

Agenda item	6
Report no	HLC/036/24

THE HIGHLAND COUNCIL

Committee: THE HIGHLAND LICENSING COMMITTEE

Date: 7 May 2024

Report title: Review of taxi tariff 2024/2025

Report by: The Principal Solicitor – Regulatory Services

1. Purpose/Executive summary

- 1.1 This report provides the Committee with details of the responses received following meetings held with the taxi and PHC trade in March 2024 throughout Highland in relation to the maximum fares that can be charged by taxis and private hire cars fitted with taxi meters.

2. Recommendation

- 2.1 The Committee is invited to:

(i) consider the information contained in the report and any further submissions made to the Committee by taxi operators attending the meeting and then agree a draft tariff for public consultation; and

(ii) agree that an advertisement be placed in the Press & Journal (Highland Edition) detailing the Licensing Committees proposal in relation to the maximum rates of fares in respect of taxi and private hire car licensing (where the private hire cars are fixed with taxi meters) and inviting representations.

3. Background

- 3.1 The Council has a statutory duty in terms of Section 17 of the Civic Government (Scotland) Act 1982 (“1982 Act”) to review its scales for the fares and other taxi related charges every 18 months.
- 3.2 The current tariff took effect from 13 February 2023. The current fare scales are attached for Members information as **Appendix 1**.
- 3.3 In fixing scales, the licensing authority may alter fares and other charges or fix fares or other charges at the same rates.

4.0 Statutory process for reviewing the tariff

4.1 Section 17(3) of the 1982 Act states that before the licensing authority fixes any scales or carries out any review, it shall:

(a) Consult with person or organisations appearing to it to be, or to be representative, of the taxi drivers 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 notice of 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, being one month after the date of the first publication of the notice; and

(d) Consider such representations.

4.2 Operators of taxis or any person or organisation appearing to the Traffic Commissioner to be a representative of such taxi operators can appeal against any decision the licensing authority makes in respect of fares and surcharges. Any appeal is made to the Traffic Commissioner for the Scottish Traffic Area. An appeal to the Traffic Commissioner may be made within 14 days of notice being given by the licensing authority to taxi operators and representative taxi organisations of the agreed fare scales.

4.3 A copy of the timescale for the review process is attached as **Appendix 2** to the report.

5. Representations from the taxi trade

5.1 In accordance with Section 17(3)(a) of the 1982 Act, an informal consultation inviting members of the trade to submit their views has been carried out. Meetings were held in Inverness, Fort William, and Wick during the week of 4th March 2024 and these meetings were attended by members of the trade, council officers, and members. A summary of the views expressed by the trade at these meetings is attached as **Appendix 3** to the report.

6.0 Further Considerations:

6.1 In light of The Scottish Government's Taxi and Private Hire Car Licensing: Best Practice for Licensing Authorities guidance, the Committee is invited to consider figures supplied by the Government's Office of National Statistics (ONS).

6.2 The main index is the Consumer Price Index which is a measure of consumer price inflation produced to international standards. However, figures are also provided for other statistics which may be relevant for taxi operators.

6.3 A comparison is provided between figures that were considered at the meeting of the Highland Licensing Committee on 29 November 2022 (at the last review of the taxi tariff)

with the most up to date figures available. A copy of these are re-attached as **Appendix 4** to this report for reference.

7.0 Effect of proposed tariffs

- 7.1** A comparison of the current tariff compared with the effect of a proposed 5%, 10%, and 15% increase to all tariffs are attached as **Appendix 5**.
- 7.2** It should be noted that as the taxi meters work in 10 pence increments, the proposed percentage increases will not always work out as the exact percentage.
- 7.3** It should also be noted that, due to an error, the 20% uplift was not applied to waiting times. Should members propose an uplift of the tariff, the 20% increase in waiting time will be added in addition to any uplift to the waiting time agreed. Officers can provide further information if required.

8.0 Further considerations

- 8.1** The Scottish Government's Taxi and Private Hire Car Licensing: Best Practice for Licensing Authorities issued in April 2012 states that authorities are advised as best practice to pay regard to advice contained in paragraphs 2.34-2.37 of Scottish Department Circular 25/1986. This states 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 a standard of the licensing authority, of employing drivers and the prevalent level of wages and costs in related road transport industries. The public interest is best served by ensuring the maintenance of an adequate taxi service by giving the trade a fair return rather than depressing fares for social reasons, however understandable."
- 8.2** In light of the above guidance, the Committee is invited to consider figures supplied by the Government's Office of National Statistics (ONS). The main index is the Consumer Price Index which is a measure of consumer price inflation produced to international standards. The main index is the CPI (all items). However, figures are also provided for other statistics which may be relevant for taxi operators.

Date: 10 April 2024

Author: Iain Meredith

Background Papers: Appendix 1 – Copy of current tariff
Appendix 2 – Timetable for implementation of the taxi tariff
Appendix 3 – Summary of Representations received
Appendix 4 – Comparison of costs since the last tariff review
Appendix 5 – Comparison of tariffs

Current scales – with effect from 13 February 2023

Tariff 1 (applies to vehicles carrying 4 passengers, except when a higher tariff applies)

Flagfall (first 785 yds)	£3.70
Mileage	£2.20
Examples	
1 mile journey	£4.90
2 mile journey	£7.10
3 mile journey	£9.20
4 mile journey	£11.40
5 mile journey	£13.50
6 mile journey	£15.70
7 mile journey	£17.80
8 mile journey	£20.00
9 mile journey	£22.10
10 mile journey	£24.30

Tariff 2 (applies to vehicles carrying up to 4 passengers on Good Friday, Easter Monday or May Day and, except when a higher tariff applies, between 9.00 pm and 7.00 am on any day and all day on Saturday and Sunday. When 5 or more passengers are being carried, it also applies at any time of any day or night, except where a higher tariff applies.)

Flagfall (first 560 yards)	£4.00
Mileage	£2.70
Examples:	
1 mile journey	£5.90
2 mile journey	£8.60
3 mile journey	£11.30
4 mile journey	£14.00
5 mile journey	£16.70
6 mile journey	£19.40
7 mile journey	£22.10
8 mile journey	£24.80
9 mile journey	£27.60
10 mile journey	£30.30

Tariff 3 (applies between 6.00 am and midnight on both Boxing Day and 2nd January. When 5 or more passengers are being carried, and except where Tariff 5 applies, it also applies between 9.00 pm and 7.00 am, all day on Saturday and Sunday and on Good Friday, Easter Monday and May Day.)

Flagfall (first 444 yards)	£4.70
Mileage	£3.30
Examples:	
1 mile journey	£7.20
2 mile journey	£10.40
3 mile journey	£13.70
4 mile journey	£17.00
5 mile journey	£20.20
6 mile journey	£23.50
7 mile journey	£26.70
8 mile journey	£30.00
9 mile journey	£33.30
10 mile journey	£36.50

Tariff 4 (applies to vehicles carrying up to 4 passengers at any time between 6.00 pm on Christmas Eve and 6.00 am on Boxing Day and between 6.00 pm on New Year's Eve and 6.00 am on 2 January.)

Flagfall (first 444 yards)	£4.70
Mileage	£4.30
Examples:	
1 mile journey	£8.00
2 mile journey	£12.30
3 mile journey	£16.50
4 mile journey	£20.80
5 mile journey	£25.10
6 mile journey	£29.40
7 mile journey	£33.70
8 mile journey	£38.00
9 mile journey	£42.30
10 mile journey	£46.60

Tariff 5 (applies to vehicles carrying 5 or more passengers at any time between 6.00 pm on Christmas Eve and 6.00 am on Boxing Day and between 6.00 pm on New Year's Eve and 6.00 am on 2 January.)

Flagfall (first 444 yards)	£4.70
Mileage	£5.50
Examples:	
1 mile journey	£8.90
2 mile journey	£14.40
3 mile journey	£19.90
4 mile journey	£25.40
5 mile journey	£30.90
6 mile journey	£36.40
7 mile journey	£41.90
8 mile journey	£47.40
9 mile journey	£52.90
10 mile journey	£58.40

Waiting Time:

Tariff 1

Initial period of 119 seconds - £3.70

Each additional 14 seconds - £0.10

Tariff 2

Initial period of 119 seconds - £4.00

Each additional 14 seconds - £0.10

Tariff 3

Initial period of 119 seconds - £4.70

Each additional 14 seconds - £0.10

Tariff 4

Initial period of 119 seconds - £4.70

Each additional 14 seconds - £0.10

Tariff 5

Initial period of 119 seconds - £4.70

Each additional 14 seconds - £0.10

Please note that there was no increase to the waiting time at the last tariff review.

Extra charges:

Booking ahead i.e. by telephone	£1.00
Soiling charge	£150.00 maximum
Any bridge tolls or ferry charges, where applicable	Actual cost
Any airport car parking charges	Actual cost (only chargeable on production of a receipt to the hirer)
Supplementary booking charge for outward journey which commence 3 miles or more away from the taxi or taxi base (whichever is the nearer)	Actual cost at the tariff which applies at the time of travelling between the starting location of the taxi or the location of the taxi base (as the case may be) and the pick up point or drop off point, whichever is the closer to the taxi or taxi base. (This charge may only be demanded if the customer is informed of the amount of the charge at the time of the booking.)
Luggage Charge – A maximum charge of £5.00 be introduced for the carriage of bulky items which cannot be reasonably accommodated in the boot of the vehicle being hired. This charge may only be demanded if the customer is informed of the amount of the charge at the time of booking. For the avoidance of any doubt, this will not apply to any items designed to assist the mobility of users such as wheelchairs or walking aids.	£5.00 maximum
Called but not used	Charge will be the amount as if it had been occupied from the time it left the stance or garage.

Timetable for implementation of the taxi tariff

Current taxi tariff start date – 13/02/23

Review to be completed by 13/08/24

Action	Timetable 2024
The Council to consult/meet with persons or organisations appearing to be representative of operators of taxis within its area.	Early to mid March 2024
The Highland Licensing Committee will consider the representations received and agree a draft tariff.	HLC – 7 May 2024
The draft tariff will be publicised in the P&J (Highland Edition) and on the Council's website inviting the public to submit comments/representations in relation to the draft tariff within 28 days.	To be advertised no later than 9 May 2024
Deadline for submissions.	7 June 2024
The Highland Licensing Committee will meet to consider the results of the public consultation, and agree a final tariff.	HLC – 25 June 2024
Any revised fare scale would then come into effect, subject to no appeal to the Traffic Commission being made by the trade.	Beginning of August 2024

SUMMARY OF REPRESENTATIONS (BY AREA)

TAXI/PHC SUBGROUP MEETING 1

MONDAY 04 MARCH 2024

	<p>Taxi Tariff - Consultation</p>
	<ul style="list-style-type: none"> • Local trade organisation proposed 5% increase in Tariff 1; no increase for Tariff 2, 3, 4; abolishing Tariff 5. The flagfall is proposed to remain the same for all Tariffs. • Local trade organisation voiced disappointment of the last review; however, it was established that the statutory process for the reviews were followed, and the review in 2023 is considered successful. • 20% increase was agreed in 2023, however, the waiting time has not been updated. • Operator advised that any functional change to the meter will require a recalibration. • Licensing advised that not changing the Tariffs are an option should the cost of recalibration outweighs its necessity, and freezing the waiting times is also an option. • Independent drivers suggested 5% increase across all tariffs and to keep Tariff 5. • Booking ahead charge of £1 is proposed to remain the same. • No change to the fee of the supplementary booking charge, however, a proposal was made to change the wording, which was accepted. • Soiling charge's maximum is agreed to remain the same. • Luggage charge is to remain the same, however, there is confusion of its application which needs to be cleared among the drivers. • It was noted that, while cancellation fee is in the tariffs, it cannot be enforced. • A proposal was made to include the option to take deposits, however, the Legislation needs to be consulted on this.

TAXI/PHC SUBGROUP MEETING 2

WEDNESDAY 06 MARCH 2024

	Taxi Tariff - Consultation
	<ul style="list-style-type: none"> • Suggestion to keep tariffs as they are, but one suggestion to reduce flagfall with to £2.50 across all tariffs. No other backing for this reduction. • Licensing outlining that a 5% tariff increase has been suggested at Inverness consultation. FW opinion is this would result in less hires in town. Inverness benefits from a longer tourist trade season. Putting prices up doesn't help as there will be reduced volume of hires. • Increased tariffs are causing less hires and less drivers being attracted to the trade. • Inverness is a different economy – towns and rural areas can't afford a 5% rise. • Drivers saying they've got to pay for meters to be changed. Hence no change at all is remaining consensus of drivers. • General consensus on tariffs is to keep status quo. • Boxing Day Tariff – there was no account for 5 people or more hire. Boxing Day was just tariff 3 all day. No provision for minibuses carrying more people on tariff 3 on boxing day. Propose little bit extra money for having 8 pax on Boxing Day. • Consensus: Keep tariffs at status quo. • Extra charges: • Booking ahead charge of £1 - remain as is – charge isn't used in FW. • Airport/car parking charge - remain as is. • Supplementary charge commencing after 3 mile radius – no change. • Soiling charge – no change. At most, we have charged £40. • Luggage charge - need to cover extra fuel costs for carrying say 6 bikes with a trailer. Suggest maximum bulk charge to increase to £30. Wouldn't require a change to the meter. • Majority preference for no increase to tariffs. Changes as above for extra charges.

TAXI/PHC SUBGROUP MEETING 3

THURSDAY 07 MARCH 2024

2	Taxi Tariff - Consultation
	<ul style="list-style-type: none"> • LI proposed an increase to Tariff 1 only, other tariffs to remain unchanged. • BT suggests 3 mile radius should be scrapped. Wants meter to run from door of office to pickup location. On current tariff, could lose out up to £6.60. Wants 3 mile radius scrapped due to Wick's location and lots of empty miles here. Broad consensus from other drivers present at meeting. • LI suggesting Tariff 1 increase of 10-20% on both flagfall and yardage. • BT saying night time tariff is fine, as traffic is lighter, so status quo for this tariff. • Licensing advised that last tariff review there was an error with waiting time not going up by the 20% that tariffs were increased by. If HLC agrees to some sort of tariff increase this time, we could use the opportunity to increase meter waiting time to 20%. If tariffs don't go up this review, it's up to drivers to advise whether they want meters to be recalibrated for waiting time alone, or just recalibrate WT if another tariff(s) is being changed. • BT saying chances are tariff(s) will go up, so use the opportunity to increase WT. • IM saying there have been a range of views expressed at other meetings, ranging from 5% to no change. • BT saying fuel has gone up this month. Suggesting 'two rates' for waiting times. • Licensing advising WT is based on both time and distance and not sure of the meters have the capability for different WT rates. • General driver consensus that tariff one at least needs to increase, car insurance has gone up. Stating there is generally a different view to other areas – if tariff doesn't go up drivers will go bankrupt. • Concern that views will be presented geographically / weighted differently and licensing advising it is a difficult balancing act for HLC to perform to take into account all consultation views across such a diverse and large geographic area. A range of opinions have been expressed and they will all be represented. • Consensus: Tariff one only to increase by 10% • Extra charges:

APPENDIX 3

- Booking ahead charge of £1 is proposed to remain the same.
- No change to the fee of the supplementary booking charge, however, a proposal was made to change the wording to include LEZ charges.
- Airport/car parking charge to remain as is.
- Supplementary charge commencing after 3 mile radius – remove this distance entirely and meter to start from leaving office/location
- Soiling charge – increase to maximum of £450 to account for time off road (multiple days) and cost of materials / deep clean valeting
- Luggage charge to be £5 per bulky item or within a £5-£30 range at driver discretion. Licensing explaining there requires certainty up front of extra charges.
- **Preference for 10% increase to Tariff One only across flagfall, mileage and waiting time. No change to other tariffs. Changes as above for extra charges.**

**COMPARISON OF COSTS SINCE LAST
TARIFF REVIEW**

**2021/22 Inflation figures
(Consumer Price Index)**

	INDEX NAME	START	END	CHANGE
1	ALL ITEMS	109.4	122.3	11.8%
	CPI Index 00 (2015=100)			
	Series: L522			
2	PURCHASE OF VEHICLES (all)	110	124.7	13.4%
	CPIH Index 07.1			
	Series: L543			
	PURCHASE OF NEW CARS	118.2	128.2	8.5%
	CPIH Index 07.1.1A			
	Series L544			
	PURCHASE OF SECOND HAND CARS	97.2	120.3	23.8%
	CPIH Index 07.1.1B			
	Series L545			
3	MAINTENANCE AND REPAIRS	113.6	124.5	9.6%
	CPI Index 07.2.3			
	Series: D7ED			
4	PETROL	108.3	150.0	38.5%
	CPI Index 97.2.2.2			
	Series ID: L7FP			
5	DIESEL	108.4	158.0	45.8%
	CPI Index 07.2.2.21			
	Series ID: L7FO			

Source – Office for National Statistics (www.ons.gov.uk)

START – February 2021

END – September 2022

**2023/24 Inflation figures
(Consumer Price Index)**

	Index name	Start	End	Change
1	ALL ITEMS	126	130	3.2%
	CPI Index 00 (2015=100)			
	Series: L522			
2	PURCHASE OF VEHICLES (all)	125.4	121.8	-2.9%
	CPIH Index 07.1			
	Series: L543			
	PURCHASE OF NEW CARS	130.7	134.7	3.1%
	CPIH Index 07.1.1A			
	Series: L544			
	PURCHASE OF SECOND HAND CARS	119.6	111.3	-6.9%
	CPIH Index 07.1.1B			
	Series: L545			
3	MAINTENANCE AND REPAIRS	129.2	139.8	8.2%
	CPI Index 07.2.3			
	Series: D7ED			
4	PETROL	133.4	126.1	-5.5%
	CPI Index 97.2.2.2			
	Series ID: L7FP			
5	DIESEL	147.4	129	-12.5%
	CPI Index 07.2.2.21			
	Series ID: L7FO			

Source – Office for National Statistics

(www.ons.gov.uk) Indicators are published monthly

START – February 2023

END – February 2024

5% increase for Tariff 1 only (yardage to be amended but flagfall to remain the same)

PROPOSED TARIFF	Proposed Tariff 1	% Increase
1st Drop (Yds)	746	5.0%
2nd Drop (Yds)	78	4.9%
1st Drop Cost	£ 3.70	0.0%
2nd Drop Cost	£ 0.10	0.0%
Calculated Cost per additional Mile	£ 2.26	5.1%
Actual Cost for 1st Mile	£ 5.10	4.1%
Actual Cost for 2 Miles	£ 7.30	2.8%
Actual Cost for 3 Miles	£ 9.60	4.3%
Actual Cost for 4 Miles	£ 11.80	3.5%
Actual Cost for 5 Miles	£ 14.10	4.4%
Actual Cost for 10 Miles	£ 25.40	4.5%
Actual Cost for 15 Miles	£ 36.60	4.6%
Actual Cost for 20 Miles	£ 47.90	4.8%
Actual Cost for 30 Miles	£ 70.50	4.9%
Actual Cost for 40 Miles	£ 93.10	5.1%
Actual Cost for 50 Miles	£ 115.60	5.0%
Actual Cost for 100 Miles	£ 228.40	5.1%

10% increase for Tariff 1 only (yardage and flagfall to be increased)

PROPOSED TARIFF	Proposed Tariff 1	% Increase
1st Drop (Yds)	707	9.9%
2nd Drop (Yds)	74	9.8%
1st Drop Cost	£ 4.10	9.8%
2nd Drop Cost	£ 0.10	0.0%
Calculated Cost per additional Mile	£ 2.38	10.8%
Actual Cost for 1st Mile	£ 5.60	14.3%
Actual Cost for 2 Miles	£ 8.00	12.7%
Actual Cost for 3 Miles	£ 10.30	12.0%
Actual Cost for 4 Miles	£ 12.70	11.4%
Actual Cost for 5 Miles	£ 15.10	11.9%
Actual Cost for 10 Miles	£ 27.00	11.1%
Actual Cost for 15 Miles	£ 38.90	11.1%
Actual Cost for 20 Miles	£ 50.80	11.2%
Actual Cost for 30 Miles	£ 74.50	10.9%
Actual Cost for 40 Miles	£ 98.30	10.9%
Actual Cost for 50 Miles	£ 122.10	10.9%
Actual Cost for 100 Miles	£ 241.00	10.9%

5% increase for all tariffs (yardage to be amended but flagfall to remain the same)

PROPOSED TARIFF	Proposed Tariff 1	% Increase	Proposed Tariff 2	% Increase	Proposed Tariff 3	% Increase
1st Drop (Yds)	746	5.0%	532	5.0%	422	5.0%
2nd Drop (Yds)	78	4.9%	62	4.6%	51	5.6%
1st Drop Cost	£ 3.70	0.0%	£ 4.00	0.0%	£ 4.70	0.0%
2nd Drop Cost	£ 0.10	0.0%	£ 0.10	0.0%	£ 0.10	0.0%
Calculated Cost per additional Mile	£ 2.26	5.1%	£ 2.84	4.8%	£ 3.45	5.9%
Actual Cost for 1st Mile	£ 5.10	4.1%	£ 6.00	1.7%	£ 7.40	2.8%
Actual Cost for 2 Miles	£ 7.30	2.8%	£ 8.90	3.5%	£ 10.80	3.8%
Actual Cost for 3 Miles	£ 9.60	4.3%	£ 11.70	3.5%	£ 14.30	4.4%
Actual Cost for 4 Miles	£ 11.80	3.5%	£ 14.50	3.6%	£ 17.70	4.1%
Actual Cost for 5 Miles	£ 14.10	4.4%	£ 17.40	4.2%	£ 21.20	5.0%
Actual Cost for 10 Miles	£ 25.40	4.5%	£ 31.60	4.3%	£ 38.40	5.2%
Actual Cost for 15 Miles	£ 36.60	4.6%	£ 45.80	4.6%	£ 55.70	5.5%
Actual Cost for 20 Miles	£ 47.90	4.8%	£ 60.00	4.7%	£ 72.90	5.5%
Actual Cost for 30 Miles	£ 70.50	4.9%	£ 88.40	4.7%	£ 107.50	5.7%
Actual Cost for 40 Miles	£ 93.10	5.1%	£ 116.70	4.7%	£ 142.00	5.7%
Actual Cost for 50 Miles	£ 115.60	5.0%	£ 145.10	4.7%	£ 176.50	5.8%
Actual Cost for 100 Miles	£ 228.40	5.1%	£ 287.10	4.8%	£ 349.00	5.8%

PROPOSED TARIFF	Proposed Tariff 4	% Increase	Proposed Tariff 5	% Increase
1st Drop (Yds)	422	5.0%	422	5.0%
2nd Drop (Yds)	39	4.9%	30	6.3%
1st Drop Cost	£ 4.70	0.0%	£ 4.70	0.0%
2nd Drop Cost	£ 0.10	0.0%	£ 0.10	0.0%
Calculated Cost per additional Mile	£ 4.51	5.1%	£ 5.87	6.7%
Actual Cost for 1st Mile	£ 8.20	2.5%	£ 9.20	3.4%
Actual Cost for 2 Miles	£ 12.70	3.3%	£ 15.10	4.9%
Actual Cost for 3 Miles	£ 17.20	4.2%	£ 20.90	5.0%
Actual Cost for 4 Miles	£ 21.70	4.3%	£ 26.80	5.5%
Actual Cost for 5 Miles	£ 26.20	4.4%	£ 32.70	5.8%
Actual Cost for 10 Miles	£ 48.80	4.7%	£ 62.00	6.2%
Actual Cost for 15 Miles	£ 71.40	4.8%	£ 91.30	6.3%
Actual Cost for 20 Miles	£ 93.90	4.9%	£ 120.70	6.4%
Actual Cost for 30 Miles	£ 139.10	5.1%	£ 179.30	6.5%
Actual Cost for 40 Miles	£ 184.20	5.0%	£ 238.00	6.5%
Actual Cost for 50 Miles	£ 229.30	5.0%	£ 296.70	6.6%
Actual Cost for 100 Miles	£ 455.00	5.1%	£ 590.00	6.6%