
Licensing and Regulatory Committee

8th January 2010

Report of the Director of Neighbourhood Services

Issue of New Hackney Carriage Vehicle Licences

Summary

1. This report seeks members views on the issue of two new hackney carriage vehicle licences in January 2010 in line with established policy. It advises on the discussions and consultation undertaken with interested stakeholders since the issue of previous licences in July 2009.

Background

2. In May 2008 the council adopted a policy to release 15 new hackney carriage vehicle licences followed by a further release of two licences each six months after the first year. This was to be subject to review in three years.
3. In January 2009 the York Taxi Association requested the council to curtail this policy due to the economic climate. A snapshot survey was then conducted by Halcrow which showed that at that time there was no unmet demand. Members again met in May 2009 to consider the request. At the meeting Members were advised by the council's legal officers that:

“In May 2008 a policy had been agreed whereby there would be a managed release of licences over time. It had been agreed that the policy would be reviewed in three years. Although Members have the option to review policies at any time it should be noted that a decision to suspend the policy could be challenged in court. Members were advised to consider whether the absence of unmet demand identified by Halcrow in the survey, taken together with other consultation, justified any change to the policy adopted last year. The evidential base had to be robust. Technical advice may need to be sought regarding an appropriate evidential base.”

4. Members thus resolved:

“That the current policy continue and that two new vehicle licences be issued on 1st July 2009 but that officers be instructed to continue, in consultation with taxi proprietors and Halcrow, to review the situation and the evidence base, prior to the scheduled release of licences in January 2010.”

5. The Department for Transport (DFT) produce a Good Practice Guide for Taxi Licensing which makes the following comment regarding quantity restrictions on hackney carriage vehicle licences:

“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 traveling 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?”

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.”

6. In relation to this issue the council is currently dealing with an official complaint made to the Local Government Ombudsman (LGO) into the operation of our waiting list. The complaint was made by a driver who has been a hackney driver in this city for many years. At the time the waiting list was established, ie. on the formation of the new Unitary Authority in April 1996, the driver claims he was on a former list operated by York City Council. He claims he missed the Press notice advising of the need to reapply and that the council had not taken sufficient effort to advise him, and others like him, of the change of circumstances. Consequently he finds himself well down the list when, if he had applied in April 1996, he would have already been issued with a vehicle licence. We await the LGO’s deliberations.

If the Ombudsman finds in the driver’s favour we will have to re-examine our policy in its entirety as he is not the only one who claims to be in that position.

Consultation

7. In accordance with members’ resolution of May 2009 the following consultation has been carried out:

Drivers on the waiting list

8. Letters were sent to the top 10 persons on the waiting list for the issue of a hackney carriage vehicle licence seeking their views on the issue of new licences. Replies were received from four and these are attached to this report at Annex 1. Each suggest that the policy of issuing new licences should continue as there is sufficient work available.

Taxi Associations

9. There are currently 3 taxi associations and each has been consulted.

York Taxi Association (YTA):

A letter was sent dated 16th November 2009 requesting views of this association. At the time of writing this report no response has been received.

Independent Taxi Association (ITA):

By email have stated "It may indeed be good news that a few more licences are being issued, however, perhaps an extension to this condition is that they must be owner driven for a minimum of 2 years. I realise that this may be impossible to enforce with the conditions the way they are, however, most of these people, though not all, are just transferring the licence for approximately £20,000. We feel that this is most unfair to the drivers that are already on the list that would be prepared to work it and use it for their income."

New Station Association:

A verbal request was made by this organisation to comment on this subject. No response has been received.

Halcrow

10. Discussions have been held with Halcrow who advise that their study and report are valid for three years. It was completed in March 2008, therefore valid to March 2011. They could not suggest any new evidence to bring to assist the decision making process at this time.

Reporting on the national picture they advise that some authorities that have previously completely derestricted are now considering reintroducing quantity controls as cities have become congested with significant overcrowding at ranks.

It is believed that at least one authority that has a policy of managed growth has reduced its issue of five additional licences over a period to two.

Unsolicited Comments

11. Officers have been contacted by two drivers who currently rent plates (vehicle licences) regarding the issue of new licences. They state that for those drivers who currently rent plates the current policy of controlled growth of new licences is creating difficulties for them. (Of 175 vehicle licence holders, 84 rent out those licences and do not drive themselves.) This process reduces the amount of work available whilst they still have to pay the plate holder rent of some £210 - £230/week and of course in most cases purchase a vehicle or pay additional money to rent one.

They feel when consulted by the council they are unable to openly voice their opinions as they would most likely lose their plates as the licence holder would penalise them. Some are way down on the waiting list and for those the prospect of receiving a vehicle licence at the current rate of issue is way off.

Their view is that we should either derestrict completely or at least cease issuing new licences.

Options

12. Option 1 – Issue the two new hackney carriage vehicle licences in accordance with the established policy of the council.

Option 2 – Defer the issue of any further hackney carriage vehicle licences.

Analysis

13. In considering the DFT best practice guidance on quantity restrictions the following observations can be made for the situation in York. Since the issue of the 15 + 2 new vehicle licences there have been no complaints from the public about over provision of taxis nor of a deteriorating service, a key feature in the guidance. There still remains a healthy trade in the sale of existing vehicle licences which attract high premiums. It is understood that when the initial 15 new licences were issued there was a reduction in the transfer value of licences but this is now increasing. Figures of £45k have been quoted. There has been no reduction in rental values.
14. Unless the council wished to depart from the DFT guidance it would be difficult to produce a case which did not see more hackney carriage vehicle licences being released. Indeed if the Ombudsman enquiry finds that there has been mal-administration in respect of the establishment of the waiting list then the current policy of controlled growth in vehicle licences will have to be re-examined.
15. The ITA make reference to restricting the sale/transfer of newly issued vehicle licences and the fact that they are not used by those to whom they are issued. Of the 17 new licences issued under this policy since June 2008, three have been transferred. The remainder being in sole use, shared with a family member or business partner.

Legal advice has been taken from counsel regarding this matter and the advice received is that we cannot place any restrictions on a practice that is expressly permitted in legislation.

Corporate Strategy

16. The issue of additional vehicle licences will increase business opportunities supporting York's economy and strategy objective of being a Thriving City

Implications

17. **Financial:** There are no financial implications to this report.

Human Resources (HR): None

Equalities: Any new hackney carriage vehicles that are licensed will be wheelchair accessible increasing the proportion of such vehicles in the city.

Legal: Section 37 of the Town Police Causes Act 1847 (as amended by Section 16 of the Transport Act 1985) gives Local Authorities the power to limit the number of hackney carriage vehicle licences in its area, 'but only if they are satisfied that there is no significant demand for the services of hackney carriages which is unmet.

Crime and Disorder: None

Information Technology (IT): None

Property: None

Other: None

Risk Management

18. In coming to any decision on this matter the council can minimise risk by ensuring it takes all factors into consideration in coming to its decision. The decision should be reasonable in the light of the information available.

Recommendations

19. Members are recommended to approve Option 1 and retain the existing policy on the issue of new hackney carriage vehicle licences.

Reason: To maintain the growth in the number of hackney carriage vehicle licences in line with the guidance issued by the Department for Transport.

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Report Approved

Date 24/12/09

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Wards Affected:

For further information please contact the author of the report.

Background Papers:

None

Annexes:

Annex 1 – Letters of consultation from those on the waiting list for hackney carriage vehicle licences.