

15 June 2011		ITEM 6
Licensing Committee		
REVIEW OF THE LIMITATION OF HACKNEY CARRIAGE PROPRIETORS LICENCES		
Report of: Paul Adams, Principal Licensing Officer		
Wards and communities affected: All	Key Decision: Key	
Accountable Head of Service: Lucy Magill, Head of Public Protection		
Accountable Director: Bill Newman, Director of Sustainable Communities		
This report is Public.		
Purpose of Report: To decide if Thurrock Council should retain the limit on the number of hackney carriage proprietor licences it issues.		

EXECUTIVE SUMMARY

Thurrock Council limits the number of Hackney Carriage Proprietor Licences it issues. The Government requires Councils that limit numbers to review that policy every three years and decide whether or not it is in the interests of the public to retain it. A survey has been undertaken to ascertain if there is significant unmet demand for taxi services. The survey report is presented with this report along with recommendations in relation to the current limit on Hackney Carriage Proprietors Licences.

- 1. RECOMMENDATIONS:**
 - 1.1 That the Licensing Committee recommends that Full Council remove the current limit on Hackney Carriages (de-limitation).**
 - 1.2 Request the Licensing Department to bring a report to the Licensing Committee when the number of Hackney Carriage Proprietors Licenses reaches 130, for consideration of limiting the number of licenses again.**
 - 1.3 The Licensing Department give consideration to the additional 6 recommendations of the survey as detailed in Section 7 of Appendix 1.**

2. INTRODUCTION AND BACKGROUND:

- 2.1 Thurrock Council practices a policy of 'quantity control' by limiting the number of hackney carriage vehicle licenses it grants. The maximum number of available Hackney Carriage licenses is presently 100.
- 2.2 There are currently (May 2011) 90 licensed hackney carriage vehicles, with 10 licences being available should suitable vehicles be presented for licensing.
- 2.3 The current vehicle specification for new Proprietors Licences requires that any vehicle presented for licensing must be:
- capable of carrying a wheelchair in a reasonable manner;
 - allow the loading of wheelchairs only through side doors, and not through rear access;
 - less than 4 years of age.
- 2.4 In 2004, the Office of Fair Trading issued a report on taxi services in the United Kingdom. This report recommended that quantity limits on hackney carriages be removed in the interests of providing more availability for the public.
- 2.5 The Government agreed with the report, but said that local councils were best placed to decide whether or not to remove limits in their particular area.
- 2.6 In effect, restrictions should only be put in place where there are particular local conditions thought to warrant this and there is demonstrably clear benefit for the consumer.
- 2.7 There was a stipulation placed on local councils retaining numerical limits that they should conduct a survey of unmet demand every three years. Councils must also publish their justification to retain limits for the information of the public and also notify the Department for Transport.
- 2.8 A survey of unmet demand has been carried out during 2010.
- 2.9 The previous survey of unmet demand was carried out in 2006. Both this and the survey prior to it did not detect any unmet demand.

3. ISSUES AND/OR OPTIONS:

- 3.1 The conclusion of the survey is that significant unmet demand for hackney carriages clearly does not exist in Thurrock; the full detailed conclusion of the survey is at Section 6 of **Appendix 1**.
- 3.2 Detailed below is a summary of the options that are available to this Committee in relation to deciding on the policy on the limitation of Hackney Carriage Proprietors Licences with some of the key positive and negative

impacts that need to be taken into account when making the choices available:

Option	Positives	Negatives
Maintain the current limit on hackney licenses	<ul style="list-style-type: none"> ○ Most closely meets the preference of local consultation. ○ Most likely to sustain operator viability. ○ Most likely to maintain service quality. ○ No disruption in provision. 	<ul style="list-style-type: none"> ○ Little scope for increased provision. ○ Least likely to encourage improvements in service provision. ○ Sustains the current ‘premium’ on hackney licenses.
Increase the current limit on hackney licenses (in one)	<ul style="list-style-type: none"> ○ Closely meets thrust of regional policy. ○ Provides for the impact on operator viability to be limited. ○ Can maintain or improve service quality through entry standards and controls. ○ Can address demand for more accessible taxis. ○ Can meet some demands for increased vehicle provision and market entry. ○ Can allow specific entry requirements to be placed alongside the new licenses available. ○ Continues regulation while allowing for growth in operations. 	<ul style="list-style-type: none"> ○ Requires operators to incur costs of changing or obtaining new vehicles. ○ Offers neither the benefits of retaining a limit or of deregulating. ○ Maintains the possibility of a court challenge by both those who do not think there should be a limit and those that do not wish to see it removed. ○ Increasing the limit requires further study to establish by how much it should be raised. This will require modelling of the elasticity of demand for new ranks and calculating the extent of other latent demand. ○ Increasing the limit in one go risks introducing too many hackneys if the above calculations prove inaccurate.
Increase the current limit on hackney licenses (in stages)	<ul style="list-style-type: none"> ○ Most closely meets thrust of regional policy. ○ Provides for a controlled increase in hackney numbers. ○ Can maintain or improve service quality through entry standards and controls. ○ Can address demand for more accessible taxis. ○ Can meet some demands for increased vehicle provision and market entry, over time. ○ Can allow specific entry requirements to be placed alongside the new licenses available and improved/ changed at each issue. ○ Continues regulation while allowing for controlled growth in operations. 	<ul style="list-style-type: none"> ○ Requires operators to incur costs of changing or obtaining new vehicles. ○ Offers neither the benefits of retaining a limit or of deregulating. ○ Maintains the possibility of a court challenge by both those who do not think there should be a limit and those that do not wish to see it removed. ○ Will take time to bring about any service improvements and market growth.

Option	Positives	Negatives
	<ul style="list-style-type: none"> ○ Increasing the limit in stages negates the need for detailed further study to establish by how much it should be raised, as long as impacts of each increase are monitored. ○ Avoids the risk of over supply to the market. ○ Can be used as a 'stepping stone' towards deregulation. 	
Remove the limit on hackney licenses	<ul style="list-style-type: none"> ○ Most closely meets thrust of national policy. ○ Most likely to bring consumer benefits. ○ Assuming transfer of PHVs to hackneys, most likely to increase hackney and reduce PHV numbers bringing vehicle mix more in line with the national average. ○ Most likely to meet the demands of those consulted who sought increased numbers of taxis or opportunities for market entry (ie drivers on the waiting list, 50% of drivers leasing a vehicle). ○ No need for costly unmet demand surveys to be undertaken every 3 years. ○ Can lead to reduced fares 	<ul style="list-style-type: none"> ○ May generate excessive competition for prime demand (ie as the 'bus wars' that developed following the 1985 transport ACT). ○ May cause a reduction in service quality. ○ Can be disruptive to markets until new arrangements are understood. ○ Can require substantial administration and enforcement effort until markets and the trade settle. ○ New licence holders cannot easily be required to serve particular or new aspects of the taxi market. ○ Can lead to a reduction in the viability/sustainability of operators.

4. CONSULTATION (including Overview and Scrutiny, if applicable)

- 4.1 As part of the survey, extensive consultation has been undertaken with members of the public, the trade and local key stake holders, details of the findings of the consultation can be found in Sections 4 and 5 of **Appendix 1**.

5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

None.

6. IMPLICATIONS

6.1 Financial

Implications verified by: Michael Jones
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 mxjones@thurrock.gov.uk

If a limit was retained it would require the commissioning of a survey to access the extent of unmet demand, the estimated costs of which would be in the region of £20,000. There is currently no allocation within the revenue budget for these works, and this would need to be funded from existing resources.

6.2 **Legal**

Implications verified by: Jamie Hollis
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Section 37 of the Town Police Clauses Act 1847 states that the Council may, from time to time, licence hackney carriages to ply for hire within their prescribed area.

Section 16 of the transport Act 1985 states that the Council is entitled to limit the number of hackney carriage licences it grants as long as the Council is satisfied that there is no significant demand for hackney carriages that is currently unmet.

There are no other legal implications arising from this report.

6.3 **Diversity and Equality**

Implications verified by: Jane Potheary
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In the provision of hackney carriage proprietor licences, Thurrock Council should ensure that its policies and procedures are fair, open and legal, and do not discriminate against any section of the community. Removing numerical restrictions may have a positive impact in terms of opening employment opportunities for a range of groups in Thurrock.

A move to remove the current limit on Hackney Carriages could potentially increase the number of wheelchair accessible Hackney Carriage Taxis in the borough, therefore improving access to public transport for residents who are wheelchair users. Where a consultation takes place this should be accessible to a wide range of groups, and the guidance set out in the corporate consultation and engagement toolkit addressed as part of the process.

6.4 **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

7. **CONCLUSION**

7.1 The removal the current limit on Hackney Carriages (de-limitation), would closely follow national policy and guidance, the current level of uptake of

licences is slow with there being 10 currently available so the demand for licences is not sufficiently high to have reached the current limit of 100. The removal of the limit would remove the cost of carrying out a survey every 3 years.

8. BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

- Town Police Clauses Act 1847
- Transport Act 1985

APPENDICES TO THIS REPORT:

APPENDIX 1 – Thurrock Council Taxi Unmet Demand Survey

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