

REPORT

To: CORPORATE SERVICES COMMITTEE		Subject: TAXI LICENSING – STUDY OF DEMAND FOR TAXIS IN NORTH LANARKSHIRE
From: HEAD OF LEGAL SERVICES		
Date: 14 Jul y 2010	Ref: JM/MK	

1. PURPOSE OF REPORT

1.1. The purpose of the report is to advise the Committee of the outcome of the independent study of demand for taxi cars conducted amongst North Lanarkshire residents and to make appropriate recommendations.

2. BACKGROUND

2.1. Section 10 (3) of the Civic Government (Scotland) Act 1982 allows the licensing authority to refuse an application for a taxi licence for the purpose of limiting the number of taxis, provided that they are satisfied that there is no significant unmet demand for taxis in their area. The purpose of this provision is to prevent a situation arising, where it becomes impossible for licenced taxi operators to provide a proper service on economic or other grounds, caused by an excessive number of licences. Scottish Office guidance was issued a number of years ago to the effect that it is for licensing authorities to decide what evidence of no significant unmet demand would be sufficient to satisfy them that they may refuse a licence so as to limit licence numbers.

2.2. North Lanarkshire is split into three areas for the purpose of taxi licensing and the limit on the number of taxi licences in each is based on the limits on numbers determined by the former district authorities prior to reorganisation in 1996. These are as follows – North area 50 taxis, Central area 238 taxis, and South area 182 taxis. The current number of taxi licences in the South area is in fact 202, following a policy decision taken by the General Purposes Committee on 25 August 2004 to offer taxi licences to members of the South area waiting list. The current figure for the Central area stands at 242 following a Sheriff Court decision to issue four licences. The current figure for the North area stands at 51 following the determination of an application for a licence at the meeting of the Corporate Services (Licensing) Sub-Committee held on 2 June 2010.

2.3. Traditionally the approach taken by licensing authorities to testing the matter of demand for taxis is to instruct an independent study of demand.

2.4. The accuracy and currency of the aforementioned limits have been tested by the Fraser of Allander Institute in 2001, 2005 and 2007. The outcome of the 2007 study was reported to a meeting of this Committee held on 6 March 2008 and thereafter on 15 May 2008. Consideration was continued as there were concerns amongst members about the size of the survey field and the extent to which the survey had taken account of current demographic breakdown and future population trends.

3. REPORT

- 3.1. In order to test the continued accuracy of the numerical limits against current demand for taxis, the Fraser of Allander Institute were contracted in February 2010 and they conducted a new study of demand during April and May 2010.
- 3.2. A full copy of the report by Fraser of Allander is available within the Members' Library.
- 3.3. A summary of the main findings of the study is annexed to this Report. Members will note that the study has found no evidence of significant unmet demand in either the South or Central areas. Fraser of Allander state that the results for the North area indicate that there is a significant difference in the quality of service in Cumbernauld compared with the other areas studied. This is evident particularly in terms of whether users find difficulty in obtaining a taxi and also whether residents would use more taxis if more were available. The survey results indicate clearly that taxis are clustering around Cumbernauld at busy times, with residents of other areas receiving a lower quality of service at these times and Fraser of Allander consider this difference to be significant.
- 3.4. Fraser of Allander suggest that the Council may wish to consider increasing the number of taxis operating in the North area by a modest amount (at most by 5 new licences). Fraser of Allander also say, however, in doing so the Council should also take into account a recent significant fall in demand for taxis and the strong prospect of further reductions in economic activity in the Council area. It is believed that these factors are likely to ease availability of taxis in all areas and the Council may therefore simply wish to continue to monitor the position and return to this question at a later date. Fraser of Allander do not recommend that the Council create a new taxi zone within the North area, focused on the Moodiesburn, Stepps, Gartcosh, Muirhead and Chryston communities, as this is likely to involve a significant increase in the number of licences at a time when the demand for taxis is highly likely to fall.
- 3.5. Should the decision be to increase the number of taxis in the North area this could be achieved administratively by advertising vacant licences in the local press and balloting applicants if expressions of interest outweigh the number of licences to be made available.
- 3.6. In so far as the number of licences actually at issue in the South and Central areas is greater than the currently adopted numerical limit, this will not adversely affect the integrity of the proposed numerical limitation. Any future applications for a licence will continue to be tested against the then current demand for the services of taxis within the backdrop of the findings by the Fraser of Allander Institute. Specifically, in the future, should any South of Central area taxi operator licence be surrendered or withdrawn following legal process that licence would not be made available for issue by advertising/ballot, until such times as the number of licences actually at issue corresponds with the approved numerical limit.

4. CORPORATE CONSIDERATIONS

- 4.1. The matters under consideration in this Report reflect the Council's commitment to keep the regulation of taxi and private hire under periodic review.

5. RECOMMENDATION

- 5.1. The Committee is asked to note the outcome of the independent study conducted by the Fraser of Allander Institute into the demand for taxis in North Lanarkshire.
- 5.2. The Committee is asked to affirm the numerical limits on the number of taxis within the South area, namely 182 taxis, and the Central area, namely 238 taxis.

- 5.3. The Committee is asked to consider whether to increase the limit in the number of taxis within the North area to 55 taxis (or a lower number which is greater than 50 taxis) or to affirm the existing numerical limit and keep the question of demand under review.



Head of Legal Services

The Demand for taxis in North Lanarkshire, Fraser of Allander Institute, 2010

- This study assesses demand for taxis in the North Lanarkshire Council area and assesses the question of whether the present level of taxis in North Lanarkshire is adequate

Background

The study provides:

- An analysis of rank observations at six ranks in North Lanarkshire over a two-year period (Chapter Two)
- Analysis of a survey sent to a sample of residents in the Central, South and North taxi zones in North Lanarkshire (Chapter Three)

Findings are reported for the South and Central areas and separately for five sub-areas within the North area (Cumbernauld, Moodiesburn, Stepps, Gartcosh and Muirhead/Chryston). In total, 6,214 survey forms were sent out and we received 1,252 replies, which compares to 607 replies included in our previous (2007) study. The number of responses for the North area equals 729, compared to 167 in 2007

- An examination of population trends in North Lanarkshire since 1991(Chapter Four)
- Interviews with local operators (Chapter Five)
- An examination of disabled access issues (Chapter Six)
- A comparison of the population to taxi ratio in North Lanarkshire with other Scottish councils and within North Lanarkshire itself (Chapter Seven)

Main Findings

- The rank observations, which cover daytime hours only, show no indication of residents finding it difficult to obtain taxis at any of the observed ranks (see pages 4-7)
- We find no evidence of significant unmet demand in either the South or Central areas. Indeed, the key statistic (whether users find difficulty obtaining a taxi) has fallen in both since 2007 (see pages 9-14 (South) and 15-18 (Central))
- The results for the North area indicate that there is a significant difference in the quality of service in Cumbernauld compared with the other areas studied. This is evident particularly in terms of whether users find difficulty obtaining a taxi, but also affects other measures, such as whether residents would use more taxis if more were available. The survey results indicate clearly that taxis are clustering around Cumbernauld at busy times, with residents of other areas receiving a lower quality of service at these times, and we consider this difference to be significant. Pages 38-9 provide a summary of findings for the North Area
- North Lanarkshire Council may wish to consider increasing the number of taxis operating in the North area by a modest amount, at most by five new licences. However, in doing so it should also take into account a recent significant fall in demand for taxis, the strong prospect of future reductions in economic activity in North Lanarkshire and a number of other factors discussed in detail under “Recommendations” (pages 39-42). We believe that these factors are likely to ease availability in all areas, and North Lanarkshire Council may therefore simply wish to continue to monitor the position and return to this question at a later date
- We do not recommend that North Lanarkshire Council create a new taxi zone within the North area, as this is likely to involve a significant increase in the

number of licences at a time when the demand for taxis is highly likely to fall (see pages 39-40)

- North Lanarkshire has seen only limited population change since 1991, and population change is itself unlikely to have significantly affected the demand for taxis (see Chapter Four, page 43)
- Interviews with local operators, and in one case figures received, confirm a reduced demand for taxis in recent years (see Chapter Five, pages 44-48). A number of interviewees also argued that the number of PHCs operating had increased in recent years
- North Lanarkshire's population to taxi ratio ranks 16th of 32 Scottish councils. We also note that there is a significant difference when we compare the ratio in the North with that in other areas of North Lanarkshire. However, we have little confidence in this ratio as a guide to the adequacy or otherwise of taxis, and note that there is also a significant difference in the population to taxi ratio between the South and Central areas