

Information Paper for Licensing Committee on September 19 2013

From: Ian Dunn – Prospective Hackney Carriage License Plate owner

**Re: Purchasing of New Hackney Carriage License**

This paper is to provide further information to assist with your deliberations.

I wrote to Councillor Hope (the then chair of the committee), in February 2013 following an enquiry to the Licensing team at Test Valley about purchasing a new hackney carriage license plate.

The current situation in Test Valley is that Hackney Licenses are currently restricted to 40 with 36 in current circulation. The remaining 4 have been held in abeyance pending a consultation on the current management of license provision.

While the Transport Act 2010, incorporating the provisions of the Transport Act 1985, provides local authorities with the responsibility for management of Hackney Carriage and Private Hire licensing within their local areas, the guidance of the Department of Transport is quite clear about the way in which this should be applied.

While the guidance acknowledges the need to ensure that supply will meet demand, and requires that authorities should consult regularly to make sure that there is no unmet need, there is also guidance about the impact that tight regulation can have on the Hackney Carriage trade.

“In most cases where quantity restrictions are imposed, vehicle license plates command a premium, often of tens of thousands of pounds. This indicates that there are people who want to enter the taxi market and provide a service to the public, but who are being prevented from doing so by the quantity restrictions. This seems very hard to justify.”

Para 48: ‘Taxi and Private Hire Vehicle Licensing: Best Practice Guidance’  
Department of Transport 2010

I accept that there is a requirement, as identified above, for Test Valley to provide regulation to the provision of Hackney Carriages. However, the impact as described above, is definitely an issue in Test Valley. From a business point of view I would ask you to consider the following:

- The cost of a new license from Test Valley and acceptance testing combined with the purchase of a vehicle that meets the Test Valley requirements costs in the region of £32,000.
- The cost of an existing license and vehicle (which is unlikely to meet the Test Valley current requirements, and those of the Local Transport Act 2008) starts in the region of £16,000 for the license plate and then the price of the vehicle (this will vary based on the age of the vehicle), before adding the price of the new vehicle – leading to a base price of around £48,000.

From this, you can clearly see why this could be viewed as the application of restrictive practices and anti-competition, and why buying a new license plate is the preferred route.

As part of my conversations with the Licensing team, I offered to provide a written undertaking to purchase a vehicle that more than meets the current access requirements of Test Valley. I would be planning to purchase a side loading wheelchair accessible vehicle, that would offer 6 seats without a wheelchair or 5 seats (max) with a wheelchair. I can confirm that the Peugeot E7 purpose built Hackney Carriage meets all these requirements, having side-loading and wheelchair security as standard

By adding this type of vehicle to the Test Valley Hackney Carriage fleet, there will definitely be better provision for the local population – anecdotal evidence from living in Andover suggests that there is a need for easy access vehicles for people with a wide variety of needs.

There will be clear benefits to the local economy by releasing additional Hackney Carriage licenses.

- New drivers will either be drawn from other industry, setting up their own business, and releasing positions for those currently without work; or by existing companies taking on new drivers directly.
- In both cases this will involve the purchase of additional new vehicles with the need to have identification on the vehicles– signwriting can be provided locally as can any advertising for new companies. Thereby injecting valuable income into the local economy.

I hope that this paper gives you a view from a requestor's position.