



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: 15 June 2021
Submitted By: Director of Corporate and Housing Services

1. Purpose of Report

- 1.1 The report details the statutory requirement to review the taxi tariff and outlines the views of the Taxi Forum and other members of the taxi trade.

2. Recommendations

2.1 The Executive is asked to agree:-

- (1) to adopt an unchanged tariff;**
- (2) to instruct the Chief Governance Officer to advertise the fare scales and charges to take effect from midnight on 1 October 2021 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) If 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. The last increase in the tariff was introduced in October 2018.

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 at the meeting of the Executive on 12 June 2018. The new tariff came into effect on 1 October 2018.
- 3.6 The Council agreed not to increase fares in 2019 and that the review be undertaken on an annual basis. Due to the pandemic, it was not possible for the review to be undertaken last year.

Matters to be taken into account when undertaking a fare review

- 3.7 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".
- 3.8 The impact of Coronavirus and the subsequent lockdowns have undoubtedly had a significant effect on the taxi trade with the formerly reliable customer/ business base disappearing. Although the trade has been supported by grants from the Scottish Government in 2021, not all drivers and operators fell within the criteria to benefit from this. Indeed, last year, a number of longstanding taxi and private hire drivers were not in a financial position to renew their licences.

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 March. The Forum trade members consist of the taxi businesses that account for approximately 270 taxi and private car operator licences. The Forum were not in favour of any increase in the taxi tariff currently. The Forum felt that the pandemic had suppressed a lot business and any increase in fares at this time might have a further adverse effect on business.
- 4.2 As a result of lockdown last year, the Licensing section had to change its method of working and moved from being office based to working remotely. This involved communication with licenceholders changing from traditional letter to that of email. Officers undertook an exercise to increase the amount of licenceholders with email addresses as this would be the preferred method of communication in the future.
- 4.3 In view of the large amount of email addresses now held by the licensing section, officers emailed approximately 200 operators to seek their views. Eleven responses were received. Six responses are in favour of no change and five advocate an increase of sorts. Some responses also contained comment relating to aspects of taxi policy. The collated views are attached as an appendix.

5. Taxi Tariff

Structure of Taxi Tariff

- 5.1 As part of the review of taxi fares in 2018, the general tariff was increased as follows:-
- Flag fall was increased by 50p to £2.50
 - For the first 880 yards the “distance charge” (i.e. the charge levied after the first 880 yards) was increased from 10p for every 99 yards travelled to 10p for every 90 yards. This had the effect of increasing the ‘running mile’ cost from £1.78 per mile to £1.96 (10%).
- 5.2 The current fare table for taxis is attached as appendix 1.

6. Considerations

- 6.1 In considering whether the current tariff structure should be changed, regard was given to the trend in fuel prices. The Department of Business, Energy and Industrial Strategy issues weekly statistical data which includes reference to road fuel prices. The most recent information published on 25 May 2021 shows that diesel is, on average, the same price per litre and petrol 1p per litre higher than when the last tariff review was concluded in October 2019.

- 6.2 According to figures published by moneysupermarket.com, the latest car insurance premium data shows that the average fully comprehensive policy in the first quarter of 2021 was £73, cheaper than in the last three months of 2020.
- 6.3 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 is currently placed 22 of 32 local authorities.
- 6.4 In light of this information, and the responses received from the Taxi Forum and the wide trade, the recommendation is that, on balance, no increase should be proposed this year. The balancing factor to the measures traditionally applied in considering the proposed tariff, are the unique circumstances of the pandemic and the resulting impact on the demand for taxis and private hire cars. This risk in raising the tariff by any substantial amount in response to this is that emerging demand for taxis is depressed by the increase. Some financial support funded by the Scottish Government has been available to drivers. Further support which will include operators was announced on 2 June

7. Testing Station

- 7.1 If an increase in the taxi fares is agreed, the taxi meters will require to be recalibrated by operators.
- 7.2 In the past, the testing station has checked each recalibrated meter for accuracy and then sealed the meter once the check has concluded.
- 7.3 The testing station closed to the public following lockdown last March. The testing station remains closed to the public, including taxi and private hire cars. As an interim measure, Operators have used private garages for the MOT of their vehicles and submitted a self-declaration in relation to the hackney test
- 7.4 The Fleet Manager has indicated that the testing station may be able to open in a reduced capacity to undertake recalibration checks and meter reseals. The cost for this process would be £14.

8. Implications

Financial

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

Resources

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

Legal

- 8.3 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

- 8.4 None identified.

Equalities

- 8.5 There will be no impact on groups sharing protected characteristics.

Sustainability/Environmental Impact

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

8.7 Conclusions

- 8.8 An unchanged tariff is recommended for public consultation.

Director of Corporate and Housing Services

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Date: 3 June 2021

Appendices

Appendix 1 - Current Taxi Tariff

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

Appendix 3 – Responses from licensed operators

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 2019

1. TARIFF 1 - GENERAL TARIFF

- FOR THE FIRST 880 YARDS OR 293.3 SECONDS OR A COMBINATION OF TIME AND DISTANCE THERE IS A CHARGE OF £2.50
- BEYOND THE FIRST 880 YARDS, FOR EVERY ADDITIONAL 90 YARDS OR 30 SECONDS OR A COMBINATION OF TIME AND DISTANCE 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 BEEN BOOKED IN ADVANCE AN ENGAGEMENT CHARGE OF 30p CAN BE MADE.
- (b) WHERE THERE ARE MORE THAN 4 PASSENGERS A CHARGE OF 50p FOR EACH ADDITIONAL PASSENGER CAN BE MADE.
- (c) 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

**SPREAD SAMPLE OF COST OF A 2 MILE TAXI FARE FOR
SCOTTISH LOCAL AUTHORITIES AS AT MAY 2021**

<u>Local Authority</u>	<u>£</u>
1. East Lothian	7.00
2. Fife	6.80
3. Glasgow	6.80
4. Edinburgh	6.75
5. Moray	6.60
6. Shetland Isles	6.60
7. Midlothian	6.22
8. Argyll & Bute	6.20
9. Clackmannanshire	6.10
10. Aberdeenshire	6.10
11. South Ayrshire	6.10
12. Scottish Borders	6.05
13 East Ayrshire	6.00
14. Aberdeen City	6.00
15. Orkney	5.80
16. Highland	5.80
17. Angus	5.70
18. Renfrewshire	5.70
19. Stirling	5.70
20. Dundee City	5.66
21. West Lothian	5.60
22. Falkirk	5.50
23. Dumfries & Galloway	5.50
24. East Dunbartonshire	5.50
25. Perth & Kinross	5.40
26. West Dunbartonshire	5.40
27. Inverclyde	5.34
28. East Renfrewshire	5.30
29. South Lanarkshire	5.30
30. North Ayrshire	5.30
31 North Lanarkshire	5.00
32. Western Isles	4.85

Review of Taxi fare scales and charges consultation responses received from licensed operators

(Individual Taxi Operator) – *While taxis are in decline due to covid I agree that fares should be frozen but think more should be done for Xmas new year tariff*

I also think the age limit on taxis should be eased by a year or two but put a mileage restriction on them so that people not putting cars on with high mileage that will protect the quality of taxi fleet

I also would ask that no of plates issued is stopped as per last survey done

(Individual Taxi Operator) - *Every thing is going up why shouldn't taxi fares go up also*

(Individual Taxi Operator) –*Hello Bryan,
Can I make a suggestion for the fares review please.*

As you know I have an 8 seat taxi. Currently my meter charges same as 4 seat and if I have additional passengers I can charge 50p per extra passenger. But this seems ridiculous. If a group of more than 4 didn't have access to my taxi they would need to pay for 2 taxis at double the cost. If I took a group into Edinburgh for instance the meter reads £40 I can only add a maximum of £2 for the other 4 passengers. I don't bother adding it. I think it would be fairer if I was allowed to charge 50% extra.

(Individual Taxi Operator) –*Hi Bryan thanks for the email regarding the tariff increase, I don't want any increase and agree to keep the tariff as it is at the moment.*

(Kerse Cabs) *Good evening Bryan
I totally agree with the decision no change To the tariff*

Can I also ask when you have the meeting about the age of the cars that are allowed on as taxis can you put my point across to help drivers get back on the road. I think 5 to 6 years old but maybe have a limit on how old they can stay on the road like no older than 10 years.

(Individual Taxi Operator) –*Hi Bryan,
I would like to add comments with regards to the taxi fares.
I believe fares should be increased to be in line with the increase in all other expenditure for example fuel, insurance and other household expenditure.*

(Individual Taxi Operator) –*I have no objections about not getting a tariff increase this year but maybe next year I would like to look for a higher flag start ie £3.00 - £3.20 for the first 1200 yards. Another point I would like to suggest is increasing the age to putting a new car on the road to make it 5 years instead of 3 years but after it is 10 years old it has to go off the road. Or make it 10 years for a electric car and wheelchair cars and 9 years for ie petrol diesel and hybrid cars that may encourage drivers to put more electric cars and wheelchair cars on the road*

(Individual Taxi Operator) –Hello,

My view towards any increase is a broadly based approach towards my own personal costs, my rent, council tax, fuel, tyres, food stuff, spares parts, car washes, operating costs for covid hygiene have all increased, not forgetting increased risk of serious illness or even death as a result of continuing to operate with in this trade, so i suggest an increase of tariff in line with everyone including falkirk council charges/rents its self!

(Individual Taxi Operator) –Dear sir,

In reply to your email regarding Taxi Fare Review, I feel we should be looking to increase fares by at least 5%, along with 30 pence added to the flagfall on T1 & T2.

I would like to make a number of relevant points to support this, though not necessarily in any order of merit.

The Office for National Statistics have released figures for April '21, which shows a substantial increase in the rate of inflation, which has more than doubled from 0.7% in March to 1.5% in April '21 and is expected to rise to 2.4% in the final three months of 2021, largely due to energy prices, and the rising cost of crude oil seeing motor fuel inflation rise at its fastest pace for more than four years.

Our last increase was October 2018.

Brexit has had an adverse effect on pricing and availability of parts, forcing us to pay premium prices for repairs and servicing to our vehicles.

According to Private Hire and Taxi Monthly, Falkirk Council is position 274 out of 364 councils in Britain on the fare scale, with a two mile fare on T1 being £5.50, with London Heathrow at the top, No. 1 spot with a two mile fare on T1 being £11.40. The average two mile fare nationally on T1 is now £6.00, Falkirk is £5.50.

More and more customers are now paying by card, so we lose a small percentage on these fares as we are not allowed to charge more than metered fare.

The vast majority, (if not all) the taxi drivers in the Falkirk area are self employed, and the lack of trade, and the lack of assistance and understanding by the Scottish Government during the Covid 19 crisis has left many independent operators struggling to stay in business. We are an essential service, part of the Public Transport Infrastructure, and as such need to be adequately compensated for the service we provide, so I would respectfully ask that you look carefully at this review for an increase. This is not about penalising the public for any shortfall in our income due to the pandemic, as some may be inclined to think, but simply to stay afloat as our costs, insurance, repairs etc. increase year on year.

Falkirk Councillors recently awarded themselves a 4% rise, the NHS was given a 4% rise, are we not also deserving of an increase?

I note with interest that the Falkirk Taxi Forum declined the offer of an increase, and in researching online, the minutes of the last meeting 8th March 2019, discovered there were six members of the taxi trade, two of

whom were or are taxi drivers, (John Kennedy and Tony McGookin). They do not represent me, or any other operators or drivers that I know, so for them to decline any increase on my behalf or the trade in general, is frankly ridiculous in my opinion, (no disrespect to them personally).

I would also ask for reinstatement of holiday tariffs, i.e. Good Friday, Easter Monday, May holiday Monday, Falkirk Fair Monday and September holiday Monday. It,s normal for people in the public and private sector to be paid extra for working on a public holiday, so why should the taxi trade be any different?

Survival in this industry has never been so precarious, nor misunderstood, as has been shown by the Government during this crisis, so getting it right, getting a fair balance as regards fare increases is essential.

Thank you for giving me the offer of my opinion, and I trust you will give careful consideration to the points I have made

(Individual Taxi Operator) –*I agree with the Taxi Forum. There should be no increase at this time. With the current issues with COVID a rise would only further alienate what little work these is*

(Individual Taxi Operator) –*Bryan,*

I believe there shouldn't be any change to the Taxi Tariff. It's been a difficult year for most people because of COVID-19. So I don't think we could justify an increase.