

SURVEY OF LOCAL AUTHORITY QUANTITY CONTROLS ON TAXI LICENCES 2008

Introduction

- In 2008, DfT undertook a survey of Taxi Licensing Authorities (TLAs) in England (outside London) and Wales to gather information on Local Authority policies to limit taxi numbers. The main results of the survey are presented below.
- It should be noted that these results are based on a partial (albeit high) response and that respondents may have different characteristics to non-respondents (e.g. they may be more or less likely to have quantity controls of taxi licences in place). Results should therefore be interpreted with care.

Response rates

- As shown in Table 1, 342 Taxi Licensing Authorities (TLAs) were surveyed (22 in Wales and 320 in England outside London) and 309 authorities (90 per cent) responded. The response rate was higher among Welsh authorities (95 per cent) than among English authorities (90 per cent).
- Urban authorities were also slightly more likely to respond to the survey than rural authorities.
- Some TLAs did not respond to all questions in the survey. Different questions have therefore different response rates.

Table 1: Respondents to the survey

		Did not respond	Responded	Total	Response rate (%)
England (excl. London)	Met districts	4	32	36	89
	Shire districts	22	216	238	91
	Unitary Authorities	6	40	46	87
	All authorities	32	288	320	90
Wales		1	21	22	95
England & Wales (excl. London)		33	309	342	90

Local Authority controls of taxi licences

- Overall, 28 per cent of the TLAs who responded to the survey said that they imposed a limit on the number of taxi licences. However, this masks wide variations (Table 2).
- Very few Welsh authorities (5 per cent) currently have controls on the number of taxi licences compared to 30 per cent of responding English Authorities.

- As shown In England, controls of taxi licence numbers are twice as likely to be found in urban authorities than in rural authorities (41 per cent compared to 20 per cent).

Table 2: Local Authorities imposing a limit on the number of taxi licences by area type, 2008

		No controls	Controls	Total
Wales	Rural authorities	10	1	11
	Urban authorities	10	0	10
	Total	20	1	21
England (excl. London)	Rural authorities	126	31	157
	Urban authorities	77	54	131
	Total	203	85	288
England & Wales (excl. London)	Rural authorities	136	32	168
	Urban authorities	87	54	141
	Total	223	86	309

- Taxi licence controls are also much more likely to be found in English Metropolitan districts (66 per cent of responding TLAs) than in Shire Districts (21 per cent) and in English Unitary Authorities (48 per cent) (Table 3).

Table 3: Local Authorities imposing a limit on the number of taxi licences by LA type, 2008

		No controls	Controls	Total	% with controls
Wales	Total	20	1	21	5
	Met districts	11	21	32	66
England (excl. London)	Shire districts	171	45	216	21
	Unitary Authorities	21	19	40	48
	Total	203	85	288	30
England & Wales (Excl. London)	Met districts	11	21	32	66
	Shire districts	171	45	216	21
	Unitary Authorities	41	20	61	33
	Total	223	86	309	28

How long have Local Authorities' current policy on taxi controls been in place

- 287 TLAs responded to this question. All but one of the 86 respondent TLAs who currently have controls have had those in place since before 2004 (Table 4). Sheffield is the only Local Authority to have imposed a limit since 2004.
- Around 76 per cent of those TLAs with no controls have had such a policy (of not controlling taxi numbers) since before 2004. This implies that that at least 49 TLAs (17 per cent of respondents to this question) have removed controls of taxi licence numbers since 2004. Urban authorities are more likely to have done so than rural authorities.

Table 4: How long has the policy of controlling taxi numbers been in place

		Don't have controls				Have controls			
		Before 2004	Since 2004	Total	% before 2004	Before 2004	Since 2004	Total	% before 2004
Wales	Rural authorities	7	2	9	78	1	0	1	100
	Urban authorities	4	4	8	50	0	0	0	
	Total	11	6	17	65	1	0	1	100
England (excl. London)	Rural authorities	93	21	114	82	31	0	31	100
	Urban authorities	48	22	70	69	53	1	54	98
	Total	141	43	184	77	84	1	85	99
England & Wales (excl. London)	Rural authorities	100	23	123	81	32	0	32	100
	Urban authorities	52	26	78	67	53	1	54	98
	Total	152	49	201	76	85	1	86	99

- TLAs who have changed their quantity controls policy since 2004 were asked when their policy was changed. Just over half of respondent Local Authorities without controls changed their policy in 2004 or 2005, while the rest changed their policy in the last three years (30 per cent in the last year alone).

Table 5: When was the quantity control policy changed if changed after 2004

	Don't have controls				Have controls			
	Rural authorities	Urban authorities	Total	Percentage	Rural authorities	Urban authorities	Total	Percentage
2004	3	3	6	13	0	0	0	0
2005	9	9	18	38	0	0	0	0
2006	2	3	5	11	0	0	0	0
2007	0	4	4	9	0	0	0	0
2008	7	7	14	30	0	1	1	100
Total	21	26	47	100	0	1	1	100

Last survey of demand

- TLAs who have controls in place were asked when the last survey of demand was carried out. Nine per cent of respondents did their last survey before 2004, 32 per cent in 2004 or 2005 and 53 per cent in the last three years (Table 6).
- The average length of time since the last survey of demand was undertaken was 3 years (3.3 years for rural authorities and 2.8 years for urban authorities).

Table 6: When was the last survey of demand carried out (TLAs with controls)

	Rural authorities	Urban authorities	Total	Percentage
Before 2004	4	5	9	10
2004	2	3	5	6
2005	11	16	27	31
2006	3	16	19	22
2007	5	10	15	17
2008	4	8	12	14
Total	29	58	87	100
Average number of years	3.3	2.8	3.0	

- The same authorities were also asked when the limit on taxi licences was last increased. Just over 40 per cent of responding TLAs last increased the limits on taxi licences before 2004 (Table 7). Over a quarter of authorities have increased the limits in the last two years.
- The average length of time since the limit on taxi licences was last increased was 7.2 years (5.3 years for responding rural authorities and 8.1 years for urban authorities). However, a few authorities have not increased limits for as long as 48 years and these will have a disproportionate effect on the average.

Table 7: When was the limit on taxi licences last increased (TLAs with controls)

	Rural authorities	Urban authorities	Total	Percentage
Before 1985	0	2	2	3
1985-1994	2	9	10	16
1995-2003	7	11	15	24
2004	1	1	4	6
2005	3	9	2	3
2006	4	6	12	19
2007	2	6	10	16
2008	4	7	8	13
Total	23	51	63	100
Average number of years	5.3	8.1	7.2	

Future plans

- TLAs were asked whether they had any plans to review their current policy on whether or not to limit taxi licences in the next 12 months (Table 8). Only 10 per cent of responding authorities who do not have controls in place said that they intended to do so. However, urban authorities were more likely to intend to review the policy than rural authorities (17 per cent compared to 5 per cent).
- Over half of the responding TLAs who currently have controls in place said that they would review the policy in the forthcoming year. Again, urban authorities were more likely to do so than rural authorities (57 per cent compared to 47 per cent).

Table 8: Plans to review quantity controls policy in the next 12 months

		Don't have controls				Have controls			
		Yes	No	Total	% yes	Yes	No	Total	% yes
Wales	Rural authorities	0	10	10	0	0	1	1	0
	Urban authorities	2	8	10	20	0	0	0	
	Total	2	18	20	10	0	1	1	0
England (excl. London)	Rural authorities	6	112	118	5	15	16	31	48
	Urban authorities	13	62	75	17	30	23	53	57
	Total	19	174	193	10	45	39	84	54
England & Wales (excl. London)	Rural authorities	6	122	128	5	15	17	32	47
	Urban authorities	15	70	85	18	30	23	53	57
	Total	21	192	213	10	45	40	85	53

- When asked whether they had any plans to carry out a survey of demand in the next 12 months, 48 per cent of responding TLAs who currently have quantity controls in place said that they intended to do so (56 per cent in urban areas

compared to 33 per cent in rural areas). By contrast, only 5 per cent of the authorities who currently do not have controls in place said that they would carry a survey of demand.

Table 9: Plans to carry out a survey of demand in the next 12 months

		Don't have controls				Have controls			
		Yes	No	Total	% yes	Yes	No	Total	% yes
Wales	Rural authorities	10	0	10	0	1	0	1	0
	Urban authorities	9	1	10	10	0	0	0	
	Total	19	1	20	5	1	0	1	0
England (excl. London)	Rural authorities	114	4	118	3	19	10	29	34
	Urban authorities	70	6	76	8	23	29	52	56
	Total	184	10	194	5	42	39	81	48
England & Wales (excl. London)	Rural authorities	124	4	128	3	20	10	30	33
	Urban authorities	79	7	86	8	23	29	52	56
	Total	203	11	214	5	43	39	82	48

Background

Taxis in England (outside London) and Wales are licensed under the Town Police Clauses Act 1847. In its original form, that Act said that local licensing authorities could license such number of taxis as they saw fit. In practical terms, the setting of an arbitrary limit led to distortions in the market characterised by unmet demand for taxis and high premiums attached to licence plates.

The Transport Act 1985 qualified the circumstances in which a local authority could control taxi numbers. Section 16 of the 1985 Act says that a licensing authority can only refuse the grant of a taxi licence for the purpose of controlling taxi numbers if it is satisfied that there is no significant unmet demand for taxi services in the district. This remains the position today.

The issue of quantity controls affects only taxi vehicles – not taxi drivers and not private hire vehicles or drivers. There is no power to control taxi numbers in London.

Department for Transport
April 2009