
NORTH AYRSHIRE COUNCIL

17 August 2022

Licensing Committee

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

Purpose: To continue the Taxi Fare Review

Recommendation: That the Committee

- a) Review the current scale and approve in draft the scale set out as Appendix E to this report, as varied by the Committee;
- b) Instruct the Chief Executive to give notice of that draft;
- c) Continue consideration of the Review until a further meeting of the Committee at least one month after that public notice has been given.

1. Executive Summary

1.1 Under of the Civic Government (Scotland) Act 1982, the Council as Licensing Authority is required to review the maximum fare that taxis operating within North Ayrshire may charge. The 1982 Act requires that this should be done at maximum intervals of eighteen months, counted from when the current Scales came into effect. The current Scales are Appendix A to this report.

1.2 The Act lays down a sequence of stages for the review. Accordingly, when the Committee met on 1 June 2022 it adopted the following scheme:

Stage (a) - Meeting with taxi trade representatives/taxi operators to discuss proposals, consider revisions and finalise draft tariff

Stage (b) - Licensing Committee meeting to approve finalised draft tariff and seek authority to advertise proposed tariff in local press

Stage (c) - Public Consultation - Advertise proposals and invite representations - As soon as possible thereafter

Stage (d) - Licensing Committee meeting to consider representations and to fix new Scales (19 October 2022)

Stage (e) - Notification to Trade - within 7 days of (d)

Stage (f) - Advertise new Scales (if no appeal to the Traffic Commissioner) - Not less than 14 days after the Notification in Stage (e)

Stage (g) - Advertise new Scales (if there is an appeal) - as soon as practicable after the determination of the appeal.

- 1.3 The fares approved by the Committee are the maximum fares which may be charged. Operators can charge less if they wish. While the Council must review fare levels periodically, it does not have to alter the existing fares.
- 1.4 Once the fares have been reviewed and fixed, taxi operators have a right of appeal to the Traffic Commissioner for the Scottish Traffic Area, should they disagree with the Council's decision.

2. Background

- 2.1 The Committee held the Stage (a) meeting with interested parties on 13 June 2022. A Minute of that meeting is attached as Appendix B to this Report.
- 2.2 The present Committee meeting is Stage (b) of the process. The Committee are to review the current Scales and propose new draft Scales. A possible draft of proposed Scales is attached (Appendix E). Once approved by the Committee for publication, the Scales will be advertised so that the public can make representations (Stage (c)). The consultation period is at least one month. After the consultation period, the Committee will meet again to consider the draft, and any public representations, and then fix the Scale (Stage (d)).
- 2.3 In preparing draft 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.

(a) Government Guidance

- 2.4. 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

- 2.5. Appendix D ("Estimated effect of percentage increases") shows the current Tariff 1 Flagfall and Mileage rates and asks the questions:

'If the Tariff 1 Flagfall and Mileage were both increased by 10p, 20p, 30p ... what would the fares be for journeys of 1 mile, 2 miles, or 3 miles?'

Appendix D is in 4 parts.

The part headed "Tariff 1" shows the current values of the flagfall and the mileage, and then shows them increased by 10p, 20p, 30p and so on.

The part headed 'Exact Fare' gives the calculated value to the penny. Since meters charge in 10p steps, the table also shows 'Fares rounded-down'.

The figures in 'Fares rounded-down' are used for the comparison in the part 'percentage increases' (for example, at the current Scales, a journey of 3 miles would cost about £7.70. If a 50p increase was applied to both flagfall and mileage, the journey would cost about £9.30. The comparison in 'percentage increases' is therefore 20.8%).

(c) general economic indicators

- 2.6. Appendix C ("Economic Indicators") shows figures supplied by the Government statistical office (the "Office of National Statistics"). These figures are updated monthly and the document here shows the most recent "Release Date". The figures here are counted from when the current Scales took effect in 2021.

(d) the views of the Trade

- 2.7 These are set out in Appendix B, in so far as stated at the Consultation meeting. The process later involves public consultation, and any written comments made later by the Trade or the general public will be copied in Members' background papers when the Committee next deal with this matter.

3. Proposals

- 3.1 A possible draft of the Taxi Fare Scales is in Appendix E. This was prepared by the Clerk following the Trade Meeting, after considering the Government Guidance quoted above and the statistical indicators which appear to be relevant to the Taxi Fare Review. This is only a draft and has been prepared by officers, not the Committee, for the purpose the purpose of facilitating discussion. It is open to anyone participating in the review process to suggest that the Licensing Committee should consider other factors or that an alternative charging basis should be adopted. In order to keep to the statutory timetable, anyone making any representations about the draft should make them during the subsequent public consultation.

The Committee should review the Scales, adopt a draft proposal, and instruct the Chief Executive to give public notice of that draft.

4. Implications/Socio-economic Duty

Financial

- 4.1 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.

Human Resources

- 4.2 None

Legal

- 4.3 Possible appeal to the Traffic Commissioner.

Equality/Socio-economic

- 4.4 None. An "Equality Impact Assessment" is not considered necessary. There are no socio-economic implications of the proposals.

Climate Change and Carbon

- 4.5 None

Key Priorities

- 4.6 North Ayrshire Council has priorities for Aspiring Communities in the Council Plan 2019-2024. An effective licensing system, e.g. monitoring the 'fit and proper' status of hire-car drivers and the safety of their cars, helps achieve Priority Outcome: "North Ayrshire's residents and communities are safe".

Community Wealth Building

- 4.7 There are no Community Wealth Building issues.

5. Consultation

- 5.1 No consultations are necessary or appropriate at this stage of the statutory process, which will later involve consultation with the Trade and the general public.

Aileen Craig
Head of Democratic Services

For further information please contact **William O'Brien, Solicitor (Licensing)**, on wobrien@north-ayrshire.gov.uk

Background Papers

Appx A - Current NAC Taxi Fare Scales (from 24 May 2021)

Appx B - Minute 13 June 2022 Trade Consultation mtg for Taxi Fare Review

Appx C - Economic Indicators

Appx D - Estimated effect of percentage increases

Appx E - DRAFT PROPOSED Taxi Fare Scales



Taxi Fare Scales

Applying from and after Monday 24 May 2021

(fixed by the Licensing Committee on Wednesday 21 April 2021)

The scales are also shown on the Council's website - search for "Taxi Fares" or type:

<https://www.north-ayrshire.gov.uk/business/licences-and-permits/taxi-licences/taxi-fares.aspx>

Tariff 1 (Normal)

Up to the first 3/4 mile - £3.20

Then each mile - £2.00 (in 10p units)

Waiting: up to 10 minutes - £3.20 (and then 10p every 20 seconds or part)

Tariff 2 (Higher)

Up to the first 3/4 mile - £3.50

Then each mile - £2.00 (in 10p units)

Waiting: up to 10 minutes - £3.50 (and then 10p every 20 seconds or part)

Tariff 2 applies if the journey starts **or** ends:

- in the period 12.00 p.m. (midnight) to 7.00 a.m. ("Night")

- on a Sunday

- on the following Public Holidays:

Good Friday

early May Bank Holiday

Spring Bank Holiday

Summer Bank Holiday

30 November (St Andrew's Day)

If a Bank Holiday is on a weekend, the following Monday is treated as the Bank Holiday

Boundary Zone Charge

If the journey is from the Zone for which the vehicle is licensed to another Zone in North Ayrshire:

- if the journey starts **AND** ends in the period 7.00 am to 12.00 pm (midnight) -
Tariff 2
- if the journey starts **OR** ends in the period 12.00 pm (midnight) to 7.00 am -
Tariff 1 (and any extra charges) **plus 50%**

Festive Period Charge

If the journey starts **OR** ends on these days:

25th December
26th December
1st January
2nd January.

Double Tariff 1 (and any extra charges)

Extra Charges

Soiling Charge - £50

Large Vehicle Charge (5 or more passengers)

If the vehicle starts by carrying more than 4 passengers, the fare is charged as an **extra 50%** on the Tariffs and Charges that would otherwise apply. The higher fare applies **until** the hire ends, even if some of the passengers leave the vehicle earlier and there are fewer than 5 left in the vehicle.

Notes

1. These Scales apply to journeys which **both** start and end within North Ayrshire. The Council do not set fares for journeys beyond the Council area. The passenger and the driver should agree the fare **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. Tariffs apply as soon as the journey starts and do not change. For example, if the journey starts at 6.30 a.m. ("Night") but ends at 7.30 a.m. ("Day"), then the fare is still Tariff 2 because the journey **started** at night.
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. The meter can show a waiting charge if the passenger has asked the driver to wait.
6. There is no extra charge for loading, carrying or unloading passengers with wheelchairs, assistance animals or anything the passenger wants to have carried.

Civic Government (Scotland) Act 1982: Taxi Fare Review

Minute of Trade Consultation meeting under Section 17(4A)(a) held on Monday 13 June 2022 at 10.00 a.m. in the "Garnock Valley" and "Three Towns" Rooms at Cunninghame House, Irvine.

Councillors Present:

Eleanor Collier (Convenor), Nairn McDonald (Vice-Convenor), and Ronnie Stalker.

Council officers in Attendance:

W. O'Brien, Solicitor (Licensing), A. Toal, Administrative Assistant, R. McElhone (Graduate, Legal Services).

Operators of Taxis in Attendance (and Licence numbers):

Daniel Tudhope (024)
Gerry Taylor (008)
William Taylor (181)
Robbie Guidi (002)
P. Cassidy (021)
Hugh O'Neill (001)
Craig Spence (053)
Robert Chalmers (058)
Gordon Smith (034)
William Bruce (097)
Jim McDowall (249)

The Convenor opened the meeting by explaining that the purpose of today's meeting was to gather the views of Operators in advance of a meeting of the Licensing Committee on 17 August 2022 to make a proposal for draft Taxi Fare Scales. This would only be a draft, not a decided tariff, and would be published in newspapers. The public, including the operators present today, would have 28 days to make any comments they wanted. There would then be a further meeting of the Committee, which would make a decision on the Scales. That decision would include an effective date, which would be a Monday, and operators would have to have their meters recalibrated and collect new fare cards.

The Convenor invited those present to make comments.

Robert Chalmers (058)

He wanted a rise. Inflation was 10% and fuel was up 25%.

Craig Spence (053)

He operated 7-seaters. He wanted a £4 rise as East Ayrshire Council had done. He gave the Committee that Council's "Taxi Fares Structure" document.

Jim McDowall (249)

He said he spoke for the TOA. He opposed a rise. Any new fare structure would not come into force till October 2022, and who could know what inflation would be then? The current fares were not bad. A rise would not be an advantage at the moment.

Robert Chalmers (058)

There needed to be a rise. He asked "When, if not now?" It was hardly worth working.

Jim McDowall (249)

The cost to the public had to be considered: "We are making money".

Gerry Taylor (008)

There needed to be a rise ASAP. The cost of everything had gone up.

Hugh O'Neill (001)

There needed to be an increase like Kilmarnock. He wanted an emergency rate now.

William Taylor (181)

He said he had a mandate to appear for 24 Irvine Taxi Operators.

There needed to be a fare increase. There had been a 20% increase in fuel cost in a year.

The Council had benefitted from there being low taxi fares, because the Council was the biggest customer for school contracts.

In the league table of 349 Councils, North Ayrshire was at 310, near the bottom, with low fares, whereas the other two Ayrshire Councils were much higher – South Ayrshire at about position 200 and East Ayrshire at position 17. This was the result of there being years and years of not accepting fare increases – North Ayrshire had fallen further and further behind the others.

Convenor

She said that the regionality had to be considered – it was not just a question of a league table. She asked if there were any complaints from the public about fare levels?

William Taylor (181)

There were no complaints from the public. In fact people were "more than satisfied". Sometimes passengers commented that they thought the fares were cheap.

Robert Chalmers (058)

It was cheaper for 4 passengers to take a taxi than a bus.

William Taylor (181)

Driver retention and recruitment was an issue. Stobart paid £50,000 to truck drivers and First Bus paid £30,000 to bus drivers. Who would want to drive a taxi at 3.00 am if North Ayrshire only allow 30p more? He said the taxi trade work 24/7, whereas buses and trains go off at night. He invited Councillors to visit the TOA office or sit in the front passenger seat at night to see the abuse and aggression the staff face.

He said Tariff 2 used to be a quarter over Tariff 1, but now it is only 30p extra: he said the Council should go back to 'Tariff 2 is Tariff 1 plus a quarter', and they should raise Tariff 1 too.

The previous Licensing Committee Convenor (Ronnie McNicoll) had talked about giving "value for money", but this left North Ayrshire at position 310 in the league table.

Private Hires could charge anything, and did not have to keep to the Council tariffs. Passengers would pay more on a Saturday night.

Robert Chalmers (058)

He only had two fares while working till 4.00 a.m..

Convenor

She asked if there was any move towards environmentally-friendly cars?

Jim McDowall (249)

The cost of a new car was over £24,000 but the Scottish Government grant was only £5,000. Also, North Ayrshire Council charge for electricity, but it's free in East Ayrshire Council.

Craig Spence (053)

No-one was fussed at the East Ayrshire rates. The fare was £55 to Prestwick Airport.

William Bruce (097)

The fare from Saltcoats to Prestwick Airport was only £35.

Craig Spence (053)

The fare to Glasgow Airport was £55.

W. O'Brien, Solicitor (Licensing)

He advised the meeting that it was not legally-possible for the Council to set an emergency rate as the only procedure available was that prescribed by the 1982 Act, and that this meeting and the subsequent consultation were parts of that procedure.

End of meeting

The Convenor thanked everyone for attending. The meeting ended at 11.38.

Appendix C

North Ayrshire Council Taxi Fare Scales Review 2022

Economic Indicators

	Index Name	START	END	Change
1	'ALL ITEMS' CPI INDEX 00 (2015=100) Series ID: D7BT	110.8	121.8	109.9%
2	'PURCHASE OF VEHICLES' CPIH INDEX 07.1 (2015=100) Series ID: L543	110.8	122.8	110.8%
3	'Motoring expenditure: maintenance of motor vehicles' RPI (Jan 1987=100) Series ID: DOCT	479.4	515.7	107.6%
4	'PETROL' CPI INDEX 07.2.2.2 (2015=100) Series ID: L7FP	114.6	165.8	144.7%
5	'DIESEL' CPI INDEX 07.2.2.1 (2015=100) Series ID: L7FO	113.9	167.4	147.0%

Notes:

- 1 Source: 'Office for National Statistics' website (<https://www.ons.gov.uk>).
CPIH = 'Consumer Prices Index including owner occupiers' housing costs'
CPI = 'Consumer Prices Index'
RPI = 'Retail Prices Index'
- 2 To help comparison, statistics for values changing over time are often given as INDEX numbers, with the value when the figures were first recorded being set at as 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 24 May 2021.
- 4 ONS publish indicators monthly:
START (current Scales) = May 2021
END (most recent ONS data) = June 2022
ONS 'Release Date' = 20 July 2022

Appendix D

North Ayrshire Council
Taxi Fare Scales Review 2022

Estimated effect of percentage increases**Questions:**

'If the Tariff 1 Flagfall and Mileage were both increased by 10p, 20p, 30p ...
what would the fares be for journeys of 1 mile, 2 miles, or 3 miles?'

'Flagfall' = fare for the first three-quarters of a mile, 'Mileage' = fare for each mile after.
Fares are rounded-down to the next 10p because meters charge in 10p steps.

Tariff 1:

	Flagfall	Mileage
Tariff 1 now:	3.20	2.00
If 10p added:	3.30	2.10
If 20p added:	3.40	2.20
If 30p added:	3.50	2.30
If 40p added:	3.60	2.40
If 50p added:	3.70	2.50

Fares rounded-down:

1 MILE	2 MILES	3 MILES
3.70	5.70	7.70
3.80	5.90	8.00
3.90	6.10	8.30
4.00	6.30	8.60
4.20	6.60	9.00
4.30	6.80	9.30

Percentage Increases:

	1 MILE	2 MILES	3 MILES
If 10p added:	2.7%	3.5%	3.9%
If 20p added:	5.4%	7.0%	7.8%
If 30p added:	8.1%	10.5%	11.7%
If 40p added:	13.5%	15.8%	16.9%
If 50p added:	16.2%	19.3%	20.8%

Exact fare:

1 MI	2 MI	3 MI.
3.83	5.93	8.03
3.95	6.15	8.35
4.08	6.38	8.68
4.20	6.60	9.00
4.33	6.83	9.33

Most of these figures are approximations and are only for illustration.



This is only a draft and has been prepared only to assist discussion. It cannot be taken as indicating that the Council have decided any matter or are likely to make a particular decision.

Taxi Fare Scales

Applying from and after Monday 7 November 2022.

The scales are also shown on the Council's website - search for "Taxi Fares" or type:

<https://www.north-ayrshire.gov.uk/business/licences-and-permits/taxi-licences/taxi-fares.aspx>

Tariff 1 (Normal)

Up to the first 3/4 mile - £3.50

Then each mile - £2.30 (in 10p units)

Waiting: up to 10 minutes - £3.50 (and then 10p every 20 seconds or part)

Tariff 2 (Higher)

Up to the first 3/4 mile - £4.00

Then each mile - £3.00 (in 10p units)

Waiting: up to 10 minutes - £4.00 (and then 10p every 20 seconds or part)

Tariff 2 applies if the journey starts and/or ends:

- in the period 12.00 p.m. (midnight) to 7.00 a.m. ("Night")

- on a Sunday
- on the following Public Holidays:
 - Good Friday
 - early May Bank Holiday
 - Spring Bank Holiday
 - Summer Bank Holiday
 - 30 November (St Andrew's Day)

If a Bank Holiday is on a weekend, the following Monday is treated as the Bank Holiday

- On 26th December or 2nd January

Tariff 3 (Festive period)

If the journey starts **AND/OR** ends on 25th December or 1st January the fare is **double** Tariff 1.

Boundary Zone Charge

If the journey is from the Zone for which the vehicle is licensed to another Zone in North Ayrshire: the fare is whichever of Tariff 1, 2 or 3 would otherwise apply, **plus 50%**.

Large Vehicle Charge (5 or more passengers)

If the vehicle starts by carrying more than 4 passengers, the fare is charged as an **extra 50%** on whichever of Tariff 1, 2 or 3 would otherwise apply. The higher fare applies **until** the hire ends, even if some of the passengers leave the vehicle earlier and there are fewer than 5 left in the vehicle.

Extra Charges

Soiling Charge - £50

Notes

1. If two Tariffs could apply to a journey, the driver can charge the higher one. The metered charge is the **maximum** which can be charged. The driver can always charge less.
2. These Scales apply to journeys which **both** start and end within North Ayrshire. The Council do not set fares for journeys beyond the Council area. The passenger and the driver should agree the fare **before** the start of the journey.
3. Luggage shall be carried free if it is of a size which can reasonably be accommodated in the car.
4. Tariffs apply as soon as the journey starts and do not change. For example, if a journey starts at 6.30 a.m. ("Night") but ends at 7.30 a.m. ("Day"), then the fare is still Tariff 2 because the journey **started** at night.
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, unless the passenger has asked the driver to wait.
6. There is no extra charge for loading, carrying or unloading passengers with wheelchairs, assistance animals or anything the passenger wants to have carried.