

APPENDIX 2

Government Questions

The Government suggests that the following questions be asked when assessing a policy on quantity controls, with the Council's approach indicated beneath:

(1) Has the policy recently been reviewed?

The present policy of managed growth was introduced on 10 March 2003. It was reviewed by the Licensing Committee on 1 December 2003 and on 15 April 2004. In October 2006 the Licensing Committee agreed to adopt a delimitation policy, which was reviewed in 2010 and during 2011.

(2) What form did the review take?

The 2010 review consisted of an internal review of the current number of issued licences, and the impact that had, brought to the Licensing Committee's attention by officers. An update report in June 2011 led to an independent qualitative and quantitative unmet demand survey being held between August and October 2011 and the findings reported to the Committee in January 2011.

(3) Who was involved in the review?

Officers appointed consultants for the reviews in 2005 (which led to the 2006 decision to delimit) and in 2011 after receiving several bids. The consultants were chosen on the basis of their professional expertise experience in the field, and they contacted a wide range of stakeholders in the hackney carriage and private hire trade of Watford. These included individual licensed drivers and operators; statutory organisations such as the police; licensees of late-night venues; other transport operators; disabled user groups and members of the public.

(4) What decision was reached about retaining or removing quantity controls?

In 2006 the Licensing Committee decided to remove quantity controls.

(5) Is the Council satisfied that the policy justifies restricting entry to the trade?

The 2011 survey clearly shows there is no significant unmet demand, and that there are very insignificant examples of consumers having to wait for taxis. The survey also shows that there are more often more taxis than passengers, and more taxis than available ranks, clearly indicating an over-supply in the market. The over-supply leads to a number of problems, including over-ranking at key locations, abuse of fares being charged, the taxi: population ratio and depressing the available income amongst existing licence-holders. On this basis a policy restricting the grant of further licences could be justified.

(6) Is the Council satisfied that quantity controls do not reduce the availability of taxis, increase waiting times for customers, or reduce choice and safety for consumers?

As indicated above, the current over-supply of taxis (particularly when measured against other towns) is unlikely to reduce the availability of taxis, increase waiting times or reduce choice for customers. The adoption of the proposed action plan

will also mitigate against those factors as well as improving standards for consumers.

(7) What special circumstances justify retention of quantity controls?

The large increase in taxi numbers over the last few years has led to an over-supply in the taxi market, as evidenced in the consultants' report that shows individual drivers often have long periods of waiting between passengers. Drivers are having to work longer than average hours to make a living, which may have an impact on health and safety.

(8) How does the policy benefit consumers, particularly in rural areas?

Watford is an urban area and so rural consumers are not affected. The medium-term impact of the policy will mean that the opportunity to enhance driver and vehicle standards can be taken within a closed market, which will therefore benefit consumers.

(9) How does the policy benefit the trade?

Adopting a restrictive policy protects existing licence-holders from competition. Maintaining the existing policy and seeking to reduce the number of licensed vehicles by implementing tougher licence conditions is unlikely, in the consultant's view, to be effective as more vehicles would dilute and stifle any increased regulatory burden. A limitation policy would cushion existing licence-holders for several years, and allow for HCVLs and improving standards.

(10) How does any local accessibility policies fit in with restricting licences?

The Council has a relatively mixed fleet with around 60 HCVs being wheelchair accessible. The action plan proposes drivers having to re-attend a disability awareness course on a regular basis. A "London-style taxi only" policy can be introduced into a limited or delimited market, but no real action should be taken until the detailed Government requirements under the Equality Act are known.

Questions relating to the setting of numbers of taxi licences

(11) When was unmet demand last assessed?

Other than the 2011 survey, the previous full unmet demand assessment was conducted in 2001.

(12) How is the taxi limit assessed?

By reference to significant unmet demand based on a 10-minute wait for a hackney carriage at a rank.

(13) Has latent demand, that is potential customers who would use taxis if more were available, been taken into account?

Yes, latent demand was considered by several methods, with the key method being through interviews with members of the public.

(14) Is the Council satisfied that the current limit is correct?

On the evidence presented by the consultant's report, the Council can be satisfied that a limit to be set of approximately 300 HCVLs would not be detrimental to consumers and would be a correct limit.

(15) How does the need for adequate taxi ranks affect the policy of quantity controls?

The consultant's report shows that there are forty rank spaces for a fleet in excess of 300 vehicle, (with some ranks being heavily used and some lightly used. This provision would be insufficient even with a third of the fleet working at any one time and after the increase in rank space arising from the strategic rank review. A limitation policy would at least prevent the persistent over-ranking issues from getting worse.

Questions relating to consultation and other public transport service provision

(16) When consulted, has the following been consulted:

- all those working in the market
- consumer and passenger (including disabled) groups
- groups representing passengers with special needs
- local interest groups such as hospitals, visitor attractions
- a wide range of transport stakeholders, eg rail/bus/coach providers and traffic managers

See the consultant's report for details of all consultations.

(17) Are representations received about taxi availability?

No.

(18) What level of service is currently available to consumers (including other public transport modes)?

There are good rail and bus services available. However, most services reduce in early evening and cease before midnight, when HCVs are generally the only public transport available. Only the rail service towards London provides late night services.