

**COMMUNITIES AND LOCAL SERVICES SCRUTINY MEETING
27 OCTOBER 2022**

TAXI AVAILABILITY (INCLUDING WHEELCHAIR ACCESSIBLE VEHICLES)

SUMMARY REPORT

Purpose of the Report

1. To provide Members with an update on taxi provision (including wheelchair accessible vehicles) within Darlington in light of a reduction in the number of available drivers following the removal of Covid restrictions and the current economic climate.

Summary

2. Following the relaxation of Covid-19 Regulations the country was faced with a shortage of professional drivers. Although the shortage of HGV drivers was highly publicised, there was a similar impact within the taxi trade. (Reference to the taxi trade in this report refers to hackney carriage and private hire vehicles, drivers and operators.)
3. The current economic climate has significantly increased operating costs to the taxi trade and recruitment of new drivers has proved extremely difficult. This matter is not just local to Darlington but a regional and national matter.
4. This report will highlight the current issues surrounding taxi provision and measures taken both locally and nationally to address the problems.

Recommendation

5. It is recommended that Members note the current challenges within the taxi trade.

**Dave Winstanley
Group Director of Services**

Background Papers

The Equality Act 2010
The Town Police Clauses Acts 1847 & 1889
The Local Government (Miscellaneous Provisions) Act 1976
Darlington Council's Byelaws in respect of Hackney Carriages, 1990
Immigration Act 2016
Department for Transport Statutory Taxi and Private Hire Vehicle Standards
Current Policies and Conditions in respect of Hackney Carriage and Private Hire Vehicles,
Drivers and Operators

Department for Transport Best Practice Guide
 Deregulation Act 2015
 Taxi and PHD (Safeguarding and Road Safety) Act 2022
 Taxi and PHV (Disabled Persons) Act 2022
 Financial Act 2022

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S17 Crime and Disorder	This report has addressed implications for crime and disorder.
Health and Wellbeing	There are no issues relating to health and wellbeing which this report needs to address.
Carbon Impact and Climate Change	Carbon emissions are considered within this report.
Diversity	Consideration has been given to Equality Act issues within this report.
Wards Affected	This will affect all wards.
Groups Affected	This report takes into account all groups within the community.
Budget and Policy Framework	This report does not represent a change to the budget and policy framework.
Key Decision	The report does not represent a key decision.
Urgent Decision	This does not require an urgent decision.
Council Plan	Adequate taxi provision contributes to a vibrant, safe town centre as part of part of the Perfectly Placed agenda in the Sustainable Community Strategy.
Efficiency	There is no impact on the Council's Efficiency agenda as a result of this report.
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

6. Hackney carriages are public hire vehicles which are permitted to ply for hire in the controlled district of Darlington and also from designated taxi ranks within Darlington. They may also undertake pre booked fares. Private hire vehicles on the other hand are limited to pre-booked fares only and such bookings must be made through a licensed private hire operator. The licensing of hackney carriage and private hire vehicles, drivers and private hire operators is regulated by a range of legislation but specifically the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976.
7. Currently, hackney carriages and private hire vehicles and drivers are controlled by a mixture of Council policies, licence conditions and byelaws. The 1976 Act permits the Council to attach conditions to the grant of Private Hire Driver and Operator Licences and Private Hire and Hackney Carriage Vehicle Licences “as it may consider reasonably necessary”. The 1847 Act permits the Council to make Byelaws to regulate the conduct of Hackney Carriage Drivers. Policies are the overreaching requirements of licensing by Darlington Borough Council (e.g. age of vehicles, medicals, driver tests etc) and these are usually a pre-requirement to making an application.
8. The policies and conditions relating to the taxi trade were last reviewed and approved by Full Council for implementation on 1 January 2021 following full consultation.
9. At the time of writing this report, Darlington Council has 143 licensed hackney carriage vehicles and 89 licensed private hire vehicles. Of these, ten are wheelchair accessible, (six hackney carriages and four private hire vehicles). There are no emission free vehicles on the fleet, however there are currently 11 that are hybrid. There are 397 drivers licensed with Darlington, which is 104 less than the month before Covid restrictions were implemented, and four private hire operators. These operators are:
 - (a) 1AB (now taken over by ‘Take Me’)
 - (b) United
 - (c) Falcon Cars
 - (d) GPS Travel

Outcome of Consultation

10. Since Covid regulations were removed it became apparent that a national shortage of drivers for many businesses extended into the taxi trade and it is estimated that we now have between 30% and 40% fewer drivers to service demand. The north-east region has seen the greatest reduction of drivers in the country. Although there were early signs of recovery from this, the recent economic situation has seen a slowing of this progress. There are a number of reasons for this decline, however some of those relating specifically to Darlington are that drivers sought new employment opportunities during the Covid regulation period, particularly in home delivery services. Also, following the relaxation of Covid restrictions a number of European drivers returned to their home country and have not returned to the trade. Although some drivers have retained their licence they may not be actively working within the trade.

11. Statutory Standards introduced by the Department for Transport, which were fully incorporated into our Taxi Policy in 2021 to improve passenger safety, had an unintended consequence of fewer people being eligible to apply to become a taxi driver.
12. Whilst Licensing have been working closely with operators to speed up the application process, there are elements that are out of our control, such as Group 2 medicals and enhanced DBS checks. Agencies carrying out these functions are still experiencing large backlogs due to previous Covid restrictions, leading to significant delays.
13. Of the four licensed operators in Darlington, each has its own business model. 1AB are the largest operator and whilst the business name remains unchanged at the moment, they have been taken over by a Midlands based company called 'Take Me'. There remains sufficient licensed vehicles between operators in the town, however there are still insufficient drivers to service the current demand at peak times. This has led to complaints directly to the companies about their service, not to the Licensing Department, as we are responsible for licensing issues.
14. A new operator has recently been granted a licence under the trading name of 'Falcon Cars'. This business is owned by Boro Cars from Middlesbrough and at the moment has no vehicles registered with Darlington's Licensing Department. It is known that Boro Cars are also having problems recruiting drivers.
15. Licensing frequently hear comments that Darlington needs 'Uber' to sort out the ongoing taxi shortage but that 'they have been refused a licence to operate in Darlington.' This is not the case; Uber have never applied for a licence in Darlington and should they wish to do so, they would be afforded the same opportunities and support as any other business wishing to apply. Uber have a business model that suits large towns and cities, particularly with a university student population. Developments planned for Darlington may make the town an attractive proposition to Uber in the future.
16. Market forces will determine the level of competition and supply of taxis in Darlington, with the role of the Licensing Department being to license operators and drivers to carry out their role safely. Any new operator will be welcome to Darlington provided they comply with the necessary legislation and our Taxi Policy.

Interim Policy Review

17. On 28 April 2022 a liaison meeting took place with representatives of the trade and Licensing where proposals were raised that would help them maintain their business through these difficult times. These proposed changes relate to:
 - (a) Vehicle age restrictions
 - (b) Topographical knowledge test
 - (c) Window tint
18. The current policy in relation to these is at **Appendix 1** and the proposed changes along with the rationale is at **Appendix 2** to this report.

19. On 6 September 2022 the Licensing Committee granted approval for these changes to be considered by Full Council ahead of a requirement for all vehicles to meet Euro 6 engine standards by April 2023. Cognisance was taken to Members concerns that Wheelchair Accessible Vehicles (WAV) would be exempt from the Euro 6 requirements and that over time this could lead to increased emissions. It was explained however, that the number of WAVs is low at the moment and this issue would be subject further consideration at the next full review scheduled for 2024-2025. The intention of this is to hopefully provide an incentive to maintain and grow what is at the moment a low number of WAVs in the taxi fleet.
20. These changes, which were proposed by the trade would give a welcomed boost to their ability to recruit private hire drivers and retain older vehicles on their fleet, provided they are compliant with Euro 6 standards.

Wheelchair Accessible Vehicles (WAV)

21. The number of WAVs in Darlington has traditionally been low and this is the case for many small local authorities where taxi operators have smaller fleets. There is no mandatory requirement for a specific number of WAVs and market forces generally determine whether an operator or independent proprietor is willing to invest in a WAV.
22. Purchasing a WAV is considerably more expensive than an ordinary saloon vehicle along with increased running costs, so businesses will only invest in these vehicles if there is sufficient demand. As a driver cannot by law charge more for a disabled person, there is often less profit, which is one of the reasons why proprietors are reluctant to invest in these vehicles at the moment. Drivers of WAVs also find that due to the small number available at any one time, they travel greater distances to collect passengers and they spend longer assisting the passenger in and out the vehicle, which again reduces their profit margin.
23. Several years ago, Darlington Association on Disability (DAD) attempted to circumvent this problem by purchasing their own WAV to operate. This was at a significant cost and due to low demand it could not be financially sustained, it was subsidised from public funding.
24. Darlington's Licensing Department would welcome new operators with WAVs, however these are business decisions beyond our control. Licensing do offer a number of incentives for proprietors to invest in WAVs, which includes reduced licence fees (25%) and allowing these vehicles to remain on the fleet for longer, however it is recognised that this does not equate to the significant additional cost of purchasing and running a WAV.

Implications of the Financial Act 2022

25. From 4 April 2022 all taxi drivers applying for a licence or to renew a licence are legally required to provide a reference code from HMRC before their application can be processed. As most drivers have a self-employed status, this is to ensure they are registered with HMRC to pay tax. Although it is difficult to assess the impact this has had at the moment, it is estimated that it has resulted in five fewer drivers per month applying for, or to renew their licence.

Taxi and Private Hire Drivers (Safeguarding and Road Safety) Act 2022

26. This was a Private Members Bill submitted by Darlington's MP, Peter Gibson, that received Royal Assent in May 2022. The main features of this Act relate to the use of a national refusals register, intelligence sharing, out of town vehicles and cross border powers.
27. Darlington Licensing has representation within the North East Strategic Licensing Group (NESLG) and the Tees Valley Licensing Group. Both groups share best practice and attempt to strike a balance between local requirements and national guidelines. Public safety is paramount and many of the requirements under this new Act had already been implemented on a non statutory basis across the region.

Taxi and PHV (Disabled Persons) Act 2022

28. This was a Private Members Bill that received Royal Assent in June 2022 and made amendments to the Equality Act 2010. This places duties on taxi drivers and PHV drivers and operators, so any disabled person has specific rights and protections to be transported and receive assistance when using a taxi or PHV without being charged extra.
29. This Act also placed a duty on Local Authorities to identify wheelchair-accessible vehicles in their fleets. Darlington's Licensing Department have been carrying out this requirement for a number of years on a voluntary basis and are fully compliant with this legislation.

Taxi Marshals

30. As public confidence in the hospitality trade grew following the lifting of Covid restrictions, the reduced number of taxi drivers could not service demand within the Night-Time Economy (NTE). Those enjoying the NTE and wishing to book a taxi are often given waiting times of hours, so customers have no alternative but to wait in the main taxi queue at Grange Road. With the reduction in taxi numbers there are often excessive waiting times in the queue and this frequently led to disorder.
31. The use of taxi marshals is a proven method of maintaining an orderly queue, whereupon those people waiting are less likely to queue jump and taxi drivers are more confident in collecting passengers from the rank.
32. A successful bid was made to Safer Streets for Taxi Marshals to be funded between the hours of 11.00pm and 5.00am on Friday and Saturday nights for the Grange Road rank, which largely services the NTE. Taxi Marshals have proved to be very successful in controlling the rank, and improving confidence of both the public and taxi drivers. The desired outcomes below have been achieved and evidenced in a recent evaluation:
 - (a) Having an easily accessible and identifiable person to go to should assistance be required;
 - (b) Early intervention in evolving incidents;
 - (c) Visible presence of trained staff acting as a deterrent;
 - (d) Source of intelligence and information for town centre management;
 - (e) Reduce demand for other services (A&E, Ambulance, Police etc);

Fare Increase

33. Licensing authorities have no control over the fares a private hire operator charge for a journey as this is a contract between them and their customer. As running costs have been increasing significantly, operators were no longer able to absorb those costs so began increasing their fares. Hackney carriage vehicles however, have a legal process to follow should they request a fare increase. In May an increase in tariffs proposed by the trade was approved by Darlington's Licensing Committee. In making their decision, the Committee are required to balance the need for drivers to earn a decent wage and value for money for the travelling public.
34. Darlington's taxi fares are currently the third highest in the north-east and highest in the Tees Valley area for a two mile journey. This is data from a league table compiled and used by the trade nationally to make comparisons. Due to the many requests for increased fares over recent months, this data regularly fluctuates, however Darlington is currently at position 200 out of 355 Licensing Authorities with a fare of £6.30. In contrast, Middlesbrough is at position 344 with a fare of £4.90.

Online Taxi Licence Applications

35. Darlington licensing have developed a new on-line taxi licensing application system with a company called IDOX, who already supply software to other business areas within the Council. This software includes automated licence application, renewal and ordering of replacement taxi supplies. To run alongside this, an online self-booking appointment system is also in the process of being introduced. This will allow drivers to make appointments with licensing and garage staff rather than ringing various offices. As these online systems work 24 hours a day there will be much greater flexibility for applicants, providing a quicker, more efficient service. These new systems will also provide internal efficiency savings, particularly for staff inputting computer data.
36. A communication strategy was developed and the system went 'live' on 1 September 2022. At the time of reporting, this system is proving to be very good and indeed exceeding our expectations for a newly introduced system. A full evaluation will take place once it has been embedded.

'Out of Town' Licensed Vehicles

37. As a result of the Deregulation Act 2015, private hire drivers and vehicle proprietors are able to go to another local authority for their licence. Wolverhampton Council exploited this relaxation of the regulations and invested in a computer system that allowed a much speedier process than many other authorities, resulting in reduced fees. This became a great incentive throughout the trade, particularly for those where Wolverhampton standards were lower than their own local authority. Whilst the taxi trade within Darlington remained loyal to this local authority many drivers and proprietors in Middlesbrough, and more recently in Stockton, have used Wolverhampton as their Licensing Authority. This has resulted in a significant loss to their ringfenced taxi licensing budget.
38. A Freedom of Information request found Wolverhampton Council had handed out 15,000 private hire licences in 2019, bringing in nearly £3.7m in fees. Only 800 drivers actually

work in Wolverhampton.

39. Although these practices are legal, there have been many complaints from local authorities around the country as they lose control of taxis in their own area. Complaints from customers are dealt with by Wolverhampton Licensing Authority rather than their own Licensing Committee. At the moment there has been no legal challenge to this situation, however anecdotal information suggests this may be brought by some larger local authorities who have the financial support.

Operators

40. As mentioned earlier in this report, there are currently four operators in Darlington and by far the largest and most recognisable is 1AB. This company was recently taken over by 'Take Me', which is a midlands based company, however the 1AB branding remains the same. It is unclear at the moment what the long-term impact will be, however it is known that Take Me use or encourage drivers/proprietors to use Wolverhampton as their licensing authority. Should this be the case the Darlington's ringfenced taxi budget will be challenged. It is possible that Darlington could lose up to 40% of its private hire licensing budget. This does not however mean that the residents of Darlington will see fewer taxis. Indeed, a larger company may have the resources to increase capacity, although as already stated, we will lose local control.
41. United Taxis is the other recognisable operator within Darlington, however this company undertakes a great deal of contract work during the working day and do not have the same presence within the evening and night time economy.
42. Falcon Cars were recently granted an operator licence in Darlington and have an office base in Kendrew Street. They are owned by Boro Cars from Middlesbrough but currently have no vehicles registered with this licensing authority. The law does allow them to subcontract so it is likely that when they are used, we will see Wolverhampton licensed vehicles/drivers in Darlington.
43. GPS Travel are an small independent operator.

Conclusion

44. Dynamics within the taxi trade are extremely fluid at the moment and with the takeover of Darlington's main operator there remains a degree of uncertainty.
45. This appears to be an emerging national trend, with smaller operators selling to larger companies, who are able to withstand the current financial pressures. These larger companies also have the resources to lawfully subcontract private hire work, which will hopefully increase taxi availability in the short to medium term in Darlington. There will also be the additional benefit of subcontracted companies having greater access to WAVs to meet the demand from disabled groups.
46. Whilst the initial problem of taxi driver shortages following Covid appeared to be easing, the current economic situation has set back that progress a little. There are drivers who remain licensed, however some hold other jobs and currently drive taxis on a limited basis.

Demand within the trade, particularly in the NTE will hopefully attract those drivers back to increase their hours and also encourage new drivers into the trade.

47. The proposed removal of the private hire drivers locality test will be a welcomed new key element of our Taxi Policy to attract additional drivers into the trade.