

**REPORT TO: LICENSING COMMITTEE – 01 JULY 2010**

**REPORT ON: DUNDEE TAXICARD CONCESSION SCHEME**

**REPORT BY: DIRECTOR OF CITY DEVELOPMENT**

**REPORT NO: 314-2010**

## **1 PURPOSE OF REPORT**

- 1.1 This report is to inform the Licensing Committee about the history and evolution of the Dundee Taxicard scheme.

## **2 RECOMMENDATION**

- 2.1 The Committee are asked to note the contents of this report in relation to the history of the Dundee Taxicard Scheme.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications for this report.

## **4 BACKGROUND**

- 4.1 The Dundee Taxicard concession scheme has been an agenda item at the previous two Taxi Liaison Group meetings at the request of representatives of the taxi trade. Concern has been expressed about the operation of the Taxicard scheme and specifically the fact that not all members of the taxi trade are able to offer the discount to Taxicard holders.
- 4.2 The Taxicard scheme was debated in full at both liaison meetings. The Convener of the Licensing Committee requested that a full report be prepared by the Head of Transportation for the Licensing Committee. This report was to give Committee members the full history of the Taxicard scheme since its introduction in 1992 until 2010.

## **5 TAXICARD SCHEME HISTORY**

- 5.1 The original Taxicard scheme was introduced by Tayside Regional Council in January 1992. The target client group were citizens of Dundee who were unable to use ordinary local bus services. The original scheme was paper based and offered a maximum of 104 subsidised taxi journeys per annum (one return trip per week) for each Taxicard holder. The Taxicard holder was required to pay a flat fare of £1.00 per journey, where the total metered fare was less than £5.00. For journeys whose total metered fare was over £5.00 the Taxicard holder received a maximum discount of £4.00 off the total fare for the journey. The Council reimbursed participating taxi companies in full. Given the target group, Taxicard holders were required to surrender their concessionary bus pass before they were accepted into the Taxicard scheme.
- 5.2 In 1995 the internal audit section of Tayside Regional Council carried out a full audit of the Taxicard scheme and they discovered that some Taxicard holders were colluding with the taxi driver to falsify the total fare. An example of this would be where the total metered fare was £3.50, the Taxicard holder was required to pay

£1.00 and the taxi driver would in turn claim £2.50 from the Council. The fraud was that the customer would sign the receipt to say the journey was £5.00 and not pay any fare to the driver and the driver would claim £4.00 from the Council.

- 5.3 In late 1995, cancellation of the Taxicard scheme was considered by the new shadow unitary authority but given the desire for the scheme to continue to provide door to door transport for persons with restricted mobility, Councillors approved a revised scheme. The Taxicard scheme adopted by Dundee City Council included measures and procedures to reduce fraud. The maximum subsidy per journey was reduced from £4.00 to £2.50 with the Taxicard holder now required to pay 50% of the total metered fare up to £5.00 and any additional costs over the £5.00 threshold.
- 5.4 From April 1996 until September 2002 the Taxicard scheme continued with all Dundee taxi operators participating. The Taxicard scheme continued to grow during this period and the volume of paper receipts generated occupied two full time members of staff. In 2002, the Information Communication Strategy was approved and one of its recommendations was for the Taxicard scheme to migrate to a smartcard environment. The smartcard was launched and branded locally as the "Dundee Discovery Card".
- 5.5 At this time, the Planning and Transportation Department decided to place the Taxicard scheme out to open tender. The successful taxi company would be awarded the Taxicard scheme exclusively in return for the company installing at their own cost the necessary smartcard technology required to facilitate the scheme's operation. Tenders were issued and bids were received from five taxi companies to operate the Taxicard scheme. A report was prepared by the Director of Planning and Transportation for the Planning and Transportation Committee recommending the award of the exclusive contract to Dundee Taxi Cab Company Ltd (now known as Dundee Private Hire Ltd - 203020) from the period 1 October 2002 until 30 September 2005. The wheelchair work carried out within the Taxicard scheme was not subject to open tender due to the very low number (six) of wheelchair accessible vehicles licensed to operate in Dundee.
- 5.6 The tender stipulated that the successful company required to install the smartcard solution within 12 months of the award of contract. The Taxicard scheme for non-wheelchair users moved over to a smartcard environment on 1 October 2003. An agreement was reached between Dundee Taxi Cab Co. Ltd. and the existing six wheelchair taxi operators to use the same smartcard technology. The voucher based system ended on 30 September 2003.
- 5.7 The migration of the Taxicard Scheme to the Smartcard also brought additional security measures that would prevent fraudulent use of the scheme. Three drivers have been reported for Taxicard misuse, the type of fraud would not have been identified if the paper based scheme had remained operational..
- 5.8 On 11 November 2003 the Licensing Committee took a decision to remove the limit on the number of taxi operators in Dundee. The revised guidance permitted those on the waiting list to apply for a taxi licence providing they agreed to operate a wheelchair accessible vehicle. This led to approximately two hundred wheelchair accessible vehicles being introduced within Dundee City over a short period of time.

- 5.9 This change of policy had direct implications for the Taxicard scheme and raised the expectation levels of Taxicard holders who travelled in wheelchairs. The additional wheelchair accessible vehicles were spread throughout the expanded Dundee taxi fleet but only a handful had the smartcard technology. While non-wheelchair journeys were under an exclusive contract with Dundee Taxi Cab Company Limited, the wheelchair journeys carried out within the Taxicard scheme had not been included in the original tender specification.
- 5.10 On 1 September 2004, following the Licensing Committee's requirement that all wheelchair accessible vehicles should participate in the Taxicard scheme the Planning and Transportation Department took the decision to reintroduce the paper based voucher scheme for wheelchair users who required to travel in their wheelchair. The Department wrote out to all Taxicard holders to ascertain their transport needs and following this exercise an additional wheelchair card "W" was issued to all wheelchair users. With the W card, wheelchair users could opt to use either the voucher system or the smartcard system.
- 5.11 On the 30 September 2005 the exclusive Taxicard contract came to an end and it was decided to open up participation to any taxi/private hire car operator on the proviso that they installed a system capable of reading the smartcard. To date (May 2010) no further taxi operators have made this investment. The introduction of the necessary smartcard equipment is a business case decision for each taxi company. There is no requirement on any taxi company to install the Digitax electronic system used by Dundee Taxi Cab Company Limited. Equally there is no exclusive contract between Digitax and Dundee Taxi Cab Company Limited that precludes use of this system.
- 5.12 The number of citizens within Dundee in receipt of a Taxicard concession has risen gradually over the past few years from circa 2,000 in 1996 to over 4,500 in 2010. This is due to a combination of factors but mainly due to the Scottish Government's directive that disabled citizens who hold a Taxicard should not be required to surrender their bus pass.
- 5.13 With the introduction of Disability Discrimination Act compliant buses by Stagecoach Strathtay and National Express Dundee over the past decade, most vehicles are now wheelchair accessible. This has increased the opportunity for Taxicard clients to use conventional public transport.
- 5.14 The Council is to pilot a Demand Responsive Transport service in the Mid Craigie and Linlathen area to provide door to door transport for those who currently cannot manage or afford to travel independently. This will commence in Autumn 2010. If the pilot is successful and then implemented city wide it is likely that the Dundee Taxicard scheme will be withdrawn.

## **6 POLICY IMPLICATIONS**

- 6.1 Given this report is for information purposes only, it has no policy implications.

**7 CONSULTATIONS**

- 7.1 The Chief Executive, Depute Chief Executive (Support Services) and the Director of Finance have been consulted in the preparation of this report.

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NHG/MHD

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