



Agenda Item 9

**Review Of Taxi Fare Scales
and other Charges**

Falkirk Council

Title: Review Of Taxi Fare Scales and other Charges
Meeting: Executive
Date: 14 August 2018
Submitted By: Director of Corporate and Housing Services

1. Purpose of Report

- 1.1 The purpose of this report is to advise of the responses received to consultation on the proposed changes to taxi fare scale recently undertaken.

2. Recommendations

- 2.1 The Executive is asked to agree to the proposed changes to the existing taxi fares and scales with effect from midnight 30th September.**

3. Background

- 3.1 On 12 June 2018, the Executive agreed a proposed increase in the current taxi fare scales and charges subject to consultation. A copy of the report considered by the Executive is appended. In accordance with the legislation, the proposed increases were advertised in the local newspapers and subject to a 4 week consultation. In order to widen the scope of the consultation, the Council's consultation hub on its website was also used.

4. Responses to the consultation

- 4.1 There were six responses received. Five came through the consultation hub and one letter direct to the licensing offices. The substance of each response is appended to the report but can be categorised into the following groups:-

Increased charges

One respondent to the consultation hub suggested that there should be no increase. Another suggested that the increase in the running mile should be no more than 10% whilst the proposed increase to the flagfall was excessive. Another respondent to the hub consultation suggested that the running mile should remain the same if the flagfall is increased. A letter was received providing an analysis of fuel prices from 2013 until the present day stating that an increase in fares cannot be justified.

Concessionary offering

Another consultation hub response suggested that there should be consideration of a concessionary fare for holders of bus passes.

Soilage charge

One respondent suggested that the soilage charge should be in excess of the current £40 but did not specify to what amount.

Public holidays

One respondent drew parallels with the eight public holidays enjoyed by Council staff and suggested that the Taxi fare scales should reflect this with the public holiday date of Falkirk Trades holiday Monday being removed and this date being a standard rate.

5. Consideration of the responses

- 5.1 Officers have carefully considered the comments received and would offer the following by way of a response.

Increased charges

- 5.2 The Retail price index since 2013 shows a cumulative effect of an increase in inflation of more than 12%. If the Taxi fares had increased annually in accordance with this measure then the current running mile cost would be higher than the 10% proposed.
- 5.3 It is correct that the cost of fuel has decreased since 2013; however, it has fluctuated and has been on an upward trajectory recently with world oil prices increasing. In considering the taxi fares it is not just the cost of fuel that is taken into account. Insurance, maintenance of the vehicle, depreciation and also the impact of revised policies such as the tightening of the age of vehicles are also relevant. In 2013, taxis and private hire cars were able to be replaced by vehicles that were no older than six years old. This policy was adjusted and is currently three years old for any new or replacement taxi/private hire car. The requirement to replace a vehicle with a younger car will have had a substantial financial impact on the trade.

Concessionary offering

- 5.4 The suggestion of introducing a concession for holders of bus passes is outwith the powers available to the licensing authority. The proposal could be the subject of wider discussion within the taxi trade through the taxi forum. It is of note that the taxi fare scales set by the Council are the maximum fares that

can be charged. There is nothing to prevent taxi companies or individual operators offering incentives to customers such as a discount for bus pass holders. It is also important to note that the Council operates the Taxicard Scheme which is available to those whose ability to walk or use a bus is seriously impaired.

Soilage charge

- 5.5 There have been discussions with the trade and at no point has the issue of an increase in the soilage charge been raised.

Public holidays

- 5.6 The composition of the public holiday dates are historic and have not been reviewed in recent years. It is suggested that this area and in particular the continuing relevance of the Falkirk Trades holiday Monday be included in the next review of the taxi fare scales.

6. Implications

Financial

- 6.1 There is no direct financial impact on the Council.

Resources

- 6.2 There are no resource implications arising from the report.

Legal

- 6.3 The legal implication arising from the report recommendations is that the Council continues to fulfil its duty to fix taxi fare scales at regular intervals in terms of section 17(2) of the Civic Government (Scotland) Act 1982.

Risk

- 6.4 None identified.

Equalities

- 6.5 The impacts on groups sharing protected characteristics is difficult to assess as there is a lack of data on user of taxis and the nature of journeys taken by particular groups. The proposed increases likely impact more on some taxi users such as low income households with no car including some older people and some people with disabilities. But this has to be seen against the general background of the increased being based on cost pressures and a frozen tariff for a period of 5 years. The structure of the proposed increase i.e. a greater weighting to the flag fall charge could raise an issue of disproportionate impact but this is unclear in the absence of supporting evidence.

Sustainability/Environmental Impact

6.6 There is no environmental impact arising from the contents of the report.

7. Conclusions

7.1 It is proposed that the flag fall is increased by 50p and that the “distance charge” is increased by 10% which would result in a change to 10p per 90 yards.

Chief Governance Officer

Author – Bryan Douglas, Licensing Co-ordinator 01324 501262,
bryan.douglas@falkirk.gov.uk
Date: 31 July 2018

Appendices

1. Summary of consultation responses.
2. Copy of previous report.

List of Background Papers:

No papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973.

Appendix 1

Review of Taxi fare scales and charges consultation responses received

Question – Do you have any comments on the proposed changes?				
Council Consultation Hub responses				
<ol style="list-style-type: none"> 1. None 2. Flag Fall is a 25% increase which seems excessive. Should be a maximum of 10% increase allowed for the running mile. There are 9 public holidays – Falkirk Council recognises 8 public holidays for employees. Surely this should be consistent and therefore the Falkirk Fair Monday should be a standard rate. 3. If the rise in costs is inevitable changes need to be made to public transport. I do not qualify for a state pension and have had a hip and knee replacement and suffer from epilepsy so do not drive. As there is no bus service my only option is to order a taxi which I do daily to Mary Square, Laurieston. If I only want a 70p paper it costs me £7.40. Taxi firms are also saying they be arriving in 5 minutes to gain the fare and sometimes it is 25 minutes before they arrive. Could you introduce an incentive in fares for people who show their bus pass, this way taxis would be more regular and taxi earnings would be increased. 4. Large increases – if the entry fee increases then the distance should remain as is. 5. Soilage charge should be more than £40 				
Individual letter response				
<ol style="list-style-type: none"> 1. I cannot fathom out why Taxi Fares need to be increased by 10%! Can you explain why please? From my analyses I'd suggest that an increase in fares cannot be justified – <ol style="list-style-type: none"> 1. The average price of fuel has fallen significantly since 2013 – hence an additional profit is being made as a result. Average prices below. In conclusion the price for both petrol and diesel has fallen for 3 out of the last 5 years which would have significantly increased income/ profits. In addition over the 5 year period the price of petrol has fallen by 10.29% and diesel by 12.6%. These are significant reductions. 2. In this time of austerity very few if any have received any income increase year on year that quantifies to an equivalent 10% increase over the last 5 years. What makes the Taxi industry a special case to deserve such a relatively large increase? 				
Year	Petrol	Per year %	Diesel	Per year %
2013	136		142	
2014	130	-4.5%	130	-8.35%
2015	115	-11.53%	115	-11.53%
2016	105	-8.69%	108	-6.08%
2017	118	+12.38%	120	+11.1%
2018	122	+3.38%	124	+3.03%
Overall		10.29%		12.6%

Draft agenda Item 10

Falkirk Council

Title: Review of Taxi Fare Scales and Other Charges
Meeting: Executive
Date: 12 June 2018
Submitted By: Director of Corporate and Housing Services

1. Purpose of Report

1.1 The report brings forward a proposal to increase the fare scale currently in use by all taxi operators licensed by the Council, with the intention of creating for a more appropriate charging structure for present conditions.

2. Recommendations

2.1 The Executive is asked to agree:-

- (1) to the proposed changes to the existing Taxi fares and scales; and**
- (2) to instruct the Chief Governance Officer to advertise the fare scales and charges to take effect from midnight on 31 August 2018 and,**
 - (a) In the event of any written representations being received in respect of the published proposals, a further report will be submitted to the Executive to allow them to be considered and,**
 - (b) In the event that no written representations are received the proposals will be held as confirmed and formally notified to the consultees.**

3. Background

3.1 The Civic Government (Scotland) Act 1982 imposes a duty on all Councils to fix, from time to time, the maximum charges for the hire of taxis. Although there have been several reviews of the charges in recent years, the last increase in the tariff was introduced in October 2013.

3.2 Before fixing any scales or undertaking such a review, the Council must:-

- (i) consult with persons or organisations appearing to them to be, or be representative of, the operators of taxis operating within their area;
- (ii) give notice of their intention by advertisement in a newspaper in its area stating, (a) the general effect of the proposals and the date when they propose that its decision will take effect; and (b) that any person may lodge written representations with respect to the proposals within

a period of one month after the date of the first publication of the notice;
and

(iii) consider any such representations duly lodged.

3.3 Once a decision on fares and other charges is taken (even if the review decision is to leave them unchanged), notice of that decision must be served on those persons and organisations who have been consulted as part of the process.

3.4 Operators of taxis can appeal against licensing authorities' decisions on tariff reviews. Appeals are made direct to the Traffic Commissioner for Scotland and should be submitted within 14 days of the decision.

3.5 As mentioned in paragraph 3.1 the Council last increased the fares and charges in 2013, when the trade proposed an increase in the running mile of 3% .The Executive agreed this proposal at its meeting on 18 June 2013. The most recent review concluded in 2016 with no change.

Matters to be taken into account when undertaking a fare review

3.6 The Scottish Government's Taxi and Private Hire Car Licensing: Best Practice for Licensing Authorities guidance, issued April 2012 advises that authorities should pay particular regard to advice contained in the Scottish Development Department Circular 25/1986. It states 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 standard of the licensing authority, of employing drivers and the prevailing level of wages and costs in related road transport industries. The public interest is best served by ensuring the maintenance of an adequate taxi service by giving the trade a fair return rather than depressing fares for social reasons, however understandable".

4. Consultation

4.1 The members of the Taxi Forum were identified as persons who are representative of operators of taxis and they were invited to make representations in respect of the taxi tariff at a meeting in April. In addition, soundings on the taxi fares were also taken from individual taxi operators who are not members of the Forum prior to the Forum meeting. All views received were discussed at the Taxi Forum in April 2018 and the following changes were suggested and agreed:-

(i) 50p increase on the flag fall and an increase in the running mile to be determined, with a suggestion of between 10%-20%

4.2 The trade acknowledged that whilst they had not sought any increase in the fares in recent reviews, mainly in light of historic low fuel prices, the landscape has now changed. Reference was made to the following issues:-

- Increasing fuel costs
- Increasing insurance costs
- Increasing maintenance costs

- Increased capital costs as a result of Council policy that replacement taxis/private hire cars must be no older than 3 years
- An increase in the fares would enable greater investment in technology

5. Taxi Tariff

Structure of Taxi Tariff

5.1 As part of the review of taxi fares in 2013, the general tariff was increased as follows:-

- The “distance charge” (i.e. the charge levied after the first 880 yards) was increased from 10p for every 102 yards or part thereof to 10p for every 99 yards travelled. This had the effect of increasing the ‘running mile’ cost from £1.73 per mile to £1.78 (3%).

5.2 The current fare table for taxis is attached as appendix 1.

Proposed changes to Tariff

5.3 The proposed increase on flag fall from the trade would have the effect of adding 50p to every journey. If the “distance charge” also known as the “running mile” was increased by 10% it would result in the “running mile” cost increasing from £1.78 to £1.96. This would equate to 10p for every 90 yards travelled.

Calendar Meters

5.4 In line with previous practice, a charge would require to be made for undertaking the necessary calendar meter recalibration tests and that the appropriate fee would require to be set at £14 on a full cost recovery basis. This represents no increase from when the tariff was last increased in 2013.

6. Considerations

6.1 In considering whether the current tariff structure should be changed, regard was given to the increasing trend in fuel prices. The Department of Energy and Climate Change issues weekly statistical data which includes reference to road fuel prices. The most recent information published on 16 May 2018 shows that diesel is, on average, 20p a litre higher than when the last tariff review was undertaken in 2016.

6.2 Although there has been a decrease in average car insurance costs in recent months, the current average cost is still 14% higher than in 2016 when the last review concluded.

6.3 The Council changed its policy in relation to the age of taxis and private hire cars being introduced onto the fleet, be it for a new operator licence or to replace an existing vehicle. In 2013 the age policy was changed from 6 years to 3 years on an annual basis. This had the effect of requiring new/ replacement taxi and private hire cars to be no older than 3 years old from 2016. This has introduced a financial burden on those who have had to replace their vehicles since 2016.

- 6.4 To set the current tariff rate in context, a table detailing Falkirk's position in terms of the running mile costs for a 2 mile journey, in comparison to other Scottish local authorities, is contained in appendix 2. Falkirk currently has the lowest rate in Scotland.
- 6.5 If the proposed changes to the fare scales set out in paragraph 5.3 were introduced, it would have the effect of increasing the cost of an average 2 mile journey from £4.70 to £5.44. This would move Falkirk to 22nd in the table when compared with other Scottish local authorities.

7. Implications

Financial

- 7.1 There is no direct financial impact on the Council.

Resources

- 7.2 There are no resource implications arising from the report.

Legal

- 7.3 The legal implication arising from the report recommendations is that the Council continues to fulfil its duty to fix taxi fare scales at regular intervals in terms of section 17(2) of the Civic Government (Scotland) Act 1982

Risk

- 7.4 None identified.

Equalities

- 7.5 The impacts on groups sharing protected characteristics is difficult to assess as there is a lack of data on user of taxis and the nature of journeys taken by particular groups. The proposed increases likely impact more on some taxi users such as low income households with no car including some older people and some people with disabilities. But this has to be seen against the general background of the increased being based on cost pressures and a frozen tariff for a period of 5 years. The structure of the proposed increase ie a greater weighting to the flag fall charge could raise an issue of disproportionate impact but this is unclear in the absence of supporting evidence. This could be further considered if representations are made following publication of the proposed increase.

Sustainability/Environmental Impact

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

8. Conclusions

- 8.1 In light of the increased costs faced by taxi operators it is proposed that the flag fall is increased by 50p and that the “distance charge” is increased by 10% which would result in a change to 10p per 90 yards.

Director of Corporate and Housing Services

Author – Bryan Douglas, Licensing Co-ordinator 01324 501262,
bryan.douglas@falkirk.gov.uk
Date: 30 May 2018

Appendices

Appendix 1 - Current Taxi Tariff

Appendix 2 - Spread sample of average cost of a 2 mile taxi journey in Scotland

List of Background Papers:

No papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973.



Falkirk Council
General Taxi Tariff
EFFECTIVE FROM 1 OCTOBER 2013

1. **TARIFF 1 - GENERAL TARIFF**

- FOR THE FIRST 880 YARDS OR PART THEREOF THERE IS A CHARGE OF £2.00
- BEYOND THE FIRST 880 YARDS, FOR EVERY ADDITIONAL 99 YARDS OR PART THEREOF THERE IS A CHARGE OF 10p

2. **TARIFF 2 - UNSOCIAL HOURS (TARIFF 1 + 25%)**

- JOURNEYS BEGUN BETWEEN 9PM AND 6AM
- JOURNEYS BETWEEN 9PM ON THE EVENING BEFORE A PUBLIC HOLIDAY UNTIL 6AM ON THE MORNING FOLLOWING THAT PUBLIC HOLIDAY*.

3. **CHRISTMAS & NEW YEAR DAY-TIME RATE (TARIFF 1 + 25%)**

- JOURNEYS BETWEEN 6AM CHRISTMAS DAY AND 9PM ON CHRISTMAS NIGHT
- JOURNEYS BETWEEN 6AM ON BOXING DAY AND 9PM ON BOXING DAY
- JOURNEYS BETWEEN 6AM ON NEW YEARS DAY AND 9PM ON NEW YEARS NIGHT
- JOURNEYS BETWEEN 6AM ON 2nd JANUARY AND 9PM ON 2nd JANUARY

4. **CHRISTMAS & NEW YEAR NIGHT-TIME RATE (TARIFF 1 + 50%)**

- JOURNEYS BETWEEN 9PM ON CHRISTMAS EVE AND 6AM ON CHRISTMAS DAY
- JOURNEYS BETWEEN 9PM ON CHRISTMAS NIGHT AND 6AM ON BOXING DAY
- JOURNEYS BETWEEN 9PM ON NEW YEARS EVE AND 6AM ON NEW YEARS DAY
- JOURNEYS BETWEEN 9PM ON NEW YEARS NIGHT AND 6AM ON 2nd JANUARY

5. **ADDITIONAL CHARGES**

- (a) WHERE A TAXI HAS TO WAIT FOR THE PASSENGER, A CHARGE OF 20P CAN BE MADE FOR EACH MINUTE.
- (b) WHERE A TAXI HAS BEEN BOOKED IN ADVANCE AN ENGAGEMENT CHARGE OF 30p CAN BE MADE.
- (c) WHERE THERE ARE MORE THAN 4 PASSENGERS A CHARGE OF 50p FOR EACH ADDITIONAL PASSENGER CAN BE MADE.
- (d) WHERE A PASSENGER'S BEHAVIOUR RESULTS IN A VEHICLE NEEDING TO BE CLEANED, THE DRIVER WILL BE ENTITLED TO CHARGE A CLEANING FEE OF £40.

*PUBLIC HOLIDAYS ARE GOOD FRIDAY, EASTER MONDAY, MAY HOLIDAY MONDAY, FALKIRK FAIR MONDAY AND SEPTEMBER HOLIDAY MONDAY.

THESE FARES ARE THE MAXIMUM THAT CAN BE CHARGED IN THE FALKIRK COUNCIL AREA.

ANY COMPLAINTS MAY BE MADE TO THE TAXI DRIVER, THE BOOKING OFFICE OR THE LICENSING SECTION ON 01324 501575

www.falkirk.gov.uk

COPY

**SPREAD SAMPLE OF COST OF A 2 MILE TAXI FARE FOR
SCOTTISH LOCAL AUTHORITIES AS AT MAY 2018**

1. East Lothian	6.80
2. Fife	6.60
3. Midlothian	6.22
4. Argyll & Bute	6.20
5. Shetland Isles	6.05
6. Aberdeenshire	6.00
7. South Ayrshire	5.90
8. Clackmannanshire	5.80
9. Glasgow	5.80
10. Highland	5.80
11. East Ayrshire	5.75
12. Scottish Borders	5.75
13 Stirling	5.70
14. Edinburgh	5.60
15. Renfrewshire	5.60
16. West Lothian	5.60
17. Orkney Islands	5.60
18. Dundee	5.58
19. Angus	5.50
20. Dumfries & Galloway	5.50
21. Moray	5.50
22. City of Aberdeen	5.40
23. Perth & Kinross	5.40
24. East Dunbartonshire	5.30
25. East Renfrewshire	5.30
26. West Dunbartonshire	5.20
27. Inverclyde	5.10
28. North Lanarkshire	5.00
29. Western Isles	4.85
30 South Lanarkshire	4.80
31. North Ayrshire	4.80
32. Falkirk	4.70