



SHEFFIELD CITY COUNCIL Committee Report



Report of: Chief Licensing Officer, Head of Licensing

Date: 18th February, 2016

Subject: Review of Hackney Carriage Vehicle licence Limitation Policy:
Intention to undertake unmet demand Survey

Author of Report: Clive Stephenson – 27 34264

Summary: To present to the Licensing Committee the Review of Hackney Carriage Vehicle licence Limitation Policy: Intention to undertake unmet demand Survey

Recommendations: That Members of the Licensing Committee approve the Review of Hackney Carriage Vehicle licence Limitation Policy: Intention to undertake unmet demand Survey

Background Papers: Not applicable

Category of Report: OPEN

**Review of Hackney Carriage Vehicle licence Limitation Policy:
Intention to undertake unmet demand Survey**

1.0 Purpose

- 1.1 To review and approve the Councils Policy in relation to Limiting the Numbers of Hackney Carriage Licences issued.
- 1.2 To approve the process to invite tenders for the completion of an unmet demand survey to run from May 2016 to Aug 2016.

2.0 Background

- 2.1 The last review of this policy took place in 2010. The last survey conducted by Mouchel Ltd was undertaken in 2009, and published in 2010.
- 2.2 Currently the Council Limitation is set at 857.
- 2.3 At the time of writing the report the current limit has been reached.

3.0 Legal Requirements

- 3.1 The Council are duty bound to accept applications for Hackney Carriage licences.
- 3.2 To refuse a licence on the grounds of a limitation policy is permitted and the Council have refused applications on these grounds.
- 3.3 The Department of Transport released a best practice guide in March 2010. Section 49 of the document stated;

“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.”

- 3.4 The Law Commission published a midterm report in 2014 when drawing up the Taxi Licensing Bill. The Commission, at the outset of information gathering for the report, were minded to recommend that Limitation should be abolished.

- 3.5 The Law Commission, after consultation, produced a report. Sections 11.69 & 11.70 detailed their recommendations stating:

“We have noted the strong view put forward during consultation that quantity restrictions can have a positive role to play within the taxi licensing framework and have found a lack of empirical evidence of the benefits of derestriction.

“Our initial view was that derestriction would be likely to provide the most efficient use of resources by enabling the market to determine supply and demand. However, having listened to the responses to our consultation, we recognise that some limitation on taxi licence numbers may, in some areas, be desirable.”

- 3.6 To enable this The Law Commission recommended the introduction of a Public Interest Test:

Section 11.82

“Our proposed public interest test could operate in a similar way to that in the Transport Act 2000, whereby local authorities are required to consider a public interest test before introducing a quality contracts scheme – essentially a bus franchise.”

Section 11.83

“In order to promote consistency, transparency and better quality decision-making, we recommend that the Secretary of State should have the power to make regulations prescribing how the public interest test should be applied.

This could include, but not be limited to, the current content of the Department for Transport’s best practice guidance.

We recommend, for example, that so-called “peaked demand” should continue to be taken into account. Regulations might further specify how evidence in respect of each of the statutory factors should be analysed and taken into account. This can be important in ensuring transparency and consistency. We recommend that the regulation-making power should cover the following topics: what might constitute appropriate evidence; methodology; weighting; and benchmarks.”

- 3.7 The Law Commission’s Report has not been implemented or considered by the Secretary of State for Transport. Thus the recommendations of the Commission are not in force and we have no indication if or when they will be fully considered by the Government.
- 3.8 To have a defence to any appeal the Council must have an up to date Survey to rely upon. To remain valid and up to date the Survey should be no more than 3 years old.

4.0 Recommendations

- 4.1 The Chief Licensing Officer, Head of Licensing Services is granted permission to begin the tender process to identify a supplier to undertake the Survey on behalf of the Council.
- 4.2 If 4.1 accepted then the Chief Licensing Officer, Head of Licensing Services is requested to produce a further report to this committee once the supplier has been identified and selected.
- 4.3 if 4.1 accepted, The Chairs of the committee be available to be included in the tender award group.

5.0 Options

- 5.1 That members approve the recommendation as stated in 4.0.
- 5.2 Reject the recommendation and lift limitation of numbers.
- 5.3 That members defer the report for further consideration and information.

Steven Lonnia
Chief Licensing Officer
Head of Licensing Service
18th February 2016