

REPORT

To: GENERAL PURPOSES COMMITTEE		Subject: REVIEW OF TAXI AND PRIVATE HIRE LICENSING - AGE LIMITS FOR PURPOSE BUILT AND PURPOSE ADAPTED TAXI VEHICLES
From: DIRECTOR OF ADMINISTRATION		
Date: 5 MAY 2005	Ref: WBK/MK	

1. Purpose of Report

- 1.1. The purpose of this report is to make recommendations in respect of age limits to be adopted for purpose built and purpose adapted taxi vehicles.

2. Background

- 2.1. At meetings of this Committee held on 25 August and 27 October 2004 the Committee reached decisions on a number of policy issues affecting taxi cars, relating to types of approved vehicle, vehicle age limits (for saloon type taxis), vehicle colours, and transferability of licences by way of variation.
- 2.2. At the meeting held on 27 October 2004 the Committee agreed to set an age limit for non-purpose built taxis of 5 years old from the date of first registration to the date of licence renewal or vehicle substitution, to come into effect at the licence renewal due on 31 December 2005.
- 2.3. At that meeting it was also agreed in principle that an age limit would be adopted for purpose built taxis and the Committee authorised the Head of Legal Services, in conjunction with the Convener, to consult with trade representatives on the actual age limit to be applied and thereafter report to Committee for consideration.

3. Trade Consultation

- 3.1. Letters were sent to all 470 taxi vehicle operators seeking their views on the age limit (if any) to be applied to purpose built vehicles. As a working presumption it was suggested that the maximum age limit for wheelchair accessible vehicles - purpose built and purpose adapted - be set at 7 years with an operating life of 3 years. A total number of 64 responses were received. 14 of the representations were in the form of individual letters from licence holders and 50 were in the form of template style letters.
- 3.2. A substantial majority of respondents submitted that the Council should not adopt any age limit for wheelchair accessible vehicles. Reference was made to the annual MOT test carried out for each vehicle together with the more stringent conditions applied by the Council testing stations for the annual certificate of vehicle fitness. A number of respondents suggested that if the Council were minded to adopt an age limit for wheelchair accessible vehicles this should be set at greater than 7 years. It was submitted that purpose built vehicles such as the TXI and TXII are specifically built as a purpose unit with the body of this type of vehicle designed around a separate chassis. This means that every part of this type of vehicle can be replaced/renewed as and when required, with the body being a totally separate part of the vehicle which is custom fitted to the chassis. It was submitted that this construction substantially

prolongs the life expectancy of this type of vehicle to a minimum of 15 years according to the manufacturers literature.

- 3.3. It was separately submitted that in determining age limits for vehicles cognisance should be taken of the substantial difference in the purchase price of different types of vehicle which in turn reflects the build quality and longevity of the vehicle. As an example it was suggested that a typical family saloon might cost new approximately £12,000, an adapted vehicle such as the E7 might cost new approximately £22,000 and a purpose built vehicle such as the TXII would cost new approximately £32,000. Respondents also made reference to substantially greater finance costs which are incurred in acquiring and maintaining the vehicles of the purpose built type.
- 3.4. Subsequent to the close of written consultation a meeting was held between Council representatives and trade representatives. The taxi trade representatives made similar points concerning vehicle build longevity, the assurance provided by a vehicle passing its annual inspection and comparative cost of acquisition of vehicles. The representatives also made the point that purpose built vehicles would have a minimum marketability if a finite age limit was set by the Council and the business operating life of the vehicle came to an end. This was contrasted with saloon type vehicles which, even with higher mileages, would in all likelihood retain some market value in the open market place.
- 3.5. The trade representatives were specifically asked for views on whether they saw any merit in taking a separate approach to purpose built vehicles as opposed to purpose adapted vehicles. Whilst retaining their primary position that no maximum age limit should be applied, the representatives appeared to accept that if age limits were to be adopted by the Council a distinction could reasonably be created between purpose built and purpose adapted vehicles to reflect the vehicle build longevity of the former type.

4. Considerations

- 4.1. The first option in determining age limits for wheelchair accessible vehicles would be to adopt the same five year entry age limit as has already been adopted by the Council for saloon type vehicles. Although this approach was not directly canvassed with the trade members and representatives it should be recorded that informal representations from a number of members of the private hire trade suggested that the same age limit should be applied across the whole vehicle hire trade to create a level playing field between taxi and private hire. However, on balance of the arguments of relative cost and vehicle build longevity of purpose built/purpose adapted wheelchair accessible vehicles, it is suggested that this approach be rejected.
- 4.2. The second option would be to apply no entry or exit age limit for wheelchair accessible vehicles. This is the clear majority preference of members of the trade. To adopt this position is however to take a different view from the last round of consideration where a clear position was taken that it is incumbent on the Council to set maximum age limits for reason of safety of passengers and improving the quality of the fleet rather than leaving it to the trade to effectively self regulate where a vehicle continues to hold an MOT pass certificate and annual test certificate. It is suggested that this "open-ended" approach be again rejected.
- 4.3. The third option is to establish a finite age limit greater than the 5 year limit adopted for saloon vehicles. If this approach is adopted the question then arises whether the age limit should be the same for purpose built and purpose adapted vehicles. For the reasons of vehicle build quality and vehicle cost narrated earlier in the report it is considered that the distinction between purpose built and purpose adapted vehicles

is worthy of consideration. Adopting an entry age limit of 7 years for purpose adapted vehicles (e.g. the E7) would reflect the increased cost of purchase of such a vehicle against the saloon type vehicle. Adopting an entry age limit of 9 years for the purpose built vehicle (e.g. the TXII) would reflect the cost of purchase factor and also the longer operating life of the vehicle, together with the restricted re-sale opportunity when the vehicle reaches the end of its trading life.

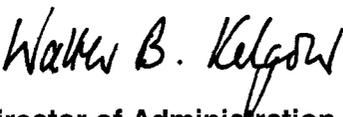
- 4.4. At the October 2004 meeting the Council set an age limit for non-purpose built taxis of 5 years old from the date of first registration to the date of licence renewal or vehicle substitution. This established a maximum operating life for this type of vehicle of 8 years. The adoption of an age limit of 7 years for purpose adapted vehicles will give a maximum operating life of 10 years. The adoption of an age limit of 9 years for purpose built vehicles will give a maximum operating life of 12 years.
- 4.5. When the age limit was set for non-purpose built type vehicles the Committee agreed to establish a lead in period to enable operators to plan any imminent vehicle changes and it is proposed for the sake of consistency that a similar approach is adopted in respect of the current proposals.
- 4.6. The proposed distinction between purpose built and purpose adapted vehicles and the proposed age limits for each category of vehicle have been fully canvassed with and are supported by the Council's Transport Manager.

5. Corporate Considerations

- 5.1. The measures contained in this report reinforce the Council's commitment to passenger comfort and safety and vehicle accessibility.

6. Recommendations

- 6.1. The Committee is asked to set an age limit for purpose adapted taxis of 7 years old from the date of first registration to the date of licence renewal or vehicle substitution, to come into effect on 1 January 2007.
- 6.2. The Committee is asked to set an age limit for purpose built taxis of 9 years old from the date of first registration to the date of licence renewal or vehicle substitution, to come into effect on 1 January 2007.


A. Director of Administration

Members seeking further information on the contents of this report are asked to contact Mitch Kerr, Chief Solicitor (District Courts and Licensing), on extension 2371.