

**REPORT FROM: CENTRAL SERVICES AND REGENERATION
ENGINEERING AND SPECIAL PROJECTS MANAGER**

TO: TAXI LICENSING COMMITTEE

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HACKNEY CARRIAGE UNMET DEMAND SURVEY

PURPOSE OF REPORT

To consider a request from the Hackney Carriage Association for a further unmet demand survey to be carried out.

RECOMMENDATIONS

- (1) That a hackney carriage survey not be carried out.
- (2) That, if Recommendation (1) is approved, a further report on the implications of retaining the policy on limiting the number of hackney carriages be submitted to the next meeting.

REASONS FOR RECOMMENDATIONS

- (1) The trade will not support an increase in the taxi licensing fees to recover the costs of carrying out a survey.
- (2) If no survey is carried out, the policy on restricting the number of hackney carriage licenses can be challenged by way of appeal.

ISSUE

1. This report was deferred from the last meeting in order to consult with the trade as to whether they would agree to fund an unmet demand survey through an increase in their licence fees.
2. Sixty-two survey forms were sent out which asked:
 1. Are you in agreement for a survey to be undertaken?
 - 2 (a) Are you in agreement for an increase in the hackney carriage proprietor licence fee over the course of the next three years to cover the costs of an unmet demand survey?

- 2 (b) Are you in agreement for an increase in the hackney carriage driver's licence fee over the course of the next three years to cover the costs of an unmet demand survey?
3. Forty-seven responses were received back and the comments were as follows:
- 47 said they were in agreement for a survey to be carried out
 - 46 said they were not in agreement to an increase in the licence fees
 - 1 did not answer the increase in licence fee questions
 - 46 said they were unable to afford an increase and there were already too many hackneys in Pendle
 - 1 had an additional comment that the Council should pay for the survey
 - 1 thought his/her council tax should cover the cost

BACKGROUND

4. In October 2010, in accordance with Section 16 of the Transport Act 1985, a survey to determine whether or not there was a significant unmet demand for hackney carriages in Pendle was carried out by Halcrow Group Limited.
5. The survey concluded that there was no evidence of significant unmet demand for hackney carriages in Pendle and the existing limit of 71 remained.
6. The Department of Transport's "Best Practice Guidance" does not recommend quantity restrictions. If a local authority does take the view that a quantity restriction can be justified in principle, there remains the question of the level at which it should be set, bearing in mind the need to demonstrate that there is no significant unmet demand. This issue is usually addressed by means of a survey; it will be necessary for the local licensing authority to carry out a survey sufficiently frequently to be able to respond to any challenge to the satisfaction of a court. An interval of three years is commonly regarded as the maximum reasonable period between surveys.
7. The Law Commission is currently carrying out a law reform project on the law of taxi and private hire vehicles. One of the proposals is to deregulate whereby the Council could no longer limit the number of hackney carriage licences issued. The Law Commission states that the market will determine when demand has been met in respect of the number of licences issued.
8. Pendle has objected to this proposal and hopes that it will be removed when the Law Commission analyses all responses. The Law Commission aims to produce a report with the final proposals and a draft Bill by November 2013.
9. Since this report was considered at the last meeting, the Law Commission has released an interim statement on its proposals which states that it no longer recommends abolishing quantity controls as the weight of evidence received during consultation and further comparative research has led them to change this key recommendation in order to allow licensing authorities to limit taxi numbers should they wish to do so. The Law Commission also proposes that in any areas where the licensing authority chooses to implement new quantity restrictions vehicle licences would not be transferable, meaning that licences would not have a saleable value. In areas that already have quantity restrictions, transfers would continue (and therefore licences could still have a value).

ISSUE

10. The Hackney Drivers Association has asked that a further survey be carried out as the three years will have elapsed in October 2013.
11. The cost of a further survey will be approximately £7,000, for which there is no allocation in the 2013/14 budget.
12. The Association had indicated that its members would be willing to cover the cost of the survey over a period of time, although this seems not to be the case following the results of the survey.
13. It has been suggested that the cost of the survey could be apportioned over a three-year period and be added to the hackney carriage licence fee. Dividing the survey cost by 71 hackney carriages would bring the cost to £98.60 over a three-year period for each vehicle.
14. The Association has since suggested the fee could be added to the hackney carriage driver's licence, which would be approximately an additional £42 over a three-year period for each driver.

CONCLUSION

15. Pendle has set a limit of 71 hackney carriage licences and even this number, at times, is too many as all the vehicles congregate where there is a thriving night-time economy, which puts a strain on the number of rank spaces available and enforcement resources.
16. Should a survey not be carried out, the Council will be open to legal challenge for any refusal to grant a hackney carriage licence.

IMPLICATIONS

Policy: The current policy is no more than 71 hackney carriage licences be issued.

Financial: The cost of the survey will have to met by the Council in the first instance and be re-couped over a three-year period from the hackney carriage licence fees.

Legal: There is a risk of a challenge of our policy if a survey is not carried out.

Risk Management: None arising directly from the report.

Health and Safety: None arising directly from the report.

Sustainability: None arising directly from the report.

Community Safety: None arising directly from the report.

Equality and Diversity: None arising directly from the report.

APPENDICES

None.

LIST OF BACKGROUND PAPERS

1. The Department for Transport "Best Practice Guidance".
2. The Law Commission's consultation document on Reforming the Law of Taxi and Private Hire Services.