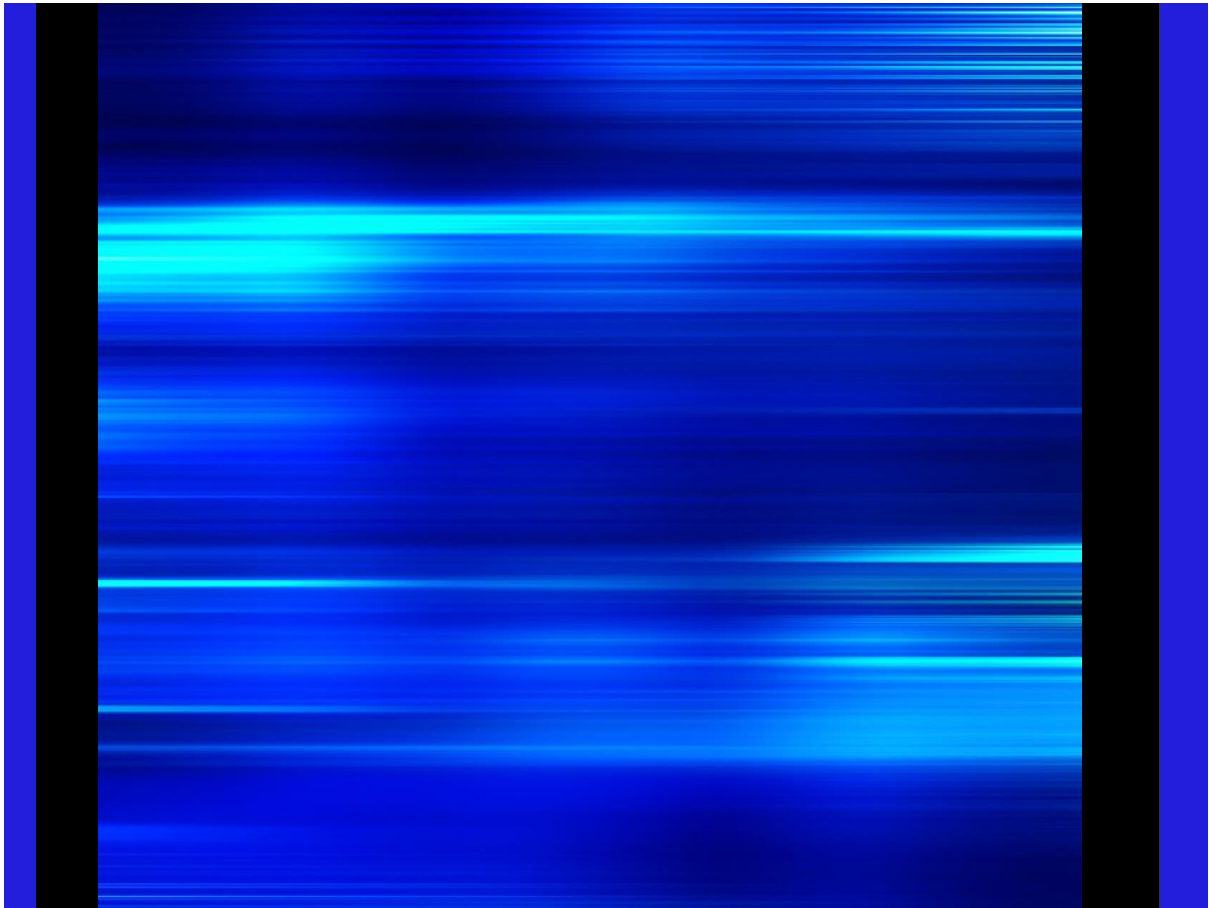


Final Report

Dundee City Council

Private Hire Car Overprovision study
12 August 2024



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 of 'overprovision' of PHCs currently exists 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 October 2019 on how to assess overprovision (Private Hire Car Overprovision Assessment - Potential Assessment Tools, An Independent Report¹).

To date, there is only one example of a Scottish Council introducing a cap back 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. A further study was undertaken in 2023 and the Council decided not to introduce a cap.

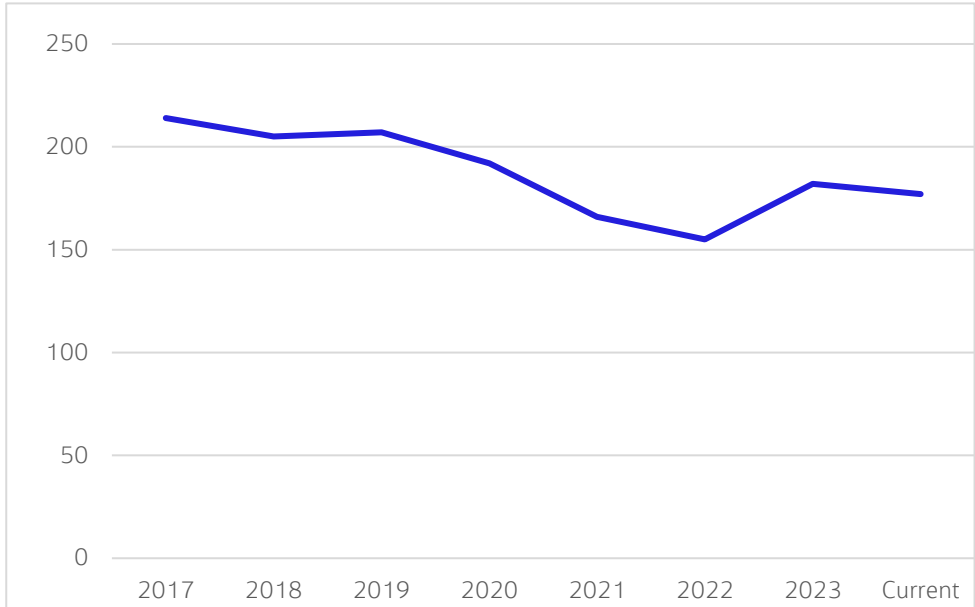
The PHC fleet in Dundee has fluctuated in size over the last ten years. However, it has always been smaller than the Taxi fleet in contrast to the majority of licensing authorities who numerically limit taxis.

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 below in Figure 1-1. The number of vehicles peaked in 2017 (214) before steadily reducing every year to 2022. They then started to increase peaking at 182 in 2023 and have since been declining to a current level of 177.

Figure 1-1 PHC numbers in Dundee



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 PHC 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 between 2017 and 2023 but have steadily declined in 2024.

Figure 1-2 PHC Driver Numbers operating in Dundee

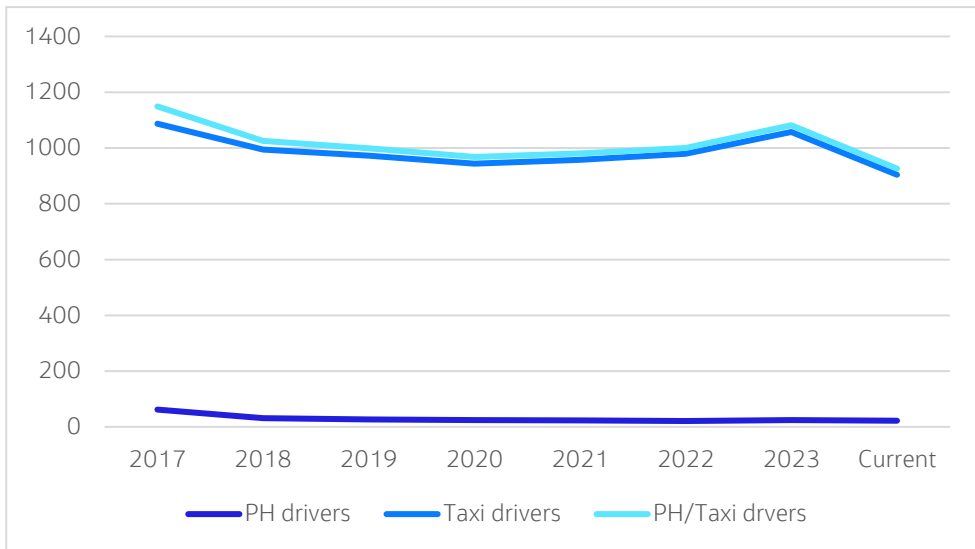
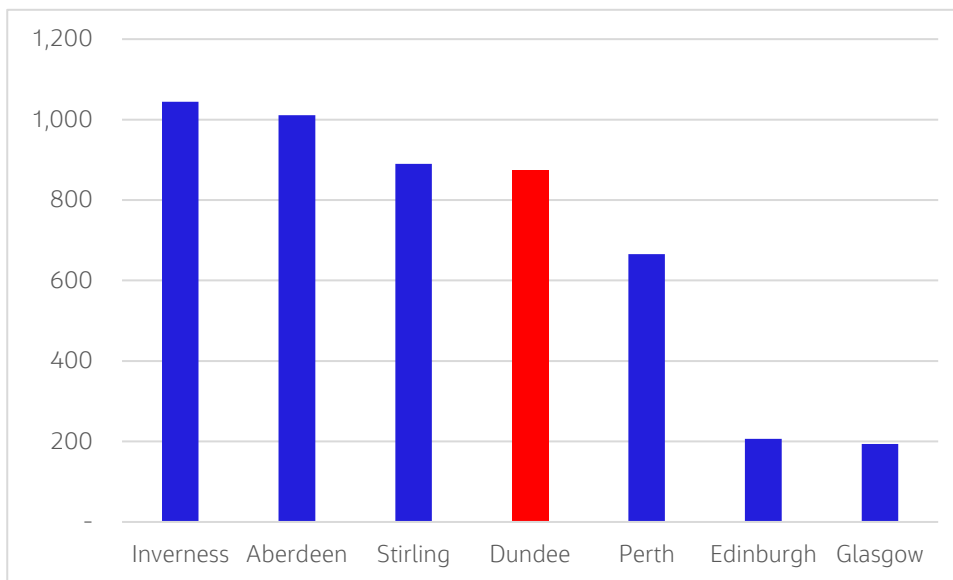


Figure 1-3 shows current PHC per capita provision for Dundee compared with other cities in Scotland based on relevant local authority and National Records of Scotland (NRS) population data. This demonstrates that Inverness has the highest number of people per PHC, thereby indicating that it has the lowest provision of the authorities shown. Dundee currently has the fourth lowest provision.

Figure 1-3 Population per PHC across licensing authorities (2024)



It should be noted that 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. Therefore 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 currently has six booking offices and, to demonstrate the point above, one of these booking offices confirmed that it had 341 vehicles aligned to it.

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 PHCs if it were determined that there was an overprovision. 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 that local authorities need to reflect on is whether the public would benefit from the introduction of a cap.

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 overprovision.

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 between April and May 2024 and promoted via DCC's website. In total, 701 people responded to the survey.

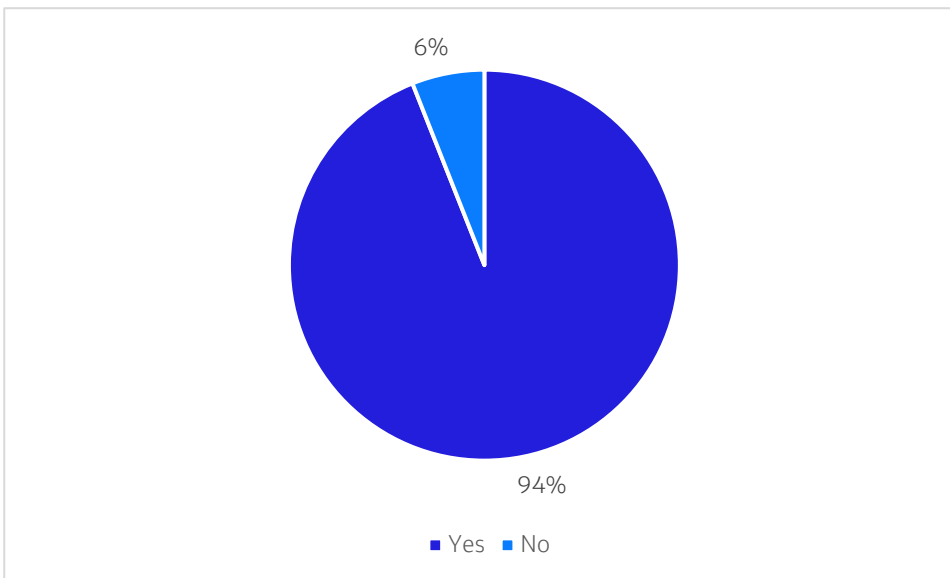
It should be noted that the total figures in the following tables and figures do not always add up to the same amount which is due to one of two reasons. First, not all respondents were required to answer all questions; and second, a number of respondents failed to answer some questions that were asked.

3.2 General Information

Respondents were asked whether they had made a trip by taxi or PHC in the past three months.

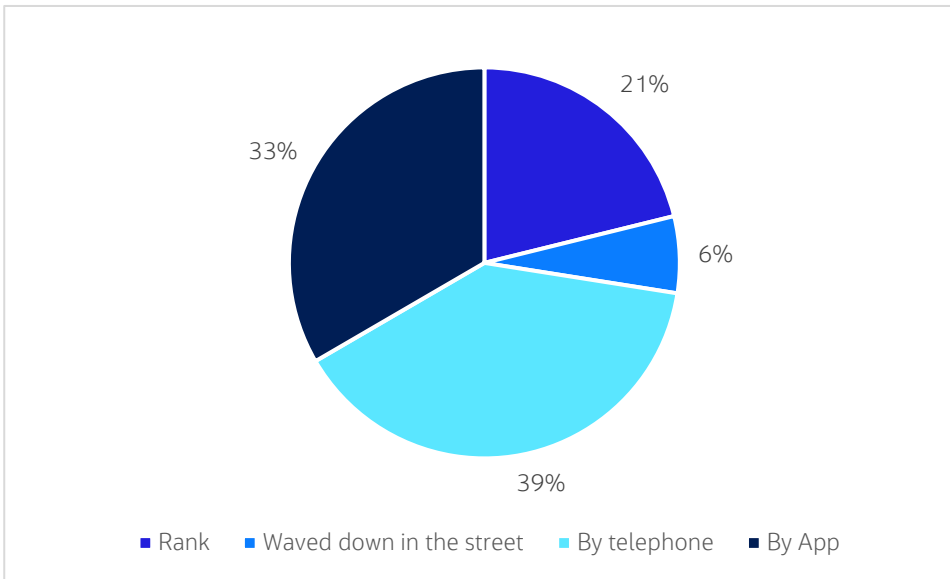
Figure 3-1 shows that 94% of the survey population had made a trip in the last three months and only 6% (39) had not.

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 (39%) stated that they obtained their vehicle by telephone. Some 21% hired their taxi at a rank whereas obtaining it via an app accounted for 33%, as shown in Figure 3-2 overleaf.

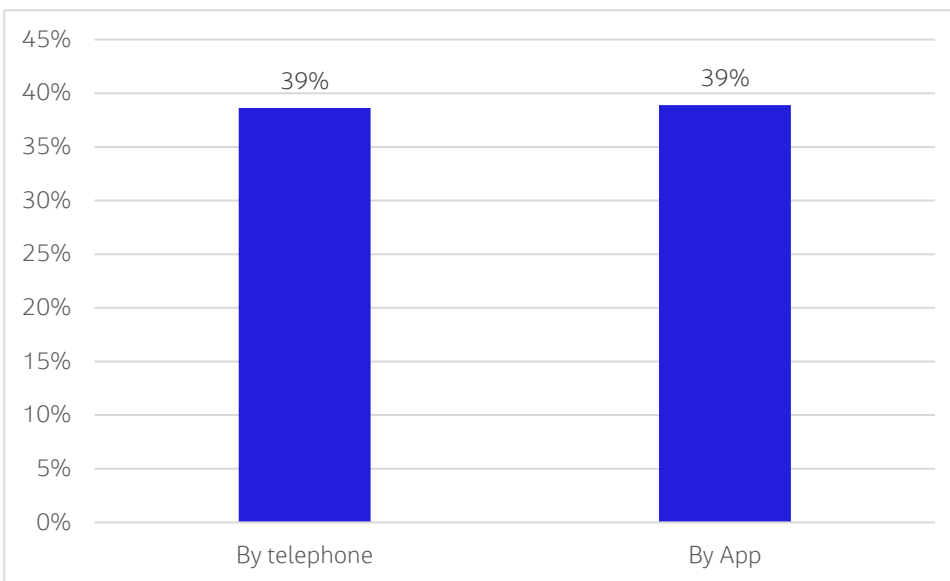
Figure 3-2 Method of hire for last trip



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 below in Figure 3-3.

Figure 3-3 Given up trying to make a hiring



As indicated in Figure 3.3, some 39% of respondents had given up waiting for a vehicle by telephone booking and/or by an app in the last three months.

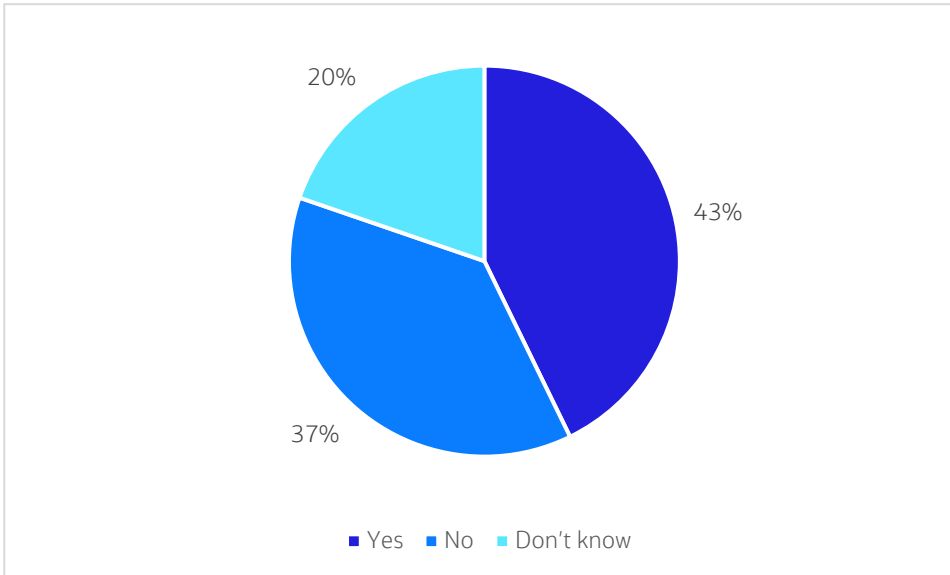
Of those stating that they had given up waiting for a vehicle, some 46% stated that this was between the times of 1800 and 2200 hours.

3.4 Views on availability and improvement of PHC services

Respondents were asked whether they considered there to be enough PHCs in Dundee.

Analysis showed that views were mixed with 35% considered there to be not enough, 43% considered there to be sufficient whilst 21% 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 below, respondents were similarly mixed in their views with 43% stating that a limit should 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 38% of respondents stated that services could be improved. Those who stated that they could be improved were asked in what way. Suggestions included:

- Allow 'Uber' in the City
- More variety of operators
- Make them all wheelchair accessible
- Vehicles could be cleaner like taxis
- More customer service training
- Allow transport of animals
- Need more vehicles
- Cheaper prices
- Have a minimum number of vehicles working at night – wait times can be ridiculous
- Accept card payments
- Dress codes for drivers

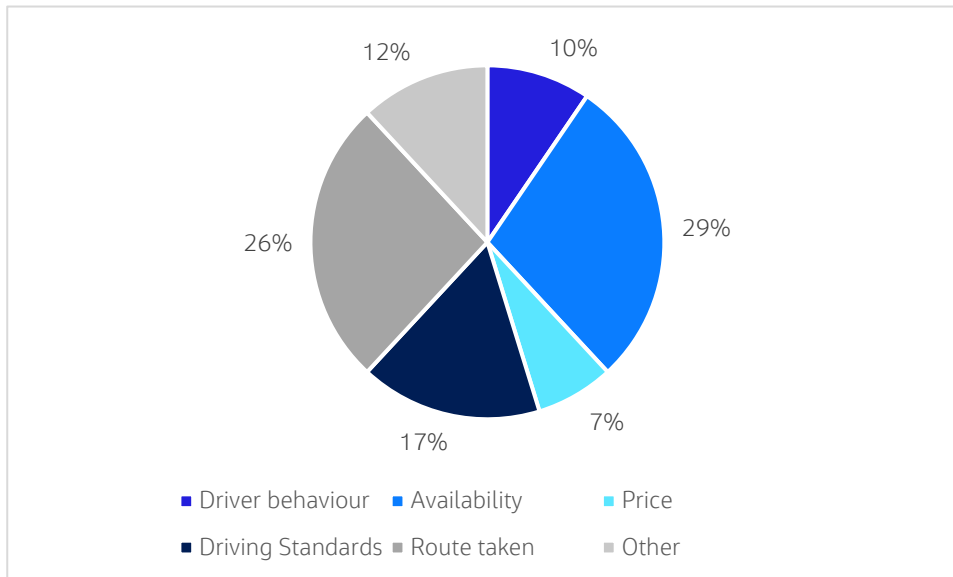
3.5 Complaints

Respondents were asked if they had made a complaint about a PHC in the last three months.

Of the 202 people stating that they had made a complaint, some 36% were against a PHC. Figure 3-5 below demonstrates that 29% of complaints were about availability. Those stating 'other' included:

- No big cars available and
- Cash only.

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.
- 33% had prebooked via an app whilst 39% had prebooked via a telephone booking.
- Some 39% had given up waiting for a booking made via telephone and 39% had given up waiting for a booking made by an app.
- Mixed views with introducing a numerical limit on PHCs – 43% considered that a limit should be introduced.
- Some 38% of respondents suggested that PHC services could be improved with suggestions such as access to a greater variety of operators, more provision on the network during the night and allow card payments

4. Stakeholder Consultation

4.1 Trade Meeting

Trade representatives were invited to attend a virtual focus group in April 2024. A summary of the discussion is provided below.

All attendees considered that PHCs should be numerically limited as they considered there is an over provision. It was noted that in Dundee, PHCs work for taxi operators and there is little distinguishing between the two. For example, when a customer calls requesting a vehicle, there is no distinguishing between a PHC or Taxi being dispatched – it is usually the nearest vehicle. Attendees felt that PHCs were encroaching on taxi work and that, if PHCs are not capped, this will deplete the taxi fleet as drivers cannot afford a Low Emission Zone (LEZ) compliant vehicle.

Anecdotal evidence of illegal plying for hire in Dundee was also raised at consultation.

4.2 Written Consultation

Several stakeholders were contacted by email during April 2024. These 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.

Local Taxi and Private Hire Trade

Prior to this study being undertaken, the trade in Dundee came together to provide written views to DCC around numerically limiting the number of PHCs licensed. These points are set out in the feedback below:

Dundee City Taxi Drivers Association:

- Want to see the number of PHCs limited.
- Oversaturation negatively impacts traditional public transports services.
- Excess of Private Hire Taxis pick up the fares from the street and pretend that they have rebooked jobs from office specially on weekend busy time.
- Private hire jobs are already despatched through office both taxis and private hire same time. So, enough taxis available to cover Dundee Public Taxis or transportation demand.

Dundee RMT:

- There is enough hire & reward vehicles in Dundee.
- It is so easy to fit the criteria to put a private hire you don't get experience of an operator that has been in the trade long enough.
- It keeps Cartels at bay and the council have more control on Licensed vehicles, testing still got to be looked at thoroughly.

Dundee Taxi Association:

- Do 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 a job.

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- Less Taxi drivers want to work late at weekends due to anti social behaviour. Drivers can't make a living on a couple of hours at the weekend. More Taxis or Private Hire were to come on the age of the vehicles would increase.

Tele taxis:

- Have 157 private hire vehicles in Tele Taxis office.
- Private Hire cars are allocated the same Hackney cars when it comes to jobs, if a customer phones for a car they can either get a taxi or private hire vehicle, there is no difference in the way we allocate work to them.
- More than enough private hire vehicles in Dundee City.

Forum Representative:

- There is a need to cap Private hire in Dundee as many of the general public see Private hire as the same as Taxis, they expect the same knowledge of streets and standards. Full time drivers need to be able to make a living and from the information available it appears that many Private Hires are part time.
- It will help tackle air pollution and congestion in the city.
- The main concern is public safety and this will hopefully cut down pirating where private hires pick up off the street illegally.
- Not enough EV chargers.

Unite the union:

- There is a cap on taxis in the city of Dundee and private hire receive jobs allocated through taxi offices, this has a knock on effect on taxi rank provision in the city as private hire cover taxi work taxis are overflowing on ranks at times. This adds to congestion at ranks with taxis parking in bus bays and unofficial ranks appearing in the city centre.
- Drivers being reported to licensing on suspension hearings etc.
- This also has an effect on the environment due to more emissions being produced and poorer air quality in the city.
- Also operators of both hackneys and private hire have had to invest in newer vehicles due to the LEZ zones in May this year and there is still a substantial amount of vehicles to comply, capping private hire would give operators the chance to invest in newer vehicles and drivers be able to earn a wage and afford these newer vehicles.
- The trade has suffered greatly during the covid pandemic and have lost a lot of work since.
- Night time drivers have seen a drop in passengers due to the current situation with the economy, cost of living crisis and people not going out to pubs clubs socialising as much, also the free bus passes for kids and young adults and over 60 free bus pass does affect the footfall for both taxis /and private hire.

Dundee Access Group:

- 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 ¹ footnote 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 202 people stating they had made a complaint, some 36% were against a PHC. Some 29% of these complaints were about availability.

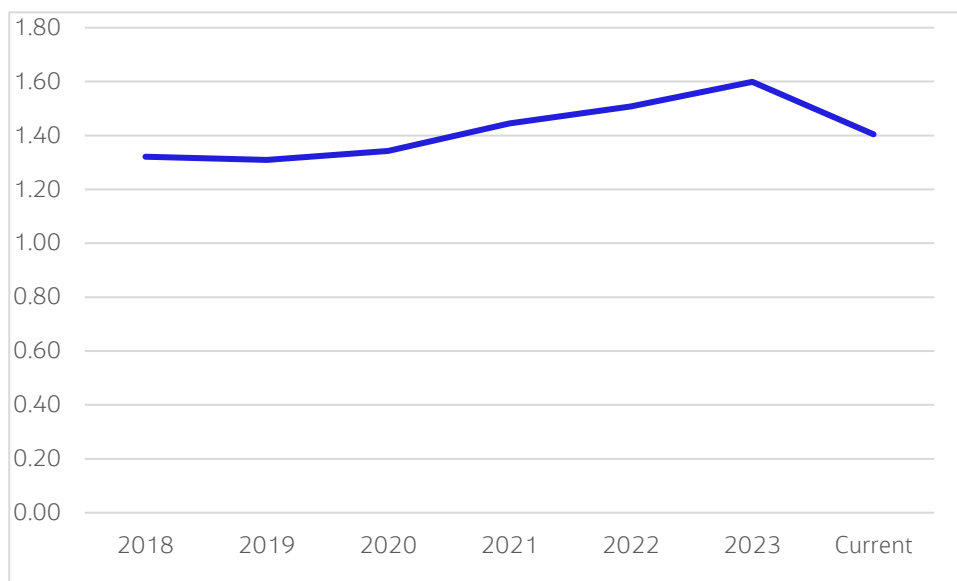
DCC had not received any complaints about PHC availability.

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 1.47 drivers. This ratio peaked in 2023 and is currently at a level similar to that in 2021.

Figure 5-1 Ratio of drivers to PHCs in Dundee



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 overleaf at the number of PHC drivers applying to renew their licence between 2017 and 2024. It shows that renewals have declined since peaking in 2020, 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 to DCC

Year	Number of renewal applications
2024	22
2023	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 below sets out the applicant numbers for drivers and new businesses since 2018.

Table 5-2 New applications to DCC

	Number of new booking office applications	No of PHC driver applications
2024	0	0
2023	0	4
2022	0	0
2021	1	2
2020	1	3
2019	2	6
2018	0	10

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

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 their targets. Such a scenario may indicate that there is no overprovision.

A data request was issued to a number of booking offices to obtain data around a supply and demand for a week in April 2024. However only one operator provided this data. Therefore the analysis derived has relied on this sole dataset together with anecdotal evidence from the trade. This evidence suggests that there are fewer drivers working at night in Dundee. 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 earnings by working during the day.

The public consultation feedback results also suggested that 39% of people had given up waiting for a taxi prebooked by telephone and 39% by app

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 hours. Consultation with the trade suggested that nighttime drivers have seen a reduction in passenger numbers.

5.7 Pirating activity

The recent unmet demand study (Taxi Demand Study, Jacobs, May 2024) 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 suggested that supply is greater than demand during the day.

6. Summary and Recommendations

The key objectives of the study are to:

- Determine what evidence of 'overprovision' of PHCs currently exists 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 following our analysis

At the present time, there is **some evidence of an 'overprovision of PHCs' in Dundee**. Of the tools applied, the absence of complaints, the low and decreasing driver ratios and a reduction in licence renewals could signify an overprovision. The sustained reduction in PHCs indicates that people are leaving the PH trade. The previous overprovision report, commissioned in 2023, noted that there had been an increase in the number of PHCs and, therefore, the report should be revisited in 12 months' time. A year on the decline in PHCs has continued.

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

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

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. The trade wholly agreed that there was an overprovision of PHCs.

Engagement with the public demonstrated **mixed views in relation to introducing a cap on PHCs**. Some 43% of respondents wished to see a cap introduced.

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

Under the 2015 Act, licensing authorities are able to restrict the number of PHCs if it was determined that there was an overprovision of PHCs. 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 Report*²).

Application of these tests in Dundee has indicated that there **may be some overprovision in Dundee**.

Despite this, there remain high levels of public satisfaction and good levels of service. Therefore, should DCC choose to use the overprovision power, a formal overprovision policy should be developed and formally consulted on.

It is our recommendation that PHCs are capped at the current number of 177 vehicles.

² <https://www.gov.scot/publications/private-hire-car-overprovision-assessment-potential-assessment-tools-independent-report-produced-scottish-government/>