

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Licensing Committee	
MEETING/ DECISION DATE:	2nd June 2015	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Review of Hackney Carriage Demand Survey Report	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Annex A – Taxi Unmet Demand Survey Report 2014		

1 THE ISSUE

- 1.1 The Council currently regulates the number of taxi licences in the city of Bath. Because of this the Council is under a duty to carry out a review of any significant unmet demand every three years. This report requests Members to consider the outcome of the unmet demand survey carried out by independent consultants in 2014 and, if necessary, make comment on the findings to the Cabinet Member. The main recommendation from the report suggests an increase of three additional licences.

2 RECOMMENDATION

- 2.1 The Committee are asked to:
- 2.2 Consider the outcome of the Hackney Carriage Demand Survey carried out by independent consultants and, if desired, make comment on the findings to the Cabinet Member.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council sets the fee rates for both hackney carriages and private hire vehicles (currently £114 and £77 respectively). Total income in 2014/15 from fees was £187k including fees for the transfer of vehicles.
- 3.2 If the number of hackney carriages is allowed to increase this will not necessarily result in an increase in income overall, as this may be offset by a reduction in private hire vehicle licences. The proposed increase of three additional licenses will not have a significant impact on the total fee income.

- 3.3 The cost of future unmet demand surveys, required to continue with a limitation policy, will be in the region of £15k. The cost of carrying out the survey is covered by the annual licence fee for all hackney carriages.
- 3.4 If the decision is taken to continue with a limitation policy then there is the possibility of legal challenge to the decision in court. The cost of any challenge could be in excess of £40k; these costs would be managed within approved budgets in the Public Protection and Health Improvement service area.
- 3.5 If the decision is taken to de-limit the number of taxis then subsequent monitoring of taxi ranks may reveal a need to expand their size or number, which the Council would be responsible for funding. Any further monitoring would be covered by the licence fee income. At this stage it is unlikely that there would be a need to increase the number of ranks, however any decision to do would be subject to the normal budgetary process.
- 3.6 Administration and compliance will be met from within existing resources funded by the license fee.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Council is the licensing authority for hackney carriages. Under the Town Police Clauses Act 1847, a licensing authority had an unfettered discretion to limit the number of hackney carriage licences by being able to licence only such numbers as it thought fit. It was a power, which was widely used by many authorities to restrict the numbers of hackney carriages for the purposes of exercising control and supervision over them. Under the Transport Act 1985, the position in law changed and the 1847 Act, as now amended by Section 16 of the Transport Act, provide as follows:

“That the grant of a licence may be refused for purposes of limiting the number of hackney carriages....., if but only if, the person authorised to grant a licence is satisfied that there is no significant demand for the services of hackney carriages..., which is unmet”.

5 THE REPORT

- 5.1 Currently hackney carriages are restricted by zone and numbers within the authority. There are two zones which were set up at the time of reorganisations in 1996. Zone 1 has the same boundaries as the former Bath City Council and Zone 2 has the same boundaries as the former Wansdyke District Council.
- 5.2 There is no restriction on the number of hackney carriages in Zone 2 (North East Somerset). Following the previous survey of unmet demand in 2011 the approved number of licences in Zone 1 (Bath) remained at 122.
- 5.3 In 2014 a survey was undertaken to see if there was any significant demand that was unmet within Bath and a copy of the consultant’s report is provided in Annex A. The survey was carried out between March and December 2014 and included 127 hours of rank observation, pedestrian surveys and consultation with licensed vehicle drivers and stakeholders. The rank surveys were undertaken when both university sites were fully active thereby avoiding the summer break for consistency. The significant findings of this survey are as follows:

- 5.4 Between 2011 and 2014 taxi ranks in Zone 1 have seen significant passenger growth which may be related to the opening of the Southgate Shopping Centre and a corresponding growth in rail passenger traffic.
- 5.5 The survey recommends that the limit on Zone 1 vehicle numbers should remain in place to assist with controlling congestion and ensuring that passengers continue to benefit from the stability that the limitation policy brings. The report suggests a number of reasons for this. For example, if the limitation policy was removed then the public are likely to be more inconvenienced by the sharp uptake in licenses creating more congestion at ranks.
- 5.6 The survey concludes that there is evidence of significant unmet demand and makes the technical recommendation that there should be three additional vehicle licences in Zone 1. Whilst this need for additional licences is in part a response to the growth in passenger numbers, the key reason is a shortage of vehicles during the working week and the possibility that hackney carriages may be working the private hire circuits as a result of a reduction in the number of private hire vehicles since 2008. This relatively low level increase would enable the Council to react to passenger need in a tangible way and address the current reduced ability to service passenger need, whilst retaining the limit on vehicle numbers in Zone 1.

6 RATIONALE

- 6.1 Central Government has recommended to local licensing authorities that a restriction on numbers should only be applied where there is a demonstrable benefit to the consumer and that it would not be in the interest of consumers for market entry to be refused to anyone who meets the application criteria.
- 6.2 The 2014 study has identified that there is evidence of significant unmet demand for hackney carriages in Bath and the limit on the number of licences in Zone 1 should be retained. This is because removing the limit would encourage a high take-up of new licences leading to the public being inconvenienced by high numbers of vehicles causing congestion at ranks and a reduction in the trade focus on customers. This conclusion is based upon an assessment of the implications of case law since 2000 and the analysis contained within the survey.

7 OTHER OPTIONS CONSIDERED

- 7.1 The options available are:
- 7.2 To partially delimit: Case law demonstrates that it would be feasible to issue batches of licences at a time which would allow a Council to assess the impact of each tranche and decide whether there is significant unmet demand. This option has been rejected as such assessments would require further budget and may result in periods of uncertainty within the trade and elsewhere.
- 7.3 To delimit altogether: This option has been rejected as the unmet demand within Zone 1 (Bath) can be addressed by the addition of three additional licences and the removal of the current limitation policy could result in a legal challenge from the existing vehicle licence holders in light of the findings of the survey.

8 CONSULTATION

8.1 The Council's s151 Officer and Monitoring Officer have been consulted on this report.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	
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