

PUBLIC PROTECTION COMMITTEE: 5 March 2019

Report of the Head of Shared Regulatory Services

**UPDATE TO THE AGE, EMISSION AND TESTING REQUIREMENTS OF
HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLES**

1. Background

- 1.1 Under the Local Government (Miscellaneous Provisions) Act 1976, the Council may attach any conditions to the grant of hackney carriage and private hire vehicle licences that they consider reasonably necessary.
- 1.2 This report outlines current issues around air quality in Cardiff, the current policies in relation to the age and testing of licensed vehicles, and proposes changes to the current regime to deal with the air quality challenges faced by the City.

2. Air Quality

- 2.1 Air quality is a devolved matter in the UK, meaning that the Devolved Administrations are responsible for developing domestic policies and legislation to improve air quality and reduce risks to human health. The Air Quality Standards Regulations 2010 transpose the Ambient Air Quality Directive requirements (2008/50/EC)¹ into devolved legislation.
- 2.2 To meet its requirements under the EU Ambient Air Quality Directive (AAQD), through the Department for Environment Food and Rural Affairs (DEFRA) the UK government published its air quality plan to tackle roadside nitrogen dioxide (NO₂) concentrations in July 2017². The document identified the Cardiff Urban Agglomeration area as a problematic area in terms of continued non-compliance with the EU limit value, for NO₂.
- 2.3 Modelled projections from Defra using its national Pollution Climate Mapping (PCM) model indicated a number of road links in Cardiff that would continue to exceed the EU Limit Value for NO₂ beyond 2021. This modelling projected continued non-compliance of the national annual average NO₂ standard beyond 2021 along the A48, Eastern Avenue and the A4232 near the Cardiff Bay Retail Park.

¹ [DIRECTIVE 2008/50/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL](#)

² [Defra - UK plan for tackling roadside nitrogen dioxide concentrations July 2017](#)

2.4 Welsh Government exercised powers conferred to it under section 85(5) of the Environment Act 1995 and issued a legal direction titled Environment Act 1995 (feasibility study for Nitrogen Dioxide Compliance) Air Quality Direction 2018, to Cardiff Council.

2.5 The direction came into force, as signed by the then Minister of Environment, on the 15th February 2018, and was delivered to Cardiff Council on the 9th March 2018. The direction has a schedule of specified activities, and states:

'Under the Environment Act 1995 (Feasibility Study for Nitrogen Dioxide Compliance) Air Quality Direction 2018, the Welsh Ministers make this direction having determined that it is necessary in order to meet obligations placed upon the United Kingdom under the EU Ambient Air Quality Directive.

Cardiff Council will undertake, as part of the UK plan for tackling roadside nitrogen dioxide concentrations 2017, a feasibility study in accordance with the HM Treasury's Green Book approach, to identify the option which will deliver compliance with legal limits for nitrogen dioxide in the area for which the authority is responsible, in the shortest possible time.'

2.6 The has required the Council to undertake the following as part of the feasibility study:

- **30th September 2018** at the latest submit the Initial Plan to set out the case for change and develop options for measures that the local authority will implement to deliver compliance in the shortest possible time.
- **30th June 2019** at the latest submit the Final Plan to identify in detail the preferred option for delivering compliance in the shortest possible time, including a full business case.

2.7 To date the Council has met the first requirement detailed above by submitting an Initial Plan³ to Welsh Government by the 30th September 2018. The report presented the results of detailed local transportation and air quality modelling which presented significantly different results to the national modelling. The results of the local modelling has indicated that beyond 2021, only the **A4161 Castle Street** in the City Centre will exceed NO₂ limit value under the AAQD.

2.8 In assessing the model data the main reason for this exceedance relates to very high traffic flows, some **32,000** vehicles a day and accompanying slow speeds of around 11mph on this specific road link.

2.9 There are over 2,000 licensed vehicles in Cardiff, which contribute to roadside NO₂ levels, with the vast majority of these vehicles not meeting the latest Euro 6 diesel emissions standard. As part of the Council's ongoing commitment to improving air

³ [Cardiff Council, Clean Air Feasibility Study September 2018](#)

quality in Cardiff, it is important that this is considered when reviewing and renewing vehicle policies. A NO_x pollution source apportionment exercise was undertaken on Castle Street which identified that by 2021, 6% of the NO₂ pollution will be from diesel Taxis.

- 2.10 Work is currently ongoing to finalise an Outline Business Case to identify a preferred option(s) which will enable the Council to implement a solution to ensure that compliance with the limit value is achieved in the shortest possible time. One measure being assessed as part of a package of measures in the Outline Business Case is the implementation of the revised age and emission policy proposed within this report. As part of a combined package which also includes improvements to bus emissions and active travel, the Council has been able to model the impact of this proposed policy in improving air quality in Castle Street and elsewhere across Cardiff.
- 2.11 In addition to meeting the requirements of the AAQD, under the Local Air Quality Management (LAQM) regime, Cardiff Council has 4 Air Quality Management Areas (AQMAs) declared for exceedances of the NO₂ air quality standard. Monitoring data for 2017 indicates that annual mean concentrations of nitrogen dioxide recorded at sites of relevant exposure, within the already established AQMAs, continue to be elevated or exceed the annual mean NO₂ Air Quality Standard (40µg/m³). Coinciding with the projections of non-compliance identified in the feasibility study's initial plan, the LAQM regime and location of the City Centre AQMA also incorporates the A4161 Castle Street link.
- 2.12 Under the LAQM regime, with specific reference to Section 84 of the Environment Act 1995, Local Authorities have a statutory duty to ensure the improvement of air quality at a local level by implementing an Air Quality Action Plan (AQAP) for each AQMA. In Cardiff a singular citywide AQAP was drafted, referred to as the Clean Air Strategy and Action Plan (CASAP). The CASAP formulates the foundations to the ongoing works for the feasibility study.
- 2.13 The proposed age and emission policy changes presented in this report have been assessed as a potential measure that should be implemented as part of the City wide Action Plan to address Air Quality within the AQMAs and across Cardiff as a whole, as improvements in the emission standards of the licensed taxi fleet in Cardiff will have a positive impact on NO₂ levels in the AQMAs, as demonstrated in the modelling work undertaken as part of the Councils Feasibility Study.

3. Exhaust Emissions Standards on Vehicles

- 3.1 Since the early 1990s, new car models have had to meet increasingly stringent exhaust pollution limits, known as Euro emissions standards, before they can be put on sale.

- 3.2 Since the introduction of 'Euro 1' in 1992 which made catalytic converters mandatory on petrol cars, there have been a number of updates requiring manufacturers to reduce vehicle exhaust emissions to help improve air quality. The latest standard, 'Euro 6', applies to new type approvals from September 2014 and new cars from September 2015 and reduces some pollutants by 96% compared to the Euro 1 limits.
- 3.3 Table 1 below details the different Euro emission standards and the date of their implementation, showing a trend towards a cleaner environment.

Table 1 - Evolution of Euro Emission Standards

Emissions Standard	Applied to most* new registrations from:
Euro 1	31 December 1992
Euro 2	1 January 1997
Euro 3	1 January 2001
Euro 4	1 January 2006
Euro 5	1 January 2011
Euro 6	1 September 2015

*individual Euro 5 vehicles already on sale that were built and dispatched from the manufacturer before 1st June 2015 could continue to be sold until 1st September 2016.

- 3.4 In recent years there has been increase in the number ultra-low emission vehicles (ULEVs). These are vehicles that emit extremely low levels of motor vehicle emissions compared to other vehicles. Pure electric vehicles (EVs), plugin hybrid vehicles (PHEVs), range-extended electric vehicles (E-REVs), and hydrogen fuel cell electric vehicles (FCEVs) are all types of ULEVs.

4. Current Vehicles Policies

- 4.1 The current policies in relation to hackney carriage and private hire vehicles, notwithstanding a number of piecemeal amendments, have largely been in place for a number of years. The Licensing Department have received comments from the trade and other stakeholders that these policies have become unwieldy and could be simplified.
- 4.2 There are 3 types of vehicle currently licensed by the authority; saloon/MPV vehicles, saloon/MPV vehicles designated as 'prestige', and purpose built hackney carriages, which are vehicles constructed specifically as hackney carriages that can carry a person whilst sitting in a wheelchair.
- 4.3 Table 2 below details the current vehicle types, maximum age at which they can be licensed and the frequency they are tested:

Table 2 - Existing Vehicle Licensing Requirements

Specification	Saloon/MPV	Prestige Vehicle	Purpose Built Hackney Carriage
Maximum age at first application	25 months	Under 10 years	Under 10 years
Maximum licensable age (unless vehicle complies with exceptional condition policy)	6 years	10 years	10 years
Age at which vehicle may be annually tested / 12 month licence issued	Under 4 years	Under 4 years	Under 10 years
Age at which vehicle is tested 6 monthly / 6 month licence issued	4 years	4 years	10 ears

- 4.4 When a vehicle reaches its maximum licensable age, it may continue to be licensed provided that it complies with the Council's Exceptional Condition Policy. This requires the vehicle to be inspected annually by a Licensing Officer to ensure the vehicle continues to meet the required standard. A copy of the Exceptional Condition Policy is attached at Appendix A.
- 4.5 In order for a vehicle to be classed as 'prestige', it must undergo a subjective assessment made by Members of the Public Protection Committee. A variety of vehicles are currently licensed as prestige and include MPV style vehicles such as the Fiat Doblo, Peugeot Euro 7, and Citroen Berlingo, and saloon type vehicles such as the Ford Mondeo, Toyota Avensis, Audi A8, and Jaguar XF. A full list of prestige vehicles is attached at Appendix B
- 4.6 The prestige vehicle classification was introduced to encourage prospective vehicle purchasers to obtain vehicles that would provide the public with the most appropriate vehicle for the purposes of hire and reward. Currently, the prestige classification does not mean that the vehicle has the status that the motor trade may regard as a superior higher class model, but simply that it is of a type that would make it good for use for hire and reward. To be awarded prestige status the vehicle is inspected by Committee Members and assessed against criteria regarding quality and comfort.
- 4.7 Manufacturers have greatly improved vehicles in terms of quality and reliability in recent years and it is clear that the majority of currently manufactured four door vehicles are capable of use for hire and reward. The prestige classification is now therefore of little value in assessing vehicles for use as hackney carriage and private hire vehicles.

- 4.8 There are currently 946 hackney carriages and 1,264 private hire vehicles licensed in Cardiff. Of those licensed, the average age of a hackney carriage is 8.5 years old, with 32% of the fleet over 10 years old. The average age of a private hire vehicle is 5.9 years old, with 8.7% of the private hire fleet over 10 years old. Of the vehicles that are currently licensed, there is 1 vehicle that meets the Euro 2 standard, 3.5% meet Euro 3 standard, 42% meet Euro 4 standard, 42% meet Euro 5 standard and 12.5% meet Euro 6 standard. Therefore, more than 87% of the current fleet does not meet the latest emission standards.
- 4.9 Hackney carriage and private hire services are a vital aspect of the transport network in Cardiff. They are essential for many passengers with disabilities and play an important social role in enhancing the public transport system. However, they are also a source of road traffic derived emissions causing air pollution, especially in the City Centre. There are currently no emission standards for licensed vehicles imposed by the Licensing Authority.

5. Vehicle Testing

- 5.1 A licensing authority should ensure that hackney carriage and private hire vehicles are of a suitable type, comfortable, and in suitable mechanical condition so as to be safe for the purpose for which they are used. Therefore, in the interests of passenger and other road user's safety, a stringent maintenance and testing regime is required.
- 5.2 As part of the application process for licensed vehicles in Cardiff, applicants are required to submit a satisfactory MOT test certificate and an additional Declaration of Fitness form. This form must be completed at the same time as the MOT test and includes the testing of items such as the taxi roof light, which wouldn't otherwise be part of an MOT test. Licensing Officers also investigate complaints regarding the standard of vehicles and routinely carry out spot checks. If required they have powers to suspend a licence until they are satisfied with the vehicle's condition.
- 5.3 The frequency of vehicle testing is currently controlled through the current vehicle licensing conditions and the main criteria revolves around the age and type of vehicle. Purpose built taxis are required to be tested annually up to 10 years old, but all other vehicles must be tested annually up to 4 years old, and every 6 months after they are 4 years old.

6. Proposal

- 6.1 It is proposed that:
- All applications for the grant of a new vehicle licence, or for the change of vehicle on a current licence, must comply with the draft Age/Emission Policy Guidelines attached at Appendix C.;
 - The prestige status classification for vehicles is removed; and.

- The following paragraph will be inserted into the Exceptional Condition policy:

Consideration for an exemption from the age restrictions will only be given to vehicles that meet or exceed the Euro 6 emission standard, or Ultra Low Emission Vehicles (ULEV). Alternative fuel vehicles must meet the equivalent of the Euro 6 emission standard

- 6.2 Table 3 below details the proposed policies in relation to the vehicle types, the maximum age at which they can be licensed and the frequency that they are tested:

Table 3 - Proposed Policy Amendments

Specification	All licensed vehicles
Vehicle age/emission standard at first application	Under 5 years old and meet or exceed Euro 6
Maximum licensable age (unless vehicle complies with exceptional condition policy)	10 years
Age at which vehicle may be annually tested / 12 month licence issued	Under 5 years old
Age at which vehicle is tested 6 monthly / 6 month licence issued	5 years

- 6.3 The proposed policy changes will affect the way in which a significant number of hackney carriage and private hire vehicles will be licensed and tested. Therefore, the draft policy changes will need to be consulted on extensively with the public, trade and other stakeholders.
- 6.4 The proposals detailed in this report are part of a wider strategy to implement a phased policy of vehicle improvement, beginning with removing the oldest and more polluting vehicles from the city's roads and transitioning to the long-term target of achieving a 100% zero emission fleet of licensed vehicles. It is proposed that the next stages in this process will include:

- A consultation on whether to require all hackney carriage and private hire vehicles licensed for the first time to be ULEV from January 2022;
- A consultation on whether to require all existing hackney carriage and private hire vehicles to be ULEV from January 2025.

7. Considerations

- 7.1 The proposals detailed in this report provide an opportunity to:
- Improve the fleet of licensed vehicles in the city;
 - Help to ensure that the public travel in vehicles with the latest safety technology;
 - Contribute to assisting the Council in complying with the **legal direction** to achieve compliance with the EU Limit Value for NO₂ in the shortest possible time, and reduce CO₂ emissions;
 - Ensure a supply of suitable modern vehicles for customers;
 - Continue to provide affordable options to the trade.
- 7.2 The proposals will apply to all licensed vehicles; purpose built vehicles and vehicles currently designated as prestige will be required to be under 5 years old at first application, a reduction from 10 years old at present. This proposal will simplify the age policy guidelines for all licensed vehicles and help to ensure that all newly licensed vehicles meet the latest emission standards.
- 7.3 Newer vehicles are less likely to be involved in fatal crashes, due to continual improvements in crash protection features. Mechanical defects also become more common as a vehicle ages, further compromising the safety of the vehicle. An analysis by the US Department of Transportation found that the driver of a vehicle 8 to 11 years old was 19% more likely to be fatally injured than the driver of a vehicle that was 3 years old.
- 7.4 The AA states that on average a new vehicle *“will have lost around 60% of its value at 3 years old... Buying a five-year-old car may be an even better option. You won't get the latest features, but it won't lose so much in value. And you won't be shelling out so much each month on interest to repay a loan but it's only better value if your mileage is low – under 10,000 miles a year. Your repair and maintenance bill will be higher and less predictable the older your car is and these costs will increase as your mileage goes up”... By the time a car reaches this age it's pretty much done all the depreciating it's going to do. Risks are higher too though and it's more likely that a one off repair bill could cost you as much or more than a year's depreciation would have done on a newer car”*.
- 7.5 In considering the proposals outlined in this report, it is felt that the type of vehicle, whether a saloon, MPV or a purpose built hackney carriage, should not have a bearing on the age at which it can be first licensed or the frequency of testing. All licensed vehicles will be used for similar purposes i.e. transporting passengers for hire and reward, and as such, these proposals offer a fairer approach in determining

whether a vehicle can be licensed. In determining the maximum age at first licence, a balance should be sought between ensuring the public travel in a safe, modern vehicle without being unduly onerous on the trade. It is felt that the proposals outlined in this report enable proprietors to purchase a good quality vehicle at reasonable price, at the same time providing the public a safe, modern vehicle to travel in.

- 7.6 The proposed changes to the vehicle testing frequency would result in all licensed vehicles being tested 6 monthly from the age of 5 years old. This is one year later than present for saloon/MPV and prestige vehicles and five years earlier than present for purpose built hackney carriages. The Department for Transport's Best Practice Guidance for Taxi and Private Hire Vehicle Licensing states that an "annual test for licensed vehicles of whatever age seems appropriate in most cases, unless local conditions suggest that more frequent tests are necessary. However, more frequent tests may be appropriate for older vehicles... for example, twice-yearly tests for vehicles more than five years old". Licensed vehicles travel considerable mileage, which causes significant wear on vehicle components. The proposed changes ensure that vehicles are tested in line with current best practice and bring consistency to licence holders.
- 7.7 For a vehicle to be licensed after 10 years old, it must comply with the 'Exceptional Condition' policy. It is acknowledged that to comply with the proposed changes to the Exceptional Condition policy, most vehicles currently licensed will either require a conversion, or licence holders will replace their vehicle to meet Euro 6 standards.
- 7.8 The proposals and strategy detailed in this report provide significant short-term air quality improvements by phasing out the oldest and more polluting vehicles in a short space of time, while allowing sufficient time to develop an adequate rapid charging infrastructure to support a large numbers of licensed ULEVs. It is acknowledged that the development of such infrastructure will be crucial to the long term strategy as without a comprehensive network of rapid chargers, the economics of driving a ULEV as a taxi/private hire is unfeasible.

8. Achievability

- 8.1 This report contains no equality, personnel or property implications.

9. Legal Implications

- 9.1 When considering any application for a Private Hire Vehicle Licence, the Council, in accordance with Section 48(a) (i) (iv) and (v) of the Local Government (Miscellaneous Provisions) Act 1976 shall not grant such a licence unless they are satisfied that the vehicle is suitable in type, size and design for use as a private hire vehicle, safe and comfortable.

- 9.2 Under Section 47 of the Act the Council may attach to the grant of a hackney carriage licence such conditions as it may consider reasonably necessary. The range of conditions is wide and can therefore encompass safety comfort and design.
- 9.3 Under Section 48 of the Act the Council may attach to the grant of a private hire vehicle licence such conditions as it may consider reasonably necessary. The range of conditions is wide and can therefore encompass safety comfort and design.
- 9.4 Under Section 50 of the Act the Council shall not require a proprietor to present the same hackney carriage or private hire vehicle for inspection and testing on more than three separate occasions during any one period of twelve months.
- 9.5 Other legal implications in respect of the manufacture of vehicles are found throughout the body of this report.

10 Equality Impact Assessment

- 10.1 The proposal has been screened for the potential impact on protected groups within the community and human rights. We do not consider on the basis of the above that a detailed Equality Impact Assessment is required for this proposal at this stage, but the position will be reviewed at the end of the consultation process.

11 Well-being of Future Generations (Wales) Act 2015 implications

- 11.1 The Well-Being of Future Generations (Wales) Act 2015 ('the Act') places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.

In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being objectives are set out in Cardiff's Corporate Plan 2018-21: <http://cmsprd.cardiff.gov.uk/ENG/Your-Council/Strategies-plans-and-policies/Corporate-Plan/Documents/Corporate%20Plan%202018-21.pdf> When exercising its functions, the Council is required to take all reasonable steps to meet its well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.

The well being duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of

their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrated approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

11.2 An assessment has been carried out in consideration of the Cardiff Well-being Objectives. A summary of the implications from the assessment:

- Cardiff Grows in a Resilient Way
 - Taxis form part of the public transport network with environmental and economic benefits for the wellbeing goal of A Prosperous Wales
 - The proposed policy supports the development and delivery of the Cardiff Clean Air Strategy.
- Safe, Confident and Empowered Communities
 - Stakeholders within the taxi trade, the general public and other relevant groups will have the opportunity to consider the proposals and respond to the consultation

12. Financial Implications

12.1 There are no financial implications for the Council arising directly from this report.

13. Recommendation

13.1 The Committee is asked to consider the details of the report and determine whether to:

- a) Carry out a consultation with the public, trade and other stakeholders on the proposed policy changes;
- b) Reject the proposed policy changes and continue with the existing licensing framework.

Dave Holland
Head of Shared Regulatory Services

30 January 2019

This report has been prepared in accordance with procedures approved by Corporate Managers.

Background Papers:

- The Department for Transport - Best Practice Guidance for Taxi and Private Hire Vehicle Licensing
- The Department for Transport - A guide to ultra-low emission vehicles for Fleet Managers
- Department for Environment Food & Rural Affairs - UK plan for tackling roadside nitrogen dioxide concentrations
- AA Driving Advice - Limits to improve air quality and health
- AA - Find out how quickly new cars lose money
- Cardiff Local Well-being Plan 2018 – 2023
- Brake – Choosing Safer Vehicles