

Report of the Director of Transport, Environment and Planning
Portfolio of the Executive Member for Transport

Hackney Carriage Licences

Summary

1. At the meeting of the Licensing & Regulatory Committee on 7 June 2022, Committee Members considered a report on the unmet demand for hackney carriages. The Committee made a recommendation, to be determined by Council, to increase the number of hackney carriage licences available from 183 to 190 to meet the identified unmet demand. However, they also made a recommendation in respect of the vehicles that the licences should be granted to. In accordance with paragraph 23.7 of the Council's Taxi Licensing Policy, the Executive are asked to consider the vehicle specification, and make a recommendation to Council to amend the Taxi Licensing Policy and issue the new licences to vehicles of the type specified in this report. Therefore, for the avoidance of doubt, it is the type of vehicle, not the number of new licences, that the Executive are being asked to recommend at this meeting.

Recommendations

2. That Members take into consideration the recommendation of the Licensing & Regulatory Committee and make a recommendation to Council to approve a change in the Taxi Licensing Policy in respect of the type of vehicles that new hackney carriage licences will be issued to. Those being wheelchair accessible, 'fully electric' or 'plug in electric hybrid London taxis', and black in colour (as specified in detail in paragraph 25 of this report) in accordance Option 1.
3. Reason:

To help meet unmet demand for hackney carriage vehicles, particularly from users with a disability, as well as providing a more environmentally friendly and easily recognisable hackney carriage fleet in the city in

response to the declared climate emergency and continuing desire to improve air quality.

Background

Limitation on the number of hackney carriage licences

4. Although members are not being asked to determine the number of hackney carriage licences to issue, the fact that the number of hackney carriage licences is restricted in York is still important context in which this decision should be made. Under Section 16 of the Transport Act 1985, local authorities may set quantity restrictions on the number of hackney carriage licences they issue, but only if it is satisfied that there is no significant 'unmet demand' in its area. The Council, like many others in the surrounding region, currently restricts the number of hackney carriage vehicle licences it issues. At this time the council has provision for 183 licences, with 180 in place i.e. three have not been renewed. Please note that at the Licensing & Regulatory Committee meeting, there were 181 licences in place i.e. two had not been renewed. Some 45 (24%) of the city's hackney carriages have to be wheelchair accessible by condition of licence. The three licences which are potentially available are not wheelchair accessible vehicles by condition of licence.
5. Before new licences are issued, the Taxi Licensing Policy states:

23.7 'The types of vehicles that new hackney carriage vehicle licences will be issued to will be determined by the Executive, if/when the Council determines to issue new licences.'
6. Prior to their most recent meeting, the Licensing and Regulatory Committee considered a report on vehicle specifications for taxis on 25 September 2020, and recommended that the Executive determine specifications similar to what is the recommended option in this report for the two hackney carriage licences available at that time. However, the Executive asked for additional consultation to be undertaken before determining the type of vehicle that should be licensed. That additional consultation has been undertaken as part of the unmet demand survey which is the subject of this report.
7. Please note, there is currently no provision in law to restrict the number of private hire vehicle licences issued or the ability to specify that they

are wheelchair accessible. There are currently 472 licensed private hire vehicle, 49 (10%) of which are wheelchair accessible.

Unmet demand surveys

8. To justify regulating the number of hackney carriage vehicle licences, the Council follows Department for Transport (DfT) Best Practice Guidance (issued in March 2010) on unmet demand surveys which are carried out by an independent third party. This is reflected in Section 8 of the current Taxi Licensing Policy as follows:

'Limitations on Numbers

- 8.1 *No powers exist for the licensing authority to limit the number of private hire vehicles that they licence.*
 - 8.2 *The current legal provision on quantity restrictions for hackney carriages is set out in section 16 of the Transport Act 1985. This provides 'that the grant of a licence may be refused for the purpose of limiting the number of hackney carriages in respect of which licences are granted, if, but only if, the person authorised to grant the licences 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'.*
 - 8.3 *Any local authority that does restrict the number of licences for hackney carriages is required to justify their policy every three years.*
 - 8.4 *The Council does restrict the number of hackney carriage licences issued. Unmet demand surveys are carried out every three years with new licences released when required. New licences are not currently being released.'*
9. In respect of these provisions, as stated above, a report was last brought to the Licensing & Regulatory Committee in July 2018. The report related to the findings of an unmet demand survey that had been carried out in October 2017. It was determined that there was no significant demand which was unmet. At the Licensing & Regulatory Committee meeting on 25 September 2020 Members also approved to defer the unmet demand survey (which was due in 2020) to 2021 due to the impact the coronavirus pandemic was having on the local economy at the time. Therefore, the unmet demand survey on which this report is

based took place in October 2021, this was a time when the economy was open in 'step 4' of the Covid Recovery Plan with limited restrictions in place (such as isolating when covid positive or when contacted by NHS Track and Trace). However, as identified in the unmet demand survey, the economy was (and continues to be) influenced by the pandemic, particularly in respect of the number of taxi drivers who have not returned to work. The full results of the 'unmet demand' survey can be found at Appendix 1.

Benefits of Quantity Restrictions

10. Restricting the number of hackney carriages in the city helps manage congestion around the city centre, preventing over ranking at the designated rank spaces and unofficial ranks being formed. This could have an adverse impact on air quality, particularly if the fleet is not operating using ultra-low and zero emission vehicles. In the long run, it is also aimed at preventing a shortage of taxis if drivers are unable to make a living from a reduced number of fares and therefore leave the market. This may increase the risk of passenger safety if a shortage encourages the use of illegal, unlicensed drivers and vehicles. Taxis are also recognised as an important means of transport for people with a disability as they provide a 'door to door' service.

Disadvantages of Quantity Restrictions

11. There are also disadvantages when restricting the number of hackney carriage licences. The Competition and Markets Authority report entitled 'Regulation of taxis and private hire vehicles: understanding the impact of competition' (2017) says:

'Quantity restrictions may cause harm to passengers through reduced availability, increased waiting times, reduced scope for downward competitive pressure on fares and reduced choice. They also may increase the risk of passenger safety if they encourage the use of illegal, unlicensed drivers and vehicles'.

12. Furthermore, in most places, where quantity restrictions are imposed, vehicle licences command a premium, often in tens of thousands of pounds; this is the case in York. 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. This is also demonstrated by the fact that in York we have a waiting list of people wanting a hackney carriage vehicle licence (see

below). However, it has also been found, when the Council has granted additional hackney carriage vehicle licences on previous occasions that, within days, the licence holder has transferred the licence to another person. This suggests that they did not want to provide a service to the public at all, rather they simply wanted to sell the licence on and 'make a quick profit' (known in the trade as 'selling the licence plate'). There is no provision within the legislation to prevent the transfer of licences in this way. We are told that licences have transferred in this way for £50k. The council/tax payer does not receive any of this money other than the 'cost recovery' fee to administer the transfer.

13. Removing the limit on the number of licences we issue would remove the inflated 'market value', but it would also have significant consequences for anyone who has 'invested' in a licence. They would almost certainly lose the value of their investment immediately. That said, loss of investment is not a reason for withholding more licences. The only legal reason to refuse a hackney carriage vehicle licence is because there is no significant demand which is unmet.

Waiting list

14. The council operates a 'waiting list' for people who have shown an interest in holding a hackney vehicle licence. The person named at number one on the list will be offered the next available licence and so on. As of 25 April 2022, there were 157 persons on the list. This is an increase of 6 from the figures reported in the 20th September 2020 report.

Types of vehicle we licence

Wheel-chair accessible vehicles.

15. As noted above, only 45 of the hackney carriages have to be wheelchair accessible by condition of licence although that does not prevent other vehicles from being so. If private hire vehicles are included, approximately 14% of the entire taxi fleet are wheelchair accessible vehicles.

Emission Standards

16. We currently only licence vehicles that meet certain emission standards, and we do not currently have age restrictions. The current taxi licensing policy states as follows:

'Only the following European Standards will be accepted for new private hire vehicle applications, and any subsequent replacement of these vehicles, and all replacement vehicles for both taxi and private hire:

- *Petrol vehicles – Euro V petrol vehicles class*
- *Diesel vehicles – Euro VI diesel vehicles class*
- *Diesel wheelchair accessible vehicles – Euro V diesel vehicles class**
- *Ultra-low emission vehicles - defined as 75g CO₂/km and under*

**this only applies to replacement vehicles and if the following criteria is met:*

- *The vehicle licence was granted prior to the 1 May 2016 to a wheelchair accessible vehicle;*
- *The replacement vehicle is wheelchair accessible;*
- *The vehicle licence is renewed annually;*
- *Ownership of the vehicle remains in the name of the vehicle licence proprietor whose name was on the licence on the 1 May 2016;*

If the above criteria is met a vehicle licence proprietor may replace the licensed wheelchair accessible vehicle as many times as necessary until this policy is amended.'

17. When this policy was introduced, it was intended to improve the emission standards of vehicles within the fleet (more details on air quality in the city are provided in the paragraphs below). Appendix 2 shows the Euro standards of the hackney fleet (and private hire fleet) as of 27 April 2022. There are now two electric plug-in hybrid wheelchair accessible vehicles (London taxi type, namely LEVC TXE) in the hackney carriage fleet which indicates they are a viable option.
18. Otherwise, whilst there has been some take up of hybrid cars and Euro 6 vehicles, there are still many cars in the taxi fleet in general, and more specifically the hackney carriage fleet, that do not meet the latest Euro standards, and there are still a large number of vehicles operating in the city which are Euro 5 or older and therefore have much higher emissions of particulate matter harmful to health. The existing policy may be encouraging drivers to retain older vehicles rather than invest in newer ones, but it is clear that it is not being as effective as it could be in driving up the environmental standards.

Air Quality considerations

19. The Council currently has an Air Quality Management Area (AQMA) in the city centre (covering the inner ring road), declared on the basis of breaches of the health based annual mean air quality objective for nitrogen dioxide (NO₂). The Council has a statutory duty to try to reduce NO₂ concentrations within the current AQMA and additional obligations in relation to the protection of public health and reduction of greenhouse gas emissions. The main air pollutants of concern in York are NO₂ and particulate matter (PM). Typically, traffic is responsible for around 50-70% of the total NO₂ at any particular location in the city.
20. During the Covid lockdowns in 2020 nitrogen dioxide concentrations continued the 10+ year trend in improving air quality and all locations throughout York met the health-based air quality objectives, mainly due to working from home, more walking and cycling and less traffic. However, the latest air pollution monitoring data for 2021, shows that that NO₂ concentrations in the AQMA have increased during the pandemic recovery period and some locations are, once again, breaching health-based standards. It should be noted, however, that maximum concentrations of NO₂ monitored in most areas in 2021 were still lower than those recorded between 2011 and 2019.

Taxi Incentive Scheme

21. The Council are promoting the uptake of low emission taxis to help to improve air quality in York as part of a wide-ranging package of measures to reduce emissions from all vehicles. Following a successful Air Quality Grant award from DEFRA, the Council is offering financial support to eligible CYC licensed hackney carriage and private hire vehicle licence proprietors to upgrade their vehicles to low emission variants. Further information on the incentive scheme and eligibility criteria is provided at Appendix 3.

Charging points

22. City of York Council is committed to improving the charging offer for all Electric Vehicle (EV) drivers. The Public EV Charging Strategy (2020 – 2025) sets out a transformational investment in the York EV Network which includes replacing all charging infrastructure, increasing the number of charge points by provisioning 5% of spaces in Council owned long stay car parks with Fast charge points, increasing the number of Rapid chargers, and delivering state of the art next generation HyperHubs which bring 175 kW Ultra Rapid charging to York. In combination the Fast, Rapid and Ultra Rapid chargers provide the full

range of options delivering a step change in convenience, choice, reliability, and availability. The York EV Network is owned by City of York Council enabling lower tariffs and a coordinated rollout. The Council's network is complimented by commercial operators with 11 commercial providers currently active in York providing consumer choice and competition.

Vehicle Colour

23. The Taxi Licensing Policy states that the preferred vehicle colour for hackney carriage vehicles is black. Many authorities specify the colour of hackney carriages on public safety grounds, to help them be more easily identifiable by the public as vehicles they can hail in the street and/or otherwise distinguish them from other vehicles (licensed vehicles also have to display the council crest on the driver and front passenger doors). This may be increasingly important when there are vehicles licensed by other authorities, that may also be hackney carriages, working in York. It also helps licensed hackney vehicles be distinguished from opportunists looking to pick people up with bad intentions.

Recent driver recruitment campaign

24. Taxi Licensing recently received a grant from the Home Office (via the North Yorkshire Police Fire and Crime and Safety Commissioner) to help prevent violence against women and girls, the money was used to help recruit new taxi drivers into the trade amongst other things. A radio and Facebook advertising campaign ran throughout March to encourage new drivers to take the knowledge and safeguarding course which was provided 'free of charge' between March and June. Resits and 'the preparation course' (to help potential drivers study for the test in the first place) were also provided free during these months. Between 1 March and 15 July 2022, 27 drivers from the 54 who have applied have passed the knowledge and safeguarding test and are on their way to becoming a licensed drivers (by way of comparison, 12 out of 28 passed in the previous two months). Our figures show that around 30% pass the knowledge and safeguarding test first time, and 50% go on to pass in due course. However, given that 50% of the most recent cohorts have already passed, it is hoped this figure will increase for them.

Proposed new hackney carriage vehicle standard

25. The proposed specification for newly licensed hackney carriage vehicles is as follows.

a) New hackney carriage vehicle licences will only be issued to the following type of vehicles:

- *Black Fully electric wheelchair accessible vehicles*
- *Black Plug in electric petrol hybrid wheelchair accessible vehicles**

**These vehicles are purpose-built taxis and have CO2 emissions of less than 50g/km and can travel at least 112km (70miles) without any emissions at all.*

For the avoidance of doubt, this includes new grants after existing licences are surrendered or otherwise not renewed.'

26. It will therefore include the three hackney carriage vehicle licences which are currently available. This will help ensure that those given the privilege of a valuable hackney carriage vehicle licence make a proper investment in a vehicle which truly benefits the community they serve. It will hopefully encourage those who obtain a licence to retain it and recoup the investment in their vehicle rather than simply 'selling the plate'.

27. To assist, Appendix 4 provides details of some of the fully electric wheelchair accessible vehicles (essentially converted vans) and purpose built plug in hybrid vehicles (London taxis) that are available. The Appendix also gives details of typical costs. By way of example, a brand new London taxis cost in the region of £60k, although there are second hand vehicles on the market now for around £40k. Rental options are also available. There are currently no age restrictions on any type of vehicle licensed by the council, but it in the previous report on age restrictions (September 2020) Members recommended that there be no age limitation with regards to this kind of vehicle to help encourage their purchase. This could likewise form part of any future recommendation on age limits.

Consultation

28. As well as detailed surveying of queuing at the ranks, the unmet demand survey included consultation with the public and users with a disability, as well as drivers and local businesses. Details can be found in the report in Appendix 1.

29. Some of the key findings were as follows:

- 54% of passengers who boarded taxis had to wait for hackney carriages to arrive
- The issue is most significant at the railway station rank
- There is significant unmet demand for hackney carriages in York.
- Feedback from the taxi trade indicates that some hackney carriages remain out of operation owing to lack of drivers.
- Issues identified by disabled user groups include availability of suitable vehicles, and suitable knowledge, understanding and empathy from drivers.
- 54.4% of respondents said new hackney carriage vehicle licences should be issued to fully electric, wheelchair accessible vehicles.
- 54.4% of respondents said they agreed all hackney carriage vehicles should be black to conform with a uniform identification.
- 55% of respondents said they would use taxis less frequently if the fares increased 10%.

Options

Recommendations to Executive and Council on the type of hackney carriage vehicle

30. Option 1 – Amend the Taxi Licensing Policy to the vehicle specification in paragraph 25 with regards to the grant of any new hackney carriage vehicles licences. This option is recommended by the Licensing and Regulatory committee.
31. Option 2 – Retain the existing vehicle specification outlined in paragraph 16 with regards to the grant of any new hackney carriage vehicle licences.
32. Option 3 – Specify a different vehicle standard.

Analysis

33. Option one will ensure that any new hackney carriage vehicles will be more readily available to passengers with a disability, although it does not guarantee availability at any time this will still depend on drivers being available. The improved environmental standards will help reduce their environmental impact in support of the declared climate emergency and improve air quality while they are working for the benefit

of the public and the drivers themselves. Furthermore being black in colour will help public safety by ensuring they are more easily recognisable as licensed hackney carriage vehicles available to be hailed in the street.

34. Option two is likely to mean that the vehicles coming on to the fleet are not of the highest standard. It is possible that those on the waiting list will simply 'sell their plate' for a significant profit, as has been done in the past, with no benefit to passengers, other drivers or the wider residents of York.
35. Option three will depend on the type of vehicle specified

Council Priorities

36. Increasing the number of hackney carriage vehicle licences to the type of vehicle specified will support the Council's priorities in respect of the following:
 - A greener and cleaner city
 - Safe communities and culture for all

Implications

37. The direct implications arising from this report are:
 - (a) **Financial** – There are no financial implications for the Council.
 - (b) **Human Resources (HR)** - There are no HR implications.
 - (c) **Equalities** – A full equalities impact assessment, prepared for the Licensing and Regulatory Committee (and which includes an assessment of quantity restrictions) accompanies this report at Appendix 5.
 - Legal** – There are no legal considerations in respect of the vehicle specification that Executive are being asked to decide upon.
 - (d) **Crime and Disorder** – There are no crime and disorder implications.
 - (e) **Information Technology (IT)** - There are no IT implications.

(f) **Property** - There are no property implications.

(g) **Other** - There are no other implications.

Risk Management

38. Applying the Council's risk scoring criteria, restricting numbers of hackney vehicle licences when there is unmet demand poses a 'moderate risk' (potential for successful challenge in a local court and local media coverage), and a likelihood of 'highly probable' giving a score of **16** (orange risk). Taking the recommended action reduces the likelihood to 'unlikely' giving a score of **13** (yellow risk).

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		Report Approved	√	Date 12.07.2022
Specialist Implications Officer(s)				
Wards Affected:		All	√	
For further information please contact the author of the report				

Background papers

Licensing and Regulatory Committee report on 7 June 2022 – Hackney carriage licences

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=606&MId=13445&Ver=4>

Licensing and Regulatory Committee report 25 September 2020 – Taxi Licensing Consultation – vehicle licences

<https://democracy.york.gov.uk/documents/g12398/Public%20reports%20pack%20Friday%2025-Sep-2020%2017.30%20Licensing%20and%20Regulatory%20Committee.pdf?T=10>

Licensing and Regulatory Committee Report 16 July 2018 - Unmet Demand Survey

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=606&MId=10525&Ver=4>

Taxi Licensing Policy

https://www.york.gov.uk/downloads/file/9715/taxi_licensing_policy

Appendix 1 – Unmet demand survey response

Appendix 2 – Euro standards of existing hackney fleet

Appendix 3 – Taxi Incentive Scheme

Appendix 4 – Examples of vehicles

Appendix 5 – Equalities impact assessment

Abbreviations

CYC – City of York Council

DfT – Department for Transport

EV – Electric Vehicle

PM – Particulate Matter

NO₂ - Nitrogen Dioxide

Taxi – Hackney carriage and private hire vehicles collectively