

**CIVIC GOVERNMENT (SCOTLAND) ACT 1982
TAXI FARE SCALE REVIEW**

1.0 EXECUTIVE SUMMARY

In terms of Section 17 of the Civic Government (Scotland) Act 1982, the Local Authority requires to fix maximum fares and other charges in connection with the hire of taxis operating in their area and to review the scales for taxi fares and other charges on a regular basis. The new fare structure requires to come into force by 28th January 2019. The fares were last reviewed by members on 18th January 2017 and took effect on 25th July 2017.

2.0 RECOMMENDATIONS

The Committee are asked to:

- Review the existing scales and publish them proposing a date when the proposed scales shall come into effect.
- Authorise the Head of Governance and Law to advertise the proposed changes to tariffs and to invite any responses within one month of the advertisement and report back to members at their meeting in December 2018.
- Should no objections or representations be received in relation to the proposal delegate authority to the Head of Governance and Law in consultation with the Chair of PPSL to conclude the review without the requirement for the Committee to consider a further report on the review.

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1. SUMMARY

1.1 In terms of Section 17 of the Civic Government (Scotland) Act 1982, the Local Authority requires to fix maximum fares and other charges in connection with the hire of taxis operating in their area and to review the scales for taxi fares and other charges on a regular basis. The new fare structure requires to come into force by 28th January 2019. The fares were last reviewed by the Council on 18th January 2017 and the decision not to increase the fares took effect from 25th July 2017:-

1.2 The current maximum fares are:

Tariff 1 £3.00 (hiring between 7am and 10pm)
Initial charge (860 yards or part thereof)
Subsequent charge (each 176 yards or part thereof) @ 20p

Tariff 2 £3.60 (hiring between 10pm and 7am)
Initial charge (860 yards or part thereof)
Subsequent charge (each 150 yards or part thereof) @ 20p

Tariff 3 £4.20 (public holidays)
Initial charge (860 yards or part thereof)
Subsequent charge (each 120 yards or part thereof) @20p

Charges in respect of soiling, waiting and telephone bookings are £100 (maximum), 35p per minute and 30p respectively.

2. RECOMMENDATIONS

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consultation with the Chair of PPSL to conclude the review without the requirement for the Committee to consider a further report on the review.

3. DETAIL

- 3.1** On 23rd August 2018 a letter was issued to all taxi operators requesting their views on taxi fares by 25th September 2018. As a result of the latest consultation the following responses have been received and are as follows:

Lorn

3 requested no increase be made.

1 respondent stated people would stop using taxis if the fares increased

1 respondent stated the fares are perfectly adequate.

1 respondent stated that he is happy with the fares as they are. The balance has to be right, ensuring customers pay a reasonable cost for a taxi service, compared with fewer people using taxis because the fare is too expensive.

5 respondents requested that they be altered as follows:-

1 respondent was non-specific.

1 respondent suggested a modest increase as it has been 4 years since the last increase and their expenses, such as insurance, fuel and garage charges have increased.

1 respondent suggested a change from Tariff 1 to Tariff 2 for weekend days (Saturday and Sunday). The last tariff rise was in 2014, however the fares in general are still ok.

1 respondent suggested Tariff 1 increase from £3.00 to £3.50. Due to rising costs and the high frequency of short distances hires. However the main reason is the increased risk faced by taxi drivers due to the volume of traffic since the revamp of Station Square in 2016.

1 suggested Tariff 1 increase from £3.00 to £3.50, Tariff 2 increase from £3.60 to £4.20 and Tariff 3 increase from £4.20 to £5.00. With the cost of fuel and insurance on the rise an increase in the start rate they were of the view that this would be the best option as many hires are short town hires. If the price per yardage was to increase this would make taxis unaffordable to many who live out with the town area. Even a 10p increase per 176 yards would add £5 to a 6 mile hire.

Mid Argyll

1 response was received requesting no increase be made. They stated any increase to current fares would be highly detrimental to their business and strongly feel they should remain as they are. An increase would encourage taxi customers to find alternative transport arrangements.

Cowal

No Responses were received.

Lomond

1 response was received requesting no increase be made. Due to lack of trade from the local bars and restaurants when they work mainly in the

evenings. Also with TOA now operating in both Argyll and Bute and West Dumbarton but with different tariffs for each area. Since the takeover their vehicles from Alexandria have been picking up in Helensburgh and surrounding areas on a regular basis, and they assume this is for fares to West Dumbarton and beyond at a cheaper rate.

Bute

1 response was received suggesting an increase due to fuel prices and taxi licence fees increasing.

Kintyre

No responses were received.

6 operators from Bute and Lorn areas have requested an increase. 3 Operators from Lorn have requested no increase. The 2 responses from Mid Argyll and Lomond have requested no increase. There has been no response from the operators in Cowal and Kintyre.

- 3.2** Enquiries were made with Highland Council and Aberdeenshire Council regarding their existing taxi charges for the purpose of comparison and the findings are noted below.

	Argyll and Bute Existing Fares	Aberdeenshire Council's Fares	Highland Council's Fares
Tariff 1	£3.00 860 yards then 176 @ 20p	£2.60 880 yards then 1/11 of a mile @ 20p	£3.00 785 yards then 98 @ 10p
Tariff 2	£3.60 860 yards then 150 @ 20p	£3.60 880 yards then 1/11 of a mile @ 20p	£3.30 560 yards then 92 @ 10p
Tariff 3	£4.20 860 yards then 120 @ 20p	£3.90 880 yards then 1/11 of a mile @ 30p	£3.90 444 yards then 74 @ 10p

It should be noted that Aberdeenshire Council are currently reviewing their fares and the proposed fare structure is to remain the same.

- 3.3** The Committee are advised that the National Statistics website detailed that in the month to mid-August 2018, the pump price of unleaded petrol rose by 0.8 pence per litre and the pump price of diesel also rose by 0.8 pence per litre. In the year to mid-August 2018, unleaded petrol has increased by 12.8 pence per litre and diesel has increased by 15.2 pence per litre. These represent an increase of 11 per cent for unleaded petrol and an increase of 13 per cent for diesel. The price of unleaded petrol in mid-August 2018 was 4.2 pence per litre lower than diesel.

- 3.4** Circular 25/1986 states 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, the costs of employing drivers, and the prevailing levels of wages and costs in related road transport industries. In the Secretary of State's view the public interest is better served by ensuring 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.

4. CONCLUSION

- 4.1** Members are now required to review the matter of taxi fares. As previously advised in terms of Section 17 the procedure for reviewing taxi fares has changed.

In carrying out a review, the licensing authority must-

- (a) consult with persons or organisations appearing to it to be, or to be representative of, the operators of taxis operating within its area,
- (b) following such consultation –
 - (i) review the existing scales, and
 - (ii) propose new scales (whether at altered rates or the same rates)
- (c) publish those proposed scales in a newspaper circulating in its area-
 - (i) setting out the proposed scales
 - (ii) explaining the effect of the proposed scales
 - (iii) proposing a date on which the proposed scales are to come into effect, and
 - (iv) stating that any person may make representations in writing until the relevant date, and
- (d) consider any such representations

In reviewing the matter of taxi fares members are invited to consider whether;

- A)** They wish to accept the general consensus from the 11 written responses received whereby 6 are requesting an increase and 5 are requesting that no increases to fares are made.

When considering all of the above proposals members may wish to have regard to:-

1. The lack of representation or response to the proposed review of taxi fare scales for or against from consultees. A total of 121 were consulted with 11 providing written representations.
2. The comparison of the general effect of Argyll and Bute's existing fares with those in place in Aberdeenshire and Highland Council.
3. The fluctuation in the price of fuel.

- B)** They wish to reaffirm the current scale of maximum fares previously reviewed by the Council on 18th January 2017 which came into force 25th July 2017 also having regard to the 11 written responses whereby 6 are requesting an increase and 5 are requesting that there are no increases to the taxi fares. Members may also wish to have regard to:-

1. The lack of representation or response to the proposed review of taxi fare scales for or against from consultees.
2. It should be noted that of the 6 requesting an increase to the fares 5 are from the Lorn area.

Members should be aware that any person or any persons or organisations appealing to the Traffic Commissioner to be representative of taxi operators in the area who operates a Taxi in an area for which scales have been fixed or in respect of which a review has been carried out will still have the opportunity to lodge an appeal to the Scottish Traffic Commissioner within a 14 day period.

5. IMPLICATIONS

5.1 Policy – None

5.2 Financial – None

5.3 Legal – The Council require to review taxi fares in terms of the Civic Government (Scotland) Act 1982

5.4 HR – None

5.5 Equalities – None

5.6 Risk – None

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