

# Regulatory Committee

10.00am, Monday, 21 November 2022

## Assessment of Overprovision of Private Hire Cars within the City of Edinburgh

Executive/routine	
Wards	All
Council Commitments	

### 1. Recommendations

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1.1 Committee is asked to:

- 1.1.1 Note the survey results and the Jacobs report (Appendix 1);
- 1.1.2 Note that the licensed hire trade has been subject to unprecedented challenges since Committee decided to assess whether there is overprovision in the Private Hire Car (PHC) market;
- 1.1.3 Note the Jacobs conclusion that there is a lack of evidence of overprovision of PHC and their recommendation that this is reviewed in 12 months;
- 1.1.4 Agree to circulate the Jacobs report to stakeholders and invite feedback on the survey and its recommendations; and
- 1.1.5 Agree to receive a further report after that engagement has completed.

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# Report

## Assessment of Overprovision of Private Hire Cars within the City of Edinburgh

### 2. Executive Summary

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- 2.1 At its meeting on [8 March 2021](#), the Regulatory Committee's Business Bulletin updated Committee that consultants had been appointed to review the provision of Private Hire Cars ('PHCs') within the city, and to identify the impact of recent policy changes on the licensed fleet as a whole.
- 2.2 This report summarises the findings of the assessment and includes the report which Jacobs have prepared (Appendix 1). Representatives from Jacobs will present this at the Committee meeting on 21 November 2022.

### 3. Background

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- 3.1 The Council acts as a Licensing Authority for the purpose of licensing PHCs within the City of Edinburgh. While the Civic Government (Scotland) Act 1982 has long standing powers for the Council to limit taxi licences in its area, similar powers with respect to PHC have only been available since the 2018 enactment of parts the Air Weapons and Licensing (Scotland) Act 2015 [Air Weapons and Licensing Act \(Scotland\) 2015](#). At the time of writing, there are 2,056 licensed PHCs. This has fallen from a peak of 2,518 licences in 2020.
- 3.2 The City of Edinburgh Council's policy which restricts the availability of taxi licences has previously been legally challenged. This typically takes the form of appeal to the Sheriff against decisions of the Licensing Sub-Committee to refuse applications for taxi licences based on the Committee's assessment that there is no significant unmet demand. In late 2016, the Sheriff Court refused an appeal from a licence holder who had been refused a licence based on the absence of unmet demand.
- 3.3 Following changes to the Act as set out above, the grant of a new PHC licence may be refused, but only if there is overprovision of PHC services in its area. The Act requires that, when considering whether overprovision of PHC services exists, authorities should consider the number of PHCs and the demand for PHC services in its area.

- 3.4 The Scottish Government has issued [guidance](#) for licensing authorities with respect to assessing potential overprovision and operating a limitation policy for PHC'. Members may recall that this guidance was issued in 2019, two years after the new powers took effect.
- 3.5 On 8 March 2021, the Regulatory Committee's Business Bulletin updated Committee that consultants had been appointed to review the provision of PHC within the city, and to identify the impact of recent policy changes on the licensed fleet as a whole. Following a procurement exercise, Jacobs was commissioned and undertook this work in late 2021 and early 2022. Attached at Appendix 1 is a copy of the Jacobs report, which will be presented by representatives from Jacobs for Committee on 21 November 2022.

## 4. Main report

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- 4.1 The Jacobs research provides Committee with an assessment of whether there is evidence of overprovision of PHCs in the city.
- 4.2 Jacobs conclude that there is 'little evidence' of overprovision of PHCs in Edinburgh. This conclusion is based on their analysis of the available data and feedback from stakeholders. The drop in number of licences, as set out at paragraph 3.1 above, shows that the PHC market contracted during the pandemic. It would therefore corroborate Jacobs's conclusion on overprovision more generally.
- 4.3 Jacobs conducted a public survey with 300 people replying, which is a relatively low response rate. The key outcomes from the 'public attitude' survey highlight:
- 4.3.1 Roughly one third of respondents had given up waiting for a PHC in the previous three months;
  - 4.3.2 Over 90% of respondents wished a cap on the number of licensed PHCs to be introduced; and
  - 4.3.3 Only 2.7% of complaints about PHCs concerned availability.
- 4.4 Jacobs attempted to broaden the number of stakeholders who responded. ECAS (which provides practical help for people living with a disability) and Local Centre for Inclusive Learning (LCIL), which provides support for disabled people with respect to independent living, were asked to provide a response with a view to the needs of wheelchair users and other people with disabilities/special needs. ECAS responded that no comment could be made as no taxis had been used since March 2020. LCIL thought that there were sufficient PHCs, but more driver education was needed with respect to wheelchair handling and equipment checks.
- 4.5 Key responses from the licensed hire fleet can be summarised as follows:
- 4.5.1 Taxi operators considered there to be too many PHCs in circulation and that a numbers cap was required, particularly with a view to the Council's environmental commitments;

- 4.5.2 Taxi operators called for the types of PHC vehicles to be further restricted and for the use of a meter to be made mandatory;
  - 4.5.3 Taxi operators also wanted PHC drivers to be required to pass a topographical test prior to the grant of a licence;
  - 4.5.4 PHC drivers believed there to be unmet demand for PHC services, and argued that the number of PHC drivers and vehicles had in fact decreased since the pandemic;
  - 4.5.5 There are too few PHC vehicles on the circuit as costs are too high; and
  - 4.5.6 PHC trade needs more support from the Council to attract drivers back to the trade.
- 4.6 Members are invited to note the conclusion from Jacobs that the introduction of a numbers limitation on PHC licences is not justified.
- 4.7 The views of the taxi trade, as set out in paragraph 4.5, are acknowledged and members of the Committee will be aware that these views are longstanding. When considering that public consultation shows support for a cap (from 90% of respondents), caution has to be advised given the relatively low number of respondents compared to other licensing consultations. The counter-argument is that there have been significant changes to the number of PHCs licensed and the PHC trade believes that the market overall has contracted, therefore a cap would not be necessary. All of this feedback must be considered in reaching a decision.
- 4.8 On balance, Council officers agree that, at this time, it appears that there is insufficient evidence to justify the introduction of a PHC overprovision policy. It is therefore recommended that a further short period of engagement is undertaken, to allow the PHC trade and all other interested parties to comment on the Jacobs report, before Committee reaches a final decision. Upon completion of this, members will be in a position to decide whether an overprovision policy is necessary.

## **5. Next Steps**

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- 5.1 If the report recommendations are agreed, officers will provide a copy of the Jacobs report and engage with the PHC trade and other interested stakeholders and bring a further report to Committee following conclusion of this engagement.

## **6. Financial impact**

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- 6.1 The cost of the Jacobs research was contained within the income from licence fees.

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

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7.1 As required by the Scottish Government guidance, the tender issued by the Council for the consultants required that the research included specific and extensive consultations with interest groups including:

7.1.1 City of Edinburgh Council

7.1.2 Trade representatives;

7.1.3 User/disability groups;

7.1.4 Local interest groups;

7.1.5 Rail, bus and coach operators.

7.2 Further details are contained in the Jacobs report at Paragraph 5.2

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

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8.1 [Private Hire Car Overprovision: independent assessment tool for local authorities](#) (Scottish Government, October 2019).

## **9. Appendices**

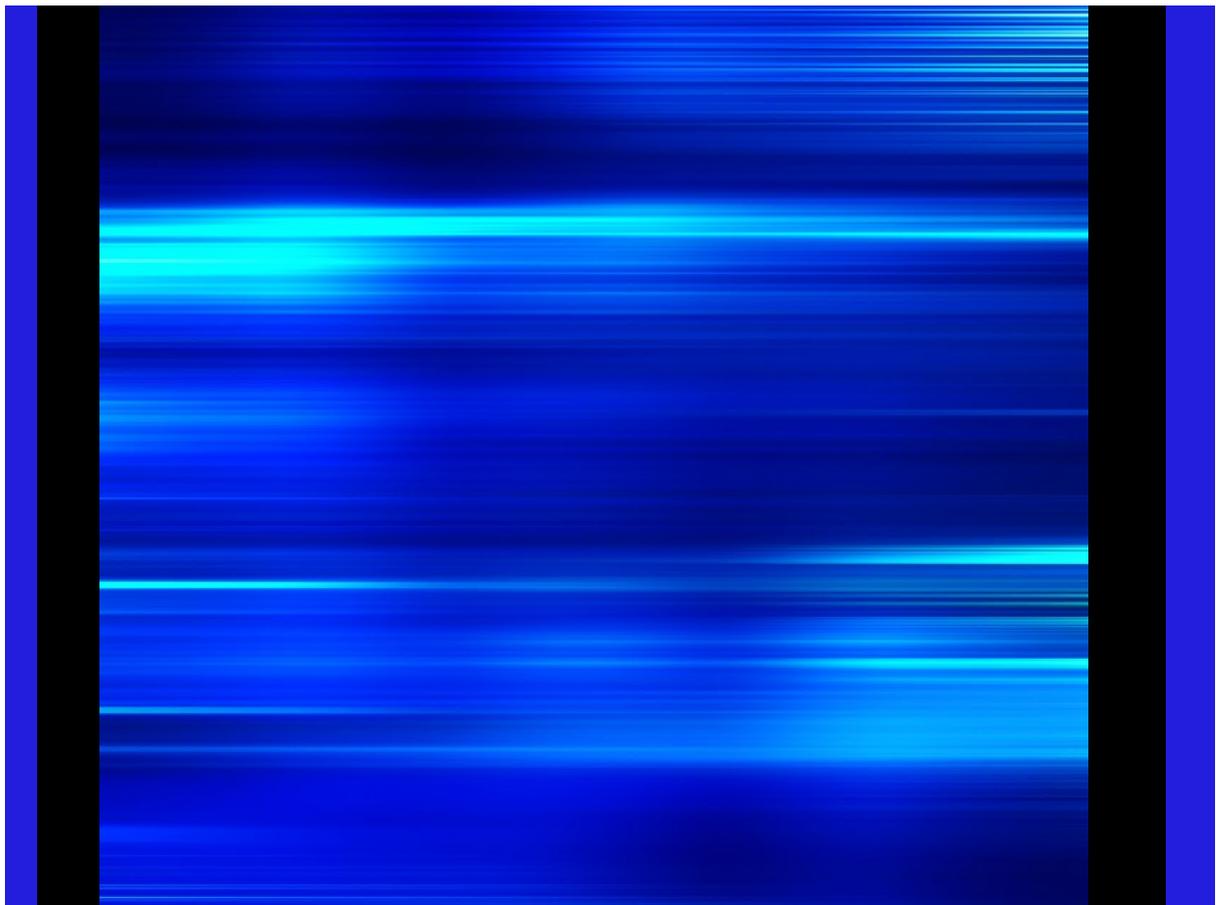
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9.1 Appendix 1 – Jacobs report dated 8 August 2022.

## Draft Report

City of Edinburgh Council  
CT0794

Private Hire Car Overprovision Study  
8 August 2022



## Draft Report

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**Project name:** Private Hire Car Overprovision Study  
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## 1. Introduction

### 1.1 Objectives

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

- Determine what evidence there is of 'overprovision' of PHCs in the City of Edinburgh 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 (of both taxis and PHCs);
- 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, and
- In addition, the Council requires an independent assessment of the impact of all of these changes on the PHC trade, in addition to carrying out the core task of assessing whether there is overprovision.

### 1.2 Background

The PHC fleet in Edinburgh has more than doubled since 2013, coinciding with the introduction of ride hailing 'apps' and other similar technology and online booking platforms. It is argued in some quarters that this has had a detrimental impact on public safety, increased air pollution and is unsustainable.

The Air Weapons and Licensing (Scotland) Act 2015 gives local authorities the discretionary power to cap or limit the number of PHC licences issued, on the grounds of overprovision. 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 24 Oct 2019 on how to assess overprovision (*Private Hire Car overprovision: independent assessment tool for local authorities*)<sup>1</sup>.

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.

CEC has received complaints there are insufficient bookings to sustain a PHC fleet of approximately 2,400. It is further suggested that as a result, some drivers of PHCs illegally ply for trade (i.e. operate as taxis) in order to supplement their income. In addition, it is complained that the increase in fleet has increased traffic congestion and pollution.

Typically, the market for suitable types of PHC vehicles is much wider than for taxis, and one of the consequences of the large increase in the fleet is that newer vehicles of a higher euro standard now make up a significantly larger part of the PHC fleet in comparison to the taxi fleet. The overall impact of this policy has thus been less keenly felt by the PHC trade.

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

## 2. Background to the Private Hire Trade

Edinburgh is the capital city of Scotland and covers some 259 square kilometres. Edinburgh’s resident population is 527,620 (National records of Scotland, 2020 midyear estimate). The city has a large student and visitor population and demand for taxis fluctuates across the year.

### 2.1 Vehicle numbers

Unlike Taxi vehicle licences, PHCs have not been numerically limited in Edinburgh. . The number of vehicles has more than doubled between 2015 and 2018 before peaking in 2020 before steadily reducing since the start of the pandemic , as shown in Figure 2.1 below

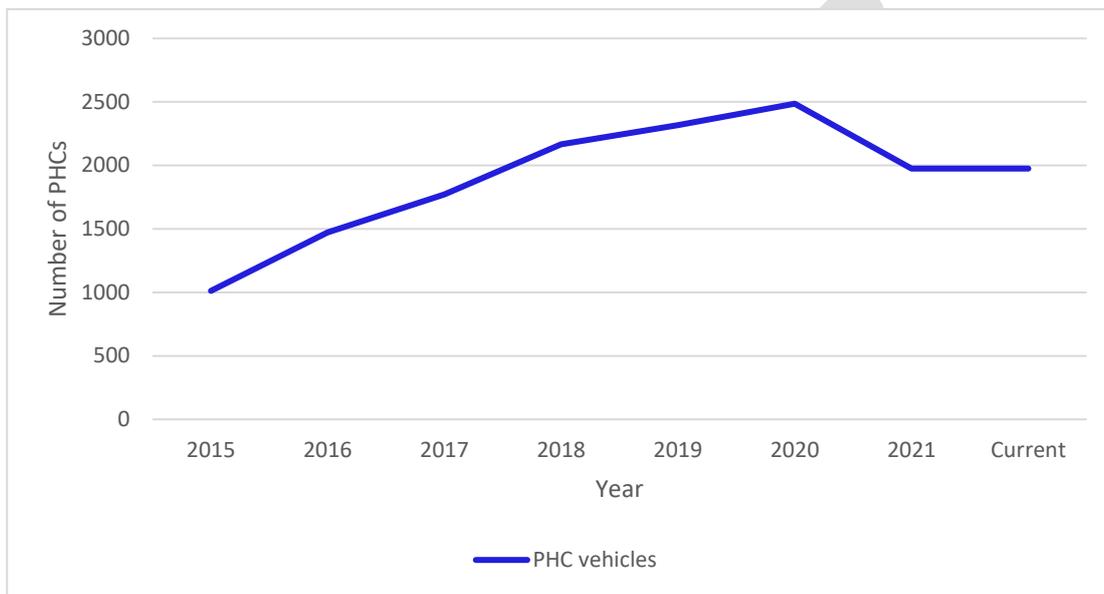


Figure 2-1 PHC numbers

Figure 2.2 demonstrates that driver numbers have also more than doubled between 2015 and 2018 before peaking in 2020 before steadily reducing since the start of the pandemic

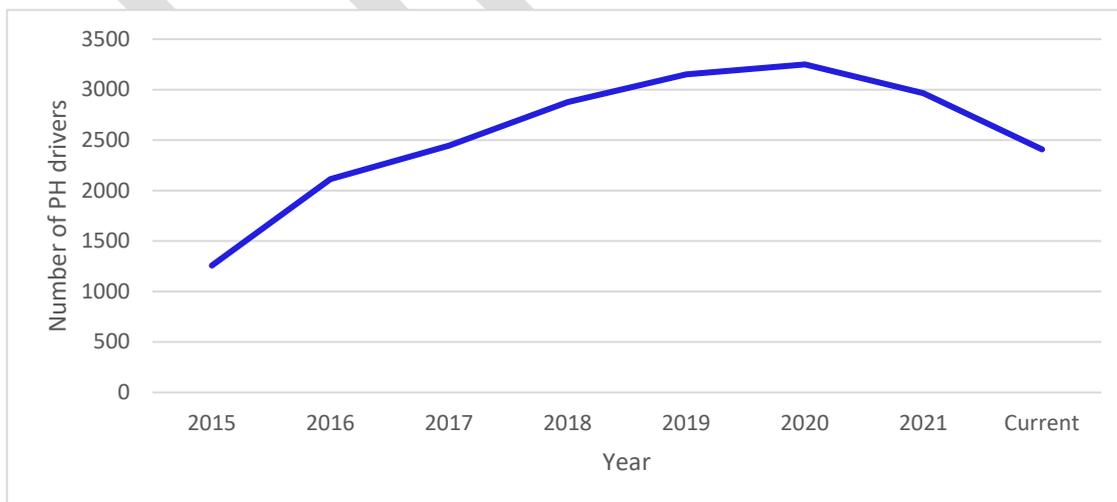


Figure 2-2 Driver Numbers

Figure 2.3 below compares PHCper capita provision across the Scottish Cities and Englishcore 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. Newcastle has the lowest number of people per PHC, and therefore the best provision. Edinburgh has the seventh best tax provision per capita.

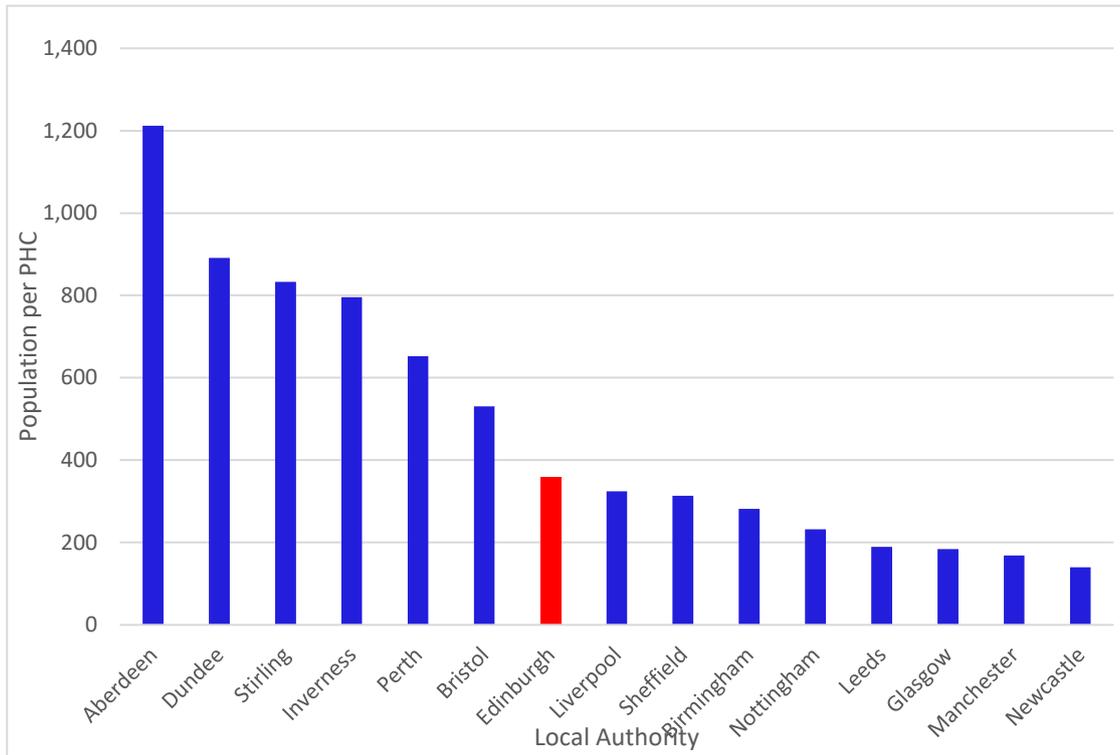
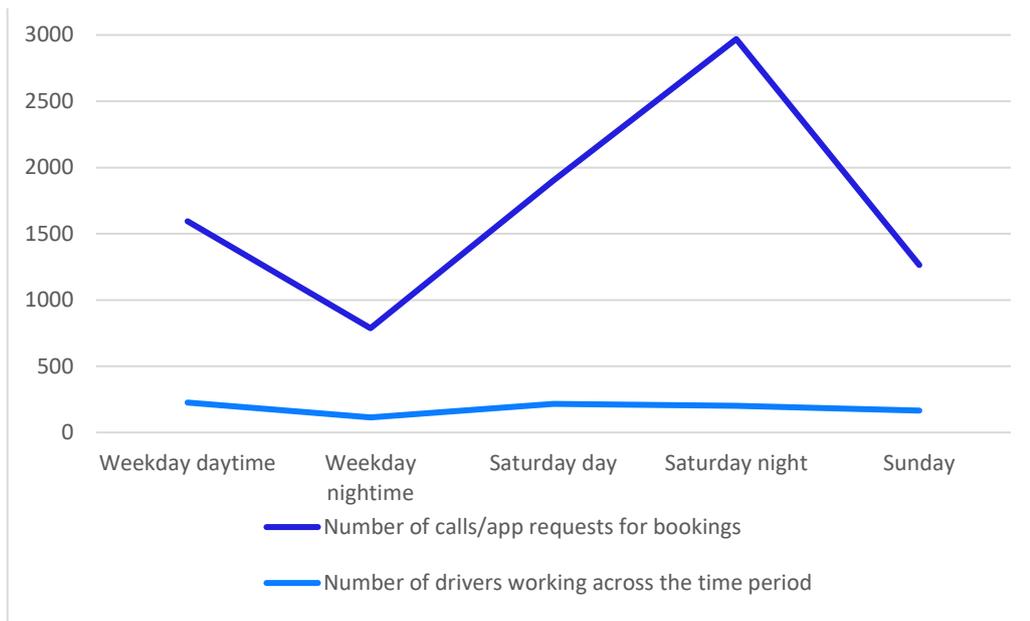


Figure 2-3 Population per PHC across licensing authorities

A number of operators in Edinburgh were asked to provide data from a sample week to demonstrate the typical demand for vehicles and the number of drivers working across the week. Only one operator provided this data so caution should be used when interpreting the results. Figure 2.4 shows demand against number of drivers working.



**Figure 2-4 PHC demand compared to number of drivers working**

Figure 2.4 shows a peak in demand on a Saturday night-time, however the number of drivers working does not increase to match this peak.

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## 3. Methodology for Overprovision

### 3.1 Background

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

- Allowing for testing of private hire car drivers;
- Requiring local authorities to appoint a civic licensing standards officer; and
- 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 PHC if it were determined that there was an overprovision. The newly added subsections of Section 10 of the Civic Government (Scotland) Act 1982 are as follows:- “(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.”

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*’. This publication sets out a number of tests that can be used for a local authority to determine whether there is any over provision.

### 3.2 Overprovision tests

Based on available data from CEC 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

## 4. Public Consultation

### 4.1 Introduction

An online public attitude survey was designed with the aim of collecting information regarding opinions on the PHC market in Edinburgh. The survey was conducted in December 2021 and hosted on City of Edinburgh Council's Consultation Hub. Some 300 responses were received.

It should be noted that in the tables and figures that follow the totals 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, some respondents failed to answer some questions that were asked.

### 4.2 General Information

Respondents were asked whether they had made a trip by taxi or private hire car in the past three months. Figure 4.1 shows that 93.6% (279) of the 300 respondents had made a trip by taxi or private hire car in the last three months.

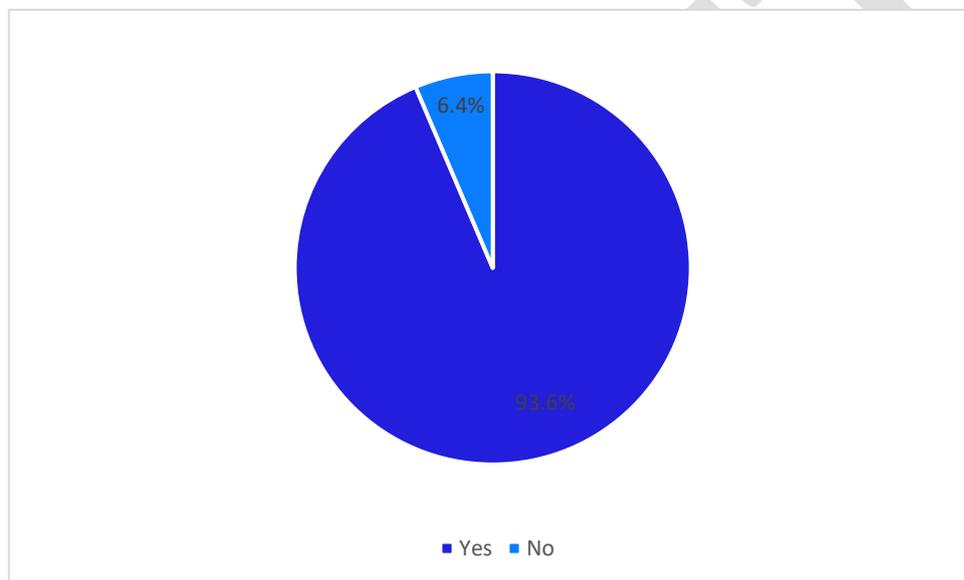


Figure 4-1 Have you made a trip by taxi or private hire car in the last three months?

Those respondents who had made a trip by taxi or private hire car were asked how they obtained their vehicle. Some 36% of trip makers (99) stated they hired their taxi via a smartphone or tablet app while 27% (75) of taxi hirings were obtained at a rank. Some 23% (65) of trips were achieved by telephone. The online and telephone bookings relate to both taxi and private hire car bookings. Figure 4.2 reveals the pattern of hire.

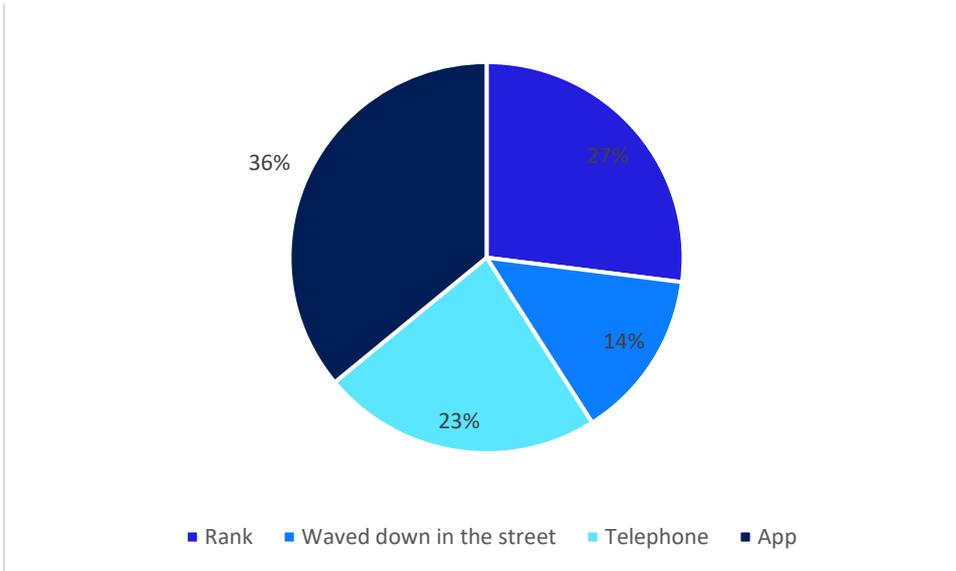


Figure 4-2 Method of hire for last trip

### 4.3 Attempted Method of Hire

All respondents were asked to identify whether or not they had given up waiting for a PHC booked by telephone, or through an online app in Edinburgh in the last three months. The results are summarised in Figure 4.3.

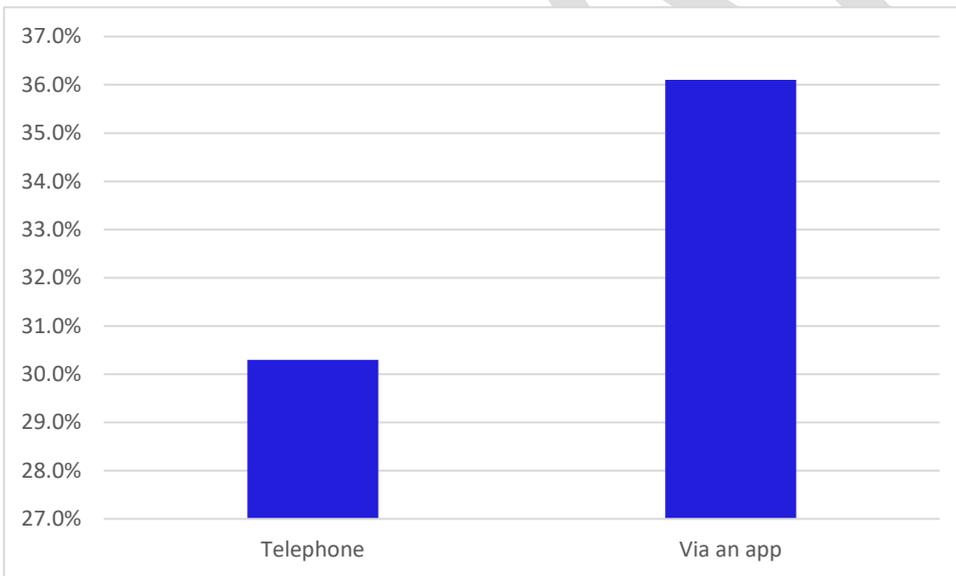
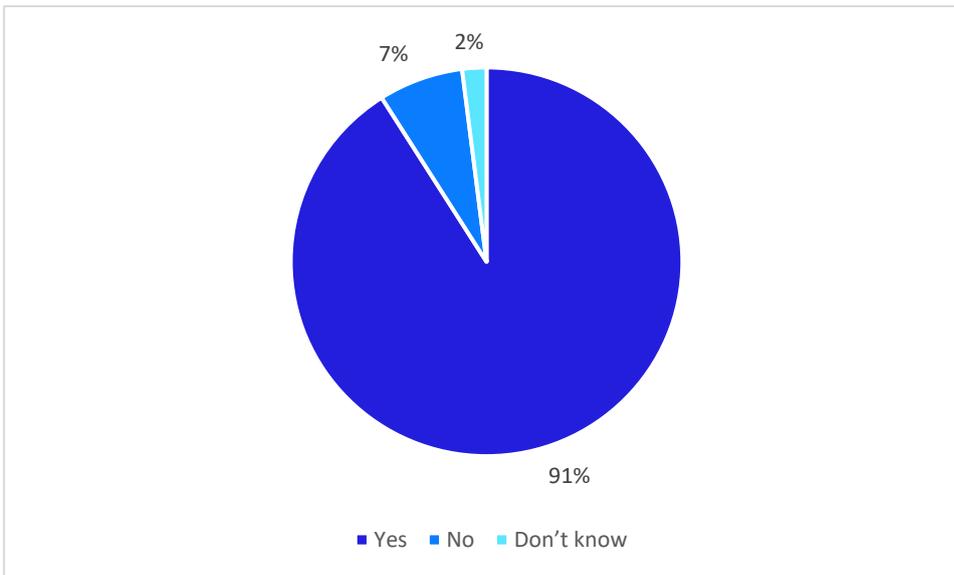


Figure 4-3 Given up trying to make a hiring?

As indicated in Figure 4.3, some 30.3% of respondents had given up waiting for a taxi by telephone booking or 36.1% by an app in the last three months.

### 4.4 Views on availability of PHCs

Respondents were asked whether they considered there to be enough PHCs in Edinburgh. Some 91% considered there to be enough. Respondents were then asked for their views on whether CEC should introduce a numerical limit on the number of PHCs. As detailed in Figure 4.4, 91% of respondents wanted a limit to be introduced on PHCs.



**Figure 4-4 Should CEC introduce a numerical limit on PHCs?**

Respondents were then asked whether they felt that PHC services in Edinburgh could be improved. Some 71% of respondents stated that services could be improved. Those who stated that they could be improved were asked in what way. Suggestions included:

- Too many drivers do not know their way around the city
- Better presented vehicles
- Better language skills
- Allow PHCs to use bus lanes
- Have more availability
- Take card payment options
- Better driving skills

## 4.5 Complaints

Respondents were asked if they had made a complaint about a PHC or Taxi in the last three months. Of the 114 people stating that they had made a complaint some 73.7% were against a PHC with 26.3% stating it was against a Taxi. Figure 4.5 demonstrates that 31.5% of complaints were about driver behaviour with only 2.7% about availability. Those stating other included:

- Driver making me wait over 10 minutes and then cancelling
- Vehicle operating without licensed plates
- Surge Pricing

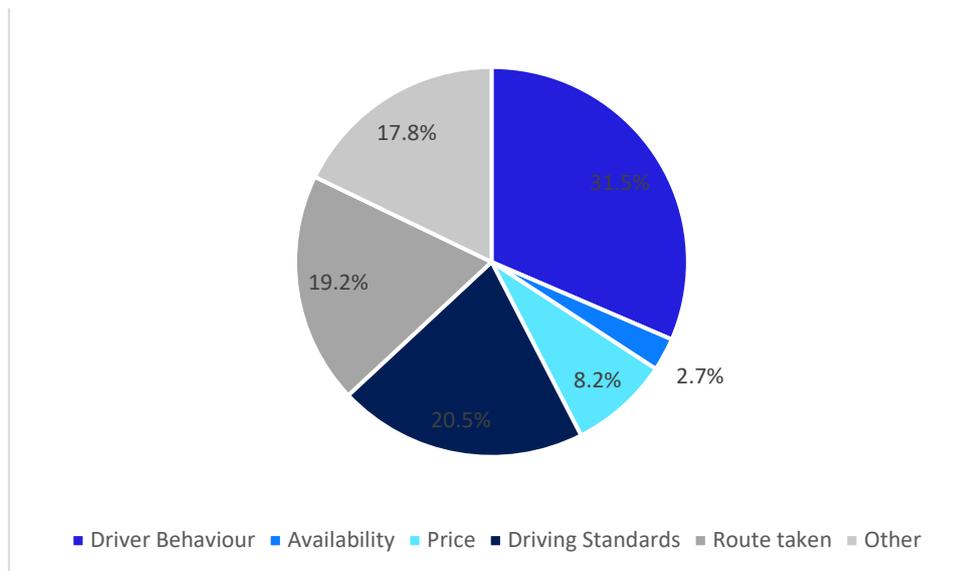


Figure 4-5 Nature of complaints made about PHCs

## 4.6 Summary

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

- 93.6% of respondents had made a taxi or PH journey in the previous 3 months;
- 36% had prebooked via an app, 23% had prebooked via a telephone booking;
- Some 30.3% had given up waiting for a booking made via telephone and 36.1% had given up waiting for a booking made by an app
- Some 91% of respondents wanted to see a PHC numerical limit introduced
- Some 71% of respondents suggested that PHC services could be improved.

## 5. Stakeholder Consultation

### 5.1 Direct (virtual) Consultation

Several stakeholders were invited to attend a series of virtual focus groups. This assured the Scottish Government guidelines were fulfilled and all relevant organisations and bodies were provided with an opportunity to comment. Following the focus groups the written minutes were circulated for comment to the attendees. A summary of the responses received are provided below

#### Hackney Trade

It was suggested that a significant number of PHC licences been returned to City of Edinburgh Council. The trade considered that there were too many PHCs prior to Covid and a high incidence of vehicles on circuits and Uber.

The trade considered that the number of PHCs should be limited as taxi numbers are, especially if CEC are serious about reducing congestion and air pollution.

Attendees suggested that the numbers of PHCs increased when the licence fee was reduced.

It was recognised that PHC numbers have decreased since the pandemic with people leaving the industry.

Attendees wanted to see the range of PHCs limited to a smaller number of vehicle types and all PHCs to have a meter installed – Unite the Union stated that this is something that they are campaigning to make mandatory.

Want to see the PH trade sit a topographical test

#### Private Hire

All attendees stated that they felt there was an unmet demand for PHCs. They didn't want to see a cap put on PHCs because of this. It was also noted that the number of PH drivers and vehicles had decreased since the pandemic.

It was suggested that the PHC trade isn't a very different place since Covid and the trade were surprised that CEC are still looking at capping PHCs.

With regards to PHC demand it was stated that this has never been higher. There has been an exit of drivers from the industry during the pandemic and it is proving difficult to entice drivers back into the industry. It was recognised that there was no quick fix for this. Reference was made to the decision to cap PHCs in Glasgow and the negative repercussions.

The trade representatives considered it to be too expensive to operate a vehicle. Many ex-PHC drivers have gone to Uber Eats and Deliveroo. It was stated that nobody on the call can service the work they already have and customers are big let down.

The trade discussed the difficulties with getting drivers to work a full shift. Drivers are only working Monday to Friday day shifts as they don't now need to work anti-social hours and it was very difficult to get drivers to work night shifts. The nature of the work has also changed as there is no multi shifting anymore.

It was felt that the overprovision survey has come 2 years too late – the trade is now decimated with an estimate at the time of the consultation of 40% fewer PH drivers in Edinburgh.

It was also suggested that CEC could do more to support operators to attract people back into the trade. The lack of PHCs is causing safety issues as people including lone females are having to wait a long time for vehicles at weekends.

## 5.2 Indirect (Written) Consultation

Several stakeholders were contacted by letter and email. This ensured the Scottish Government guidelines were fulfilled and all relevant organisations and bodies were provided with an opportunity to comment.

In accordance with advice issued by the Scottish Government, the following organisations were contacted:

- City of Edinburgh 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 received are provided below.

### Central Taxis

Central taxis provided a written response as follows:

*"We understand that the number of private hire car vehicles licensed in Edinburgh reduced by a measure of some 600-700 during the last 2 years. This was a necessary reduction in our view. Prior to March 2020, the number of licensed private hire cars operating in the city exceeded saturation, being well over 3000 (as against 1316 taxis). In these numbers Private Hire cars were not able to generate sufficient revenues simply by operating within the laws which govern their operation, leading to PHC drivers illegally ranking in taxi ranks, routinely picking up off the street without a pre booking and parking in all areas of the city centre despite the rules prohibiting PHC cars waiting and touting for business as if they were taxis. The dangers to public safety are paramount considerations in the licensing sphere, but the Licensing Authority had yet to act upon powers to limit PHC licenses on account of overprovision. It is hoped that the reduction of licences held and the time since limitation of PHC was first considered, will allow any further growth in the number of licensed private hire vehicles to be properly assessed and regulated to ensure legal compliance and the paramount concern of public safety.*

*The contribution of private hire vehicles to traffic within the city centre (and thus congestion) was considerable and patently obvious to other road users. There was no mechanism in place to allow licences to be refused for overprovision as exist in the taxi trade and other licensing fields. Amendments to legislation now in force allows such controls to be activated and to do so would serve the public, private hire operators and drivers and other public sector policy priorities.*

*The advent of app based private hire operated vehicles has changed the landscape for private hire car operation. Hitherto most private hire vehicles were metered in the city, meaning that the maximum fares to be charged the consumer were regulated by a proper democratic process, involving consultation and due consideration of the competing interests of operators and users. This serves as a consumer protection measure to ensure that users are not subjected to unfair practices, or profiteering at busy periods of demand.*

*The App based model has now turned this on its head. Meters have been removed from many vehicles, meaning that the operation of these vehicles is not subjected to any control on price. At busy times, the customer is being charged up to 4 times the normal cost of a journey; a reality which can only occur in private hire vehicles as taxis, with their mandatory meter, cannot engage in such practices at any time. While this may be viewed as a competitive advantage for taxis, another view is that consumers are being exposed to extremely unfair profiteering at those times when these forms of transport are most required. The maintenance of this divergence in place for private hire operators will necessarily lead to taxis demanding that they too be allowed to set prices according to peaks in demand when engaged in prebooked work – there being no obvious reason why there should be such divergence. It is our view that this would be much to the detriment of the people of Edinburgh and to its businesses and visitors. A return to a mandatory meter in all hire vehicles for work which begins and ends in Edinburgh would serve to restore levels of consumer protection and be a vast improvement to the current situation. Also, there are no approved vehicle types for private hire vehicles, which leads to some very odd sights on the streets of Edinburgh, with cars obviously unsuitable in size for comfortable passenger*

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*transport being plated and used for commercial purposes. We consider that there are clearly some vehicle types which are unsuited to use as private hire vehicles in Edinburgh. An approved list should be considered to ensure passenger comfort and to set a standard worthy of the Capital city."*

### City Cabs

City Cabs provided a written response as below:

*"We have been aware of discussions around the overprovision of Private Hire Cars for at least 10 years now. The numbers of PH licenses has reduced significantly over the period of the global pandemic and we believe (much like the Taxi industry) that the point we are now at would prove to be a suitable place to limit vehicle numbers. We should use the current numbers of PH as a limit. This will help to improve the environment through less vehicles driving around the citycentre empty waiting on being dispatched a job. There needs to be a limitation on vehicle numbers and also a requirement that once dropping off the vehicle should wait after completing a job on a new one being dispatched before driving around the city empty and harming the environment further.*

*All vehicles should be fitted with a council set meter. It will be a terrible future for the licensed transport infrastructure in this city if your journey home can randomly change in price due to availability. Meters installed in vehicles protect the public and allow a fair and reasonable service. Imagine if you got on a bus one day and the driver said 'sorry its triple fare today because the weather isn't very good'. That is the current setup with non-meter installed vehicles operating on dynamic pricing. The general public are being ripped off at any opportunity. Licensing can, and in our view should, protect the public from this practice by enforcing meters in all licensed vehicles."*

### Concierge, Balmoral Hotel

It was considered that there should be an increase in environmentally friendly and compliant private hire taxis in Edinburgh and that black cabs should be abolished. The representative did not feel that a cap should be introduced on PHCs but he felt that private hire taxis offer a better service. The drivers with larger vehicles are much better equipped to transfer people with luggage to/from Edinburgh Airport and the station, as the luggage is secured in the boot, as opposed to black taxis who have luggage loose in the back of the vehicle

In terms of how PHC services could be improved the representative wanted to see a stricter qualification test in terms of their knowledge of the city, and spot-checking vehicles for compliance to regulations and cleanliness.

### ECAS

ECAS responded to the consultation stating that they haven't used any taxis since March 2020 so are not confident in making any comments.

### Lothian Centre for Inclusive Living (LCIL)

The representative from LCIL considered there to be enough PHCs in Edinburgh but was unsure about whether the Council should introduce a limitation policy. It was suggested that more wheelchair accessible vehicles were needed together with drivers having more training in handling wheelchairs and checks on equipment for clamping wheelchairs. The representative also stated that 'Some drivers are amazing, just not always'.

### Drummond Community High School

The representative considered there to be enough PHCs in Edinburgh and felt that the Council should limit their number. It was considered unfair for taxis to be limited but private higher cars not to be. Again being on time matters when school contracts are involved.

### Currie Community High School

The representative considered there to not be enough PHCs in Edinburgh and considered that the Council should not introduce a limitation policy.

## 6. Overprovision Tests

In order to determine whether there is overprovision of PHCs in Edinburgh 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*

### 6.1 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 114 people stating that they had made a complaint some 73.7% were against a PHC with 26.3% stating it was against a Taxi. However, these complaints were for a variety of reasons including driver behaviour with only 2.7% about availability.

Further information was obtained from City of Edinburgh Council and is set out in Table 6.1 and demonstrates a low level of complaints.

	Complaints about no show/availability	Complaints about fares
2022	7	1
2021	2	3
2020	2	1
2019	2	3

Table 6-1 Complaints received about PHC service

### 6.2 Driver ratios

Figure 6.1 looks at the ratio between the number of PHCs licensed and the number of drivers. 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. Figure 6 shows that currently for every licensed PHC there are 1.22 drivers. This ratio peaked in 2021 due to the covid 19 related reduction in PHC drivers. Prior to the pandemic it was fairly constant. However, it has never approached a 1:1 ratio. Anecdotal evidence from the trade also suggests that multi shifting is not practiced currently.

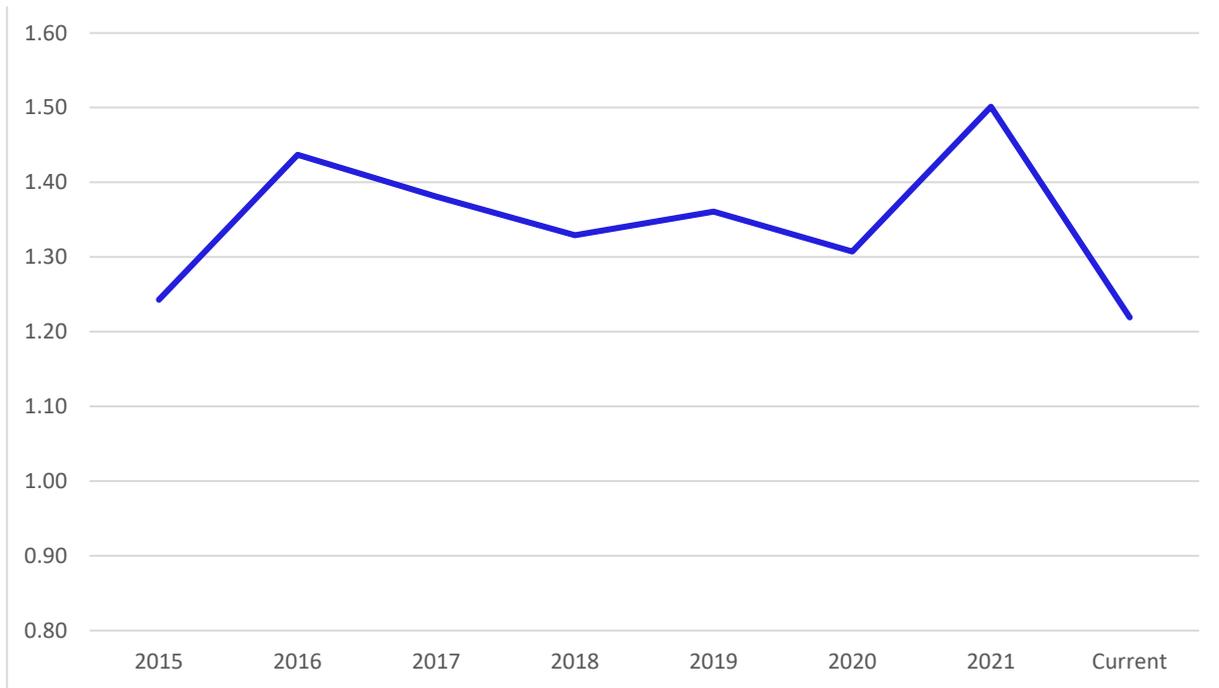


Figure 6-1 Ratio of drivers to PHCs

### 6.3 Driver turnover

A high level of driver turnover may be an indication that drivers find it difficult to make a living.. Table 6.1 looks at the number of drivers submitting an application to renew their licence between 2017 and 1<sup>st</sup> August 2022. It shows that renewals have declined since peaking in 2019 suggesting that a number of drivers have left the trade. This cannot wholly be 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.

Year	Number of applications
2022	77
2021	684
2020	1023
2019	1078
2018	975
2017	803

Table 6-2 Licence renewal applications

### 6.4 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 Edinburgh’s licensing registers, Table 6.2 sets out the applicant numbers for drivers and new businesses since 2017.

	Number of new booking office applications	No of PHC driver applications
2022 to date	1	145
2021	5	242
2020	3	272
2019	2	864
2018	5	930
2017	5	892

**Table 6-3 New applications**

Between 2017 and 2019 the data suggests that new business applications were driving demand for driver licences. However, since the pandemic, demand for new driver licences has decreased.

## 6.5 Reduced vehicle mileage

This data is not available to apply this tool.

## 6.6 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 overprovision.

Data provided by one PH operator suggests that fewer drivers are working at night compared to daytime shifts. This was similar for both a weekday night and a weekend night shift. This was corroborated during a discussion with PH trade representatives who suggested that drivers do not need to work during night times as they make their money during the day.

The findings above may, however, be a result of the slow-down in the night-time economy throughout the pandemic. Responses from Jacobs’ consultation with operators in the trade suggest that “drivers [...] altered their working patterns to reflect the lack of a night-time economy” since March 2020. This situation “has improved” but “the effects of the disruption remain and are expected to do so in the short and through the medium term at least.”

## 6.7 Levels of multi shifting

Discussion with PHC trade representatives suggest that there are low levels of multi shifting. As detailed above, representatives suggested that drivers are able to make their income during the day, suggesting a sustainable level of income and .

## 6.8 Pirating activity

The recent unmet demand study undertaken to assess taxi demand didn’t identify any issues with PHCs illegally plying at ranks. However, the consultation with taxi trade representatives suggested that this had been an issue. Central taxis stated:

*“We understand that the number of private hire car vehicles licensed in Edinburgh reduced by a measure of some 600-700 during the last 2 years. This was a necessary reduction in our view. Prior to March 2020, the number of licensed private hire cars operating in the city exceeded saturation, being well over 3000 (as against 1316 taxis). In these numbers Private Hire cars were not able to generate sufficient revenues simply by operating within the laws which govern their operation, leading to PHC drivers illegally ranking in taxi ranks, routinely picking up off the street without a pre booking and parking in all areas of the city centre despite the rules prohibiting PHC cars waiting and touting for business as if they were taxis”*

## **6.9 Extended wait times between hires**

Anecdotal evidence provided by the PHC representatives suggest that demand is outstripping supply. Data provided by one operator suggests that across all time periods they were dropping calls/losing bookings on apps.

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## 7. Summary and Recommendations

The key objectives of the study are to:

- Determine what evidence there is of 'overprovision' of PHCs in the City of Edinburgh 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, and
- In addition, the Council requires an independent assessment of the impact of all of these changes on the PHC trade, in addition to carrying out the core task of assessing whether there is overprovision.

This study has been undertaken during a period of significant change for the PH trade. Prior to the pandemic there had been a significant increase in the number of PHCs and drivers in Edinburgh which had seen the need for this study to be undertaken. However, PHC numbers are approaching 2017 levels currently with the number of divers below those licensed in 2017.

In line with the Scottish Governments publication: "*Private Hire Car Overprovision Assessment – Potential Assessment Tools*" a range of suggested tool have been applied to address the above objectives.

**Objective 1: Determine what evidence there is of 'overprovision' of PHCs in the City of Edinburgh 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;**

At the present time there is little evidence of any 'overprovision' in Edinburgh. Of the 8 tools applied, none indicated any overprovision. The reduction in PHCs and drivers indicates that people are leaving the PH trade. However, pre pandemic there had been a significant increase in drivers and vehicles suggesting potential over provision at the time. It is suggested over provision should again be looked at in one year's time to determine the longer lasting impacts from covid.

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

The taxi trade was in favour of introducing a cap on PHCs with one company suggesting that they are limited at the current number of vehicles i.e., 2,408. It was stated that this would help to improve the environment through less vehicles driving around the city centre empty, waiting on being dispatched a job. The PH trade felt that there was unmet demand for PHCs and therefore didn't want to see a cap introduced. This was also in the context of several drivers leaving the industry. One trade representative felt that demand for PHCs had never been higher.

- **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 that they were in favour of introducing a cap on PHCs. Only one none trade stakeholder response was received and they had the view that they should not be capped – the stakeholder felt that PHCs offered a better service to the public.

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

At this time, it is recommended that CEC does not introduce a cap on PHCs. The PHC trade is recovering from the impact of Covid and there is evidence that a large number of drivers has left the trade. This should be reviewed in a years' time when the trade has had a chance to recover.

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