



**TAXI LICENSING AND APPEALS
COMMITTEE
4 October 2012**

ITEM 5

Report of the Strategic Director of
Neighbourhoods

HACKNEY CARRIAGE VEHICLE NUMBERS AND RANK PROVISION

SUMMARY

- 1.1 A number of requests have recently been received from hackney carriage drivers and trade association representatives asking the Council to consider restricting the number of hackney carriage vehicle licences issued within the City.

RECOMMENDATION

- 2.1 To consider the information set out in the report about restricting the number of hackney carriage licences issued within the City, the need to undertake an unmet demand survey if necessary, and the provision of hackney carriage rank space.
- 2.2 To agree to one of the following options:
- defer full consideration of the merit of a numbers restriction until after the outcome of the rank review;
 - approve the request for the Council to consider restricting the number of hackney carriage vehicle licences issued within the City and ask officers to make the necessary arrangements for an unmet demand survey to be undertaken;
 - refuse the request to both restrict hackney carriage vehicle numbers and commission a survey.

REASONS FOR RECOMMENDATION

- 3.1 Any decision made must have regard to the information provided in the report.

SUPPORTING INFORMATION

- 4.1 Two requests have recently been received asking the Council to consider restricting (capping) the number of hackney carriage vehicle licences issued within the City. One request has come from approximately one hundred hackney carriage drivers who attended the recent taxi partnership meeting. The other request has come from representatives of the Derby Area Taxi Operators Association (DATOA) following a meeting with officers. In making this request, the DATOA representatives cited the following reasons:
- Due to the current economic climate, hackney carriage drivers are finding it very difficult to make a living with the current number of hackney carriages already working within Derby
 - We are already struggling to find rank space in the city and there is not enough ranks provided to accommodate parking for the current number of hackney carriages already
 - Drivers feel that the Council needs to either provide more ranks or cap the amount of vehicles in Derby

Ranks

- 4.2 A review of hackney carriage rank provision is currently underway as part of a wider project that also focuses on city centre access restrictions. This is being co-ordinated by the Council's Traffic and Transportation Team. It is understood that part of the process will include a number of stakeholder groups, including hackney carriage drivers.
- 4.3 The capping of licences and the provision of more ranks spaces has been discussed recently at the first meeting of the Taxi Partnership that was held with hackney carriage drivers on 11 September. At this meeting and at the request of the chair and vice chair of the Partnership, a small number of hackney carriage drivers volunteered to form a sub-group to look into the issue of rank space.

Capping

- 4.4 The present legal provision on a numbers restriction for hackney carriages outside London is set out in Section 16 of the Transport Act 1985. This provides that the grant of a hackney carriage vehicle licence may be refused, for the purpose of limiting the number of licensed hackney carriages 'if, but only if, the local licensing authority is satisfied that there is no significant demand for the services of hackney carriages (within the area to which the licence would apply) which is unmet'.

- 4.5 Most local licensing authorities do not impose quantity restrictions. Indeed there is an increasing national shift towards the de-restriction of numbers, spearheaded by the Department for Transport (DfT) in its Best Practice Guidance that invites the de-restriction of hackney carriage numbers by local authorities. If a local authority does nonetheless take the view that a numbers restriction can be justified in principle, there remains the question of the level at which it should be set, bearing in mind the need to continuously demonstrate that there is no significant unmet demand. This assessment is usually addressed by means of a survey. It will be necessary for the local licensing authority to carry out a survey sufficiently frequently to be able to respond to any challenge to the satisfaction of a court. Such demand surveys need to be conducted by competent, specialist companies; the cost of which could be in the region of £40,000. An interval of three years is commonly regarded as the maximum reasonable period between surveys. The justification for the policy should also be included in the Local Transport Plan process.
- 4.6 A licensing authority such as Derby that has de-restricted vehicle numbers is under no obligation to carry out a demand survey. However, where restrictions are being considered, government guidance advocates that the principal consideration should be the impact upon effective hackney carriage service provision to the travelling public of a decision to regulate numbers i.e. the wider public interest. This should be considered in the context of the current request, the basis of which suggests that it is the economic well-being of licence holders that is the driver behind the request.
- 4.7 In most cases where a numbers restriction is imposed, vehicle licence plates command a premium, often of tens of thousands of pounds. This indicates that there are people who want to enter the hackney carriage market and provide a service to the public, but who are being prevented from doing so by the quantity restrictions. The decision to introduce a restriction therefore can be very hard to justify.
- 4.8 Licensing authorities may not restrict licence numbers without first undertaking a demand survey. An aggrieved licence holder may challenge the Council's decision, at which stage the fact that a survey has been undertaken and the authority's consideration of it would be significant factors to take into account.
- 4.9 As the de-restriction provisions are set out within transport policy legislation (the Transport Act 1985) rather than within taxi licensing legislation (the Town Police Clauses Act 1849 and/or Local Government (Miscellaneous Provisions) Act 1976), the cost of any demand survey cannot not be met from licences fees as licence fees are ring-fenced statutorily to be applied only towards the administration and enforcement of the licensing regime. If licence fees were used to fund a survey, an aggrieved licence-holder would have grounds to seek a judicial review of the Council's decision. This also means that the subsequent three year re-surveys would also need to be met from Council's transport-related budgets.

- 4.10 The hackney carriage trade could choose to commission a demand survey themselves but in order for its results to be considered valid, it would need to be conducted in accordance with the approved methodology. Even if this was to happen and the results suggested that there was 'no unmet demand', the licensing authority is under no obligation to restrict licence numbers. It would however need to have regard to the results.
- 4.11 There are currently 315 hackney carriage vehicles licensed by this authority. At no stage are all these vehicles in use at the same time and there are many different permutations that will occur. Some vehicles are operated full-time, others will only be used on a part-time basis, some may be used during the day, others only at night, some week day and/or weekend only.
- 4.12 Within the last five years, the number of hackney carriage vehicle licences has been steadily decreasing. In 2008/09 there were 341, in 2009/10 there were 328, in 2010/11 there were 336, in 2011/12 there were 317, currently there are 315.
- 4.13 There are over 300 licensing authorities across the Country. A survey of comparable licensing authorities has been included at Appendix 2 for information.
- 4.14 In local authority areas where restrictions on hackney carriage numbers have been Introduced, the following impacts have been noted:
- Although vehicle numbers do not increase, there is very little reduction through natural wastage. This is because the vehicle licences command a premium, often of tens of thousands of pounds; licenses are therefore never surrendered but 'transferred'
 - There is normally a rapid and substantial growth in the private hire trade
 - There are no powers to restrict the numbers of licensed private hire vehicles within a licensing authority area
 - There is still a demand for new hackney carriage vehicle licenses and the licensing authority has to establish a 'waiting list'
- 4.15 The issue of restricting hackney carriage numbers was last considered by Committee in December 2006, following a petition from one of the local hackney trade organisations. The committee resolved not to restrict hackney carriage numbers or commission a survey at that time.

OTHER OPTIONS CONSIDERED

5.1 Not applicable

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Olu Idowu John Tomlinson
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For more information contact: Background papers: List of appendices:	Michael Kay 01332 641940 e-mail michael.kay@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Survey Results from Comparable Authorities
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IMPLICATIONS

Financial

- 1.1 If the Council decided to undertake a demand survey, this could cost approximately £40,000. There is currently no budget for this.

Legal

- 2.1 The Council currently complies with government guidance by not implementing a restriction on the numbers of licensed hackney carriages in its area. Any such restriction would be open to challenge by any person affected by the decision.

Personnel

- 3.1 None.

Equalities Impact

- 4.1 The recommendations set out in this report will apply to all hackney carriage vehicles.

Health and Safety

- 5.1 None.

Carbon commitment

- 6.1 None.

Value for money

- 7.1 None.

Corporate objectives and priorities for change

- 8.1 The proposal supports the corporate priorities to ensure the people in Derby will enjoy **good quality services that meet local needs** and **being safe and feeling safe**.

Appendix 2

Survey Results from Comparable Authorities

Local Authority	Population	Survey Undertaken	HC Number Restricted
Nottingham	306,700	Y	405
Coventry	312,800	Y	859
Oldham	224,900	Y	85
Southampton	239,700	Y	283
St Helens	175,300	Y	63
Barnsley	231,200	Y	67
Luton	203,200	Y	167
Portsmouth	205,100	Y	234
Hull	263,900	Y	170
Bolton	276,800	Y	110
Leicester	329,900	Y	338
Trafford	226,600	Y	143
York	198,000	Y	183
Stockton on Tees	191,600	N	N
Derby	248,700	N	N