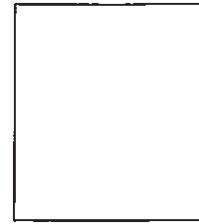




## SHEFFIELD CITY COUNCIL Committee Report



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**Report of:** Chief Licensing Officer, Head of Licensing

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**Date:** 23<sup>rd</sup> February 2017

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**Subject:** Hackney Carriage Provision Survey.  
(Unmet Demand)

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**Author of Report:** Clive Stephenson

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**Summary:** To consider the Unmet Demand of Hackney Carriage Services Survey

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**Recommendations:** That member's carefully consider the report and any evidence given at the meeting.

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**Background Papers:** Attached documents

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**Category of Report:** OPEN

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# Report of the Chief Licensing Officer and Head of Licensing to the Licensing Committee on 23<sup>rd</sup> February 2017

## Survey for Unmet Demand – Results – Hackney Carriage Vehicles

### **1.0 Purpose**

- 1.1 To consider a survey undertaken by CTS Traffic Limited into unmet demand on the taxi services in Sheffield.

### **2.0 Background**

- 2.1 In February 2016, the Licensing Committee instructed the Licensing Service to implement the procurement of a company to undertake a unmet demand survey on the taxi services in Sheffield.
- 2.2 Currently the Council sets a limit as the number of vehicles it will licence as Hackney carriage this limit is set at 857. The legitimacies of setting a limit are dealt with in section 3 of this report.
- 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, and 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 Numbers 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 Commissions 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 The Survey**

- 4.1 A copy of the executive summary is attached at Appendix A of this report. CTS Traffic & Transport representatives will attend the meeting to present the findings of the survey.

#### **5.0 Financial implications**

- 5.1 The costs of the survey have been met by Hackney Carriage Licensees and some capitol from the licensing service.
- 5.2 The collection of the levy charged on licenses will be taken over the course of the year.

#### **6.0 Consultation**

- 6.1 The report has been circulated and meetings held with all Trade representatives and they have been invited to attend this meeting.

## **7.0 Recommendations**

7.1 Chief Licensing officer, Head of Licensing recommends that the limitation status remains the same.

7.2 Chief Licensing Officer, Head of Licensing also recommends;

- that the limitation policy be incorporated into the new Hackney Vehicle Policy when it is commissioned later this year, and then dealt with as a part of the review of that policy on a 3 year cycle.
- that members instruct the Licensing Service to accept new applications from Zero (Delivery) Mileage, and Zero Emission vehicles up to a maximum of 5 vehicles beyond the current 857.
- that we remove the current allowance for a 7 year old vehicle to replace a vehicle that is Euro 3 or less (emissions). This is to aid the clean air policy of the Council and help work towards a fleet that is at least Euro 6 or more by 2020. All new / replacement vehicles must be under 5 years old at the date they are licensed.

## **8.0 Options**

8.1 Keep the limitation as currently set in the policy at 857

8.2 Change the policy as recommended above in 7.2

8.3 Remove the limitation policy, allowing market forces to dictate the number of hackney carriage vehicles.

8.3 Defer consideration of the report for further information.

23<sup>rd</sup> February 2017

Steven Lonnia  
Chief Licensing Officer  
Head of Licensing Service

APPENDIX A  
Executive Summary of Survey. CTS  
Traffic Limited

## CTS Traffic & Transport – Unmet Demand Survey – Sheffield City Council

### Executive Summary

- 1 This Taxi Services Study has been undertaken on behalf of Sheffield City Council following the guidance of the April 2010 DfT Best Practice Guidance document, and all relevant case history in regard to unmet demand.
- 2 CTS Traffic and Transportation were appointed in July 2016 in accordance with our proposal of June. Full details of our work were agreed at the inception meeting during August. On street interviews and rank work occurred when students were back in full during October 2016.
- 3 Driver opinions were also canvassed during that month using a comprehensive questionnaire addressed to all those involved in the trade. Key stakeholders were consulted during the full survey period, running from August through to January 2017.
- 4 Licensing statistics demonstrate private hire vehicle numbers have grown 75% since 1997, whilst hackney carriage vehicle numbers trebled in the period when there was no limit, but have remained the same since the limit was returned in 2008, although the actual number on issue does fluctuate with renewals.
- 5 Private hire numbers continue to rise although there was a period around the recession where this growth was stemmed. The hackney fleet has 30% of its fleet in multi-ownership, but in general most vehicles tend to be driven by one driver only at present. All the hackney carriage fleet is wheel chair accessible, with many vehicles London style.
- 6 Whilst the bulk of the ranks are in the city centre, more recently the city centre area itself has been extended with the move of the main market area, and recent years have also seen many suburban ranks introduced, though a good number are not used to any extent.
- 7 Over 60% of the observed activity during the survey of ranks was at the station. This rank requires a supplementary permit although a good proportion of the feeder ranks are on council land, with only the head on rail owned land.
- 8 During our samples, 64% of the hackney carriage fleet were observed in action. 39% were seen on the Wednesday sampled and 48% on the Saturday, with 35% active on both days. This suggests spare capacity remains in the fleet if needed.
- 9 Evaluation of service to the ranks found that there was a limited amount of unmet demand, but that this was far from significant in terms of the industry standard index of significance of unmet demand.
- 10 The resulting index for the non-station ranks was 2.074, that for the station on its own 1.452, and that for all ranks 1.46, all well below the accepted value of 80 which needs to be exceeded for the unmet demand to be counted as significant.
- 11 A robust sample of people in the streets of the area, including some non-central interviews, found that 85% had used a licensed vehicle in the last three months, much higher than in the last survey in 2010.

- 12 The overall usage of both licensed vehicles and hackney carriages was also higher, with there being an estimated 2.6 licensed vehicle trips per person per month, with the hackney carriage value being 0.6, 23% of the total.
- 13 Overall 17% said they used ranks and 10% hailed vehicles. Usage of ranks by those interviewed in the central area was 21%.
- 14 Chapeltown was notable in seeing the highest quoted level of use of smartphones, rather than just 'phone'.
- 15 When asked about companies they phoned to get vehicles, people gave a number of responses, but only three companies obtained 12% or more of the responses.
- 16 One company obtained over half the responses. 94% of mentions were attributed to the top five companies (two getting 8% and 5% respectively, the first of these being Uber).
- 17 People knew of a good number of ranks, but only two had 27% or more of mentions, the top being the station. The second most quoted was 'City Hall'. Five other ranks obtained between 2% and 6% of mentions.
- 18 Most of the customers of key stakeholders tended to use private hire and obtained a service without complaint from them.
- 19 Ranks were only known by restaurants, pubs and night clubs, some of whom quoted knowledge and use by their customers of out of city ranks.
- 20 A 2% response from drivers saw 79% of this being from hackney carriage. Of the whole total, most worked five days (40%), although many did work six or seven days.
- 21 The overall average hours worked was 41 per week. 94% of those responding claimed to own and drive their own vehicle. 28% said they accepted radio bookings, with three quarters of these using one circuit (a mixed private hire hackney carriage vehicle company).
- 22 They told us the main rank used was the station, followed by Barker's Pool and West Street. 88% agreed with retention of the limit policy, including many private hire respondents. 40% of the respondents to the survey had entered the trade in the period when there was no limit on hackney carriage vehicle plates.
- 23 Our overall conclusions from this survey are that there is no significant unmet demand for the service of hackney carriages in the Sheffield licensing area at this point in time.
- 24 This means that the committee are able to retain the current limit policy, and at its present level, and defend this if necessary. Further conclusions and recommendations regarding other related matters are provided in the body of the full Report.

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