standard and Executive operators who run under private hire. Each vehicle, either standard or Executive (Not minicabs) display a disc in the rear and front windows of their vehicles telling the general public that they are private hire. The customer can then define whether they wish to hire for example a Toyota Avensis or a Mercedes "S" Class.

I do not want to get involved in the politics of the council rules and regulations as I personally feel that the feelings of the Operators in this matter will NOT win over the authorities decision.

Kind regards

Response 4

I would go with proposal 2.

Executive Hire conditions – Working Group – Responses

Operators name	Summary of response	Which option		
		Option 1	Option 2	Other
Licensed Executive Hire Operator	<p>We have considered the proposals and feel strongly that the 2 proposal do not address the key issue of the high value of vehicle cost at new. The lowering of the Value to £39 k is totally impractical as there is such a significant jump from executive standard ranging from £30k cars to luxury cars ranging from £50k plus that £39k has no measure of relevance.</p> <p>We believe that a bottom price of £30,000 from new up to 12 months is the right one, our customers would not use our services if they thought the cars used were not executive cars. There are no other safety issues relevant to the price. There are high standard BMWs, Mercs etc available new from £30,000.</p>			Neither bottom price of £30,000 from new up to 12 months
Licensed Executive Hire Operator	I would prefer to go with Proposal 2.		Yes	
Licensed Executive Hire Operator	<p>I think that the thresholds for Executive Private hire pricing structure in Leeds is way out of line with other authorities in the UK through experience. Although I welcome the fact that Executive private hire should be a higher threshold than standard private hire, I think they are still too high for operators to run vehicles within these margins. I work alongside many Operators nationwide including London companies which run under the PCO (Public Carriage Office) http://www.pco-licence.com/#!rent-or-buy/c1kvx and their criteria works for over 49,000 (Forty Nine Thousand) Standard and Executive operators who run under private hire. Each vehicle, either standard or Executive (Not minicabs) display a disc in the rear and front windows of their vehicles telling the general public that they are private hire. The customer can then define whether they wish to hire for example a Toyota Avensis or a Mercedes "S" Class.</p> <p>I do not want to get involved in the politics of the council rules and regulations as I personally feel that the feelings of the Operators in this matter will NOT win over the authorities decision.</p>			Neither

Appendix 2

Operators name	Summary of response	Which option		
		Option 1	Option 2	Other
Licensed Executive Hire Operator	I would go with proposal 2.		Yes	
Licensed Executive Hire Operator	No preference either way. Currently running a people carrier.			No preference
Licensed Executive Hire Operator	Keen to prevent 'cowboys' from entering the executive trade. Keep it as it is.			Keep the condition as it is