

Public Agenda Item: **Yes**

Title: **Unmet Demand Study and cleaner vehicles**

Wards
Affected: **All**

To: **Licensing Committee** On: **05 December 2019**

Key Decision: **Yes**

Change to Budget: **No** Change to Policy Framework: **No**

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1. What we are trying to achieve

- 1.1 This report is seeking to provide Members with an update further to the Licensing Committee recommendations dated 1st November 2018. This was regard to the 2018 Unmet Demand Study's finding regarding the potential for significant unmet demand within three years and the provision of less polluting vehicles.

2. Recommendation(s) for decision

- 2.1 That the Licensing Committee agrees to;
- a) Conduct the necessary procurement exercise in order to engage the services of an appropriate provider for the purpose of conducting a Survey of Unmet Demand to be conducted in October 2020 and reported to this Committee in early 2021.
 - b) Bring a report to Licensing Committee by the end of July 2020, providing a range of options and considerations to move towards a requirement for 'green' fleet of licensed vehicles at a future date.
 - c) Agree that the current single vacant seasonal and single full Hackney Carriage plates remain unfilled pending the outcome of the Survey of Unmet Demand, as outlined in recommendation a) above.

3. Key points and reasons for recommendations

- 3.1 On the 1st November 2018, Members considered a report reviewing the results of the 2018 Unmet Demand Study agreeing to the recommendations of that report,

which were:

- i) that the current quantitative limit of Hackney Carriage licences at 162 full time licences, with 7 additional summer (seasonal) only licences be maintained;
- ii) that a further report be presented to the Licensing Committee in 6 to 12 months following full consideration of the impacts of the study relating to future unmet demand and pollutant vehicles, in order to present proposals relating to increasing or deregulating the quantitative limit in the future; and
- iii) that the current vacant summer licence should remain unallocated pending the outcome of the report requested in ii) above.

3.2 These agreed recommendations follow the 2018 Unmet Demand Study own conclusions which in Section 9 states:

“At the present time, there is no evidence that unmet demand for hackney carriages either patent (at ranks) or latent is significant. People needing licensed vehicles in the area, both able-bodied and disabled – get a good service from the fleet that exists. However, despite many improved elements of the index of significance of unmet demand, there is a trend towards the unmet demand becoming significant which almost certainly needs action before the next survey in three years’ time”.

3.3 Professional and legal advice have been sought and a range of options considered with respect meeting the 1st November 2018 Licensing Committee recommendation (ii). The preferred option, which ensures transparency, provides due process and complies with both the professional and legal advice, is to undertake a full unmet demand study in October 2020. This allows direct comparison with a previous study, places no additional financial burden on either the Hackney Carriage licence holders or the Council, and brings forward the date of the next study by 7 months so assuring we address the key finding of the 2018 Unmet Demand Study Report.

3.4 Recommendation (ii) under 3.1 above, refers to ‘polluting vehicles’, and so the previous consideration of coupling this with any consideration for de-regulation as a way of managing that change and at the same time achieving an increase in less polluting vehicles has been abandoned. This will now form a separate work stream and after some further research, a range of options will be placed in front of Licensing Committee by the end of July 2020, with the aim of undertaking a trade and public consultation to deliver a greener vehicle fleet.

3.5 In addition to the one seasonal plate cover in recommendation (iii) under 3.1 above, one full plate was additionally not renewed in April 2019 and is also currently vacant. This report therefore, also carries recommendation that both plates remain vacant pending the proposed unmet demand study for October 2020.

For more detailed information on this proposal please refer to Annex A.

Steve Cox

Environmental Health Manager (Commercial)

Annex A – Supporting information to Report

A1. Introduction and history

A1.1 On the 1st November 2018, members considered a report reviewing the results of the 2018 Unmet Demand Study agreeing to the recommendations of that report, which were:

- iv) that the current quantitative limit of Hackney Carriage licences at 162 full time licences, with 7 additional summer (seasonal) only licences be maintained;
- v) that a further report be presented to the Licensing Committee in 6 to 12 months following full consideration of the impacts of the study relating to future unmet demand and pollutant vehicles, in order to present proposals relating to increasing or deregulating the quantitative limit in the future; and
- vi) that the current vacant summer licence should remain unallocated pending the outcome of the report requested in ii) above.

A1.2 These agreed recommendations follow the 2018 Unmet Demand Study own conclusions which in Section 9 states:

“At the present time, there is no evidence that unmet demand for hackney carriages either patent (at ranks) or latent is significant. People needing licensed vehicles in the area, both able-bodied and disabled – get a good service from the fleet that exists. However, despite many improved elements of the index of significance of unmet demand, there is a trend towards the unmet demand becoming significant which almost certainly needs action before the next survey in three years’ time”.

A1.3 The 2018 Unmet Demand Study report also considered the impact of licensed vehicles on air quality what would be the best vehicles to ‘authorise’ should a decision be made to relax the limitation on Hackney Carriage numbers.

“From our experience, the best conclusion from the options available would be to allow any persons wishing to invest in vehicles the Council would like to see more of in the fleet to do so. Given present concerns, nationally and specific to Torbay, this would most likely mean allowing new hackney carriage plates for:

- *Any electric WAV*
- *Any fully electric or other low emission style vehicle*
- *Any hybrid vehicle as long as this was Euro 6 if diesel”*

A1.4 As you will see from the recommendation (i) in A1.1 above, the current quantitative limit was retained, however it did raise with Committee the importance of reducing the impact of emissions from vehicles.

A1.5 Licensing Officers have given further consideration to the findings of the 2018 Unmet Demand Study and have taken professional and legal advice of the options available to it.

A1.6 Any consideration to de-regulating the quantitative limit would need to be

supported by clear evidence that there is now significant unmet demand. The 2018 report believes this point will be reached within three years. However, there are several factors that could affect this, and the professional advice received from a transportation expert in this field, is that the only way to evaluate this accurately is to undertake a new Unmet Demand Study. Their advice would also be to undertake a direct comparison with a previous survey's rank observations and they would consider the month of October to be a better time to undertake the survey, providing it is away from the half term week. The 2014 survey was undertaken in early October 2014, whilst the 2018 survey was undertaken in the middle of May.

- A1.7 It is important to note that in the June 2004 a Department of Transport letter, required that where a Council continues with its Quantity Control Policy there is an additional requirement to review this position approximately every three years and this government position remains unchanged.
- A1.8 There are three options. Option one would be to arrange to undertake an Unmet Demand Study in May 2020, though this doesn't leave sufficient time to procure a provider and would require some additional funding as this would be only two years since the last survey. This funding would either need to be raised from the Hackney Carriage licensed vehicle owners or from Torbay Council finance, neither which are seen as realistic options.
- A1.9 Option two would be to undertake a new study in October 2020, which would coincide with the 2014 survey, so allowing a direct comparison with the results from that survey. It would bring the survey back into a three year pattern as the 2018 survey was undertaken after 3 ½ years and by doing so would require no additional finance and it would meet the concern raised in the 2018 Survey Report, that significant unmet demand would almost certainly be met within three years.
- A1.10 Option three would be to undertake the next survey in May 2021, and although this would again allow direct comparison of the 2018 survey, it doesn't meet that reports concerns. It is therefore recommended that Option two is agreed.
- A1.11 It is also recommended that both the one seasonal plate and now an additional annual plate, which was not renewed in April 2019, remain unfilled until the next survey is completed. To do so would require considerable procurement work at a time when there is no suggestion of any significant unmet demand.
- A1.12 The recommendation from 1st November 2018, repeated under item (ii) in A1.1 above refers to 'polluting vehicles', and consideration was given previously to coupling this with any consideration for de-regulation as a way of managing any change. The last report says there is no significant unmet demand and any new survey report is likely to be at least 15 months away, assuming Option Two is supported, so consideration should be given to a range of options to increase the percentage of the cleaner vehicles in the vehicle fleet. This is with climate change and the impacts of air quality on health in mind. Although this requires further research, it is recommended that a new report is provided for Licensing Committee to consider, providing a range of options for the provision of cleaner vehicles which will be presented for trade and public to consider during a 12 week consultation. This additional report will be presented by the end of July 2020.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

There are no significant risks if Members agree with the timetable as suggested for undertaking a new Unmet Demand Study, although the Council could at any time be challenged with regard to its position on quantitative limits. The risk would increase should Members choose an alternative timetable, certainly if that was significantly later than May 2021.

There are no risks with regard to reviewing the options for public consultation on less polluting vehicles.

There is a small risk that someone may challenge the decision not to agree to issue a Hackney Carriage licence by way of Judicial Review. More likely however is an application for one of the said licences, which if refused may lead to an appeal in the Magistrates Court against a future committee's decision. Should either of these challenges occur, the Council would defend its reasoned decision.

A3. Options

A3.1 The options are:

- (i) That Members agree to timetable provided for undertaking a future unmet demand study, providing an additional report on the consideration of a range of options for less polluting vehicles and agreeing.
- (ii) That Members agree to an alternative timetable for undertaking a future unmet demand study and providing an additional report on the consideration of a range of options for less polluting vehicles.
- (iii) That Members do not agree to leave the two Hackney Carriage licences unfilled.

A4. Summary of resource implications

A4.1 There are no significant resource implications for the approval of the recommendations.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

A5.1 There are no perceived equalities or crime and disorder issues stemming from this report.

A5.2 The report does refer to environmental sustainability issues, with respect to cleaner vehicles, however this will be subject to a more detailed future report.

A6. Consultation and Customer Focus

A6.1 There is no consultation with regard to this report.

A7. Are there any implications for other Business Units?

A7.1 There are no significant implications for other business units.

Appendices

Appendix 1 Minutes from 1st November 2018

Documents available in members' rooms

None

Background Papers:

The following documents/files were used to compile this report:

None