

Report from the Assistant Director – Planning and Public Protection

Unmet Demand Survey

Summary

1. This report asks Members to consider the findings of a recent unmet demand survey carried out within the authority area, relating to the provision of the hackney carriage service, and to consider the two options with regard to hackney carriage vehicle licence numbers. This relates to motorised hackney carriages only.

Recommendations

2. That Members consider Best Practice Guidance issued by the Department for Transport and the findings of the unmet demand survey, which can be found at Annex 1, and determined which one of the following two options to adopt:
 1. Status quo: to maintain the existing policy unchanged, restricting the number of hackney carriage vehicle licences issued to the current level.
 2. To consider reviewing the existing policy on the issue of hackney carriage vehicle licences.

Should Members be minded to consider reviewing the existing policy, a consultation should be carried out with all current stakeholders and the public in that process.

Reason: In accordance with Best Practice this report asked Members to firstly consider the benefits and disadvantages of setting quantity restrictions. Also in accordance with Best Practice, as the Council currently restricts the number of hackney carriage vehicle licences issued, an unmet demand survey has been undertaken to determine if there is no significant unmet demand.

Background

Legal Requirements and Department for Transport Best Practice Guidance

3. Provisions within Section 16 of the Transport Act 1985 allow local authorities to set quantity restrictions on the number of licences issued in relation to hackney carriage vehicles (taxis), but only if it is satisfied that there is no significant unmet demand for taxi services in its area.
4. Department for Transport (DfT) Best Practice Guidance, issued in March 2010, advises that most local licensing authorities do not impose quantity restrictions; and they regard this as best practice. The Guidance recommends that authorities, where restrictions are in place, regularly reconsider this matter. The Guidance asks local licensing authorities to consider the benefits or disadvantages to the travelling public (users of taxis) from having quantity restrictions in place; and what the benefits or disadvantages would result for the public if the quantity restrictions were removed.

City of York Current Provision

5. City of York Council (the Council) currently restricts (regulates) the number of taxi licences issued. At this time there are 183 licensed vehicles, of which 45 are wheelchair accessible (by condition of licence).

Unmet Demand

6. A licensing authority may limit the number of taxis in its area provided that it is satisfied that there is no significant demand for the services of taxis which is unmet. As the Council regulates the number of licences, which is not considered best practice, the Council has to demonstrate there is no unmet demand in accordance with guidance issued by the DfT. To this end, an unmet demand survey is carried out once every three years. The purpose of the survey is to determine whether there is any evidence of significant unmet demand for taxi services in the Council's area and if any unmet demand is found, to recommend how many licences would be required to meet this.
7. The last survey was carried out in 2014. At that time the survey identified that there was no evidence of significant unmet demand for

taxis in York. The full results of the survey were brought to this committee on 20 October 2014.

Current Policy

8. At a meeting on the 20 October 2014 this Committee resolved that no new hackney carriage vehicle licences are issued, and that a further unmet demand survey is carried out in three years time. For the reason that the 2014 unmet demand survey has identified that there is no evidence of significant unmet demand.

Unmet Demand Survey

9. Following the formal tendering process Licensed Vehicle Surveys and Assessment (LVSA) was engaged by the Council in May 2017 to undertake the independent survey.
10. LVSA conducted a rank observation survey during October 2017. Some 5,848 hires were observed over three days.
11. It should be noted that the rank survey was conducted during a weekend when a race meeting was taking place at York Racecourse. The consensus view from the trade and stakeholders was that a race weekend generates exceptionally high levels of demand for taxis. This is reflected within LVSA report.
12. This survey has identified that there is no evidence of significant unmet demand for taxis in York. A full copy of the survey can be found at Annex 1. A representative from LVSA will be present at the meeting to answer any questions relating to the survey.

Proposed Policy for New Hackney Carriage Vehicle Licences

13. Taking into consideration the findings of the survey, if the Council is satisfied that there is no significant unmet demand it is able to continue to restrict to the current level the number of taxi licences issued. A further independent unmet demand survey will be carried out in three years time. Alternatively, should Members be minded to consider reviewing the existing policy on the issues of taxi licences and whether to allow for an increase beyond the current number (which may include complete removal of quantity controls) a period of consultation should be undertaken to get the views of stakeholders and members of the public as to whether to implement an alternative policy for the issue of

taxi licences. In any consideration of whether to review the Council's existing policy, Members are reminded that the Council retains the discretion to maintain the restriction on the number of licensed taxis or not. Should Members decide to undertake a consultation a further report will be provided to Members to consider the responses and make a further recommendation for the issue of taxi licences, supported by evidence.

Allocation of New Licences

14. Since 1996 the Council has operated a waiting list for those who would wish to obtain a taxi licence, should any be issued in the future. There are currently 128 persons on the list.
15. The person named at number one on the list will be offered the next available taxi licence. Their name will then be removed from the list whether they proceed to obtain a vehicle licence or not.

Consultation

16. As part of the survey LVSA carried out a public attitude survey. A total of 200 interviews were undertaken throughout the licensed area. A questionnaire was published online to offer the general public an opportunity to provide views of licensed vehicles service provision. A total of 25 responses were received from members of the public. Survey results are detailed in Section 4 of LVSA report.
17. LVSA also complied with the DfT guidelines and consulted key stakeholders:
 - Supermarkets
 - Hotels
 - Individual pubs / nightclubs
 - Other entertainment venues
 - Restaurants
 - Hospitals
 - Police
 - Disability representatives
 - Rail operators
 - Other council contacts within all relevant local councils

18. Stakeholders were contacted by telephone, email or letter. Responses received are detailed in Section 5 of LVSA report.

Options

19. Members need to consider whether or not they are minded to continue with the policy of restricting the number of hackney carriage vehicle licences, by choosing one of the following options.
20. Option 1 – Continue to apply the existing policy, that no new taxi licences are issued, restricting the number of licences issued to the current level, based on the latest unmet demand survey, and require that a further unmet demand survey is carried out in three years time. This is maintaining the status quo.
21. Option 2 – Ask Officers to undertake a consultation with stakeholders and the public as to whether the existing policy of restricting the number of taxi licences should be retained or changed to either set a different level or remove the limit, with a view to reporting back to members at the earliest opportunity with the result of the consultation and further recommendation. Further details as to how this consultation would be undertaken can be found at paragraph 41.

Analysis

22. The council has appointed 17 taxi ranks, 15 of which are within the vicinity of the city centre:

Rank Location	Rank Operating Times	No. of Cars
Duncombe Place	Fulltime	10
Queen Street	Fulltime	4
St Leonard's Place	Fulltime	4
St Saviourgate – Rank A	Fulltime	12
St Saviourgate – Rank B (feeder)	Fulltime	4
The Crescent	Fulltime	1
Tower Street	Fulltime	3
Clifford Street (Kuda side)	Midnight – 6.00 am	4
Clifford Street (opposite side to Kuda)	Midnight – 6.00 am	4
Micklegate (outside Jalou)	Midnight – 6.00 am	5
Toft Green (opposite Fibbers)	Midnight – 6.00 am	3
Exhibition Square	8.00 pm – 6.00 am	3
Piccadilly	11.00 am – 6.00 am	2
St Sampson's Square	8.00 pm – 6.00 am	8

The two ranks outside of the city centre are located at:

Rank Location	Rank Operating Times	No. of Cars
Clifton Moor Cinema	Fulltime	3
York Racecourse (race days only)		12

23. The rank located at the Railway Station is a private rank and is outside of the control of the council.
24. As part of the rank observation LVSA recorded 9,049 vehicles departing from ranks. Approximately 25% of these vehicles appeared to be wheelchair accessible.
25. The busiest appointed ranks are Duncombe Place and St Saviourgate. Peak activity on Duncombe Place rank was on the Friday evening at 116 hires per hour. Peak activity on St Saviourgate rank was on a Saturday evening at 65 hires per hour.
26. As part of the public attitude survey, 200 respondents were asked if the hackney carriage service in York could be improved, 76.7% said no, 23.3% said yes. The following are the improvements they would like to see:

Better night ranks	-	3.57%
Better reliability	-	3.57%
Improved driving skills	-	3.57%
Less over ranking	-	7.14%
More taxis available at the station rank	-	14.29%
More ranks in town centre	-	10.71%
More vehicles available	-	25%
Cheaper fares	-	21.43%
Shorter waiting times	-	7.14%
Publicise rank locations	-	3.57%

27. The 200 respondents were asked to rate four elements from their most recent trip on a scale of 1 to 5 (1 being very poor, 5 being very good), responses are as follows:

	1	2	3	4	5
Vehicle Quality	0%	0.5%	5%	59.5%	35%
Driver	0%	1%	8.5%	52%	38.5%
Price	1.5%	3.5%	28.5%	52%	14.5%
Customer Service	0%	0.5%	8.5%	58%	33%

28. Respondents were asked if they felt safe using taxis, 98.5% said they felt safe during the day (before 6.00 pm), 1% did not know and 1 respondent felt safe at times. 83.5% felt safe using taxi during the night (after 6.00 pm), 10.5% did not know how they felt, 4.5% felt safe at times and 1.5% did not feel safe using taxis at night.
29. Respondents were asked if there were any locations in York where new ranks are needed. 51.7% said no new ranks were needed, 35.3% said they did not know. Of the 13% of respondents who stated they would like to see a new rank the most common locations included:
- Marks and Spencer
 - Nightclub areas
 - Piccadilly
 - Town centre
 - Minster
30. Members should note that as detailed in paragraph 21 there are currently ranks in the vicinity of Marks and Spencer on Piccadilly at St Saviourgate, there are ranks in the vicinity of licensed premises on Clifford Street, Rougier Street and Micklegate, there are a number of ranks in the town centre, and there is a rank on Duncombe Place in the vicinity of the Minster. These responses highlight the fact that all of our ranks are not clearly visible, either by signage or road markings, this is a matter that officers are looking to address, it also shows that hackney carriage vehicles do not regularly rank at all of the available ranks around the city.
31. The 25 online respondents were also asked to rate four elements from their most recent trip on a scale of 1 to 5 (1 being very poor, 5 being very good), responses are as follows:

	1	2	3	4	5
Vehicle Quality	4%	0%	52%	28%	16%
Driver	4%	8%	44%	24%	20%
Price	28%	12%	40%	16%	4%
Customer Service	4%	4%	44%	36%	12%

32. Some responses received from stakeholders were as follows:
- Supermarkets – indicated that the Freephones in supermarkets or mobile phones are generally used to book travel by licensed

vehicles. Some customer service desks did occasionally phone a private hire company for a customer.

- Hotels – some did say that they worked with or had an account with a private hire operator.
- Public houses – indicated that customers generally managed to obtain a vehicle when they needed one. At closing time there can sometimes be a longer wait time for a vehicle.
- Disability groups – no issues identified. Care homes contacted indicated that they can relatively easily book vehicles as and when required.
- Rail and other transport operators – railway station staff indicated that there were always taxis coming in to pick up passengers, however after some trains the number of passengers could take all of the waiting taxi and those passengers who arrive last at the rank may have to wait for more taxis to arrive at the rank.
- Businesses – it was felt that availability was generally good, with occasions when passengers had to wait at busy times. The drivers and vehicles were generally well regarded and were generally good ambassadors for York.

33. Some responses from trade stakeholders were as follows:

- A commonly identified issue was a perception amongst the trade that a number of out of town licensed vehicles were operating in York, as private hire vehicles. Many of these operated under the Uber brand. It was felt that the influx of Uber vehicles has had an impact on the licensed trade in York.
- A significant proportion of the hackney carriage fleet cannot access the Railway Station rank. This is the busiest rank, especially during the day time. The view was expressed that as Station Taxis fulfil private hire bookings, albeit with hackney carriages, this can lead to some hackney carriages sent to other locations to pick up instead of servicing the Railway Station rank. This practice can lead to passenger queues forming at this rank.

- Many elderly passengers don't like wheelchair accessible vehicles as they find them difficult to get in and out, and are uncomfortable to sit in on journeys. They often prefer saloon type vehicles.
- Student pick ups affect the trade as students arrange to pick up other students after a night out for payment. Often arranged through social media.
- Perceived lack of enforcement by licensing staff. With little visible policing of the ranks and activity outside night spots by private hire vehicles, it was felt that some private hire vehicles have been waiting near clubs and busy ranks and accepting walk up hires without pre-booking.
- Parked vehicles on the Toft Green rank means that this rank cannot be used to service the nearby licensed premises.
- Some frustration regarding lack of availability of hackney carriage plates for some drivers. The view was expressed that additional plates should be issued, but limited to wheelchair accessible vehicles and limited to licensed drivers who don't already hold a plate.
- Rank survey undertaken on race meeting weekend – various comments received indicated that the level of demand at this period was significantly higher than a normal weekend. Whilst there are many events in York throughout the year it is widely recognised that the impact of a race meeting is generally higher than for other events.
- There were differing opinions regarding how the trade responded to the additional demand by a race weekend. Some indications were that some drivers would work significantly longer hours during the Friday and Saturday. Other suggestions indicated that some drivers preferred to not work during a race meeting as they would prefer to avoid the congestion.

Community Safety Overview and Scrutiny Committee – Task Group

34. In 2011 a Task Group of the Community Safety Overview and Scrutiny Committee undertook a Taxi Licensing Review. The findings of this review were presented to this Committee on 11 July 2011. The recommendation of the review was that the Council restricts the number

of taxi licences issued and undertake unmet demand surveys in line with DfT Best Practice recommendations.

Benefits of Quantity Restrictions

35. There are benefits for restricting the number of taxi licences issued. Due to the geography of York the benefits for relate to managing congestion around the city centre, preventing over ranking at the limited number of designated rank spaces available and prevents unofficial ranks been formed. All of which will add to poor air quality issues already experience across the city.

Disadvantages of Quantity Restrictions

36. There are also disadvantages when restricting the number of taxi licences issued. In most cases 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 taxi market and provide a service to the public, but who are being prevented from doing so by the quantity restrictions. This is also demonstrates by the fact that in York we have a waiting list of people wanting a taxi licence.
37. It has been found in previous years when the Council, following the recommendations of an unmet demand survey, has determined to grant a recommended number of taxi licences to the person(s) who was position at the top of the waiting list, that within a short period of time after the taxi licence has been issued the licence holder has transferred the licence to another person. As stated in paragraph 36 vehicles licences command a premium, therefore the person(s) on the waiting list has not wanted a licence to provide a service to the public they have wanted a licence to sell on 'to make a profit'.

North and West Yorkshire Authorities Provisions

38. The table below details the number of taxi and private hire vehicles licences issued by each authority, and whether the authority restricts the number of taxi licences issued.

	Restrict	Don't Restrict	Taxis	PH vehicles	% of licensed fleet taxis
Craven		√	not available		

Hambleton		√	108	25	81%
Harrogate	√		148	287	34%
Richmond		√	77	10	88.5%
Ryedale		√	42	63	40%
Scarborough	√		105	207	33.6%
Selby		√	102	110	48%
York	√		183	607	23%
Bradford	√		222	3200	6.5%
Calderdale	√ inner zone		37	928	8.7%
Calderdale		√ outer zone	52		
Kirklees	√		not available		
Leeds	√		536	4470	10.7%
Wakefield	√		110	1113	9%

Option 1

39. The status quo option will maintain the current situation as it stands. If Members determine to retain the existing policy and restrict the number of taxi licences issued a further unmet demand survey would be required in 2020. No changes would be required to the current Taxi Licensing Policy.
40. On the basis of the evidence gathered in the unmet demand survey referred to in this report, the conclusion is that there is no evidence of any unmet demand for the services of taxis which is significant at this point in time in the Council's licensing area. The Committee is therefore able to exercise its discretion to retain the current vehicle limit policy and maintain it at the present level. In the event of a challenge to a decision to refuse a licence, the Council would have to prove that it had, reasonably, been satisfied that there is no significant unmet demand.

Option 2

41. Deregulating the number of taxi licences issued or increasing the current limit would be considered to be changes to the current Taxi Licensing Policy; that would require consultation to inform any further recommendation on the options for the issuing of taxi licences. As part of the consultation consideration would need to be given to the type of vehicle that would be granted a licence if Members in due course determine to deregulate or increase the existing limit. A further unmet demand survey would be required in 2020 should the policy be changed to set a different limit, as the Council would still be restricting the

number of taxi licences issued. In any review of the existing policy, the Council retains the discretion to maintain a restriction on the number of licensed taxis or not. Final approval of any changes to the Taxi Licensing Policy would have to be given by the Councils Executive.

42. Members also need to determine that if they are minded to review the existing policy, the current policy remains in place, that no new taxi licences are issued, until such a time that a consultation has taken place as part of a review of the Taxi Licensing Policy and all relevant approvals are in place.

Council Priorities

43. The provision of hackney carriage and private hire licensing supports the council plan of a prosperous city for all, where local businesses can thrive.

Implications

44. The direct implications arising from this report are:
 - (a) **Financial** – The cost of consultation will be met from existing budgets.
 - (b) **Human Resources (HR)** - There are no HR implications.
 - (c) **Equalities** – There are no equalities implications. Approximately 25% of the current hackney carriage fleet are wheelchair accessible vehicles.
 - (d) **Legal** – Section 16 of the Transport Act 1985 gives local authorities the power to limit the number of taxi licences provided that the local authority is satisfied that there is no significant demand for taxis which is unmet in its area. DfT guidance requires that local authorities which retain quantity controls carry out unmet demand surveys at least every three years to establish if there is any level of unmet demand. Should the Council carry out an unmet demand survey and find no significant unmet demand then it could lawfully retain quantity controls. The Council could be at risk of legal challenge if it does not follow the best practice guidance issued by the DfT and undertake an unmet demand survey at least once every three years, so long as it wishes to restrict the number of hackney carriage vehicle licences issued.

- (e) **Crime and Disorder** – There are no crime and disorder implications.
- (f) **Information Technology (IT)** - There are no IT implications.
- (g) **Property** - There are no property implications.
- (h) **Other** - There are no other implications.

Risk Management

- 45. By undertaking an unmet demand survey, in line with best practice guidance, will mitigate the risk of legal challenge.

Contact Details

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Wards Affected:			All	√
For further information please contact the author of the report				

Background papers

Department for Transport – Taxi and Private Hire Vehicle Best Practice Guidance
<https://www.gov.uk/government/publications/taxi-and-private-hire-vehicle-licensing-best-practice-guidance>

Annex 1 – Hackney Carriage Unmet Demand Survey