
**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 22nd October 2020. The fares were last reviewed by members on 24th October 2018 and took effect on 22nd April 2019.

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 Legal and Regulatory Support 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 on 19th August 2020.
- Should no objections or representations be received in relation to the proposal delegate authority to the Head of Legal and Regulatory Support 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 22nd October 2020. The fares were last reviewed by members on 24th October 2018 and took effect on 22nd April 2019.

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.

The current tariff card is attached as Appendix 1.

2. RECOMMENDATIONS

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- Should no objections or representations be received in relation to the proposal delegate authority to the Head of Legal and Regulatory Support 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.

3. DETAIL

- 3.1** On 6th May 2020 a letter was issued to all taxi operators requesting their views on taxi fares by 3rd June 2020. As a result of the consultation the following responses detailed below have been received:-

Lorn

5 requested no increases be made with the following reasons:-

- No need to raise taxi fares in Argyll and Bute at this time. I can only comment on this matter based on my own experience in my particular location.
- Due to the current situation with Covid-19 the area needs as much assistance as possible to recover. With this in mind I am of the opinion that to increase fares or any other charges would be a mistake at this time. Whilst the taxi business has suffered badly so have all businesses and residents. I feel that we can all help each other by keeping charges and fares at the current level.
- In view of the long period of time since the last increase and in normal circumstances I would suggest that consideration should be given to an increase on this occasion. However due to the effects of Coronavirus on everyone I think circumstances will be very difficult for all concerned and would therefore recommend that an increase be postponed for another year.
- Due to the current pandemic of Covid-19 many customers are not able to work and would therefore take a long time to recover financially. I would not agree to a fare increase this year.
- The fares should NOT be increased, they are expensive enough and people just don't have the money and there will be even less money about after the COVID 19.

Mid Argyll

1 response was received requesting no increase be made with the following reason:- Due to many reasons, including COVID 19, it would be our opinion that the level of fares in our area should remain the same as before with no increase at this time.

Cowal

2 responses were received, one requested no increase be made as given the current climate, they are happy for the Taxi Fare scale and charges to remain the same. The other response received requested that the review is postponed for at least six months to give everyone time to get back to working normally at this time as we are still living with the lock down state and not everyone is working to get a fair reflection at the minute. They are grateful for the fact that we are conducting this at this time but can't give a fair thought as when this pandemic is eased off fuel costs are likely to rise in a big way so to postpone would give us a fairer way to work out any increase that we may ask for.

Lomond

3 requested no increases be made with the following reasons:-

- I do not agree with any increase in taxi fares. I have been unable to work for two months due to Covid outbreak, when we are eventually able to work again it may take years to recover business lost we cannot afford to increase prices, it could be argued we should reduce prices.
- the fares should stay the same they are very expensive as they are and with this virus who knows what's going to happen when we go back is there going to be the same amount of people using taxis putting prices up does not help.
- I think the taxi rates should remain the same for the time being.

Bute

1 response was received suggesting a 30 pence increase in flag fall and leave the distance tariff as it is.

The reasons are as follow:

- 1) It has been several years since there was an increase and it is now well overdue.
- 2) Taxi license fees, fuel, maintenance, insurance and minimum wage rate have all increased significantly.
- 3) It is normally a small minority of Taxi operators in Argyll that object to an increase. It has previously been said at Licensing meetings that the Isle of Bute should be zoned as trade and expenses are very much different to that of the Mainland.

In terms of the proposal from Bute about a separate tariff, this would require it to be a separate taxi licensing zone. If members wished this to be taken forward it would require further work initially outwith this fare review to explore the potential implications.

Kintyre

1 response was received requesting no increase be made with the following reason:- I think we should keep the fares the same till next year. It's going to be hard to get customers back to using taxis especially in small towns as they will have been walking everywhere for 6 months or so and they might think they don't need taxis at all.

All operators throughout Argyll and Bute with the exception of 1 taxi operator on Bute have requested no increase be made.

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

	Argyll and Bute Existing Fares	West Dunbartonshire Zone 1	West Dunbartonshire Zone 2	Highland Council's Fares
Tariff 1	£3.00 860 yards then 176 @ 20p	£2.50 ½ of a mile then 1/19 th mile @ 10p	£2.70 For a distance not exceeding 5/11 th of a mile or waiting time not exceeding 3mins 45 secs (or both) then 1/17 th mile @ 10p	£3.00 785 yards then 98 @ 10p
Tariff 2	£3.60 860 yards then 150 @ 20p	£3.00 ½ of a mile then 1/21 st mile @ 10p	£3.20 5/11 th of a mile then 1/18 th mile @10p	£3.30 560 yards then 92 @ 10p
Tariff 3	£4.20 860 yards then 120 @ 20p	£4.10 ½ of a mile then 1/25 th mile @ 10p	£4.20 5/11 th of a mile then 1/20 th mile @10p	£3.90 444 yards then 74 @ 10p

It should be noted that West Dunbartonshire Council has 2 zones as follows:- Zone 1 relates to Dumbarton and the Vale of Leven area and came into force on 19th February 2019 and Zone 2 is for Clydebank and came into force on 27th February 2019. Highland Council's fares have been in force since 19th November 2018.

Argyll and Bute's current Taxi Tariff Card is attached as Appendix 1.

- 3.3** The Committee are advised that data from the AA's Fuel Price Report for April 2020 states that Unleaded prices have dropped 10.9 p/litre from 121.3 p/litre last month to 110.4 p/litre now. Diesel prices have dropped 8.4 p/litre from 124.0 p/litre to 115.6 p/litre. The price difference between diesel and unleaded has grown to 5.2 p/litre. Supermarket prices for unleaded now average 104.8 p/litre. The gap between supermarket prices and the UK average for unleaded has grown to 5.6 p/litre.
- 3.4** The recent taxi survey undertaken by LVSA in 2019 noted "that the Private Hire and Taxi Monthly magazine publish monthly league tables of the metred fares for taxis in Licensing Authorities in the UK. The Tariff 1 fares for a two mile journey (distance costs only) are compared and ranked. The lower the ranking (number), the more expensive the journey, compared with other authorities. The July 2019 table indicated that the fares in Argyll & Bute were ranked 103 out of 366 authorities listed. This indicates that taxis in Argyll & Bute are more expensive than for most authorities".
- 3.5** 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 13 written responses received whereby 11 are requesting that no increases to the fares be made, 1 is requesting a postponement and 1 is requesting an increase.

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 119 were consulted with 13 providing written representations.
2. The comparison of the general effect of Argyll and Bute's existing fares with those in place in West Dunbartonshire and Highland Council.
3. The fluctuation in the price of fuel.
4. The economic effect COVID 19 will have on our communities for the foreseeable future.

B) They wish to reaffirm the current scale of maximum fares previously reviewed by the Council on 24th October 2018 which came into force 22nd April 2019 also having regard to the 13 written responses whereby 11 are requesting that there are no increases to the taxi fares, 1 is requesting an increase and 1 is requesting a postponement. 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 those requesting no increases from the following areas:- 2 from Mid Argyll, Kintyre and Islay, 3 from Lomond, 1 from Cowal and 5 from Lorn.

4.2 Members further require to propose a date of which the proposed fares are to come into effect. It is recommended that this be 22nd October 2020.

4.3 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.

4.4 Members should note it is very difficult at this time to assess the impact of the pandemic on future taxi business costs and that consideration will be given to whether a further review of the taxi fare structure should be undertaken in 12 months time as opposed to the 18 months as required by the Civic Government (Scotland) Act 1982 having regard to the current circumstances surrounding COVID 19 and the economic impact on our communities and business.

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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APPENDIX 1

Argyll and Bute Council Civic Government (Scotland) Act 1982 Taxi Fares with Effect from 22 April 2019		
Tariff 1	Hirings from ranks or "flag" Hiring between 7am and 10pm	£3.00 20 pence
	Initial charge (860 yards or part thereof) Subsequent charge (each 176 yards or part thereof)	
Tariff 2	Hirings from ranks or "flag" Hiring between 10pm and 7am	£3.60 20 pence
	Initial charge (860 yards or part thereof) Subsequent charge (each 150 yards or part thereof)	
	Tariff 2 also applies to hirings from ranks or "flag" between 6pm and 10pm December 24 th , 6pm and 10pm December 31 st and between 7am 2 nd January and 7am 3 rd January	
Tariff 3	Hiring from ranks or "flag" between 10pm 24 th December and 7am 27 th December and 10pm 31 st December and 7am 2 nd January	£4.20 20 pence
	Initial Charge (860 yards or part thereof) Subsequent Charge (each 120 yards or part thereof)	

Soiling Charge - £100 maximum (with permission to display warning signs indicating that there may be an additional charge for any potential loss of earnings suffered as a consequence)

Waiting Time – 35 pence per minute commencement of journey, charged on a pro rata basis per second

Taxi called by means of telephone - 30 pence additional charge

Large Mini-bus type vehicles (carrying 5 or more passengers together at their own request) –

- a) Where Tariff 1 would apply – charge Tariff 2
- b) Where Tariff 2 would apply – charge Tariff 3
- c) Where Tariff 3 would apply – Surcharge £1.00

Fee by negotiation – for all journeys commencing within but finishing outwith Argyll & Bute, in a place of the above charges, such fares may be charged as prior to the acceptance of the hire, were proposed to the hirer and accepted by him/her

Ferry Fares – The hirer shall be liable for the cost of a return ferry fare for any journey involving a ferry