

EAST AYRSHIRE COUNCIL

LOCAL GOVERNMENT LICENSING PANEL 31 OCTOBER 2001

REVIEW OF TAXI FARES

Report by Director of Community Services

1. PURPOSE OF REPORT

- 1.1 To invite the Panel to fix scales for taxi fares and associated charges, taking into account requests by representatives of the Taxi Trade.

2. BACKGROUND

- 2.1 In terms of section 17 of the Civic Government (Scotland) Act 1982 the Licensing Authority has a duty to fix scales for taxi fares and associated charges for its area, and to review these scales at intervals of not more than 18 months.
- 2.2 The last review of taxi fares and associated charges took place during early 2000 and the revised fare structure became effective on 1 August 2000.
- 2.3 East Ayrshire Taxi Trade Council submitted a letter dated 18 April 2001, requesting that the licensing authority review the current fare structure in view of rising costs and to consider harmonising the taxi fares and other charges in the North and South Zones.

3 DISCUSSION

- 3.1 Following receipt of the letter dated 18 April 2001, discussions have taken place between representatives of the Taxi Trade Council and Council Officers. A further undated letter received on 10 October 2001 has been submitted by the Taxi Trade Council in which they outline the increases in running costs affecting their members. (Copy attached at Appendix 1 to this report)
- 3.2 The Taxi Trade Council has suggested that it would be appropriate at this time to provide a single Taxi Fare Structure for all East Ayrshire. The Fares by Distance and the Surcharges would be harmonised and the General Requirements rationalised. This would be of benefit both to the trade and to the general public.

- 3.3 As an incentive to taxi operators to provide 'wheelchair accessible' vehicles in accordance with Council's declared policy, the Taxi Trade Council request consideration of a new surcharge for passengers using these 5, 6 and 7-seater vehicles. The surcharge being set at £0.50 per passenger for each passenger in excess of four.
- 3.4 A discussion paper detailing the effect of the proposals and outlining comparisons with other licensing authorities was prepared (Copy attached at Appendix 2 to this report) and forwarded to East Ayrshire Taxi Trade Council for comment and further discussion.
- 3.5 A revised structure for taxi fares and associated charges, to be applied throughout East Ayrshire, is submitted for consideration by the Panel, along with copies of the current structures for each Zone showing the proposed changes. (Copy attached at Appendix 3 to this report).

4. FINANCIAL IMPLICATIONS

- 4.1 Nil

5. LEGAL IMPLICATIONS

- 5.1 In terms of Section 17 of the Civic Government (Scotland) Act 1982 it is the duty of the licensing authority to fix and review fare scales. Before reviewing or fixing fare scales, the licensing authority shall consult with representatives of the taxi operators and then give notice of the proposed amendments in local newspapers in order that any representations or objections may be lodged and considered.

6. POLICY IMPLICATIONS

- 6.1 Nil.

7. CONCLUSIONS

- 7.1 The Panel is invited to consider the proposals contained in this report. If approved, the proposals will be advertised in local newspapers with a view to the revised scales coming into effect early in 2001.

8. RECOMMENDATIONS

- 8.1 It is recommended that the Panel consider the contents of this report and agree: -
- (i) to fix the fare scales as set out in Appendix 3 and remit to the Director of Community Services to carry out the statutory procedures; or

- (ii) to determine such formula for fixing the fare scales as may be agreed by the Members and to refer the matter back to Council Officers to submit alternative proposals, following further consultation with representatives of the Taxi Trade.

William Stafford
Director of Community Services

10 October 2001

WS/GS

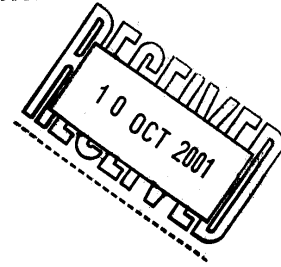
LIST OF BACKGROUND PAPERS

Nil

Any person wishing to inspect of the background papers listed above should telephone 01563 576111 and ask for Mr John Crawford, Head of Protective Services or e-mail john.crawford@east-ayrshire.gov.uk.

East Ayrshire Taxi Trade Council

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Mr. J.F. Crawford.
Head of Protective Services.
East Ayrshire Council Headquarters.
London Rd.
Kilmarnock.

Dear Sir,

Review of Taxi Fares

I refer to my letter dated 18 April 2001 and to recent discussions with the Licensing Section regarding the above.

The discussions have resulted in a proposed Taxi Fare Structure for all East Ayrshire, a copy of which was forwarded to us for comment. I can confirm that the proposed structure is acceptable to my members.

It has always been our intention, and that of the council, to have a single taxi fare structure for all of East Ayrshire and we feel the opportunity to do so is available at this time.

However the proposed changes will result in an overall increase in the South zone of around 13% compared with an 8% increase in the North Zone. This disparity is due to the change in the basic "flag drop" charge and distance in the South zone, to bring it into line with the North. Irrespective of when the harmonisation of the two fare structures takes place, such a disparity will result.

As requested, the reasoning behind the request to review the taxi fares and associated charges is outlined below.

1. The cost of replacement vehicles continues to rise despite the Government's attempts to bring the U.K into line with the rest of Europe. As you have no doubt noticed, the standard and age of vehicles used as taxis has vastly improved over the past few years, with the average age of the taxis now in use being around three years. A number of operators have now provided "wheelchair accessible" vehicles, resulting in 14 such vehicles now being available in East Ayrshire.
2. The cost of Hire and Reward Insurance for licensed vehicles has increased by around 30% in the past year. The average cost of insuring a vehicle is now around £1500 per annum, this is only for an operator with full No Claim Discount. For somebody just starting up is on average £2300.
3. The fees for operators and drivers licenses increase every year, normally at a percentage above the rate of inflation. The increase in April this year was 5%.
4. Since the last review, fuel costs have risen from around 75p per litre to the current figure of 77p per litre. With most taxis covering well in excess of 60,000 miles per year any increase

in the cost of fuel, which includes engine oil, has a marked effect on operating costs.

5. The maintenance and repair of vehicles continues to rise. Hourly labour rate has risen to £45. It is quite impossible to maintain these modern vehicles ones self because of all the technology in them. As an example a 5000-mile service is approximately £70. Tyres cost approx £50 each.
6. With the recent increase in the National Minimum wage, drivers will inevitably request an increase in their rates.

The main concern of all operators is the continuing upward spiral in running costs, which seriously affects their ability to maintain the standard of vehicles, pay drivers, and be left with a reasonable income. Taking all the above points into consideration the estimated increase in operating costs over the last year amounts to approximately 10%.

The Taxi Trade Council and the Licensing Section have discussed the "other charges" contained within the existing fare structures and have agreed to amend or delete various sections in order to simplify the fare structure. This will be of benefit both to the taxi trade and to the general public.

I trust the Licensing Panel will give this request their consideration.

CHAIRMAN TAXI TRADE COUNCIL

A McEwen

EAST AYRSHIRE COUNCIL

DISCUSSIONS ON TAXI FARES AND ASSOCIATED CHARGES

The Taxi Trade Council has submitted a letter dated 18 April 2001, proposing changes to taxi fares and other charges applicable to both the Northern and Southern Zones.

The proposals, if accepted, would result in a standard fare structure, applicable throughout East Ayrshire.

The last review of taxi fares took place in early 2000 and the revised fare structures for each zone came into effect on 1 August 2000.

The Taxi Trade Council has requested consideration of the following proposals, applicable to both zones.

Distance not exceeding 2640 yds.	£2.50
Each additional 200 yds	£0.15
Hires between Midnight and 6am surcharge	£0.60
Waiting Time per 5 mins	£1.00

Northern Zone

The following table summarises the general effect of these proposals in respect of the Northern Zone.

DISTANCE	CURRENT FARE	PROPOSED FARE	% INCREASE
2640 yds *	2.50	2.50	Nil
2 miles	3.00	3.25	8.3
2.5 miles	3.50	3.85	10.0
3 miles	4.00	4.60	15.0

(*Current flag drop distance)

The current rate of inflation is approximately 2.5% and the proposals would lead to an average increase in fares of around 8.3%.

Southern Zone

The following table summarises the general effect of the proposals in respect of the Southern Zone.

DISTANCE	CURRENT FARE	PROPOSED FARE	INCREASE
1 mile *	1.80	2.50	38.9%
1.5 miles	2.40	2.50	4.2%
2 miles	3.00	3.25	8.3%
2.5 miles	3.60	3.85	6.9%
3 miles	4.20	4.60	9.5%

(*Current flag drop distance)

The current rate of inflation is approximately 2.5% and the proposals would lead to an average increase in fares of around 13.5%.

Comparison with other authorities

Distance (not exceeding)	1 Mile	1.5 Miles	2 Miles	2.5 Miles	3 Miles
East Ayrshire North (Current)	2.50	2.50	3.00	3.50	4.00
East Ayrshire South (Current)	1.80	2.40	3.00	3.60	4.20
All East Ayrshire (Proposed)	2.50	2.50	3.25	3.85	4.60
South Ayrshire	2.20	3.20	3.20	4.20	4.20
North Ayrshire	1.90	2.40	2.90	3.40	3.90
South Lanarkshire - Hamilton	2.00	2.60	3.10	3.70	4.20
East Kilbride	2.25	2.85	3.35	3.95	4.45
Clydesdale	2.15	2.85	3.45	4.15	4.75
Rutherglen	2.20	2.80	3.40	4.00	4.60

The trade magazine, 'Private Hire and Taxi Monthly' publishes a league table of taxi fares throughout the UK and has calculated the current national average for a 2-mile fare at £3.58. East Ayrshire Zones are currently placed at 348th and 349th in the list of 379 tariffs published.

In terms of the 40 Scottish tariffs published the average fare for a 2-mile journey is around £3.30. In terms of the league table some 30 licensing authority tariffs are rated above East Ayrshire, with the rest being on a par or lower.

Other matters for discussion

This proposed review of taxi fares would also be an opportunity to harmonise some of the other differences between the structures for each zone.

The following matters require consideration.

1. The structure for the Northern Zone makes provision for sharing and provides discounted levels of fares per passenger, depending on the number of passengers. No such provision exists in the Southern Zone.
2. The structure for the Northern Zone allows the hirer of a taxi the option of returning at one-third fare, subject to payment for waiting time. This option is not available in the Southern Zone.
3. Charge for a taxi when called and not used. In the Northern Zone a charge of £1.50 is allowed but in the Southern Zone the charge is £1.00.
4. The structure for the Northern Zone specifies that the fare for any distance in excess of 5 miles shall be the subject of agreement between the hirer and the taxi operator/driver. In the South Zone this applies to any journey outside that zone.
5. In the structure for the North Zone provision is made for a surcharge to be levied for VAT. No such provision is made in the structure for the South Zone.
6. Provision for the addition of a surcharge for each hiring made between midnight and 6am (7am in the case of the South Zone). The surcharge in the North Zone is a flat rate of £0.60 while in the South Zone the permitted surcharge is 50% of the normal fare.
7. The number of passengers permitted to be carried, taking into account persons under the age of six years and persons between the age of six years and twelve years, is defined in the structure for the North Zone but not in the structure for the South Zone.
8. The structure for the North Zone makes reference to the maximum weights of luggage permitted to be carried, depending on the number of passengers. The only reference to this subject in the structure for the South Zone permits a charge of £0.10 per item for the transport of luggage not easily carried within the vehicle.
9. A radio call charge is permitted in the Northern Zone only.
10. A fouling charge of £30.00 is permitted in the Southern Zone only.
11. All references to the charge for waiting time of £1.00 per 5-minute period or part thereof should be rationalised.

GHS : 14/06/01

EAST AYRSHIRE COUNCIL

CIVIC GOVERNMENT (SCOTLAND) ACT 1982

PROPOSED TAXI FARE STRUCTURE -ALL EAST AYRSHIRE

Fares by Distance

The following shall be the maximum fares, charged by distance, for the hire of a Taxi: -

Not exceeding 2640 yds £2.50

For each additional 200yds (or part thereof) £0.15

These rates shall include going from the nearest stand to the hirer's address or other place of uplift.

Surcharges

For hires accepted between the hours of
Midnight and 6.00am £0.60 per hire

For hires accepted on 1 and 2 January
and 25 and 26 December in each year Normal fare + 100%
(distance rates only)

5, 6 and 7-seater Taxis
For each passenger in excess of four £0.50 per passenger

Waiting Time
For each period of 5 minutes (or part thereof) £1.50

Taxi called by hirer and not used £2.50

Radio call charge £0.20

Fouling Charge £30.00

General Requirements

1. The fare for any distance in excess of 5 miles shall be the subject of special agreement. The taximeter must be operated on all hires within the said 5-mile limit.
2. Where prior to the acceptance of the hire, the hirer requests to hire by time rather than by distance and the driver agrees, such fare may be charged as proposed by the driver and agreed by the hirer at that time.
3. A surcharge, calculated at the rate of Valued Added Tax current at the time, may be charged in respect of each hire.
4. If requested by the hirer, the driver shall assist with the loading and unloading of luggage without any extra charge.

Any complaint should be addressed to the Community Services department. Licensing and Community Safety Section. 14 London Road. Kilmarnock (Tel 01563554395). or to any Police Station. The licence numbers of the Taxi and the Taxi Driver should be Quoted where Possible.

William Stafford
Director of Community Services

EAST AYRSHIRE COUNCIL

CIVIC GOVERNMENT (SCOTLAND) ACT 1982

**TAXI FARE STRUCTURE -NORTHERN ZONE
(Effective from 1 August 2000)**

General

It shall be the option of the hirer of a Taxi to engage any taxi either by time or by distance, provided this is done at the time of hiring. **(deleted)**

Sharing Provision

It shall be the option of the passenger whether he wishes to go exclusive or sharing and this should be arranged at the time of hiring. **(deleted)**

Fares by Distance

The following shall be the maximum fares, charged by distance, for the hire of a Taxi.

Not exceeding 2640 yds	£2.50	(no change)
For each additional 176 yds	£0.10	(amended)

For shared Taxis the discounted level of fares will be as follows: -

Exclusive Fares	100%	
2 passengers	75% each of the exclusive fare	
3 passengers	50% each of the exclusive fare	
4 passengers	37.5% each of the exclusive fare	
A minimum of £0.50 to be charged to each person on shared hire.		(all deleted)

- (a) These rates shall include going from the nearest stand to the hirer's residence. £1.00 shall be allowed for each five minutes or part thereof of waiting time (to be paid by the passenger who requests the waiting time in respect of a shared hire). **(amended)**
- (b) If a Taxi is hired by distance, and in the course of the hiring is, at the request of the hirer, made to wait, the driver shall be entitled to charge (in addition to what is due to him for distance) an extra payment of £1.00 for each period of five minutes completed whether in one stoppage or in several stoppages (to be paid by the passenger who requests the waiting time in respect of a shared hire). **(amended)**
- (c) The fare for any distance in excess of five miles shall be the subject of special agreement. **(no change)**
- (d) For each hiring a surcharge, calculated at the rate of Valued Added Tax current at the time, may be charged at the discretion of the driver. **(no change)**
- (e) For each hiring begun between the hours of Midnight and 6.00am a surcharge of £0.60 may be charged at the discretion of the driver (£0.15 per passenger for shared taxis). **(amended -reference to 'shared taxis' deleted)**
- (f) On 1 and 2 January and 25 and 26 December in each year a surcharge of 100% of the rates chargeable in terms of this regulation will be charged while on a shared hire as well as an exclusive hire. **(no change)**

Hirer to have option of returning at one-third fare (deleted)

The hirer of a taxi shall have the option of returning at one-third fare, and when engaged for the return journey, a charge shall be allowed for waiting time at the rate of £0.15 for every five minutes or part thereof, provided that no charge shall be made in respect of the first five minutes of such waiting time

Extra charge when Taxi called and not used

When a Taxi is called but not used, a charge of £1.50 shall be allowed. (amended)

Fares by Time

When a Taxi is engaged by time the fare shall be subject of special agreement. (no change)

Number of Passengers (deleted)

No Taxi shall carry a greater number of passengers than the number which it is licensed to carry. In computing the number of persons to be carried, no account shall be taken of children six years of age or under. Two children above the age of six and under the age of twelve years shall count as one passenger.

Weights of Luggage Allowed (deleted)

The following weights of luggage shall be allowed free of charge on a Taxi: -

- (a) when one or two passengers are conveyed -50kg
- (b) when three passengers are conveyed -37.5kg
- (c) when four passengers are conveyed -25kg

The driver shall not be compelled to carry in or on a Taxi a greater weight of luggage than 50kg. The driver shall assist in loading and unloading in all cases when required without any extra charge.

No Charge for Driver (deleted)

No Charge shall be made for the driver of a Taxi.

Radio Call Charge (no change)

A radio call charge of £0.20 is allowed.

Any complaint should be addressed to the Community Services department. Licensing and Community Safety Section. 14 London Road. Kilmarnock (Tel 01563554395). or to any Police Station. The licence number of the Taxi and the Taxi Driver should be Quoted where Possible.

William Stafford
Director of Community Services

EAST AYRSHIRE COUNCIL
CIVIC GOVERNMENT (SCOTLAND) ACT 1982
TAXI FARE STRUCTURE - SOUTHERN ZONE
(Effective from 1 August 2000)

Fares by Distance

The following shall be the maximum fares, charged by distance, for the hire of a Taxi: -

Not exceeding 1760 yds	£1.80	(amended)
For each additional 220 yds	£0.15	(amended)
For hires accepted between the hours of Midnight and 7.00am	Normal fare + 50%	(amended)
For hires accepted on 1 and 2 January and 25 and 26 December in each year	Normal fare + 100%	(no change)

Waiting Time

For a period not exceeding 5 minutes	£1.00	(amended)
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Surcharges

When a Taxi is called but not used	£1.00	(amended)
For the transport of luggage not easily carried within the vehicle	£0.10 per item	(deleted)
Fouling charge	£30.00	(no change)

General Information

Where prior to the acceptance of the hire, the hirer requests to hire by time rather than by distance and the driver agrees, such fare may be charged as proposed by the driver and agreed by the hirer at that time. **(no change)**

For journeys outside the Southern Zone of East Ayrshire such fare may be charged as may, prior to the acceptance of the hire, be proposed by the driver and agreed by the hirer. **(amended)**

Any complaint should be addressed to the Community Services department. Licensing and Community Safety Section. 14 London Road. Kilmarnock (Tel 01563554395). or to any Police Station. The licence numbers of the Taxi and the Taxi Driver should be Quoted where Possible.

William Stafford
Director of Community Services

AGENDA