

# Regulatory Committee

9.30am, Monday, 28 February 2022

## Demand for Taxi Licences

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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- 1.1 Regulatory Committee is asked to:
  - 1.1.1 Note the content of this report;
  - 1.1.2 Note that, on 8 March 2021, Committee agreed to maintain the limitation policy and to fix the number of available licences at 1,316;
  - 1.1.3 Note that no change is proposed to the limit of 1,316 on the number of taxis to be licensed in the city; and
  - 1.1.4 Agree that for new taxi vehicle licences:
    - 1.1.4.1 Applicants will be required to provide details of a compliant vehicle on the application form and pay the required fee;
    - 1.1.4.2 Applications will be processed and determined in the chronological order received; and
    - 1.1.4.3 Applications will be determined by officers, provided that there are no objections and that the granting of the licence would not increase the number of licences beyond the limit of 1,316.

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## Demand for Taxi Licences

### 2. Executive Summary

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- 2.1 Due to the impact of the economic disruption caused by the pandemic, the number of taxi licences currently issued in the city are now well below the agreed limit of 1,316. Taking into account this position, this report outlines proposals on how new taxi licence applications will be considered and determined in advance of grant or refusal of each application.

### 3. Background

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- 3.1 The Council has a policy of limiting the number of taxi licences issued within the city, utilising the powers available under Section 10 (3) of the Civic Government (Scotland) Act 1982. These powers can only be used if the Council is satisfied that there is no 'significant unmet demand' for taxis. The Council is also required to keep this position under regular review.
- 3.2 A full demand survey is carried out every three years. In order to ensure that there are no significant changes in demand, Committee has previously agreed to commission consultants to review taxi demand at more frequent intervals. These interim surveys are generally carried out every six to eight months and provide Committee with data and analysis concerning 'any significant unmet demand' for taxis.
- 3.3 A full survey of demand was last conducted in 2017, with the results reported to Committee on [21 August 2017](#). On [16 March 2018](#), Committee agreed to maintain the limitation policy and to fix the number of available licences at 1,316. This was last reviewed as part of the interim survey of demand which was reported to Committee in [March 2021](#).
- 3.4 The next full demand survey was subject to a procurement exercise and an appointment has been made for this work to be carried out. Demand for both taxis and Private Hire Car (PHC) vehicles significantly dropped during the COVID-19 pandemic. The outcome of the survey will be reported to the Committee later in the year. The interim demand surveys have not taken place since 2020 due to the disruption to the market caused by the public health restrictions. It would be the

intention to procure fresh surveys after the full demand survey has been reported to the Committee.

- 3.5 On 17 October 1997, Committee adopted new procedures by allowing taxi licences which were held in the names of individual licence holders to be replaced by a new licence in the name of a partnership or limited company including the existing licence holder. The adoption of this process has created a situation in which members of the taxi trade buy and sell taxi businesses and, in effect, taxi licences ('plates'). It should be noted that, irrespective of the sale of a business, the plate remains the property of the Council and has no intrinsic value. A new owner of a business will be subject to the normal licence application process, including the 'vetting' of suitable applicants, with the risk of a potential refusal of an application. The limitation on taxi numbers has, in effect, created an artificial value of the plate.

## 4. Main report

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- 4.1 The Council acts as Licensing Authority for the purpose of licensing taxis within the city. The Council has previously adopted a policy of limiting the number of taxi licences to be issued where there is no evidence of significant unmet demand. In the period since adopting that limit, all applications for taxi licences have been referred to the Licensing Sub-Committee for hearing and decision. This is because the granting of a new licence would normally have the impact of increasing the number of licences beyond the agreed limit in the policy and would, in effect, be an exemption to the policy.
- 4.2 As a result of COVID-19, there has been a downturn in business for both the taxi and the PHC trades. This has created financial hardship and, coupled with the aging demographic of many taxi licence holders, a number of licences have been surrendered or the licence holder has not renewed their licence. Separately, Committee will be aware that some owners have struggled to replace their vehicle with a vehicle compliant with the Council's age and emission policy and, consequently, some licences may have been surrendered as a result.
- 4.3 The limitation policy currently fixes the maximum number of available taxi licences at 1,316. A recent review by the Licensing Service indicated that there are currently only 1,276 taxi licences are granted and in effect. It is not proposed to make changes to the upper limit at this time. Council officers currently have delegated authority to grant vehicle licences where the limitation policy has not been exceeded and there is no objection. This would allow applications to be granted without the need for the applicant to attend committee unnecessarily. Licences would be granted, on application, until the limit is reached. Thereafter, any application would be referred to Committee to allow the applicant to make their case that they should be considered as an exemption to the limitation policy.
- 4.4 A second change to the current practice relates to the application and fee payable. When the number of licences in effect was at or close to the number limitation,

Committee previously modified the normal procedure for accepting applications. As there was a real risk that a new applicant would be refused due to the number limitation, applicants were not required to lodge an application fee or to have a vehicle available for examination at the time of application. Applications were referred to Committee, and if successful in obtaining a grant of a licence by Committee, a licence holder would be required to make payment and present a vehicle for examination within 28 days of the grant of the licence.

- 4.5 It is proposed that, given the drop in the number of licences granted, the current process for receiving and granting applications should be amended to require payment and details of the vehicle on the application form at the time of lodging. This would both streamline the processing system and bring this category of licences in line with all other licence types. It would also prevent licences from being granted without a vehicle in the hope that the licence will later have a value when the controlling interest in the business is sold. The following process will be followed:
- 4.5.1 Applications would be determined strictly in chronological order with respect to when they were received (i.e. first come first served) until the limit of 1,316 is achieved;
  - 4.5.2 On reaching the limit of 1,316, the process for dealing with new taxi vehicles would revert to the existing practice as set out at 4.4 above. Where two or more applications have been received on the same day, if granting both would take the number of licences granted beyond the 1,316 limit, they will be referred to Committee for determination;
  - 4.5.3 New applicants would be required to make payment at time of application;
  - 4.5.4 The applicant will be required to be in possession of a vehicle, and this must be detailed on the application form. Further, the vehicle must be made available for inspection, as requested by the TEC, prior to the licence being granted; and
  - 4.5.5 Any new vehicle presented for examination must meet the requirements of the Council's Age and Emissions policy for Taxi and PHC vehicles.
- 4.6 There are currently three pending applications for new taxi licences, one from a previous licence holder who failed to make an application to renew within the statutory time scale, and two from new applicants.
- 4.7 Additionally, Committee are asked to note that it has also been identified that a small number of licence holders appear to no longer own taxis but continue to retain a licence. Work is ongoing to identify these licence holders, as demonstrated by failure to present vehicles for examination. The Council is under a statutory duty to ensure that licences are only granted to vehicles that are suitable and safe. There is a separate duty on licence holders to return their licence and plates within 28 days if they no longer own the vehicle. It is therefore possible that the number of licences will further drop by a small number.

## **5. Next Steps**

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- 5.1 Demand surveys will continue to be used to assist the Licensing Sub-Committee to determine future applications for new taxi licences.
- 5.2 The Licensing Service will continue to work closely with the licensed hire car trade to ensure an understanding of the challenges faced.

## **6. Financial impact**

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- 6.1 None arising directly from this report. The Council's scale of fees for licensing applications was approved with effect from 1 April 2021. Any costs implementing policy changes will be contained within the current ring-fenced income generated from licence application fees.

## **7. Stakeholder/Community Impact**

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- 7.1 This regular monitoring is necessary to allow the Committee the option to maintain its policy of limiting the number of taxis.
- 7.1 No protected groups are affected.

## **8. Background reading/external references**

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- 8.1 [Restriction of Taxi Numbers in Edinburgh](#) report to City of Edinburgh Council on 23 August 2007
- 8.2 [Demand for Taxis: Six Monthly Update](#) report to Regulatory Committee on 8 March 2021

## **9. Appendices**

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- 9.1 None