

CCReport of: Rickshaw and Taxi Licensing Review Group

To: Environment Scrutiny Committee

Date: 12th November 2007

Item No:

Title of Report : Rickshaw and Taxi Licensing Scrutiny Review Report

Summary and Recommendations

Purpose of report: To present the findings and recommendations of the rickshaw and taxi licensing review group to the Environment Scrutiny Committee

Key decision: No

Portfolio Holder: Councillor John Goddard, Leader of the Council and Councillor Caroline Van Zyl, Sustainable Environment and Climate Change Portfolio Holder

Scrutiny Responsibility: Environment Scrutiny Committee

Ward(s) affected: All

Report Approved by: Nichola Stretton, Finance and Asset Management, Daniel Smith, Legal and Democratic Services

Policy Framework:

Recommendation(s): The Environment Scrutiny Committee is asked to endorse the recommendations of the review group and pass them to Executive Board, General Purposes Licensing Committee and Council for consideration.

1. Introduction

- 1.1 The Environment Scrutiny Committee established the rickshaw and taxi licensing review group in June 2007 to consider the issue of licensing rickshaws in Oxford. This followed a request from the General Purposes Licensing Committee to investigate this issue.

1.2 The Scrutiny Committee agreed terms of reference for the review group. The main objectives of the review were to:

- Determine whether it is possible to license rickshaws to operate in Oxford and ply for trade on the street. It will consider a variety of ways to do this and will look beyond the hackney carriage regulations.
- Consider the pros and cons of licensing rickshaws, some of which have already been presented to the Environment Scrutiny Committee.
- Consider the current restrictions on the number of hackney carriage licences available in Oxford, and decide whether this is good for service users and also the providers of the service. What would be the likely consequences of lifting the restrictions?
- Consider whether a lottery style draw is the fairest method to allocate hackney carriage licences, as this does not take into account the number of times a person has applied, or the length of time they have been waiting.

2. Licensing Rickshaws

2.1 Oxford, in common with other cities in the UK, has a number of rickshaws working on its streets. Currently there is one rickshaw operator working in Oxford, but the review group is aware that another company wishes to run a rickshaw service in the city, and the likelihood is that if they are successful, other operators might also look to set up in Oxford.

2.2 The review group believes that Oxford is a city that could benefit from a rickshaw service. They would be an undoubted asset to the historic city centre and an additional attraction to the many visitors to the city. However, at the moment, rickshaws work unlicensed. They are unable to ply for hire on the street and are only able to take pre booked passengers. The right to ply for hire is granted to hackney carriage taxis only, licensed by Oxford City Council.

2.3 There is conflict between the rickshaw operators and hackney carriage taxi drivers about plying for hire, and whether the rickshaw drivers are doing this. The Taxi Licensing Office has warned one rickshaw operator that they should not be plying for hire, or operating in a manner that suggests vehicles are available for hire off the street (such as advertising their services on Cornmarket Street).

2.4 This isn't a satisfactory position, particularly if the sector continues to grow. Whilst the review group is supportive of the rickshaw industry, it is agreed that some form of regulation is essential.

- 2.5 The legal position on licensing rickshaws is clear; they are classed as hackney carriage vehicles. This was established in the Court of Appeal in the case of *R v Cambridge City Council, ex p Lane*. The Department for Transport has confirmed this is the case – a cycle rickshaw can only be licensed as a hackney carriage (see appendix 1). A rickshaw cannot ply for hire unless it is a licensed hackney carriage driven by a licensed hackney carriage driver.
- 2.6 If a local authority has a numerical restriction on the number of hackney carriage licences it issues (and Oxford City Council does), this must include any horse drawn or person drawn vehicles. There is no provision in legislation for a demand test for motorised hackney carriages as opposed to non-motorised hackney carriages.
- 2.7 Therefore, if Oxford City Council were to license rickshaws as hackney carriages then it will need to remove the numerical limit on licence numbers.

3. Arguments for and against rickshaws

- 3.1 The review group has taken evidence from a number of interested parties on the arguments for and against licensing rickshaws, and general views on their operation in the city. A full list of contributors to the review is set out at appendix 2.
- 3.2 The main arguments in favour of rickshaws are:
- Rickshaws totally comply with the City Council's plans for a low emission zone in Oxford city centre. They are an environmentally friendly form of public transport very much in keeping with the Council's desire to reduce car use in the city and promote more sustainable methods of transport.
 - From a tourism perspective, rickshaws would be of benefit to the city. The rickshaws would offer an additional hook to attract tourists to spend more money and time in the city (in line with the strategic objectives for tourism). It is a more pleasant way to see the city and more environmentally sustainable. The City Council is currently trying to promote green tourism in the city and for the TIC and rickshaws would fit well with our agenda.
 - They offer a quirky way to get around the city, which is likely to appeal to tourists and possibly locals looking to see the city in a different way. They will increase the transport offering available to people in Oxford.
 - Getting across the city centre in a rickshaw may well be quicker in a rickshaw than in a car, especially during rush hour.

- Rickshaws are unlikely to be competing in the same market as taxis. The alternative to hiring a rickshaw in most cases would be to walk. They are likely to be used for short journeys around the city centre, that taxis wouldn't want to do (low fare, loss of rank space etc). In the case of tourists, they are likely to be competing with open top bus tours of the city.
- The Council would be helping to enhance Oxford's entrepreneurial spirit, by allowing these vehicles to operate in the city, creating jobs.

3.3 The main arguments against rickshaws are:

- A hackney carriage driver cannot refuse to take a fare within the district unless he has a reasonable excuse. If the rider is tired, or the distance considered too far, that may not be seen as a reasonable excuse. So whilst rickshaws are likely to appeal to a particular market (primarily tourists, local people wishing to do something quirky, or different, and city centre shoppers), it is likely that this will be tested.
- Ensuring vehicles comply with the Disability Discrimination Act 1995, in relation to wheelchair accessibility. Rickshaws do not appear to be exempt from this legislation (although horse drawn vehicles are). It will be for any rickshaw operator to find a solution to this problem rather than Oxford City Council.
- Oxfordshire Council for Disabled People don't believe that disabled people would consider rickshaws as an alternative to a taxi or bus. In addition, having lobbied the Council and worked to ensure that hackney carriages and buses are wheelchair accessible, introducing a form of transport that wasn't wheelchair accessible would be considered a backward step.
- Visually impaired people believe that rickshaws shouldn't be allowed to operate in pedestrianised areas. One of the major issues for the visually impaired is shared space between cyclists and pedestrians. It can be quite unsettling for a cyclist to come past a visually impaired person at speed, even if they don't actually hit the person concerned. The Oxford Association for the Blind wouldn't want safety further compromised by rickshaws working in pedestrianised spaces, such as Cornmarket Street.
- The safety of rickshaws needs to be a consideration for the Council. Research carried out for the London Taxi Drivers Association discovered that the braking capabilities of a rickshaw are significantly worse than that of a car and that the rickshaw offered little protection to passengers in the event of a crash with a motor vehicle. See <http://www.london.gov.uk/assembly/reports/transport/rickshaws.pdf> for more detail. Despite the risk, passengers appear willing to use

pedicabs, in the same way people cycle in Oxford knowing that there is a risk to their safety.

- 3.4 The review group has considered the arguments for and against rickshaws and wants to put on record its support for them as an environmentally friendly form of transport that is an asset to Oxford. The arguments, particularly regarding access are persuasive, but the review group is of the view that the benefits of rickshaws as an environmentally friendly form of transport outweigh the limitations.

4. Should Oxford City Council de-restrict hackney carriage numbers?

- 4.1 If Oxford City Council were to license rickshaws, the number restriction on hackney carriage licences would have to be lifted. Currently Oxford city has 107 licensed hackney carriage taxis and 366 private hire vehicles (where there is no number restriction).
- 4.2 Every three years a survey is carried out to assess the demand for hackney carriage vehicles. At the last survey in 2006, unmet demand was found for 1 additional vehicle. This was reported to the General Purposes Licensing Committee on 4th January 2007.
- 4.3 The government believes that numerical controls on hackney carriage licenses are “unlikely to be in the best interests of consumers” (see appendix 1). The review group has considered arguments for and against de-restriction, prompted by the view that rickshaws were of benefit to Oxford but needed to be regulated. In the course of this work, the review group has come to the view that hackney carriage legislation isn’t appropriate for regulating rickshaws. But it has considered the arguments for and against de-restriction and the impact on the taxi and private hire market only.
- 4.4 A full explanation of the arguments for and against de-restriction is set out at appendix 3. In summary, the main arguments are:
- 4.5 Arguments in favour of de-restriction:
- The City Council hasn’t demonstrated that restrictions are of benefit to consumers, the key test for the Department for Transport.
 - Unmet demand surveys can be manipulated and aren’t robust indicators of demand.
 - De-restriction will allow all those who want to drive their own taxi the opportunity to do so, rather than rent one off a licence holder.
 - The city is unlikely to be flooded with empty taxis; the market will dictate when drivers will work.

- Evidence shows that taxi numbers increase in unrestricted areas, which is of benefit to the consumer (although supply may not increase).
- Passenger waiting times are lower in un-restricted areas.
- Consumer and driver safety is improved.
- De-restriction eradicates the lucrative trade in licence plates.

4.6 Arguments against de-restriction:

- Survey data from the Office of Fair Trading was flawed – it is questionable whether waiting times are lower in unrestricted areas.
- Number restrictions help to maintain the quality of the service.
- Pollution and traffic congestion could increase.
- More ranks space will be needed – taxi drivers argue there is already a shortage of space in Oxford.
- Licence holders regard licence premiums as their pension. They would be strongly opposed to de-restriction.
- Working conditions for drivers could deteriorate.
- The private hire fleet, which generally serves outlying areas of the city, will be likely to reduce in number.

4.7 The review group recommends that Oxford City Council should consult stakeholders and members of the public on the issue of hackney carriage licence number restrictions. The purpose of the consultation would be to gain an understanding of the views from the taxi trade (including hackney carriage and private hire vehicle drivers), local stakeholders and the public on this issue. Following a thorough consultation exercise, the Council should consider whether or not it wishes to de-restrict hackney carriage numbers.

4.8 In addition to recommending a consultation on hackney carriage licensing, the review group wishes to draw attention to some significant issues regarding hackney carriage licences that are of concern. The first is the unofficial value attached to the hackney carriage plate in Oxford, which according to one source is as much as £100,000.

4.9 Plates attain such value because of their scarcity. By restricting hackney carriage plates, the Council is exacerbating this. When a driver wishes to retire or leave the trade currently they do not have to return their plate to the Council, but can sell it on. This isn't illegal, but determining exact figures on the value is difficult. According to the

secretary of Colta, the highest plate value in Oxford he has come across is £38,000. A report prepared for Taxi Driver on line in 2004 put the unofficial plate value in Oxford at £70,000. And now it is thought that in some cases it may be as high as £100,000 for a plate and vehicle. It should be noted that the plate remains the property of Oxford City Council.

- 4.10 The review group does not believe that the Council should be facilitating the trade in plates. The review group believes that plates should be non-transferable (i.e. if you are given a plate by Oxford City Council it shouldn't be given or sold to a third party) and it should be returned to the Council when the plate holder no longer requires the plate. This clause should be introduced for all hackney carriage plates issued from 2007 onwards and for all existing plates if possible. If number restrictions on hackney carriage licences were removed, the value of plates would fall to virtually nil, making this recommendation unnecessary.

Note – the review group has been advised by legal services that if the Council was minded to approve this recommendation, under Section 49 of the Local Government Miscellaneous Provisions Act 1976 and the Human Rights Act Article 1 (first protocol), restricting the right of license holders to transfer that license could be deemed unlawful. However, the review group wanted to make it clear that this is what they would like to recommend.

- 4.11 The review group also believes that the current system for awarding new hackney carriage plates is flawed. A demand survey is carried out every three years, which recommends how many additional plates the Council should issue to meet unmet demand. The 2003 survey recommended an additional 7 plates, the 2006 survey one additional plate.
- 4.12 People are invited to submit their names for entry into a draw for the new plates. Entry is dependent on meeting certain criteria agreed by the General Purposes Licensing Committee. According to the Taxi Licensing Office, there were 75 people in the draw for the latest plate available. The person chosen from the "hat" already had an immediate member of his family in possession of a license that had been transferred to them from the new license holder. This was also the case for two of the people selected in 2003. The review group was surprised and disappointed that this has happened.
- 4.13 The review group recommends that anyone who has previously held or currently holds a hackney carriage licence, either as the sole or joint proprietor should not be eligible for a new or additional plate. This is to allow those drivers who have never owned a plate the chance to licence their own vehicle.
- 4.14 If hackney carriage licence number restrictions were removed, this recommendation would be unnecessary, as people would be able to

enter and leave the trade as they wished, providing they met the criteria for entry, such as passing a medical, knowledge test and having a suitable vehicle.

- 4.15 Another point that should be clarified is that the review group would not want quality controls on hackney carriage vehicles to be relaxed, even if quantity controls were removed. The review group wants the hackney carriage fleet to operate at the highest possible standard.

5. Alternatives to licensing rickshaws as a hackney carriage vehicle

- 5.1 The review group believes that licensing rickshaws as hackney carriage vehicles is inappropriate even if Oxford had a de-restricted hackney carriage market. However, in the absence of primary legislation for pedal vehicles, this is the current licensing option for Councils.
- 5.2 There are a number of reasons why hackney carriage licensing is unsuitable for a rickshaw. First of all, it believes that if it did de-restrict, it would be of little benefit to rickshaw operators because they wouldn't be able to easily meet the requirements required of hackney carriage licence holders. The review group supports the high level of quality controls in place to ensure Oxford's hackney carriage fleet is of the highest standard (for example, all vehicles in Oxford are wheelchair accessible). Different standards for hackney carriage vehicles could be introduced, but the Council is likely to be challenged on this and it could lead to a relaxation of quality controls.
- 5.3 The rickshaw industry would not be well served by having to comply with hackney carriage legislation. For example, a new hackney carriage driver has to undertake a knowledge test, pass a medical and criminal records check etc, which could cost £300 for their first license. The criteria are based around the requirements to drive a car and not a rickshaw. There is no cycle proficiency test, nor would this be appropriate for a hackney carriage driver. Most rickshaw drivers will be students or seasonal workers who will only wish to work for a few months of the year, unlike taxi drivers who are more likely to want to drive full time (and therefore spend the time and money to pass the necessary tests and checks). The likelihood is that rickshaw companies will continue operating unlicensed even if they could in theory be licensed as hackney carriage vehicles.
- 5.4 Rickshaws generally operate within Oxford city centre and in all likelihood, would want to do so even if licensed as a hackney carriage. Creating hackney carriage zones is illegal, so a licensed rickshaw would have to take a journey to anywhere within the district, unless there was good reason why it couldn't. Tiredness may not be an acceptable reason to refuse to take a journey and again, could be challenged.

- 5.5 In the absence of an appropriate licensing system the review group has explored other options and believes a voluntary code of practice for rickshaw drivers and operators would be a suitable way of ensuring quality of rickshaw service, vehicle and driver in Oxford.
- 5.6 A similar code of practice has been introduced in London, developed by the London Pedicab Operators Association. See appendix 4 for more details. In addition to the clauses in the code of practice at appendix 5, the review group regrets the commitment that rickshaw drivers will not ply for hire. The review group thinks that the Council should introduce a registration system for drivers and vehicles. Each rickshaw driver should wear identification at all times when working and each vehicle should be numbered so if an offence is committed it will be possible to identify the vehicle and driver.
- 5.7 A rickshaw should also comply with some basic safety considerations to receive endorsement from Oxford City Council. For example, they should have lights and if possible indicators to improve their safety. They should be pedal power vehicles only and not have battery-powered assistance. This is so that they travel with bicycle traffic and not as a motorised vehicle. Rickshaws should be inspected regularly (twice a year, in line with hackney carriages and private hire vehicles) to ensure that they meet safety standards by an independent, bona fide cycle maintenance specialist.
- 5.8 Rickshaw drivers should have a valid driving license and also undertake a cycle proficiency test (perhaps to level 3 of the National Standard for cycle training). This is so that customers can be sure that drivers are aware of the rules of the road.
- 5.9 There should be incentives for Rickshaw operators to sign up to the Council's voluntary scheme. For example, those that do should be allowed to advertise their services at the Council's Tourist Information Centre. In theory, the TIC could take bookings for rickshaws that are signed up to a voluntary scheme. This has been discussed informally with the Council's tourism officer and she is supportive. The TIC is already able to take bookings for third parties, such as the Creation Theatre Company. Rickshaw companies that adhere to the voluntary scheme could also display a badge of endorsement from Oxford City Council. This may go some way to helping customers decide which rickshaw company to use if more than one is operating in Oxford.
- 5.10 There should also be appropriate sanctions if a rickshaw operator or driver fails to comply with the code of practice. The review group suggests that if a driver or drivers from a particular operator continually breaks the code of practice then co-operation from the city council should be withdrawn, including any assistance from the TIC to take bookings. Oxford City Council endorsement should be removed from vehicles and a press release issued explaining why the Council is taking these steps.

6. Conclusions

- 6.1 Having considered evidence and views from a wide range of people and organisations, the review group is convinced that rickshaws are a positive addition to Oxford's transport infrastructure. However, allowing them to continue operating unregulated isn't a desirable situation.
- 6.2 What is equally clear to the review group is that hackney carriage licensing isn't appropriate for a rickshaw. Therefore, in the absence of an alternative solution, it is recommended that the Council introduce and encourage rickshaw operators and drivers to sign up to a voluntary code of practice.
- 6.3 The review group has decided to recommend that Oxford City Council consult stakeholders and members of the public on the issue of hackney carriage licence number restrictions. The group has also made a number of recommendations about the way that Oxford City Council issues hackney carriage licences.

7. Recommendations

Recommendation 1 – The Council lobby's government and local MP's to introduce a national scheme for licensing rickshaws

- 7.1 The review group believes that hackney carriage legislation is not the most suitable way to regulate rickshaws. Although hackney carriage vehicles are licensed under the Town Police Clauses Act 1847, the most common form of hackney carriage vehicle is a motorcar. Local licensing regulations, such as the requirement for vehicles to be wheelchair accessible relate to motorcars and would not be suitable for rickshaws. It is not possible to have different rules and regulations for hackney carriage vehicles. Therefore, if a car has to be wheelchair accessible, so does a rickshaw.
- 7.2 Primary legislation specific to rickshaws would appear to be the most suitable way forward. The review group recommends that the Council lobby the Department for Transport and MP's in Oxford to call for the government to introduce new legislation for licensing rickshaws, which recognises the merit of these vehicles and the difference between rickshaws and motorised hackney carriage vehicles.

Recommendation 2 – The Council places on record support for rickshaws in Oxford

- 7.3 The review group wishes to place on record its support for rickshaws in Oxford. They provide a welcome and different way of getting around the city that is of benefit to visitors and locals. The review group hopes that any conflicts between rickshaw operators and other public transport providers can be overcome and that the Council is

sympathetic to the rickshaw industry as long as they are operating within the law.

Recommendation 3 – Oxford City Council should consult stakeholders and members of the public on the issue of hackney carriage licence number restrictions.

7.4 There are arguments for and against de-restricting hackney carriage number limits which should be explored in more detail. The purpose of the consultation would be to gain an understanding of the views from the taxi trade (including hackney carriage and private hire vehicle drivers), local stakeholders and the public on this issue. Following a thorough consultation exercise, the Council should consider whether or not it should de-restrict hackney carriage numbers.

7.5 There will be a financial cost to the Council if this recommendation is adopted. Officers should be asked to work out the costs of a consultation exercise.

Note – if Council is minded to approve recommendation 3, then it should not take a decision on recommendations 4 and 5 until the consultation exercise has been completed and a decision is taken on whether or not numerical restrictions on hackney carriage licences should be removed. If restrictions were removed, then recommendations 4 and 5 would not need to be introduced to limit trading of hackney carriage plates, as the value of the plate would be virtually zero.

Recommendation 4 – The Council should ensure that hackney carriage plates are non-transferable and are returned to the Council when the holder no longer wishes to work as a taxi driver.

7.6 The review group is concerned that the Council is inadvertently facilitating a trade in hackney carriage licences. Although there are disagreements as to the amounts of money involved, the review group hopes that by instructing licence holders to return their plate when they leave the industry this trade can be stopped. This should apply to current plate holders and to any plates issued in the future.

Note – the review group has been advised by legal services that if the Council was minded to approve this recommendation, under Section 49 of the Local Government Miscellaneous Provisions Act 1976 and the Human Rights Act Article 1 (first protocol), restricting the right of license holders to transfer that license could be deemed unlawful. However, the review group wanted to make it clear that this is what they would like to recommend.

Recommendation 5 – If an individual has previously owned and sold or transferred a hackney carriage plate then they should not be eligible to receive another hackney carriage plate from Oxford City Council.

7.6 Again, the review group is concerned that all those who wish to own their own vehicle and licence it as a hackney carriage are able to do

so. It has been noted that plates are often transferred from husband to wife, or another close family member. In this case, the review group wants to ensure that the person who has transferred the plate isn't eligible to receive another one. Likewise, the Council should take steps to ensure that one person doesn't hold multiple numbers of plates.

Note – the review group has been advised by legal services that this recommendation could be subject to challenge and that a blanket restriction on people who have previously held a plate owning another one may not be possible to defend. A time limited restriction may be more appropriate.

Recommendation 6 – The Council introduces a voluntary code of practice for rickshaw operators and drivers.

7.7 The Council should introduce a voluntary code of practice for rickshaw operators and drivers, based on the London Pedicab Drivers Association code of practice at appendix 4 and driver's code of conduct at appendix 5. In addition, the review group would like the following clauses inserted:

- A commitment that rickshaw drivers will not ply for hire in Oxford, and only take passengers who have pre booked.
- The Council should introduce a registration system for drivers and vehicles, administered by the Taxi Licensing Office. All vehicles should be numbered and all drivers carry identification.
- Rickshaws should have lights and indicators to improve their safety.
- They should be pedal power vehicles only.
- Rickshaws should be inspected regularly (twice a year, in line with hackney carriages and private hire vehicles) to ensure that they meet safety standards and provide proof of the inspection.
- Drivers should not only have a valid driving licence, but should also undertake a cycle proficiency test (perhaps to level 3 of the National Standard for cycle training).
- Sanctions should be in place if an operator or driver fails to adhere to the code.

7.8 Details of the voluntary scheme should be worked up in consultation with stakeholders and introduced as soon as possible. The costs of the scheme also need to be considered, but if the TIC were to take bookings then there would also be an income for the Council.

7.9 Comments on this review have been included at appendix 6 to the report.

 **me and contact details of author:**

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Background papers:

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28 August 2007

Dear Mr Davies,

HACKNEY CARRIAGE LICENSING AND RICKSHAWS

Thank you for your letter of 9 July 2007 about cycle rickshaws. I am sorry for the delay in replying but as you will know from my e-mail of 10 August we have been giving careful consideration to the issues your letter raises.

I should say first that Ministers have expressed the general view that, properly regulated, cycle rickshaws (often called "pedicabs") have a role to play in local transport provision.

I note that your Council has concluded that cycle rickshaws must be licensed as hackney carriages, but are concerned in particular that the applications cannot be granted because of the limit it imposes on the number of hackney carriages which it is prepared to license in the City. You ask generally for the Department's advice on how you might proceed and specifically for advice on the four questions set out in your letter.

Whilst I would wish to be as helpful as I can be in replying, you will appreciate that the Department is not responsible for interpreting the law and does not provide legal advice. The situation you described is essentially one which the Council will wish to resolve in the context of its licensing powers and responsibilities, with the benefit of independent legal advice if necessary.

In relation to England and Wales outside London, the view of the Department - consistent with the view you are taking - is that case law has established that a cycle rickshaw should be licensed as a hackney carriage, even if separate fares are charged. As you will be aware, hackney carriages are licensed under the Town Police Clauses Act 1847.

You will also be aware that the Government's view is that in general quantity controls are unlikely to be in the best interests of consumers. I see that the Council has recently considered its approach to unmet demand, but of course it would be open to you to review at any time whether the policy of controlling taxi numbers remains appropriate. No doubt any inconsistency between a policy of retaining quantity controls and being sympathetic to the

case for licensing pedicabs is one of the issues that could be considered in any such future review.

It's worth noting that of course there is a right of appeal to the Courts against the decision of a local licensing authority to refuse the grant of a hackney carriage licence and any local authority which has a policy of controlling taxi numbers would want to satisfy itself that it is acting reasonably and in accordance with any laws regarding the control of taxi numbers.

Turning specifically to the four questions contained in your letter,

- The legislation which applies in London, and under which Transport for London are intending to license pedicabs, cannot be extended to other parts of England and Wales. In any case, TfL are intending to license pedicabs in the hackney carriage category. You may find it helpful though to see if any of the approaches to pedicab licensing which TfL are taking (as described in the consultation document on their website) would be relevant to Oxford.
- It would not be possible to introduce a system of zoning specifically to allow for the licensing of cycle rickshaws. Where separate zones exist in a local authority area, they are the result of local government changes over a number of years. The changes have effectively left the individual zones (ie the "prescribed distances" in which a hackney carriage can ply for hire) frozen and the licensing authority must take positive action - in the form of an amalgamation resolution - in order to eliminate the zones and establish a single licensing area comprising the whole of the local authority's area. There is no provision in law to re-create zones once they have been amalgamated, or to establish zones for the first time.
- I am unable to recommend an alternative to hackney carriage licensing.
- I believe (anecdotally) that cycle rickshaws are licensed in Bath and Leeds, but we have no formal records. The National Association of Licensing and Enforcement Officers may have information from their members on experience of licensing cycle rickshaws (as you may well know, their Chairman is Bryan Denby who can be contacted at bryan@denby9133.freeserve.co.uk).

Finally, you might want to consider with the Council's legal advisers the extent to which the power to attach conditions to vehicle and driver licences might be relevant.

I hope this reply is helpful.

Yours sincerely,

David Farmer

Contributors to the Review

- Councillor John Goddard, Leader of Oxford City Council
- Councillor Altaf Khan, Oxford City Council
- Phil Pirouet, Taxi Licensing Officer, Oxford City Council
- John Copley, Head of Environmental Health, Oxford City Council
- Alan Woodard, City of Oxford Licensed Taxicab Association (Colta)
- Chris Powell, Green Wheels Pedicabs, Cambridge
- Colin Cure, Oxford Association for the Blind
- Janet Mace, Oxfordshire Council of Disabled People
- Martin Krafft and John Cramer, Oxfordshire County Council Transport Planning
- Nick Gilbert, Crime Reduction Officer, Thames Valley Police
- Susanne Malcolm, Oxford City Council Tourism Officer
- Ted Maxwell, Oxoncarts
- Ali Asghar (Private Hire Driver) and Ghafoor Khan, Chairman of the Oxford Private Hire Drivers Association
- David Farmer, Department for Transport
- Transport for All
- Chris Smallwood, Bugbugs
- Taxi licensing officers at Ipswich, Cambridge, Swindon and Reading Councils.

Taxi/Rickshaw Licensing Scrutiny Review

Arguments For and Against De-restricting Hackney Carriage Licence Numbers

1. This report considers the arguments for and against the de-restriction of hackney carriage licence numbers. It draws on the following sources of evidence:
 - Oxford City Council Hackney Carriage Demand Study – Transport Planning (International), September 2006
 - Restricting Taxi Numbers: Myth and Reality – Taxi Driver Online, March 2004
 - The regulation of licensed taxi and PHV services in the UK – Office of Fair Trading, November 2003
 - The Regulation of Taxis and Private Hire Vehicle Services in the UK – Third report of session 2003/04, House of Commons Transport Committee, February 2004
 - The OFT’s response to the Transport Select Committee report: “The regulation of taxis and private hire vehicles in the UK” – OFT, March 2004
 - Limitation of Taxi Numbers – Report of Assistant Chief Executive (Legal and Governance Services) to the Sheffield City Council Strategic Resources and Performance Scrutiny and Performance Development Board, June 2005
 - Government request to all Council’s restricting the number of hackney carriage licences to review quantity control policies – Oxford City Council Licensing Committee, November 2004
 - Letter to the Department for Transport dated 11th Feb 2005, from William Reed, Democratic Services Manager, Oxford City Council
 - Taxis and Private Hire Vehicle Licensing: Best Practice Guidance – Department for Transport, October 2006
2. **Department for Transport Best Practice Guidance**
 - 2.1 The DfT issued best practice guidance for taxi and private hire vehicle licensing in November 2006. The document outlines best practice across the range of licensing considerations, such as vehicle type, DDA compliance and quantity control.
 - 2.2 The paper offers a rationale for taxi licensing policy – “The aim of local authority licensing of the taxi and PHV trades is to protect the public.” Local authorities have to balance the need to have a thorough and robust licensing regime, without making the trade unduly restrictive to those wishing to enter it. The paper says:

“It is clearly important that somebody using a taxi or PHV to go home alone late at night should be confident that the driver does

not have a criminal record for assault and that the vehicle is safe. But on the other hand, if the supply of taxis or PHVs has been unduly constrained by onerous licensing conditions, then that person's safety might be put at risk by having to wait on late night streets for a taxi or PHV to arrive; he or she might even be tempted to enter an unlicensed vehicle with an unlicensed driver illegally plying for hire.”

- 2.3 The guidance states that “most local licensing authorities do not impose quantity restrictions; the Department (for Transport) regards that as best practice”. The document goes on to say that where restrictions are imposed, they should be regularly reviewed to see whether the restrictions should continue at all. The report says:

“The matter should be approached in terms of the interest of the travelling public – that is to say, the people who use taxi services. What benefits or disadvantages arise for them as a result of the continuation of controls; and what benefits or disadvantages would result for the public if the controls were removed? Is there evidence that the removal of controls would result in a deterioration in the amount or quality of taxi service provision?”

- 2.4 However, the guidance also makes it clear that it is for individual licensing authorities to reach their own decisions on overall policies and licensing matters.

3. Arguments in Favour of De-restriction

3.1 Quantity controls are not of benefit to consumers

- 3.2. The government argues that consumers should enjoy the benefits of competition in the taxi market and also considers number restriction detrimental to those who wish to enter the market. It said in its response to the OFT report ‘The Regulation of Taxis and Private Hire Vehicle Services in the UK’, that “restrictions should only be retained if there is a strong justification that removal of the restrictions would lead to significant consumer detriment as a result of local conditions”.

- 3.3 Oxford City Council has decided to retain quantity control on hackney carriage numbers and set out the reasons for this in a letter to the Department for Transport dated 11th Feb 2005. In summary, the reasons for maintaining number restrictions are:

- The results of successive demand surveys have shown low levels of unmet demand. Where unmet demand has been found, additional licences have been issued. However, there is significant criticism of demand surveys from other sources (see 3.5 to 3.7 below)

- High levels of quality control. For example, all hackney carriages are wheelchair accessible and Oxford City Council enforces this. However, this ignores the fact that quantity control and quality control are regulated separately. Indeed, de-restricting numbers, but tightening other restrictions, such as wheelchair accessibility is recognised and referred to within the trade as partial de-restriction (as implemented by Ipswich Borough Council).
- Impact on traffic problems and air pollution in the city centre because more taxis will be on the road. (See 4.5 to 4.8 below)

3.4 In short, the letter makes no mention of the adverse impact on consumers if quantity controls are lifted. More specifically, it has not been demonstrated how quantity controls are of benefit to consumers. The OFT believes that the arguments regarding quality are redundant because quality of vehicles and quantity of vehicles are regulated separately. It could be argued (and the OFT do argue) that quantity controls are unnecessary.

3.5 Unmet demand surveys are not robust at assessing demand

3.6 The validity of hackney carriage demand surveys have been questioned for a number of reasons:

- They only measure demand that exists at the time and in the circumstances in which the survey is undertaken and do not attempt to assess what demand has been lost due to the unavailability of taxis, which may be regained if more taxis were available – i.e. they do not assess latent demand. The government has announced that surveys should measure latent demand as well as existing demand.
- The surveys don't take into account "hail" work – only demand at ranks.
- The surveys don't take into account the private hire sector, which in some areas can be extremely large, that meet the demand that taxis are unable to.
- Demand surveys can be manipulated by:
 - Ensuring all taxis are working at all times when surveys are carried out;
 - Hackney carriages ignoring pre-booked work and concentrating on servicing ranks during the survey period;
 - Using communications equipment to direct taxis to particular ranks when they are being observed.

3.7 Perhaps the most compelling evidence that the unmet demand surveys are not recording true levels of demand is that since 1997 the number of private hire vehicles in Oxford has risen from 150 (this is an

approximate guess) to 262 in 2002, to 366 in July 2007 (a 144% increase approximately). Meanwhile, successive demand surveys have found that unmet demand has warranted an increase in hackney carriage licenses by 6 in 2003 (from 99 to 106) and by 1 in 2006 (to 107), an increase of 8%. Would private hire vehicle numbers have swelled to such a degree if there weren't demand for their services?

3.8 The market will dictate taxi numbers and when people will work

3.9 There is some uncertainty about what would happen if taxi numbers were de-restricted. It has been argued that there would be an influx of new licence holders into the trade who would be reluctant to work unsociable hours e.g. late night or weekend shifts, when demand maybe highest. These drivers could choose to work daytime shifts, resulting in overflowing taxi ranks, and potential bankruptcies, as there wouldn't be enough work. On the other hand, it has been argued that the off peak times won't be as well served, as drivers would focus solely on working at more profitable times e.g. late night or weekend shifts. Licence plate holders claim that they will go out of business if more people are allowed to enter the trade, because there won't be enough work to go round. The report 'Restricting Taxi Numbers: Myth and Reality' sums up these arguments pretty well:

"The nonsense of both these contradictory arguments is that while the vested interests in the trade claim that the removal of quantity controls will lead to bankruptcies, overflowing taxi ranks and unsafe vehicles, it seems that at the same time these same people will be sitting at home while customers are crying out for taxis".

3.10 The report concludes that market demand will dictate when drivers will work irrespective of taxi numbers.

3.11 The report 'Restricting Taxi Numbers: Myth and Reality', also says that plate holders often complain that there are too many taxis within their area, but at the same time in other areas, argue that there are not enough drivers. The plate holders want to encourage more drivers into the trade, but not new licence holders. For example, in 2002 Edinburgh City Council debated whether to follow the outcome of their demand survey, which recommended 49 extra licences be issued, after lobbying from the local taxi firms. However, at the same time, the Council suggested lowering the passing grade of the "knowledge" test to tackle the shortage of drivers. This is a contradictory position, but one endorsed by the local taxi trade. (The licences were eventually issued). The perception is that new drivers are welcome, as long as they are not driving their own taxi, but crewing an existing licence holder's vehicle, and renting it from them at a premium. Multi crewed vehicles can reduce unmet demand, strengthening the position of the plate holders, to the detriment of those wishing to enter the trade.

3.12 Taxi numbers increase in unrestricted areas

3.13 The following table has been taken from the OFT response to the Transport Select Committee report, 'The regulation of taxis and private hire vehicles in the UK'.

Percentage changes in total vehicles licensed between 31 December 1999 and February 2004 (All LA's who de-restricted in 2000 or 2001)

<i>Licensing authority</i>	<i>Year de-restricted</i>	Per cent change		
		<i>Taxi vehicles</i>	<i>PHVs</i>	<i>All vehicles</i>
Sheffield	2001	72	-12	7
Erewash	2000	244	-83	25
Wellingborough	2000	43	131	108
Peterborough	2001	88	-16	31
Cambridge	2001	56	-30	-5
Milton Keynes	2001	46	25	28
West Berkshire	2001	4	-2	2
Elmbridge	2001	55	271	181
Medway Towns	2001	26	15	23
Isle of Wight	2001	20	20	20
Cheltenham	2000	3	58	35
North Wiltshire	2001	25	-61	3
West Devon	2001	64	-19	40

Source: DfT (Taxi and Private Hire Vehicles in England and Wales, 2000 and 2002), licensing authorities

3.14 This table shows, that with the exception of Cambridge, all local authorities that had de-restricted in 2000 or 2001 had shown an overall increase in the number of taxis and PHV in their area. In Cambridge, we know that a number of PHV have registered in neighbouring South Cambs instead, where age limits for vehicles are higher. This may explain the overall fall in numbers. The OFT argue strongly from the evidence they have collected, that there are more taxis overall in areas that are unrestricted which is of benefit to the consumer. However, the House of Commons Transport Select Committee dispute this.

3.15 Passenger waiting times are lower in unrestricted areas

3.16 The OFT claim that in areas without quantity controls waiting times for taxis are between 2% and 7% lower than in restricted areas, and at peak times (weekend evenings) the reduction is even greater (10%). Experiences in Sheffield echo these findings. Sheffield de-restricted in 2001. The proportion of people waiting for over 5 minutes at taxi ranks fell from 27% in 1998 to 9% in 2003. The overall waiting time for customers fell from 1.47 minutes to 1.23 minutes. It should be noted that the last survey carried out in Oxford showed on average that passengers waited 0.65 minutes at a rank for a cab and the cabs waited on average 9.63 minutes for a passenger.

3.17 Consumer safety and driver safety

- 3.18 Consumer safety is a significant issue that can, in part, be addressed by de-restricting taxi numbers. The OFT report states that anecdotal evidence from police authorities suggest that a shortage of safe transport, particularly taxis during the late evenings, contributes to difficulties faced by the police in clearing city centres or public places. This can lead to violence and public disorder.
- 3.19 Illegal use of PHV during peak times can increase in areas that are restricted, as taxis are not available. People who hail down a PHV or other cars offering themselves as taxis are potentially putting themselves in danger from drivers who may not have undergone police checks, or vehicles that are unsafe. PHV illegally plying for trade also invalidate their insurance, limiting means of redress in the event of an accident.
- 3.20 One final consumer safety issue is that some people pose as taxi drivers with the sole intention of committing a serious criminal act. De-restricting may help to address some of these issues, through greater availability of licensed taxis.
- 3.21 Driver safety is also a factor that needs consideration. In a hackney carriage vehicle there is a screen between the driver and passenger, which can act as a barrier helping to improve safety for the driver. If number restrictions were lifted, more drivers would be able to use hackney carriage vehicles.

3.22 Local factors – the unofficial plate premium

- 3.23 One of the OFT's key indicators of unmet demand is the unofficial premium that taxi licences hold. The general view is, the higher the premium, the greater likelihood of unmet demand. According to the report 'Restricting Taxi Numbers: Myth and Reality', the unofficial plate premium in Oxford is £70,000 (it may well be higher than this now, as the report was published in 2004). This was the highest plate premium listed in the report, and may well be the highest in England.
- 3.24 The Department for Transport best practice guidelines state that licence plate premiums indicate that there are significant numbers wanting to enter the market, but are prevented from doing so by quantity restrictions. The Department believes that this is "very hard to justify."

3.25 Barrier to entering the taxi trade

- 3.26 Another obvious argument in favour of de-restriction is that the current system in Oxford doesn't allow people to enter the trade unless they can afford to purchase a plate or they are lucky enough to be drawn

from the hat when extra plates are issued (after a demand survey, every 3 years). Currently when the Council issues another plate, it effectively holds a lottery, where the winner would be able to sell his/her plate after 5 years for £70,000+. Again, there seems little benefit to the consumer and it could be argued that it is morally wrong for a Council to be inadvertently facilitating the trade of plates.

4. Arguments Against De-restriction

4.1 Flawed evidence presented in the OFT report 'The regulation of licensed taxi and PHV services in the UK'.

4.2 A number of arguments have been put forward supporting restriction of taxi numbers. Restricting numbers was strongly endorsed by the House of Commons Transport Committee, which criticised the OFT's review of the taxi trade. The main points made by the Transport Committee were:

- Severe criticism of the data and methodology used to draw the conclusion that waiting times are lower in unrestricted areas. These findings were based on only two case studies – Sheffield and Cambridge, and there were doubts about the quality of the work done in those cities.
- The number of taxis per head of population is lower in de-restricted areas than restricted ones. The OFT does not adequately address this in their original report, although they subsequently produced the evidence shown in paragraph 3.13 above. The OFT now claim that it is more useful to look at areas before and after de-restriction to assess the number of vehicles per head of population, and not look at the situation across the country as a whole.
- The OFT survey did not address the interrelationship between the taxi market and the private hire market, particularly in cities. The Committee believes that taxi policies shouldn't be made without analysis of both markets.

4.3 Maintaining the quality of the service

4.4 The OFT dismisses the argument that quantity controls lead to a higher quality service on the grounds that the two are regulated separately (see paragraph 3.3 above). The House of Commons Transport Committee argue the two are interdependent. With more vehicles on the road, there will be more pressure on local authorities to enforce conditions, leading to greater potential for quality of vehicles to slip. Officers in re-restricted authorities told the Committee that they now had more time to police the trade. The inference made was that quality suffered in de-restricted areas because drivers earned less, meaning they could not afford to maintain vehicles to such a high standard.

There was also greater pressure on authorities to enforce conditions on more vehicles.

4.5 Pollution and traffic congestion will increase

4.6 Worsening air quality and extra traffic congestion could become a problem in Oxford city centre if there are more taxis plying for hire on the street. Additional hackney carriages would be inevitable if taxi numbers were de-restricted. However, any increase is likely to be followed by a similar reduction in the number of private hire vehicles, as drivers change their license. What is more likely is that rank space will become an issue (see 4.9 and 4.10 below), rather than extra traffic congestion. In Cambridge, de-restriction hasn't led to more congestion and they haven't been able to establish a link between de-restriction and poorer air quality.

4.7 Interestingly, when this issue was previously considered by the Council's Licensing Committee in November 2004, a report prepared by Oxford City Council's taxi licensing officer stated that if de-restriction was to take place "since any increase in hackney numbers is likely to be almost matched by a decrease in private hire numbers, this is not likely to be the cause of a great deal of additional congestion and would in any case be a very small percentage of overall traffic".

4.8 The Department for Transport best practice guidance suggests ways to deal with environmental concerns associated with a de-restricted taxi market. The paper recommends setting vehicle emission standards for taxis and private hire vehicles, or carrying out random, but frequent emissions tests on taxis and private hire vehicles to ensure that they are within the allowed limits.

4.9 The need for more rank space

4.10 De-restriction will result in more hackney carriages and therefore, the need for more rank space. What is the likely demand for more rank space, are there suitable locations in Oxford, what is the cost of providing them? In Cambridge there are problems during the daytime with taxis struggling to get on to ranks, and using loading bays and parking areas as unofficial ranks. There is already a shortage of rank space in Oxford and it is almost certain these problems would be exacerbated. Cambridge use temporary ranks at night time which resolves this issue.

4.11 Licence premiums

4.12 Currently hackney carriage licence holders can potentially sell on their licence and vehicle for £70,000 +. Whilst this shouldn't influence a decision to de-restrict numbers (any de-restriction should be done for the benefit of consumers), it is something to be aware of. Given the potential loss to the current licence holders, a decision to de-restrict

licence numbers could be challenged in the courts. This is something to bear in mind if the decision is taken to de-restrict licence numbers.

4.13. Working conditions for drivers

4.14 With more hackney carriages operating in the city, drivers may have to work longer hours to maintain their current income. The Council's first priority should probably be to customers, but the welfare of drivers could also be a consideration.

4.15 Impact on the private hire market

4.16 De-restricting the number of hackney carriage licences is likely to result in a reduction in the number of private hire vehicles in Oxford. Current private hire drivers are likely to apply for a hackney carriage licence to allow them to ply for trade on the street. The reduction of private hire vehicles could have a detrimental impact on the market in Oxford. Hackney carriages generally operate in the city centre. Private hire vehicles tend to work in suburban areas, answering requests via an operator. They are also an important service in deprived areas, with low levels of car ownership.

4.17 However, another possibility is that new hackney carriage licence holders will continue to take bookings via an operator, as this will be a useful source of income. According to a report to the Council's Licensing Committee in 2004 50% of hackney carriage drivers in Oxford already take bookings via an operator. There is no reason to assume this won't continue should de-restriction take place.

4.18 Increase in taxi numbers, but not necessarily an increase in supply

4.19 Although more hackney carriage licenses will be issued, there is no guarantee that there would be greater availability of taxis. Currently most hackney carriages are double or triple crewed, so that they are on the road virtually 24/7. If more people are able to obtain their own license, and presumably buy their own vehicle, it may be harder to double crew vehicles. People may choose not work unsociable hours, such as Friday and Saturday night. There could be fewer taxis available at these peak times.

4.20 This argument was addressed in point 3 above. The taxi trade will argue that availability will fall during unsociable hours, but at the same time taxi drivers will be going out of business, sat at home and not working when demand for taxis will be highest – Friday and Saturday nights. The two arguments contradict each other.

Andrew Davies
Scrutiny Officer, Oxford City Council
13th July 2007

The London Pedicab Operators Association **(LPDA)**

Code of Practice for Pedicab Operators

We, the Pedicab Operator (name)_____ hereby certify that we will manage our operation according to the following Code of Practice for Pedicab Operators and therefore will:

- have in place 3rd Party Public Liability insurance (minimum £1M any one event) to cover all pedicabs owned by us and driven by pedicab drivers registered with us, for taking passengers for Hire and Reward
- ensure that all drivers registered with us have signed the Code of Conduct for Pedicab Drivers (as agreed by the LPOA)
- Have zero tolerance to the use of drink or drugs
- ensure that all drivers have a driving licence (valid in the UK) or have passed a written Driving Standards Agency test
- ensure that drivers receive training in all aspects of pedicab driving
- ensure that all drivers pass a practical on-road test (carrying passengers)
- register all rider personal information (full name, address, age, next of kin, phone, email, medical statement and some form of positive ID eg passport, drivers licence)
- ensure vehicles are safe, legal and roadworthy (including lights, safety belts) and are specifically designed for carrying passengers
- monitor street behaviour and have in place a disciplinary procedure clearly setting out the criteria under which a rider will be penalised or dismissed
- in the event of the dismissal of a rider, report this to all other Pedicab Operators in the LPDA
- ensure that all pedicabs are maintained regularly and kept in a safe condition and to keep records of all maintenance carried out on each vehicle
- keep operational records to ensure that you can identify which pedicab driver was on which pedicab at any one time
- take steps to protect the reputation of the pedicab industry at all times
- have a procedure for dealing with lost property
- document all incidents and accidents
- ensure that all vehicles and drivers can be identified as being part of our operation

Signed

Position

Operator name

Date

Code of Conduct for Pedicab Drivers

I (name)_____ hereby certify the in the course of my activities as a Pedicab Driver I will:

- a) Ensure the safety of my passengers, other road users and myself at all times and take all measures to avoid accidents and incidents
- b) abide by the rules as set out in The Highway Code at all times
- c) at no time be under the influence of alcohol or any drug including prescription drugs that may affect your judgement
- d) ensure that my passengers are offered the safety belt/lap belt before all journeys
- e) not ply for hire and will stipulate that potential passengers call to book their journey in advance
- f) ensure that all items belonging to passengers are stowed and that scarves, coats, or any other items are safely contained within the pedicab
- g) not solicit or aggressively tout business
- h) not overload my pedicab ie I will only take passengers if they can be seated in my pedicab – maximum 2 adult passengers
- i) be courteous and considerate to other road users, pedestrians, taxi drivers, the police and passengers at all times
- j) not cause an obstruction to other vehicles or pedestrians especially around fire exits from buildings eg theatres
- k) wear my ID tag at all times when riding (once provided by the Operator)
- l) carry out the prescribed safety checks each time I take out my pedicab
- m) assist any other pedicab driver (regardless of company) if they are experiencing difficulties or are in danger of assault
- n) not become involved in racing of any kind
- o) hand in any lost property
- p) ensure that my passengers arrive at their destination safely and that I will take particular care of the vulnerable
- q) not smoke or use a mobile phone whilst riding
- r) not ride in pedestrian areas or on the pavement (pedicab may be pushed)
- s) not make any action that might damage the reputation of the industry
- t) report and document any accident or incident immediately or within 24 hours to the owner of the pedicab

Signed (name)

Date

Comments on the Review

1. Oxford City Council Taxi Licensing Officers - Phil Pirouet and Jill Cramer

The Taxi Licensing Officers has the following comments to make concerning the report of the Rickshaw and Taxi Licensing Review Group

It must be borne in mind when any decision is made over the content of this report is the fact that the leading applicant will almost certainly not be the only person who wishes to operate rickshaws. The taxi licensing office has been approached over several years by a number of applicants who have accepted that it was not possible to licence them and during this summer there have been five enquiries.

The taxi-licensing officers are concerned about having involvement in any process over which there can be no worthwhile sanctions for non-compliance. There will be no legal power to require the vehicles to be examined for safety; there is no method of ensuring that the previous history of the riders is acceptable or of dealing with the inevitable complaints.

Had it been possible to licence the drivers it would be the opinion of the taxi licensing office that the same standards applied to hackney carriage and private hire drivers should be applied to the riders of rickshaws, including criminal records checks.

The taxi-licensing officer has long been concerned about the safety of the vehicles and has mentioned this in previous reports. This opinion is now reinforced by sight of a report produced for the London Licensed Taxi Drivers Association by the Transport Research Laboratory that also calls their safety into question.

Bearing in mind its size, slow speed and the fact that rickshaws will be unable to physically and legally use all the solo cycle routes through the city it is doubtful if they would be quicker than motorised transport. The delay caused to public transport by their use of the bus lanes will be considerable; this may not happen immediately but will inevitably be the case if numbers increased.

The proposal that the Council introduce a registration system would involve a great deal of work. The question must be where would the finance for this come from since it would not be legally possible to fund it from the fees paid by licence holders even if the staff was available to carry out the work.

The taxi-licensing officers would like to ensure that the council is aware of its legal position if it endorses the rickshaws by introducing a code of conduct, promotes the use of council facilities for bookings and displays the council's

logo on the rickshaws. It is suggested that it would be a natural assumption by the public that the rickshaws, their riders and operators had been checked and licensed in the same way as the holders of hackney and private hire vehicles, thus are likely to be safe to use.

It is agreed that to allow rickshaws to run unlicensed is not desirable but until there is legislation to allow licensing, this must continue. There is danger in the Council becoming involved in a voluntary licensing scheme with no enforcement and it may be that the Council would be best advised to restrict its involvement to lobbying government to introduce a national licensing scheme for rickshaws.

It is understood that the Scrutiny Officer, in common with the taxi licensing office has been unable to find any other authority that is both lawfully and successfully licensing rickshaws.

The principal of maintaining hackney carriage numbers is a matter for the council to decide, but if a consultation is carried out this again will involve officer time and expense. As an indication, the last hackney demand study carried out recently would have cost well in excess of £16,000 including officer time. The survey found an unmet demand of only one vehicle.

2. Alan Woodward, City of Oxford Licensed Taxicab Association (COLTA)

A Response

From the City of Oxford Licensed Taxicab Association (COLTA)

Introduction

The taxi association has presented this report setting out its responses to debates on rickshaw regulation & delimitation of hackney carriage licenses in Oxford.

We believe initially that the Environmental Scrutiny Committee Review intended to look at ways in which 'Pedicabs' or Rickshaws could be licensed to operate a taxi style service within the city, along the way, numerical control of hackney carriages became embroiled in the debate.

Under present day legislation there are two types of hire and reward services.

Hackney Carriages

Hackney Carriages (Public Hire) legally referred to as taxis, have been licensed in this country since the 15th Century, the vast majority of this type of vehicle are **not** affiliated to radio circuits, their revenue is generated almost entirely from rank & street hirings, late in the 1600s the Government restricted the number of such carriages due to concerns over congestion within the capital.

The fare charged by a hackney carriage is heavily regulated, any adjustment to the fare structure has to be by way of licensing authority authorisation following an application being lodged by the trade, Hackney Carriages are the only form of passenger carrying transport service who's fares are controlled in this manner.

Prior to obtaining a badge to drive a hackney carriage a complex 'Oxford Knowledge' exam has to be passed together with a driving assessment, the 'knowledge' test ensures that members of the public have confidence that they can hail a cab knowing that its driver has a sound knowledge of the city and can normally take them directly to their destination.

A recent Government study in response to an office of fair trading report into of taxi services, found that hackney carriage services primarily concentrated on serving central area ranks and streets of its licensing district, street & rank hirings in the suburbs are few and far between.

Since 1999, following an agreement set up ten years earlier between the City of Oxford Licensed Taxicab Association & Oxford City Council, only wheelchair accessible vehicles can be licensed in Oxford to operate this 'public hire' service, experience has shown that the most popular purpose built 'compliant' vehicle will cost around £35,000, in order to finance such a vehicle, the proprietor would normally be required to secure the repayments of around £560 per month against the family home.

Private Hire Vehicles

(Non Public Hire) when compared with the taxi, private hire vehicles provide a very different type of service, they have been around in Oxford since the 1950's and initially operated without any form of regulation, in the early 1970's the Government became concerned at the number of private hire operations being set up around the country without any element of legislated control, in 1976, HM Government introduced the 'Local Government (Miscellaneous Provisions) Act', Oxford city adopted the act in 1981, the primary role of the PHVs was clearly defined within the 1976 act as a service which would compliment that of the non-radio hackney carriage by use of two way radios, there is a legal requirement for every journey to be pre-booked & a complete log of all journeys to be kept by both driver and operator.

A recent report by HM Government, in response to an Office of Fair Trading paper, found that the PHVs service generally did serve the suburban areas of a city, where telephone/radio bookings were found to be the normal method of hiring taxi type services, such as from housing estates, business parks & shopping centres.

The entrance exam for a private hire badge applicant, has very little comparison with that of the hackney carriage driver qualification, this is due continued requests from PHVs operators to lower the requirements due to a severe shortage of drivers, their argument points out that when taking a booked job over their radio, a private hire driver has prior knowledge of his/her

pick up drop & off points prior to attending the job and is able to use an A to Z map and has no need therefore to pass such a rigorous exam, this point seems to have been accepted by Oxford city council where those standards have been reduced substantially over the years.

There are no requirements for Phv's to provide wheelchair or disabled facilities for their passengers, a new vehicle to operate this type of service can be purchased from around £10,000, however, a substantial number of Phv's operated in Oxford appear to be second hand vehicles traded between individuals within that trade for as little as two to three thousand pounds, there is no legal requirement for Phv's to be fitted with taximeters, their fares can be adjusted at will by the proprietor or operator and as often as they see fit.

The Pedicab (Rickshaw)

Have until recently been considered by many as nothing more than a gimmick or backdoor, cheap entrance into the taxi market, a certain section of the community have even commented that "this type of service was operated 'back home' decades ago & is degrading to the those making an income from it", (this is not reflective of the taxi associations opinion).

The type of outlay required to operate rickshaw would support that opinion, at the present time there is no legislation supporting such operations. There is certainly no requirement for disabled access, for metering of a fare in order to achieve consistency in charges & no requirement to display any form of recognition for reference in the event of a public complaint.

In the past, there have been attempts at operating rickshaw type services in Oxford, at that time, small bus license legislation was available and used to give an element of control to that service, unfortunately, in the late 1990's, due to substantial abuse of these type of licenses by the private hire trade around the country.

In Oxford, no less than 75 saloon type vehicles were operated by private hire companies, those operators took us back to pre 1976 era and operated the vast majority of their fleets outside of any control by Oxford city council with no drivers badges or individual vehicle license.

The government subsequently changed legislation in regard to small bus licensing, that change now leads us into today's difficulties when dealing with rickshaw licensing, not of local authority making, not of the hackney carriage trades making, however, we are now left to deal with it.

Local authorities only have two options if they wish to regulate the operation of rickshaws, one, to reduce, substantially, conditions of fitness for all hackney carriages and then issue rickshaws with hackney carriage licenses, 2, enter into a 'local agreement' with rickshaw operators as to conditions of operation.

It has to be said, that with today's heavily polluted environment, particularly as found in Oxford city, any form of transport which has a zero 'footprint' such as

the cycle driven rickshaw, has to be given serious consideration, the City of Oxford Licensed Taxicab Association fully accept the reality of this situation.

Licensing Issues

It has to be said, that H.M Governments continued failure to adopt an alternative licensing regime, which would easily accommodate the operation of rickshaws within present day taxi legislation, plays a large part of the problem facing local authorities, after all, the debate has been going on for at least twelve years, today, we appear no further forward than when the debate started, unless, an option which is open to us, we deal with it locally.

Colta do **not** see the rickshaw as presenting serious competition to hackney carriage services, in fact, despite a detrimental comments having been received by the taxi association, we see little room for objection to a formal 'operating agreement' being put in place and feel that such a service may well only operated during the tourist season & also in part compliment the hackney carriage & private hire services, however.

The taxi association do consider that any proposal to delimit the number of hackney carriage licenses in order to accommodate such a service, as having an extremely detrimental effect upon **all** existing passenger transport services in the city, such as bus lane congestion and, in particular, any attempts to allow taxi rank access to such a service.

Operation Costs

I have already touched upon some of the costs of operating a hackney carriage in this report such as regular upgrading of the purpose built wheelchair accessible fleet.

If, Oxford city council are realistic in its previous known intentions for the hackney carriage fleet to be regularly upgraded with newer technologically advanced vehicles, then a delimited fleet would be detrimental to that policy, proprietors would not be able or prepared to regularly enter into vehicle replacement programs where they could not guarantee meeting their commitment & were to be faced with the possibility of having to claim housing & other benefits & the possible loss of the family home where revenues were severely reduced.

The most up to date figures calculated by the taxi association, show a monthly budget of around £1600 being required to operate a hackney carriage in Oxford, this is purely cost attributed to operating the cab and does **not** include earnings, is calculated where the vehicle is under five years old and where a loan repayment scheme is in progress.

Delimitation of numbers, would initially have a detrimental effect upon non-proprietors, members of the taxi community who have driven a licensed cab for 20 years or more, who have never perceived any barrier of entry into the trade & have never been interested in running their own cab, these people

would be the very first to feel the effects of delimitation & would quickly find themselves searching for work outside of the cab trade where they have made their living for decades, these people, including the author of this report who happens to be a non-proprietor, far outnumber those who claim to see such a barrier of entry.

Pollution

Oxford city already exceeds prescribed levels of CO₂. A recent City Council report into pollution levels in the city attributed just 6% of CO₂ to the taxi fleet, any policy which would result in an increase in the taxi contribution to those levels, would hardly support the impression of a commitment of reduction in toxic fumes within the city.

The most up to date purpose built hackney carriage vehicle (TX4) has a CO₂ 'footprint' of around 203g/km, the previous model (TX2) a CO₂ level of 243, the overall footprint of the hackney carriage fleet licensed by Oxford city council is at the present time around 26000g/km, it is a fact, that delimitation & the introduction of significantly more hackney carriages into the equation, would without doubt result in at least an additional 50 to 60 hackney carriages operating in the city, an increase in CO₂ levels of around 45% to 37000g/km.

Some observers suggest that any increase in hackney carriage numbers would be matched by a decrease in private hire vehicles within the city, where proprietors simply transferred from private hire across to the hackney carriage trade, yet, there is evidence to show that not only do private hire proprietors from the immediate district transfer, so do hackney carriage & private hire proprietors & even whole companies from adjacent districts.

Oxford is surrounded by four other licensing authorities, Cherwell, West Oxfordshire, Vale of White Horse & South Oxfordshire, data suggests that taxi proprietors from adjacent districts would move their operations into Oxford, any assumption that only 50 to 60 additional plate applications would be received if Oxford delimited should be treated with extreme caution, a more realistic figure in excess of 100, if those predictions were to become reality the hackney carriage footprint in Oxford City would rise by 100% or more.

Oxford city council's Scrutiny Committee review itself has shown substantial increases in overall vehicles licensed in areas where delimitation has taken place, of the 13 authorities listed within the report one shows an increase of 181% another of 108%, Oxford could not sustain such an increase, particularly where we only have rank space to accommodate around 40 cabs, the overflows would be forced to drive around the city centre in circles looking for work, increasing, even further, the pollution levels.

One of the preferred group of vehicles used by the private hire trade is the Toyota Avensis, a euro iv standard engine producing just 146g/km, 25% less

CO2 than the very latest wheelchair accessible hackney carriage, so, even assuming that just 50 PHVs were to be taken out of service & replaced by a hackney carriage, the difference in CO2 levels created by such a move would increase by around 2800g/km.

Lottery Style Draw

Since 1989, legislation has required that where a local authority has a policy of numerical control of hackney carriages, they must be satisfied that no unmet demand exists, since 1989, following an agreement over wheelchair accessibility between the Oxford City council & the taxi association, regular (3 yearly) professional 'unmet demand' surveys have taken place, these studies are funded by the taxi association, the associations membership is made up of both proprietors & non-proprietors, its management committee is made up from both sections, from time to time various case law and/or government requirements are added to the criteria of such studies, Colta have always supported the additional criteria in order that these surveys meet government guidelines, the two recent surveys have resulted in eight additional license plates being issued. However.

The methodology of the issue of these plates *has* come into question during the scrutiny committee enquiry, Colta agree that the present criteria for applicants of new plates is in need of review. Of the previous 8 newly circulated license plates issued by Oxford city council following surveys, 2 of these have been issued to spouses of existing plate holders, neither of the original plate holders have a cab badge entitling them to drive a licensed cab even for private use, the manner in which this criteria operates actually generates a lottery of the city councils making.

Colta are of the opinion that the transfer of any first time issued hackney carriage license, be restricted so as to place it back into the hands of the city council in order that it be re-issued.

Justification for Numerical Control

We have to be mindful of the fact that a delimited district the level of business does not increase in the short term to ensure financial stability sufficient enough for proprietors to sustain their repayment schemes, proprietors, even within the past few months have taken out loan contracts on brand new £35,000 cabs, those contracts last for an average of five years, the first area of funding within the business would be maintenance schedules & ultimately, the safety of the consumer.

Survey Driven Regulation matches the level of service to demand & retains sufficient levels of revenue to ensure properly maintained fleets.

There are a number of issues questioned by the Department of Transport when a local authority operate numerical control of hackney carriages by survey driven regulation.

Colta's response to some of those issues is..

Unmet Demand Surveys **may** be manipulated if the chosen consultant carries out the study in full view of the trade, however, the most recent study in Oxford was successfully carried out whereby the vast majority of its work was undertaken without members of the trade being aware, in fact members were asking "when is the survey", in fact it had been completed.

De-restriction **would** allow those who wish to drive their own cab rather than rent one from an existing licensed holder, **BUT**, what of the very many more who, having made the choice over 20 or more years NOT to become a proprietor, but instead drive someone else's because they did not want the responsibility required of a proprietor? It is those badge holders who would be most effected and who's income would drop to a level where they could no longer remain in the trade, after decades in the profession they would find it extremely difficult to find a new job, professionalism comes with experience, the loss of experience would be extremely detrimental to the end user.

The city **WOULD** become flooded with empty cabs, there are around 40 full time spaces on cab ranks around the city, a restriction in revenues **WOULD** result in those working in the trade working longer hours & spilling over off the end of cab ranks, others would simply drive round in circles around the city centre looking for work, such a situation would without doubt increase CO2 & congestion levels and present additional hidden dangers of longer driving hours.

There is a trade in the value of hackney carriage license plates, whether or not this trade value is lucrative is an issue for debate, and without doubt has yet to be proven to the association, 'rumours' simply do not mean 'fact', I am pretty sure that recipients of this report do not need reminding that comments from magazines (as referred to in the scrutiny committee report) have to be considered with extreme scepticism.

Almost without exception, those purchasing license plates are from the Asian community, a section of the population who have diversified from other business sectors bringing their profits from sale of those businesses with them, under tax laws in this country, profits derived from the disposal of a business has to be re-invested in order to avoid capital gains tax, this may explain any perceived enhancement in plate value over the years.

Purchasing the right to operate a business where working hours are not restricted allows a person to work whatever hours ideally suits his/her particular way of life, the Asian community are renowned for their extremely social family orientated way of life, and their ability to work longer hours, a taxi plate enables them to work do just that & again may explain any perceived enhancement in the value of their business.

A monumental number of hours are spent by taxi proprietors throughout their time in the trade which is unproductive in terms of revenue and earnings, the

cab trade do not enjoy the benefits of holiday or sick pay, upon leaving the profession making up any loss of these benefits must be considered.

As with any other type of business the investor is entitled in accordance with all accountancy practices, to a financial return on his business investment preferably a profitable return, each time he purchases a brand new cab he/she invests yet another £5,500 loss of bank interest on top of his original investment. BUT, above all else, for many decades, the value of a cab proprietors business has been considered as his/her pension, delimitation would destroy every existing proprietors retirement plans.

The taxi & hire car services in Oxford is not broken, why fix it, the consequences of delimitation upon members of the public where suburban private hire services would see a reduction, where many more hackney carriages remained stationary on central area cab ranks trade & the effects of substantial increases in CO2 levels would be irreversible, once plates are issued, they cannot be taken away once the mistake has been realised.

Instead, why can't we enter a third tier of service onto the streets of Oxford, the Taxi, the Phv & the Rickshaw?

Compiled by Alan Woodward on behalf of the City of Oxford Licensed Taxicab Association

3. Ted Maxwell and Tilly Maxwell – Oxoncars

Nelson House
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21st October 2007

Dear Mr Davies

Thank you for sending us the Consultation Draft of the Review Report. We appreciate the considerable time you have put into this and welcome your findings and recommendations.

We do have a few comments which we would like recorded and we would do plan to attend the Environment Scrutiny Committee meeting on Monday November 12th.

2.3: 'The Taxi Licensing Office has warned one rickshaw operator that they should not be plying for hire, or operating in a manner that suggests vehicles are available for hire off the street (such as advertising their services on Cornmarket Street).'

We would argue that we are allowed to advertise our legal services on Cornmarket Street – assuming it is made clear that people can not hop on, it would be unfair if we were not allowed to tell people about our various services.

3.3 'The Oxford Association for the Blind wouldn't want safety further compromised by rickshaws working in pedestrianised spaces, such as Cornmarket Street'

As per the current restrictions on bicycle use on that street, rickshaws would only be cycled between 6pm and 10am on Cornmarket Street. At other times of the day they could still be legally pushed through the street without compromising any pedestrians' safety, just as bicycles may.

5.8 'Rickshaw drivers should have a valid driving license and also undertake a cycle proficiency test (perhaps to level 3 of the National Standard for cycle training). This is so that customers can be sure that drivers are aware of the rules of the road.'

Level 3 of the National Standard for cycle training includes riding on busy roads including multi-lane filtering techniques and busy roundabouts. We therefore feel it is unnecessary for riders to have a driving license.

Furthermore, many of the people who wish to work for us have made the environmental decision not to learn to drive a car.

Further, we would like it put it on record that our rickshaws are fitted with lights, indicators and working break lights. Once again, we are delighted that the committee has put on record their support for rickshaws within the city of Oxford. We look forward to working with the Council and join you in your hope that a voluntary code of practice will be up and running as soon as possible.

With kind regards,

Ted Maxwell and Tilly Maxwell
Partners
Oxon Carts