

LICENSING COMMITTEE – 26 JANUARY 2011

HACKNEY CARRIAGE FLEET SIZE

Report of the: Community and Planning Services Director

Status: For Decision

Executive Summary:

On the 13 October 2010 the Licensing Committee heard a representation from the Hackney Carriage Association to request that a feasibility study be undertaken to evaluate if there is any unmet (too few Hackney Carriage vehicles) or overmet demand (too many Hackney Carriage vehicles) within Sevenoaks District Council.

This committee paper outlines the key issues and options for Members to consider in appraising the Hackney Carriage fleet size.

This report supports the Key Aim of safe communities and effective management of Council Resources.

Portfolio Holder Cllr. Mrs Bracken

Head of Service Head of Environmental and Operational Services – Mr Richard Wilson

Recommendation: Members views and direction are sought

Background

1. At a meeting of the Licensing Committee in April 1999 the number of Hackney Carriage vehicles (HCV) was restricted to 192.
2. In late 2007 the Sevenoaks District Council Taxi Policy was reviewed and the recommendation for changes were presented to the Licensing Committee held on 21 January 2008. At this meeting the new Taxi Policy was approved which lifted the restriction of the number of Hackney Carriage vehicles licensed within the District.
3. Since January 2008 the number of Hackney Carriage vehicles stayed below the old limit of 192 and since February 2009 the number has remained above 192.

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Year	Number	Year	Number	Year	Number	Year	Number
April 07	181	April 08	192	Apr 09	199	April 10	
May 07	180	May 08	190	May 09	200	May 10	
Jun 07	182	Jun 08	185	Jun 09	199	Jun 10	200
Jul 07	184	Jul 08	187	Jul 09	200	Jul 10	
Aug 07	192	Aug 08	188	Aug 09	204	Aug 10	
Sep 07	192	Sep 08	186	Sep 09	205	Sep 10	219
Oct 07	192	Oct 08	185	Oct 09	206	Oct 10	
Nov 07	192	Nov 08	182	Nov 09	208	Nov 10	
Dec 07	190	Dec 08	192	Dec 09		Dec 10	
Jan 08	189	Jan 09	189	Jan 10		Jan 11	204
Feb 08	190	Feb 09	193	Feb 10		Feb 11	
Mar 08	199	Mar 09	199	Mar 10		Mar 11	

A line chart has been produced in Appendix A reflecting the data in this table.

Meteor parking permits at Sevenoaks Station

4. South Eastern are responsible for the land where the taxi rank is sited at the front of the station. Meteor, part of the business group Go-Ahead, are contracted by South Eastern to manage the Sevenoaks Railway Station taxi permits to allow Hackney Carriage vehicles to use the rank and ply for hire.
5. Up until January 2008 the number of permits had been restricted to 76. This restriction was then lifted allowing all Hackney Carriage Proprietors to apply for a permit to work at the station.
6. As there was concern from many taxi drivers over the number of HCVs that would potentially want to work at the station, Sevenoaks District Council's Licensing Team facilitated a meeting in the Council Chamber in December 2008 between the HCV drivers and Meteor where the drivers concerns were raised.
7. On 19 August 2010 Meteor wrote to all drivers informing them that "Due to a risk of safety at the taxi rank we write to inform that as of the 18th August 2010 the number of taxi permits issued at Sevenoaks Railway Station has now been capped". In discussion with Meteor Parking the Licensing Team were informed that as of 18 August 2010 there were 110 permits issued, with a new limited of 90 being set by South Eastern.

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8. The method Meteor are using to bring down the number of permits from 110 to 90 is very strict. If a driver fails to renew their permit within 14 days of expiry their permit will be revoked.
9. As of the 7th January 2011 the number of permits issued by Meteor remains at 110.
10. Restricting the number of permits issued at Sevenoaks Station is a key determining factor in the size of the Hackney Carriage fleet, currently fallen back to 206 as of the 7th January 2011.
11. The Licensing Officers make it very clear to all new applicants for a Hackney Carriage vehicle licence that there is a restriction on the number of permits to work at the station.
12. Meteor together with British Transport Police undertake enforcement of the permits on Sevenoaks Railway Station.
13. Sevenoaks District Council has permission from Meteor and South Eastern to undertake vehicle and driver checks while HCVs are waiting to ply for hire at the station. If Licensing Officers find a Hackney Carriage vehicle without a Meteor permit they will warn the driver that if they allow a passenger into their vehicle, and drive off the rank, further action may be taken as they will be in violation of a condition on their Hackney Carriage Vehicle Licence:

“THIS LICENCE IS ISSUED SUBJECT TO THE CONDITION THAT ONLY LICENSED HACKNEY CARRIAGE VEHICLES AUTHORISED BY THE APPROPRIATE RAILWAY COMPANY OR THEIR AGENTS CAN PLY FOR HIRE AT SEVENOAKS AND SWANLEY RAILWAY STATIONS.”

Unmet Demand Survey

14. The Department for Transport has issued Best Practice Guidance for Taxi and Private Hire Vehicle Licensing of which the current version is dated February 2010.
15. With reference to quantity restrictions of taxi licences outside London it states:

QUANTITY RESTRICTIONS OF TAXI LICENCES OUTSIDE LONDON

45. The present legal provision on quantity restrictions for taxis outside London is set out in section 16 of the Transport Act 1985. This provides that the grant of a taxi licence may be refused, for the purpose of limiting the number of licensed taxis ‘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’.

46. Local licensing authorities will be aware that, in the event of a challenge to a decision to refuse a licence, the local authority concerned would have to establish that it had, reasonably, been satisfied that there was no significant unmet demand.

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47. **Most local licensing authorities do not impose quantity restrictions; the Department regards that as best practice.** Where restrictions are imposed, the Department would urge that the matter should be regularly reconsidered. The Department further urges that the issue to be addressed first in each reconsideration is whether the restrictions should continue at all. It is suggested that the matter should be approached in terms of the interests of the travelling public - that is to say, the people who use taxi services. What benefits or disadvantages arise for them as a result of the continuation of controls; and what benefits or disadvantages would result for the public if the controls were removed? Is there evidence that removal of the controls would result in a deterioration in the amount or quality of taxi service provision?

48. In most cases where quantity restrictions are 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 taxi market and provide a service to the public, but who are being prevented from doing so by the quantity restrictions. This seems very hard to justify.

49. If a local authority does nonetheless take the view that a quantity 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 demonstrate that there is no significant unmet demand. This issue 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. An interval of three years is commonly regarded as the maximum reasonable period between surveys.

50. As to the conduct of the survey, the Department's letter of 16 June 2004 set out a range of considerations. But key points are:

- **the length of time that would-be customers have to wait at ranks.** However, this alone is an inadequate indicator of demand; also taken into account should be...
- **waiting times for street hailings and for telephone bookings.** But waiting times at ranks or elsewhere do not in themselves satisfactorily resolve the question of unmet demand. It is also desirable to address...
- **latent demand**, for example people who have responded to long waiting times by not even trying to travel by taxi. This can be assessed by surveys of people who do not use taxis, perhaps using stated preference survey techniques.
- **peaked demand.** It is sometimes argued that delays associated only with peaks in demand (such as morning and evening rush hours, or pub closing times) are not 'significant' for the purpose of the Transport Act 1985. The Department does not share that view. Since the peaks in demand are by definition the most popular times for consumers to use taxis, it can be strongly argued that unmet demand at these times should not be ignored. Local authorities might wish to consider when the peaks

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occur and who is being disadvantaged through restrictions on provision of taxi services.

- **consultation.** As well as statistical surveys, assessment of quantity restrictions should include consultation with all those concerned, including user groups (which should include groups representing people with disabilities, and people such as students or women), the police, hoteliers, operators of pubs and clubs and visitor attractions, and providers of other transport modes (such as train operators, who want taxis available to take passengers to and from stations);
- **publication.** All the evidence gathered in a survey should be published, together with an explanation of what conclusions have been drawn from it and why. If quantity restrictions are to be continued, their benefits to consumers and the reason for the particular level at which the number is set should be set out.
- **financing of surveys.** It is not good practice for surveys to be paid for by the local taxi trade (except through general revenues from licence fees). To do so can call in question the impartiality and objectivity of the survey process.

51. Quite apart from the requirement of the 1985 Act, the Department's letter of 16 June 2004 asked all local licensing authorities that operate quantity restrictions to review their policy and justify it publicly by 31 March 2005 and at least every three years thereafter. The Department also expects the justification for any policy of quantity restrictions to be included in the Local Transport Plan process. A recommended list of questions for local authorities to address when considering quantity controls was attached to the Department's letter.

16. The key objectives for an Unmet Demand Survey may encompass the following:
 - a. Any level of latent or patent demand (A distinction is often drawn between what is called "patent" (i.e. that which can be seen) and "latent" (i.e. hidden) demand)
 - b. Establish a basis on which Sevenoaks District Council could determine the numerical level for restricting Hackney Carriage licences
 - c. Assess the number and location of taxi ranks within the District
17. The cost of undertaking a survey is in the range of £10,000 to £15,000 which would need to be funded from the Taxi Accounts. This would be recovered through the Hackney Carriage licence fees over a three year period.
18. The timing for a survey to be effective should be in the Autumn or Spring.
19. The Unmet Demand Survey is normally undertaken by:

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- a. Observations of passenger movement at rank and surrounding activity including wait times at different times of day, and on different days to produce waterfall analysis
- b. Interviews with members of the public
- c. Survey sent to all licensed drivers
- d. Interviews with Hackney Carriage Proprietors
- e. Interviews with interested parties
- f. Gathering of secondary information, including population changes to the area that may affect the Hackney Carriage service e.g. new nightclubs, planning, estimated increases in population and tourism developments

Key Implications

Financial

20. The cost of an Unmet Demand Survey would need to be funded through future Hackney Carriage licence fees taking into account the need to maintain a 'self financing' position for the service.

Legal, Human Rights etc.

21. Should parts of industry believe the Authority's fees are at a level which is greater than the cost of the statutory functions then it would be open to them to undertake judicial review proceedings. Should this arise, the authority would need to evidence how it arrived at the fee levels to demonstrate that they have been calculated on a cost recovery basis only.

Equality

22. Hackney Carriages and Private Hire vehicles available to all groups within the community.

RISK ASSESSMENT STATEMENT

23. The cost of an Unmet Demand Survey would have to be spread over a three year period with full costs being recovered through Hackney Carriage licence fees.

Licensing Committee minutes 26.1.2010

Sources of Information:

Local Government (Miscellaneous) Provisions Act 1976.

Taxi Licensing Policy

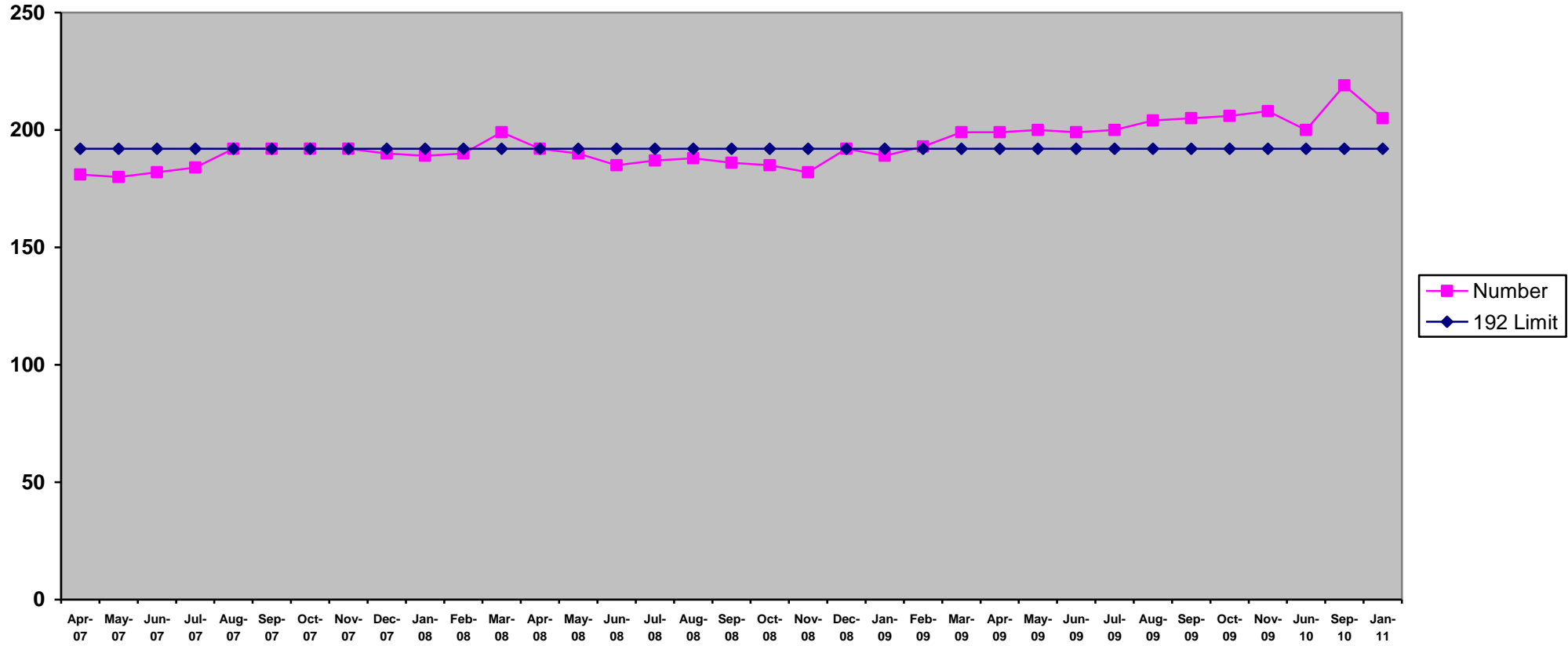
<http://www.dft.gov.uk/pgr/regional/taxis/bestpractice/pdf/guide.pdf>

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**COMMUNITY AND PLANNING SERVICES DIRECTOR
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Number of Hackney Carriage Vehicles



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