

Licensing & Regulatory Committee

Report from the Director – Environment, Transport and Planning

Taxi Licensing – Unmet Demand Survey

Summary

1. This report seeks Members' approval to undertake an unmet demand survey in relation to hackney carriage provision within the authority area.

Recommendations

2. Given the two remaining Hackney Carriage Vehicle (HCV) licences have been allocated to applicants, officers recommend Members choose option one in this report.

Reason: This will allow the Council to undertake an unmet demand survey, with the allocation of the two remaining Hackney Carriage licences (due to be in operation prior to the commencement of the survey), it will enable Members to consider the impact of the additional licences before determining firstly whether or not to continue to restrict the number of Hackney Carriage Vehicle licences, and/or the number and type of vehicle they should be issued to.

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. City of York Council (the Council) currently restricts (regulates) the number of taxi licences issued. At this time there are 190 licensed vehicles, (including the licence that has been allocated) of which 55 are wheelchair accessible (by condition of licence).
5. Due to regulating the number of licences the Council operates a waiting list for those who wish to obtain a new taxi licence, should any be issued in the future. The nature of the market means a vehicle licence has never been surrendered.
6. Department for Transport (DfT) Best Practice Guidance, initially issued in March 2010, and further updated on 17 November 2023, advises that local licensing authorities do not impose quantity restrictions; and they regard this as best practice. The guidance recommends that where restrictions are in place, authorities 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.
7. The 2010 DfT Best Practice Guidance recommended that where quantity restrictions are in place, an 'unmet demand survey' is conducted at least every three years. However, the 2023 update to the guidance amended the time period to at least every five years.
8. The Council's adopted an updated Taxi Licensing Policy in November 2024 and in the policy the unmet demand survey timescale has now been revised to this five-year guidance.

Unmet Demand

9. The Council last undertook an unmet demand survey in February 2022. The survey includes analysis of the availability of taxis at the ranks, including demand and supply to disabled customers, as well as consultation with key stakeholders including user groups and the trade.
10. The results of the 2022 unmet demand survey suggested that there was an unmet demand. Members followed the recommendations of the

survey issuing seven new hackney carriage Wheelchair Accessible Vehicle (WAV) licences. Three existing licences which had been retained by the Council were also re-offered with the same additional vehicle conditions as the seven new licences.

11. Currently eight vehicle licences have been issued and the vehicles are in operation, the remaining two licences have been allocated to prospective vehicle proprietors.
12. With the Council being in the transitional position of issuing the new licences whilst the DFT updated the Best Practice Guidance, officers recommend that an unmet demand survey is conducted following the 2010 timescales which will allow the council to review the impact of the newly issued licences, and then after this is completed, the Council conduct the surveys every five years.
13. Due to the complex nature of assessing unmet demand a specialist company with expertise in this area would need to be procured to conduct an independent survey. The results of the survey will be brought before this Committee.
14. A refusal to grant a taxi vehicle licence, on the grounds of the numbers of taxis within the area, can only be justified if the Council can demonstrate that there is no significant demand, which remains unmet. If the result of the survey identifies that there is no evidence of significant unmet demand, this will strengthen the Council's position in the event of a legal challenge against having a policy in place that no new taxi licences will be issued in principle or against claims from individuals who may be refused licences. It will also provide members with factual information to determine whether they want to continue restricting the number of licences.

Options.

15. Members are invited to consider the following options:
16. Option 1 – Authorise officers to engage a transport consultancy to undertake an unmet demand survey, and once completed bring the

results of the survey to this committee for this issue to be considered further.

Option 2 – Wait a further two years (this being 5 years since the last survey) before undertaking an unmet demand survey and therefore following the updated 2023 DFT best practice guidance.

Option 3 – Take no action at this time (this could leave the Council at risk of legal challenge)

Consultation

17. No consultation has been undertaken at this stage. Public consultation with key stakeholders including taxi users and the trade is part of the unmet demand survey.

Analysis.

18. Option one, will meet the council's previous policy and superseded 2010 Best Practice Guidance. Due to the council being in a policy transition period whilst issuing the new hackney carriage vehicle licences, this option will provide an up-to-date analysis of the current trade and demand position.
19. Option two, will ensure that the survey is conducted, but in accordance with the maximum period recommended in the updated 2023 Best Practice Guidance. This option will now meet the council's current policy requirement.
20. Option three, taking no action at this time could leave the Council at risk of legal challenge, the council needs to demonstrate that there is no significant unmet demand in order to impose quantity restrictions.

Council Plan.

21. The decision taken contribute towards the Council Plan priorities to provide 'a fair, thriving and green economy for all' and 'sustainable accessible transport for all'.

Implications.

22. The implications arising from the report are as follows:

- **Financial** – The cost of consultation will be met from existing budgets.
- **Human Resources (HR)** – There are no HR implications.
- **Equalities** – It is recognised that licensed taxis and private hire vehicles are a particularly important method of transport for people with disabilities and other vulnerable passengers including school children because of the door-door service they provide. An equalities impact assessment accompanies this report.
- **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. 2023 DfT best practice guidance requires that local authorities which retain quantity controls carry out unmet demand surveys at least every five 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 five years, so long as it wishes to restrict the number of hackney carriage vehicle licences issued. In the event of a challenge to a decision to refuse a licence, the Council would have to establish that it had, reasonably, been satisfied that there was no significant unmet demand. The Council may, exceptionally, decide to deviate from its own policy if appropriate or reasonable to do so.
- **Crime and Disorder** – There are no direct crime and disorder implications arising from the report.
- **Information Technology (IT)** – There are no IT implications.
- **Property** – There are no property implications.

- **Other** – There are no other implications.

Risk Management.

23. The report sets out proposals to undertake the next unmet demand survey, the current policy states that a survey should be undertaken every five years, 2010 Best Practice Guidance recommends at least every three years. The last one was February 2022. 2023 Best Practice Guidance now recommends at least every five years. The report asks members to instruct officers of its approach to the survey. 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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	Report Approved	√	Date 24/02/2024

Wards Affected: All.

Background Papers

Licensing & Regulatory Committee Report and printed minutes (7 June 2022)

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

Licensing & Regulatory Committee Report and printed minutes (2 September 2024)

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=606&MId=14895&Ver=4>

Annexes

Annex 1 – Equalities Impact Assessment