

Wolverhampton City Council

Licensing Committee

Originating Service Group(s) **EDUCATION AND ENTERPRISE**Date **13 February 2013**Contact Officer(s)/ **COLIN PARR**Telephone Number(s) **0105**Title **FUTURE PROVISION OF HACKNEY CARRIAGE SERVICES**

RECOMMENDATIONS

- (i) That Licensing Committee note and endorse the proposals relating to the future provision of Hackney Carriage services in Wolverhampton, including the package of additional measures proposed to develop Hackney Carriage services detailed at Appendix A.
- (ii) That Licensing Committee follow the recommendation from Cabinet to formally adopt an incremental approach to revising Hackney Carriage vehicle licence requirements over a three year period as follows:-
- **1 April 2013 – Purpose Built Hackney Carriages of up to two years of age are permitted to join the fleet**
 - **1 April 2014 – Purpose Built Hackney Carriages of up to four years of age are permitted to join the fleet**
 - **1 April 2015 – Purpose Built Hackney Carriages of up to six years of age are permitted to join the fleet**

FUTURE PROVISION OF HACKNEY CARRIAGE SERVICES

1.0 PURPOSE

- 1.1 This report is to advise Licensing Committee of the current position in the city relating to the provision of Hackney Carriage services, how these services compare to the needs of the city, both existing and in the future, and seek agreement for the the package of measures set out at Section 7 and Appendix A of this report that are required to ensure that Hackney Carriage services form a fit for purpose element of the city's broader public transport infrastructure.
- 1.2 The report also details the learning outcomes of Systems Thinking work relating to Hackney Carriage licensing policies, the consequences of these policies, their broader impact and the proposed approach to change current policies and deliver a Hackney Carriage service that will allow the city to deliver it's aspirations as detailed in the City Strategy.

2.0 BACKGROUND

- 2.1 Wolverhampton's City Strategy outlines a number of priorities for the city across three themed areas. The provision of Hackney Carriage services within the city impacts on a number of these priorities.
- 2.2 Ensuring an integrated, safe and accessible public transport infrastructure will enable conditions that allow businesses to flourish, this is a priority under the 'Encouraging Enterprise and Business' theme of the strategy. The provision of Hackney Carriage services particularly impacts on this priority. As the city further develops its entrepreneurial culture and grows there will be greater demands placed on these services.
- 2.3 There are also priorities that relate directly to improving the city centre and tackling crime and disorder. Hackney Carriage services play a significant role in the city centre's transportation infrastructure ensuring that the fleet is capable of meeting the needs of the city will help the city realise this priority, without issues of poor provision materialising and allowing other opportunities arising from the strategy to be fully capitalised.

3.0 LEARNING OUTCOMES FROM SYSTEMS THINKING

- 3.1 In September 2011 employees from Licensing Services commenced a Systems Thinking intervention which considered the Council's approach to taxi licensing. This covered the licensing of vehicles, drivers and operators of Hackney Carriages and private hire vehicles.
- 3.2 The intervention resulted in the development and implementation of a redesigned system for the processing of applications, designed around an identified set of new operating principles. The intervention also considered current taxi licensing policies and how effective these policies have proved to be at meeting purpose.
- 3.3 The purpose of the service from a customer perspective was agreed as 'get me home safe'. The intervention identified that policies relating to the 'fit and proper' test for drivers and assessing the safety of vehicles were currently meeting this purpose.

However some revisions to the guidelines used by employees and Councillors when considering driver applications were identified. These were subsequently consulted on and formally agreed by the Licensing Committee on 25 July 2012.

- 3.4 However one area of policy was shown to be in conflict with the service's purpose. This was the new Hackney Carriage vehicle requirements, which were identified as a barrier to entering the Hackney Carriage trade. The consequences of this policy are detailed below.

4.0 CONSEQUENCES OF CURRENT HACKNEY CARRIAGE VEHICLE LICENSING POLICY

4.1 Disproportionate Growth Rate of the Private Hire Fleet

- 4.1.1 Currently a new Hackney Carriage vehicle licence can only be granted to vehicles on their first day of registration. This means that prospective proprietors must purchase a brand new purpose built vehicle. This requires a significant capital investment of up to £30,000 for anyone wishing to enter the trade. This contrasts with the age requirements for **replacement** Hackney Carriages and **new** private hire vehicles, which can be brought onto the fleet at up to five or eight years after first registration respectively.

- 4.1.2 This disparity between the requirements for new Hackney Carriages and private hire vehicles has resulted in a fleet that has over three private hire vehicles for every one Hackney Carriage. It is believed that this disparity is the result of a combination of a previous policy limiting Hackney Carriage numbers and the current cost of entry into the trade for prospective Hackney Carriage proprietors.

- 4.1.3 This conclusion has been arrived at based on a number of factors, including discussions with current private hire drivers and operators, prospective applicants and enforcement data.

- 4.1.4 All of this suggests there exists a large number of current private hire drivers that also would wish to operate a Hackney Carriage, ply for hire, stand at ranks, etc... However due to the capital investment required to obtain a Hackney Carriage licence these drivers are instead restricted to operating private hire vehicles and can only take pre booked work.

- 4.1.5 Provision of Hackney Carriages in Wolverhampton is currently one vehicle for every 1510 residents. This does not compare well to neighbouring towns and cities, in Birmingham, Dudley and Coventry for example there is one Hackney Carriage for every 766, 695 and 369 residents, respectively.

- 4.1.6 Because of the make-up of the taxi fleet, the city has not developed a 'flagging down' culture which is common in many other metropolitan areas. Consequently there are only limited locations (primarily ranks), all restricted to the city centre, where access to immediate taxi services is reliable.

4.2 Insufficient Supply of Hackney Carriage Services at Peak Times

- 4.2.1 Evidence from a variety of sources demonstrates that the biggest demand is placed on Hackney Services during the night time economy, particularly between 1am and 4am at weekends. During these times there can be demand in the city centre for in excess of 1,000 journeys an hour.

4.2.2 Data collected from the Council's Taxi Marshal service and the Keep it Safe campaigns suggests that demand from visitors to the city centre's night time economy is approximately three times greater for Hackney Carriage services than it is for journeys pre-booked in advance. This results in significant queues at taxi ranks, with waiting times in excess of 30 minutes being common at times of peak demand (1am – 4am Saturday and Sunday mornings).

4.3 Contribution to Night Time Economy Crime and Disorder

4.3.1 The lack of available transport in the early hours results in large numbers of people, often inebriated, congregating to wait for Hackney Carriages to become available. Many attempt to bypass the queue and wait before the rank to access an oncoming vehicle, which can cause conflict and presents a risk of pedestrian/vehicle collisions. The city centre's busiest night time rank is on Market Street, which has been identified by the police as a hot spot location for crime and disorder and exposes those waiting for Hackney Carriage services to a high risk of becoming victims of crime.

4.4 Plying for Hire Enforcement

4.4.1 Due to the unmet demand for Hackney Carriage services in the night time economy large numbers of private hire vehicles regularly illegally ply for hire. Journeys that are made in this way are done so uninsured.

4.4.2 Increasingly vehicles licensed by other licensing authorities are being witnessed exploiting the unmet demand for Hackney Carriages and working illegally in the city. This causes concern not only because the vehicles are uninsured, but also because the standards applied in other areas are not generally as high as in Wolverhampton. The Council has limited enforcement controls to inspect and deal with these vehicles and drivers.

4.4.3 Because of the above, plying for hire has been a local enforcement priority for several years. The Council conducts over thirty six overt and covert patrols a year and has one of the highest levels of prosecutions in the country.

4.4.4 Guidelines for dealing with drivers prosecuted for plying for hire have also been strengthened dramatically in recent years with drivers normally facing a suspension of six months for a first offence and revocation for their second.

4.4.5 Despite the high level of enforcement and tough penalties for those caught, the practice is still widespread. It is believed drivers continue to take the risk as the large numbers of people seeking such a service make the likelihood of being caught very low.

5.0 **CONSULTATION ON PROPOSALS RELATING TO PROVISION OF HACKNEY CARRIAGE SERVICES**

5.1 In order to help in the identification of solutions to overcome the problems outlined above and to ensure a Hackney Carriage fleet that is fit for the city's current and future needs a consultation proposal was published on 1 August 2012.

5.2 The consultation proposal was that the current requirement that stipulates new Hackney Carriage licences can only be granted in respect of new vehicles be relaxed and harmonised with the current age requirements for private hire vehicles thereby allowing purpose built Hackney Carriages of up eight years of age join the fleet.

- 5.3 The proposal would reduce the existing capital costs for prospective Hackney Carriage proprietors and would be expected to generate a growth in fleet size over a period of several years. This projection is supported by the example of Coventry City Council who removed their numerical limit on Hackney Carriages in 1997 and experienced a growth in their fleet of approximately seventy vehicles a year for the following five years. The majority of the growth being due to a replacement of saloon vehicles that were previously private hires with purpose built Hackney Carriages.
- 5.4 The proposal was chosen in preference to allowing saloon vehicles to join the fleet as it would ensure that the Hackney Carriage fleet remained one of purpose built, traditional 'black cab' type vehicles and would also ensure that the existing position of all Hackney Carriages licensed by the Council being wheelchair accessible was maintained.

6.0 CONSULTATION RESPONSES

- 6.1 The consultation ran from 1 August 2012 to 14 September 2012 and during this time a total of eighteen formal written responses were received.
- 6.2 Following the consultation further responses were received from the Hackney Carriage trade associations. A copy of all written responses received both during and following the consultation period is available in the Members Library.
- 6.3 The consultation, which asked a series of specific questions, identified no clear consensus from the responses. The Hackney Carriage trade associations were concerned about the impact of the proposals on their trade, especially during the day. The private hire operators identified they would seek to replace saloon vehicles in their fleets with purpose built Hackney Carriages if the capital costs were reduced.
- 6.4 Following the consultation process dialogue has been maintained with both the hackney carriage and private hire trades through the established consultation working groups. This has not resulted in the generation of a solution supported by all parties.
- 6.5 However discussions at the working groups have identified a number of concerns with the initial proposal, particularly around the impact of an immediate influx of additional Hackney Carriages on the existing vehicle proprietors. Reservations were also raised around the capacity of the existing rank infrastructure to cope with such an increase, if the majority of the anticipated additional vehicles did not, as is expected, work primarily through private hire firms were also raised.
- 6.6 Further to this, the consultation process also highlighted a number of other issues where the trade believed reforms were required in order to improve the delivery of Hackney Carriage services. These issues and the Council's response to them are summarised in section 7.5 and further detail is provided in Appendix A.

7.0 PROPOSALS FOR THE FUTURE PROVISION OF HACKNEY CARRIAGE SERVICES

- 7.1 It is proposed that an incremental approach to revising Hackney Carriage vehicle licence requirements over a three year period is adopted as follows:-
- **1 April 2013 – Purpose Built Hackney Carriages of up to two years of age are permitted to join the fleet**
 - **1 April 2014 – Purpose Built Hackney Carriages of up to four years of age are permitted to join the fleet**

- **1 April 2015 – Purpose Built Hackney Carriages of up to six years of age are permitted to join the fleet**

- 7.2 Whilst this proposal would not immediately solve the problems detailed at Section 4 of the report, it would in time increase supply and allow businesses, visitors and residents reassurance that Hackney Carriages were an accessible, safe and available form of transport, without the unpredictability that currently exists around these services.
- 7.3 The proposal would also offer protection to those proprietors that have recently acquired a new Hackney Carriage and allow for additional rank spaces identified in the city centre transportation and public realm review to be introduced and additional locations to be identified as the fleet grows during this period.
- 7.4 Progress will be reviewed at the end of this period.
- 7.5 Further to the Hackney Carriage age proposals the consultation and following dialogue also highlighted a number of other issues where the trade believed reforms were required in order to improve the delivery of Hackney Carriage services, these are as follows:
- Permit Vehicle Inspections at VOSA Garages
 - Reduction in Hackney Carriage Vehicle Licence Fees
 - Review of Current and Future Rank Provision
 - Introduce Dual Hackney Carriage and Private Hire Driver Badges
 - Review of Hackney Carriage Fares
 - Continuation of Taxi Marshalling Scheme
- 7.6 Further detail on these proposals which were endorsed by Cabinet on 23 January 2013 as a recommendation to the Licensing Committee, is contained at Appendix A.

8.0 FINANCIAL IMPLICATIONS

- 8.1 There are financial implications arising from this report. Currently all hackney carriage and private hire vehicles are tested at the Council's Culwell Street Depot. The opening up of testing to other facilities will result in a loss in income. This will be factored into the ongoing review of Fleet Services and the Culwell Street facility and covered in further reports to Councillors. [TK/01022013/V]

9.0 LEGAL IMPLICATIONS

- 9.1 The law governing the licensing of hackney carriage vehicles is largely contained within The Town Police Clauses Act 1847, as amended and the Local Government (Miscellaneous Provisions) Act 1976
- 9.2 Hackney Carriage licensing is a non-executive function and it is therefore the responsibility of Licensing Committee to determine the policy and procedures in respect of this matter.
- 9.3 There exists at present an inequality in the way new and replacement vehicle licence applications are dealt with. Currently the Council's licence conditions stipulate that only brand new purpose built vehicles can be granted a new Hackney Carriage licence, whilst

existing vehicles can be replaced with a vehicle up to five years old. This inequality may leave the current policy vulnerable to legal challenge. [SH/09012013/P]

10.0 EQUAL OPPORTUNITIES IMPLICATIONS

10.1 An equalities assessment has been completed and no direct implications have been identified.

11.0 ENVIRONMENTAL IMPLICATIONS

11.1 There are no direct environmental implications arising from this report. However the provision of transport facilities to the night time economy can impact on levels of crime and disorder.

12.0 BACKGROUND PAPERS

12.1 Reports to Licensing Committee between 1990 and 2012

12.2 Report to Cabinet 23 January 2013, *FUTURE PROVISION OF HACKNEY CARRIAGE SERVICES*

FURTHER SERVICE DEVELOPMENTS

The Systems Thinking intervention into taxi licensing, the responses to the consultation proposal put forward in the Summer and the subsequent discussions at the trade working groups have identified a number of other issues that require revision in order to further develop Hackney Carriage services in the city, these revisions will also require endorsement by the Licensing Committee and are detailed below:-

Permit Vehicle Inspections at VOSA Garages

Currently all vehicle MOT, safety and compliance checks on Hackney Carriages and private hire vehicles are carried out at the Council's Culwell Street Depot. Employees are currently in dialogue with VOSA registered garages across Wolverhampton to look at allowing tests to be conducted by private garages. This would enable the trade to benefit from financial incentives through economies of scale, competition and potential discounted rates for rectification work/tests.

The removal of the testing fees currently charged by Culwell Street will represent a reduction in Hackney Carriage vehicle licence fees charged by the Council as detailed below:

- Vehicles up to six years old - £62 reduction in licence fee (£57 for private hire vehicles)
- Vehicles over six years old - £124 reduction in licence fee (£114 for private hire vehicles)

These proposals will be presented to the Licensing Committee for agreement prior to implementation and it is envisaged that private garages will be approved to deliver Hackney Carriage and private hire vehicle safety tests from the Spring.

Current Position: The preferred option is at consultation stage with VOSA, private garages and the trade; a paper will be presented to Licensing Committee following the consultation process.

Reduction in Hackney Carriage Vehicle Licence Fees

There is potential that as the Hackney Carriage fleet grows over the next three years and beyond the current high level of enforcement activity targeted against plying for hire could be reduced. The cost of this enforcement is recovered through licence fees and it is proposed that over the next three years this enforcement priority is kept under review and any scaled down activity is reflected in further reductions in licence fees.

Further to the above, proposed revisions to internal vehicle signage requirements for Hackney Carriages will also lead to a reduction in fees charged which were agreed by the Council's Licensing Committee on 16 January 2013. These revisions and a reduced fee will come into effect on 1 April 2013.

Current Position: Reduced fees agreed by Licensing Committee 16 January 2013.

Review of Current and Future Rank Provision

Through the existing Hackney Carriage working group work is progressing to introduce further rank capacity at the following locations:

- North Street (night time rank) – additional three spaces

- Fold Street (night time rank) – new five vehicle rank
- Chubb St/Railway St (24hrs) – create four new permanent ‘taxi waiting bays’ on the car park following successful completion of the twelve month pilot
- Bilston Town Centre (24hrs) – additional three spaces
- Bentley Bridge (24hrs) – explore creation of four ‘taxi waiting bays’

In the medium term the Council is currently consulting on transportation and public realm improvements in the city centre. This consultation has engaged closely with both the Hackney Carriage and private hire trades.

The proposals as they are currently drafted will see the introduction of new ranks and additional spaces servicing both the day and night time economies.

In the longer term as the Hackney Carriage fleet grows and the city develops the Council will maintain dialogue with the trade and the business community to identify further new ranks at locations such as Wednesfield, Tettenhall and development sites such as i54.

Current Position: Implementation of the new ranks is an Executive function and progressing through the appropriate statutory process.

Introduce Dual Hackney Carriage and Private Hire Driver Badges

Trade representatives have requested that in order to minimise the burden on current private hire drivers who wish to become Hackney Carriage drivers a dual licence should be introduced.

The Council’s Licensing Committee agreed a fee for a dual licence on 16 January 2013 and an assessment programme is now being developed to ensure that any drivers wishing to hold a dual badge are aware of the requirements, conditions and byelaws of both Hackney Carriage and private hire driver licences.

Current Position: Dual badges agreed by Licensing Committee 16 January 2013.

Review of Hackney Carriage Fares

A revised table of Hackney Carriage fares was agreed for consultation by the Licensing Committee on 16 January 2013. The new fares proposed include an enhanced night time tariff to encourage better supply to the night time economy, a revised flag down charge and a reduction in fares at Christmas and on New Year’s Eve from double time to time and a half.

These fares were formally proposed by the trade associations and subject to consultation responses will be presented back to the Licensing Committee following consultation with a view to implementing from 1 April 2013.

Current Position: Revised fares agreed for consultation by Licensing Committee 16 January 2013.

Taxi Marshalling Scheme

The Council is currently delivering a twelve month pilot of the taxi marshalling service. The service is well used and has assisted with providing visitors to the city centre’s night time economy with safe reliable access to taxi services.

It is proposed that employees seek to identify further funding avenues to allow the service to continue to be delivered until such a time as the level of supply of Hackney Carriages to the city reaches a level at which the service is no longer required.

Current Position: Funding agreed for current pilot scheme until 31 March 2013.