



Agenda Item

10

Review of Taxi Fare Scales and Other Charges

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