

HACKNEY CARRIAGE VEHICLE LICENSING - UNMET DEMAND SURVEY

Timetable	
Meeting	Date
Licensing Committee	10 th November 2022
Executive/Lead Member on the Executive for (Portfolio Name) (<i>select correct option</i>)	N/A

Will this be a Key Decision?	No
Urgency	Not Applicable
Final Decision-Maker	Licensing Committee
Lead Head of Service	John Littlemore, Head of Housing and Regulatory Services
Lead Officer and Report Author	Lorraine Neale
Classification	Public
Wards affected	All

Executive Summary

This report advises Members of the findings of the Unmet Demand Survey which has been undertaken with regards to hackney carriage vehicles.

Purpose of Report

To advise Members of the results of the Unmet Demand Survey carried out by Licensed Vehicle Surveys & Assessment (LVSA) part of 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..

This report makes the following recommendations to the Committee

1. That Members consider the report submitted by Licensed Vehicle Surveys & Assessment (LVSA) part of Vector Transport Consultancy indicating an absence of any significant demand, and maintain the current limit on numbers.

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	<p>The four Strategic Plan objectives are:</p> <ul style="list-style-type: none"> • Embracing Growth and Enabling Infrastructure • Safe, Clean and Green • Homes and Communities • A Thriving Place • We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. 	Senior Licensing Officer
Cross Cutting Objectives	<p>The four cross-cutting objectives are:</p> <ul style="list-style-type: none"> • Heritage is Respected • Health Inequalities are Addressed and Reduced • Deprivation and Social Mobility is Improved • Biodiversity and Environmental Sustainability is respected <p>The report recommendations do not materially impact on the achievement of the cross-cutting objectives</p>	Senior Licensing Officer
Risk Management	<p>Already covered in the risk section – if your risk section is more than just a paragraph in this box then you can state 'refer to paragraph 5.1 of the report'</p>	Senior Licensing Officer
Financial	<p>The proposals set out in the recommendation are all within already approved budgetary headings and so need no new funding for implementation.</p>	Section 151 Officer & Finance Team
Staffing	<p>We will deliver the recommendations with our current staffing.</p>	Senior Licensing Officer
Legal	<p>Licensing authorities have a discretion to limit the numbers of hackney carriages licensed</p>	Legal Team

	within the district where the authority is satisfied there is no significant unmet demand for hackney services. This decision could be subject to a judicial review and the authority would need to show how it came to any decision in respect of limiting numbers.	
Information Governance	<ul style="list-style-type: none"> The recommendations do not impact personal information (as defined in UK GDPR and Data Protection Act 2018) the Council Processes. 	Senior Licensing Officer
Equalities	The recommendations do not propose a change in service therefore will not require an equalities impact assessment	Equalities & Communities Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Senior Licensing Officer
Crime and Disorder	There is no impact on crime and disorder in accepting the recommendations of the report	Senior Licensing Officer
Procurement	Not applicable	Senior Licensing Officer
Biodiversity and Climate Change	The implications of this report on biodiversity and climate change have been considered and are that issuing additional numbers of licences will result in more carbon emission produced by the additional taxis on the roads. Provision to encourage electric vehicles should be considered and to incentivise new licence for electric vehicles.	Biodiversity and Climate Change Manager

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.

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 updating around every 3 years. The last survey carried out in Maidstone was in 2019 and recommended that no new licences be issued.

- 2.3 The Unmet Demand Survey conducted in 2016 also recommended that no new licences be issued.
- 2.4 The last survey that recommended the issue of further plates was in 2005. It recommended 9 new licences be issued over a 3 year period which was implemented, the last of the plates issued in 2008. There have been no new plates issued since then.
- 2.5 The discretion to retain a limit on numbers is available as are the options to increase the number of licences or delimit numbers.

The survey did not find any major issues with the Hackney trade but did identify that out of the 6 ranks surveyed 78% of all hiring's are made from the High Street Rank.

- 2.6 The data from the survey show periods of unmet demand but 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.
- 2.7 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.
- 2.8 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.

The Government also considered that ultimately local authorities remain best placed to determine local transport needs and to make decisions about them in the light of local circumstances. Therefore it is expected that local authorities with quantity controls continue to reassess their own needs and to publish and justify their reasons if they continue to restrict the number of taxi licences that they issue."

- 2.9 The Law Commission report published in 2014 indicated that they would not recommend the abolition of quantity controls but that they would 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.

- 2.10 The Department of Transport report 'Taxi and Private Hire Vehicle Licensing Best Practice Guidance' recommends that quantity restrictions are not imposed but sets out guidance on what an Authority should do if it decides to have in place a regulated number of taxi vehicles .
- 2.11 The more recent report undertaken by the task and finish group in 2018 on Taxi and private hire licensing recommends giving local authorities the ability to cap private hire vehicles as well as hackney carriage vehicles where a need is proven through a public interest test.
- 2.12 Reports commissioned by Maidstone in previous years have indicated that there is no significant unmet demand although 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.
- 2.13 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.
- 2.14 The conclusions and recommendations of the 2022 Unmet Demand report prepared by LVSA can be found at **Appendix 1** Part 10 ,page 64 and in brief are as follows:-

Public and Stakeholders

- The public and stakeholders are largely content with the level of service provided by Hackney Carriages.
- Some concerns were raised with respect to services provided for mobility impaired passengers.
- Lack of availability during school run times, primarily related to being able to pre-book services.
- Concern over refusals to take passengers on short journeys and to over charge passengers.(related to a minority of drivers)

Trade

- Lack of space on the King Street rank
- The trade concentrates on the ranks at High Street (outside Lush), King Street and Maidstone East Railways station. It is felt, by the trade, that there is no demand at the other ranks and that they are effectively redundant.

N.B. The issue of ranks and their placement has been subject to reports in the past and now the Maidstone East regeneration is complete will need to be revisited however it is not a factor when considering unmet demand in these circumstances.

2.20 A number of mystery shopper exercises were carried out over the course of the survey which tested short fares and the carriage of guide dogs, there were no significant adverse findings for the Maidstone trade except for one instance of a refusal to take a passenger on a short journey and one incidence of over charging, after investigation both drivers received penalty points.

3. AVAILABLE OPTIONS

3.1 Option 1 - Maintain the current limit on numbers

The unmet demand survey has established that 48 Hackney vehicles is more than adequate for the level of work available to them and an increase isn't required.

3.2 Option 2 - Issue any number of additional licences as appropriate.

A mechanism would need to be established to determine the number and allocation of any additional plates. However as the survey has established no unmet demand the issue of any additional licences would lead to more congestion and problematic contests for the very limited number of rank spaces

3.3 Option 3 - Remove the limit

Existing businesses would find their investment worthless and may struggle to earn enough money to live. The likelihood is that the taxi trade would be strained and inevitably businesses will fail.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 To maintain the current limit on numbers, neither the Council consultation in 2019 or the recent consultation conducted by LVSA has shown any significant demand

5. RISK

5.1 Section 16 of the Transport Act 1985 gives local authorities the power to limit the number of hackney carriage licences provided that the local authority is satisfied that there is no significant demand for taxis which is unmet in its area. DfT best practice 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. We have met the criteria in undertaking the 2022 Unmet Demand Survey.

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

6.1 N/A

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 N/A

8. REPORT APPENDICES

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

- Appendix 1: LVSA 20200 Unmet Demand Survey
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9. BACKGROUND PAPERS

N/A