



To: Executive Councillor for Environmental and Waste Services
Report by: Jas Lally - Head of Environmental Services
Relevant scrutiny committee: Environment Scrutiny Committee 22/6/2010
Wards affected: All Wards

Hackney Carriage and Private Hire Licensing Fees and Conditions Key Decision

1. Executive summary

- 1.1 The Council is committed to promoting Cambridge as a sustainable city, particularly in relation to reducing carbon dioxide emissions and the amount of waste going into landfill in the City and sub-region. The Council is also committed to maintaining a healthy, safe and enjoyable city for all.
- 1.2 A key action for Environmental Services for 2010/2011 is to consider introducing a 'taxi' licensing fee related to CO₂ emissions.
- 1.3 This report proposes that the current fee structure for licensed vehicles is revised by introducing a sliding scale which relates to carbon emission levels of vehicles.
- 1.4 If proprietors of licensed vehicles are encouraged to contribute towards an improvement in air quality by running lower emission licensed vehicles and this policy is implemented successfully then when licensees replace their current vehicles they may choose to purchase ones in a lower emissions band. Therefore, if the current fleet of 500 vehicles all moved up one emission band, then based on vehicles traveling an estimated 50,000 km per year, we would save $10g \times 500 \times 50,000 = 250,000,000$ g or 250,000 kg CO₂ annually. To put this into context, in 2005 the average carbon footprint for a Cambridge City resident was estimated to be 6.2 metric tons and so any significant reduction in taxi emissions would offset this figure.

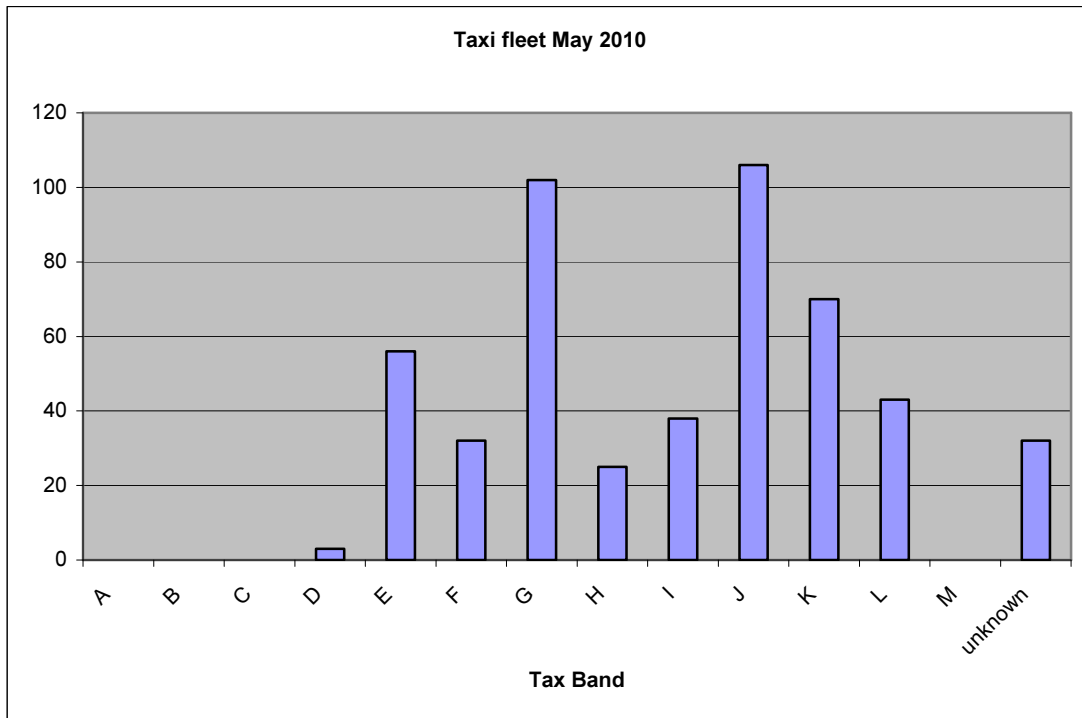
2. Recommendations

- 2.1 The Executive Councillor is recommended to:
 - 2.1.1 agree to the principle of amending the current fee structure by creating a fee banding system based on vehicle carbon dioxide emission levels and to request that following consultation with the taxi trade the October Licensing Committee sets the new Licensing fees. The new fees would then be advertised and implemented by January 2011

- 2.1.2 instruct officers to consult with the 'taxi' trade and the public on the suggested measures
- 2.1.3 recommend to Licensing committee that they consider retaining an upper age limit for licensed vehicles to ensure that emissions of the air pollutants, Nitrogen Dioxide and Particulate Matter are lowered with time

3. Background

- 3.1 Best Practice Guidance from the Department for Transport (Para 32) states that 'Local licensing authorities may wish to note that a review carried out by the National Society for Cleaner Air in 2005 found that taxis were more likely than other vehicles to fail an emissions test. This finding, perhaps suggests that emissions testing should be carried out on ad hoc basis and more frequently than the full vehicle test'.
- 3.2 Para 39 continues 'Local licensing authorities, in discussion with those responsible for environmental health issues, will wish to consider how far their vehicle licensing policies can and should support any local environmental policies that the local authority may have adopted. This will be of particular importance in designated Air Quality Management Areas (AQMAs), Local authorities may, for example, wish to consider setting vehicle emissions standards for taxis and PHVs. However, local authorities would need to carefully and thoroughly assess the impact of introducing such a policy; for example, the effect on the supply of taxis and PHVs in the area would be an important consideration in deciding the standards, if any, to be set. They should also bear in mind the need to ensure that the benefits of any policies outweigh the costs (in whatever form)'.
- 3.3 An AQMA is an area identified by Local Authorities where statutory UK air quality standards are being, or are expected to be breached up to the end of 2005, AQMAs are areas where levels of air pollution are higher than they should be (as defined by central government). Cambridge City declared an AQMA in 2004 because of predicted levels of nitrogen dioxide.
- 3.4 Cambridge City Council's current fleet of licensed vehicles is comprised of 90% diesel vehicles and 10% petrol vehicles. The emission of carbon dioxide is usually lower in diesel vehicles, whereas emission of nitrous oxides and particulate matter are lower in petrol vehicles, more information on Fuel types and emissions can be found in Appendix A.
- 3.5 This report proposes aligning future licence fees on the current road tax banding which is based on the manufacturer's figure for CO₂ emissions as cited on the vehicle registration document (See Appendix B for road tax bandings). The breakdown of the current fleet of hackney carriage and private hire vehicles into road tax bandings is shown below.

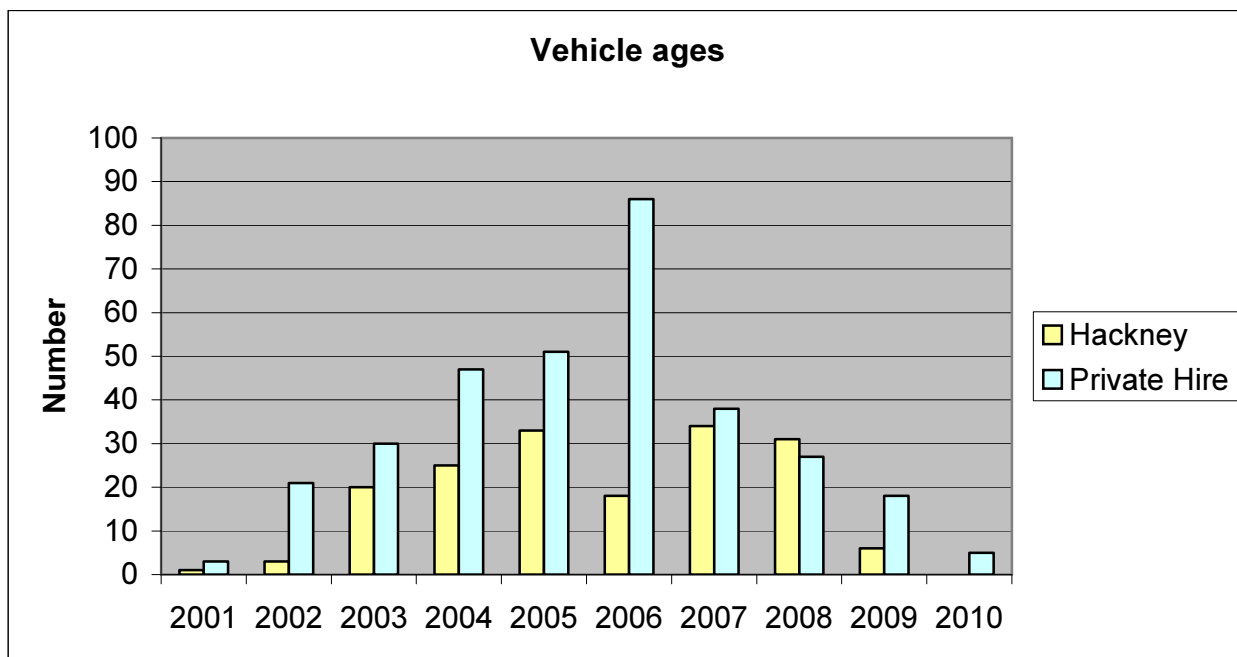


3.6 Cambridge City Council's current policy on Age limits for Hackney Carriage Vehicles and Private Hire Vehicles were agreed by the Environment Committee on 16th March 1998 and 9th November 1999 respectively, and state:

- ALL Hackney Carriage / Private Hire Vehicles MUST BE less than 8 years of age. No vehicle will be re-licensed after its 8th birthday.
- Upon CHANGE OF VEHICLE, the new Hackney Carriage / Private Hire Vehicle MUST BE less than 4 years of age.
- "New" means any vehicle licensed for the first time i.e., complete new licence, or at change of vehicle within current licence term.

Breakdown of current fleet – age of vehicles as at 10th May 2010 = 497

| Date of registration | Private Hire | Hackney Carriage |
|----------------------|--------------|------------------|
| 2001 | 1 | 3 |
| 2002 | 3 | 21 |
| 2003 | 20 | 30 |
| 2004 | 25 | 47 |
| 2005 | 33 | 51 |
| 2006 | 18 | 86 |
| 2007 | 34 | 38 |
| 2008 | 31 | 27 |
| 2009 | 6 | 18 |
| 2010 | 0 | 5 |



- 3.7 Licensed vehicles undergo twice yearly Certificate of Compliance tests (MOT equivalent) which include an emissions test on a rolling road.
- 3.8 The MOT emissions testing is for the pollutants CO and HC (Carbon Monoxide and Hydrocarbons) and so does not provide the local authority with information on either Carbon Dioxide emissions or the emissions of the pollutants of concern, Nitrogen Dioxide and Particulate Matter. However, the test has some use in that a vehicle which fails its emission test would have a poorly tuned engine and therefore be emitting higher levels than it should of Carbon Dioxide, Nitrogen Dioxide and Particulate Matter.
- 3.9 The progressive vehicle emission standards (Euro Standards) do result in significantly lower emissions of these pollutants, so that newer vehicles have cleaner engines, as shown by the graph in Appendix C. The current age limits for licensed vehicles means that the whole licensed fleet meets Euro 3 standards or above. The retention of the age limit policy means that in time the licensed fleet will all comply with Euro 4 standards or higher. Appendix D contains an article on trials of an electric Mercedes Vito taxi which was published in 'Taxi Talk' May 2010.
- 3.10 There is no proposal to amend the current testing fees which are set by City Services.
- 3.11 Section 70(1)(c) of the Local Government Miscellaneous Provisions Act 1976 allows the recovery of: 'any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.' The Council's current fee structure includes a £225 annual licence fee for hackney carriage vehicles and £195 for private hire vehicles. The current fee for certificate of compliance tests is £51.
- 3.12 The table in 3.13 illustrates aligning future fees with road tax banding could be applied to the fees for hackney carriage (HCV) and Private Hire (PV) vehicles however the actual fee bandings would be agreed by the Licensing Committee. Due to the need for Taxi Licensing to be self-financing, any proposed changes will not be for profit.

3.13 Illustration of possible proposed fees based on road tax bandings

| Government Road Tax Band | CO ₂ Emission Figure (g/km) | Applying discount / surcharge as shown (column to right) | | Discount / surcharge | Possible proposed fees | |
|--------------------------|--|--|--------|----------------------|------------------------|------------|
| | | HCV | PV | | HCV | PV |
| A | Up to 100 | 112.50 | 97.50 | -50% | 115 | 100 |
| B | 101-110 | 168.75 | 146.25 | -25% | 170 | 150 |
| C | 111-120 | 180 | 156 | -20% | 180 | 160 |
| D | 121-130 | 202.50 | 175.50 | -10% | 205 | 180 |
| E | 131-140 | 213.75 | 185.25 | -5% | 215 | 185 |
| F | 141-150 | 225 | 195 | 0 | 225 | 195 |
| G | 151-165 | 281.25 | 243.75 | 25% | 280 | 245 |
| H | 166-175 | 292.50 | 253.50 | 30% | 295 | 255 |
| I | 176-185 | 315 | 273 | 40% | 315 | 275 |
| J | 186-200 | 337.50 | 292.50 | 50% | 340 | 295 |
| K – M | 201+ | 360 | 312 | 60% | 360 | 315 |

3.14 Cambridge City car parks currently operate a concession scheme for season ticket holders based on emissions, also using the DVLA road tax banding. The table below gives an indication of how this operates at the Queen Anne car park and further details can be found at: www.cambridge.gov.uk/ccm/content/transport-and-streets/car-parks. The table below does not match the bandings shown above because it does not reflect changes to the road tax banding system.

| Vehicle | Carbon dioxide emissions (g/km) | Price |
|-----------|---------------------------------|-------|
| Band A | Up to 100 | £160 |
| Bands B-F | 101-150 | £280 |
| Band G | 151-160 | £360 |
| Band H | 161-170 | £420 |
| Band I | 171-180 | £495 |
| Band J | 181-200 | £630 |
| Bands K-M | 201-255 | £725 |

4. Advantages and Disadvantages of the Scheme

4.1 The advantages of the scheme are listed below:

- One potential benefit could be a reduction in the environmental impact of the Council's current taxi and private hire fleet so that in time the City would have a fleet of modern, clean, fuel efficient taxis which would contribute to cleaner air for Cambridge.
- A policy that introduces a differential fee structure would provide a financial incentive for the take up of low carbon emission vehicles in the taxi fleet and would be in accord with the Council's Medium Term Objectives.
- A reduction in licence fees for cleaner, fuel efficient saloon cars may encourage vehicle owners to replace their vehicle sooner than required by the current age limits.

- Some hackney carriage plate proprietors may take advantage of the reduced fees for private hire saloon type vehicles which could reduce congestion and improve air quality around the City centre taxi ranks.

4.2 The disadvantages of the scheme are listed below:

- Cambridge City Council's policy on wheelchair accessible vehicles state that all new Hackney Carriage Vehicles must be wheelchair accessible. Any new policy will need to be assessed against the Equal Opportunities Impact Assessment (EQIA) for hackney carriage and private hire vehicles which will be produced in the near future.
- The introduction of this policy will not affect emissions from licensed vehicles from South Cambridgeshire District Council (SCDC) and other authorities within the locale that regularly travel through central Cambridge. However we would encourage our colleagues in SCDC to introduce a similar policy and advise on the benefits of the scheme.

4.3 Subject to approval for a policy on cheaper fees for greener vehicles, officers can conduct further research and consult with the 'taxi' trade in order to produce clear guidelines for vehicle proprietors on emissions, age limits and fees. In addition, it may be advantageous for officers to research and produce information for the trade which promotes safe and efficient fuel driving.

5. Implications

5.1 Legal - The Council must consult with the taxi trade and other interested parties on any proposed changes to policy.

Section 70 (3) of the Local Government Miscellaneous Provisions Act 1976 provides that if a District council intends to vary their licence fees they must advertise the proposed fees and take account of any objections received.

5.2 Financial - This report recommends that the fees for licensing vehicles be related to the amount of carbon dioxide emitted with larger vehicles paying a fee which is higher than average.

Best Practice Guidance from the Department for Transport (Para 10) urges local licensing authorities to look carefully at the costs – financial or otherwise – imposed by each of their licensing policies. It is suggested they should ask themselves whether those costs are really commensurate with the benefits a policy is meant to achieve.

Local Authority hackney carriage licensing must be self-financing and so the Council would need to reconcile any surplus generated by the introduction of a new fee structure.

The fee structure for licensed vehicles has no connection with fares charged to the public.

5.3 Equal Opportunities – none.

5.4 Community Safety - Cambridge City Council has a duty to provide a safe and secure taxi service for the public.

- 5.5 Environmental - If proprietors of licensed vehicles support such a scheme then a potential benefit could be a reduction in the environmental impact of the Council's current taxi and private hire fleet so that in time the City would have a fleet of modern, clean, fuel efficient taxis which would contribute to cleaner air for Cambridge.
- 5.6 Staffing – There are no additional staffing implications, however the allocation of staff time to implement the changes will need to occur.

6. Background papers

These background papers were used in the preparation of this report:
Department for Transport Taxi and Private Hire Vehicle Licensing: Best Practice Guidance March 2010
Information provided by Woking District Council on fee banding for licensed vehicles
www.cambridge.gov.uk/ccm/content/transport-and-streets/car-parks
DfT website: Road Vehicle Emission Factors 2009

7. Appendices

Appendix A - Fuel types and emission figures
Appendix B - Road tax bandings
Appendix C - Progressive vehicle emission standards over time
Appendix D - Article from taxi Talk magazine on Electric Mercedes Vito

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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