

WIRRAL COUNCIL

LICENSING, HEALTH & SAFETY, AND GENERAL PURPOSES COMMITTEE – 22
MARCH 2010

REPORT OF THE DIRECTOR OF REGENERATION

PETITION TO COUNCIL – REVIEW OF SUPPLY AND DEMAND FOR HACKNEY CARRIAGE LICENCES

1.0 EXECUTIVE SUMMARY

- 1.1 This Report is the result of a request made through a petition presented to Council on 12 October 2009 for Wirral Borough Council to review supply and demand for hackney vehicle licences.
- 1.2 Data is provided in relation to the trends in the numbers of hackney carriage vehicle licences that have been issued and the purpose of a review of taxi supply and demand is considered.

2.0 BACKGROUND

- 2.1 On 12 October 2009, Councillor I. Lewis presented a petition to Council on behalf of 225 hackney licence holders and/or taxi proprietors. The petition requested that “Wirral Borough Council urgently review supply and demand of hackney vehicle licences”. A copy of the petition will be available at the meeting for inspection.

3.0 REVIEW OF HACKNEY VEHICLE LICENCE DEMAND

- 3.1 A review of Hackney Vehicle Licence demand is usually carried out by a Licensing Authority that seeks to maintain or impose a policy to limit the number of hackney vehicle licences that it issues where it would be beneficial to the travelling public. The unfettered discretion to limit the number of hackney licences was removed by Section 16 of the Transport Act 1985 and the following test for Licensing Authorities now applies;

“the grant of a licence may be refused, for the purpose of limiting the number of hackney carriages in respect of which licences are granted, if but only if, the person authorised to grant licences is satisfied that there is no significant demand for the services of hackney carriage (within the area to which the licence would apply) which is unmet”.

- 3.2 In practice a limitation on the number of hackney licences issued is subject to a licensing authority being able to demonstrate that there is no significant unmet demand. This requirement is discharged by the use of independent agents to assess the extent of unmet demand for hackney carriages. Any limit declared must continue to be justifiable through a survey every three years (as recommended in the Guidance referred to below). Without such

evidence any decision to refuse to grant a licence on the grounds of limiting numbers could not be defended if challenged in the courts.

- 3.3 The Taxi and Private Hire Vehicle Licensing: Best Practice Guidance (Department for Transport, 2010) states the following in relation to the quantity restrictions on hackney licences:

“Most local licensing authorities do not impose quantity restrictions; the Department regards that as best practice. Where restrictions are imposed, the Department would urge that the matter should be regularly reconsidered. The Department further urges that the issue to be addressed first in each reconsideration is whether the restrictions should continue at all. It is suggested that the matter should be approached in terms of the interests of the travelling public - that is to say, the people who use taxi services. What benefits or disadvantages arise for them as a result of the continuation of controls; and what benefits or disadvantages would result for the public if the controls were removed? Is there evidence that removal of the controls would result in a deterioration in the amount or quality of taxi service provision?”

The emphasis here is on the benefit or otherwise for the quality of service to the public.

- 3.4 The Guidance referred to above (S48) also comments upon the effect a limit can have on access to the taxi market as follows:

“In most cases where quantity restrictions are imposed, vehicle licence plates command a premium, often of tens of thousands of 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. This seems very hard to justify.”

- 3.5 In 2006, a survey was carried out on behalf of Wirral by consultants Kielder Newport and West Ltd (KNW), which found that there was small but significant level of unmet demand in the borough during daytime and at night. The Report also pointed to an element of unmet latent demand due to “the non-utilisation of the many ranks provided”. Since that survey was carried out the overall number of hackney licences peaked in 2007/08 but has since declined. The report from the KNW survey identifies that Wirral had 265 licensed hackney vehicles at that time, a number that is 22 fewer than the level currently.

4.0 **WIRRAL HACKNEY CARRIAGE VEHICLE LICENCE LEVELS**

- 4.1 Table 1 below, shows the trend in the number of licensed hackney carriages over the last five years.

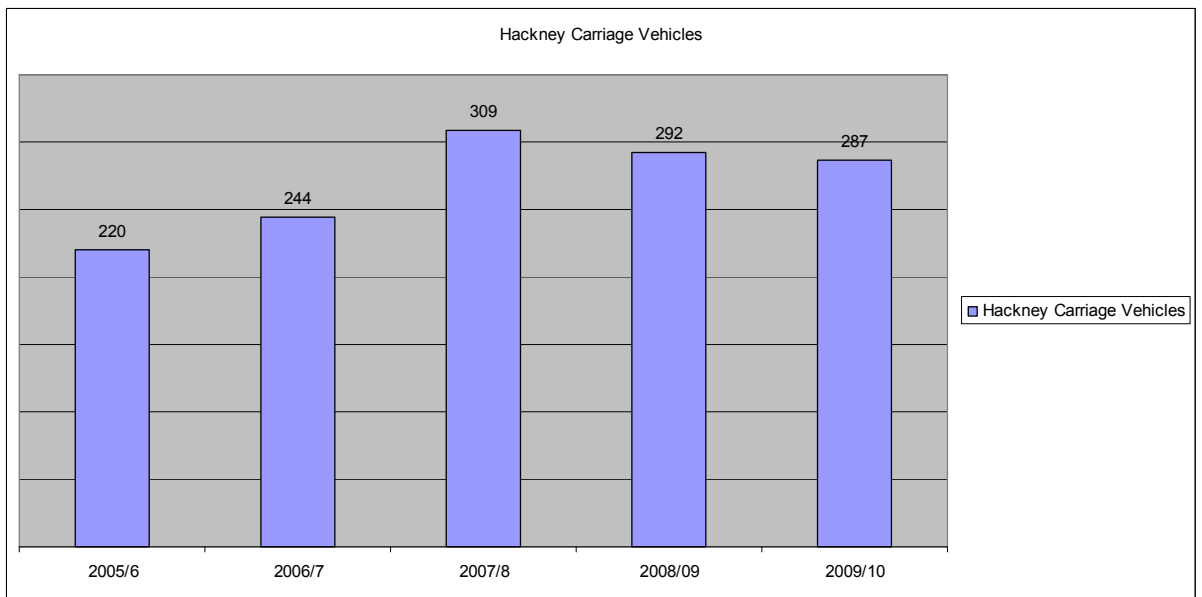


Table 1 – Total number of Hackney Carriage Vehicles Licensed

(NB. The numbers are end of municipal year totals. During any year the figures will fluctuate. The information for 2009/10 is to date)

The chart shows that the number of licensed hackney vehicles peaked in the municipal year 2007/08 and then decreased in the following two years to a level of 287 this year. These figures seem to suggest that the number of licensed taxis is declining or levelling out below the peak in 2007/08.

The current number however, is greater than at the end of the year that the survey was carried out in 2006/7.

It should be noted that the total numbers of hackney vehicle licences issued does not necessarily reflect the number actually in use on the road. For example, some vehicles are licensed to be used as replacements for vehicles affected by breakdown and accident.

5.0 CONCLUSIONS

5.1 From the analysis above the following conclusions may be drawn:

- i. The Government position is that a local authority should not impose quantity restrictions on hackney vehicle licences and that those with a limit should review and justify that position through a survey. The Department for Transport regards an absence of quantity restrictions on licences for hackney vehicles as best practice. The Department further emphasises its position in respect of such restrictions when it describes it as “hard to justify”, a limit on hackney vehicle licences as it prevents those who may wish to enter the taxi market from doing so. Wirral does not have any quantity restriction and therefore is under no obligation to carry out a survey.

- ii. The number of taxi licences has fallen recently from 309 in 2007/08 and is currently 22 more than the level of 265 cited by KNW at the time of the last survey. Levels appear to be settling based on the data of the last three years. This levelling may suggest that given the present structure of the taxi and private hire market in Wirral the supply and demand for hackney vehicles is reaching equilibrium.
- iii. In the circumstances, there is no benefit to the travelling public through undertaking a review of supply and demand.

6.0 FINANCIAL IMPLICATIONS

- 6.1 A survey of demand for hackney carriage vehicle licences would require the engagement of a suitable consultant and it is anticipated that it would cost in the region of £20,000-£30,000. This expenditure and the funding of any future surveys would need to be recovered through increased fees.

7.0 STAFFING IMPLICATIONS

- 7.1 The supervision and procurement of a survey would be carried out using existing staff resources. This may impact upon other work areas for the duration of the survey.

8.0 EQUAL OPPORTUNITIES/EQUALITY IMPACT IMPLICATIONS

- 8.1 None arising from this report.

9.0 COMMUNITY SAFETY IMPLICATIONS

- 9.1 An efficiently operating taxi service provides a safe means of transport for the market it serves.

10.0 LOCAL AGENDA 21 IMPLICATIONS

- 10.1 None arising from this report.

11.0 PLANNING IMPLICATIONS

- 11.1 A survey would need to have regard to the local transport plan

12.0 ANTI-POVERTY IMPLICATIONS

- 12.1 A limit on the number of taxis could reduce competition and lead to increased charges which, in turn, could make taxis less accessible to low income groups

13.0 SOCIAL INCLUSION IMPLICATIONS

13.1 The Department for Transport Best Practice Guidance (S48) implies that a limit on hackney vehicle licence numbers could prevent those wishing to drive a taxi from doing so.

14.0 LOCAL MEMBER SUPPORT IMPLICATIONS

14.1 The taxi industry provides a service to all wards in the borough.

15.0 BACKGROUND PAPERS

Taxi and Private Hire Vehicle Licensing: Best Practice Guidance 2010
Transport Act 1985

16.0 RECOMMENDATIONS

16.1 That in view of the position in respect of the overall hackney carriage licence numbers and the Department for Transport Best Practice Guidance the Committee does not consider that it is in the interests of the public to undertake a survey of supply and demand.

This report was prepared by R Beresford who can be contacted on 691 8208