

Licensing Committee

1st December 2016

Is the final decision on the recommendations in this report to be made at this meeting? **Yes**

HACKNEY CARRIAGE LICENCE - UNMET DEMAND SURVEY

Final Decision-Maker	Licensing Committee
Lead Director or Head of Service	John Littlemore
Lead Officer and Report Author	Lorraine Neale
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That Members note the report submitted by Vector Transport Consultancy.
2. That Members instruct the Head of Housing & Community Services to undertake a 12 week consultation with stakeholders on the three options for hackney carriage licences;
 - maintain the current limit on numbers
 - issue any number of additional licences as appropriate
 - remove the limit on hackney carriage numbers with a view to a report back to the Licensing Committee at the earliest opportunity with the result of the survey and further recommendation to CHE

This report relates to the following corporate priorities:

- Great Place

Timetable –

<i>Meeting</i>	<i>Date</i>
Policy and Resources Committee	N/A
Council	N/A
Other Committee	N/A

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 That Members are advised of the results of the Unmet Demand Survey carried out by Vector Transport Consultancy and consider the options open to the Council with regard to maintaining, partially maintaining or removing a limit on the number of hackney carriage licences that are issued.
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2. INTRODUCTION AND BACKGROUND

- 2.1 Maidstone Borough Council is the licensing authority for the Borough in respect of hackney carriages, and for many years it has restricted the numbers of hackney carriage vehicles
- 2.2 The limit currently stands at 48 and there is a discretion for that to continue at this figure provided the Council is satisfied there is no significant demand for hackney services in the Borough which is unmet, the power being contained in section 16 of the Transport Act 1985.
- 2.3 In order that such a position can be evidenced an independent review of demand for the service is needed, and such a survey must reflect the current position and needs updated around every 3 years. The last survey carried out in Maidstone was in 2012 and recommended that no new licences be issued.
- 2.4 The Unmet Demand Survey conducted in 2008/9 also recommended that no new licences be issued.
- 2.5 The survey in 2005 was the last survey that recommended that further plates be issued and recommended that it be 9 new licences, issued over a 3 year period which was implemented. There have been no new plates issued since then.
- 2.6 The discretion to retain a limit on numbers is available as are the options to increase the number of licences or delimit numbers.
- 2.7 The survey did not find any major issues with the Hackney trade but did identify that out of the 10 official ranks 66% of all hiring's are made from the High Street Rank.
- 2.8 The data from the survey shows little evidence of unmet demand at present and the level is below that which would be considered to be significant. Therefore, the survey has concluded that there is no significant unmet demand for Hackney Carriages in Maidstone.

- 2.9 The Government believes restrictions should only be retained where it is shown to be a clear benefit to the consumer. The Council should be able to justify their reasons for any retention of restrictions. The Government makes it clear that Local Authorities remain best placed to determine their local transport needs and to make decisions about them in the light of local circumstances.
- 2.10 The Law Commission has indicated that they are not recommending the abolition of quantity controls but that they will want the Secretary of State to review the position of the transfer of these licences (the practice of selling onto another person the licence) where authorities have quantity controls.
- 2.11 In November 2003 the Office of Fair-Trading (OFT) issued a report which concluded that authorities that currently limit numbers of licences should end the restrictions. They were of the opinion that maintenance of limits was anti-competitive and against the interests of the consumer. Their findings concluded that restrictions could typically create circumstances that:-
- a) Reduce the availability of taxis.
 - b) Increase waiting times for consumers.
 - c) Reduce safety and choice for consumers.
 - d) Restrict those wanting to set up a taxi business.

Also those restrictions should only be retained if there is a strong justification that removal of the restrictions would lead to significant consumer detriment as a result of local conditions.

- 2.13 The Department of Transport report 'Taxi and Private Hire Vehicle Licensing Best Practice Guidance' recommends that quantity restrictions are not imposed and sets out guidance on what an Authority should do if it decides to have in place a regulated number of taxi vehicles see sections 45 -51 and Annex A of the document attached as Appendix B.
- 2.14 Whilst reports commissioned by Maidstone in previous years have indicated that there is no significant unmet demand there are requests from licensed drivers to obtain Hackney Vehicles and they often state that they are aggrieved that they are prevented from obtaining a hackney carriage vehicle licence due to the maintained limit on numbers.
- 2.12 The Hackney Carriage trade state that licensing more vehicles would affect their livelihoods, but whilst case law has said this must be considered if that takes place it is not in itself a justification for retaining a limit.
- 2.13 Maidstone is now thought to be one of less than a quarter of all local authorities who still restrict the numbers of hackney carriages. Where quantity restrictions are imposed, vehicle licence plates command a premium, often of tens of thousands of pounds. This value varies but certainly amounts to several thousand 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.

- 2.14 Where it is intended to delimit the number of licences available a mechanism of quality control is normally introduced, usually it is by specifying the type of vehicle that may be licensed as a Hackney Carriage vehicle. The standard in Maidstone is already very high and is limited to three types of vehicle the TX, Mercedes Vito Taxi and the Peugeot E7 Taxi. No unmet demand survey is required where the Hackney fleet is delimited.
- 2.15 It is recommended that a period of consultation is undertaken to get the views of stakeholders, members of the public and all of the trades on the three options available to the Council.
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3. AVAILABLE OPTIONS

- 3.1 To undertake a 12 week consultation on the specific topic of hackney carriage licences and which of the three options should be pursued by the council and for what reason.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Undertake a 12 week consultation on hackney carriage services and which of the three options should be pursued by the Council in the interests of the travelling public in Maidstone.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 N/A
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 Should the Committee decide to undertake a consultation, a further report will be provided to Licensing Committee to consider the responses to recommend to the Communities, Housing & Environment Committee which option, supported by evidence to adopt.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Risk Management	None	[Head of Service or Manager]
Financial	The cost of undertaking the consultation will be met from within existing budgets.	[Section 151 Officer & Finance Team]
Staffing	None	[Head of Service]
Legal	Included in the body of the report	[Legal Team]
Equality Impact Needs Assessment	None	[Policy & Information Manager]
Environmental/Sustainable Development	None	[Head of Service or Manager]
Community Safety	None	[Head of Service or Manager]
Human Rights Act	None	[Head of Service or Manager]
Procurement	None	[Head of Service & Section 151 Officer]
Asset Management	None	[Head of Service & Manager]

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A - Report by Vector Transport Consultancy
 - Appendix B - Department of Transport report 'Taxi and Private Hire Vehicle Licensing Best Practice Guidance'
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9. BACKGROUND PAPERS

None