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# NORTH AYRSHIRE COUNCIL

5<sup>th</sup> June 2019

## Licensing Committee

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**Title:** Civic Government (Scotland) Act 1982: Taxi Fare Scales Review

**Purpose:** To continue the statutory process for Review

**Recommendation:** That the Committee

- a) Consider representations on the proposed Scales;
- b) Fix new Scales, and
- c) Set a date on which the new Scales will become effective.

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### 1. Executive Summary

1.1 In terms of the Civic Government (Scotland) Act 1982, the Council as Licensing Authority is required to review the maximum fares that Taxis operating within North Ayrshire may charge, and to set Scales. The 1982 Act requires that this should be within 18 months beginning with the date on which the scales came into effect.

1.2 The fares approved by the Council are maximum fares which may be charged. Operators are able to discount these rates if they wish. While it is obligatory to review fare levels periodically, there is no obligation to alter the existing fares. These Scales do not set the fare for journeys starting or ending outside North Ayrshire, so this fare should be agreed between driver and passenger before the journey starts. The Scales do not apply to Private Hire Cars unless the driver and passenger agree before the journey starts to charge by meter.

1.3 The Review procedure proceeds in Stages, set by the 1982 Act. The Council 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 (Section 17(4A)(a));
- (b) following such consultation, review the existing Scales, and propose new Scales (whether at altered rates or the same rates) (Section 17(4A)(b));
- (c) publish those proposed Scales in a newspaper circulating in its area, setting out the proposed Scales (there is a period of at least one month after publication in which any person may make representations in writing) (Section 17(4A)(c));
- (d) consider any such representations, and fix the new Scales (Section 17(4A)(d));
- (e) within 7 days give notice of the new Scales to taxi operators and trade organisations, and advise them of their right to Appeal. Within 14 days of that notice, an

Appeal to the Traffic Commissioner may be made by any taxi operator or trade organisation (an Appeal postpones the operation of the new Scales); the Traffic Commissioner may decline to proceed with an appeal if he/she considers that the appellant's case is not representative of the view of a substantial proportion of the Operators of Taxis operating in the Council's area;

(f) give newspaper notice to the public of the new Scales (if there is no appeal, after the 14-day appeal period; if there is an appeal, when it is abandoned or determined).

## **2. Background**

2.1 The fare review process is now at Stage (d).

2.2 Earlier Stages were completed:

Stage (a) (Trade Consultation): the Committee met Taxi operators on 29 March 2019. A Minute of that meeting will be circulated at the Committee.

Stage (b) (proposal of new scales): the Committee met on 10 April 2019, to review the existing Scales, and to propose new Scales.

Stage (c) (newspaper publication of the proposed new Scales): this happened soon after, by advertisement in local newspapers.

2.3 The matter is calling at the Committee again after the statutory consultation period has expired.

## **3. Proposals**

3.1 The Committee should now

(a) review the current Scales,

(b) fix new Scales, and

(c) decide the date when the new Scales will take effect. This date will then be the start of the 18-month period leading to the next Review.

3.2 Appendix D contains the draft Scales proposed by the Committee at Stage (b), with one change. The change is that the proposed date when the new Scales would be effective has been moved forward 14 days. This is because the processing of the Committee decision (the recalibration of taxi-meters and the issue to Operators of new Fare Cards) places demands on Council resources.

3.3 In fixing Scales, the Committee should consider:

(a) Government Guidance on how Licensing Authorities should approach Fare Reviews;

(b) the current Scales;

(c) general economic indicators;

(d) the views of the Trade and any representations from the public.

(a) Government Guidance

3.4. The Government Guidance is in "Taxi and Private Hire Car Licensing: Best Practice for Licensing Authorities", Second Edition, April 2012, Paragraph 6.2. This adopts the guidance in Scottish Development Department Circular 25/1986. The relevant part of that is Paragraph 2.37:

*"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."*

(b) the current Scales

3.5. Appendix B ("Illustration of possible Tariff increases") was issued to Members and also the attendees at the Trade Consultation.

This document is in two parts:

(a) Current Scales (pages 1 - 2);

(b) Percentage increases, showing how the fares would change for different percentage increases (pages 3 - 4). The document estimates what example journeys would cost if the fares were to be changed by various percentages.

(c) general economic indicators

3.6. Appendix C ("Inflation Figures ('Consumer Price Index')") shows figures supplied by the Government's "Office of National Statistics" ("ONS"). The main index is the "Consumer Prices Index (All Items)" (CPI), but there are also many series of statistics which measure particular quantities. Following the Government Guidance quoted above, the Clerk has collected statistics which appear to be relevant to the Taxi Fare Review. Appendix C shows the CPI and also

'PURCHASE OF VEHICLES'

'MAINTENANCE & REPAIRS'

'PETROL'

'DIESEL'

The ONS publishes regular updates on these statistics (in Appendix C, see "Release Date"). To allow comparison between different times, ONS gives figures as indices, meaning that the figures are stated relative to a stated base year or month. The base year or month always has a value of 100, so other times have values which are greater or less than 100 to show how they compare with the base year or month. This means that the values at two points in time can be compared, for example at the start and end of the 18-month review period. The figures shown in Appendix C are from the

most recent ONS monthly Statistical Bulletin. The figures there are counted from when the Licensing Committee fixed the current Scales.

3.7. It is open to anyone participating in the review process to suggest that the Licensing Committee should consider other factors.

(d) the views of the Trade and Public

3.8. These are set out in Appendix A, in so far as stated at the Consultation meeting. Where individuals have made written representations, these will be copied in Members' background papers. At the date of preparing this Report (23 May 2019) there were no representations from the general public.

#### 4. Implications/Socio-economic Duty

<b>Financial:</b>	The Taxi fare structure has substantial implications for both the trade and the community. In addition, legal costs to the Licensing Authority may arise if the fare review becomes subject to an appeal to the Traffic Commissioner, which may affect future Licence fees.
<b>Human Resources:</b>	None
<b>Legal:</b>	Possible appeal to the Traffic Commissioner.

<b>Equality/Socio-economic Duty</b>	None
<b>Children and Young People:</b>	None
<b>Environmental &amp; Sustainability:</b>	None
<b>Key Priorities:</b>	An effective licensing system, for example monitoring the 'fit and proper' status of licence-holders, the safety of vehicles, and the suitability of premises, helps progress towards one Priority Outcomes of the draft North Ayrshire Council Plan 2019-2024: "North Ayrshire's residents and communities are safe."  Setting fares at a level which balances the needs of taxi operators and passengers and is likely to maintain the level of service provision is consistent with the Mission stated in the Plan: "Working together to improve well-being, prosperity and equity in North Ayrshire."
<b>Community Benefits:</b>	Not applicable, as the Report does not relate to tendering or procurement exercises.

## **5. Consultation**

5.1 The consultation required by statute has already taken place.

## **6. Conclusion**

6.1 The Committee is requested to proceed as recommended.

Andrew A Fraser  
Head of Democratic Services

For further information please contact **William O'Brien, Solicitor (Licensing)**, on **01294 324305**.

## **Background Papers**

Appendix B - Illustration of possible Tariff increases

Appendix C - Inflation Figures (Consumer Price Index)

Appendix D - draft proposed Fare Card

**North Ayrshire Council**  
**Taxi Fare Scales Review (2019)**

Illustration of possible Tariff increases:

- (A) Current Scales (from 11 Dec 2017)
- (B) Percentage increases

Rounding means that some of the figures are not exact:  
Figures are rounded-up to the next higher 10p

**(A) Current Scales**

<b>Tariff 1 (Day (7.00 am to midnight), unless T2 or T3)</b>	
Flagfall (first 3/4 mile)	2.80
Mileage	1.80
Examples:	
1 mile journey	3.30
2 mile journey	5.10
3 mile journey	6.90
4 mile journey	8.70
5 mile journey	10.50

<b>Tariff 2 (night, Sundays, Public Holidays, DAY across Zones, Xmas Eve, Hogmanay)</b>	
Flagfall (first 3/4 mile)	3.20
Mileage	1.90
Examples:	
1 mile journey	3.70
2 mile journey	5.60
3 mile journey	7.50
4 mile journey	9.40
5 mile journey	11.30

**(A) Current Scales**

<b>Tariff 3 (NIGHT across Zones)</b>	
<i>T1 plus 50%</i>	
Flagfall (first 3/4 mile)	4.20
Mileage	2.70
Examples:	
1 mile journey	4.90
2 mile journey	7.60
3 mile journey	10.30
4 mile journey	13.00
5 mile journey	15.70

<b>Tariff 4 (Xmas Day, New Year's Day)</b>	
<i>Double T1</i>	
Flagfall (first 3/4 mile)	5.60
Mileage	3.60
Examples:	
1 mile journey	6.60
2 mile journey	10.20
3 mile journey	13.80
4 mile journey	17.40
5 mile journey	21.00

**(B) Percentages**

Part (B) shows how the fares would change for different percentage increases.

FOR EXAMPLE:

The current Tariff 1 flagfall is £2.80 and the mileage is £1.80.

If the Tariff had a 1.5% increase, the flagfall would be £2.90 and the mileage would be £1.90.

The charges for journeys would change:

a 1 mile journey would increase from £3.30 to £3.40.

a 2 mile journey would increase from £5.10 to £5.30.

a 3 mile journey would increase from £6.90 to £7.20.

<b><u>Increase (%)</u></b>	<b><u>0.5%</u></b>	<b><u>1.0%</u></b>	<b><u>1.5%</u></b>	<b><u>2.0%</u></b>	<b><u>2.5%</u></b>	<b><u>3.0%</u></b>
<b>Tariff 1 (Day)</b>						
Flagfall	2.90	2.90	2.90	2.90	2.90	2.90
Mileage	1.90	1.90	1.90	1.90	1.90	1.90
Examples:						
1 mile journey	3.40	3.40	3.40	3.40	3.40	3.40
2 mile journey	5.30	5.30	5.30	5.30	5.30	5.30
3 mile journey	7.20	7.20	7.20	7.20	7.20	7.20
4 mile journey	9.10	9.10	9.10	9.10	9.10	9.10
5 mile journey	11.00	11.00	11.00	11.00	11.00	11.00

<b>Tariff 2 (night etc)</b>						
Flagfall	3.30	3.30	3.30	3.30	3.30	3.30
Mileage	2.00	2.00	2.00	2.00	2.00	2.00
Examples:						
1 mile journey	3.80	3.80	3.80	3.80	3.80	3.80
2 mile journey	5.80	5.80	5.80	5.80	5.80	5.80
3 mile journey	7.80	7.80	7.80	7.80	7.80	7.80
4 mile journey	9.80	9.80	9.80	9.80	9.80	9.80
5 mile journey	11.80	11.80	11.80	11.80	11.80	11.80

**(B) Percentages**

<b><u>Increase (%)</u></b>	<b><u>0.5%</u></b>	<b><u>1.0%</u></b>	<b><u>1.5%</u></b>	<b><u>2.0%</u></b>	<b><u>2.5%</u></b>	<b><u>3.0%</u></b>
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<b>Tariff 3 (NIGHT across Zones)</b>						
<i>T1 plus 50%</i>						
Flagfall	4.30	4.30	4.30	4.30	4.30	4.40
Mileage	2.80	2.80	2.80	2.80	2.80	2.80
Examples:						
1 mile journey	5.00	5.00	5.00	5.00	5.00	5.10
2 mile journey	7.80	7.80	7.80	7.80	7.80	7.90
3 mile journey	10.60	10.60	10.60	10.60	10.60	10.70
4 mile journey	13.40	13.40	13.40	13.40	13.40	13.50
5 mile journey	16.20	16.20	16.20	16.20	16.20	16.30

<b>Tariff 4 (Xmas, New Year)</b>						
<i>Double T1</i>						
Flagfall	5.70	5.70	5.70	5.80	5.80	5.80
Mileage	3.70	3.70	3.70	3.70	3.70	3.80
Examples:						
1 mile journey	6.60	6.60	6.60	6.70	6.70	6.70
2 mile journey	10.30	10.30	10.30	10.40	10.40	10.50
3 mile journey	14.00	14.00	14.00	14.10	14.10	14.30
4 mile journey	17.70	17.70	17.70	17.80	17.80	18.10
5 mile journey	21.40	21.40	21.40	21.50	21.50	21.90

### **Multipliers (for percentages)**

1.005      1.010      1.015      1.020      1.025      1.030

**0.10** Mileage Unit Charge (in Pounds) (MUC)  
(ALL TARIFFS)

#### **Tariff 1**

The MILEAGE charge is charged in 10p units.

0.1

How far (in yards) does 10p take the car?

A mile has these UNITS:

18.0

Each unit takes the car (yards):

97.8

A quarter mile is 440 yards, or

4.5 of these UNITS, which is rounded-up

**5.0** units of 10p each (UNIT\_T1)

#### **Tariff 2**

The MILEAGE charge is charged in 10p units.

How far (in yards) does 10p take the car?

A mile has these UNITS:

19.0

Each unit takes the car (yards):

92.6

A quarter mile is 440 yards, or

4.8 of these UNITS, which is rounded-up

**5.0** units of 10p each (UNIT\_T2)

#### **Tariff 3**

The MILEAGE charge is charged in 10p units.

How far (in yards) does 10p take the car?

A mile has these UNITS:

27.0

Each unit takes the car (yards):

65.2

A quarter mile is 440 yards, or

6.8 of these UNITS, which is rounded-up

7.0 units of 10p each (UNIT\_T3)

#### **Tariff 4**

The MILEAGE charge is charged in 10p units.

How far (in yards) does 10p take the car?

A mile has these UNITS:

36.0

Each unit takes the car (yards):

48.9

A quarter mile is 440 yards, or

9.0 of these UNITS, which is rounded-up

9.0 units of 10p each (UNIT\_T4)

**North Ayrshire Council  
Taxi Fare Scales Review (2019)**

**Inflation figures ("Consumer Price Index")**

	<b>Index Name</b>	<b>START</b>	<b>END</b>	<b>Change</b>
1	'ALL ITEMS'	104.9	107.6	2.6%
	CPI INDEX 00 (2015=100)			
	Series: D7BT			
	Release date: 22 May 2019			
2	'PURCHASE OF VEHICLES'	101.0	104.9	3.9%
	CPIH INDEX 07.1 (2015=100)			
	Series: L543			
	Release date: 22 May 2019			
3	'MAINTENANCE & REPAIRS'	105.2	109.6	4.2%
	CPI INDEX 07.2.3 : 2015=100			
	Series: D7ED			
	Release date: 22 May 2019			
4	'PETROL'	108.1	111.8	3.4%
	CPI INDEX 07.2.2.2, 2015=100			
	Series ID: L7FP			
	Release date: 22 May 2019			
5	'DIESEL'	107.5	115.7	7.6%
	CPI INDEX 07.2.2.1, 2015=100			
	Series ID: L7FO			
	Release date: 22 May 2019			

**Notes:**

- 1 Source: 'Office for National Statistics' website (<https://www.ons.gov.uk>).
- 2 To help comparison, statistics for values changing over time are often given as an INDEX number, with the value when the figures were first recorded being set at 100. Later values can then be shown relative to 100, so that the change between TWO later times can be shown as a percentage.
- 3 The current Fare Scales took effect on 11 December 2017.
- 4 Indicators are published monthly, and the figures shown are:  
START - December 2017  
END - April 2019  
'START' is the month when the current Fare Scales took effect.  
'END' is the month shown in the most recent ONS Release.



## **Fare Card with effect from Monday 22nd July 2019**

### **Tariff 1 (Day): (Tariff 5 if more than 4 passengers are carried)**

All journeys starting or ending in the period 7.00am – 12.00pm (midnight) (except where Tariffs 2 or 3 apply):

For a distance not exceeding  $\frac{3}{4}$  of a mile (or waiting time not exceeding 10mins). £2.90

Each additional  $\frac{1}{19}$  of a mile or additional waiting time of up to 20 seconds 10p

### **Tariff 2 (Nights, Sundays and during day across zones): (Tariff 6 if more than 4 passengers are carried)**

All journeys (except where Tariff 3 applies)

- Starting or ending in the period 12.00pm (midnight) to 7.00am, or

- Starting or ending at any time on Sundays, or

- Starting or ending at any time on the following Public Holidays:

2 January, Good Friday, early May Bank Holiday, Spring Bank Holiday, Summer Bank Holiday, 30 November (St Andrew's Day) 26 December (Boxing Day). If a Bank Holiday is on a weekend, the following Monday is treated for this Tariff as a Bank Holiday

- From the zone for which the vehicle is licensed to another zone in North Ayrshire – if the journey starts or ends in the period 7.00am to 12.00pm (midnight)

- On Christmas Eve and Hogmanay from 7.00pm until 12.00pm (midnight)

For a distance not exceeding  $\frac{3}{4}$  of a mile (or waiting time not exceeding 10mins). £3.30

Each additional  $\frac{1}{20}$  of a mile or additional waiting time of up to 20 seconds. 10p

### **Tariff 3 (during night across zones): (Tariff 7 if more than 4 passengers are carried)**

From the zone for which the vehicle is licensed to another zone in North Ayrshire – if the journey starts or ends in the period 12.00pm (midnight) to 7.00am

**Tariff 1 charges (Initial or Additional) plus 50%**

### **Tariff 4 (Festive Periods) (Tariff 8 if more than 4 passengers carried)**

All journeys starting or ending at any time on 25th December or 1st January

**Double Tariff 1 charges (Initial and Additional)**

## **Extra Charges**

If the vehicle starts by carrying more than 4 passengers, the fare is charged as Tariff 1 to 4 (as appropriate) but with 50% added (Tariffs 4 to 8). The higher tariff applies until the hire ends, whether or not any of the passengers leave the vehicle earlier.

Soiling Charge                      £50

#### Notes

1. The fare scale applies to journeys which end **within** North Ayrshire. Fares for journeys beyond the Council area are not set by the Council. They should be agreed between the passenger and the driver **before** the start of the journey.
2. Luggage shall be carried **free** if it is of a size which can reasonably be accommodated in the car.
3. The metered charge is the **maximum** which can be charged. The driver can always charge less.
4. The Tariff 2 and 3 charge applies as soon as the journey starts, and it **does not change** if part of the journey is inside the Night Period, Sunday, Public Holiday, or zone and part outside.
5. The meter can **only** be started immediately before the vehicle moves off, and must be stopped when the vehicle arrives at its destination. The meter cannot be used while the vehicle is being loaded before moving off or being unloaded after the vehicle stops at its destination.
6. There is no extra charge for loading or unloading passengers with wheelchairs, assistance dogs or anything the passenger wants to have carried.