Jacob Gemma

From:	Antoni Andrew on behalf of Chapman Helen (TPH)
Sent:	23 June 2021 16:15
To:	@heathrow.com
Cc:	@heathrow.com @heathrow.com
Subject:	For the attention of TfL Letter - Taxi Feeder Park & Forecourt Access Charge
Attachments:	Letter to I from TfL.pdf

Dear

Please find attached a letter regarding proposals for an increase to the Taxi Feeder Park fees and the introduction of a forecourt access charge.

Kind regards

Helen Chapman Director of Licensing, Regulation and Charging Transport for London

Transport for London



23 June 2021

Aviation Director Heathrow Airport Helen Chapman Director of Licensing, Regulation and Charging Transport for London

4th Floor, Zone 4BI 5 Endeavour Square Stratford, E20 I JN

[By email]

Dear

I'm writing in my capacity as TfL's Director of Licensing, Regulation and Charging in which I'm responsible for the licensing and regulation of taxi and private hire services in London alongside all road user charging services.

I am writing in relation to your proposal to increase the Taxi Feeder Park (TFP) fees, that you have indicated will take effect from 1 July this year. I have also been asked to relay the concerns of both taxi and private hire stakeholders to the proposed introduction of a forecourt access charge later this year.

I understand and sympathise with the financial challenges Heathrow Airport Limited (HAL) is facing as a direct result of the pandemic, which mean you are facing some difficult decisions. I'm sure you will also understand that the pandemic has had a significant impact on those that work within London's taxi and private hire industries, many of whom have suffered personal loss and financial hardship over the past 15 months.

Understandably the number of taxis using the TFP last year decreased significantly due to the various lockdowns and the associated reduction in demand for taxi services due to travel restrictions. I'm aware that under HAL's regulatory framework the TFP is required to operate on a cost neutral basis and that this is the main reason for the proposed increase in fees due to be implemented from 1 July this year.

The vast majority of taxi and private hire drivers are self-employed and while they have been able to work during the pandemic, we are told that the demand from passengers has reduced by around 80 per cent. Many drivers have not been able to access the financial support provided by the Government so have been without income for a year. As a result, they are facing very real financial hardship and the prospect of their vehicles being repossessed.

An increase to the TFP fee at this time would have a further detrimental impact on drivers and could deter taxi drivers from serving the airport. In turn this could mean even further increases to TFP would be required to achieve cost-neutrality. At this stage it is difficult to predict how London, and indeed the taxi trade, will recover from the impacts of the pandemic and at Heathrow but I know through regular discussions with taxi trade representatives that there is real concern about the affordability of such an entry fee into TFP and how it will be met by drivers.

You will already be aware that as the licensing and regulatory authority for London taxis, we are responsible for setting and reviewing taxi fares and tariffs. One of the

components of taxi fares is the ability for taxi drivers to charge a 'Heathrow Extra' fee. This 'Heathrow Extra' fee is currently set at £2.80 against a charge to drivers to enter TFP of £3.20 and was set following a review of taxi fares, a full public consultation and then consideration by TfL's Finance Committee. I'm sure you will understand that fixing a price point for the Heathrow Extra is always a difficult balance to help drivers recover their costs while not disadvantaging passengers.

As is always the case, if we were to consider making a change to the current Heathrow Extra fee of £2.80 this would require a full public consultation prior to a decision being made by TfL's Finance Committee, which would be a lengthy process. In the meantime, taxi drivers would have to continue footing the additional costs at a time when they can least afford it.

I am sure if the entry fee were to be kept at the same level it is currently set, as London recovers from the impacts of lockdown and as travel restrictions ease, it would encourage taxi drivers to return to the Heathrow TFP which, in turn, would assist Heathrow in recouping the costs and achieving cost-neutrality. I am hoping you may be able to explore an option which takes a longer-term view of reaching a cost neutral position, including through spreading cost increases over a number of years to enable demand to recover and reduce fees for drivers. TfL would welcome further conversations on this.

While writing, I'd like to draw your attention to the concern that both taxi and private hire stakeholders have expressed about Heathrow's plans to introduce a forecourt access charge and the financial impact this would have on individual drivers. As you will be aware, the central aim of the Mayor's Transport Strategy is for 80% of journeys in London to be made by sustainable modes by 2041. If implemented appropriately, the forecourt charge can be supportive of this ambitious goal; however, I would like to highlight the concern that drivers have expressed about the charge, recognising the significant financial strain they are currently under. Again, TfL would welcome further conversations on how this charge can be apportioned in an equitable way to drive sustainable mode shift while ensuring drivers of taxis and PHVs are not unfairly penalised.

I completely understand the cost pressures HAL is under, and the regulatory constraints within which it operates. I would be more than happy to arrange a meeting to discuss this matter in greater detail, to assess the options that are available to HAL and TfL, and to ensure that a fair approach is taken to help support licensed drivers as much as possible during these difficult times.

Yours sincerely



Helen Chapman Director of Licensing, Regulation and Charging Transport for London

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FW: LHR Taxi Feeder Park & Forecourt Access Charge

Maskell Dan on behalf of @heathrow.com>	Q No Response Required ••••
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18 March 2021 09:05-09:55 Microsoft Teams Meeting	
Original Appointment	
From: @heathrow.com> Sent: 17 March 2021 17:11	
To: ; Maskell Dan; Moody Thomas; . Cc:	
Subject: LHR Taxi Feeder Park & Forecourt Access Charge	
When: 18 March 2021 09:05-09:55 (UTC+00:00) Dublin, Edinburgh, Lisbon, London. Where: Microsoft Teams Meeting	

Microsoft Teams meeting

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Dan Maskell | Stakeholder Lead - Taxi and Private Hire

Stakeholder Advocacy and Engagement Team

Transport for London

Tel:

For up-to-date news and information regarding London Taxi and Private Hire matters follow us on Twitter @TfLTPH

Classification: Internal

Dear Heidi,

Please find attached a letter from **the second attached**, Aviation Director at Heathrow, on changes to the per unit cost of the taxi feeder park (TFP) at Heathrow.

If you have any questions on this, or would like further information, then please just let me know.

Many thanks,

Senior Public Affairs Manager Heathrow Airport Ltd



Heathrow Airport The Compass Centre, Nelson Road Hounslow, Middlesex, TW6 2GW

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Heathrow Airport Limited The Compass Centre, Nelson Road, Hounslow, Middlesex TW6 2GW

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W: heathrow.com

Thursday 28th January 2021

Dear Heidi,

You will be aware of the devastating impacts that this unprecedented pandemic has had on our business. We have had to make fundamental changes to our cost base and have reviewed every part of our business to find ways to save money. This has included cutting management pay, halving head office headcount, and reviewing our supply chains, third party contracts and capital expenditure. Yet despite these actions we still made losses of over £1.5bn in the first half of 2020 alone.

We are writing to inform you of the 2021 charge for use of the Taxi Feeder Park (TFP), one of the Other Regulated Charges (ORCs) at Heathrow, which is similarly adversely impacted by the COVID-19 pandemic. Regulation stipulates that ORCs paid to Heathrow cannot generate any profit or loss for the airport. ORCs operate on a strict cost-recovery basis for services which are provided solely by Heathrow, such as the TFP.

Due to the cost-recovery mechanism of ORCs, any revenue above or below the cost of operating the service is factored into the price for the following year. We have successfully reduced the size of contracts and service, lowering the costs for the TFP by £386k (24%) and further cost savings will continue into 2021. However, TFP revenue in 2020 was £1.4m lower than the costs of operating the service, and this is factored into the price for 2021.

The record-low passenger numbers in 2020 and continued low passenger volumes in 2021 mean that the per-unit cost for use of the TFP will be £8.37 (+VAT) from 1st February 2021. This reflects the current unprecedented situation we face due to COVID-19. We have been able to reduce this price from its original figure by underwriting half of the loss from 2020 into the 2022 price, even though this has not been possible for any other ORC.

We sincerely regret that the impact of COVID-19 has caused this price increase for TFP users. We have been working hard to explore alternatives to pricing which would avoid such an increase but have been unable to find a solution within the regulatory and financial frameworks.

I hope that this letter provides you with the information you need, but I would be happy to meet with you if you would like to discuss this further. Please do not hesitate to contact me if you have any questions.

Yours faithfully

Aviation Director, Heathrow Airport

Jacob Gemma

From:Chapman Helen (TPH)Sent:28 July 2021 11:47To:End of the second se

Good Morning,

Please find below, response from Helen to your email.

Many thanks

PA to Helen Chapman, Director of Licensing, Regulation & Charging 5 Endeavour Square Stratford E20 1JN

Dear

Thank you for your email.

I look forward to meeting with you and to discuss the TDOC and the Taxi Feeder Park fee later in August.

Your email is timely because we have recently met with senior private hire trade representatives and taxi trade representatives alongside the Deputy Mayor for Transport, Heidi Alexander and this was an agenda item at both those meetings.

These two issues are of significant concern to the trades in London, particularly with the financial challenges they are facing due to the pandemic.

As you know from my earlier letter, fares for the private hire trade are unregulated and so it will be a matter for private hire operators to determine how they will apply the £5 TDOC fee to passengers but I am sure many private hire operators, including those we met last week, feel that passing this fee onto passengers will result in a further drop in business. Some operators may require the driver of the licensed private hire vehicle (PHV) to pay the TDOC fee which will put additional pressure on driver licensees.

For taxis, we do regulate fares but the process for changing these is reasonably complex and takes a considerable period of time to go through a full public consultation process prior to introducing any new changes.

Taxi fares haven't been increased since January 2020, due to the pandemic, and we are currently considering the cost index figures for 2019 and 2020. Cost index figures for 2021 are expected to be known later this year and at that stage we are planning a public consultation with a view to new taxi fares coming into effect from April 2022. We can and will include proposals relating to the TDOC charge and the increased Taxi Feeder Park Fee in the consultation to gather views from taxi drivers and passengers, but given the timescales this is unlikely to help drivers in the interim period.

I would welcome further discussion when we meet on how these charges are levied in an equitable way to drive sustainable mode shift while ensuring drivers of taxis and PHVs are not unfairly penalised.

Kind regards

Helen Director of Licensing, Regulation & Charging Transport for London

From: @heathrow.com>
Sent: 22 July 2021 13:26
To: Chapman Helen (TPH) @tfl.gov.uk>
Cc: @dheathrow.com>
Subject: TDOC article in the Daily Mail

Classification: Internal

Hi Helen,

I wanted to share that the Daily Mail have published an article on the Terminal Drop Off Charge.

The Taxi trade has come out to say they should be exempt owing to COVID, with a quote from the National Private Hire and Taxi Association. Our comms team is correcting the article to ensure that it is clear that the objective is to change passenger travel behaviour, and for this charge to be passed to passengers, not paid for by taxis.

We have a meeting with you on 20th August, but ahead of that, are you able to share any progress on the expected timings for updating the meter, and help us respond to any queries and give reassurance to the taxi trade before we meet?

Kind regards,

Head of Surface Access Commercials



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TfL Letter - Taxi Feeder Park & Forecourt Access Charge



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