
Licensing and Regulatory Committee

4th November 2005

Report of the Deputy Chief Executive

HACKNEY CARRIAGE VEHICLE LICENCES (TAXI LICENCES)

Purpose of Report

1. This report advises Members of the Governments Action Plan for Taxis and Private Hire Vehicles and requests the Licensing Committee to agree proposals to review the City of York's policy on quantity control of hackney carriages.

Background

2. The Office of Fair Trading (OFT) issued a report in November 2003 regarding the regulation of licensed taxi and private hire services in the UK.
3. The main recommendation contained in that report was that local authorities relinquish their powers to limit the number of taxis licensed in their area.
4. The government responded to that report on 18 March 2004 by way of a written statement in the House of Commons. The written statement included an Action Plan for Taxis and Private Hire Vehicles, which is attached as Annex 1.
5. Members attention is drawn particularly to paragraphs 4 and 5 of the Action Plan in relation to the quantity control of taxis, which state.

“The Government agrees that consumers should enjoy the benefits of competition in the taxi market and considers that it is detrimental to those seeking entry into the market if it is restricted Restrictions should only be maintained if there is strong justification that the removal of the restrictions would lead to significant consumer detriment as a result of local conditions..... The Government believes that local authorities should be given the opportunity to assess their own need in the light of the OFT findings rather than moving to a legislative solution”.

6. The Department of Transport has now requested that local authorities review their local policies in relation to restricting the number of taxi vehicle licences they issue, to publish the outcome of the review, and copy that review to the government. The initial request was for this to be concluded by 31 March 2005, which was subsequently extended to 30 June 2005.

7. A letter has been sent to the Department of Transport advising that City of York is currently reviewing its policy and a response will be forwarded to the department in due course.

Current Taxi Licensing Policy for City of York

8. City of York currently limits the licences it issues to 158 taxis that operate from 12 full time ranks and 7 part-time ranks. Work is currently been undertaken into the adequacy and position of existing taxi ranks.

The most recent releases of taxi vehicle licences occurred between 1993 and 1995 when 20 dedicated wheelchair accessible vehicles licences were issued following a survey of unmet demand. In 1996 a further 18 vehicle licences were transferred from Ryedale District Council as a result of local authority boundary review.

These vehicles are driven by 261 licensed drivers. Some vehicles being double driven or in some instances triple driven.

9. At the time of preparing this report there were 531 licensed private hire vehicles driven by 563 licensed drivers. There is no limit on the number of private hire vehicle licences issued.

Assessment of taxi provision in York

10. In order to inform any decision on the adequacy of the current taxi provision in the City, surveys of unmet demand and consumer consultation have taken place. An examination of vehicle licence plate values has also been undertaken.

Survey of unmet demand

11. The use of such surveys is common in the industry to assess whether the number of taxis is adequate to meet the requirements of the taxi travelling public. Surveys measure waiting times for both passengers and vehicles at taxi ranks. In York, officers in the transport planning unit conduct surveys independently of the taxi licensing section. Over recent years surveys have been conducted in 1997, 2001/02 and in December 2004. The results of the 1997 2001/02 surveys were reported to Members indicating that there was no significant unmet demand for more licensed taxis.
12. The most recent survey was conducted on Thursday 9 December 2004 and Saturday 11 December 2004, and is available on the Council's website under Executive Decisions (Decision Making on line)@www.york.gov.uk (Information Sheet 129/Planning & Transport/Item 7).
13. This survey indicates that on the days examined the numbers of taxis in service and the number of taxi movements increases throughout the day with the peak times being between 2200 and 0200 hours. During this peak period on the Saturday, passengers experienced the maximum average delay of between 20 and 25 minutes. The highest average passenger delay on Thursday was at 0100 hours when it reached between 8 and 9 minutes.

14. The report of the survey concludes:

“The 2004 taxi surveys were undertaken on a Thursday and Saturday in December. The Station and St Saviourgate ranks were the most used of these full-time facilities. Of those ranks that were only surveyed throughout the evening St Leonard’s Place and Clifford Street had the highest passenger usage.

Passenger queues and delays were highest at Station Portico, Clifford Street and Toft Green on Saturday night between midnight and 03:00, although all surveyed ranks were busy at this time. The survey at Rougier Street was not completed. These passenger queues and delays are likely to be a result of passengers leaving York’s pubs and nightclubs at closing times. The survey showed that the number of taxis in operation and the number of taxi movements increases throughout the day but all of York’s licensed hackney carriages were not in operation during any one time period. This survey and previous surveys have shown that not all licensed taxis operate during periods of high demand. It is clear therefore that the existing fleet does not satisfy the demand at peak times and a slight increase to the number of taxis is necessary”.

15. The survey has been scrutinised by the York Taxi Association who have responded in a letter dated 13 April 2005 in saying the reports are misleading as they are only done on 2 days of the week, but they are also always done on the busiest day (Saturday) of the week and either the second or third busiest day (Friday or Thursday) of the week. They also raised issues with the position of the observers.

Talk About Survey: August 2004

16. The Talk About panel was used to obtain user views about travelling by taxi in York. The following headline statistics relevant to taxi numbers were obtained.

- 82% of respondents use taxis to travel around York.
- 18% “ “ using taxis at least once a fortnight
- 66% “ “ have not experienced any difficulties in obtaining a taxi
- 31% “ “ have experienced occasional difficulties
- 3% “ “ have difficulties most times they use them
- 11% “ “ with a disability are particularly likely to experience a difficulty

Stakeholder Consultation

17. In addition to the Talk About Survey the following interest groups were consulted directly.
- (a) York Taxi Association
 - (b) York Private Hire Association
 - (c) York Station Taxis
 - (d) York Access Group
 - (e) York Hospitality Association
 - (f) York Chamber of Commerce
 - (g) York Blind & Partially Sighted Association
18. Responses were received from the York Taxi Association (YTA), York Station Taxis, York Hospitality Association and York Access Group. These responses are attached at Annex 2, York Private Hire Association have responded verbally to say that due to the diverse view amongst their members no representative reply could be given.

Both the YTA and Station Taxis are opposed any de-restriction on taxi licence numbers.

York Access Group state that whilst they are not aware of a shortage of taxis for able-bodied people, they still feel that there is room for improvement for those customers using wheelchairs and people with other disabilities.

The York Hospitality Association states that there are insufficient taxis. Their reference appears to relate to the availability of transport for staff customers. This provision is more likely to be satisfied by the private hire trade where the number of vehicle licences is unlimited.

Plate (Vehicle Licence) Values

19. Legislation allows for plates to be transferred, which, in areas where restrictions are in place, have a significant capital value. The values vary from place to place and the government cite high values as being an indication of unmet demand for taxis in that area. Recently published data shows a range of values from £10K - £70K. Plates are currently being transferred in York at around £40K.
20. Another indication of plate value is the rent charged by hackney carriage proprietors for others to drive their vehicle. In York this amounts to £150 - £200 per week for vehicles. Of the 158 licensed vehicles 49 rent out their vehicle to others to drive.

Summary and Appraisal of Review

Unmet demand Survey

21. The surveys indicate that even at peak demand not all licensed taxis are working at any one time. The 2004 survey shows the maximum number of vehicles at any one time being 111 out of the 158 licensed taxis. Whilst there are variations in passenger waiting times on different days of the week all surveys indicate that the greatest passenger delays occur after 2300 hours on Friday and Saturday nights.
22. It is apparent that the existing trade fails to satisfy the demand for transport late at night and in the early hours of the morning. This trade is primarily linked to the late night hospitality economy. As a result of the Licensing Act 2003, which takes full effect in November 2005, the pattern of late night trade is likely to change significantly with the dispersal of people from late night venues taking place over a longer period of time. This will obviously have a significant, but indeterminable, effect on the demand for taxis at this period of the day.

Other factors relating to demand

23. Trading values of existing taxi vehicle licence plates are in the upper third of those authorities where values are known. 31% of taxi vehicle licence holders do not drive their own vehicles but derive income from renting out the taxi for others to drive. This arrangement encourages taxis to be double driven. This effectively maximises the availability of licensed vehicles available for hire.
24. A waiting list currently exists for vehicle licences. In effect because of the restriction on the number of licences issued and the commercial value attached to the transfer of licences, no licences become available for the Council to re-issue. There are currently 139 names on the waiting list.

Customer Surveys

25. The Talk About survey indicates that in general customers are able to order or catch a taxi (or private hire vehicle) when required. The survey does however indicate that people with disabilities are less well served by the taxi trade. These views being supported by the York Access Group.
26. In the existing taxi fleet of 158 vehicles there are 20 dedicated wheelchair accessible licences. Although every encouragement is given to other licence holders to provide wheelchair accessible vehicles only one has chosen to do so. It is generally understood that the trade objection is one of cost. Wheelchair accessible vehicles being more expensive to purchase and run. The Government has indicated that it intends to introduce the mandatory requirement for accessible taxis, as provided for in the Disability Discrimination Act 1995, in a phased implementation between 2010 and 2020.
27. The Council already has a policy that any new vehicle licences issued will have a requirement for the vehicle to be wheelchair accessible.

Appraisal

28. Members will appreciate that this is an extremely complex issue with many facets to the debate. The views of those who already hold vehicle licences will obviously be different to those who wish to gain entry to the trade.
29. Members are reminded of the Government's position in which it believes that restrictions should only be retained where there is shown to be a clear benefit for the consumer. The Government considers that unless a specific case can be made, it is not in the interests of consumers for market entry to be refused to those who meet application criteria.

Options Available

30. The Government, in their letter to Local Authorities, indicate that the outcome of a review will be either:
 - (i) to deregulate and thereby grant a taxi licence to anyone meeting the application criteria, or
 - (ii) to continue restricting the number of taxi licences issued. In this case, three scenarios would appear to be possible outcomes:
 - Maintaining the current limit of taxi licences
 - Granting a number of new licences to meet the unmet demand that you have identified by means of a new survey
 - Granting a specific number of new licences each year
31. The outcomes of this review in terms of quantity control of taxis in the City of York are that:
 - (a) During a significant part of the day the existing taxi trade meets the requirements of most customers
 - (b) There is an unmet demand for taxis operating to service the late night trade particularly at the weekends.
 - (c) The existing fleet of vehicles fails to meet the requirements of the disabled customer as it does for the able bodied.
32. This review has not attempted to examine quality issues relating to the existing taxi fleet, however the Government's Action Plan indicates the need to regulate quality and safety standards. The Government intends to produce best practice guidance in this area. Members may however, when considering vehicle numbers, have regard to the quality standards of any new vehicles that may be licensed and the existing licensed cars. Opportunity would be available to introduce new vehicle standards as well as applying the wheelchair accessible requirement.
33. Attached at Annex 3 is an appraisal of the likely results of the adoption of the options available.

Recommendations of the Executive Member for Planning and Transport.

34. The Executive Member for Planning and Transport considered the contents of this report at the advisory panel meeting on 7th September 05. It was recommended that the Licensing and Regulatory Committee adopt officers recommendations as indicated in paragraph 36 of this report as items a) b) and c). The Executive Member also recommended that work be undertaken to examine options to encourage more environmentally friendly vehicles used as taxis and private hire vehicles, item d).

Financial Implications

35. The taxi and private hire licensing accounts are designed to meet the requirements of legislation by balancing expenditure against income derived from licence fees. The only financial implications for the Council resulting from the selection of any option would be the costs of any potential legal challenge to that decision.

Recommendation

36. That following the review of the policy for hackney carriage quantity restrictions in the City of York members of the Licensing and Regulatory committee resolve that :

The current limit of taxi licences be maintained for a further 12 months to :

- (a) Allow the completion of the reassessment of taxi ranking space.
- (b) Allow for a full assessment of the effects of the Licensing Act 2003 on the late night taxi trade to be undertaken.
- (c) Allow for an appraisal of existing vehicle standards with particular reference to meeting the needs of disabled customers.
- (d) Allow for officers to investigate mechanisms for encouraging more environmentally friendly methods of transportation for both taxis and private hire vehicles

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Background Papers:

- Town Police Clauses Act 1847 as amended by S16 of Transport Act 1985
- OFT Market Study into regulation of taxis and private hire vehicles November 2003
- York Taxi Association report to Government on OFT report
- Government Transport Committee Report – The Regulation of Taxis and Private Hire Vehicle Services in the UK
- Minutes of the Planning and Transport Advisory Panel 7th September 05

11th September 2005

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