

# **LICENSING COMMITTEE**

## **AREA DEMAND SURVEY 2022/23**

**16 March 2023**

### **Report of the Licensing Manager**

#### **PURPOSE OF REPORT**

To enable Members to consider the findings of the survey conducted by LVSA (Licensed Vehicle Surveys and Analysis).

**This report is public.**

#### **RECOMMENDATIONS**

**Members are asked to consider the final report from the survey provider, LVSA (Licensed Vehicle Surveys and Analysis), and to consider what action to take in the light of the findings of the survey.**

##### **1.0 Report**

- 1.1 Lancaster City Council currently limit the number of hackney carriage proprietors' licences at 108. This is detailed in section 5 of the Private Hire and Hackney Carriage Licensing Policy implemented by Licensing Committee in April 2022.
- 1.2 The Transport Act 1985 (s16) provides the key legal provision in respect of numbers of hackney carriages to be licensed. This provides that the grant of a taxi (hackney carriage) licence may be refused, for the purpose of limiting the numbers of licensed taxi 'if, but only if, the local licensing authority is satisfied that there is no significant demand for the services of hackney carriages (within the area to which the licence would apply) which is unmet'.
- 1.3 In maintaining such a policy the Council must provide evidence that there is no significant unmet demand for hackney carriage services within the area in order to be in a position to refuse any new applications for additional licences. For this purpose, it is considered necessary to commission an independent survey to assess the level of demand for hackney carriage services, and that such survey should be conducted by an organisation specialising in this area of work.
- 1.4 Members may recall that in late 2019 a hackney carriage area demand survey was carried out by LVSA (Licensed Vehicle Surveys and Analysis) on the Council's behalf; It concluded that there was no significant unmet demand for hackney carriages and recommended that the Council maintain the existing policy restricting the number of hackney carriages licensed to 108.

There is a general acceptance that the findings of hackney carriage demand surveys are valid for no longer than three years. Therefore, a further survey was required in 2022/23.

- 1.5 In November 2022, a report was brought before Licensing Committee for noting, it outlined a proposal from LVSA (Licensed Vehicle Surveys and Analysis) to undertake the area demand survey for 2022/23. LVSA (Joint trading name of CTS Traffic and Transportation Ltd and Vector Transport Consultancy) have been the providers of the area demand survey on behalf of Lancaster City Council on 4 previous occasions.
- 1.6 The final report outlining the findings of the area demand survey are attached at **Appendix 1**.

Members will note from the attached report that on the basis of the analyses conducted, LVSA has concluded that there appears to be no significant unmet demand for hackney carriages at this time.

### ***Summary***

- 1.7 This latest unmet demand survey for Lancaster saw the principal information gathered between November 2022 and February 2023. Rank observations were undertaken in mid-November, on-street interviews in late November, and driver views obtained by mid-February 2023. Key stakeholders were approached throughout the survey period.

### ***Vehicles***

- 1.8 The graphs on page 16 of the reports provides some background information in respect of licensing statistics. It shows the two small additions made to hackney carriage vehicle numbers around 2000 and 2008 and marginal reductions in the total numbers in 2004, 2012 and 2022 (although the latter only represents the fleet available at the time of the survey, with one plate not on issue at that time). There are now 12% more hackney carriage vehicles than in 1994 but 49% more private hire.

However, private hire vehicle numbers, not limited, and directly theoretically responsive to market levels of need, saw their maximum growth between 1997 and their peak in 2005. Since that time, there has been a general trend of reducing numbers although they saw 8% growth just before the last survey but then declined by 21% (a decline already starting pre-pandemic but worsened by it) before finally seeing some growth again from the time of the DfT review in March 2022 to the time of the rank survey in November 2022.

This means the proportion the hackney carriage vehicles are of the fleet has dropped from 43% in 1997 to 36% at the current time (was 31% in 2019), although this remains a high proportion for an area with long term hackney carriage vehicle limits. The local fleets have a number of private hire companies for whom hackney carriages regularly work which means the two fleets are far from distinct. In this case it appears that many private hire vehicles have been supplanted by hackney carriages that also spend a significant proportion of their time on private hire operating circuits due to low rank demand levels.

### ***Drivers***

- 1.9 There has been a switch towards dual driver licences, although this transfer is not complete and it appears the level of those retaining vehicle type specific licences seems to have stabilised. Although this generally led to a reduction in overall apparent driver numbers until 2017 (reflecting the removal of duplicate holdings)

there was some growth just before the last survey although after that decline returned, again with the low point occurring at the time of the 2022 DfT data collection, with a slight upturn since.

The graph at this time is suggesting the low point has been reached in driver and vehicle numbers and that an upturn has begun.

### ***Private Hire Operators and wheelchair accessible vehicles (WAVS)***

- 1.10 The graph on page 18 shows a very similar profile for operator numbers compared to overall private hire vehicle numbers. The slight evidence of stability around the last survey did not last, and recent information suggests a general decline in operator numbers.

With reference to WAV style vehicles, the number of formal WAV in both fleets has remained stable at 15 vehicles each since the 2021 DfT survey. However, the private hire level rose from none in 2016 to the current 8% now (a level stable over the last 18 months).

Considering the overall level of WAV (wheelchair accessible vehicles) in the licensed vehicle fleet using the March 2022 DfT statistics, Lancaster has around 10% of its total vehicle fleet (hackney carriage and private hire) that are WAV style.

### ***Rank Observations***

- 1.11 The sample of rank hours observed was used to produce an estimate of the typical level of patronage at each rank. The table at page 23 of the report shows the resulting average weekly estimates of rank usage by passengers and compares this to results available from previous surveys.

The headline from the table is that total weekly estimated demand for the service of hackney carriages from ranks in the Lancaster licensing area has halved since the last survey. The estimated level is some 70% less than the peak value observed in 2010. Whilst there had been decline from 2010 through the next two surveys, the level of demand between the 2016 and 2019 surveys had remained stable giving signs of hope that the rank stability had led to passenger stability. The pandemic – or other factors – have clearly seen hackney carriage rank demand reduce significantly.

### ***General public views***

- 1.12 A key element which the surveys seek to discover is specifically if people have given up waiting for hackney carriages at ranks (the most readily available measure of latent demand). However, the opportunity is also taken with the surveys to identify the overall usage and views of hackney carriage and private hire vehicles within the study area, and to give chance for people to identify current issues and factors which may encourage them to use licensed vehicles more. (Pages 31-38 of the report)

### ***Stakeholder views***

- 1.13 The following key stakeholders were contacted in line with the recommendations of the best practice guidance:
- Supermarkets
  - Hotels
  - Pubwatch / individual pubs / night clubs
  - Other entertainment venues
  - Restaurants

- Hospitals
- Police
- Disability representatives
- Rail operators
- Other council contacts within all relevant local councils

Generally, little feedback was obtained from stakeholders. The council licensing section are not aware of any other issues about availability of licensed vehicles being raised, which suggests there are no significant issues since people would tend to make their views known were there any such issues as established contacts are already in place between the licensing service and stakeholders.

### ***Trade stakeholder views***

- 1.14 The survey providers and licensing made use of internal contact details and ensured members of the trade were contacted and reminded to share their views via an online questionnaire, alternatively they could provide written response. (Brackets indicate 2019 figures for context)

There were only 12 (five last time) responses received, 50% (40%) from hackney carriage, 33% (40%) from private hire and 17% (20%) from those that drove both kinds of vehicle. Of these, two thirds said the licensed vehicle trade was their only or main source of income. 25% were part of the trade but not presently working although intending to return when demand had increased again, with one person (8%) being a part time trade person who had other sources of income. None of those responding said they did not plan to return.

The drivers responding had an average of 14 (16) years' experience but ranging from recent starters to 30 years (eight to 28).

There were a lot of pessimistic responses about impact of the pandemic although quite a few were more hopeful looking forward. Several were clear they had taken other jobs and one was not sure if they would renew their licence when it ended. Of those responding, 44% took immediate hire from bookings, 38% immediate hire from ranks and 19% advanced hire work.

Page 42 and 43 details their responses to the questionnaire.

Five of the twelve respondents made further comments. One asked for the return of the taxi forum. One felt passengers were not aware of the difference between hackney carriage and private hire and also stated that Penny Street and North Road ranks both saw significant issues with private cars parking on them and preventing hackney carriages using them. Another pointed out the low level of rank work and the low morale, which was leading to potential customers picking up the negative mood of the trade. They felt that adding any more hackney carriages would probably lead to more leaving the trade than joined.

The overall tone of the responses were relatively concerned for the future. One suggested the limit was one of the few positive points at the present time.

### ***Conclusions***

- 1.15 The independent collation of evidence of demand for hackney carriages in the Lancaster licensing area found a very disturbing picture of a strong decline in use of hackney carriages across the authority area. This covers reductions in both volume and extent of ranks used. Morecambe now effectively only has one, daytime only, rank. Lancaster has two ranks, one more attuned to night demand, plus the private

rank whose patronage has naturally reduced with decline in rail patronage not yet returned to pre-pandemic levels. Ironically the peak usage of the rail station matched the last survey period almost exactly, making the differences observed worse.

The overall evidence is that the current limit on hackney carriage vehicle licences is providing the last vestiges of stability but is providing public benefit to those using licensed vehicles in the area. Without the limit the decline in usage may well have been much worse. However, if hackney carriages are to remain a key part of public transport provision in Lancaster, urgent action is needed to keep them.

It is essential to make sure that the North Road rank is strongly protected from private vehicle usage. Zero tolerance of abuse at all times is needed. To ensure this is possible, it may be necessary to extend the rank even further. This could be achieved by giving up the many unused rank spaces within the town. The all-day space needs to be for two vehicles, perhaps moving partly backwards into the heavily abused double yellow line section. The night section needs to begin operation at 20:00 or even 18:00 once the use for loading ceases, not leaving a gap in between where other vehicles can get established.

A decision is needed if Penny Street needs to be retained or not. The present location has around six spaces. It might be more appropriate to reduce this to two spaces but design them to be much more clearly a rank, and then ensure they are enforced. However, this should only be undertaken if the trade commit to using the rank. The public strangely said they used it.

Discussion is needed with the trade, and perhaps with the night trade in Morecambe if a better night rank provision is needed there. The former rank there which was much more easily enforceable and obvious was always much more highly used. It may be, however, that this demand has now moved to private hire and app-based (almost certainly using the same vehicles but not rank-based).

If the Council wish to retain an active hackney carriage rank-based operation in the authority, the limit should be retained although it is possible that the number could be set as a moratorium on new plates rather than a fixed limit, allowing the level of plates to reduce. The actual rank-based demand element of the hackney carriage trade clearly cannot support anywhere near as many vehicles.

## **2.0 Options**

The options available to members are:

- a) To note the contents of the survey findings, and;
- b) To maintain the existing policy restricting the number of hackney carriage licences and to restrict the number to 108.
- b) To consider reviewing the existing policy on the issue of hackney carriage licences.

## **3.0 Conclusion**

- 3.1 Lancaster City Council currently limit the number of Hackney Carriage licences to 108. In doing so, an independent survey must be conducted every 3 years to ascertain if there is any unmet demand for the services of hackney carriages in the local area. The outcome of the survey can be used to support any refusal of

applications for hackney carriage licences and steer officers and members when proposing policy matters.

- 3.2 An independent survey has been conducted by LVSA (Licensed Vehicle Surveys and Analysis). A joint trading name of CTS Traffic and Transportation Ltd and Vector Transport Consultancy. They have conducted the survey on behalf of Lancaster City Council on 4 previous occasions.
- 3.3 As set out in the survey, the methodology for assessing usage/demand and providing a comprehensive evidence-based summary of the area demand for hackney carriages included trade consultation, public views, analysis of rank-based demand, including direct observation and engagement with key stakeholders.
- 3.4 The key conclusion is that there is no evidence of any unmet demand for the services of hackney carriages either patent or latent which is significant at the point in time the survey was undertaken. The committee is therefore able to retain the current limit and do so at its present level. There is specifically no need to add any further licences. There could be a clear case for not renewing any spare licences that might appear.
- 3.5 The committee must determine if it considers retention of a rank-based hackney carriage operation important to the area. If so, significant action needs to be encouraged some of which is beyond the remit of the licensing service. In essence, current used ranks need strong and zero tolerance enforcement at all times, and up to three ranks need to see significant development, which requires action and agreement from Lancashire highways.
- 3.6 Members are asked to consider the report and survey findings and determine whether to limit the number of hackney carriages to 108. Additionally, members may wish to review current policy on the issuing of hackney carriage licences. Members will recall that as part of the private hire and hackney carriage licensing policy consultation and review, members decided a further 2 hackney carriage licences could be issued, the requirement was that the vehicle(s) had to be zero emission and wheelchair accessible – no applications have been received to date.

#### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

There are no such implications arising from this report.

#### **FINANCIAL IMPLICATIONS**

There are no financial implications arising from the report at this stage. The costs associated with the area demand survey are recovered directly through hackney carriage licence fees, with 108 vehicle proprietors paying a proportion of the cost of the survey over 3 years. (Approx £93.00 per licence holder)

Should Members be minded reviewing the policy on limiting the number of licences issued, the budget implications would be explored further at that stage.

#### **LEGAL IMPLICATIONS**

There are no direct legal implications at this stage. If Members are minded continuing to

limit the number of licences to 108, the detailed analysis conducted by LVSA would be used to support refusal of any subsequent application for an additional hackney carriage licence.

**BACKGROUND PAPERS**

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