

REPORT

To: GENERAL PURPOSES COMMITTEE	Subject: TAXI LICENSING – ALLOCATION OF VACANT TAXI LICENCES	
From: DIRECTOR OF ADMINISTRATION		
Date: 26 February 2004	Ref: WBK/KH	

1. PURPOSE OF REPORT

- 1.1. A taxi operator's licence has become available in the Central Licensing Area. This Report seeks the agreement of the Committee as to the procedure for allocating and granting the licence and for the overall practice of allocating vacant licences in the North and Central licensing areas.

2. BACKGROUND

- 2.1. The Council limits the number of taxi operator's licences in its area to 470. As a result of that limit, demand for taxi operators' licences is high and plates attract a considerable monetary value.
- 2.2. The Council has traditionally refused to agree to the transfer (in reality sale) of taxi operator's licences except in very limited circumstances. The principal reason for that is the existence of a list of persons who have expressed an interest in obtaining a taxi operator's licence maintained in respect of the Council's South Licensing Area (the former Motherwell District Council area). It has previously been considered that if all licences were transferable then they would never return to the Council thereby defeating the interests of those persons on the South Area waiting list.
- 2.3. That notwithstanding, the Council has traditionally permitted transfers to close family members and has also formed a policy that transfers will be permitted where a prospective transferee or partner in the taxi licence can demonstrate a significant, tangible and historical interest in the business to which the licence relates.
- 2.4. Taxi operator's licences rarely become available. There are principally two reasons for that. Firstly, taxi operators tend to have a long term commitment to the business and, if giving up their interest in the business, tend to transfer their interests to close family members. Secondly, there is known to be a continuing black market sale of taxi plates.
- 2.5. When taxi licences become available in the South Licensing Area, it is the Council's practice to allocate them (i.e. invite an application for grant of a licence) in waiting list order.
- 2.6. A licence recently became available in North Area and was allocated by ballot. That relatively simple procedure was successful. There has subsequently been a level of debate among members as to whether waiting lists should be created in the North and Central areas, or whether the ballot procedure is more appropriate.

- 2.7. A taxi licence has become available in the Central Licensing Area. The licence holder had sold the licence (or at least the taxi business) to a third party and that fact recently came to light following enforcement officer activity. The licence holder has now surrendered the licence. The person who bought the licence (it is believed that the cost was £10000) has asked for the licence to be issued to him.

3. ISSUES FOR CONSIDERATION

- 3.1. The Committee requires to consider the procedure for allocating this and future vacant taxi operator's licences in the Central and North Licensing Areas. It is suggested that the fairest way to deal with the matter is to advertise the fact that there is a vacant taxi operator's licence available and to invite expressions of interest in obtaining the licence. Such advertising would be in local papers in the licensing area in question. Thereafter, the names of those who have expressed an interest in applying for the licence would be put forward to be drawn from a ballot by the Convener or Vice Convener at the next available meeting of the General Purposes (Licensing) Sub-Committee. Thereafter, applications for the licence would be invited in order of those drawn from the ballot and the first successful application (in practice one with an acceptable Police report and presentation of a suitable vehicle) would be duly granted the licence.
- 3.2. The previous ballot in the North Area was fairly straightforward. The question arises as to whether the unsuccessful interested parties should be placed on a waiting list. It is considered that such a move would create more problems than it would solve. The South area waiting list is a constant source of contention for those who are on it. Equally, it has to be said that those persons were placed on that list by virtue of having been refused licences, which meant that they had actually to pay money for the privilege of their place. To have a waiting list based on simple expressions of interest would create the problem of the Council being unable to assess the seriousness of that interest. The North Area ballot saw a level of multiple applications from family members to increase chances of being offered the licence. There is no way to eradicate that practice, however it is suggested that the problem would be multiplied tenfold if a waiting list were created on the basis of expressions of interest only. Given that such expressions cost nothing, the list would quickly become littered with "false" entries. At least on individual ballots, each applicant has a fair chance of being drawn rather than genuine applicants having to rank behind "false" expressions of interest on a waiting list for all time coming.
- 3.3. It is important to note that an application for grant of a taxi operator's licence may be made by any person at any time. Speculative applications are not common in the face of the numerical limit, however, as soon as it becomes known that a taxi licence is vacant then applications may be forthcoming regardless of the Council's procedure for allocating a vacant licence. In that event, it is suggested that such application simply be treated as an expression of interest and that the applicant is included in the ballot procedure. Of course, any such application would require to be considered independently and on its own merits but that would be against the background that the Committee had formulated a procedure for the grant of vacant taxi licences and an applicant outwith that procedure would require to demonstrate to the Committee that there was good reason, based on the merits of their application, to depart from its agreed allocation procedure.

- 3.4. In respect of the outstanding request for issue of the licence, it is recommended that the gentleman in question has no more right to the licence than any other person who may be interested in obtaining a licence. In those circumstances, he may be taken as having expressed his interest along with any other person who may do so should the Committee authorise the ballot.

4. CORPORATE CONSIDERATIONS

- 4.1. Nothing in this report should impact significantly on the Council's overall corporate policies or positions.

5. RECOMMENDATIONS

- 5.1. The Committee is asked to agree the procedures detailed at paragraph 3.1 for the allocation of taxi licences that become available in the North and Central Licensing Areas.
- 5.2. The Committee is asked to authorise the allocation of the taxi operator's licence currently available in the Central licensing area in accordance with the procedures detailed at paragraph 3.1.

Walker B. Kilgou

W. **Director of Administration**

Members seeking further information on the contents of this report are asked to contact Kenny Hannaway, Senior Solicitor (Licensing) on Extension 2214.