

## Regulatory Committee

9.30am, Friday 16 March 2018

### Present

Councillors Fullerton (Convener), Arthur, Barrie, Burgess, Cameron (substitute for Councillor Wilson), Dixon, Rose, Neil Ross and Smith.

### 1. Taxi Fares Review 2017

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#### 1.1 Deputation

The Committee agreed to hear a deputation from Les McVay and Tony Kenmure on behalf of the Edinburgh Taxi Trade in relation to the report by the Executive Director of Place on the Taxi fares Review 2017.

The deputation requested that the Committee consider the issue of the airport pick up fee, everyone appreciated the success of the airport and the benefit that it brings to the economy. Since 2003 the pick up fee was £1.00, the current charge by the airport is £2.80 and the amount recoverable by the taxi is 80 pence. City Cabs have the contract for the rank at the airport but offer permits to other parts of the trade.

All other modes of transport (trams and buses) charge extra to the airport in order to recoup their costs, and the trade was asking for parity in recouping costs. Most other Local Authorities allow airport charges to be passed onto customers.

The airport has now advised that it will charge a blanket fee of £2.80 for rank and pre-booked instead of the existing £2.80 for the rank and £4.00 for pre-booked.

In conclusion he asked that the £2.80 charge be added to the tariff.

Tony Kenmure advised that the trade were disappointed in the proposals to freeze tariffs 3 and 4. These tariffs were incentives for drivers to work at Christmas and New Year, it works out at time and a half for the day shift and 1.8 for the night shift. Most other Licensing Authorities set a rate of double time.

In conclusion he requested that tariffs 3 and 4 be increased to a level to maintain the percentage difference with tariffs 1 and 2.

#### 1.2 Report by the Executive Director of Place

Details were provided of the statutory review of fares which had been commenced. CH2M had been commissioned to undertake the review

### Decision

1. To note the report;

2. To note that feedback was sought from the representatives of the taxi trade on the initial CH2M report and where possible had been incorporated in Appendix 2 of the report by the Executive Director of Place
3. To note the recommendations set out in the report from CH2M at Appendix 2 of the report by the Executive Director of Place following consultation with representatives of the taxi trade and note that these are repeated at Paragraph 3.7 of the report;
4. To note that the Executive Director, having considered all of the above, recommends that the committee fixes a proposed fare scale with the following changes to the current fare scale, for reasons set out in paragraph 3.8 of this report, and agrees the proposed new fare scales, as required in terms of section 17 (4A) (b) of the Civic Government (Scotland) Act 1982:
5. All the Fare Tariffs increase, with an increase on the flag drop of 50p for all four tariffs;
6. Additionally increases Tariffs 1 and 2 by 6% on increments thereafter;
7. Applies no increase on Tariffs 3 and 4 beyond the 50p flag increase set out above,
8. Extras in the table to remain unchanged, except for the deletion of the permissible credit card charge;
9. The airport pick up charge to be £2.80
10. Instruct the Executive Director of Place to publish these proposed fare scales in a newspaper circulating in the Council area in the manner required under section 17(4A) (c) of the Act including the date on which the fare scale is planned to take effect, and to report back on any representation(s) received as a result of the consultation.
11. The Executive Director of Place to continue discussions with the Taxi and Private Hire trade in respect of tariffs 3 and 4 and provide an update to committee in a future Business Bulletin

(Reference – report by the Executive Director of Place, submitted)

## **2. Age Limitation of Taxis and Private Hire Cars (Air Quality) Consultation Update**

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### **2.1 Deputations**

The Committee agreed to hear a deputations from Jon Givacs on behalf of the Autogas Ltd and Tony Kenmure on behalf of the Edinburgh Taxi Trade in relation to the report by the Executive Director of Place on a consultation which had taken place regarding the introduction of an age limitation of taxis and private hire cars.

### **2.2 Deputation – Autogas Ltd**

The deputation highlighted the following:

Autogas had been formed in 2000 providing autogas as a fuel, the main core of business was the gas repowering of TX taxis.

Pre Euro 6 Diesel Black Cabs accounted for a substantial part of the most polluting vehicles in cities. They produce very high amounts of NOx and particulate matter, the most harmful pollutants in the air. Therefore by converting as many of these as possible to LPG will not only reduce emissions, but do it in the place where it is needed most.

Both Birmingham and London have embarked on converting taxis to LPG and have incentivised drivers by offering an additional 5 years extension to the life of their cab which takes the life from 15 to 20 years no matter how old the vehicle is. This means that not only are these cities removing the older and dirtier models off the road, they are helping drivers reduce their operating costs as they can continue to utilise their existing vehicle.

It is just as important to improve the emissions from newer diesel taxi models as the older versions as they are still producing significant levels of pollution. And as they age they will only deteriorate, producing more harmful emissions. This will effect both drivers and the general public.

The benefits of running a taxi on LPG are 99% less particulate matter (PM), 80% less NOx (nitrogen di-oxide) and 7% less CO2. (carbon di-oxide). There is also a significant cost saving for the drivers and taxi companies as the fuel costs will be reduced considerably.

By proposing a 10 year age limit and a 4 year extension to the life of a cab (from the time of re-powering) drivers of newer Taxis are unlikely to make the most of these benefits as it wouldn't make sense for a driver to change a newer vehicle and therefore continue to contribute to the air quality problem. The LPG repowering cost to a driver is currently far more feasible than other alternative fuel solutions.

In conclusion he requested that all LPG Repowered TX Taxis are incentivised by offering either a 4 or a 5 year life extension on top of the proposed age limit.

### **2.3 Deputation – Edinburgh Taxi Trade**

The deputation highlighted the following:

At a Regulatory Committee meeting on 24<sup>th</sup> October 2017, the taxi trade deputation was supportive of the introduction of age and emission standards although it was submitted that the proposed timelines were too short. The committee concluded that consultation was required between Licensing Officers and the Trade before revising the timelines that were described at the time as “indicative”. The outcome of the consultation is that officers have not revised the schedule other than to defer its implementation by the time taken to conduct the consultation.

Mr Kenmure advised that Taxi and Private Hire Care Licensing: Best Practice Guidance for Licensing Authorities Second Edition, April 2012 stated at Chapter 5.5 Vehicles

“The setting of an age limit beyond which a local authority will not license vehicles is somewhat arbitrary and disproportionate particularly as it is perfectly possible for a well-maintained older vehicle to be in good condition. “

And at Chapter 5.13 Environmental Considerations

“... vehicle licensing policies can and should support any local environmental policies that they may have adopted, bearing in mind the need to ensure that benefits outweigh costs (in whatever form).”

He further indicated that the indicative proposal was that pre-Euro 5 taxis could not be renewed on their test date beyond December 2018. The trade responded that this may be accomplished by December 2019 which they believed would allow time for operators to revise their business models and financial plans and for sufficient numbers of replacement vehicles numbers to become available. Licensing officers have responded by proposing that the date change to April 2019 which is adjusted only by the time taken to conduct the consultation. The trade response is now adjusted to April 2020 accordingly.

The early deletion of Euro 5 vehicles is the most critical point for the trade as many are still relatively new and under finance agreements. The indicative proposal was that Euro 5 taxis could not be renewed on their test date beyond December 2020. The trade responded that this may be accomplished by December 2021. Licensing officers have proposed that the date changes to April 2021 which is adjusted only by the time taken to conduct the consultation. The trade response is now adjusted to April 2022 accordingly.

Licensing officers have proposed that future hearings may be conducted by the Regulatory Committee to assess the cases of individuals facing hardship due to the proposed schedule. If an achievable schedule is applied at the outset there should be no requirement for this.

Licensing officers propose to prevent an operator from presenting a changed vehicle in future that is older than five years from its date of registration. The trade recommends that this condition should not be applied. Transfers of vehicles within the city that otherwise meet age and emission restrictions, will allow some operators to “trade up” without obliging them to acquire a new vehicle. Inhibiting the opportunity for operators to sell on a 4 or 5 year old vehicle may actually prevent them from changing to a newer, lower emission vehicle. This is entirely contrary to the objectives of the proposal.

The deputation requested the Committee to consider the following:

The trade proposes that all licensed, public hire taxis should have a minimum life-expectancy of 10 years, irrespective of their emission levels but subject to passing annual examinations on all other prevailing criteria. That is enough time for the first owner to depreciate the vehicle and sell it on, facilitating his/her next purchase. There must be a second-hand market for the economy of the trade to survive and this gives enough time for a second owner (probably with a different business model based on single shifts, lower mileage/return) to acquire and depreciate the vehicle.

The trade proposes that the life expectancy of a vehicle would be extended by up to 5 years by converting the engine to Euro 6 or LPG as allowed by Transport For London. If the fabric of a vehicle and its safety specifications were otherwise suitable for examination this is a more ecologically sound proposal than scrappage and the manufacture of a replacement.

- a) There is no difference between the CO2 emissions of Euro 4, Euro 5 or Euro 6 engines.

- b) There is no difference between particulate matter emissions in a Euro 5 or Euro 6 engine which is generally regarded as the most dangerous emission. The NOx emissions of a Euro 5 and Euro 6 engine are 1.8 grams per Km vs 0.8 grams per Km. The trade does not believe that the proposed schedule in front of the Committee is based on any research regarding the measurable benefits of placing these restrictions on the Edinburgh Taxi fleet.
- c) If all taxis are Euro 5 or Euro 6 by April 2022 as proposed by the trade, the maximum age of vehicles in the fleet will be 10.
- d) The trade financial model in Edinburgh is under extreme pressure for several reasons
  - (i) There are 3 new vehicles available to the trade. A TX costs £55K. A Mercedes Vito costs £46K and a Ford ProCab costs £36K but no autos are available until 2019. The finance and depreciation of any of these vehicles over 5 years would cost an operator approximately £1700 monthly before fuel, insurance, servicing, licensing, credit card processing, airport charges and payment to a company or app for work.
  - (ii) Private Hire & Taxi Monthly publishes a league table of national Tariffs. Edinburgh is presently below 200<sup>th</sup> in the bottom 10% of Tariffs in the UK. Proposals on the Tariff now being submitted to the Regulatory Committee by Licensing Officers would raise our position only to around 185<sup>th</sup>.
  - (iii) A substantial increase in the Tariff would add to the costs of CEC and increase scope for competitors (see vi) to undercut the licensed taxi trade.
  - (iv) The number of new drivers passing the annual examination has reduced by 50% in the last two years. Less drivers' means less rental income decreased affordability of new vehicles.
  - (v) Forthcoming changes to driver training and qualifications from CEC are likely to reduce that number further.
  - (vi) The number of Private Hire Cars in Edinburgh has more than doubled in 2 years.
  - (vii) Technology companies entering the marketplace with new business models have destabilised the global trade.
- e) The trade has asked Licensing Officers to provide figures on how many taxis there are with each designation of Euro engine emissions. Having provided two sets of widely conflicting figures there was an admission on 09/02/2018 that the data required "cleansing". 221 out of 1316 taxis were unaccounted for and the remainder are unverified. Therefore the total current emissions of the fleet are not known, the benefits of upgrading are uncertain and the financial implications of this proposal cannot be estimated.
- f) Lothian Buses has benefitted from £8.5M in grant funding to improve the emission levels of its fleet. We respectfully invite the committee to consider if the same schedule would have been achievable if the company had to fund the change itself

and further; how achievable it would be if the individually drivers had to fund the change.

- g) Central Taxis and City Cabs devoted time and resources to provide supporting data and help CEC compose a bid to the Office of Low Emission Vehicles for a grant in 2016. Seven figure funding was available to support the financing and infrastructure required to introduce low emission vehicles to the taxi fleet. When it was discovered that CEC would have to match-fund any award the proposal to OLEV was withdrawn.
- h) The trade maintains its position that a review of license fees is required so that operators are not paying a premium when presenting a new vehicle.
- i) In clause 1.2 of the papers presented to Committee on 24<sup>th</sup> October 2017 it is proposed that conditions can be amended in future as Euro Emission Standards develop. Any further, radical changes to the structure and economy of the taxi trade should go to consultation with the trade and presentation to the Regulatory Committee. However, agreeing to a minimum/maximum age of 10 years from first registration would provide some future-proofing to this proposal and further reviews based on emission may not be required.

### **2.3 Report by the Executive Director of Place**

The Regulatory Committee in October 2017 instructed the Executive Director of Place to conduct further consultation with representatives of the hire car trade concerning the introduction of an age limitation and emissions standard.

Details of the outcome of the consultation were provided.

#### **Motion**

- 1. To approve the recommendations in the report by the Executive Director of Place subject to the following amendments
- 2. The timeframe for phasing out Euro 5 taxis to be extended by 1 year
- 3. No vehicle will be submitted new if it is not a Euro 5 or Euro 6 and from 1 October 2018 must be Euro 6.
- 4. Vehicles converted to LPG may be permitted to operate up to a maximum of 14 years from registration
- 5. To instruct the Executive Director of Place to amend the proposed conditions for taxis and Private Hire Cars and submit these to the Regulatory Committee for approval
  - moved by Councillor Fullerton, seconded by Councillor Dixon.

#### **Amendment**

- 1. To approve the recommendations in the report by the Executive Director of Place subject to the following amendments

2. Recommendation 1.2: add “subject to substituting in paragraph 3.12.2 ‘1 April 2023’ for ‘1 April 2021’ and thereafter ‘31 March 2024’ for ‘31 March 2022’, amending subsequent references accordingly”.
- moved by Councillor Smith, seconded by Councillor Neil Ross.

### **Voting**

For the motion: 5 votes  
(Arthur, Barrie, Cameron, Dixon and Fullerton.)

For the amendment: 3 votes  
(Councillors, Neil Ross, Rose and Smith)

### **Decision**

To approve the motion by Councillor Fullerton

(Reference – Regulatory Committees 24 June 2016 (item 7), 21 November 2016 (item 9) and 24 October 2017 (item 1); report by the Executive Director of Place, submitted)

### **Dissent**

Councillor Burgess requested that his dissent be recorded in respect of the above decision

## **3. Minutes**

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### **Decision**

To approve the minutes of the Regulatory Committees of 8 January and 6 February 2018 as correct records.

## **4. Rolling Actions Programme**

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The Regulatory Committee Rolling Actions Programme for the period 3 May 2013 to 16 March 2018 was presented.

### **Decision**

To note the Rolling Actions Programme.

(References – Regulatory Committee Rolling Actions Programme, submitted)

## **5. Business Bulletin**

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The regulatory Committee Business Bulletin of 16 March 2018 was presented.

### **Decision**

To note the Business Bulletin

## **7. Demand for Taxis within the City of Edinburgh**

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The Council has a policy of limiting the number of taxi licences issued within the City, utilising the powers available to it under Section 10 (3) of the Civic Government

(Scotland) Act 1982. This power can only be used if the Council is satisfied that there was 'no significant demand' for taxis which is unmet. The Council was required to keep this position under regular review.

The Regulatory Committee on 16 November 2012 approved as part of its work plan to commission consultants to review the provision of taxis within the city, and specifically to identify whether there was any 'significant unmet demand' for taxis.

Demand was reviewed regularly since that date, with the results of interim surveys being reported to the Regulatory Committee. Following a procurement exercise, CH2M was commissioned in January 2017 to undertake a comprehensive survey of demand for taxis and undertook the research between March 2017 and June 2017.

The Regulatory Committee on 21 August 2017 having received a presentation on CH2M report agreed to publish the report on the Consultation Hub and invite comment from interested parties on (i) the survey and its conclusions; and (ii) views on whether the Council should maintain the taxi limitation policy.

### **Decision**

1. To note the report from CH2M and the conclusion that no significant unmet demand exists;
2. To note the feedback received after the report was published on the Consultation Hub: and
3. To agree to maintain the limitation policy and therefore determine that the limit of 1316 licences should remain.

(Reference – Regulatory Committees 21 August 2017 (item 5); report by the Executive Director of Place, submitted)

## **8. Consultation Response: Licensing of Funfairs (Scotland) Bill**

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Details were provided of the action by the Executive Director of Place in consultation with the Convener of the Regulatory Committee in accordance with Committee Terms of Reference and Delegated Functions 4.1 to submit a response to the Scottish Government consultation on the Licensing of Funfairs (Scotland) Bill.

### **Decision**

To note the action taken

(Reference – report by the Executive Director of Place, submitted)