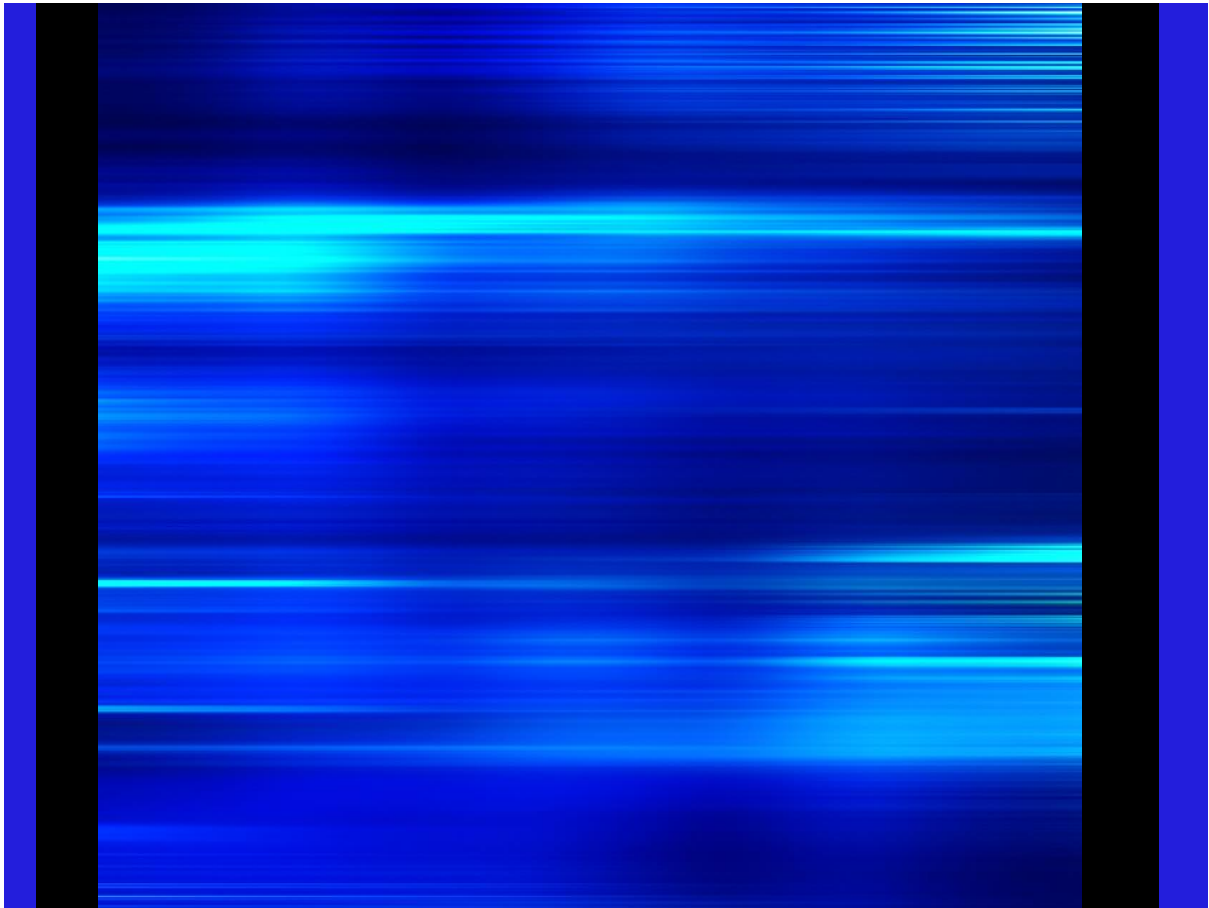


Final Report

Dundee City Council

Private Hire Car Overprovision study
17 August 2023



Final Report

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1. Background

1.1 Objectives

Jacobs has been commissioned by Dundee City Council (DCC) to undertake an assessment of Private Hire Car (PHC) numbers in the city and identify whether a state of over provision currently exists. The main objectives to be addressed are:

- Determine what evidence there is of 'overprovision' of PHCs in the DCC area.
- If there is evidence of PHC overprovision, to make recommendations as to the number of licences necessary to meet demand from passengers and, therefore, a figure for a cap.
- If there is evidence of PHC overprovision, to assess what level of licences would be sustainable and, therefore, whether the Council should decide to adopt a policy regarding overprovision and the number of licences beyond which the Council should refuse to issue licences under Section 10 3A of the 1982 Act.
- Research the attitude of the relevant trade with respect to introducing any cap on numbers.
- Carry out independent research of public and other stakeholder attitudes on the need/support for such a cap.
- Make relevant recommendations to amend existing Council policy or introduce new policy.

1.2 Regulatory Background

In May 2017, amendments made to the Civic Government (Scotland) Act 1982 ("the 1982 Act") by Air Weapons and Licensing (Scotland) Act 2015 came into effect with the introduction of new sections 10(3A), (3B) and (3C). This change in legislation introduced provisions to allow Licensing Authorities in Scotland to limit or cap the number of PHC licences issued. The relevant amendments to reflect such provisions were:

- **(3A)** Without prejudice to paragraph 5 of Schedule 1, the grant of a private hire car licence may be refused by a licensing authority if, but only if, they are satisfied that there is (or, as a result of granting the licence, would be) overprovision of private hire car services in the locality (or localities) in their area in which the private hire car is to operate.
- **(3B)** It is for the licensing authority to determine the localities within their area for the purposes of subsection (3A) and in doing so the authority may determine that the whole of their area is a locality.
- **(3C)** In satisfying themselves as to whether there is or would be overprovision for the purposes of subsection (3A) in any locality, the licensing authority must have regard to:
 - (a) the number of private hire cars operating in the locality; and
 - (b) the demand for private hire car services in the locality.

The statutory test in the 2015 Act is however different from the well-known test for 'unmet demand' for taxis. The Scottish Government issued guidance to Licensing Authorities on 24th Oct 2019 on how to assess overprovision (Private Hire Car Overprovision Assessment - Potential Assessment Tools, An Independent Report¹).

There is only one example of a Scottish Council introducing a cap, in July 2019, prior to the guidance being published. This issue is untested in the courts and was introduced before guidance was published by the Scottish Government.

Following review of the 2019 Taxi Unmet Demand report, the Licensing committee agreed to include PHCs in order to determine if there was over provision.

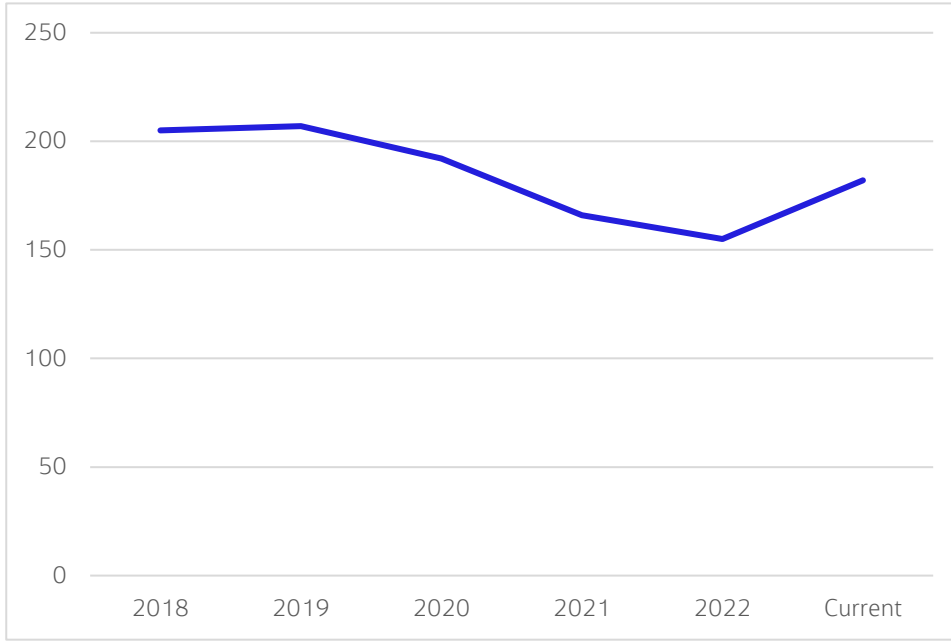
The PHC fleet in Dundee has fluctuated in size over the last 10 years. However, it has always been smaller than the Taxi fleet in contrast to the majority of licensing authorities who numerically limit taxis.

¹ <https://www.gov.scot/publications/private-hire-car-overprovision-assessment-potential-assessment-tools-independent-report-produced-scottish-government/>

1.3 Vehicle numbers

Unlike Taxi vehicle licences, PHCs have not been numerically limited in Dundee. Numbers have fluctuated over time as detailed in Figure 1.1. The number of vehicles peaked in 2017 before steadily reducing every year to 2022. However, in recent months they have started to increase and are currently approaching pre-pandemic levels.

Figure 1-1 PHC numbers



To drive a PHC in Dundee, a PHC drivers' licence is required. However, this only permits the holder to drive a PHC that is not fitted with a taximeter. Anyone wishing to drive a Private Hire Car which is fitted with a taximeter should apply for a Taxi Driver's Licence. With this in mind Figure 1.2 below shows previous and current numbers of Taxi and PHC drivers operating in the city. This figure demonstrates that driver numbers have remained relatively stable over the last 5 years with only a small proportion choosing to obtain a PH drivers licence.

Figure 1-2 Driver Numbers

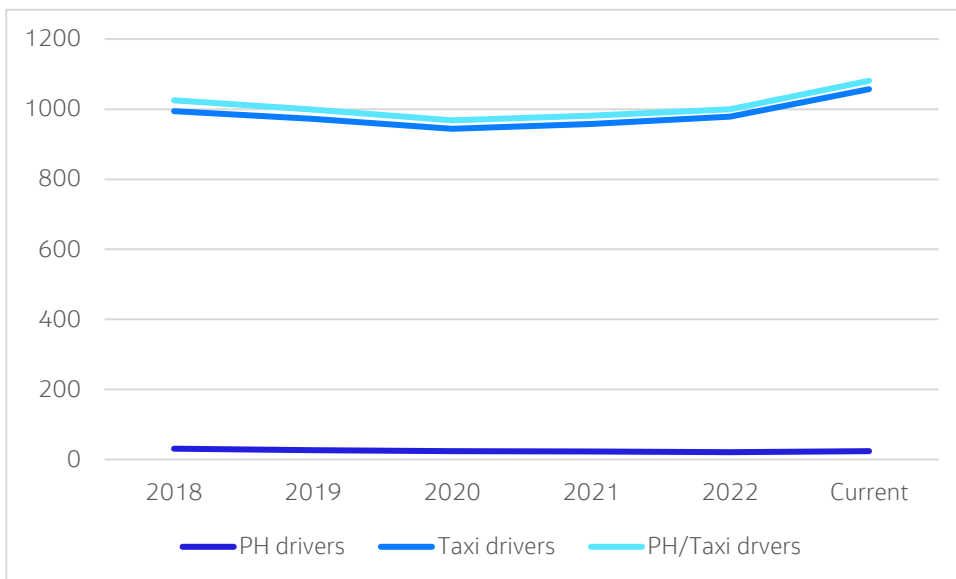
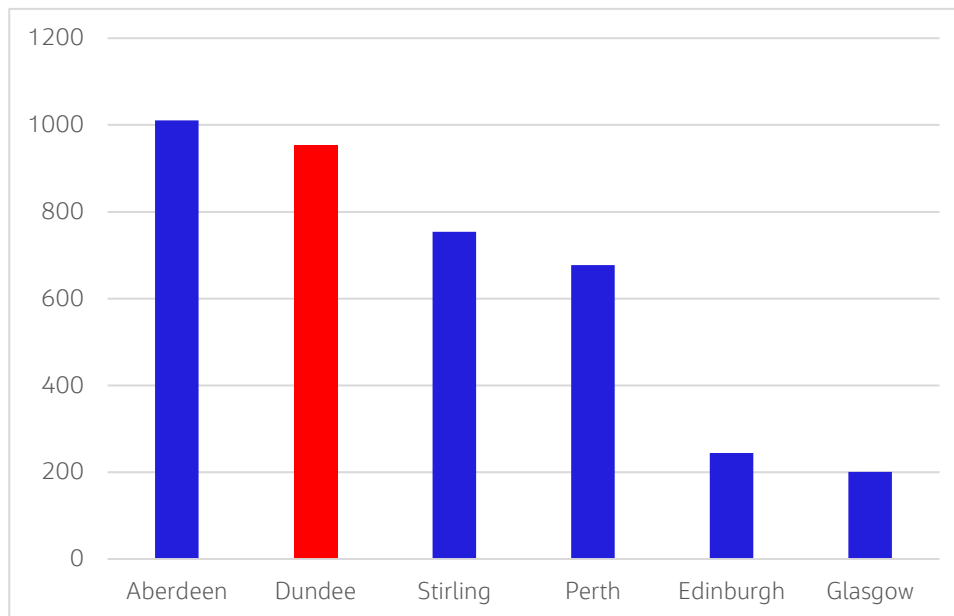


Figure 1.3 shows PHC per capita provision across the Scottish Cities. This demonstrates that Aberdeen has the highest number of people per PHC, thereby indicating that it has the lowest provision of the authorities shown. Dundee has the second lowest provision.

Figure 1-3 Population per PHC across licensing authorities



Not all PHCs operate in the same way. For example, in some areas, a large fleet of PHCs may work for a single company which runs a booking office. Such vehicles may be kept busy through the booking system and undertake a high number of hires each day. A small number of such operators may dominate activity within an area. However, other private hire cars in the area may be independently owned and operated. Analysis of the licensing register indicates that Dundee has 7 booking offices that account for 32% (59 vehicles) of the fleet. The remaining PHCs are operated by individual owners, some of whom own multiple vehicles.

2. Methodology for Overprovision

2.1 Background

The Air Weapons and Licensing (Scotland) Act 2015 introduced a number of amendments to the regime, namely:

- allowing for testing of private hire car drivers;
- requiring local authorities to appoint a civic licensing standards officer; and
- allowing local authorities to limit the number of private hire cars.

The 2015 Act introduced a power to allow licensing authorities to restrict the number of Private Hire Cars (PHC) if it were determined that there was an overprovision of PHC. The newly added subsections of Section 10 of the Civic Government (Scotland) Act 1982 are set out above in Section 1.2 (Regulatory Background).

There is no simple numerical formula for pinpointing the threshold between provision and overprovision. Determining overprovision involves the application of reason and judgement in the interests of the community. Therefore, one of the key considerations when considering applying a cap to private hire car licenses, would be how such a limit would benefit the public.

In October 2019, the Scottish Government published '*Private Hire Car Overprovision Assessment – Potential Assessment Tools, An Independent Report*' (see ¹ footnote above). This publication sets out a number of tests that can be used for a local authority to determine whether there is any over provision.

2.2 Overprovision tests

Based on available data from DCC, the following tests have been applied:

- Passenger complaints
- Driver ratios
- Driver turnover
- New businesses operating in a locality
- Driver availability to cover night-time demand
- Levels of multi shifting
- Pirating activity
- Extended wait times between hires

We also sought to determine the level of control in the PHC market by assessing the level of multiple vehicle licenses held by single individuals or companies.

In addition, we also asked the public about periods of time when they have experienced limited availability of PHCs as part of the public consultation detailed overleaf.

3. Public Consultation

3.1 Introduction

A public attitude survey was designed with the aim of collecting information regarding opinions on the PHC market in Dundee.

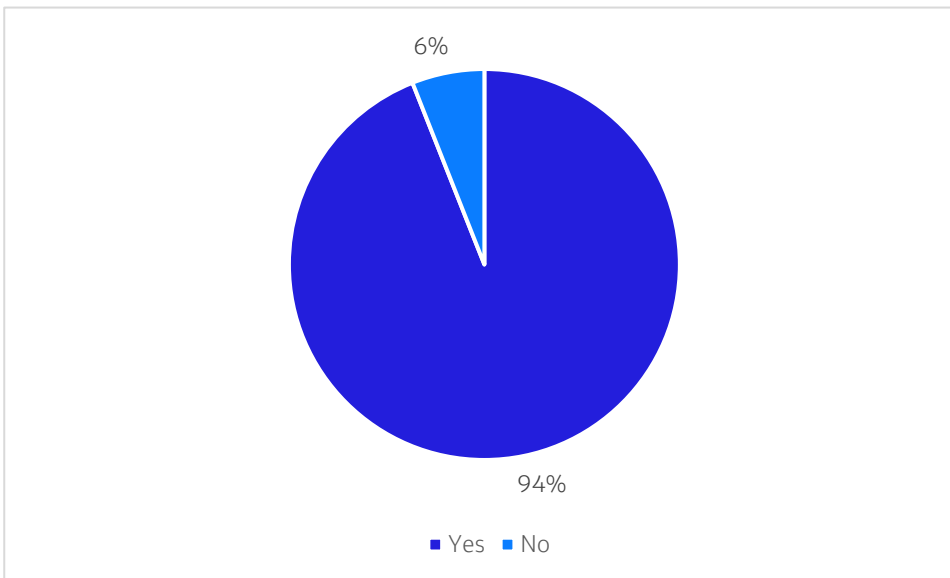
The survey was hosted online and promoted via DCC’s website and the link was emailed to a range of stakeholders. In total, 468 people responded to the survey.

It should be noted that the total figures in the following tables and figures do not always add up to the same amount which is due to one of two reasons. First, not all respondents were required to answer all questions; and second, a number of respondents failed to answer some questions that were asked.

3.2 General Information

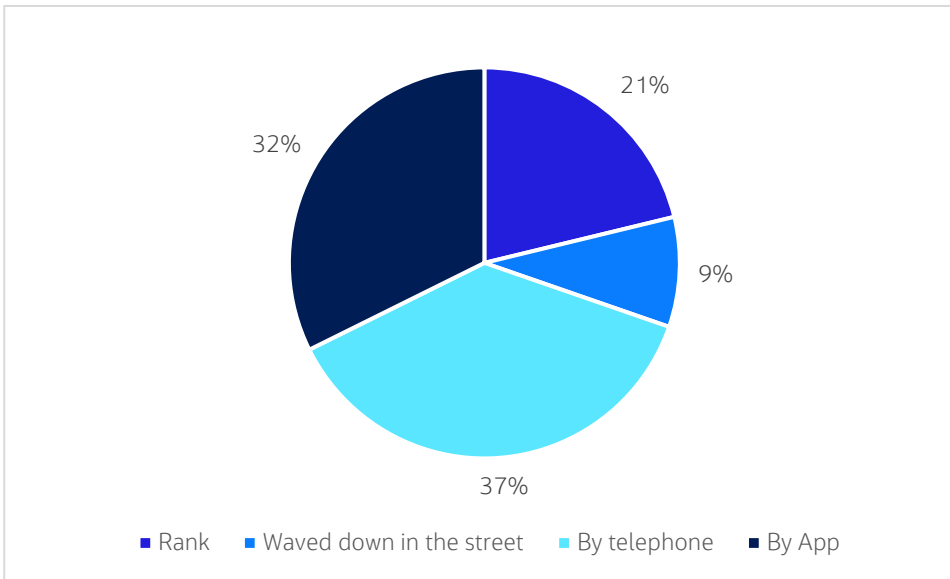
Respondents were asked whether they had made a trip by taxi or PHC in the past three months. Figure 3.1 shows that 94% of the survey population had made a trip in the last three months and only 6% (30) had not.

Figure 3-1 Have you made a trip by taxi or private hire car in the last three months?



Respondents that had identified themselves as trip makers were asked how they obtained their taxi or private hire vehicle. From those responses, the most common answer (37%) stated that they obtained their vehicle by telephone. Some 21% hired their taxi at a rank whereas obtaining it via an app accounted 32%, as shown in figure 3.2.

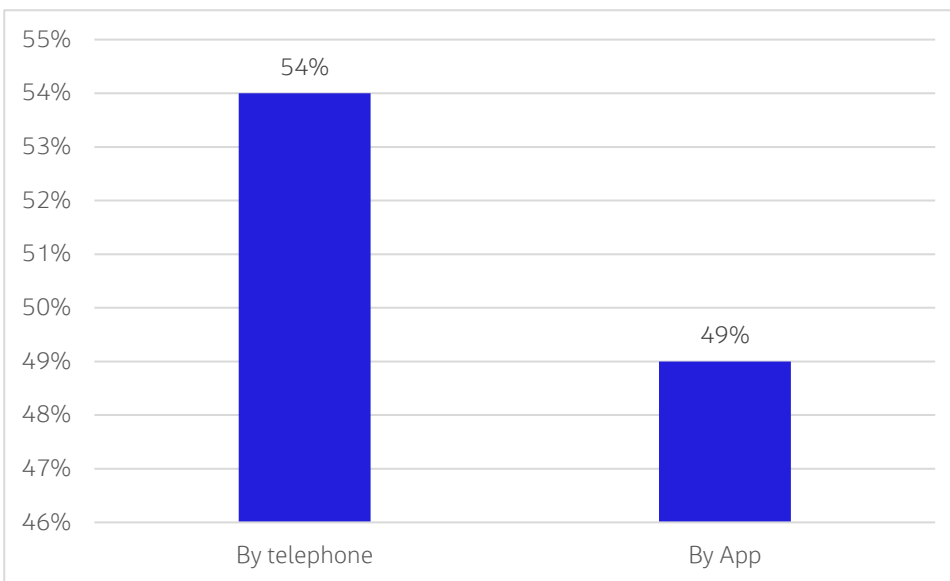
Figure 3-2 Method of hire for last trip



3.3 Attempted Method of Hire

All respondents were asked to identify whether they had given up waiting for a PHC booked by telephone, or through an online app in Dundee in the last three months. The results are summarised in Figure 3.3.

Figure 3-3 Given up trying to make a hiring



As indicated in Figure 3.3, some 54% of respondents had given up waiting for a taxi by telephone booking or 49% by an app in the last three months.

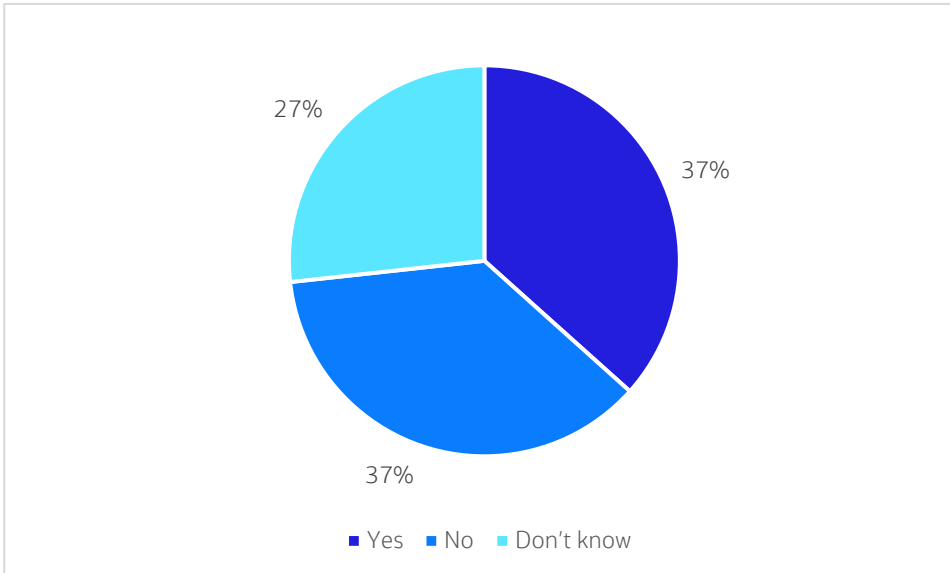
Of those stating that they had given up waiting for a taxi by telephone booking some 77% stated that this was after 1800.

3.4 Views on availability of PHCs

Respondents were asked whether they considered there to be enough PHCs in Dundee. Views were mixed with 38% considered there to be not enough, 35% considered there to be sufficient whilst 27% did not know. Respondents were then asked for their views on whether DCC should introduce a numerical limit on the

number of PHCs. As detailed in Figure 3.4, respondents were mixed in their views with both 37% stating that a limit should or should not be introduced.

Figure 3-4 Should DCC introduce a numerical limit on PHCs?



Respondents were then asked whether they felt that PHC services in Dundee could be improved. Some 46% of respondents stated that services could be improved. Those who stated that they could be improved were asked in what way. Suggestions included:

- More 'Uber' like services
- More vehicles on the road
- Better customer service
- More enforcement of the highway code
- More vehicles on a weekend
- Drivers should wear proper clothes – trousers and shirts
- CCTV in vehicles
- Drivers do not know where they are going
- Better driving skills

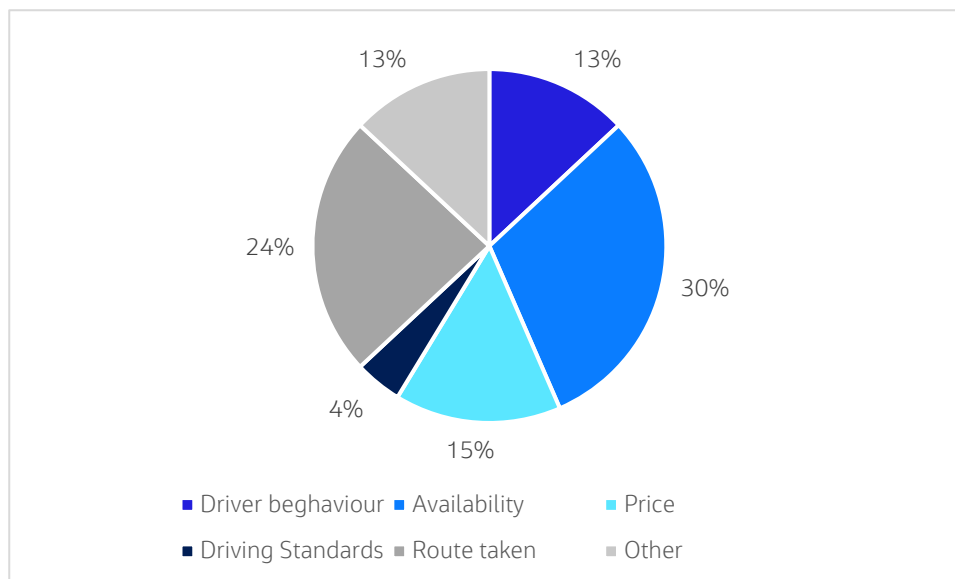
3.5 Complaints

Respondents were asked if they had made a complaint about a PHC or a taxi in the last three months. Of the 178 people stating that they had made a complaint, some 50.5% were against a PHC with 49.4% stating it was against a Taxi. Figure 3.5 demonstrates that 30% of complaints were about availability. Those stating 'other' included:

- Lack of vehicle cleanliness
- Driver sharing his licence with family

- Long wait

Figure 3-5 Nature of complaints made about PHCs



3.6 Summary

The key findings from the public consultation can be summarised as:

- 94% of respondents had made a taxi or PH journey in the previous 3 months.
- 32% had prebooked via an app, 37% had prebooked via a telephone booking.
- Some 54% had given up waiting for a booking made via telephone and 49% had given up waiting for a booking made by an app.
- Mixed views with introducing a numerical limit on PHCs.
- Some 46% of respondents suggested that PHC services could be improved.

4. Stakeholder Consultation

4.1 Direct (virtual) Consultation

Trade representatives were invited to attend a virtual focus group. Originally two were scheduled – one for Taxi and one for PH. However, as all attendees represented both trades only one was held. A summary of the discussion is provided below.

Attendees considered that PHCs should be numerically limited. It was noted that in Dundee, PHCs work for taxi operators and there is little distinguishing between the two. Attendees felt that PHCs were encroaching on taxi work.

It was also noted that DCC only issue PH licences to electric vehicles which limits the number of PHCs but also worsens the problem with the lack of charging infrastructure. It was also suggested by representatives that some PHCs pick up illegally from ranks and the lack of enforcement exacerbates this situation.

4.2 Indirect (Written) Consultation

Several stakeholders were contacted by letter and email. Stakeholders contacted included:

- Dundee City Council;
- Trade representatives;
- User/disability groups representing those passengers with special needs;
- Local interest groups including hospitals, visitor attractions, entertainment outlets and education establishments; and
- Rail bus and coach operators.

A summary of the responses is provided below.

Dundee Taxi Association

Dundee Taxi Association (DTA) provided the following response:

“The Dundee Taxi Association (DTA) would not want to see any more Taxis or Private Hire in Dundee. Taxis are sitting on ranks for long periods most of the time. Even Private Hire are sitting about the streets waiting for office to give out a job. I know some people may have to wait for a little while on weekend nights late on. But this is normal in every major city. There are also less Taxi drivers want to work late at weekends due to people who drink too much & even drug taking. Drivers can't make a living on a couple of hours at the weekend. If more Taxis or Private Hire were to come on the age of the vehicles would increase.”

Dundee Access Group

The Access group considered there not to be enough taxis or PHCs in Dundee. Some operators only allow you to prebook a taxi using an automated service which does not give the user any confidence that its booked.

5. Overprovision Tests

To determine whether there is overprovision of PHCs in Dundee, the following tests have been applied. These tests are set out in Chapter 4 of the *Private Hire Car overprovision: Independent Assessment tool for Local Authorities* (see reference above).

5.1 Passenger Complaints

The guidance suggests that an absence of passenger complaints may indicate that there is adequate provision of private hire services or that there is an existing overprovision of private hire services. The public attitude survey suggested that, of the 178 people stating they had made a complaint, some 50.5% were against a PHC. Some 30% of these complaints were about availability.

DCC have not received any complaints about PHC availability.

5.2 Driver ratios

Figure 5.1 looks at the ratio between the number of drivers licensed and the number of PHCs. This is a quick indicator of the effective fleet size. Lower ratios indicate that vehicles are predominantly operated by a single driver and according to the guidance can be an indicator of overprovision.

This is a difficult indicator to assess in Dundee as most PHCs require a Taxi driver licence. Therefore, we have looked at the ratio of PHC and Taxi drivers to total vehicles. Figure 5.1 shows that for every currently licensed vehicle there are 1.6 drivers. This ratio is the highest it has been for the last 5 years.

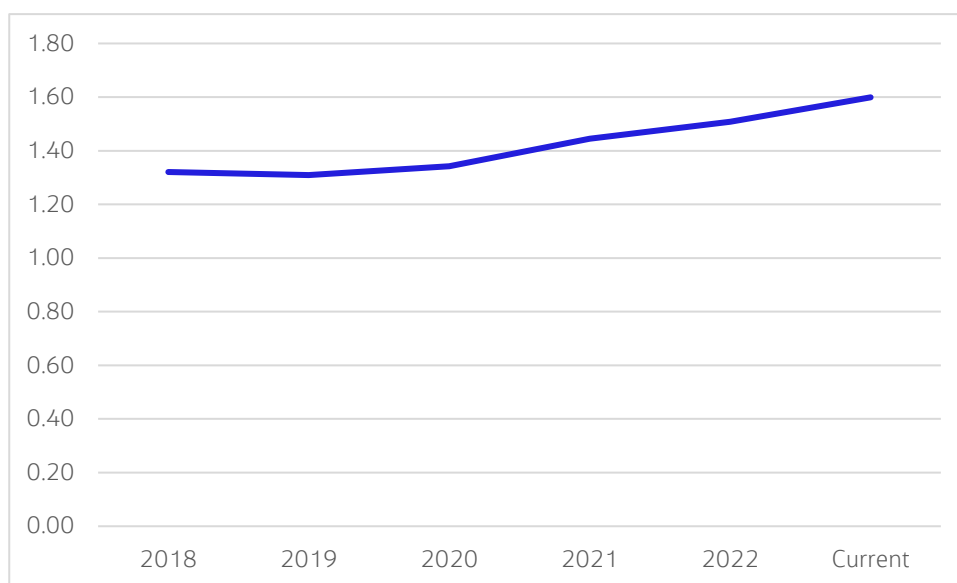


Figure 5-1 Ratio of drivers to PHCs

5.3 Driver turnover

A high level of driver turnover may be an indication that drivers find it difficult to make a living as a driver.

Table 5.1 looks at the number of PHC drivers applying to renew their licence between 2017 and 2022. It shows that renewals have declined since peaking in 2019, suggesting that a number of drivers have left the trade. This cannot be wholly attributed to drivers being unable to make a living, as anecdotal evidence suggests that a number of drivers left the trade during the pandemic to take up other occupations. It can also be associated with drivers not being able to maintain the costs incurred with being a PHC driver.

Table 5-1 Licence renewal applications

Year	Number of renewal applications
2023 so far	0
2022	0
2021	0
2020	24
2019	0
2018	0
2017	14

5.4 New businesses operating in a locality

The guidance suggests that new businesses may drive additional recruitment for drivers and may in turn lead to additional licenced vehicles becoming registered. If the increase in drivers and/or vehicles is sustained for several years, this could lead to overprovision.

From analysis of Dundee's licensing registers, Table 5.2 sets out the applicant numbers for drivers and new businesses since 2018.

Given the extremely low number of new business and PHC driver applications, it is clear these are not drivers of over provision.

Table 5-2 New applications

	Number of new booking office applications	No of PHC driver applications
2022	0	0
2021	1	2
2020	1	3
2019	2	6
2018	0	10

5.5 Driver ability to cover night-time demand

The guidance states that if there is evidence that drivers are generally unwilling to work at night, this may be an indicator that drivers can derive sufficient earnings during daytime working to achieve targets. Such a scenario may indicate that there is not a state of overprovision.

A data request was issued to a number of booking offices to obtain data around a supply and demand for a week in March 2023. At the time of writing (late May 2023), booking offices have not provided this data and, therefore, anecdotal evidence from the trade has been used. This evidence suggests that there is a lack of drivers working at night. One of the reasons for this is due to drivers wanting to avoid anti-social behaviour. However, it may also be due to drivers earning sufficient money by working during the day.

The public consultation suggested that 54% of people had given up waiting for a taxi prebooked by telephone and 49% by app. Some 77% of people giving up waiting for a vehicle prebooked by phone stated that this was after 1800.

5.6 Levels of multi shifting

Discussion with PHC and Taxi trade representatives suggest PHCs in Dundee are usually double shifted 7 days a week with shift patterns typically 0600 – 1800 and 1800 - 0600.

5.7 Pirating activity

The recent unmet demand study undertaken to assess taxi demand did not identify any issues with PHCs illegally plying at ranks. However, the consultation exercise with taxi trade representatives suggested this had been an issue.

5.8 Extended wait times between hires

Anecdotal evidence provided by the PHC representatives suggest that supply is greater than demand during the day. However, it was also suggested that there are periods of unmet demand at night-time.

6. Summary and Recommendations

The key objectives of the study are to:

- Determine what evidence there is of 'overprovision' of PHCs in the Dundee City Council area.
- If there is evidence of PHC overprovision, to make recommendations as to the number of licences necessary to meet demand from passengers and therefore, a figure for a cap.
- If there is evidence of PHC overprovision, to assess what level of licences would be sustainable and therefore whether the Council should decide to adopt a policy regarding overprovision and the number of licences beyond which the Council should refuse to issue licences under Section 10 3A of the 1982 Act.
- Research the attitude of the relevant trade with respect to introducing any cap on numbers.
- Carry out independent research of public and other stakeholder attitudes on the need/support for such a cap.
- Make relevant recommendations to amend existing Council policy or introduce new policy.

- **Objective 1: Determine what evidence there is of 'overprovision' of PHCs in the Dundee City Council area**
- **Objective 2: If there is evidence of PHC overprovision, to make recommendations as to the number of licences necessary to meet demand from passengers and therefore, a figure for a cap**
- **Objective 3: If there is evidence of PHC overprovision, to assess what level of licences would be sustainable and therefore whether the Council should decide to adopt a policy regarding overprovision and the number of licences beyond which the Council should refuse to issue licences under Section 10 3A of the 1982 Act**

In line with the Scottish Governments publication: "*Private Hire Car Overprovision Assessment – Potential Assessment Tools*" (see reference above in Section 1.2), a range of relevant industry tools have been applied to address the above objectives. This work is summarised below (with recommendations) under one or more of these objectives. At the present time, there is little evidence of any 'overprovision' in Dundee. Of the tools applied, none indicated any overprovision. The sustained reduction in PHCs indicates that people are leaving the PH trade. However, there has been an increase in PHCs recently which could indicate that more people are coming into the trade provision at this time. **It is therefore recommended that 'overprovision' should be looked at again in 12 months time (one year) to determine the full impact of post Covid.**

- **Objective 4: Research the attitude of the relevant trade with respect to introducing any cap on numbers**

The taxi and PHC trade were in favour of introducing a cap on PHC as they considered that there were too many PHC's and this was impacting the taxi trade. However, the trade representatives who attended the focus group represented both sides of the trade.

- **Objective 5: Carry out independent research of public and other stakeholder attitudes on the need/support for such a cap**

Engagement with the public demonstrated mixed views in relation to introducing a cap on PHCs. Some 37% of respondents wished to see a cap introduced.

- **Objective 6: Make relevant recommendations to amend existing Council policy or introduce new policy**

At this time, **it is recommended that DCC does not introduce a cap on PHCs.** There is little evidence to suggest that there is a current overprovision of PHCs.

Consultation with the public also highlighted issues with availability and significant numbers had given up waiting for a prebooked vehicle.