

Regulatory Committee

10.00am, Monday, 14 May 2018

Taxi Fares Review – Outcome of Public Consultation

Item number	7.1
Report number	
Executive/routine	
Wards	Citywide
Council Commitments	n/a

Executive Summary

The Council, as Licensing Authority for taxis, is required to review and fix the scale of fares or any other charges which may be used by taxis licensed within the city. This review must take place at intervals not greater than 18 months.

This report updates the Committee on the statutory consultation which took place on the most recent fare review.

CH2M was engaged to carry out initial work on the review of the current taxi fare scales and the CH2M report, together with details of further consultation undertaken with the taxi trade, was presented to Regulatory Committee on 16 March 2018. The Committee agreed on proposed revised taxi fare scales for public consultation.

In line with statutory requirements the proposed taxi fare scales have been advertised in a local newspaper. Additionally the proposed taxi fare scale was advertised on the Consultation Hub of the Council's website.

Taxi Fares Review – Outcome of Public Consultation

1. Recommendations

- 1.1 It is recommended that the Regulatory Committee:
 - 1.1.1 notes the content of this report and that the Council's further statutory duties have been met in relation to consultation;
 - 1.1.2 considers the representations received during the statutory public consultation period, and one response received after the consultation closed as attached at Appendix 3;
 - 1.1.3 thereafter agrees to fix the taxi fare scales as set out at Appendix 2 of this report with an effective date of 18 June 2018; and
 - 1.1.4 instructs the Executive Director of Place to carry out the statutory notification procedures in relation to the revised taxi fare scales as fixed by the Committee.

2. Background

- 2.1 The Council, as Licensing Authority, has a duty to review under section 17(2) of the Civic Government (Scotland) Act 1982 ('the Act'), and to set a taxi fare structure within the city. The taxi fare structure represents the maximum which a customer can be charged for a taxi journey within the city.
- 2.2 The Council engaged CH2M to undertake the initial work in relation to the review of the fare structure, and their report and conclusions along with details of further consultation with the taxi trade were presented to the Regulatory Committee on 16 March 2018. A copy of the CH2M report is attached at Appendix 4 for ease of reference of members.
- 2.3 The Committee agreed proposed revised taxi fare scales and instructed officers to advertise the proposed changes to the taxi fare structure in line with the statutory requirements of the Act.
- 2.4 The Committee is advised that there is a right of appeal against any Committee decision regarding fares. This might be exercised by any taxi licence holder or an organisation representative of taxi operators and the appeal is made to the Scottish Traffic Commissioner.

3. Main report

Statutory Consultation

- 3.1 On 16 March 2018 the Committee agreed proposed changes to the existing taxi fare scales. The existing fare scales are attached at Appendix 1 and the proposed revised fare scales are attached at Appendix 2. Specific proposed changes are as follows:
- 3.1.1 All the Fare Tariffs increase, with an increase on the flag drop of 50p for all four tariffs;
 - 3.1.2 Additionally Tariffs 1 and 2 will increase by 6% on increments thereafter;
 - 3.1.3 'Extras' remain unchanged, except for the deletion of the permissible credit card charge; and
 - 3.1.4 Increase the 'airport charge' for pick-ups to £2.80.
- 3.2 As required by the Act, an advert was published in a local newspaper, namely the Edinburgh Evening News, on 4 April 2018. The advert was also published on the Council's website. Interested parties were invited to submit representations in writing by 4 May 2018. A copy of the advertised tariff is included at Appendix 2.
- 3.3 In addition to the statutory consultation notified by means of advertisement detailed above, members are advised that the Hire Car Consultation Group met on 19 April 2018. Officers took that opportunity to remind attendees of the consultation process and timetable, and provided a copy of the proposed fare scales. Finally the proposed taxi fare tariff was advertised on the Consultation Hub of the Council's website.

Effect of Proposed Tariff Change

- 3.4 Members will be aware from the previous deputations to the March committee that the trade are concerned that the current taxi fare tariff has not kept up with the costs incurred with operating a taxi in the city. A trade publication ranks all Local Authorities with respect to the fares charged for a two mile taxi journey during the day. In March 2018 the City of Edinburgh Council sat at 206 of 366 authorities (*Private Hire and Taxi Monthly* publication, March 2018).
- 3.5 Should the proposed changes be implemented, the Council's appointed consultants CH2M calculate that the City of Edinburgh Council would climb to position 83 in the March 2018 ranking. Please see table below for context.

Local Authority	Rank
East Lothian	27
Fife	48
City of Edinburgh	83
Midlothian	92
Glasgow	171
West Lothian	224
Falkirk	348

Consultation Outcome

- 3.6 The Committee is asked to note that as of close of business on 4 May 2018 five representations had been received in respect of the proposals to amend the taxi fare tariff. These are attached at Appendix 3(a).
- 3.7 In terms of the consultation, members are asked to note that, other than a submission from City Cabs about airport fees, none of the major taxi companies or representative organisations such as the Edinburgh Taxi Association submitted a response during the consultation period. One further submission was received after the consultation period was closed and is included at Appendix 3(b). The Committee has discretion to consider this correspondence, despite its late submission.
- 3.8 The responses received raise a number of points. Firstly, with respect to the overall increase, an objection was received citing the costs of fuel, existing cost of hiring a taxi and hire and concerns about how the market operates. Members will have to weigh these concerns against the Council's statutory duty, and previous advice to the effect that in setting fares the Committee's principle concern would be the ability of the trade to make a fair income which covers reasonable costs.
- 3.9 One response objected to the deletion of the permissible credit card fee. It is technically correct that, for some credit cards, a fee for use of the card remains permissible. The Council's long-standing position is that a two-tiered approach to credit card fees is not acceptable and therefore the maximum which the Council was prepared to allow to be passed on is the fee that a 'consumer' would ordinarily pay. The Council has never permitted a separate or different fee to be charged to customers who are using a company or business credit card, or whose credit card is not provided by a financial institution within the EU.
- 3.10 As a result of the change in legislation the majority of consumers will now no longer be able to be charged a fee for the use of a credit card, and this is the basis for removing the reference to a 'permissible charge'. No concerns about the removal of this extra were received from representatives of the taxi trade, nor has there previously been a request to allow different extras to be passed on depending on what type of credit card a customer had.

- 3.11 Members are asked to carefully consider the submission regarding Edinburgh Airport fees. At the request of the trade, made during the deputation to the last committee, members had agreed to include an increase of the charge (to £2.80) for airport pick-ups. The Committee did not include in that decision any distinction as to where in the airport that 'pick-up charge' would apply. Subsequent to that decision, the Directorate has received submissions from City Cabs (Appendix 4) and Edinburgh Airport (Appendix 3) suggesting that the increased fee should only apply to pick-ups in designated pick-up areas. The submission from Central Taxis (received late) objects to the revised pick up fee. Unless members are persuaded by the merits of any these submissions, it is recommended that the revised fee should remain as advertised by the Council, and that therefore a fee of £2.80 would apply to all pick-ups at the airport.
- 3.12 If the Committee agrees to fix the proposed revised taxi fare scales, these will take effect from 18 June 2018. This will allow officers of the Council to carry out the required statutory notification procedures and to ensure that the Taxi Examination Centre can take the necessary steps in respect of vehicles being presented for inspection.

4. Measures of success

- 4.1 The fare structure is fit for purpose and meets the needs of both customers and the taxi trade.
- 4.2 The Council discharges its statutory duties in respect of the fare review.

5. Financial impact

- 5.1 There is no direct financial impact to the council. The cost of the survey (£17K) was contained in expenditure already made. There is no cost to the revenue account. The taxi trade contributes to the economy of the city. The fare structure will have a direct impact on residents or visitors to the city using a taxi.

6. Risk, policy, compliance and governance impact

- 6.1 The statutory framework provides that if a review of taxi fares is not completed within each 18 month period then the council will risk legal challenge.
- 6.2 If the taxi trade, specifically any operator, has a concern about the Council's decision on the new fare scales, taxi licence holders may appeal that decision individually or as a group, including any decision not to implement an increase in the fare scales. Details of this process are outlined at 2.4 above.
- 6.3 A previous appeal was successfully made against the committee's decision in November 2014 and resulted in the current fare tariff being applied in November 2016.

7. Equalities impact

- 7.1 Matters described in this report have no relationship to the public sector general equality duty, thus there is no direct equalities impact arising from this report.

8. Sustainability impact

- 8.1 There is no environmental impact arising from the contents of this report.

9. Consultation and engagement

- 9.1 Following consultation with the trade and the Committee agreeing proposed revised taxi fare scales, further public consultation was carried out. This was done in line with statutory requirements through advertisement in a local newspaper and additionally on the Council website. Staff within the Licensing Team signposted customers to the consultation in any emails that were sent during the consultation period.

10. Background reading/external references

- 10.1 [Taxi Fares Review 2017](#) as reported to Regulatory Committee on 16 March 2018

Paul Lawrence

Executive Director of Place

Contact: Andrew Mitchell, Regulatory Services Manager

E-mail: andrew.mitchell@edinburgh.gov.uk | Tel: 0131 469 5822

11. Appendices

- 11.1 Appendix 1 – Current tariff (from November 2016)
- 11.2 Appendix 2 – Revised example fare card as advertised
- 11.3 Appendix 3 (a) – Comments received during consultation period
- 11.4 Appendix 3 (b) – Comments received after close of consultation period
- 11.5 Appendix 4 – Email from City Cabs dated 22 March 2018
- 11.6 Appendix 5 – CH2M report dated February 2018

Current tariff (effective from 13 November 2016)

THE CITY OF EDINBURGH COUNCIL
CIVIC GOVERNMENT (SCOTLAND) ACT 1982

FARE TABLE FOR TAXIS

With effect from 13 November 2016

FOR UP TO 2 PASSENGERS

TARIFF 1 Monday - Friday 6am – 6pm	TARIFF 2 Monday - Friday 6pm – 6am the following day 6am Saturday – 6am Monday
TARIFF 3 Monday - Friday 6am – 6pm during Christmas and New Year	TARIFF 4 Monday - Friday 6pm – 6am the following day 6am on Saturday – 6am Monday during Christmas and New Year
CHRISTMAS	6pm on 24 December to 6am on 27 December
NEW YEAR	6pm on 31 December to midnight on 2 January

CHARGES	TARIFF 1	TARIFF 2	TARIFF 3	TARIFF 4
<ul style="list-style-type: none"> ▪ Initial hire not exceeding 516m ▪ Initial 105 seconds of waiting time ▪ Combination of initial time and distance 	£2.10	£3.10	£3.10	£4.10
<ul style="list-style-type: none"> ▪ Each additional 184m up until 1988m and thereafter each additional 213m ▪ Each additional 39 seconds of waiting time ▪ Combination of additional time and distance 	£0.25	£0.25	£0.35	£0.45

EXTRA PAYMENTS

When more than 2 passengers	Each	£0.20
Note: Only 2 children under 12 years will be reckoned as one passenger. No extra fare will be charged for one child under 5 years of age.		
Each Passenger must be properly seated		
Hires ending at Edinburgh Airport Inner Drop-off Zone (See Note 4 below)		£1.00
Call Out Charge	£0.80	Airport Pickup
Applicable when pre-booked		For hires commencing at Edinburgh airport
		£0.80
Cancellation Fee	£2.20	Payment Of Fare By Credit/Debit Card
Applicable when taxi is pre-booked but not used		Extra applicable when fare paid by the above means
		5.0 %
Cleaning Fee Applicable when taxi is soiled (by travel sickness)		£50.00

NOTES

- (1) The above Tariff is applicable only within the City of Edinburgh.
- (2) Any hire which terminates outside the City of Edinburgh area – FARE MUST BE NEGOTIATED AND AGREED WITH DRIVER BEFORE THE JOURNEY COMMENCES.
- (3) A copy of the Licensing Conditions can be inspected at the Council's Licensing Offices, 249 High Street, Edinburgh, EH1 1YJ and downloaded from www.edinburgh.gov.uk
- (4) The Airport Extra is only payable if passenger is dropped off in the covered inner drop-off zone at Edinburgh Airport and the driver has explained to the passenger before the start of the journey - (1) He will take the passenger to the drop off point just beside the airport terminal and that there is a £1 extra for this. (2) If the passenger states he is disabled, the £1 extra still has to be paid, but the driver understands that the passenger can reclaim this from the airport at the drop-off point. (3) If the passenger wishes to avoid the £1 extra, he can be taken to an outer drop-off point. However, this is further from the airport terminal, involves the use of a free shuttle bus and will require more time for the passenger to get to the airport terminal.

COMPLAINTS

Any hirer aggrieved at the level of the fare charged for any hire or for any other reason may discuss the matter with the Taxi Licensing Officer (0131 529 4250). Any complaint must be made in writing and addressed to the Complaints Officer, Licensing Section, The City of Edinburgh Council, 249 High Street, Edinburgh EH1 1YJ, and should include the vehicle's licence number and time and date of the incident.

Proposed example fare tariff advertised on 4 April 2018

**THE CITY OF EDINBURGH COUNCIL
CIVIC GOVERNMENT (SCOTLAND) ACT 1982
TAXI FARE REVIEW**

NOTICE IS GIVEN in terms of Section 17(4A) of the above Act that the Regulatory Committee of the City of Edinburgh Council has reviewed the taxi fare tariff for taxis licensed by the Council. On 16 March 2018 the Committee proposed the new taxi fare tariff would be as shown below, to come into effect after the next meeting of the Regulatory Committee. The proposed date for implementation of the new taxi fare tariff is 1 Jun 2018.

Any person may make representations on these proposals. Any representations should be in writing and lodged with the Licensing Service, The City of Edinburgh Council, 249 High Street, Edinburgh EH1 1YJ, or by email to licensing@edinburgh.gov.uk **within one month of the date of this advertisement**. Any representations received within the above timescale will be considered by the Committee before it makes a final decision.

Paul Lawrence, Executive Director of Place

**THE CITY OF EDINBURGH COUNCIL
CIVIC GOVERNMENT (SCOTLAND) ACT 1982
FARE TABLE FOR TAXIS**

FOR UP TO 2 PASSENGERS

TARIFF 1 Monday - Friday 6am – 6pm	TARIFF 2 Monday - Friday 6pm – 6am the following day 6am Saturday – 6am Monday
TARIFF 3 Monday - Friday 6am – 6pm during Christmas and New Year	TARIFF 4 Monday - Friday 6pm – 6am the following day 6am on Saturday – 6am Monday during Christmas and New Year
CHRISTMAS	6pm on 24 December to 6am on 27 December
NEW YEAR	6pm on 31 December to midnight on 2 January

CHARGES	TARIFF 1	TARIFF 2	TARIFF 3	TARIFF 4
<ul style="list-style-type: none"> ▪ Initial hire not exceeding 516m ▪ Initial 105 seconds of waiting time ▪ Combination of initial time and distance 	£2.60	£3.60	£3.60	£4.60
<ul style="list-style-type: none"> ▪ Each additional 174m up until 1908m and thereafter each additional 201m ▪ Each additional 37 seconds of waiting time ▪ Combination of additional time and distance 	£0.25	£0.25	-	-
<ul style="list-style-type: none"> ▪ Each additional 184m up until 1988m and thereafter each additional 213m ▪ Each additional 39 seconds of waiting time ▪ Combination of additional time and distance 	-	-	£0.35	£0.45

EXTRA PAYMENTS

When more than 2 passengers	Each	£0.20
Note: Only 2 children under 12 years will be reckoned as one passenger. No extra fare will be charged for one child under 5 years of age.		
Each Passenger must be properly seated		
Hires ending at Edinburgh Airport Inner Drop-off Zone (See Note 4 below)	£1.00	
Call Out Charge Applicable when pre-booked	£0.80	Airport Pickup For hires commencing at Edinburgh airport
Cancellation Fee Applicable when taxi is pre-booked but not used	£2.20	Cleaning Fee Applicable when taxi is soiled (by travel sickness)
		£50.00

NOTES

- (1) The above Tariff is applicable only within the City of Edinburgh.
- (2) Any hire which terminates outside the City of Edinburgh area – FARE MUST BE NEGOTIATED AND AGREED WITH DRIVER BEFORE THE JOURNEY COMMENCES.
- (3) A copy of the Licensing Conditions can be inspected at the Council's Licensing Offices, 249 High Street, Edinburgh, EH1 1YJ and downloaded from www.edinburgh.gov.uk
- (4) The Airport Extra is only payable if passenger is dropped off in the covered inner drop-off zone at Edinburgh Airport and the driver has explained to the passenger before the start of the journey - (1) He will take the passenger to the drop off point

just beside the airport terminal and that there is a £1 extra for this. (2) If the passenger states he is disabled, the £1 extra still has to be paid, but the driver understands that the passenger can reclaim this from the airport at the drop-off point. (3) If the passenger wishes to avoid the £1 extra, he can be taken to an outer drop-off point. However, this is further from the airport terminal, involves the use of a free shuttle bus and will require more time for the passenger to get to the airport terminal.

COMPLAINTS

Any hirer aggrieved at the level of the fare charged for any hire or for any other reason may discuss the matter with the Taxi Licensing Officer (0131 529 4250). Any complaint must be made in writing and addressed to the Complaints Officer, Licensing Section, The City of Edinburgh Council, 249 High Street, Edinburgh EH1 1YJ, and should include the vehicle's licence number and time and date of the incident.

Responses received within consultation period

From: Paul Mowat
Sent: 20 April 2018 17:21
To: licensing@edinburgh.co.uk
Subject: Taxi Fare Review 2018 - City of Edinburgh Council - Citizen Space

Good Day,

You have asked for comments about the proposed taxi fare increases.

This is excessive and probably the reason for consultation.

In this day and age and bearing in mind the oil price, it's just too much.

In the meantime many are using Uber and they are being left to trade without interference by CEC. This should continue and market forces will take affect however by increasing black taxi fares this will probably be the the detriment of black taxi cab drivers.

Ultimately the people of Edinburgh should not have a service foisted on them that is unaffordable to most in Edinburgh, particularly as CEC seem to consider the car driver to be the enemy by focussing transportation in the city away from the common motor vehicle.

Regards

Paul Mowat

Craiglockhart Community Council

From: Greig Cockburn
Sent: 23 April 2018 13:21
To: Licensing
Subject: Point of objection for proposed taxi tariff changes in June 2018.

To whom it may concern,

In relation to the proposed changes to the Edinburgh taxi tariff sheet, I have noticed an omission that I wish to object to.

The current table allows for passengers to be charged up to 5% for settling fares with a debit or credit card.

We are all aware of the legislative changes that have affected such card transaction fees in recent months, and without question, the new fare table must reflect these changes.

However, the legislative changes only apply to certain transactions, namely with personal/consumer banking cards originating in EU/EEA countries.

Service charges can still be lawfully applied to Business, Corporate & Non-EU/EEA credit/debit cards.

Given that a substantial amount of my taxi transactions originate from Corporate/Business/Non-EU/EEA card payments, I object that my lawful choice to pass on my legitimate service charges is being omitted from the proposed new tariff sheet.

As the new rules are based on an EU directive, the ban on card surcharges only applies to transactions where the bank(s) of the consumer and the retailer are based within the EU, Iceland, Liechtenstein or Norway.

The new law only applies to consumers, so businesses CAN still be charged fees, but as is the case currently, this should only be the amount it costs to process the transaction.

The surcharge rules are based on how you pay, not who you are. So if you pay with a business credit card you can be charged extra, but if you are a business owner, but you pay with your own personal credit card, you cannot be charged extra.

Taxi drivers have the right to charge extra in these circumstances, and will do so irrespective of it's presence on the Fare Table.

It therefore cannot be argued that a two-tier card payment structure would be 'unnecessary', 'confusing' or 'difficult to implement' because the situation exists NOW and will NOT disappear with the planned omission from the tariff sheet. Clarification is a necessity for all transacting parties.

The tariff sheet needs to display and support these exemptions to clearly inform the public of their consumer rights and limitations. This will also help avoid any confrontational or argumentative situations at the point of fare settlement.

The Council must also issue clear guidelines to operators to avoid any confusion or unlawful charging, however we must acknowledge that it is ultimately the individual operator's legal responsibility to charge within the law, and that ignorance of such is no defence. When in doubt, no such charge should be levied.

Ultimately, the decision on whether to pass on charges to Business/Non-EEA card customers should lie with individual operators and not the Council. With card transactions growing ever more popular with time, this is a concession that is difficult to concede and amounts to significant sums of lost revenue.

I ask that the Council reinstate the card transaction fee to the newly proposed tariff sheet, highlighting the new legal exemptions.

If the card transaction fee is to be omitted despite my objection, I would like the Council detail it's reasoning as to why it is removing ALL card transaction fees from the fare table, when the legislation does NOT affect all card transactions.

I would ask that you respond to confirm receipt of this objection and detail the process going forward.

Yours faithfully,

Mr James Greig Cockburn

From: Aiden Proctor

Sent: 02 May 2018 17:09

To: Licensing

Subject: Edinburgh Airport response to Taxi Tariff Review 2018

Dear Licensing Team,

I would like to provide comment on the Taxi Fare Review 2018 on behalf of Edinburgh Airport Limited.

Edinburgh Airport supports the £2.80 pick-up fee being added to the tariff but only if it is caveated so that it only applies from the designated taxi rank or pre-booked pick-up area. Indeed, this was one of the key points in our response to CH2M during the initial consultation last year. Without adding this wording there is a real risk drivers would pick-up in the drop-off area (where they are only charged £1) and charge £2.80 back to the customer – this would be profiteering at the expense of the customer. Furthermore this would alleviate the issue of pick-ups in the drop-off zone which is causing unnecessary congestion, wasting police time and not presenting the most welcoming image of Edinburgh. Wording is already provided to give clarity on the application of the airport drop-off fee so we see no reason why similar wording could not be introduced for the pick-up fee. I have provided potential wording below:

5) The Airport Pick-Up Fee shall only apply if a customer is picked up from the designated airport taxi rank or from the area designated by the airport for picking up pre-booked passengers.

I look forward to discussing this further with you on your scheduled visit to the Airport on Tuesday 8th May 2018.

Regards

Aiden Proctor

Commercial Transport Manager

Edinburgh Airport Limited

From: kemi adesola

Sent: 03 May 2018 11:01

To: Licensing

Subject: Taxi Fare Review

Hi

This proposal should be circulated more among the general public for a fairer participation.

For me, the only issue is the extra charge for child passengers.

It may be a bit discriminatory practice towards parents of more than 2 children..

If they have to pay for the extras especially if the taxi bill is already high due to distance..

Thanks

From: Scott Stevens
Sent: 09 April 2018 16:57
To: Licensing <Licensing@edinburgh.gov.uk>
Subject: Taxi Fare Review 2018

Well my comment is that black cab taxi fares are already too expensive. These increases just make it even more attractive that customers on weekends will look for alternatives. Such as uber or perhaps more worryingly unlicensed taxis.

If this increase is taken on then black cabs should have a maximum age limit so that when we walk or cycle near them we aren't breathing in the noxious gases and pollution from 20year old diesel technology

Response received after close of consultation period

From: Tony Kenmuir
Sent: 08 May 2018 11:53
To: Gordon Hunter
Subject: RE: Taxi Tariff Fares Review

Hi Gordon

Our preparations for sending a trade deputation to the Regulatory Committee on Friday 16th March were focused on the far reaching implications of the Age & Emissions Restrictions being proposed by the Licensing Department. Central Taxis was broadly content with the changes being proposed to the Taxi Tariff which were a fair reflection of the consultation process that had taken place between CH2M and the trade. No change to airport charges was proposed. We were contacted by City Cabs on the evening of Wednesday 14th March. It was suggested that they would propose the introduction of a £2.80 pick-up fee at the airport that would be passed on to the general public. Edinburgh Airport presently charges £4 for a taxi to exit the pre-booked pick up area having collected a passenger and it was intimated by City Cabs that Edinburgh Airport would be willing to drop this to £2.80 if the Regulatory Committee agreed to pass the charge onto passengers by introducing it to the tariff.

As this proposal was not raised or discussed during the consultation process and there was no direct contact between Central Taxis and Edinburgh Airport on how changes would be implemented this left Central Taxis management team with questions that we had no time to resolve in advance of the deputation to the regulatory committee. As such it was decided between us that City Cabs would raise their proposal on airport pick-up fees and Central Taxis would raise their separate concerns about the slight erosion of Tariff 3 & 4 that was being proposed, rather than submit a single trade deputation.

Since that date we have met with Edinburgh Airport and received a proposal. It transpires that they are not proposing to lower the gate fee at the pre-booked pick-up point for all users but only for Central Taxis and that would be subject to every individual driver signing up to a set of terms. We have taken advice on this and are unable to commit our drivers to those terms.

The Airport has promoted a bylaw, putatively based on safety and security concerns, but which has no safety or security basis, and which demands that pre-booked taxis must only collect their passengers from the designated area. Where taxi drivers act in compliance with these bylaws, they are obliged to pay a fee (currently £4) to the airport before being allowed to exit with passengers. We are advised that absent agreement or other lawful authority this charge is not lawful; there is no agreement and no authority in the Airports Act to impose a

charge of this nature. Our legal representative has written to the airport management to raise this in the past. The proposed tariff change by CEC may have the effect of rendering lawful a charge imposed by EAL upon consumers which would not otherwise be lawful. Of further concern is the lack of clarity as to whether these charges would be frozen, or if they would be subject to future increases and whether such increases could be recovered under the tariff. The Airport management has a track record of increasing “gate fees” without consultation or notice and this is another concern.

We have established that this proposed charge of £2.80 would not be restricted to the pre-booked pick up point but would be passed on to all users of taxis from the public taxi rank or from the private hire stance. There was a recent competitive tender for the contract to supply taxis and private hire cars at Edinburgh Airport and the “gate fee” paid for every exit would form a key part of the commercial bids. Central Taxis position has always been that tolls payable by our drivers should be accounted for on the tariff and passed on to the public. A “toll” would be a charge that is payable by everyone. That would not apply to fees that have been offered by suppliers to Edinburgh Airport as part of a commercial bid and neither would it apply to the pre-booked pick up area where the airport requires taxi drivers to sign individual contracts, surrendering their right to challenge a charge that our adviser describes as “not lawful”.

Finally we have concerns about the compound effect of introducing this charge to taxi and private hire car customers across the board at Edinburgh Airport at the same time as applying the proposed, general increase to the tariff. With an assumed average fare of c. £17 we have calculated this would impose an overall increase of 28% on customers and, while no doubt having a negative impact upon the local economy as a whole, we feel that the proposals may force consumers to consider (and use) alternative transport modes.

Had this proposal been raised during the consultation process we would have had more time to consider the implications and aim to present a unified trade view. At this time, taking all of the above into consideration Central Taxis does not support the introduction of a £2.80 pick-up fee at Edinburgh Airport to the tariff.

Regards

Tony

Email from City Cabs dated 22 March 2018

From: Les McVay [<mailto:les.mcvay@citycabs.co.uk>]

Sent: 22 March 2018 16:48

To: Andrew Mitchell < >











Subject: Airport pick up fee

H Andrew

Please see attached a “mock-up” tariff sheet showing a suggestion for the new proposal of a £2.80 pickup charge at Edinburgh Airport.

This ties the pickup fee down to the two designated areas of pickup at the Airport.

At the moment a significant number of licensed vehicles are avoiding the current £4 pre-booked pickup charge by driving through the £1 drop off area. This is causing confrontations, sometimes quite ugly incidents, and a great deal of wasted Police time. By allowing the new £2.80 pickup charge to be passed onto the passenger within the designated areas, the Taxi driver has no reason to enter the drop-off area to carry out a pickup.

Regards

Les McVay

Company Secretary

THE CITY OF EDINBURGH COUNCIL
CIVIC GOVERNMENT (SCOTLAND) ACT 1982

FARE TABLE FOR TAXIS

With effect from 13 November 2016

FOR UP TO 2 PASSENGERS

TARIFF 1 Monday - Friday 6am – 6pm	TARIFF 2 Monday - Friday 6pm – 6am the following day 6am Saturday – 6am Monday
TARIFF 3 Monday - Friday 6am – 6pm during Christmas and New Year	TARIFF 4 Monday - Friday 6pm – 6am the following day 6am on Saturday – 6am Monday during Christmas and New Year
CHRISTMAS NEW YEAR	6pm on 24 December to 6am on 27 December 6pm on 31 December to midnight on 2 January

CHARGES	TARIFF 1	TARIFF 2	TARIFF 3	TARIFF 4
<ul style="list-style-type: none"> ▪ Initial hire not exceeding 516m ▪ Initial 105 seconds of waiting time ▪ Combination of initial time and distance 	£2.10	£3.10	£3.10	£4.10
<ul style="list-style-type: none"> ▪ Each additional 184m up until 1988m and thereafter each additional 213m ▪ Each additional 39 seconds of waiting time ▪ Combination of additional time and distance 	£0.25	£0.25	£0.35	£0.45

EXTRA PAYMENTS

When more than 2 passengers	Each	£0.20
Note: Only 2 children under 12 years will be reckoned as one passenger. No extra fare will be charged for one child under 5 years of age.		
Each Passenger must be properly seated		
Hires ending at Edinburgh Airport Inner Drop-off Zone (See Note 4 below)		£1.00
Call Out Charge Applicable when pre-booked	£0.80	Airport Pickup (See Note 5 below) £2.80
Cancellation Fee Applicable when taxi is pre-booked but not used	£2.20	Payment Of Fare By Credit/Debit Card Extra applicable when fare paid by the above means 5.0 %
Cleaning Fee Applicable when taxi is soiled (by travel sickness)		£50.00

NOTES

- (1) The above Tariff is applicable only within the City of Edinburgh.
- (2) Any hire which terminates outside the City of Edinburgh area – FARE MUST BE NEGOTIATED AND AGREED WITH DRIVER BEFORE THE JOURNEY COMMENCES.
- (3) A copy of the Licensing Conditions can be inspected at the Council's Licensing Offices, 249 High Street, Edinburgh, EH1 1YJ and downloaded from www.edinburgh.gov.uk
- (4) The Airport Extra is only payable if passenger is dropped off in the covered inner drop-off zone at Edinburgh Airport and the driver has explained to the passenger before the start of the journey - (1) He will take the passenger to the drop off point just beside the airport terminal and that there is a £1 extra for this. (2) If the passenger states he is disabled, the £1 extra still has to be paid, but the driver understands that the passenger can reclaim this from the airport at the drop-off point. (3) If the passenger wishes to avoid the £1 extra, he can be taken to an outer drop-off point. However, this is further from the airport terminal, involves the use of a free shuttle bus and will require more time for the passenger to get to the airport terminal.
- (5) Pickup extra is only applicable where passengers are picked up from the Official Airport Rank or the designated Pre-booked area.

COMPLAINTS

Any hirer aggrieved at the level of the fare charged for any hire or for any other reason may discuss the matter with the Taxi Licensing Officer (0131 529 4250). Any complaint must be made in writing and addressed to the Complaints Officer, Licensing Section, The City of Edinburgh Council, 249 High Street, Edinburgh EH1 1YJ, and should include the vehicle's licence number and time and date of the incident.

Edinburgh Taxi Fares Review

Prepared for

City of Edinburgh Council

February 2018

ch2m.SM

CH2M Hill
Park House
Headingley Office Park
Victoria Road
Leeds



Contents

Section	Page
Introduction.....	6
1.1 General.....	6
1.2 Background to fares in Edinburgh	6
Review of the Current Fare Tariff.....	7
Consultation – Trade	10
3.1 Introduction	10
3.2 General Views	10
3.3 Tariffs	10
3.4 Credit Card Surcharge.....	11
3.5 Airport Charges	11
3.6 Summary	11
3.7 Further Trade Consultation.....	11
3.7.1 City Cabs.....	12
3.7.2 Central Taxis, Edinburgh Taxi Association, Unite Union	12
Review of Best Practice – Tariffs	14
4.1 Introduction	14
4.2 Tariffs	14
4.3 Fare for a 2-mile journey	16
4.4 Festive Tariffs.....	17
4.5 Airport Charges	18
Consultation - Public	19
5.1 Introduction	19
5.2 General Information	19
5.3 Summary	23
Consultation – Stakeholder	25
6.1 Introduction	25
6.2 Stakeholder Responses	25
Fare Revision	28
7.1 Background and overall proposed increases.....	28
7.2 Amended Festive Tariff.....	29
Conclusions.....	31
8.1 General.....	31
8.2 Recommendations for further discussion	31

Document History

**Reference
Number:**

Client Name: City of Edinburgh Council

This document has been issued and amended as follows:

Version	Date	Description	Created By	Verified By	Approved By
1	12.10.17	Draft Report	Katie Dixon	Liz Richardson	Liz Richardson
2	20.10.17	Revised Draft Report	Katie Dixon	Liz Richardson	Liz Richardson
2.1	21.11.17	Draft Report for comment	Katie Dixon	Liz Richardson	Liz Richardson
3	24.01.18	Revised Draft			Liz Richardson

Section

Page

In preparing this report, CH2M relied, in whole or in part, on data and information provided by the Client and third parties, which information has not been independently verified by CH2M and which CH2M has assumed to be accurate, complete, reliable, and current. Therefore, while CH2M has utilised reasonable skill and care in preparing this Report, CH2M does not warrant or guarantee the conclusions set forth in this Report which are dependent or based upon data, information, or statements supplied by third parties or the client.

This Report is intended for Client's sole and exclusive use and is not for the benefit of any third party and may not be distributed to, disclosed in any form to, used by, or relied upon by, any third party without prior written consent of CH2M, which consent may be withheld in its sole discretion.

Use of this Report or any information contained herein, if by any party other than Client, shall be at the sole risk of such party and shall constitute a release and agreement by such party to defend and indemnify CH2M and its affiliates, officers, employees and subcontractors from and against any liability for direct, indirect, incidental, consequential or special loss or damage or other liability of any nature arising from its use of the Report or reliance upon any of its content. To the maximum extent permitted by law, such release from and indemnification against liability shall apply in contract, tort (including negligence), strict liability, or any other theory of liability."

1. Introduction

1.1 General

This study has been conducted by CH2M on behalf of City of Edinburgh Council (CEC). The overall objective is to carry out a review of the taxi fare tariff in Edinburgh. The study will review the current fare tariff and advise on any changes.

In terms of Section 17 of the Civic Government (Scotland) Act 1982, the Council must fix maximum scales for the fares and other charges in connection with the hire of a taxi. In terms of Section 17(2) of the said Act (as amended by Section 174(3) of the Criminal Justice and Licensing (Scotland) Act 2010) the Council has to review these scales on a regular basis. The Council must fix scales within 18 months beginning with the date on which the scales came into effect. In carrying out a review, the Council is required to consult with persons or organisations appearing to it to be, or to be representative of, the operators of taxis operating within its area.

The Second Edition of the Scottish Government's Licensing of Taxis and Private Hire Cars Best Practice Guidance for Licensing Authorities, issued in April 2012, refers Councils carrying out taxi fare reviews to pay particular regard to advice contained in paragraphs 2.34 – 2.37 of Scottish Development Department Circular 25/1986.

“The Secretary of State expects that in fixing fares authorities will want to pay primary regard to the costs incurred by the trade, having regard to the capital costs (including interest payments) of the vehicles, the costs of maintaining and replacing them to the standards required by the licensing authority, of employing drivers and the prevailing level of wages and costs in related road transport industries. In the Secretary of State's view 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. If fares are fixed at a level higher than the market can stand, the trade is free to reduce them”.

1.2 Background to fares in Edinburgh

In line with the Civic Government (Scotland) Act 1982, licensing authorities are required to review and fix the scale of fares and other charges which may be used by taxis licensed within the city. This review must take place at intervals not greater than 18 months. The current fares were last reviewed by the Regulatory Committee in November 2014 and councillors agreed to a 2.1% increase. The review also looked at a revision to the festive tariff. Following the decision by the Regulatory Committee, an appeal was lodged with the Traffic Commissioner for Scotland and as a result this increase did not come into effect until 13 November 2016.

2. Review of the Current Fare Tariff

City of Edinburgh Council's current fare tariff is detailed on the following page. The current fare tariff has been in existence since November 2016 and is arranged in a series of four tariffs and extra charges and payments.

Tariff 1 operates Monday to Friday 6am to 6pm and Tariff 2 operates Monday to Friday 6pm to 6am and all day Saturday and Sunday. In addition to these two tariffs there are additional tariffs for the Christmas and New Year period. Tariff 3 is operational 6am to 6pm over Christmas and New Year and Tariff 4 is operational 6pm – 6am Monday to Friday and all day Saturday and Sunday during Christmas and New Year. The Christmas period is defined as 6pm 24th December to 6am 27th December. The New Year period is defined as 6pm 31st December to midnight 2nd January.

In addition to these four tariffs there are a series of additional payments for soiling, additional passengers and call out charges. Table 2.1 details the current fare for a 1 and 2 mile journey at each tariff.

The publication Private Hire and Taxi Monthly issues monthly league tables of the fares for 365 authorities over a two-mile day time journey. Each journey is ranked with one being the most expensive. The October 2017 table shows Edinburgh rated 198th in the table, indicating that Edinburgh has lower than average fares. Table 2.2 provides a comparison of where a selection of other authorities in Scotland rank in terms of fares, showing that fares in Edinburgh are mid-range in comparison to other similar Scottish authorities and less than average overall.

Table 2.1 Detail of fares of a 1 and 2 mile journey at each tariff

Tariff	1 mile fare	2 mile fare
Tariff 1	£3.60	£5.60
Tariff 2	£4.60	£6.60
Tariff 3	£5.20	£8.00
Tariff 4	£6.80	£10.40

Table 2.2 - Comparison of neighbouring and/or comparable authorities in terms of fares (Source Private Hire and Taxi Monthly, October 2017)

Local Authority	Rank
East Lothian	20
Midlothian	83
Fife	129
Glasgow	164
City of Edinburgh	198
West Lothian	215
Falkirk	345

**THE CITY OF EDINBURGH COUNCIL
CIVIC GOVERNMENT (SCOTLAND) ACT 1982
FARE TABLE FOR TAXIS
With effect from 13 November 2016**

FOR UP TO 2 PASSENGERS

TARIFF 1 Monday - Friday 6am – 6pm	TARIFF 2 Monday - Friday 6pm – 6am the following day 6am Saturday – 6am Monday
TARIFF 3 Monday - Friday 6am – 6pm during Christmas and New Year	TARIFF 4 Monday - Friday 6pm – 6am the following day 6am on Saturday – 6am Monday during Christmas and New Year
CHRISTMAS NEW YEAR	6pm on 24 December to 6am on 27 December 6pm on 31 December to midnight on 2 January

CHARGES	TARIFF 1	TARIFF 2	TARIFF 3	TARIFF 4
<ul style="list-style-type: none"> ▪ Initial hire not exceeding 516m ▪ Initial 105 seconds of waiting time ▪ Combination of initial time and distance 	£2.10	£3.10	£3.10	£4.10
<ul style="list-style-type: none"> ▪ Each additional 184m up until 1988m and thereafter each additional 213m ▪ Each additional 39 seconds of waiting time ▪ Combination of additional time and distance 	£0.25	£0.25	£0.35	£0.45

EXTRA PAYMENTS

When more than 2 passengers	Each	£0.20
Note: Only 2 children under 12 years will be reckoned as one passenger. No extra fare will be charged for one child under 5 years of age.		
Each Passenger must be properly seated		
Hires ending at Edinburgh Airport Inner Drop-off Zone (See Note 4 below)		£1.00
Call Out Charge Applicable when pre-booked	£0.80	Airport Pickup For hires commencing at Edinburgh airport
Cancellation Fee Applicable when taxi is pre-booked but not used	£2.20	Payment Of Fare By Credit/Debit Card Extra applicable when fare paid by the above means
Cleaning Fee Applicable when taxi is soiled (by travel sickness)	£50.00	

NOTES

- (1) The above Tariff is applicable only within the City of Edinburgh.
- (2) Any hire which terminates outside the City of Edinburgh area – FARE MUST BE NEGOTIATED AND AGREED WITH DRIVER BEFORE THE JOURNEY COMMENCES.
- (3) A copy of the Licensing Conditions can be inspected at the Council's Licensing Offices, 249 High Street, Edinburgh, EH1 1YJ and downloaded from www.edinburgh.gov.uk
- (4) The Airport Extra is only payable if passenger is dropped off in the covered inner drop-off zone at Edinburgh Airport and the driver has explained to the passenger before the start of the journey - (1) He will take the passenger to the drop off point just beside the airport terminal and that there is a £1 extra for this. (2) If the passenger states he is disabled, the £1 extra still has to be paid, but the driver understands that the passenger can reclaim this from the airport at the drop-off point. (3) If the passenger wishes to avoid the £1 extra, he can be taken to an outer drop-off point. However, this is further from the airport terminal, involves the use of a free shuttle bus and will require more time for the passenger to get to the airport terminal.

COMPLAINTS

Any hirer aggrieved at the level of the fare charged for any hire or for any other reason may discuss the matter with the Taxi Licensing Officer (0131 529 4250). Any complaint must be made in writing and addressed to the Complaints Officer, Licensing Section, The City of Edinburgh Council, 249 High Street, Edinburgh EH1 1YJ, and should include the vehicle's licence number and time and date of the incident.

3. Consultation – Trade

3.1 Introduction

Prior to undertaking the fares review, a meeting was held with representatives of the trade on August 3rd 2017. The objectives of this meeting were to garner views on the existing fare card and any proposed increases in the fare card. Invitees and attendees are detailed in Table 3.1

Table 3.1 Focus Group attendees

All invitees	Representing
Andy Mack	City Cabs
Derek Bridgford	City Cabs
Eric Barry	Unite
Laura Lucas	Central Taxis
Mark McNally	ETA
Paul Taylor	ETA
Tony Kenmuir	Central taxis

3.2 General Views

The trade wanted to ensure that any increase was on a baseline of when the last CPI figure was taken in March 2015. All attendees wished to see an increase in taxi fares. The figure discussed in the meeting was an increase of 6.4%. As part of this increase the trade wished to see the daytime flag increased to £2.60. The rationale behind this requested increase was:

- Council licence fees have increased by 4.1%
- Costs of the new driver training requirements
- Introduction of 20mph speed limit which means that the trade complete fewer jobs
- Delay incurred by the appeal to the Traffic Commissioner
- Edinburgh is currently 198th in the PHTM league table
- Cost of vehicles has increased significantly
- Depreciation has increased – vehicles are worth less
- Number of PHCs has increased in Edinburgh

All attendees were also in favour of increasing the price of additional passengers from 20p to 30p.

3.3 Tariffs

One attendee suggested that Edinburgh would benefit from introducing a ‘party tariff’ similar to the one in Glasgow. The trade had mixed views about this ‘party tariff’ but agreed that it should be looked at. A suggestion was put forward that it should be in place 11pm – 4am on Friday and Saturday nights.

It was decided that attendees would take this proposal back to their members and report back to CH2M.

Discussion was had in relation to Tariff 3 and 4. This was discussed at length with attendees having differing views. Some considered that the public are put off using taxis over the festive period due to the perceived cost. Others felt that this would encourage more drivers to work. A consensus was reached by attendees that the following change should be made:

'Tariff 4 to apply all day Christmas Day and New Years Day'.

It was agreed that attendees would take this proposal back to their members and feed back to CH2M.

3.4 Credit Card Surcharge

From 13th January 2018, it will no longer be legal for drivers to charge customers a surcharge when paying by debit/credit card or contactless. The trade recognised that this will leave them 'out of pocket' as they still have to pay a charge to the company that they rent the machines from and the company that processes the payment. It is understood that this cost is likely to be between 3.25% and 5% of the fare for all credit card payments.

3.5 Airport Charges

The airport now charge £3.90 (15 mins) to leave the pick up area and £1 for the drop off area. Currently the fare card only allows the trade to recoup 80p from the public. This was raised at the last fare review and the trade were told it would be looked into by CEC following the decision by the Traffic Commissioner.

3.6 Summary

1. Trade want to see a 6.4% increase overall across all tariffs. This should include a 50p increase on the flag
2. Trade wish to see a 'party tariff' included on the fare card. Operating 11pm to 4am on Friday and Saturday nights
3. Trade wish to see Tariff 4 operate on Christmas Day and New Years Day
4. Trade wish to see an amendment to the 'extras' on the farecard – additional passengers to be charged at 30p
5. Trade wish to see the fare card amended to allow them to recoup the full amount of the pick up and drop off charge.
6. Trade representatives agreed to report back to their members and provide LR a summary of their views within two weeks.

3.7 Further Trade Consultation

As agreed at this meeting all representatives went back to their members and debated the issues discussed at the meeting in August. A further meeting was proposed by CH2M to discuss the feedback with representatives following further trade consultation with their members. The trade felt that feeding back by email would be sufficient and held 2 separate meetings to discuss their views and then provided written separate feedback to CH2M. The feedback received is summarised below.

3.7.1 City Cabs

Following a consultation process with their members, City Cabs provided written feedback. This set out the following:

- Overall increase of 6%
- Flag increase of 50p – daytime and night time
- Call out charge to remain the same
- Additional passenger charge to increase to 30p when more than 2 passengers
- Against the implementation of a late night tariff
- Christmas and New Year Tariff to remain the same but with the following amendments:
 - Tariff 3 to apply Christmas Eve 6pm to midnight, all day Boxing Day, New Years Eve 6pm to midnight, and all day January 2nd
 - Tariff 4 to apply all day Christmas Day and New Years Day
- Airport Charge – look to increase the current charge of 80p for all hires commencing at Edinburgh Airport.

Factors affecting the review:

1. Edinburgh Tariff is low compared to other relatively close by Local Authority areas. In the national league tables, East Lothian is position 20, Glasgow is 162nd and Edinburgh 198th position.
2. A significant rise in vehicle costs both in the cost of the vehicle and routine maintenance.
3. Annual increase in Council Fees.
4. The decision by the City of Edinburgh Council to compete with Glasgow's large Private Hire Car numbers.
5. The increase in charges picking up from Edinburgh Airport.
6. Costs of absorbing Credit Card processing charges.

3.7.2 Central Taxis, Edinburgh Taxi Association, Unite Union

- Overall increase of 10%
- Flag increase of 50p – daytime and night time
- Call out charge to remain the same
- Tariff 4 applies from 6am to 6pm on Christmas Day and New Year's Day. Drop of the flag on Tariff 3 & 4 should increase 50p on Tariff 1 & 2 respectively.
- Tariff 3 should be time X 1.5, Tariff 4 should be time X 2
- Distance calculations - Make the distance calculation easier to understand. Increments should be at regular distances from the start and not changed after the first 1.2 miles. Propose that increments are every 170M
- Tolls e.g. Airport Charges - tolls to pick up passengers or drop them off which are payable by all taxis and are involuntary should be reflected on the tariff and passed on to the passenger. NOTE City Cabs believe that voluntary charges to join the airport taxi stance should also be transferable to the passenger. The other organisations disagree as this is a commercial agreement that excludes the rest of the trade. The mention of specific monetary amounts should be avoided e.g. The £1 drop-off free at EAL, because such amounts can vary.

Factors affecting the review:

1. Cost of living vs position in tariff league. Presently 198th vs top 10 cost of living. The elements above would bring Edinburgh just inside the top 100 tariffs which the trade believes is very reasonable.
2. CPI vs parts basket. Vehicle costs vs residual values, increased competition from PHCs and reduction in drivers have rendered CPI as a useless measure of commercial conditions.
3. Increase in vehicle capital costs. The cheapest available public hire taxis has increased from £30,495 to £35,495 in 12 months
4. Decrease in residual values.
5. Introduction of age/emission limits will further affect residuals
6. Increase in council fees. 4.1% annually
7. Increase in PHC numbers - diluting work and diluting driver pool. Wheelchair accessible public hire vehicles are very expensive to buy and maintain by comparison.
8. Decrease in driver availability.

4. Review of Best Practice – Tariffs

4.1 Introduction

In order to compare taxi tariffs in other cities in Scotland and the UK a benchmarking exercise has been undertaken. Benchmarking has been undertaken on the following:

- Tariffs
- Cost of a 1 mile and 2 mile journey
- Festive tariff;
- Airport Charge.

Following discussions with the trade representatives' members it was decided to not progress with the introduction of a 'late night' tariff. Therefore this has not been benchmarked.

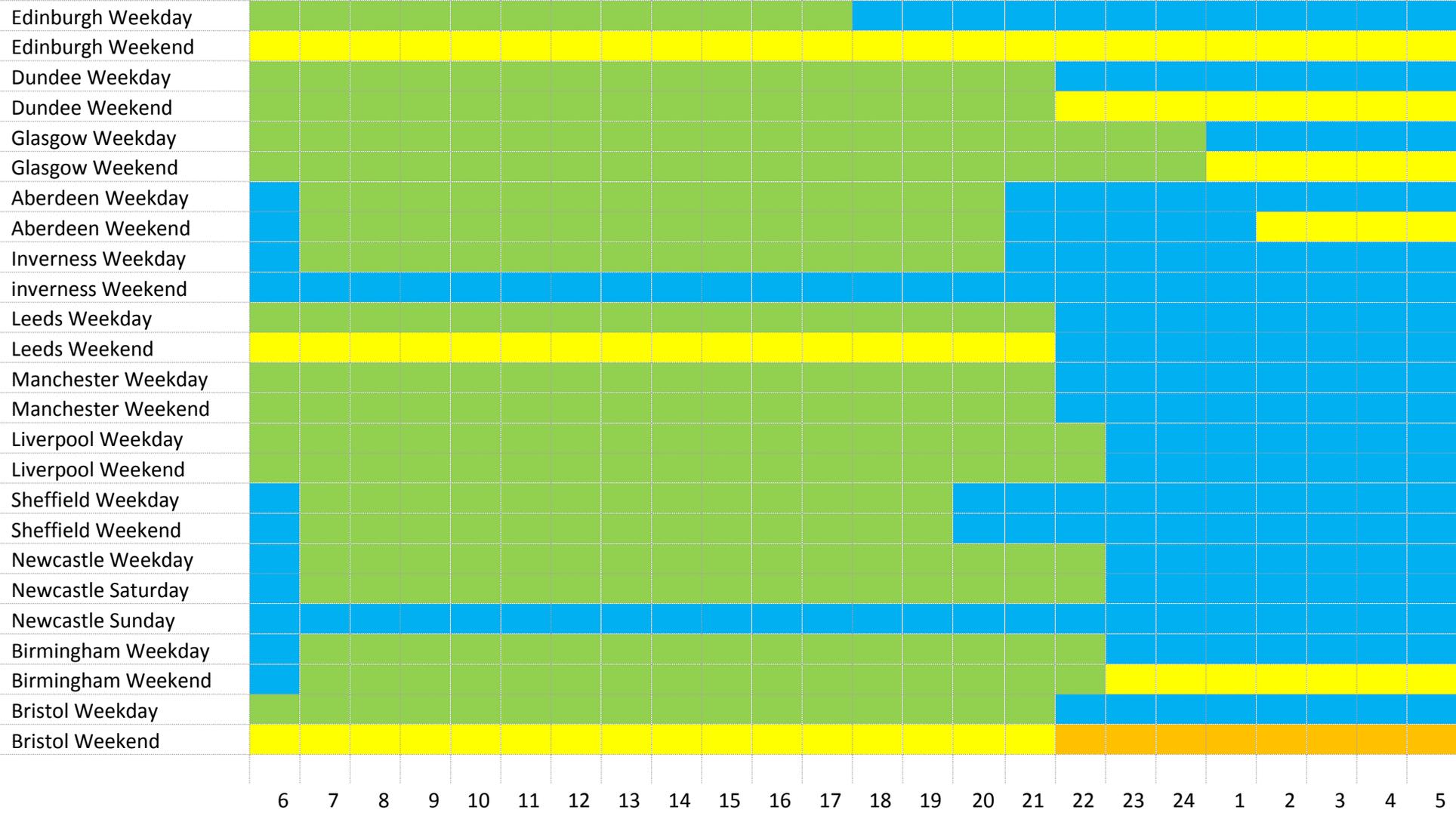
All Scottish cities and a number of Core Cities in England have been used for comparison.

4.2 Tariffs

Figure 4.1 provides detail as to when different standard tariffs apply across days of the week and times of the day for the benchmarked authorities. The majority of authorities have two tariffs – one for day time and one for night time and these apply across the whole week. The time that the night-time tariff applies does vary with the earliest commencing at 6pm and the latest at 11pm. Dundee, Glasgow and Birmingham have introduced a separate night time tariff for weekends.

Edinburgh's night time tariff commences the earliest of all benchmarked authorities. Most of the benchmarked authorities night time tariff commences after 7pm. However, in Edinburgh it is our understanding that 6pm is also when the night time shift drivers commence.

Figure 4.1: Applicable tariffs by time of day and day of the week for the benchmarked authorities.



4.3 Fare for a 2-mile journey

Figure 4.2 compares daytime and night time tariffs across the benchmarked authorities. Fares have been benchmarked at three separate time periods on a standard weekday – 9am, 10pm and 2am. The average cost of a two mile journey at 9am is £5.74; 10pm is £6.40 and £6.75 at 2am. Edinburgh is slightly lower than average at 9am and 2am but slightly higher at 10pm.

Figure 4.2 Tariff 1 and Tariff 2 comparisons

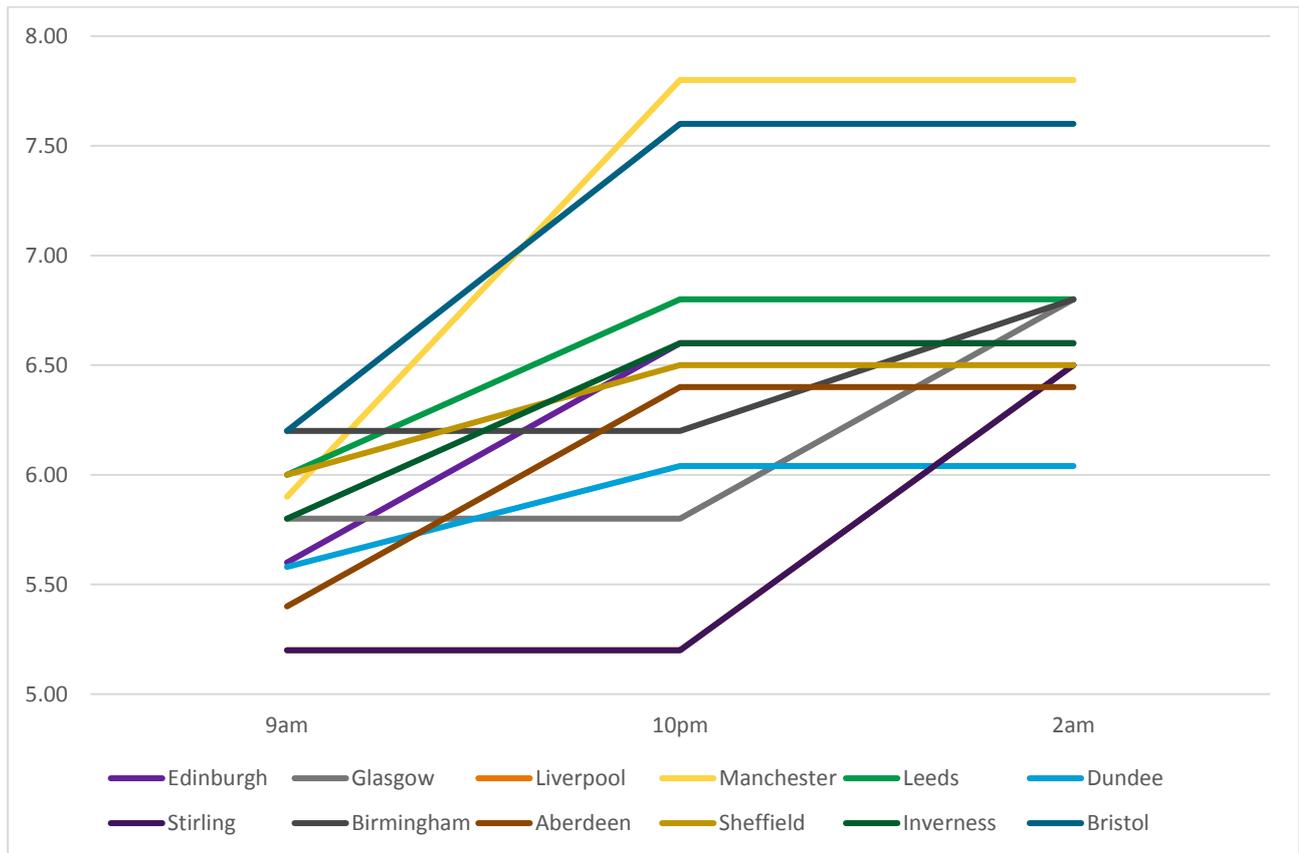
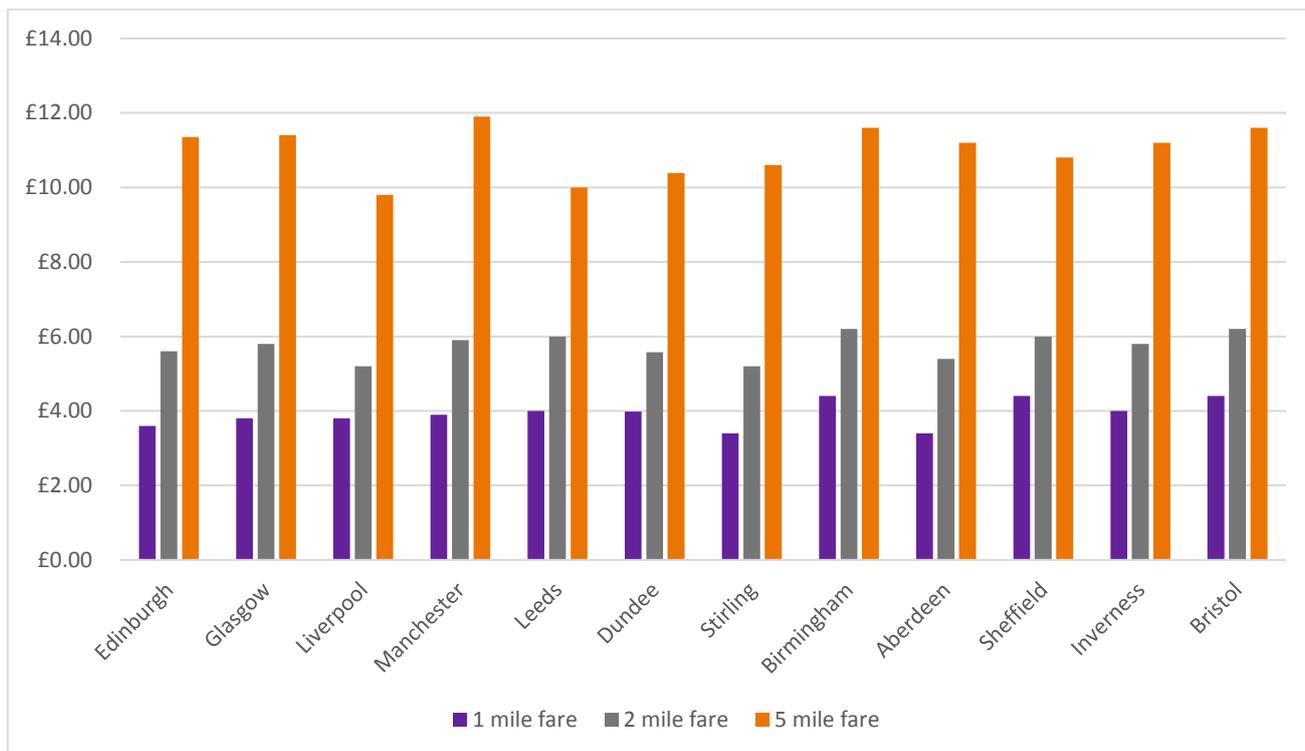


Figure 4.3 details the current weekday daytime fare for these authorities over a distance of 1,2 and 5 miles. It illustrates that Edinburgh has one of the lowest tariffs at 1 mile and 2 mile in comparison with benchmarked authorities. However at 5 miles it has one of the highest.

Figure 4.3 Comparison at 1,2 and 5 miles

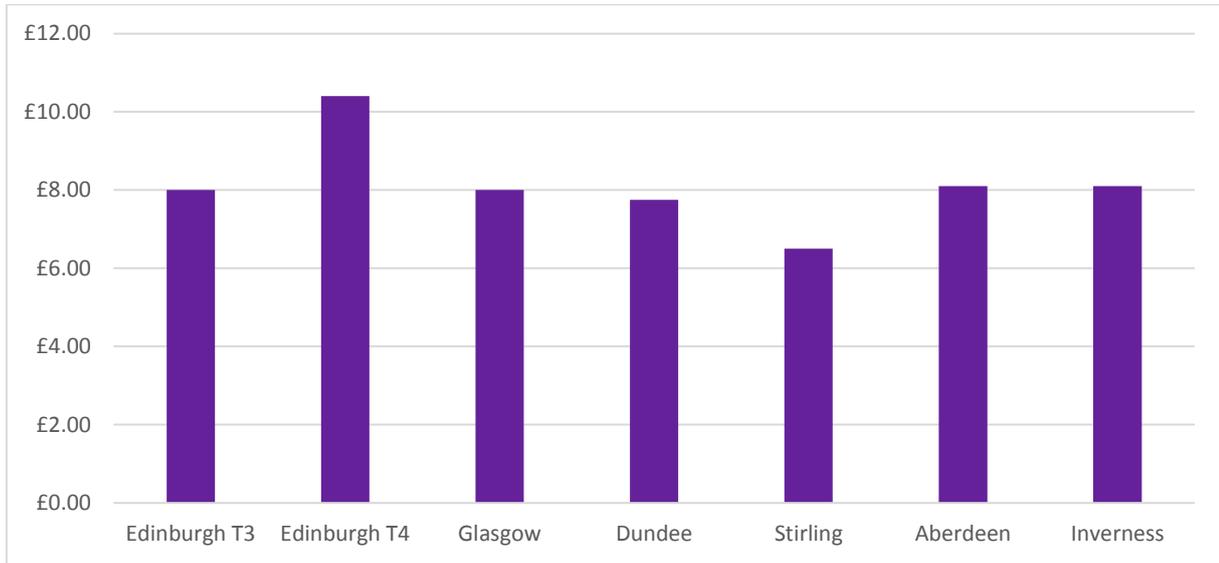


4.4 Festive Tariffs

City of Edinburgh Council adopts two separate tariffs for the Christmas and New Year period. The Christmas period is defined as 6pm December 24th to 6am December 27th and 6pm 31st December to midnight 2nd January. Tariff 3 is applicable Monday to Friday 6am – 6pm during this period and Tariff 4 is applicable between 6pm – 6am Monday to Friday and 6am Saturday to 6am Monday. Given that the tariff varies dependent on which day of the week Christmas falls it is therefore difficult to compare with other authorities. Therefore Tariff 3 and 4 has been compared with the festive period tariff of other Scottish authorities.

Given that January 2nd is a public holiday in Scotland we have used the Scottish cities for comparison. All authorities use very different ways of charging over the festive period and therefore Figure 4.4 details the cost of a 2 mile journey for both Edinburgh tariffs and the other Scottish cities. Edinburgh has two festive tariffs – one for night time and one for day time. Glasgow has different tariffs for Christmas Day and New Years Day and Boxing Day and January 2nd. Edinburgh’s tariff 4 is the highest festive tariff.

Figure 4.4: Cost of a 2 mile tariff on Christmas Day



Edinburgh’s Tariff 4 is more expensive than the other benchmarked authorities, but Tariff 3 is comparable. The average of the festive tariffs is £8.12. Tariff 4 is much higher than this average at £10.40.

4.5 Airport Charges

The City of Edinburgh farecard allows the taxi trade to recoup 80p from the passenger for hires commencing at Edinburgh Airport. However, this does not reflect the full amount the taxi driver is charged for picking up at the airport. Those operating under contract to Edinburgh Airport are charged £2.80, for all other taxi drivers picking up this charge is at least £3.90. Six of the benchmarked authorities have an airport within their licensing authority. Table 4.1 documents the charges and the amount recoverable on the fare card. It shows that charges in these authorities are generally recoverable in full.

Table 4.1: Airport pick up charges and recoverable amounts in benchmarked authorities

	Taxi/Hackney Rank	Pick up charge	Amount recoverable on the fare card	% recoverable
Edinburgh	Yes	£2.80/£3.90	80p	28%/21%
Aberdeen	Yes	£1	£1	100%
Newcastle	Yes	No pick-up charge	No charge recoverable	n/a
Manchester	Yes	£1.60	£1.60	100%
Liverpool	Yes	£1.50	£1.50	100%
Birmingham	Yes	£2.80	£2.80	100%

5. Consultation - Public

5.1 Introduction

A public attitude survey was designed with the aim of collecting information regarding opinions on taxi fares in Edinburgh. A survey was hosted online on City of Edinburgh Council's Consultation Hub website for a 5 week period between 4th September and 6th October 2017. Some 135 surveys were collected during this period.

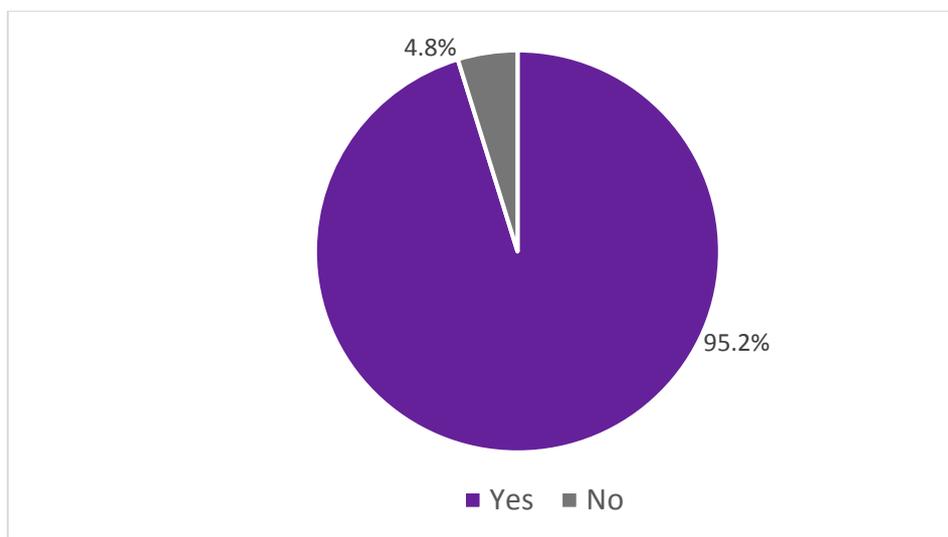
A screening question was included at the start of the survey which asked if the respondent was a licensed taxi or private hire car driver/operator in Edinburgh. Some 28 respondents stated yes in response to this question and these responses have therefore been discounted from the analysis as the survey was focused on obtaining the views of the general public. As such a total of 107 surveys were taken forward for analysis.

It should be noted that in the tables and figures that follow the totals do not always add up to the same amount, this 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.

5.2 General Information

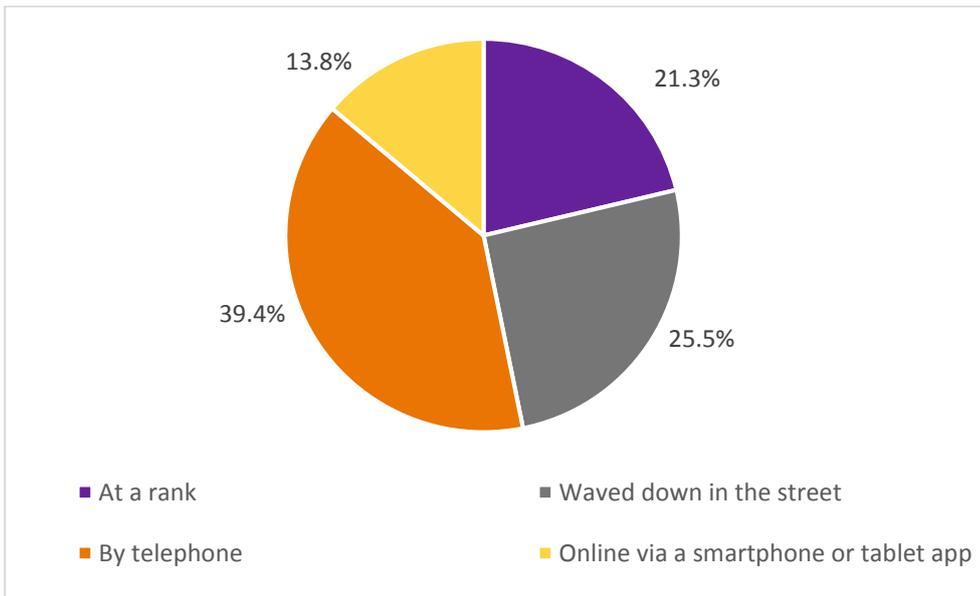
Respondents were each asked if they had made a journey by taxi (Black Cab) in Edinburgh within the last three months. The survey found that 95.2% had used a taxi within this period. The results are displayed in Figure 5.1.

Figure 5.1 Have you made a trip by taxi in Edinburgh in the last 3 months?



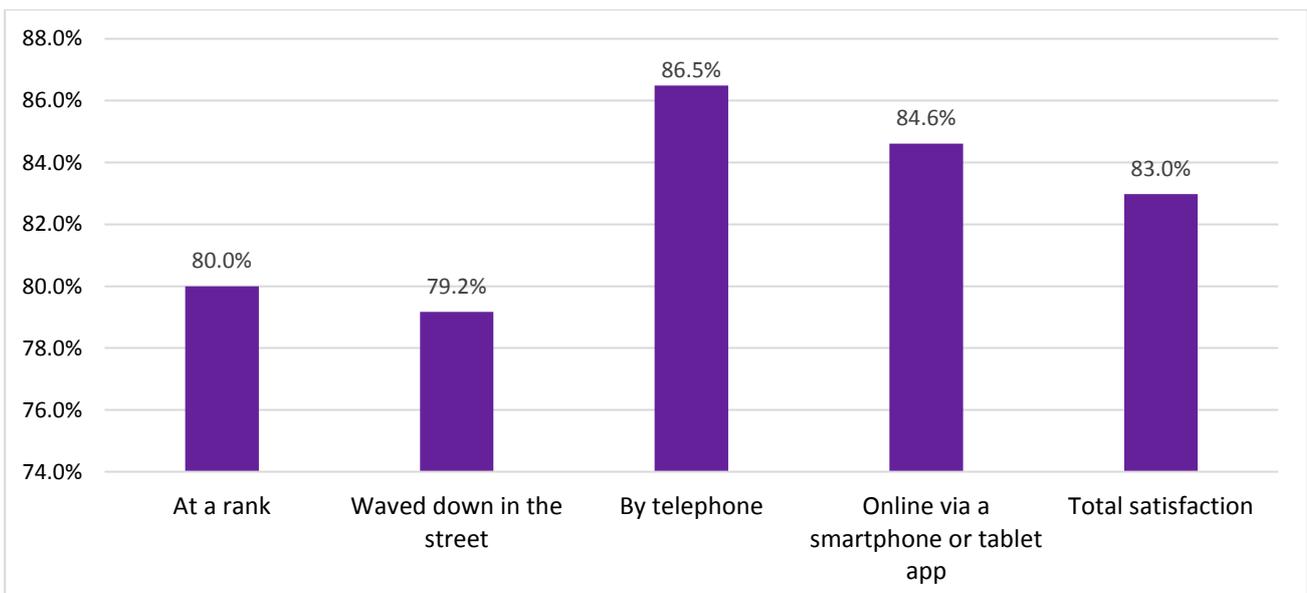
Those making a trip were asked how they obtained their taxi. Figure 5.2 details the results. The greatest proportion of respondents (39.4%) obtained their vehicle by telephone with a further 13.8% using an app or booking online. Some 21.3% of respondents had obtained a taxi at a rank.

Figure 5.2 How did you obtain your taxi in Edinburgh in the last 3 months?



Those making a trip were asked if they were satisfied with the time taken and promptness of its arrival. Satisfaction was high for all methods of hire (83.0%) however satisfaction was highest when pre booking a trip by telephone (86.5%).

Figure 5.3 Were you satisfied with the time taken and promptness of its arrival?



Respondents reported they waited between 0 – 120 minutes for their taxi with an average wait time of 9.3 minutes. Trip makers were then asked whether they were satisfied with the cost of their journey. Figure 5.4 shows that 46.2% of trip makers were satisfied with the cost of their journey and 53.8% were not satisfied with the cost of their journey.

Figure 5.4 Were you satisfied with the cost of your journey?

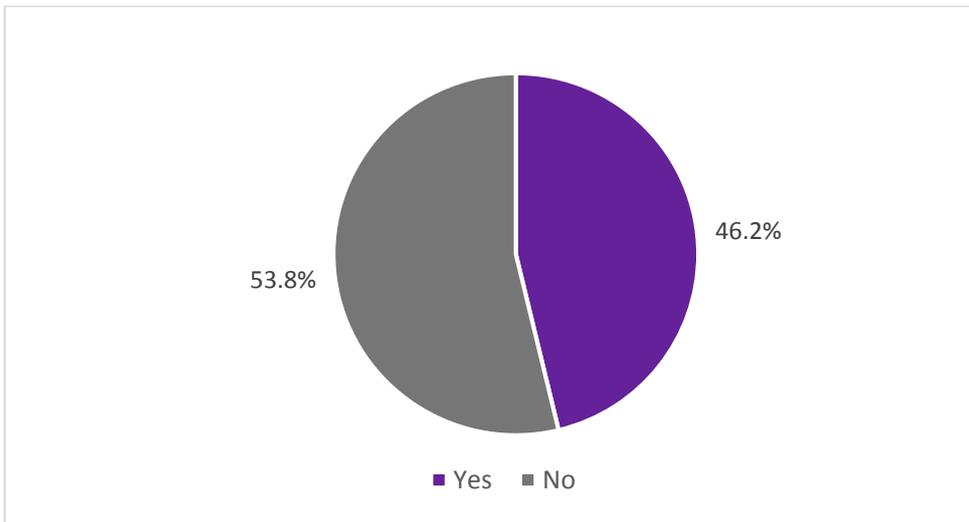
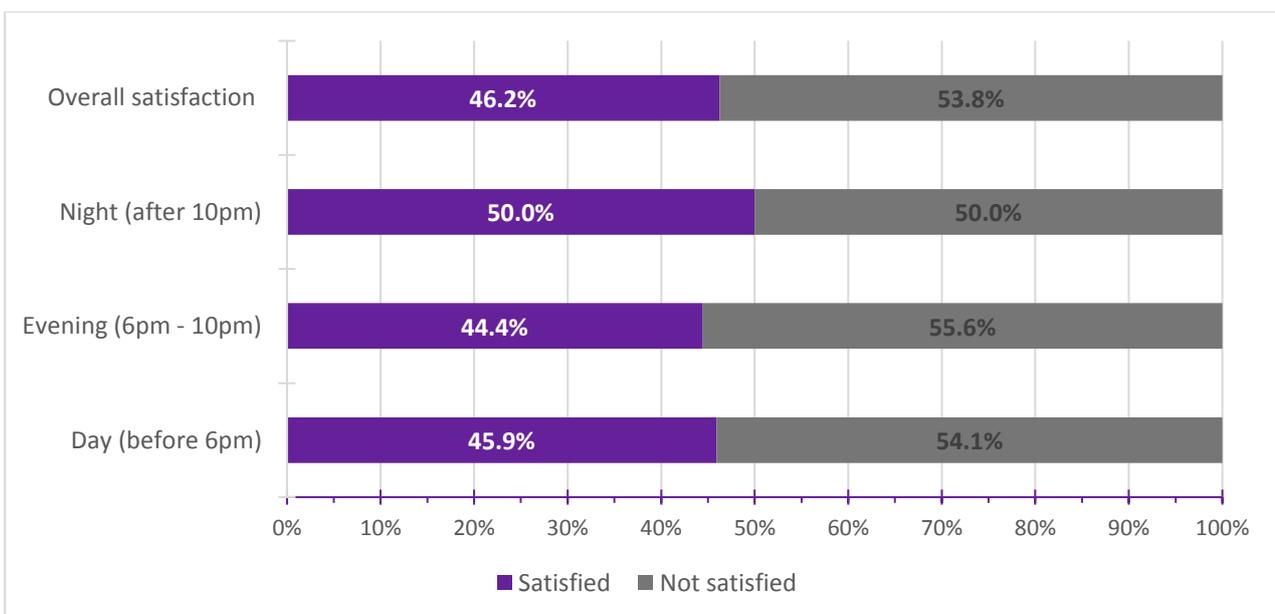


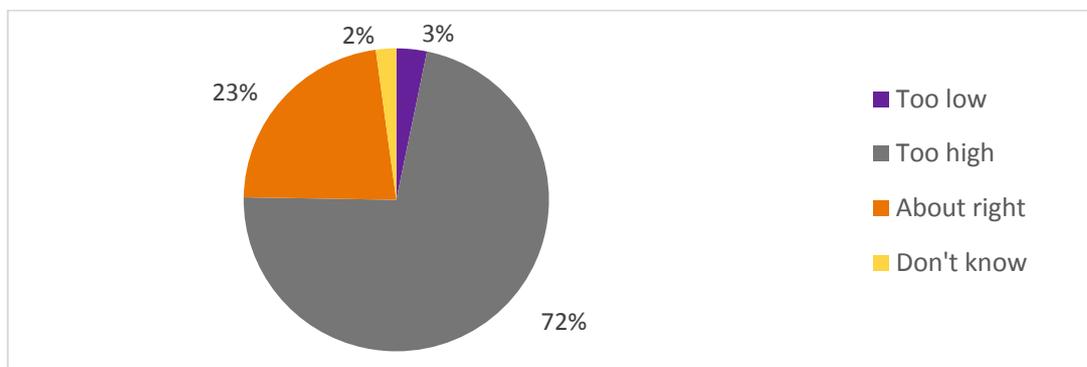
Figure 5.5 documents how this satisfaction with the overall cost varies depending on the time of day the taxi was obtained. Satisfaction levels were higher for those hiring their taxi at night.

Figure 5.5 Satisfaction with cost by time of day



Respondents were then asked a series of questions relating to fares. Firstly, respondents were asked whether they consider fares in Edinburgh to be too low, too high or about right. Almost three quarters (72%) of respondents considered fares to be 'too high' with a further 22.6% stating they were 'about right'.

Figure 5.5 Do you consider taxi fares in Edinburgh to be...?

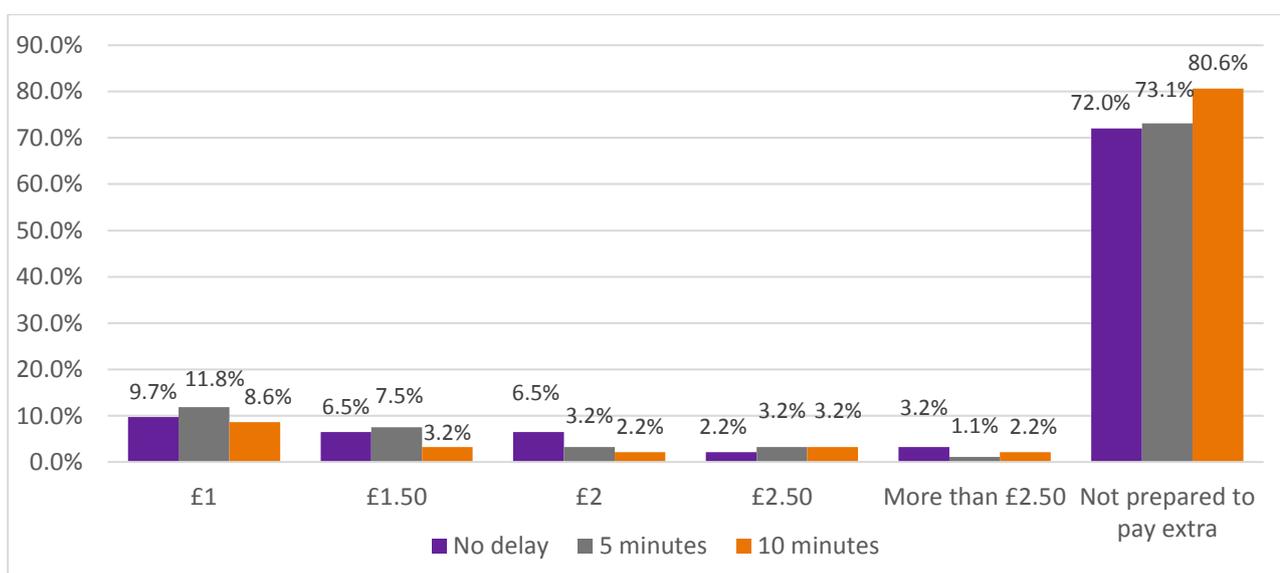


Respondents were then asked whether they were aware that taxi fares increase in price after 6pm. Over half of respondents (57%) were aware this was the case, with 39.8% stating they were unaware fares increased after 6pm.

Respondents were asked whether they would still travel by taxi after midnight if taxi fares also increased between midnight and 5am. Some 40.9% stated that they would still travel by taxi after midnight if fares increased with 40.9% stating they would not travel. A further 18.3% of respondents were unsure if they would travel between these times if fares were to increase.

Respondents were then asked to consider a series of scenarios in relation to the length of time they would be prepared to wait for a taxi. Respondents were asked whether they would be prepared to pay extra should their delay be limited to 5 minutes, 10 minutes or no delay. Figure 5.6 show that the majority of respondents would not be prepared to pay any extra. Some 72% of people stated that they would not be prepared to pay any extra if there was no delay at all.

Figure 5.6 What would you be prepared to pay to reduce delay?

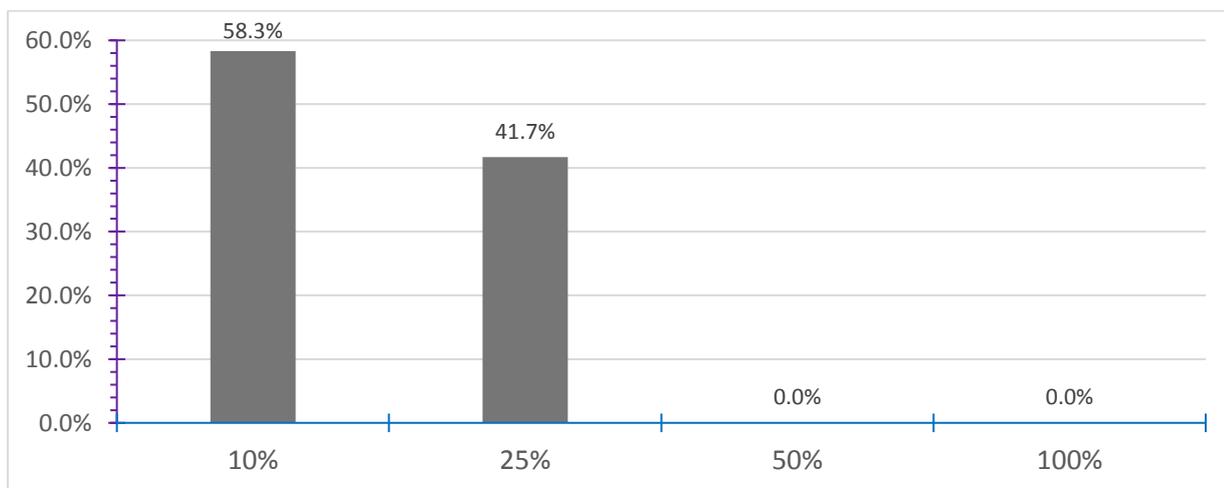


Given from the data obtained it is clear that the majority of people are not prepared to pay any more to reduce the length of time that they have to wait for a taxi.

Respondents were then asked about their intention to travel by taxi over the coming festive period and some 33.3% of respondents stated they do intend to travel by taxi over this period. A further 37.6% were unsure of their plans at this time. Of the 29% of respondents who were not planning on using a taxi over the festive period, 37% said they simply did not need to use a taxi and 22% stated they would travel by car. Some 29.6% stated they would not use a taxi over the festive period due to the cost.

Of those planning to travel by taxi over the festive period some 38.7% (12 people) stated they would be prepared to pay more if there was less delay in the time it took to obtain a taxi during this period. The majority (61.3%) of respondents (or 19 people) felt they would not be prepared to pay any extra during the festive period to reduce delay. Those respondents who were willing to pay more to reduce delay during the festive period were asked how much more they would pay. The results are shown in Figure 5.7, though the results should be interpreted with care given the low numbers required to answer this question (12 respondents in total). Seven respondents stated they would be willing to pay up to 10% more with a further 5 respondents willing to pay up to 20% more. In conclusion, the majority of respondents planning to travel by taxi over the festive period are not prepared to pay more in order to reduce delay.

Figure 5.7 How much more would you be prepared to pay to reduce the level of delay during the festive period?



5.3 Summary

Some 107 surveys were conducted online via City of Edinburgh Council's Consultation Hub, the analysis indicates that:

- There are relatively high levels of satisfaction with the length of delay encountered when obtaining a taxi (83%), with telephone bookings having the highest satisfaction levels at 86.5%;
- There are lower levels of satisfaction with the cost of the journey (46.2%);
- Slightly higher satisfaction levels for cost by those hiring their vehicle during the night (50%) as opposed to the day (45.9%) or evening (44.4%);

- Some 72% of respondents considered taxi fares to be too high and 22.6% considered them to be 'about right';
- Some 57% were aware that taxi fares increased after 6pm;
- Some 41% said that they would continue to use taxis after midnight if fares increased with an equal number stating they would not;
- The majority are not prepared to pay any more to reduce the length of time that they have to wait for a taxi; and
- A third of respondents plan to travel by taxi over the festive period but the majority of these (61.3%) felt they would not be prepared to pay any extra to reduce delay.

6. Consultation – Stakeholder

6.1 Introduction

In addition to the trade and public consultation a series of letters were issued to a range of stakeholders across Edinburgh. The following groups/organisations were contacted:

- Disability Organisations;
- Business representatives;
- Transport and travel providers;
- Local interest groups including health and education;
- Tourism representatives.

6.2 Stakeholder Responses

Responses were received from three organisations with a further two responses from individuals providing personal views rather than on behalf of their organisations. The responses are detailed below.

Edinburgh Airport

Edinburgh Airport is specifically detailed on the fare table and the Commercial Transport Manager provided comments on behalf of the Airport in relation to these matters. The Transport Manager noted that Edinburgh Airport contracts with a private hire car (PHC) operator and hackney taxi operator. These business partners operate from the Airport's official taxi rank and PHC loading area. Both are licensed operators in Edinburgh offering metered fares within the city area.

The current exit barrier fee charged by Edinburgh Airport is £2.80 to their business partner operators and at least £3.90 for all other users. They believe that this fee on the fare card should be amended from the current 80p to £2.80. They do not feel it should be set at the £3.90 level as this would overcharge passengers using their business partner operators. They also believe that their business partners should benefit from a volume discount. They incur additional costs of operating from Edinburgh Airport which non-business partners do not incur and setting all exit fees to £3.90 would put business partners at a competitive disadvantage.

Furthermore, they state they do not support a two-tier system (i.e. where business partners may add £2.80 but others add £3.90) as this would create confusion amongst passengers and adds additional burden on regulators to monitor compliance.

The current fare card allows Extra Payments' to be applied for both dropping off and picking up at Edinburgh Airport. The 'Airport Pickup' fee particularly is significantly less than what the Airport charge the vehicle drivers. They believe in a 'user pays' policy and that taxi drivers should be able to pass on Airport fees to the end user i.e. the passenger. At present vehicle drivers are being penalised because the fare table is not able to be updated in line with the Airport's tariffs. Conversely, they do not believe that Edinburgh Airport pricing policy should be constrained by the bureaucracy of amending the fare table. They would welcome a mechanism that allows the Airport 'extra payments' to be updated in conjunction with Edinburgh Airport tariffs, outwith the fare table consultation process, so that vehicle drivers are not penalised. This would also remove a disincentive to serve the airport.

The Airport feel that a problem currently exists where taxis dropping off passengers then also perform a pick-up in the Drop-Off Zone. This means drivers can apply both the £1.00 drop-off charge and the 80p pickup

charge but only incur a £1 exit barrier cost. This is also a violation of Airport Byelaws. Any increase in the pickup fee as outlined above should be accompanied by inclusion of parameters under which it can be applied. The Airport have proposed example wording:

“No passenger may be picked up from the Inner Drop-Off Zone and the Airport Pickup Extra can only be applied if picking up a passenger in an area designated for taxi and PHC pickups at Edinburgh Airport as specified by Edinburgh Airport”.

They believe this would make it a violation of licensing conditions if a passenger was picked up in our Drop-off Zone or charged the pick-up fee at any point other than a designated pickup area.

In summary, Edinburgh Airport state they would like to see:

- an increase in the ‘Airport Pickup’ fee in line with what they charge to their business partners;
- the ability to update the ‘Airport Extras’ in line with airport tariff changes outwith the consultation process;
- the ‘Airport Pickup’ rate to be applicable only when picking up passengers in designated areas defined by Edinburgh Airport; and
- wording that prevents pickups in their ‘Inner Drop-Off Zone’.

Sheraton Grand Hotel & Spa

A representative of the Sheraton Grand Hotel and Spa considered that the fare structure is clear and easy to understand in Edinburgh. They stated that taxis in Edinburgh could be improved if the fares were cheaper and more comparable with other large cities in Scotland. However, they also noted that taxi services in Edinburgh could be improved if there were more vehicles at peak times and that an increased tariff after midnight may improve vehicle availability. They believed there should be a focus on increasing the number of vehicles available in key areas such as George Street, Lothian Road and Princes Street.

The representative considered that the Edinburgh festive taxi tariffs are easy to understand. They believe more drivers should be encouraged to work over the festive period as there is generally a lack of available drivers over this period. They considered that any increase in tariff should benefit the drivers to encourage them to work the festive season. They felt such a tariff should cover the periods:

- Christmas Eve and Christmas Day – day and night
- New Year’s Eve and New Year – day and night.

The Place Hotel

A representative of the Place Hotel noted that they do not use black cabs as a rule as their guests and staff have complained about their cost. They now have an agreement with a local private hire car firm in place for their guests and staff which is 25% cheaper than standard taxi fares.

Individual feedback from a member of the public 1

A member of the public felt that the timings of the current tariffs were not logical or in line with those in other cities. For example, it is surprising the night-time tariff in Edinburgh starts at 6pm as for many people this is still considered daytime and not an unsociable hour. It would seem strange that a taxi at just after 6pm and a taxi just after 4am would be subject to the same tariff and cost the same. Likewise, it seems fair to charge more for taxis at 6am given that this is still a pretty unsociable hour. With all of that in mind, they would support moving the night tariff to be 7pm-7am, and potentially introducing a higher rate late night tariff from 1am if the price in the earlier evening was reduced correspondingly.

It was also considered that the 5% fee to pay by credit/debit card is now out of date. Certainly, removing the fee would be welcome in an age where one can pay contactless without surcharge for most goods and services. Even Lothian Buses are trialling contactless payments without surcharge. Keeping the fee would make taxis seem less attractive than other options like Uber. It was noted that the fee would have to be removed from early 2018 to comply with the upcoming ban on card fees in the UK that commences in early 2018.

Individual feedback from a member of the public 2

A member of the public felt the Edinburgh taxi fare structure was “not particularly clear”. For example, they noted the fare table commences “Initial Hire not exceeding 516m” but does not explain what this means. It may be intended to mean that the distance from the pickup address to the destination does not exceed 516 metres but if so, it would surely be much clearer to say, “distance from pick up address to destination does not exceed 516 metres.” The Table needs to define what “m” is because unless the user understands “m” the Table is not understandable.

They felt that fares in the City of Edinburgh are higher than in most Scottish local authorities and noticeably so than in Glasgow. As a result, it was felt that many users will seek to travel before 6pm during the week to avoid paying the increased fare. It was noted that if fares were cheaper the demand by users for Taxis would increase. However, there is a risk that a reduction in Taxi fares would reduce the number of Taxis available for hire and drivers would opt to drive private hire cars rather than Taxis.

It was felt that taxi users would derive no benefit from a proposal to increase the tariff after midnight and that this should not go ahead. Whilst it may be true that an increase in fares after midnight would increase the number of Taxis on the road, it is difficult to see why the user should pay an extra charge after midnight in addition to the extra charge after 6 pm. In many cases a user will need a Taxi after midnight because a flight or a train has arrived later than expected. It is difficult to see why the user should be penalized for this inconvenience.

They noted that the current festive tariffs are reasonably easy to understand and interpret but they create anomalies. For example, where Christmas Eve is a Friday, a user wishing to use a Taxi to a Watchnight service will pay a particularly high fare and where Christmas Eve is a Saturday users taking a Taxi to church services on Christmas Eve and Christmas Day will pay particularly high fares.

It was felt that there should be a new festive tariff instead of two tariffs. The fares in Tariff 4 are considered by the respondent to be simply too high and should be abolished. Tariff 3 should apply throughout the Festive Period. To give Taxi drivers an incentive to turn out during this Period, they suggest an increase in Tariff 3 from £3.10 to £3.50 to compensate for the loss of income due to the suggested abolition of Tariff 4. It is not felt that there is a rational case in favour of tariff 4, which is why they suggest its abolition.

The respondent also felt that the explanation of the Airport Extra and its reference to the two drop off points at the Airport is unnecessarily complicated and needs to be simplified by stating “There are two drop off points at the Airport. There is a £1 charge for using the Inner drop off point but this can be reclaimed from the Airport if the Passenger is disabled. There is no charge for being dropped off at the Outer drop off point.”

No other written responses were received as part of the consultation exercise.

7. Fare Revision

7.1 Background and overall proposed increases

In May 2013, the Regulatory Committee took the decision to use CPI¹ as a means of calculating fare increases – this was based on a consultation with the trade. This was last applied in July 2014 and the increase of 2.1% was granted. However, due to the appeal being lodged with the Traffic Commissioner the increase did not come in to effect until November 2016. July 2014 values have been used as a baseline for this calculation.

In July 2014 when the last fare increase was populated the index stood at 125.20. From February 2016, CPI indices have been re referenced and published with 2015 = 100. Therefore, the re referenced figure for July 2014 is 99.9. As of January 2018, the index is 104.5 resulting in an increase of 4.6%. This is some way below the trades requested increases of 6% and 10%. To review the effect of these proposed increases Table 7.1 sets out the resultant cost of a 1 mile, 2 mile and 5 mile fare at Tariff 1.

Table 7.1 Proposed fares for 1, 2 and 5 mile journeys (Tariff 1)

	1 mile	2 mile	5 mile
Current	£3.60	£5.60	£11.35
4.6% increase	£3.85	£5.85	£11.85
6% increase	£3.85	£5.85	£11.85
10% increase	£3.85	£6.10	£12.35

Figure 7.1 compares the figures for a 2 mile journey to comparable cities. The average cost of the 2 mile fare across the cities is £5.74. Presently at £5.60 Edinburgh is below this average. Increasing the fare by 4.6% or 6% places Edinburgh slightly above this average. A 10% increase would result in the fare being just under that of the most expensive authorities of Birmingham and Bristol.

¹ The Consumer Price Index (CPI) is the official measure of inflation of consumer prices on the UK. The CPI calculates the average price increase as a percentage for a basket of 700 goods and services. The basket of goods and services chosen is intended to reflect changes in society's buying habits. The purchase of vehicles – new and second hand, taxi fares, and the operation of personal transport equipment are all included in the index.

Figure 7.1 Cost of a 2 mile journey across benchmarked cities.



Representatives of the trade have also suggested a number of other changes that they wish to see. These include:

- Amended Festive Tariff
- Changes to the flag
- Airport Charge

7.2 Amended Festive Tariff

The current festive tariffs (T3 and T4) are day dependent which can be confusing for the customer. If Christmas falls over a weekend the fare is greater than if it falls on a weekday. This can cause confusion to customers as they may not understand why the fare is significantly higher should they travel when Christmas Day falls on a Saturday or Sunday.

Trade representatives have differing views as to the amendments that should be introduced to these tariffs. Tables 7.2 and 7.3 attempt to illustrate the differences proposed by different trade groups.

Table 7.2: Comparison of proposed festive period amendments (Christmas)

	Christmas Eve	Christmas Day				Boxing Day			
	6pm	12am	6am	12pm	6pm	12am	6am	12pm	6pm
City Cabs	T3	T4	T4	T4	T4	T3	T3	T3	T3
ETA/Central/Unite	T4	T4	T3	T3	T3	T4	T3	T3	T4

Table 7.3: Comparison of proposed festive period amendments (New Year)

	New Years Eve	New Years Day				January 2nd			
	6pm	12am	6am	12pm	6pm	12am	6am	12pm	6pm
City Cabs	T3	T4	T4	T4	T4	T3	T3	T3	T3
ETA/Central/Unite	T4	T4	T4	T4	T4	T4	T3	T3	T4

8. Conclusions

8.1 General

This study has been conducted by CH2M on behalf of City of Edinburgh Council (CEC). The overall objective was to carry out a review of the taxi fare tariff in Edinburgh including a review of the current fare tariff and advising on any changes. In May 2013 the Regulatory Committee took the decision to use CPI as a means of calculating fare increases. Using CPI the increase applicable is 4.6%. Appendix 1 details the proposed farecard for this scenario. However, consultation with the trade identified that since the last review the running costs associated with operating a taxi have increased.

Discussions with the trade have been undertaken but the trade were unable to come to a consensus on the proposed changes.

Consultation with stakeholders has highlighted that there are varied opinions on the clarity of the current tariffs and fare table with some feeling fares were already high in comparison to other areas. It was noted that the night time tariffs come into operation at 6pm which is still very early and still considered daytime by customers. One stakeholder felt that there was a general shortage of drivers operating during the festive periods which could inconvenience customers and they should be encouraged to work at this time. It was noted by one respondent that the current tariffs create anomalies and it would be simpler for customers to understand one festive tariff.

The additional charges on the fare card relating to Airport pick ups and drop offs were also raised by stakeholders with the accompanying wording believed to be unnecessarily complicated and requiring simplification. In addition, the Airport feel that the fees to be passed onto the customers should be increased in line with the fee paid by their business partners (noting that other operators will still not be fully compensated).

The public consultation undertaken highlighted that although passengers report high levels of satisfaction with the length of delay encountered when obtaining a taxi, there are much lower levels of satisfaction with the cost of the journeys. A significant majority of respondents considered the current taxi fares to be too high and they would not be prepared to pay any more to reduce the length of time that they have to wait for a taxi at peak times of demand including the festive periods.

8.2 Recommendations for further discussion

Having undertaken the fares review CH2M have proposed a number of changes that merit further discussion with the trade representatives, council officers and councillors. Our recommendations cover:

- General Increase;
- Festive Tariff
- Extras
- Airport

General Increase

It is clear that Edinburgh currently has below average fares. Given the recent increases in vehicle costs and the inability to charge a fee for accepting credit cards in the future, fares in Edinburgh would benefit from an increase. However given the results of the public consultation, the increase needs to be set at such a level that won't prohibit people from travelling in a taxi.

Our recommendation would be to increase the flag to £2.50 on T1 and £3.50 on T2 and implement an increase of 4.6% on the increments. Tables 8.1 and 8.2 show the impact of all 4 options considered on a 1, 2 and 5 mile journey:

- Option 1 – 4.6% increase
- Option 2 – 6% increase
- Option 3 – 10% increase
- Option 4 – Increase flag to £2.50 on T1 and £3.50 on T2 and increase increments by 4.6%.

Table 8.1 Tariff 1

	1 mile	% increase from current	2 mile	% increase from current	5 mile	% increase from current
Current T1	£3.60	--	£5.60	-	£11.35	-
Option 1	£3.85	6.9	£5.85	4.5	£11.85	4.4
Option 2	£3.85	6.9	£5.85	4.5	£11.85	4.4
Option 3	£3.85	6.9	£6.10	8.9	£12.35	8.8
Option 4	£4.00	11.1	£6.00	7.1	£12.00	5.7

Table 8.2 Tariff 2

	1 mile	% increase from current	2 mile	% increase from current	5 mile	% increase from current
Current T2	£4.60	-	£6.60	-	£12.35	-
Option 1	£4.85	5.4	£6.85	3.8	£12.85	4.0
Option 2	£4.85	5.4	£6.85	3.8	£12.85	4.0
Option 3	£4.85	5.4	£7.10	7.6	£13.35	8.1
Option 4	£5.00	8.7	£7.00	6.1	£13.00	5.3

Festive Tariff

The current fare tariff is confusing. The fare varies according to which day of the week, Christmas falls. Our recommendation is to amend the tariff to be simpler and more transparent. We suggest:

- Christmas Eve 6am – 6pm – Tariff 2
- Christmas Eve 6pm – Boxing Day 6am – Tariff 4
- Boxing Day – 6am – 6am 27th December – Tariff 3
- New Year’s Eve p.m. – midnight New Year’s Day – Tariff 4
- January 2nd – all day – Tariff 3

We recommend applying a blanket 4.6% increase on both T3 and T4.

Table 8.3 Tariff 3 and Tariff 4

	1 mile	2 mile	5 mile
Tariff 3 current	£5.20	£8.00	£16.05
Tariff 3 proposed	£5.55	£8.35	£16.75
Tariff 4 current	£6.80	£10.40	£20.75
Tariff 4 proposed	£7.25	£10.85	£21.65

Extras

No amendments

Airport

Hires ending at Edinburgh Airport – no change – this to remain at £1

The Airport pick up charge should be worded to ensure that the fee can be recouped, without specifying the amount, provided the driver can evidence this. This would ensure that drivers can recoup the fee paid currently and if this changes in future.