

ABERDEEN CITY COUNCIL

---

COMMITTEE	Licensing Committee
DATE	17 September 2013
DIRECTOR	Acting Director of Corporate Governance
TITLE OF REPORT	Taxi Licence Limit - Survey Update
REPORT NUMBER:	CG/13/085

---

1. PURPOSE OF REPORT

The purpose of the report is to advise the Committee on the process to review its taxi licence limit policy.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a. notes the process to review its taxi licence limit policy; and
- b. instructs officers to commence the process of reviewing the policy in the early 2014.

3. FINANCIAL IMPLICATIONS

The cost of a taxi demand survey is significant and it would require to be met from the budget for taxi licensing. There is limited provision in the current budget to meet such expenditure.

4. OTHER IMPLICATIONS

When introducing its current taxi licence limit policy the Committee intended to review it at least every 3 years to ensure that the policy did not become outdated and therefore susceptible to successful legal challenge. Any such legal challenge would have cost implications for the Council.

Members are also reminded that some of the issues, which arose from the previous survey in 2011, are still in the process of implementation. An important aspect of the survey related to taxi ranks. This has resulted in two reports, 'Taxi Demand Survey – Rank Specific Recommendations' and 'Review of Night Time Ranks and Closed Ranks', both of which are before the Committee at this meeting for consideration.

## 5. BACKGROUND/MAIN ISSUES

### A. Background

At its meeting on 23 March 2011 the Committee instructed a taxi demand survey following a request from Tommy Campbell of Unite the Union.

External consultants were appointed by the Committee on 14 September 2011 and it considered the resultant survey at its meeting of 23 November 2011.

On 17 April 2012 the Committee received reports in respect of the survey outcomes and thereafter at its meeting on 6 June 2012 set its current limit on taxi licences at 1049. The Committee resolved the survey review period was to be at least every three years.

On 20 November 2012 the Committee decided that officers would prepare a report to its first meeting in 2014 seeking an instruction in respect of a taxi demand survey.

At the meeting of 26th March 2013, the Committee agreed to suspend Standing Order 22(1) to enable it to agree to receive the report earlier (on 17 September 2013) in relation to the process to review its taxi licence limit policy.

This report is therefore to make the Committee aware of the process to review its taxi licence limit policy.

### B. Process for Reviewing Limit Policy or Instructing a Taxi Demand Survey

A local authority has the power, either to maintain or remove its taxi licence limit.

Any decision in respect of the taxi licence limit should be based on sound information. If Members wish to consider maintaining the limit the Committee has the power to do so in terms of Section 10(3) of the Civic Government (Scotland) Act 1982, provided it is of the view that there is no unmet demand for taxi services in Aberdeen. Before such a decision could be taken it would be necessary to have a taxi demand survey. Such surveys are the established tool used to assist in assessment of taxi provision.

Instructing a survey involves conducting a procurement exercise and appointing consultants. The survey is then conducted and the results presented to the Committee for its decision along with officer advice on the legal position and other implications of maintaining, amending or removing its limit.

The Committee may also consider the possibility of discontinuing its taxi licence limit. As stated above the Committee may decide to impose a limit provided it has satisfied itself there is no unmet demand for taxi services by an independent survey. In contrast there is no legal requirement for the Committee to be satisfied that there is unmet demand for taxis before it may grant a taxi licence. As such a taxi demand survey is not in theory required to remove the limit.

As a limit is currently in place, based on the results of the taxi demand survey carried out in 2011, it would be advisable to inform any decision by seeking robust data on the current position. This would best be done by conducting a further taxi demand survey. A consultation exercise should also be conducted before making any decision. As Members are aware it is best practice in terms of evidence based decision making to seek the views of appropriate parties before amending policy. A consultation exercise can be done as part of a further demand survey, or separately, or both.

Such consultation would be made publicly available and sent directly to appropriate consultees.

Given the date when the taxi limit was imposed, and that the survey outcomes including rank review works have taken time to implement and are not yet fully completed, a survey prior to Spring 2014 is considered premature.

### C. Current Position

Taxi licences are currently limited to 1049, which means that a maximum 1049 taxis can be operated in Aberdeen.

At present 140 people are on the waiting list for a taxi licence as they have submitted a form of noting their interest. This suggests a demand for new taxi licences. The number of taxi driving licences has risen from around 1400 to 1523. The number of private hire cars has risen from around 200 to 238. A number of private hire car licence holders have indicated they would prefer to have a taxi licence but are operating as private hire instead because of the limit.

It is also noted that since the current policy was put in place the licensing authority has received anecdotal complaints from members of the public, Councillors, representatives from the Disability Advisory Group and the Older People's Consultation and Monitoring Group, MSPs and MPs that insufficient taxis are being made available at peak times. For example, it is difficult to obtain a taxi between 7am and 9am or at tea time rush hour. Some commentators are of the view that the limit decreases competition, which means taxi drivers are not required to work hours they may perceive as unsociable to gain extra income. The issue of difficulty in making bookings at morning rush hour has been raised at the Taxi Consultation Group. It has been suggested that

the peaks in demand for morning and afternoon rush hours as well as weekend evenings coincidentally are the hours many drivers prefer not to work.

Some of the complaints allege that the lack of taxis is made worse by the fact that many companies have service contracts with taxi firms. This often results in deflecting service to the general public at peak commuter transport times. School run contracts have also been cited as contributing to this problem.

As a result it is more difficult for members of the public to access taxis in the morning or during afternoon rush hour. There have been claims that members of the public cannot pre-book a taxi for the next morning to take them to hospital appointments, the train station or the airport.

It is not clear to what extent this may be different from the position prior to the limit being put in place. The public perception is that it is due in part to the closed market for taxi services.

The reasons for the trade requesting the limit were that there was not enough rank space and there were too many people entering the taxi trade, which meant current drivers could not make such a good living. The matter of rank space has been optimised as far as possible following the survey and new ranks are being introduced. It is noted that rank space can be dealt with separately to a taxi licence limit policy. The number of people seeking to enter the trade is not part of the legal test for a limit. The test is whether or not there is unmet demand for taxi services. The results of the taxi demand survey in 2011 were that there was no significant unmet demand.

Some members of the taxi trade appear to be strongly in favour of a limit whereas others are not concerned whether it is maintained or not.

## 6. IMPACT

Corporate – The provision of sufficient taxis is of general benefit to public transport in Aberdeen.

Public – Members of the public who use taxis may have an interest in the Committee's decision on whether or not to continue with the restriction on taxi numbers.

Equality and Human Rights Impact Assessment – The limit may have the effect of reducing the number of taxis available, which could have a disproportionate impact on persons with a disability, on a low income or the elderly as they rely more on taxi services to enable them to carry out certain activities, for which other people can use public or private transport.

7. MANAGEMENT OF RISK

This report is a note of the process to review the taxi licence limit policy. It appears therefore that there should be minimal risk in following the recommendations. When any recommendations are proposed in respect of the taxi licence limit policy management of risk information shall be provided.

8. BACKGROUND PAPERS

None.

9. REPORT AUTHOR DETAILS

Paul M Connolly  
Solicitor (Litigation and Licensing Team)

Direct Dial: 01224 522357

Email: [pconnolly@aberdeencity.gov.uk](mailto:pconnolly@aberdeencity.gov.uk)