



**SOUTHERN REGION  
P39  
GMB PROFESSIONAL DRIVER'S  
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**REPORT TO: LICENSING AND SAFETY COMMITTEE**

**REPORT OF: SOUTHERN REGION P39 GMB PROFESSIONAL DRIVERS  
BRANCH**

**SUBJECT: UNMET DEMAND SURVEY**

**DATE: 21<sup>ST</sup> JANUARY 2009**

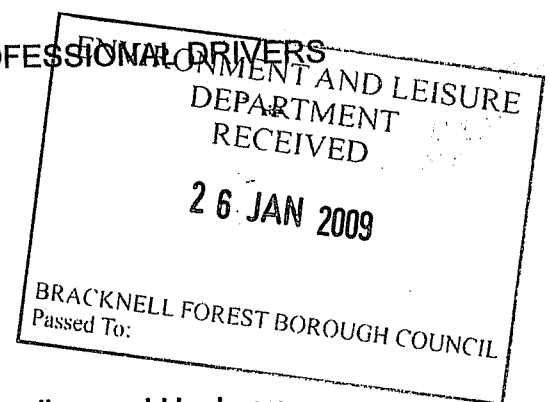
**Dear Councillors,**

**I write to you on behalf of our many members who are licensed Hackney  
Carriage Proprietors in Bracknell-Forest licensing Authority.**

**On the 9<sup>th</sup> February 2009 you will be asked to make a decision, whether or not,  
to allow an un-met demand survey to proceed, which would ascertain whether or  
not there is any un-met demand in Bracknell-Forest licensing Authority area. This  
request was made by both the GMB PDB and BLTF at a previous meeting, at  
which the committee requested a report from the licensing officer. I will try and  
keep my report short and to the point.**

### **Introduction**

**The GMB PDB and the BLTF are asking Bracknell-Forest Licensing and Safety  
Committee to agree to Bracknell-Forest Licensing Authority conducting a Taxi  
un-met demand survey funded by an increase in license fee's of Bracknell-Forest  
Hackney Carriage Vehicle's. This request is made, not out of greed, but out of  
concern for the Taxi service provision to the electorate of Bracknell-Forest and to  
give our members the ability to both provide a quality service and sustain an  
average income within the Taxi industry working in Bracknell Forest licensing  
Authority. The GMB PDB have always advocated a managed growth system  
within the Taxi Industry, where Taxi numbers should be set at the correct number  
for the levels of work within an Authority and increased when the need be so.**



## **Current Legal Situation**

A Licensing Authority did, until 1985, have unfettered power to limit the number of taxi licenses that it chose to issue. Following changes introduced in the Transport Act 1985 a Licensing Authority could continue to limit taxi numbers but "if, and only if" it was satisfied that there is no significant unmet demand for taxi services in that area.

## **Office of Fair Trading**

In August 2002 the Office of Fair Trading (OFT) commenced the investigation into the practice of some Authorities of limiting taxi numbers. The scope of the investigation was subsequently extended to include other areas and as a result the investigation was delayed and the OFT findings not published until November 2003.

The report "The regulation of licensed taxi and PHV services in the UK" runs to 91 pages and the conclusion regarding taxi limitation that it reached was "We therefore recommend that the legislative provisions allowing licensing authorities to impose quantity controls should be repealed. In the meantime, we recommend that LAs with quantity controls remove them."

## **The Transport Select Committee's Response to the OFT**

"The OFT report manifestly does not contain the evidence required to support its only proposal for legislative change: the abolition of quantity regulation. Its figures only support its case with considerable "adjustment" (which is never explained), its statistical and survey evidence are flawed, and it fails to consider the relationship between the taxi and PHV markets. Also the OFT does not explain why the taxi and PHV market has been the fastest growing form of transport over the last 25 years, and has grown by more than 40 per cent in real terms since 1994, if quantity restrictions have been so detrimental. Its recommendations on quantity control should be rejected."

We should make it clear that, unlike the OFT, we have no view as to whether entry restriction or derestriction is better for a particular authority. We do not believe that restriction will be appropriate for every authority; some authorities which are currently restricted might even provide a better service to their

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inhabitants if they lifted those restrictions. However, we believe that local authorities' powers to set policy for their area should only be overridden on the basis of compelling evidence which the OFT has failed to provide.

### **Government Response**

After consideration of the OFT report the Government announced in a written statement to Parliament on 18/March/2004:

"The Government agrees that consumers should enjoy the benefits of competition in the taxi market and considers that it is detrimental to those seeking entry to a market if it is restricted. The Government is therefore strongly encouraging all those local authorities who still maintain quantity restrictions to remove restrictions as soon as possible. Restrictions should only be retained if there is a strong justification that removal of the restrictions would lead to a significant consumer detriment as a result of local conditions."

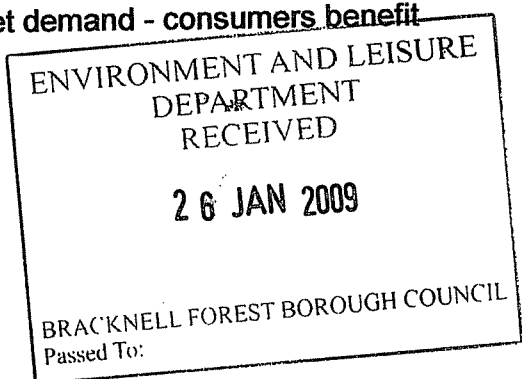
The Government elected not to remove a local authority's ability to impose numerical limits on taxi licenses but did make it very clear that the interests of consumers of taxi services were paramount; that numerical restrictions should only be imposed where those restrictions "deliver clear benefits to consumers".

### **Consumer Benefits**

I have listed below areas where consumers will benefit from having a Taxi fleet which has a limited number of vehicles.

Limitation of Taxi numbers allow for multi-shifting (i.e. those drivers who cannot acquire a license must rent a vehicle; the vehicle owner will tend to work through the day and the driver who rents is forced to work at less attractive times - evenings and nights); it is this system which ensures adequate coverage throughout the day and night. Increased numbers of cabs - allowing renting drivers to acquire their own vehicle - could undermine the current structure of taxicab provision and could lead to under provision at night time and weekends.

Where the limit is deliberately fixed above the level of demand identified - issuing more licenses than identified by survey of unmet demand - consumers benefit



from an excess in supply. More than enough cabs - evidenced by very small passenger delay and long driver wait at ranks.

Wider public benefits to be gained from a good relationship between the trade and the licensing authority.

Quantity controls mean that PHV drivers remain in the PHV trade (rather than shifting to the taxi trade) so consumers benefit from having an adequate supply of PHVs for pre-booked work.

Quantity controls enable the trade to earn enough to afford a high quality and safe vehicle fleet which is beneficial to consumers.

Deregulation leads to a high turnover of proprietors and drivers and may have an adverse effect on the quality of vehicles and drivers.

Quantity control policy helps to develop accessibility policy by supporting substantial investment.

Quantity controls enable the quality of the fleet to be maintained whilst also recognising the substantial investment in such vehicles by the trade.

Quantity controls enable the carbon foot print to be kept to a minimum, within town and city centre's without affecting the quality of service.

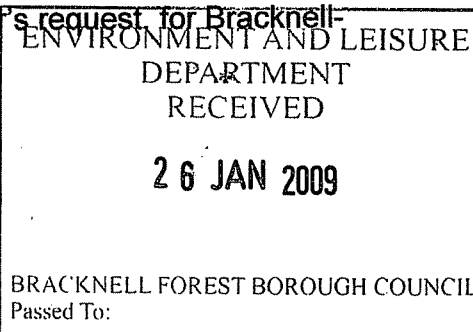
Area's which are deregulated usually have higher fares, due to there being more Taxis available and less fares for each individual Taxi.

### **National Situation**

Currently there are 94 Licensing Authorities in England and Wales which limit the number of Hackney Carriage licenses, and are obviously confident of being able to defend themselves in court should they be challenged regarding having a limited numbers policy. However, I should state that I know of no Licensing Authority that has been challenged in court.

### **Conclusion**

In conclusion, I formally request that the members of the Bracknell-Forest Licensing and Safety Committee agree to our member's request for Bracknell-



Forest Licensing Authority to undertake a Taxi un-met demand survey. Agreement to this request would ascertain the condition of the Taxi industry within Bracknell-Forest; our members feel that due to the current economic climate the industry within Bracknell-Forest is saturated to the point that our members sometimes have to choose between paying the rent and maintaining their Taxis. Market forces, a Blairite policy which have plighted our industry for too many years is unacceptable to both consumers and the indigenous Taxi workers within Bracknell-Forest, due to its inability to examine the pitfalls to both consumers and Taxi Drivers, and relies on the having excessive amounts of Taxis to service the consumer, but does not consider the quality of the fleet or the resulting increased costs to the consumer.

Finally, I would like to re-iterate that Local Authorities can under current legislation limit the number of Taxi licences, subject to them having had an un-met demand survey, the government has issued a Best Practice Guidance, confirming this fact, encouraging Local Authorities to consider the consumer, I hope you agree with our memberships beliefs, that the consumers of Bracknell Forest would be better served with a Limited Fleet of Taxis set at the correct number for the consumers needs, reviewed regularly and numbers increased if need be.

If any councilor would like to discuss any of these issues please do not hesitate to contact me.

Kind regards

Mick Hildreth

Branch Secretary

Southern Region

P39 GMB Professional Drivers Branch

GMB PDB National (Provincial) Hackney Carriage Secretary

