

**LICENSING AND SAFETY COMMITTEE
1 OCTOBER 2009**

**UNMET DEMAND SURVEY
[Chief Officer: Environment and Public Protection]**

1 PURPOSE OF DECISION

- 1.1 The Committee at its meeting on the 23 April 2009 decided to commission a survey to establish if there a need to introduce a policy that restricts the number of hackney carriages operating in the Borough.
- 1.2 The report has been completed and is included as Annex 1 to this report. Members are asked to consider the implications of the findings having due regard to the relevant advice by the Department of Transport.

2 RECOMMENDATIONS

- 2.1 **That having regard to the findings as set out in the study by Transportation Planning (International) ltd there is insufficient evidence to conclude that the introduction of a limiting Policy would be in the best interests of the consumer.**
- 2.2 **That the Officers and Trade representatives consider the other helpful recommendations and how best to take them forward.**

3 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 3.1 The relevant legal provisions are contained within the main body of the report.

Borough Treasurer

- 3.2 There are no significant financial implications arising from the recommendations in this report.

Equalities Impact Assessment

- 3.3 There are no implications arising from these recommendations.

Strategic Risk Management Issue

- 3.4 None.

4 SUPPORTING INFORMATION

Legal background and Government advice

- 4.1 The law enables a Council to restrict the number of hackney carriages where it is satisfied that there is no significant unmet demand. The position has been reviewed over the years and the latest government advice is that restrictions should not normally be put in place but where they are that they only be retained if there is a strong justification that removal of the restrictions would lead to significant consumer detriment as a result of local conditions.
- 4.4 The Government have retained the discretion Local Authority determination based on local need. However, where there is such a Policy it must be review their policy every three years and make their conclusions available to the public. This is to ensure that decisions on restrictions are based upon strong up-to-date evidence of benefits to consumers locally for their retention and that the decision making process is both transparent and consultative. If restrictions are not shown to be delivering clear benefits to consumers, it is the view of the Government that local authorities should remove them.
- 4.5 Best Practice Guidance and comments issued by the Department of Transport can be summarised as follows:
- Best practice for a Local Authority is not to restrict numbers.
 - Consumers should enjoy the benefits of competition in the taxi market.
 - A restriction policy is detrimental to those seeking entry to a market.
 - Those Authorities who have policies are strongly encouraged to remove restrictions as soon as possible.
 - Restrictions should only remain if there is a strong justification that removal would lead to significant consumer detriment as a result of local conditions.

Current Council Policy

- 4.6 Bracknell Forest does not have a limiting policy. The number of Hackney Carriages licences presently issued is 84. This figure has reduced from 112 in 2001. The number has been relatively stable for the last 3 years at nearly 90 but has seen a drop from 87 since April 2009.

Trade Position

- 4.7 The trade have made representation for a limiting policy (Annex 2). They argue that a limit in numbers is necessary in order to protect the remaining trade. They claim that the policy in relation to accessible taxis has turned would be drivers to the private hire market. The inference being that this has in turn taken trade away from the ranks. At the same time the economic downturn has resulted in a loss of demand and the earnings that can be taken from the ranks has fallen significantly. This in turn makes keeping standards high is challenging. It is claimed that to make a living drivers are having to work up to 80 hours a week as a result. A limiting policy is being proposed in effect in order to protect the current position from further deterioration by preventing further competition and thereby dilution of the already depleted market by having more cars available. It is also suggested that having fewer cars would generate more revenue leading to cheaper fares for the public.

- 4.8 The trade recognise the need for the 3 year survey and that the current position could change when the redevelopment of the Town Centre is effected. At such a time a higher demand for Hackney Carriages is anticipated both during the day and night. The trade request that the issue of new plates be suspended. Effectively they are asking for the number of plates to be limited to the current number ie 84.

Unmet Demand Survey

- 4.9 As agreed a survey was commissioned according to the relevant advice to ensure that it met the criteria and was therefore sound. Transport Planning (International) Ltd were employed to undertake an independent study and their report is attached as Annex 1.
- 4.10 The study had five main objectives as follows;
- To provide a profile of the taxi trade in the borough
 - To consider current demand and any latent demand for taxis, including demand for wheelchair accessible vehicles
 - To explore trade concerns that custom may be reducing
 - To identify if any additional vehicles are required to eliminate any significant unmet demand, and
 - To examine the potential benefits of the use of bus gates and bus lanes by taxis.
- 4.11 The executive summary (pages 1 to 14 cover the key findings from the study. The rest of the document provides the supporting detail. The conclusions can be found in paragraph 13 (page11) and the recommendations follow on page 13. The committee is to hear a short presentation from the Consultancy who produced the report on their findings.

Summary of conclusions

- 4.12 In brief the key ones are as follows
- On the basis of the study there is no unmet **current** demand at present. The overall supply appears adequate (13.1). There is some evidence to indicate **latent** demand in outlying areas and anecdotal evidence to suggest a shortage amongst disabled people. There were no noted use or potential use during the period of survey by disabled people (13.11)
 - There are peak and night time shortages and problems with availability for the disabled (13.3)
 - The response by drivers to the consultation was very low – only 25 out of 315 drivers. Of those 17 thought there was no unmet demand (13.4)
 - There is a suggestion from the public that private hire vehicles were taking trade from the ranks and the street – comment this could be an identity issue where a car can have a dual use (13.5). There was no specific evidence of illegal plying for hire during the survey (13.10)
 - Rank observation times indicated an average wait of 19 minutes for their next customer which is considered longer than would have been expected based on other studies (13.8)
 - Cost is the most frequent reason given for non use (13.9)
 - The concerns raised by the disabled referred to the attitude of the trade who would often fail to respond to their needs (13.12 and 13.13). It is not clear whether the comment applies to Hackney Carriages or private hire vehicles

- The public priorities are for cheaper fares (58.7%), more taxis (16.2%) and better customer care (7.4%)
- A number of other points were raised about ranks along with suggestions of there being shortfalls in provision in some parts of the Borough from a public perspective.

Comment

- 4.13 The report in its recommendations summarised on page 13 of the report, regarding the evidence of unmet demand is not conclusive. The summary reminds the Council of its options. It does this because whilst there was no evidence of significant unmet demand in the Borough there is evidence of latent demand out of the town and amongst wheelchair users. In paragraph 7.27 of page 62, there is also specific comment that effectively indicates that the trade are choosing to target certain areas to the detriment of the service and at the expense of other areas of the Borough. What is not established is the level of true demand in other areas.
- 4.14 The imposition of a limit would protect a business interest but as the report mentions this could deter the development of market opportunities elsewhere. The report in para 7.29 states that "the current policy of not having a limit will tend to favour passengers". The same paragraph talks of other ways to limit numbers such as quality standards. Whilst no details have been given the policy of having wheelchair accessible vehicles is in effect such a toll although not introduced for such a purpose. The evidence confirms a decline in numbers through natural wastage.
- 4.15 The decision facing the Committee is therefore a difficult one as the arguments are finely balanced. The merits either way are contained in the table in report on page 63. What the Committee must be mindful of is whether the evidence shows justification that the imposition of restrictions is in the best interests of the consumer. Whilst the desire of the trade to protect their position is understandable it is difficult to see how continuing to allow a free market economy is not the best policy to follow in light of the evidence.
- 4.16 The other recommendations require more detailed work and some depend upon having the support of the trade to effect. These recommendations should be progressed via the meetings with the Trade and reports brought back to this Committee as appropriate.

Background Papers

1. Committee reports, 2 October 2008, 5 February 2009, 23 April 2009
2. The Regulation of Licensed Taxi and PHV Services in the UK - Office of Fair Trading, November 2003.
3. Government response to Office of Fair Trading Response - Department of Transport, June 2004.
4. Taxi and Private Vehicle Licensing – Best Practice Guidance - Department of Transport October 2006.
5. Evaluating the Impact of the Taxis Market Study - OFT, October 2007

Contact for further information

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Equality Impact Assessment Record

EIA Guidance

Please ensure that you have read the Council's EIA Guidance booklet, available on Boris, before starting work on your EIA, it should be read in conjunction with this form. If anything is unclear please contact your departmental equality representative listed below. This form is designed to summarise the findings of your EIA. **Please also keep a record of your other discussions in producing the impact assessment.**

Drafting your EIA

The boxes in this form are designed to expand please ensure that you add data, consultation results and other information to back up any assertions that you make. A draft of this record form must be sent to the Councils Equality Officer Abby Thomas and your departmental equality representative(s) (listed below) who will send you comments on it before it is finalised and signed off by your Chief Officer. This step is important to check the quality and consistency of EIAs across the Council.


Departmental Equality Representatives

ECC Jane Eaton	SCL Graham Symonds and Ilona Cowe
CS Abby Thomas	CXO Stephanie Boodhna

Publishing

The Council is legally required to publish this EIA record form on the Councils website. Please send a copy of the final version of the EIA record form to the Councils Equality Officer Abby Thomas to publish.

Date of EIA	9 September 2009	EIA Guidance Page Ref.
Directorate	Environment Culture and Communities	
Part One - Initial Screening Record		
1. Activity to be assessed	Limitation policy for the issue of Hackney Carriage Licences	<u>See</u> <u>Pages</u> 9 - 10
2. What is the activity?	<input checked="" type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input type="checkbox"/> Service <input type="checkbox"/> Organisational change	
3. Is it a new or existing activity?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Existing	
4. Who are the members of the EIA team?	Robert Sexton	
5. Initial screening assessment. If the answer to either of these questions is 'yes' then it is necessary to go ahead with a full Equality Impact Assessment.	<p>1. Does the activity have the potential to cause adverse impact or discriminate against different groups in the Councils workforce or the community?</p> <p style="background-color: #e0e0e0;">No. A change in policy or retention of the existing policy would not impact upon specific groups and any effects would be consistent across the community. Data collected on ethnic monitoring presently demonstrates that employment of minority groups within the taxi trade is very significantly greater than the proportion of those groups within the local community</p> <p>2. Does the activity make a positive contribution to equalities?</p> <p style="background-color: #e0e0e0;">No. The policy in its present form is neutral and any revised form will not change that.</p>	
6. Did Part 1: Initial Screening indicate that a full EIA was	<input type="checkbox"/> Yes – full EIA completed and recorded below.	

further information.		
11. What evidence is there to suggest an impact/adverse impact?	<p>A) Evidence of Impact. Overwrite with the data, information or research that was used in the EIA. Include any evidence if relevant of a positive impact on equalities.</p> <p>B) Evidence of adverse impact. Overwrite with the data, information or research that was used in the EIA</p>	
12. On what grounds can impact or adverse impact be justified?		<u>See Pages 14 -15</u>
13. Have any examples of good practice been identified as part of the EIA?		<u>See Pages 14 -15</u>
14. What actions are you currently undertaking to address issues for any of the groups impacted/adversely impacted?		
<p>15. What actions will you take to reduce or remove any differential/adverse impact?</p> <p>Please also list any other actions you will take to maximise positive impacts.</p>	<p>List the actions that you have planned as a result of the EIA.</p> <p>The action plan should include references to any additional monitoring or research that was identified in the information-gathering part of the process. It should also include references to any information that is still required or was not retrievable at the point of assessment.</p>	<u>See page 16</u>
16. Into which action plan/s will these actions be incorporated?		
17. Who is responsible for the action plan?		
18. Chief Officers signature.	<p>Name STEVE LOUDOUN</p> <p>Signature</p> 	
19. Which PMR will this EIA be reported in?	<p>All completed EIA's must be reported in your departments PMR. Note here the service department and relevant quarter/date of PMR i.e the quarter in which the EIA will be published.</p>	

Response from City of Oxford Licensed Taxicab Association