

## Notice of Meeting and Agenda

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### Regulatory Committee

Wednesday 26 October 2011 at 2.00 pm  
in the City Chambers, High Street, Edinburgh

#### 1 Order of Business

Including any notices of motion and any other items of business submitted as urgent for consideration at the meeting.

#### 2 Declaration of Interests

Members should declare any financial and non-financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest.

### Deputations

#### 3 Deputation Requests

3.1 Edinburgh Taxi Partnership – e-mail (circulated)

### Taxi Licensing

#### 4 Taxi Fare Review – 2011 – report by the Director of Corporate Governance (circulated).

**Carol Campbell**  
Acting Head of Legal and Administrative Services

### Notes:

- 1) Members are reminded that they may appoint substitutes. If members intend to appoint substitutes, they should contact Stephen Broughton, Committee Services, City of Edinburgh Council, City Chambers, High Street, Edinburgh EH1 1YJ, Tel: 0131 529 4261 or e-mail: [stephen.broughton@edinburgh.gov.uk](mailto:stephen.broughton@edinburgh.gov.uk)

- 2) A copy of the agenda and papers for the public part of this meeting will be available for inspection prior to the meeting at the main reception office, City Chambers, High Street, Edinburgh.
- 3) The agenda, minutes and public reports for all the main council committees can be viewed online by going to [www.edinburgh.gov.uk/cpol](http://www.edinburgh.gov.uk/cpol). Members and Officers of the Council can also view them by going to the Orb and clicking on Council Papers Online.
- 4) If you have any questions about the agenda or meeting arrangements please contact Stephen Broughton, Committee Services, City of Edinburgh Council, City Chambers, High Street, Edinburgh EH1 1YJ, Tel: 0131 529 4261 or e-mail: [stephen.broughton@edinburgh.gov.uk](mailto:stephen.broughton@edinburgh.gov.uk)

**Membership**

Councillor Munn (Convener)  
Councillor Lang (Vice-Convener)  
Councillor Cairns  
Councillor Dundas  
Councillor Henderson

Councillor Kate MacKenzie  
Councillor Mowat  
Councillor Perry  
Councillor Snowden



Please recycle this paper

## Item No 3.1

Could I request a deputation on behalf of the Edinburgh Taxi Partnership.

I have been having a quick look at other city airports and the following apply a surcharge – Aberdeen, London, Luton, Manchester and Birmingham to name but a few.

Best Regards

Bill  
William Purnell | Chairman

## Taxi Fare Review – 2011

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### Regulatory Committee

26 October 2011

#### 1 Purpose of report

1.1 For the Committee to review taxi fares.

#### 2 Summary

2.1 The Council is required to review taxi fares at regular intervals not exceeding 18 months.

2.2 Representatives of taxi licence holders have asked for a general increase in fares and also an increase in the fare for hires commencing at the airport from 80p to £2. There has not been an increase in taxi fares for three years and representatives have calculated that operating costs have increased by 10.55% over that period.

2.3 The requested fare change would result in the fare for a 4 mile day time journey increasing from £8.10 to £9.00. Spread over three years, this would equate to an increase of 3.7% per annum.

2.4 An analysis of taxi operating costs, general price increases and comparisons with fares in other areas would suggest that the requested increase in the general fare scale is justifiable. It is recommended that the requested increase in the general tariff be accepted.

2.5 It is recommended that the increase sought for the airport pickups is not allowed. The charges imposed by the airport on taxis collecting passengers at the airport are closer to a commercial arrangement between the airport and some operators, rather than a genuine “cost” faced by operators.

2.6 Taxi licence holders’ representatives have asked that the Council carries out fare reviews every year, rather than every 18 months. Due to staff resource implications, this is not recommended.

### 3 Main report

#### Background

3.1 The Civic Government (Scotland) Act 1982 requires Councils to review taxi fares at regular intervals, not exceeding 18 months from the date on which the previous scales came into effect. The current taxi fare scale came into effect on 28 June 2010. An interim review, in respect of an airport drop-off charge took effect on 1 July 2011

3.2 A copy of the present taxi fare tariff is attached in Appendix 1.

3.3 The setting of taxi fares is not an exact science but the Traffic Commissioner has given guidance that councils should attempt to calculate the changes in costs that taxi operators face. The current Best Practice Guidance issued by the Scottish Government refers to guidance issued by the Secretary of State in 1982 – “ the public interest is better served by ensuring that the maintenance of an adequate taxi service by giving the trade a fair return, than by depressing fares for social reasons, however understandable.”

#### Taxi licenceholders' request.

3.4 Officers met with persons representing taxi licenceholders on 12 October 2011. Representatives presented a report by Mr Cooper of the Transport Research Institute and a submission by Edinburgh Licensed Taxi Association (ELTA). Copies are attached in Appendix 2. Supporting calculations can be seen at the Council's Taxi Bulletin Board at [http://www.edinburgh.gov.uk/downloads/download/657/taxi\\_and\\_phc\\_background\\_and\\_bulletin\\_board](http://www.edinburgh.gov.uk/downloads/download/657/taxi_and_phc_background_and_bulletin_board).

3.5 Mr Cooper's report incorporates various elements of a “formula” used in previous reviews but substitutes new calculations for depreciation and maintenance. His conclusion is that costs have increased over the last 3 years by 10.55% and over the last 18 months by 8.42%

3.6 Mr Cooper's report then transposed these percentage increases across to the existing fare tariff and then amended these by recalculating distances and time to ensure that any fare would not be in odd pennies.

3.7 Mr Cooper then further amended the proposed fare tables as he is of the opinion that Edinburgh is disproportionately under priced compared to UK averages and that the initial minimum distance (or flagfall) was notably out of step with other locations. It was also requested that the fare for hires commencing at the airport increase from 80p to £2. The extra for other extras would remain unchanged, except for the cleaning fee which increases from £21.60 to £23.

3.8 At the consultation meeting on 12 October, representatives also asked that the period covered by a higher tariff at New Year would terminate at Midnight on 2 January, not 6am on 3 January.

3.9 The new fare tariff requested is set out in Appendix 3. (After amending an error on Table 5 in Mr Cooper's report so that the switch over point for distance fare

would take place at 2080 metres, not 2130. This enables the switchover to a different distance fare to take place at a taximeter “click” point.)

#### Analysis of Cost Increases.

- 3.10 Officers have carried out calculations based as far as possible on the formula used previously. Details are in Appendix 4. The formula suggests an increase in operating costs of 13.5% over the last three years and of 9.34% since the last review 1½ years ago. This is slightly higher than the TRI calculation of 10.55% for the last three years and 8.42% for the last 18 months.

#### Effect of requested increase.

- 3.11 The effects of the requested fares on journeys of various distances and a comparison with similar journeys in other Scottish cities are in Appendix 5. A 4 mile daytime journey would increase from £8.10 to £ 9.00, an increase of 11.1%. Whilst this may be regarded as a significant increase in fares at one time, it has to be borne in mind that there has been no increase in the general taxi fare tariff for three years. Taken over three years, the requested increase would only equate to a 3.7% per annum increase.
- 3.12 Private Hire and Taxi Monthly magazine maintains a league table showing the level of taxi fares applying through all 380 council areas in the UK. This is based on the fare for a 2 mile journey using the basic daytime tariff. The August 2011 issue shows Edinburgh at 280<sup>th</sup>, with a fare of £4.85. The requested increase would take the fare to £5.50 and result in Edinburgh reaching between 131<sup>st</sup> and 144<sup>th</sup> position. In 2005 Jacobs Consultancy reported that Edinburgh was 123<sup>rd</sup>.

#### Justification for general tariff increase.

- 3.13 It is difficult for councils to set taxi fares. The trade as a whole do not provide detailed accounts to show their income and expenditure. There can be a perception from the public that the taxi trade are making substantial profits. It has to be borne in mind that the economic laws of supply and demand operate. If the trade ask for fares that are too high passengers may seek alternative transport and so demand for taxi services would reduce. The trade are keenly aware of this.
- 3.14 There is a continued demand for taxi services in the city. Taxis in Edinburgh offer good value for money for the door to door service they provide. The requested increase in the general tariff appears to correspond with increases in taxi operators’ costs. The requested increase would be comparable with fares charged in other areas. The standards of taxi vehicles and drivers in Edinburgh are high. There is a risk that not allowing fares to increase would result in a reduction in the size and quality of the city’s taxi fleet and discourage taxi drivers from remaining in and new drivers from joining the trade. This would be to the detriment of business, residents and visitors.
- 3.15 It is therefore recommended that the request for the general fare increase be accepted.

### Increase for hires starting at the airport.

- 3.16 It has also been requested that fares for hires commencing at the airport increase from 80p to £2. A similar request was made 1½ years ago but was refused by the Committee. The airport authorities charge taxis £2.10 for every hire commencing at the airport.
- 3.17 Officers consider that the charges imposed by the airport on taxis collecting passengers at the airport are closer to a commercial arrangement between the airport and some operators, rather than a genuine “cost” faced by operators.
- 3.18 It is recommended that the increase sought for the airport pick-ups is not allowed.

### Request for annual fare reviews.

- 3.19 Taxi licence holders’ representatives have asked that the Council carries out fare reviews every year, rather than every 18 months. Due to staff resource implications, this is not recommended.

## **4 Financial Implications**

- 4.1 None. The carrying out of fare reviews is incorporated within the taxi licensing budget and recovered through application fees.

## **5 Equalities Impact**

It could be argued that any increase in taxi fares could impact disproportionately on the elderly and disabled in that they may rely on taxis particularly for shorter journeys than general users. In May 2011, the Scottish Traffic Commissioner considered this point as part of an appeal in relation to Dundee’s taxi fares. The Commissioner was not persuaded that the interests of a small, albeit important, sector of taxi users should prevent an increase in fares in that case. It is therefore concluded that the Committee’s decision on a fare review can not take such arguments into account.

## **6 Environmental Impact**

None.

## **7 Recommendations**

The Committee –

1. Approves the taxi licenceholder’s request for the increase in the general fare tariff and adopts it as a proposal to change the fares as with effect from 27 December 2011;
2. Does not accept the representatives’ request for an increase for hires from Edinburgh Airport;

3. Alternatively, makes a proposal to change the taxi fare tariff in some other manner, or to make no change, and to set the date when such changes (if any) are to take effect;
4. Instructs the Director of Corporate Governance to place an advertisement of any proposal to change fares or otherwise and to invite responses within one month of the advertisement;
5. Does not agree to the request that fares be reviewed each year;
6. Defers further consideration of the matter to its meeting on 6 December 2011.

**Alastair Maclean**  
Director of Corporate Governance

Appendices      1 Existing Fare Tariff  
                          2 Report by TRI and letter from ELTA  
                          3 New Fare Tariff Table requested by ELTA  
                          4 Analysis of cost increases  
                          5 Comparison with fares in other Scottish cities

Contact/tel/Email      Donald Macleod, Principal Solicitor (Licensing)  
                                  0131 529 4304      donald.macleod@edinburgh.gov.uk

Wards affected      Citywide

Single Outcome Agreement      Supports National Outcome 14 – “We reduce the local and global impact of our consumption and production.”  
                                  Supports National Outcome 15 – “Our public services are high quality, continually improving, efficient and responsive to local people’s needs.”

Taxi and private hire car licensing requires to be well organised and effective to ensure adequate and safe transportation services are available to meet the needs of business and tourism in the city and so that best value is obtained.