

CAMBRIDGE CITY COUNCIL

REPORT OF: Head of Refuse & Environment

TO: Licensing Committee

26/1/2015

WARDS: All

THE NUMBER OF HACKNEY CARRIAGE LICENCES POLICY AND DISABLED ACCESS POLICY

1 INTRODUCTION

- 1.1 The Council may, as part of its adopted policy on the licensing of Hackney Carriages (HCV), consider whether to apply a limit on the maximum number of HCV licences which it will issue at any time. However, this power may be exercised only if the Council is satisfied that there is no significant demand for the services of HCVs which is unmet (section 16 Transport Act 1985). The Council has no power to limit the number of Private Hire Vehicle (PHV) licences.
- 1.2 At a meeting on 24th October 2011 the Licensing Committee resolved that a demand survey should be carried out to establish whether or not the current HCV fleet met the demand for HCV services within the district, and additionally to cover accessibility issues and the provision of ranks within the district.
- 1.3 The demand survey was carried out in 2012 but members were concerned that it had not provided a sound evidence base for concluding that there was no unmet demand, due to a lack of engagement by the taxi trade.
- 1.4 At a meeting on 21st July 2014, the Licensing Committee instructed officers to seek a further survey to establish if there is evidence that there is no significant demand that is unmet and to investigate the costs of carrying out such a survey.
- 1.5 The purpose of this report is to present the findings of the survey and to ask the members of the Licensing Committee to decide whether they are satisfied that there is no significant demand for the services of HCVs within Cambridge which is unmet, and if so, whether to

impose a limit on the number of HCV licences that the Council issues. If members decide to impose a limit they must then decide what that limit will be and the date for implementation. The findings of the report also indicate that work needs to be done on the disabled access issues and to recommend members of the Licensing Committee that a new disabled access policy is developed.

2. RECOMMENDATIONS

2.1 Members are asked, firstly, to determine whether they are satisfied that there is no significant demand for hackney carriages in Cambridge which is unmet.

2.2 If Members are not satisfied, under 2.1, that there is no significant demand which is unmet, there is no power to limit the number of HCV licences.

2.3 If Members are satisfied, under 2.1, that there is no significant demand which is unmet, they may EITHER :

- (i) decide to introduce a limit on the number of HCV licences which may be issued.

If Members decide to introduce a limit, they will need to resolve, on the basis of the evidence before them, the number of hackney carriage licences to be allowed.

Officers recommend that if a limit is introduced Members set the limit at the levels currently licensed, including those applications awaiting processing and potential applications where a vehicle has already been purchased.

OR

- (ii) decide not to introduce a limit.

2.4 In the event that a limit is introduced, Members must decide when the new policy will take effect. It is recommended that the policy is introduced with immediate effect.

Members are also recommended to resolve that:

2.5 Officers are instructed to develop a new disabled access policy and to report back to Licensing Committee within the next 12 months for adoption of the new policy.

Members are also recommended to:

2.6 Give full reasons for the decisions reached.

3. **BACKGROUND**

3.1 Cambridge City Council licenses both hackney carriages (HCV) and private hire vehicles (PHV) to operate within the city.

3.2 HCVs operate from ranks and can be hailed in the street and they can also accept pre-booked fares, either direct or from a licensed operator.

3.3 PHVs may only accept pre-booked fares from an operator. However, there is no power for the Council to limit their numbers, nor to regulate those licensed by other Councils and operating in the city.

3.4 The Transport Act 1985 allows the Council to limit the number of HCVs it licenses, but only if it is satisfied that there is no significant demand for HCVs which is unmet.

3.5 There is currently no limit on numbers of HCV licences granted by Cambridge City Council.

Review of “demand surveys” conducted since 1990

3.6 The Council operated a policy on limitation up until 2001. Surveys conducted in 1990 and 1993 concluded that the Council should maintain a limit of 120 HCVs.

3.7 Further surveys were carried out in 1995 and 1997 which showed a growth in demand and, in 1995, 5 extra vehicles licences were approved. In 1997 a further 22 vehicle licences were approved bringing the total to 147. Also in 1997 Members asked for a report to remove the limitation on the number of licences issued.

3.8 In 1999 a further survey was carried out which concluded that a further 14 licences should be issued to meet the unmet demand.

3.9 In March 2000 Environment Committee considered a report which recommended approval of an additional 14 licences. Members also voted on a proposal to remove the limit on the number of hackney carriage licences to be issued by the Council in 12 months' time (July

2001). 6 members voted in favour, 6 members voted against. Under the convention at that time, Chairs of committees with an even number of members could not exercise a casting vote and the matter was referred to City Board.

- 3.10 On the 10th July 2000 City Board referred the matter to full Council for consideration on 20th July 2000. At full Council the decision was made to de-limit the number of HCV licences issued with effect from 1st July 2001, with the continued condition that any new HCV licences issued had to be for wheel chair accessible vehicles, but not necessarily a purpose-built HCV.

Current Position

- 3.11 In 2011 the taxi trade requested that a further survey should be carried out and in October 2011 Licensing Committee resolved that the purpose of the demand survey was to establish whether or not the current HCV fleet met the demand for services within the district, and additionally to cover accessibility issues and the position of ranks within the city.
- 3.12 A demand survey was conducted by CTS Traffic and Transportation Ltd in 2012. Licensing Committee on the 28th January 2013 considered the report and agreed that a full consultation and community engagement programme should be carried out to gather further evidence. Members were concerned that the report did not provide a sound evidence base due to a lack of engagement by the trade.
- 3.13 On 21st July 2014 Licensing Committee decided to seek a further survey and a specification was drawn up by officers and tenders sought. The tender selected was by CTS, the author of the previous survey. The purpose of the survey was to update the previous survey and, specifically, to undertake a more in-depth consultation with the taxi trade.
- 3.14 The updated survey work was carried out in November 2014 and the report of the survey is attached as Appendix A.

National Policy Position

- 3.15 In March 2010 the Department for Transport issued Best Practice Guidance to assist local authorities in England and Wales that have responsibility for the HCV and PHV trades. The relevant section of the Guidance is Appendix B to this report

- 3.16 The Guidance is intended to assist licensing authorities but it is only guidance and decisions on any matters remain a matter for the authority concerned. It is for individual licensing authorities to reach their own decisions both on overall policies and on individual licensing matters in the light of their own views of the relevant considerations.
- 3.17 Paragraph 47 of the Guidance says “Most 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 Guidance suggests that the matter should be approached in terms of the interests of the travelling public – that is to say, the people who use the taxi services. The Guidance suggests that authorities consider what benefits or disadvantages arise for the travelling public as a result of imposing controls and what benefits or disadvantages arise as a result of applying no limitation on numbers.
- 3.18 Paragraph 48 of the Guidance says that in most cases where quantity restrictions are imposed, vehicle licence plates command a premium, often of tens of thousands of pounds. The Guidance comments that 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. The view expressed in the Guidance is that this seems very hard to justify.
- 3.19 At paragraph 49 the Guidance says: “If a local authority does nonetheless 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”
- 3.20 The Department for Transport expects the justification for any policy of quantity restrictions to be included in the Local Transport Plan process. A recommended list of questions for local authorities to address when considering quantity controls is set out at Annex A to the Guidance and is addressed at section 8 (page 57) of the Consultant’s report at Appendix A to this report.

3.21 In addition, The Law Commission has been considering and consulting on a wide range of potential reforms of the taxi trade as a whole, on behalf of the Government.

3.22 Its final document was issued on 23rd May 2014. It had 84 recommendations in relation to the changes in taxi licensing law. Some of the recommendations in relation to this report include Licensing Authorities continuing to have the power to limit the number of taxi vehicles licensed in their area, subject to a statutory public interest test on how this test should apply. Limits should be reviewed every 3 years and be subject to local consultation. Mandatory disability training could be required for all drivers. An accessibility review should be conducted at three year intervals.

4. Summary of the Findings of the 2012 and 2014 Survey

Please refer to the full survey at Appendix A for more detail.

4.1 Since the decision to de-limit in 2000 there has been a steady increase in the number of HCV licences issued and a reduction in the number of PHV licences issued by the City Council. The table below outlines the number of licences issued each year:

| Year | HCV | PHV | Total licensed vehicles |
|------|-----|---------|-------------------------|
| 1994 | 120 | Unknown | |
| 1997 | 125 | 281 | 406 |
| 1999 | 147 | 352 | 499 |
| 2001 | 175 | 325 | 500 |
| 2004 | 235 | 236 | 471 |
| 2005 | 257 | 209 | 466 |
| 2007 | 282 | 135 | 417 |
| 2009 | 298 | 199 | 497 |
| 2010 | 302 | 197 | 499 |
| 2011 | 303 | 211 | 514 |
| 2012 | 293 | 217 | 510 |
| 2013 | 266 | 179 | 445 |
| 2014 | 309 | 179 | 488 |

4.2 The survey carried out in 2012 included carrying out rank surveys across the city, in particular at St Andrews Street, Drummer Street and the Railway Station, with public and stakeholder consultation.

Disabled access research also took place. There was lack of engagement by individuals within the taxi trade during the 2012 survey with a total of 15 responses, 1 of which was from a Trade Association and 14 individual responses. Concerns were highlighted that the survey did not adequately represent the taxi trade and there was not clear evidence to support any decision. In 2014 a more detailed engagement took place with the trade, and there was also an update in relation to the new linking arrangements at St Andrew Street rank and an update from the Police.

- 4.3 At present any new HCVs have to be wheel chair accessible. The proportion of vehicles in the fleet that are wheel chair accessible is 63%. The only exception is that plates 1 -121 where there is no requirement for them to be wheel chair accessible.
- 4.4 There is a wide range of vehicle types within the hackney carriage fleet. Some disabled people have particular needs and others have strong preferences about the type of vehicle they travel in.
- 4.5 There are some issues when there is such a diversity of fleet. For example, some vehicles are difficult to use due to a high step or sill. Also, saloons are cheaper to purchase and run than those which are wheel chair accessible. With such diversity it makes it difficult to offer effective training for drivers.
- 4.6 Section 161 of the Equality Act 2010 will, when it is in force, require Local Authorities to ensure that the correct proportion of accessible taxis licensed within the area is maintained. An authority which limits the number of HCVs within its area will be allowed to make an exception for a vehicle which is accessible. Current proportions within Cambridge suggest that, if and when section 161 is implemented, the Council will be in compliance with the proportion required.

Rank Surveys

- 4.7 187 hours of rank observations were undertaken towards the end of June 2012. The main ranks were St Andrew Street and the railway station. St Andrew's Street rank saw less than 12,300 passengers in the survey week and there were over 14,100 at the railway station. At the railway station very few passengers' delays were attributed to the lack of HCV. Delays were encountered at St Andrews Street, although none was significant when taken in context and these have reduced in 2014 with the new feeder system from Drummer Street in place.

- 4.8 From the survey it is estimated that almost 32,400 hackney carriage passenger trips take place each week. In a full year this estimates that nearly 1.7 million passengers travel in hackney carriages in Cambridge.
- 4.9 An industry standard index of significant unmet demand (ISUD) has been developed and used since the initial Government guidance that limits could be applied. Early in the process of developing the index, it was identified that a cut-off point of 80 was the level beneath which no conclusion of unmet demand would be regarded as significant, and that above 80 it would be concluded there is significant unmet demand.
- 4.10 The ISUD calculations draw from various elements of the rank surveys and public consultation exercise. It provides a useful benchmark measure of the level of unmet demand that is present. Appendix C outlines the factors that are taken into account and how it is calculated.
- 4.11 The ISUD calculations in Cambridge do not take into account the activity at the private railway station rank. The issue of permits to operate at the station rank is controlled by the railway company on their private land, and outside the control of the City Council. The Council has no way to ensure that, if more licences are issued the HCVs will be available at this location and hence the exclusion from the calculations in this study. However, it is important that there is an understanding about what is happening at this location as the public rarely differentiate between ranks. The railway company at the time the survey was carried out was Greater Anglia Railway, but has since changed to Abellio.
- 4.12 The ISUD index for the full survey in Cambridge is 27.8. , The index suggests the unmet demand observed by CTS is below the threshold of 80 and therefore is not significant in terms of the ISUD index.

Public Consultations

- 4.13 The CTS report (p. 65) refers to a 15 question survey which was undertaken in 2012 with 410 people in the city. This included the city centre area, Grafton Centre and the Leisure Park on Clifton Road. There was a relatively low level of recent use of licensed vehicles in the area; part of this resulted from a higher number of non-local people being interviewed. Car and cycle use were also given as reasons for not using licensed vehicles.

- 4.14 Passengers obtaining licensed vehicles were almost equally split between rank use (49%) and phoning to pre-book (46%). Only 4% hailed. For those who phoned, there was high loyalty to companies, and social media applications are now also becoming more widespread.
- 4.15 There was good knowledge of the ranks and people said they used most of the ranks, although the two main ranks dominated, namely St Andrews Street and Railway Station rank.
- 4.16 There were very few people with issues with the hackney carriage service, suggesting a high level of satisfaction. In terms of increasing use of HCVs, many people wanted more HCVs to phone for, some wanted more at ranks and others wanted better vehicles. The majority wanted cheaper fares.
- 4.17 Insignificant numbers of people had given up waiting for HCVs, with just 3 examples given in the entire sample.

Stakeholder consultations

- 4.18 Key stakeholders were contacted in 2012 to include, supermarkets, Hotels, Hospital, Local Education, CAMBAC, night clubs, Disability Representatives, Social Services, Police, Rail Operators, other City Council services and County Council, Councillors.
- 4.19 In 2014 only the police and City Councillors were contacted for any updated information
- 4.20 Supermarkets and hotels used mainly PHVs for their customers, no issues of poor service were reported.
- 4.21 Night-time economy consultees felt that there were sufficient vehicles, and many nightclubs advised their customers to use the nearby ranks. Only one club felt there were insufficient vehicles available. None of the clubs had agreements with private hire operators or dedicated phones. Taxi marshals appeared to be highly valued and most wanted to see more of them.
- 4.22 In 2012 CAMBAC, police and parking representatives thought that there were too many vehicles available during the day, particularly around St Andrews Street rank, leading to congestion and over ranking. In 2014 the police reported that this has improved

significantly since the new arrangement with Drummer Street being a feeder rank to St Andrews Street rank.

- 4.23 Greater Anglia Railway was pleased with the service provided to their private rank at the railway station. They were keen to see a high number of vehicles in order to meet their high demand levels; they have set a limit on the number of permits that they issue for HCVs to use the railway station rank. Since 2012, Abellio has taken over the station but it was not consulted in 2014.
- 4.24 A cyclist organisation was concerned about licensed vehicle driving standards, although they felt that quite a few of those causing concern were from the South Cambridgeshire PHV fleet.

Taxi Trade Consultations

- 4.25 During the 2012 survey, only 15 responses were received from the trade – one from a trade organisation and 14 individuals, and Members were concerned that the survey did not adequately represent the trade and there was not clear enough evidence to support a decision.
- 4.26 In November 2014, 936 proprietors/drivers/operators received a questionnaire. The trade associations also organised a drop in session to assist recipients fill in the questionnaire. 244 valid responses were received, which is a 26% response.
- 4.27 86% of those responded drove HCVs. The average numbers of days worked was six. The average number of hours worked per week was 54 with a range up to 85 hours.
- 4.28 51% said their main work was from the ranks and 14% from the phone. 24% provided service from all the ranks and a further 11 % all the ranks apart from the railway station.
- 4.29 Working hours were affected by a range of issues such as family commitments, constrained by when they could access ranks and reduction in work available, traffic congestion, to make ends meet. A number had found niche markets and others had swapped to private hire to improve the guarantee of work.
- 4.30 The CTS survey (p.69) states that the responses from the trade suggest a significant level of spare capacity in the fleet to undertake more work. However, this appears to be contrary to many of the responses which suggest that drivers are working long hours.

4.31 In the CTS survey (p. 69) 95% of those responding said a limit would be important in the development of the trade. The survey does not explain this point. They felt that the public would benefit from a limit with the reduction of congestion, therefore reduction in pollution and from vehicles circulating to find rank space. Many said safety would be improved as drivers would be able to focus on customers rather than obtaining work.

Wheelchair Accessibility Research

4.32 In the 2012 survey, there was a request for further research to be carried out to establish if the current Council policy on wheel chair accessibility meets the needs of disabled people. This additional research included a mystery shopper exercise, a survey of 100 disabled users and a specific disability-focussed stakeholders' interview.

4.33 59% of those interviewed had no access to a car, and many of the others were dependant on having lifts. A third used a licensed vehicle at least once a week, some almost daily. Even from those making less frequent trips, it was clear how important to them the licensed vehicle trips were.

4.34 Members of the public frequently do not distinguish between a HCV and PHV. 14% of those responding to this research had no problems with hackney carriages, but the top issue was related to cost. Others felt drivers made comments inappropriate to their disability.

4.35 Only 7% wanted ranks elsewhere, the most common being at the hospital and Market Street. Two thirds would choose a wheelchair accessible vehicle at a rank, with one third unable to use any sort of vehicle. There are issues regarding the size of wheelchairs, particularly powered ones, and the vehicles available to those passengers.

4.36 There were a number of actions that need to be taken forward to improve the service for those with disabilities. These included disability awareness training for drivers, information and advice about users' rights and a better understanding of the differences between hackney carriage and private hire vehicles.

4.37 Work is being undertaken to address these issues and to develop a new disabled access policy. A report will be presented to Licensing Committee within the next 12 months

5. CONSULTATIONS

- 5.1 The survey consulted with members of the public, stakeholders and the trade. It also consulted with disability groups. A summary of the responses can be found in the report as attached in Appendix A. Due to confidentiality issues, individual responses have not been included.
- 5.2 Contact has also been made with Oxford City Council and Sheffield City Council as they have introduced limits to their HCV fleet.
- Sheffield set a limit of 830 in 2007, which was the number licensed at the time of the meeting. However, when the meeting was held, the Council had over 20 new applications awaiting determination and the number of licences in force became 854, once those had been processed. If applications are received which, if granted, would take numbers above the limit they are determined by Members, rather than officers.
 - Oxford has a limit of 106 and has limited numbers consistently for approximately 40 years. If applications are received which, if granted would take numbers above the limit, they are rejected by officers, with the right of appeal to Members.

6. OPTIONS

- 6.1 A limit on the number of HCV licences can be imposed only if members are satisfied that there is no significant demand for HCVs within the City of Cambridge which is unmet.

If Members are not satisfied that there is no significant demand which is unmet, there is no power to limit the number of HCV licences.

- 6.2 If Members are satisfied that there is no significant demand which is unmet, they may EITHER :

decide to introduce a limit on the number of HCV licences which may be issued.

OR

decide not to introduce a limit.

- 6.3 If Members decide to introduce a limit, they will need to resolve, on the basis of the evidence before them, the number of hackney carriage licences to be allowed.

Officers have identified the following options about the number of hackney carriage licences to be allowed:

- a. To set the limit at a number greater than the current number of licences.

As Members will have determined, by this point, that there is no unmet demand that is significant then increasing the numbers may be inappropriate because it will have been accepted that there are currently enough HCVs available.

- b. To set the limit at a level lower than the current number of licences.

In order to reduce the number of licences, natural wastage would be required, as and when licences are surrendered, as the only practical way of achieving this, over an indeterminate period.

- c. To set the limit at the level currently licensed, including allowing those applications in the process and potential applications where a vehicle has already been purchased.

This is the recommended option.

It recognises that Members will have determined that they are satisfied that there is no unmet demand that is significant. It would be a pragmatic approach, allowing the retention of existing licences and the issue of licences for which the Council has already received applications and for those applicants who have already purchased a new vehicle prior to Committee.

This is necessary to meet the legal requirement that applications should be determined in accordance with the Council's adopted policy.

If Members determine to follow this option, the deadline for such applications to be valid would need to be set with immediate effect from the taking of the decision.

Potential Benefits of imposing a limit

- It may assist in limiting the perception that there is little road space for vehicles to wait in the central area
- It may halt the trend towards working longer hours and assist in improving passenger and driver safety
- Driver focus could be on developing the current customer base rather than fighting with each other for trade
- Potential improvement in air quality with the reduction of further HCVs travelling in the City.
- Introduction of a limit would be supported by the existing cohort of hackney carriage drivers of licensed vehicles,

Potential Disadvantages of imposing a limit

- Introducing a limit may create a market for vehicle licences which would not, necessarily, be in the public interest.
- It may reduce the opportunity for taxi drivers to become plate owners
- There may be a lack of competition between those operating the licensed vehicles which may lead to a fall in standards

Potential Benefits of maintaining current unlimited numbers

- It would provide more choice for employment and give opportunities for taxi drivers to become plate owners.
- Potential for a more effective service to the public.
- With a reduced bus service to and from the City during the evening, the policy could contribute towards a significant proportion of the community's needs and enhance the night time economy

Potential Disadvantages of maintaining current unlimited numbers

- It may be necessary to take enforcement action on over ranking at the Drummer Street rank.
- The issue of safety arising from continued increase of working hours by drivers would be relevant as there will be increased competition for work.

Potential increase in air pollution due to increase in vehicles

7. Decision-making

- 7.1 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 define whether responsibility for Council functions rests with the Executive or with the full Council. Regulation 2 and

Schedule 2 state that the power to license hackney carriages and private hire vehicles shall not be exercised by the Council's Executive. This licensing function (which includes imposing a limit on numbers) is what is often referred to as a "regulatory function".

- 7.2 The Council has delegated responsibility for most of its regulatory functions to committees. The scheme of delegation in the Council's Constitution places responsibility for this function with the Licensing Committee. The Council has not reserved any aspect of this function to itself and therefore the Committee is entitled to make decisions on the matters raised in this report. In the event of a tied vote, the Chair has a casting vote.
- 7.3 If the Committee is unwilling or unable to take a final decision, it may decide to refer the matter to Civic Affairs (for decision or reference on to full Council) or direct to Council. The matter shall also be referred to Civic Affairs Committee (for decision or reference on to full Council) on the request of the committee spokesperson for a political group, or on the request of any two other members.
- 7.4 Members should give full reasons for decisions made in respect of this report.

8. CONCLUSIONS

- 8.1 The CTS report concludes that there is no significant demand that is unmet. If Members are satisfied that there is no significant demand that is unmet, then the Council can consider whether to introduce a limit on the numbers of licensed hackney carriages or not.
- 8.2 If Members decide that there is no significant unmet demand and that a limit should be introduced, it will be necessary to determine the level at which it should apply, the timescale for its imposition and how other issues arising from the introduction of any limit should be addressed within the timeframe for implementation.
- 8.3 Members will need to consider the likely effect of any delay in implementing a limit and be mindful of the possibility that a significant number of additional applications might be received if there is any delay.
- 8.4 A review on whether to limit numbers of hackney carriage licences should take place every three years and be subject to local consultation. The funding for it has been incorporated into the hackney carriage vehicles renewal licensing fees from 2015/16.

8.5 An action plan will need to be developed to address the issues raised during the disabled access research.

9. IMPLICATIONS

(a) Financial Implications

None for the Council

(b) Staffing Implications

- If Members determine that no limitation of licence numbers is to be introduced, there would be no significant staffing implications.
- If Members determine that limitation should be introduced, there may be a significant short term effect on the licensing administration team, depending on factors such as the level at which limitation is proposed to be set, the date from which the limit will begin.

(c) Equality and Poverty Implications

An Equalities Impact Assessment has been carried out

(d) Environmental Implications

If a limit is imposed there is a potential for some improvement in air quality with the reduction of HCVs travelling in the City

(e) Consultation and communication

Nil

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

Equality Impact Assessment

To inspect these documents contact Yvonne O'Donnell on extension 7951

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