

REPORT OF THE REGULATORY COMMITTEE

Meetings Held on 29th November and 31st January, 2006

Membership:

Councillors: R.I. Matthews (Chairman), Brig. P. Jones CBE (Vice-Chairman) Mrs. S.P.A. Daniels, G.W. Davis, D.J. Fleet, J.G.S. Guthrie, J.W. Hope, T.W. Hunt, J.W. Newman, R. Preece, D.C. Taylor, P.G. Turpin.

HIGHWAYS ACT 1980 SECTION 119 PROPOSED PUBLIC PATH DIVERSION ORDERS

1. The Committee has dealt with two applications for Public Path Diversion Orders. An Order has been granted in respect of footpath CS4 (part) at Castle Frome to move the footpath away from the garden of Moorend Farm and its private wildlife reserve based around the ponds there. An alternative route has been provided which is acceptable under the provisions of the Act following successful consultation with interested parties, the local parish council and the local Ward Councillor. There are long-standing issues about land ownership regarding an application for an Order in respect of footpath LW4 (part) at Llanwarne and the Committee has deferred the matter for six months during which time these issues must be resolved.

HACKNEY CARRIAGE TARIFF INCREASES 2005/2006 - THE TOWN POLICE CLAUSES ACT 1847 AND LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976

2. Taxi fares are reviewed annually and the Committee has approved a new tariff structure which has been based on the annual inflation indices and submissions from the Herefordshire Hackney Carriage and Private Hire Association. The new fares came into effect in December 2005 following a detailed consultation process.

SUMMARY OF LICENCES ISSUED BY THE LICENSING DEPARTMENT

3. At the meeting of Council on 4th November, 2005 some concern was expressed about the number of taxi licenses being granted for Hereford City and whether there was an adequate number of taxi ranks to support them. Investigation reveals that the licensing legislation permits local licensing authorities to place a limit on the number of vehicle licences granted but not driver licences. However it is not possible to set an arbitrary limit without being first satisfied that there is no significant unmet demand for hackney carriages. The way of assessing demand is by means of a survey and if one has not been undertaken, applicants have a right of appeal to the Crown Court against a decision to refuse a licence. The onus is then on the licensing authority to demonstrate to the court that there is no significant unmet demand.
4. The issue of unmet demand has to be considered carefully. Whilst there may be some particular pressure areas, (where taxi supply appears to outstrip demand), this may be restricted to limited times and sites. At other times demand may be high, such as in the early hours of the morning when customers leave pubs and nightclubs. A reduction in the number of taxis available to help in dispersing people at this time could create other problems such as an increase in public disorder. Whilst no detailed estimates have been sought, indications are that the figure would be in the order of £20,000 and there is currently no budgetary provision for this. There is also the problem of ongoing costs because surveys need to be undertaken on a regular

basis to ensure that “need” had not changed. The Office of Fair Trading suggests that the national average for such surveys is every two to four years.

5. In November 2003 the Office of Fair Trading produced a report entitled, “The Regulation of Licensed Taxi and PHV Services in the UK” which examined the regulation of the quantity of Taxis operating in a local authority area. The OFT report recommended, *“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 on the basis that Consumers suffer through:*

- *reduced availability of taxis - quantity controls, on average, reduce the number of taxi vehicles by about 25 per cent and in some cases by much more than that;*
- *increased waiting times - quantity controls increase the amount of time that people have to wait for a taxi. Overall, our research shows that restricting quantities increases average waiting times. At certain times of day, such as peak times, waiting times increase on average 10%;*
- *reduced choice – the lower availability of taxis in LAs with quantity controls reduces transport options for consumers. These consumers use other forms of transport to make their journey; and*
- *reduced safety – a shortage of licensed taxis on the streets, especially during the evening, encourages the use of illegal taxis, potentially exposing consumers to serious safety threats. This is a significant problem. We estimate that approximately 1.8 million people have taken an illegal taxi at least once in the past 12 months. Limited supply of taxis can also contribute to difficulties faced by the police in clearing city centres or public places in the evenings;*

Quantity regulations also restrict those wanting to set up a taxi business from entering the market to meet the demands of consumers. They do this by:

- ***creating a premium on taxi licences*** – *in areas where licences are limited in number they have themselves become valuable commodities typically ranging from £12,000 to £50,000. This creates a sizeable entry barrier; and*
- ***delaying market entry*** – *areas with quantity controls have a waiting list for people wanting to set up taxi businesses. In some areas the number of people on the waiting list exceeds the number of licences already in circulation, indicating that there are more people wanting to enter the market than are currently serving it.*

Overall therefore these quantity restrictions serve neither consumers nor potential entrants. There is no clear rationale for maintaining these regulations. We have nonetheless explored potential rationales which have been put forward to justify the regulation, and found none to be convincing”

6. The Committee has noted the situation and feels that regulating the number of hackney carriages in the County would not address some of the problems encountered at certain times within the City, which need to be tackled by other means.

APPLICATIONS FOR VARIATION OF HACKNEY CARRIAGE AND PRIVATE HIRE VEHICLE LICENCES – LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976

7. Two applications for the variation of Hackney Carriage/Private Hire vehicle licences were referred to the Committee in accordance with the Council's terms and conditions. One was to permit a vehicle to exceed the Council's 8-year age limit until June, 2006 and the other is to permit a disabled access vehicle to be replaced with a standard saloon. The applications were approved by the Committee because of the particular circumstances involved but on the basis that neither should set a precedent.

APPLICATIONS FOR DUAL HACKNEY CARRIAGE AND PRIVATE HIRE DRIVERS LICENCES – LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976

8. Six applications for the renewal or grant of Hackney Carriage/Private Hire drivers licences were referred to the Committee in accordance with the Council's terms and conditions and the advice on the interpretation of spent convictions and medical requirements. The applicants and their representatives gave details of the grounds for their applications and they provided the Committee with the circumstances giving rise to their offences or health situations.
9. Having considered all the facts put forward by the Licensing Manager, the applicants and their representatives, the Committee decided that the Licensing Manager should be authorised to grant two applications because they considered that the applicants were fit and proper persons under the meaning of the Local Government (Miscellaneous Provisions) Act 1976. The Committee refused four applications because they considered that the applicants were not fit and proper persons under the meaning of the Local Government (Miscellaneous Provisions) Act 1976.

**R.I. MATTHEWS
CHAIRMAN
REGULATORY COMMITTEE**

BACKGROUND PAPERS

- Agenda papers from the meetings of the Regulatory Committee held on 29th November, 2005 and 31st January, 2006.