



Leicester
City Council

WARDS AFFECTED: ALL

LICENSING & PUBLIC SAFETY COMMITTEE

15 December 2020

SURVEY OF UNMET DEMAND FOR HACKNEY CARRIAGES

Report of the Director of Neighbourhood and Environmental Services

1. Purpose of Report

- 1.1 The purpose of the report is to
- a) inform the Committee of the outcome of the survey of unmet demand for hackney carriage vehicles and seek the committee's views on a change to the existing limit on licences that LCC will issue
 - b) seek the committee's views on restricting any licences released up to the new limit being restricted to ultra-low emission vehicles (ULEVs).

2. Background

- 2.1 A survey of unmet demand was commissioned by the Licensing service in January 2020. The survey was necessary in order to justify the retention, amendment or removal of the limit on the number of hackney carriage vehicle licences that the council will issue.

3. Survey of unmet demand

- 3.1 Work commenced on the survey in January 2020 but was hampered by the coronavirus pandemic. Fortunately the on-street survey of vehicle movements had been completed in January / February, but the on-street passenger survey had not been carried out before "lockdown" on 23 March and so was replaced by an online user survey.
- 3.2 The consultants also sought the views of taxi licence holders (drivers, vehicles and private hire operators), partner agencies, disability organisations and other interested parties.
- 3.3 The final report is attached at Appendix A. The report contains details of the principles and legislation surrounding surveys of this nature as well as setting out the methodology for the Leicester survey, the responses received and their overall conclusions.
- 3.4 The report concludes that there is no unmet demand for hackney carriages in Leicester. This means that at the time of the survey there were sufficient hackney carriages to cater for the number of passengers that wanted to use them.

4. Implications for existing limit

- 4.1 The existing limit on the number of hackney carriage licences LCC will issue is 338. The limit of 318 was confirmed following an unmet demand survey in 2009 and a further 20 licences were subsequently authorised for release.
- 4.2 When the unmet demand survey was carried out there were in fact only 306 licensed hackney carriages and even at that number there was no unmet demand. This indicated that the limit could justifiably be reduced to 306.
- 4.3 The pandemic and other market forces have had a significant impact on the taxi trade, with overall car usage slipping to below 50% of the national average between 24 March and 14 May, and to below 75% of the national average between 21 March and 20 June. Usage prior to the national lockdown in November remained below 90% and reduced further during November 2020.¹
- 4.4 The above data is supported by anecdotal reports of a reduction in taxi passenger journeys as well as on-street observations. The “lockdown” meant that regular journeys for commuting, shopping and leisure simply did not happen, and the government advice to avoid public transport meant that people who needed to travel were likely to choose alternative modes of transport. For example, the same data source shows an increase in the number of cycle journeys that only appears to slow from late September.
- 4.5 At the time of writing this report, there are 282 licensed hackney carriages with one pending renewal applications. Twenty one hackney carriage licences have expired since lockdown on 23 March 2020 and have not been renewed.
- 4.6 In the current climate it may be appropriate to consider a further reduction to the number of vehicle licences LCC will issue in order to support the air quality aims of the council as well as the existing hackney trade. This could be done through natural wastage, whereby a lower limit is set and no new licences are issued until the total number falls below that limit.

5. Air quality considerations

- 5.1 The position regarding air quality is also relevant to the number of hackney carriages in Leicester.
- 5.2 Leicester City Council has been “Directed” by the Secretary of State for the Environment to develop an action plan to bring nitrogen dioxide levels in compliance with EU objectives in the shortest possible time. The Joint Air Quality Unit (JAQU), the government unit tasked with managing local authorities to deliver this, have asked Leicester to come up with an alternative set of interventions to an initial Charging Clean Air Zone for Buses and Taxis submitted in March. Without road user charging such as the Clean Air Zone there is very little local authorities can have direct influence over except:
 - Partnership arrangement with bus companies
 - Licensing restrictions and incentives for Hackney / Private Hire Vehicles

¹ Source: Department for Transport – “Transport use by mode: GB, since 1 March 2020”

- Enhanced Behavioural Change measures including the introduction of new cycle lanes for residents and businesses

5.3 From Hackney / Private Hire restrictions and incentives the Department for Transport and JAQU have already ruled out earlier proposals listed below for the following reasons:

- Grants to help with the initial cost of buying a new ULEV Hackney taxis – due to State Aid implications
- LCC providing lease ULEV Hackney taxis to the trade – due to State Aid implications
- Procurement of Leicester City wide lease company to hire out ULEV Hackney taxis to drivers – due to combination of State Aid, value for money and appointing a company which could provide an attractive enough package to the drivers

5.4 JAQU and the council are still discussing the possible alternatives which on the taxi licencing front include:

- Grants for Private Hire taxi drivers to help run ULEVs
- **Restricting numbers of Hackney Licences (JAQU)**
- Limiting the EURO class of Hackney / Private Hire vehicles in licencing conditions
- Providing beneficial conditions for those running ULEV taxis, i.e. restriction of city centre Hackney taxi ranks to ULEV taxis only

6. Ultra-low emission vehicles (ULEVs)

6.1 A matter for consideration is whether any new licences released should be conditional on the newly licensed vehicles being ULEVs. This would support the council's air quality aims whilst not disadvantaging the existing trade.

7. Hackney carriage waiting list

7.1 The hackney carriage waiting list is a list of people who have made contact with the Licensing service to say that they would like to license a hackney carriage when a licence becomes available. The list is filtered from time to time to remove people who have obtained a hackney licence through other means (usually by transferring an existing hackney licence from another person) and any others that no longer require a licence. The list is currently being reviewed to give an accurate picture of what the current demand is.

7.2 Experience suggests that many of the people on the waiting list will not actually be in a position to license a hackney carriage if they are approached – they may have changed their mind, not be able to finance a vehicle, or their initial enquiry may have been speculative.

8. Options

8.1 There are several options in relation to the limit on hackney carriage vehicle licences

i) Retain the existing limit

- Advantages: no change to status quo.
- Disadvantages: unmet demand survey shows this is too many, meaning that licence holders would not have sufficient business to run a viable business; air quality

implications of having more vehicles than necessary; rank space is already at a premium in the city centre and fewer customers means vehicles are more likely to be waiting on the ranks.

ii) Reduce the overall limit from 338 to 306 hackney licences

- Advantages: accords with the number in place at the time the on-street survey was undertaken, when there was no unmet demand; no adverse implications for rank space
- Disadvantages: the number of licences has dropped since the survey, as have passenger numbers and therefore it is possible that even a limit of 306 could be too high.

iii) Reduce the overall limit from 338 to 288 hackney licences

- Advantages: accords with the number of hackney carriage vehicle licences in place at the time of writing; takes account of downturn in trade since March 2020
- Disadvantages: lower than the number referred to in the unmet demand survey; possible criticism from people on the current waiting list

iv) Reduce the overall limit from 338 to 250 licences

- Advantages: reflects current downturn in trade; would benefit air quality aspirations
- Disadvantages: may create a premium on existing vehicle licences as the only way to get into the trade would be by purchasing an existing licensed vehicle; possible criticism from people on the current waiting list; reduces the number significantly below the number of licences at the time of the unmet demand survey.

8.2 When the new limit for hackney carriages is set the council can also take the opportunity to consider whether any “available” licences should be restricted to ULEVs only.

- Advantages: allows the release of licences with no adverse implications for air quality; doesn’t disadvantage any existing licence holders
- Disadvantages: would need clear policy on whether these licences could subsequently be replaced with non-ULEVs; possible perception of unfairness via a two-tier system; may be unaffordable for new entrants

9. Recommendations

9.1 It is recommended that the Licensing and Public Safety Committee comments on the options shown above in relation to the limit on hackney carriage vehicle licences and the possible requirement for newly released licences to be restricted to ULEVs.

9.2 The Committee’s comments will be referred to the Deputy City Mayor for Culture, Leisure, Sport and Regulatory Services, for his consideration regarding any decision relating to the limit of Hackney Carriage Licences in Leicester.

10 Financial, Legal and Equalities Implications

Financial Implications

10.1 There are no significant financial implications arising directly from this report.

Colin Sharpe, Deputy Director of Finance, ext 37 4081

Legal Implications

10.2 The Town Police Clauses Act 1847 is still the primary legislation controlling hackney carriage vehicles, proprietors and their drivers. By virtue of Section 37 of this Act, the Council previously had an absolute unfettered discretion to determine the number of hackney carriage vehicle licences that could be available at any one time.

However, Section 16 of the Transport Act 1985 qualified the absolute discretion to limit the number of hackney carriage vehicle licences by requiring the local authority to be satisfied “... **that there is no significant unmet demand for taxi services ...**” within its area. The burden is therefore on the Council to be satisfied as to the demand or otherwise.

Local Licensing Authorities have a legal duty to commission independent periodic surveys of unmet demand for Hackney carriages.

Any decision to refuse an application for a new licence must be on the grounds that the Council is satisfied that there is no significant unmet demand with the licensing district.

The Council must decide whether to remove the restriction, maintain the existing restriction or to increase the number of licences on a managed basis until there is no significant unmet demand.

Part II of the Local Government (Miscellaneous Provisions) Act 1976 (the legislation which regulates private hire licensing) specifically prohibits the local authority from controlling private hire vehicle numbers.

Section 37 of the Town Police Clauses Act 1847, gives the Council power to decide which vehicles it will licence as a Hackney Carriage. Section 47 of the Local Government (Miscellaneous Provisions) Act 1976 (“ the 1976 Act”) gives the Council discretion to place conditions on the licensing of hackney carriages. In applying this, members need to have consideration of their statutory obligations under the human rights and equalities legislation.

Regard should be had to the Statutory Taxi and Private Hire Vehicle Standards.

Katherine Jamieson, Solicitor Legal Services, ext 37 1452

Equalities Implications

10.3 In carrying out its duties the Council must comply with the Public Sector Equality Duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity and foster good relations between people who share a ‘protected characteristic’ and those who do not. In doing so, the council must consider the possible impact on those who are likely to be affected by the recommendation and their protected characteristics.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The act continues the duty of service providers and employers to make “reasonable adjustments” to ensure that people with disabilities are not disadvantaged.

The licensing of hackney carriage vehicles provides an adequate, safe and efficient service to the residents and visitors of the city. Hackney Carriage Vehicles are wheelchair accessible and therefore increases the ability of disabled consumers to utilise taxi services.

The independent survey carried out by LVSA provides the Council with the best possible level of information and is essential in assisting the Committee to determine its’ future policy on the existing numerical restriction on the numbers of licensed hackney carriages within Leicester.

There are no direct equality implications arising from the report.

In order to demonstrate that the consideration of equalities impacts has been taken into account if considering the requirement for newly released licences to be restricted to ULEVs it is recommended that an Equalities Impact Assessment is undertaken.

Surinder Singh, Equalities Officer, 454 4148

11 Background Papers – Local Government Act 1972

None

12 Consultations

Legal Services

Finance

Equalities

13 Report Author

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