

EXECUTIVE DECISION

made by a Council Officer



REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL COUNCIL OFFICER

Executive Decision Reference Number – COD09 20/21


| Decision | |
|----------|--|
| 1 | Title of decision: Taxi Quantity Limit – Unmet Demand Survey 2019 |
| 2 | Decision maker (Council Officer name and job title): Ruth Harrell, Director of Public Health |
| 3 | <p>Report author and contact details:</p> <p>Rachael Hind E: Rachael.hind@plymouth.gov.uk T: 01752 308794</p> |
| 4a | <p>Decision to be taken:</p> <p>Based on the findings of the unmet demand survey report:</p> <ol style="list-style-type: none"> 1. Continue to limit the number of Hackney Carriage Vehicles (HCV), and, 2. Reduce the limit of HCV licences available to 346 and a moratorium to be applied so that unused plates are extinguished as demand for their services continues to fall. |
| 4b | <p>Reference number of original executive decision or date of original committee meeting where delegation was made:</p> <p>The Leader signed an Officer Authorisation Document to authorise Ruth Harrell to undertake this executive decision on 1.9.20.</p> |
| 5 | <p>Reasons for decision:</p> <p>The Council's Taxi Licensing Policy adopted in 2007 restricts the number of Hackney Carriage vehicle licences it will issue. The current policy limits the number of hackney carriage licences issued to 360.</p> <p>The Department for Transport originally issued guidance in 2004 on this issue and the Council should consider the needs of the travelling public when making any policy decision. The policy should be regularly reviewed, normally at three year intervals.</p> <p>In preparation for this report an unmet demand survey has been commissioned to obtain qualitative and quantitative information on the demand for hackney carriages by the travelling public.</p> <p>The attached report contains the findings of the recent unmet demand survey and identifies various policy options and their likely impact. The survey concludes that there is no unmet demand and the council has the discretion to keep, remove or amend the current limit.</p> |

| 6 | <p>Alternative options considered and rejected:</p> <p>Retain the current number of Hackney Carriage vehicles at 360 and make the 14 plates that are currently not used available. There is no significant unmet demand.</p> <p>Remove or increase the limit – There is no significant unmet demand. Risk of challenge from existing vehicle proprietors who may object to this.</p> <p>Reduce the limit further – There would be no method of determining which vehicle licences should be removed.</p> | | | | | | | | | | | | | | | | |
|---|---|--|--|----|--|--|--|---|---|--|--|---|---|--|--|---|--|
| 7 | <p>Financial implications:</p> <p>None - The regulation of the hackney carriage trade is funded through licences issued to the trade. The trade account is a separate trading account and will have no effect on general fund accounts.</p> | | | | | | | | | | | | | | | | |
| 8 | <table border="1"> <thead> <tr> <th data-bbox="225 683 758 772">Is the decision a Key Decision? (please contact Democratic Support for further advice)</th> <th data-bbox="758 683 853 772">Yes</th> <th data-bbox="853 683 1005 772">No</th> <th data-bbox="1005 683 1495 772">Per the Constitution, a key decision is one which:</th> </tr> </thead> <tbody> <tr> <td data-bbox="225 772 758 940"></td> <td data-bbox="758 772 853 940"></td> <td data-bbox="853 772 1005 940">x</td> <td data-bbox="1005 772 1495 940">in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total</td> </tr> <tr> <td data-bbox="225 940 758 1131"></td> <td data-bbox="758 940 853 1131"></td> <td data-bbox="853 940 1005 1131">x</td> <td data-bbox="1005 940 1495 1131">in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million</td> </tr> <tr> <td data-bbox="225 1131 758 1272"></td> <td data-bbox="758 1131 853 1272"></td> <td data-bbox="853 1131 1005 1272">x</td> <td data-bbox="1005 1131 1495 1272">is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority.</td> </tr> </tbody> </table> | Is the decision a Key Decision? (please contact Democratic Support for further advice) | Yes | No | Per the Constitution, a key decision is one which: | | | x | in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total | | | x | in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million | | | x | is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority. |
| Is the decision a Key Decision? (please contact Democratic Support for further advice) | Yes | No | Per the Constitution, a key decision is one which: | | | | | | | | | | | | | | |
| | | x | in the case of capital projects and contract awards, results in a new commitment to spend and/or save in excess of £3million in total | | | | | | | | | | | | | | |
| | | x | in the case of revenue projects when the decision involves entering into new commitments and/or making new savings in excess of £1million | | | | | | | | | | | | | | |
| | | x | is significant in terms of its effect on communities living or working in an area comprising two or more wards in the area of the local authority. | | | | | | | | | | | | | | |
| 8b | <p>If yes, date of publication of the notice in the Forward Plan of Key Decisions</p> | N/A | | | | | | | | | | | | | | | |
| 9 | <p>Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:</p> | <p>Growth – An efficient and effective hackney carriage and private hire trade will form an important part of the transport infrastructure for residents and visitors to the City. The trades employ a significant number of people and support local businesses through their activity. Hackney carriages and private hire form part of the successful public transport system and visitor experience</p> <p>Caring - The regulation of the trade is important to ensure safety and quality of the services provided. Any regulation must be targeted, consistent, proportionate and transparent to limit burdens on businesses and reduce the impact on Council resources.</p> | | | | | | | | | | | | | | | |
| 10 | <p>Please specify any direct environmental implications of the</p> | <p>This matter will not have any direct impact, however we are reviewing how we can encourage more environmentally</p> | | | | | | | | | | | | | | | |

| | | | | |
|-------------------------|--|--|----------------------------------|--|
| | decision (carbon impact) | friendly vehicles with the Low Carbon City Officer. | | |
| Urgent decisions | | | | |
| 11 | Is the decision urgent and to be implemented immediately in the interests of the Council or the public? | Yes | | (If yes, please contact Democratic Support for advice) |
| | | No | x | (If no, go to section 13a) |
| 12a | Reason for urgency: | | | |
| 12b | Scrutiny Chair signature: | | Date | |
| | Scrutiny Committee name: | | | |
| | Print Name: | | | |
| Consultation | | | | |
| 13a | Are any other Cabinet members' portfolios affected by the decision? | Yes | x | |
| | | No | | (If no go to section 14) |
| 13b | Which other Cabinet member's portfolio is affected by the decision? | Councillor Sally Haydon (Cabinet Member for Customer Focus and Community Safety) | | |
| 13c | Date Cabinet member consulted | 01/09/20 | | |
| 14 | Has any Cabinet member declared a conflict of interest in relation to the decision? | Yes | | If yes, please discuss with the Monitoring Officer |
| | | No | | |
| 15 | Which Corporate Management Team member has been consulted? | Name | Ruth Harrell | |
| | | Job title | Director of Public Health | |
| | | Date consulted | 01/09/20 | |
| Sign-off | | | | |
| 16 | Sign off codes from the relevant departments consulted: | Democratic Support (mandatory) | DS47 20/21 | |
| | | Finance (mandatory) | djn.20.21.87 | |
| | | Legal (mandatory) | 33392/ag/16.9.2020 | |
| | | Human Resources (if applicable) | | |
| | | Corporate property (if applicable) | | |

| | | Procurement (if applicable) | | | | | | | |
|---|--|-----------------------------------|-----------------------------------|---|----------|----------|----------|----------|----------|
| Appendices | | | | | | | | | |
| 17 | Ref. | Title of appendix | | | | | | | |
| | A | Briefing report for publication | | | | | | | |
| | B | Equalities Impact Assessment | | | | | | | |
| | C | LVSA report | | | | | | | |
| | D | Rank hours observed | | | | | | | |
| | E | Detailed rank observation results | | | | | | | |
| | E | On street public views | | | | | | | |
| Confidential/exempt information | | | | | | | | | |
| 18a | Do you need to include any confidential/exempt information? | Yes | | If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in 18b below. | | | | | |
| | | No | x | | | | | | |
| | | Exemption Paragraph Number | | | | | | | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | |
| 18b | Confidential/exempt briefing report title: | | | | | | | | |
| Background Papers | | | | | | | | | |
| 19 | <p>Please list all unpublished, background papers relevant to the decision in the table below.</p> <p>Background papers are <u>unpublished</u> works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based. If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</p> | | | | | | | | |
| Title of background paper(s) | | | Exemption Paragraph Number | | | | | | |
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Department for Transport Best Practice Guidance (March 2010) https://www.gov.uk/government/publications/private-hire-and-hackney-carriage-licensing-open-letter-to-local-authorities | | | | | | | | | |
| | | | | | | | | | |
| Council Officer Signature | | | | | | | | | |
| 20 | I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, | | | | | | | | |

OFFICIAL

| | | | |
|-------------------|---|-------------------------|------------|
| | Corporate Plan or Budget. In taking this decision I have given due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not. For further details please see the EIA attached. | | |
| Signature |  | Date of decision | 10/11/2020 |
| Print Name | Ruth Harrell (Director of Public Health) | | |

BRIEFING REPORT

1.0 Background

- 1.1 The Council currently has a policy to restrict the number of hackney carriages licences it will issue. This limits the current number of vehicle licences to 360 Hackney Carriages.
- 1.2 There are no statutory provisions that allow for a restriction on the number of private hire vehicles.

2.0 Legal Position

- 2.1 Under the Transport Act 1985, a Local Authority cannot refuse to grant a Hackney Carriage licence unless it is satisfied there is no significant unmet demand for hackney carriages. This means that the supply of licensed vehicles at least meets the demand from the public.
- 2.2 To establish whether there are enough vehicles it is normal for an unmet demand survey to be carried out every 3 years. 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. Even if there are enough vehicles a Local Authority has the discretion whether or not to maintain a limit on the number of licences.
- 2.3 The Department for Transport (DfT) provides guidance on the definition of significant unmet demand and the information required if a Local Authority is to retain a quantity control policy. The advice from the DfT states that a limit should not be retained unless it can be shown there is consumer detriment from removing a limit.
- 2.4 The DfT guidance recognises the important role that taxis and Private Hire vehicles have in meeting transport strategies and customer needs. The guidance includes a separate section on quantity restrictions of hackney carriage vehicle licences. This section urges for any policy decision to be approached in terms of the interest of the travelling public and whether removal of the controls would result in deterioration in the amount or quality of taxi service provision. It also makes the point that where quantity restrictions are imposed there is a premium on the sale of the licence potentially indicating the restriction of people who wish to enter the hackney carriage market. The guidance also sets out the key points for any unmet demand survey should a decision be made to retain quantity restrictions. The DfT also argue that delays for passengers associated only with peaks in demand (such as pub or club closing times) are significant for the purpose of the Transport Act 1985 as this entails delays for passengers and should not be ignored. These issues are considered in the unmet demand survey report.

3.0 The Unmet Demand Survey

The specification for the Unmet Demand Survey was written to take account of current DfT Best Practice and Law Commission recommendations to ensure it addressed key issues such as disabled access, public interest, non-motorized forms of transport, effects of the evening and night time economy. The survey was undertaken by LVSA (Licensed Vehicle Surveys and Assessment) and the conclusions and recommendations from their

report are attached in Appendix A. The unmet demand survey consisted of rank observations, public attitude surveys and consultation with the trade and interested parties.

3.1 Key findings from the Hackney Carriage Unmet Demand Study

The unmet demand report observed good practice provided from a smaller fleet than in the previous survey. The report advises that the spare capacity is much higher than the last survey and gives the option to apply a model of a moratorium on new plates rather than a fixed limit.

The response from the trade was better than other years and the support for the limit on vehicle numbers has increased.

The statistics demonstrate that both hackney carriage and private hire, for vehicles and drivers, are seeing a continued slow decline in numbers, particularly since the result of the last survey undertaken. The close comparison between hackney carriage vehicles and driver numbers that had begun to occur in 2016 has clearly continued. The decrease in driver numbers does, however, appear to have slowed a little, but the trend is still a reduction.

The report concludes that there is no current significant unmet demand for Hackney Carriage services.

The report recommends that the Authority should:

- Revise the current limit immediately to reduce the limit from 360 to the current number of 346
- Recommends that a settling limit and moratorium be applied so that unused plates are extinguished as demand for their services continues to fall

3.2 The Unmet Demand Survey also made a number of other general recommendations which will be considered by officers when reviewing the tariff and wheelchair exemption guidelines:-

- Reviews the need for a higher night tariff to attempt to shift some of the excess of daytime vehicles back towards servicing the now very different night demand profiles.
- The issue that 20% of hackney carriage drivers have an exemption from servicing wheel chair demand should be considered further and those unable to provide the full service their vehicle can provide should be encouraged to work with other drivers to allow their wheel chair capabilities to be used as much as practicable. This is particularly important because so much use is currently observed of that facility in this area.
- This report needs to be widely shared with other elements of the City particularly those developing overall transport policy to ensure that hackney carriages can continue to provide their essential service to the City and its visitors / businesses.

4.0 Equality

Limiting the number of hackney carriages could restrict the availability of wheelchair accessible vehicles or a variety of vehicles suitable to meet the needs of a range accessibility issues. It is not envisaged that this will present any issues as:

- The Council operates a 100% wheelchair accessible vehicle policy. 20% of drivers have an exemption from carrying wheelchairs due to their medical conditions but there are a number of vehicles available.
- A variety of vehicle types are licensed that can accommodate a range of access requirements from passengers.

5.0 Policy Options

Key Issues associated with the options put forward are:

5.1 Retain the current limit

- An Unmet Demand Survey will need to be repeated every three years at a cost of approximately £18,000 which is funded through the Hackney Carriage trade account
- Vehicle proprietors may be more willing to invest and improve vehicle standards
- Whilst the current limit has identified no significant unmet demand, there are less vehicles available at night time which impacts on the ability to get patrons home quickly and safety from the evening and night time economy.

5.2 Increase the Limit

- There is no identified significant unmet demand.
- There is potential for legal challenge of any number set.
- The Unmet Demand Survey would still need to be carried out every three years

5.3 Remove the Limit

- The DFT advice is that the presumption should be to delimit unless consumer detriment through delimiting can be shown. The current best practice guidance says that 'most local authorities do not impose quantity restrictions, the Department regards that as best practice'. The three most recent reviews were by the Office of Fair Trading in 2003, through the production of the Best Practice Guidance in 2010, and the Law Commission review which published its results in 2014. The Competition and Markets Authority (CMA) became the UK's lead competition and consumer body. The CMA brought together the competition and consumer protection functions of the Office of Fair Trading and the Competition Commission in April 2014. In April 2017, the CMA advised that their view was that quantity restrictions are not necessary to ensure the safety of passengers, or to ensure that fares are reasonable and that they can harm passengers by reducing availability, increasing waiting times and reducing the scope for downward competitive pressure on fares.
- The Policy would allow free entry to the market and may reduce the rental costs of vehicles, thereby reducing overheads and assist in obtaining a sustainable income for drivers.
- CMA and DFT have claimed that increased competition would reduce fares for passengers, improve availability, and reduce waiting times.
- Potential legal challenges on policy from the trade association who would wish to retain the limit

- Existing vehicle proprietors would lose the unofficial premium placed on their vehicle licence. For many proprietors this is seen as an investment to be realised on retirement or when leaving the trade. Those with multiple vehicles will have made a substantial investment. However, there is no evidence of a current premium as a number of vehicles have expired naturally and the plates have not been transferred to new owners.
- Concerns over increased working hours and associated safety risks, or the need to increase fares.
- There is real potential for congestion, over ranking and deterioration of vehicle safety.
- There will be no real impact upon passenger waiting times as there is no current significant unmet demand.

6.0 Conclusion

- 6.1 The policy decision should be approached in terms of:
1. The interest of the travelling public and
 2. Whether removal of the controls would result in a deterioration in the amount or quality of taxi service provision
- 6.2 Four options exist for the review of the Hackney Carriage Quantity Control policy -
- a) Retain the current limit at 360 licensed vehicles
 - b) Limit the number of Hackney Carriage licences available to the existing number that are licensed of 346 and apply a moratorium so that unused plates are extinguished as demand for their services continues to fall.
 - c) Retain a limit but increase the number of available licences
 - d) Completely remove a limit on number of licensed vehicles
- 6.3 The current number of hackney carriages appears to fulfil the needs of passengers for the majority of the time. The evening and night time economy causes peak in demands which are difficult to predict and ensure adequate provision. An increase in vehicle numbers may ease this peak demand but may cause an oversupply of vehicles at other times. If the limit is increased a method of allocating these licences will be required.