
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 22 April 2025. The fares were last reviewed by members on 21 June 2023 and took effect on 22 October 2023.

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
- Report back to members at their meeting on 19 March 2025 on objections or representations received.
- 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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TAXI FARE SCALE REVIEW

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 22 April 2025. The fares were last reviewed by members on 21 June 2023 and took effect on 22 October 2023.

1.2 The current maximum fares are:

Tariff 1 £3.45 (hiring between 7am and 10pm)
Initial charge (860 yards or part thereof)
Subsequent charge (each 176 yards or part thereof) @ 23p

Tariff 2 £4.14 (hiring between 10pm and 7am)
Initial charge (860 yards or part thereof)
Subsequent charge (each 150 yards or part thereof) @ 23p

Tariff 3 £4.83 (public holidays)
Initial charge (860 yards or part thereof)
Subsequent charge (each 120 yards or part thereof) @23p

Charges in respect of soiling, waiting and telephone bookings are £100 (maximum), 40p per minute and 35p respectively.

2. RECOMMENDATIONS

2.1 The Committee are asked to:

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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 24 October 2024 a letter was issued to all taxi operators requesting their views on taxi fares by 2 December 2024. As a result of the consultation exercise the following responses from the trade are detailed below:-

Lorn

1 response was received as follows:-

I believe an increase in taxi fares is necessary to keep up with the rising living costs. Alone the repair and service prices for our cars seems to go through the roof. Payments for insurance rising every year by big margins. My thought is to change the starting tariff by about 10%. That would be £3.80 Tariff 1, £4.55 Tariff 2 and £5.30 Tariff 3. If the 0.23 would be increased to 0.25 or 0.30 we could keep the prices by ending in 5p or 0p (no need for pennies anymore). Another option would be a change from tariff 1 to tariff 2 for the weekend from Friday 10pm to Monday 7am.

Mid Argyll

No responses were received.

Cowal

2 responses were received supporting an increase of 10% on the Initial Charge and 17% on the subsequent charge.

The following reasons were provided by one operator:

1. At the time of our last increase in 2019 the price of a new car was £13,500, this year we have updated our fleet at a cost of £20,500 per vehicle, an increase of over 50%
2. By the time the proposed increase would come into effect the minimum wage will have risen by 48%
3. Licensing costs have risen by 15% and Taxi Test costs by 19%
4. Fuel prices have risen between 10% and 50%. (Currently 10% higher)

As far as we are aware we are the only Operator in Cowal currently utilising our Booking Office License, employing 9 staff, which will also bring an increase in NI costs. Not including this extra cost, overall, our running costs have increased by an average of 20%. Whilst we feel an increase of 20% is closer to where we need to be, we are aware that a balance must be found which is why we propose a 10% increase to the Initial charge and 17% to the running mile charge. This should shield regular, short journey customers from the bulk of the increase. We have compared this increase with other areas and over 2 miles this would be similar to Highland (Aug 2024), East Ayrshire and Fife (June 24) councils fare structures

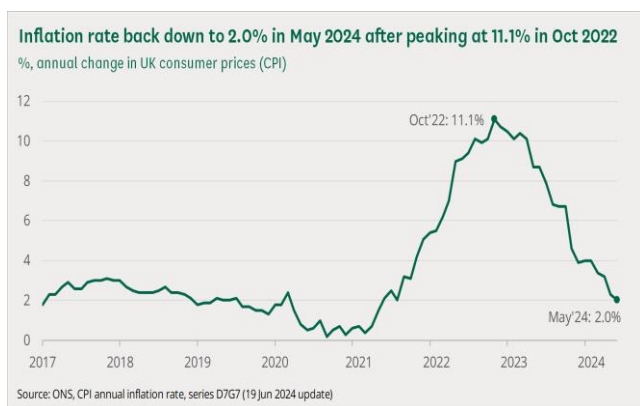
Lomond

2 responses were received supporting an increase as follows:-

I would suggest an increase of approximately 9%. The reasons for this being, the last increase in 2022 was 15%, giving us 23p increments on the meter leaving us fares such as £5.06 for many local fares. Inflation in 2022 was 9.2% and 2023 4.2%. A rough 9% increase to bring the daytime flag fall to around £3.75 and increments of 25p would make the fares far easier to deal with as well as covering some of the inflation costs over the past 3 years since the last increase.

Increase as follows: tariff 1 by 15%, tariff 2 by 20% and tariff 3 by 30%
Due to the fact everything else has increased by large increases for cost of living i.e. taxi insurance, servicing and repairs of taxi, taxi test price increase and taxi licensing price increase. This is a must if there is to be taxi service in Helensburgh and Lomond.

One response was received supporting no increase as follows:-
My opinion is that they should remain the same for the time being. Given that they were increased in April 2022 that was understandable as the inflation rate was also very high then. However although the cost of living has been rising the inflation rate has been dropping. I wasn't sure if the exact trend but my family sent me this graph which shows a better picture for the UK.



Bute

2 responses were received supporting an increase as follows:-

The fares need to be increased as everything else has gone up in price but our fares remain the same, I think the starting fare on tariff 1 should be set at £4 and the running charge should be rounded up to an even number so we don't have fares on our meter like £4.14 or £5.98 which most customers think are a bit strange.

The second response did not specify an increase but highlighted the following:

- 1) Our Fleet insurance has increased by £2200.00 this year alone.
- 2) Maintenance, repairs and vehicle parts costs have increased significantly.
- 3) We continue to upgrade our Fleet and last year purchased a wheelchair accessible vehicle at a cost of more than £36,000. If there is

an increase we plan to purchase another one as locally there are only 2 WAV's.

4) Employee costs have increased with Government increasing minimum wage and National Insurance.

5) Fuel is more expensive on the Island of Bute compared to mainland Argyll.

6) Argyll and Bute Council's Licensing and inspection fees have greatly increased.

7) It is normally a minority of mainland operators that object to an increase and we have previously requested that consideration is given to the Isle of Bute to be Zoned as our trade and expenses are very different to that of the mainland.

Kintyre

No responses were received.

3.2 Enquiries were made with Angus Council, East Lothian Council and Highland regarding their existing taxi charges for the purpose of comparison and the findings are noted below.

	Argyll and Bute Existing Fares	Angus Council	East Lothian Council	Highland Council	Dumbarton & Vale of Leven Zone
Tariff 1	£3.45 860 yards then 176 @ 23p	£4.20 1660 yards then 75 @ 10p	£3.60 Depending on distance/time add 24p	£3.70 Depending on distance/time add 10p	£3.50 Depending on distance/time add 10p
Tariff 2	£4.14 860 yards then 150 @ 23p	£4.70 1260 yards then 67 @ 10p	£4.80 Depending on distance/time add 24p	£4.00 Depending on distance/time add 10p	£4.10 Depending on distance/time add 10p
Tariff 3	£4.83 860 yards then 120 @ 23p	£6.20 1320 yards then 60 @ 10p	£6.00 Depending on distance/time add 48p	£4.70 Depending on distance/time add 10p	£5.50 Depending on distance/time add 10p

Please note when our last review was undertaken Highland Council's fares remain the same. Their most recent tariff card is dated from 13 August 2024.

3.3 The Committee are advised that data from the UK Government's website on accredited official statistics for Weekly Road Fuel Prices is as follows

from 25 November 2024:- Unleaded petrol = 135.37 Diesel = 141.40

When the decision was taken by the committee to increase fares by 15% on 19 January 2022 members may wish to consider the following prices recorded on 17 January 2022:-

Unleaded petrol = 144.8 Diesel = 148.7

3.4 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. As at October 2024 Argyll and Bute are ranked 167 out of 337 authorities listed. This indicates that taxis in Argyll & Bute are sitting in the middle of the table at present.

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 8 written responses received whereby 7 are requesting an increase to the fares and 1 is requesting no increase to the fares be 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 the trade. A total of 101 operators were consulted with only 8 providing written representations. Therefore only 7.9% of the trade has responded.
2. The comparison of the general effect of Argyll and Bute's existing fares with those in place in Angus Council, East Lothian Council, Dumbarton & Vale and Highland Council.
3. The fluctuation in the price of fuel.
4. The economic effect the cost of living crisis is still having on our local communities.

If members are minded to propose an increase in fares they require to detail the proposed new scales, taking into consideration the following views obtained from taxi operators:-

- Lomond – one supports an increase of approximately 9% and the other supports an increase on tariff 1 by 15%, tariff 2 by 20% and tariff 3 by 30%.
- Lorn – one supports an increase of 10%.
- Cowal – 2 support an increase of 10% on the Initial Charge and 17% on the subsequent charge
- Bute – one supports an increase with tariff 1 to £4 and the running charge rounded up to an even number. The second response received supporting an increase provided no proposals.

- B)** They may wish to reaffirm the current scale of maximum fares previously reviewed by the Council on 21 June 2023 which came into force 22 October 2023 whereby members agreed for fares to remain the same. A previous review undertaken in 2021/2022 agreed to increase fares by 15%. This decision took effect from 22 April 2022. Members may also wish to take into considerations that of the 8 written responses received, 7 are requesting an increase to the taxi fares and 1 is requesting no increase. 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. Only 7.9% of the trade have responded.
2. It should be noted that of the 3 responses from Lomond 1 is requesting no increase. Mid Argyll and Kintyre did not provide

any response.

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 22 April 2025.

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.

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 Fairer Scotland Duty:-none

5.5.1 Equalities - protected characteristics-none

5.5.2 Socio-economic Duty-none

5.5.3 Islands -none

5.6 Climate Change-none

5.7 Risk-none

5.8 Customer Service-none

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