

Item: 5

Licensing Committee: 1 December 2022.

Civic Government (Scotland) Act 1982.

Review of Fares and Charges in respect of Taxi Services on Mainland Area of Orkney.

Report by Corporate Director for Strategy, Performance and Business Solutions.

1. Purpose of Report

To consider proposed scales, effective from 1 May 2023, for maximum fares and charges for all taxi services within the mainland area of Orkney, including the linked south isles, for approval for public consultation.

2. Recommendations

The Committee is invited to note:

2.1.

The current scales for maximum fares and charges for all taxi services within the Mainland area of Orkney, including the linked south isles, effective from 1 May 2022, as detailed in Appendix 1 to this report.

2.2.

That a statutory consultation process with taxi operators was undertaken during the period 16 August to 14 October 2022, when operators were requested to submit comments or suggestions in respect of the current scales, referred to at section 2.1 above.

2.3.

That three representations were received from operators, detailed at sections 4.3 to 4.5 of this report.

2.4.

That the licensing authority requires, at intervals not exceeding 18 months, to propose new scales, whether at altered rates or the same rates.

2.5.

The options in respect of considering what action to take with regard to identifying proposed scales, effective from 1 May 2023, for maximum fares and charges for all taxi services within the mainland area of Orkney, including the linked south isles, for approval for public consultation, as detailed in section 5 of this report.

2.6.

The proposed new scales, attached as Appendix 2 to this report, based on a representation received from operators, referred to at paragraph 2.3 above, and reflecting the preferred option, namely Option 3.

2.7.

That the proposals require to be advertised to allow the public a period of at least one month to submit representations.

It is recommended:

2.8.

That new scales proposed by taxi operators, referred to at paragraph 2.6 above, be approved for public consultation.

2.9.

That the Corporate Director for Strategy, Performance and Business Solutions should submit a report, to the meeting of the Committee to be held on 9 March 2023, on the outcome of the public consultation, referred to at paragraph 2.8 above, together with proposed scales for the maximum fares and charges for all taxi services within the mainland area of Orkney, including the linked south isles, to be effective from 1 May 2023.

3. Current Scales

3.1.

The Council publishes information about the setting of taxi fares, together with current scales, [here](#).

3.2.

On 10 March 2022, the Licensing Committee adopted the current scales for maximum fares and charges for all taxi services within the Mainland area of Orkney, including the linked south isles, as detailed in Appendix 1 to this report, which took effect from 1 May 2022.

4. Consultation with Taxi Operators

4.1.

Particulars of the consultation process are detailed in section 9 below.

4.2.

The statutory consultation process with 17 taxi operators was undertaken during the period 16 August to 14 October 2022. Operators were asked whether they wished to suggest any amendments to the current scales.

4.3.

By email received on 14 September 2022, the following response to the consultation was received from one operator:

“The proposed price freeze is in my opinion is totally unacceptable. With the price of living and mainly the desiel costs alone will make it very hard for taxi companies to operate. I propose that prices go up 50p a hire from 4.50 to 5.00 rate one and the same increase on rate 2 and 3 also 20p a mile from 2 00 to 2 20.”.

4.3.1.

The Council's approved testing garage, Manse Road Motors, has confirmed that the taximeter software could be recalibrated by means of a software update to reflect the changes proposed by the operator.

4.4.

The Licensing Service circulated the response detailed at section 4.3 above to taxi operators on 6 October 2022. By email received on 7 October 2022, the following response to the consultation was received from one other operator:

“Regarding taxi fares I would like them to stay as they are as I believe puting the fares up will be detrimental to future hires during the present economic climate and it may affect the taxi business.”.

4.5.

By email received on 14 October 2022, the following response to the consultation was received from seven other operators:

"2022 has seen an unprecedented increase in the many of the cost factors of running a private hire or taxi company. Fuel prices have risen by approximately 30-40%, and energy rates have nearly doubled. Inflation is currently running at around 10% (nearly double what it was at the start of the year) and predicted to hit 18% by the end of the year. Wages costs have also increased.

Proposal 1

The biggest effect on our industry will be the short distance hires which are least fuel efficient and hence will incur the greatest relative burden of these increased costs.

As such, our primary proposal is an increase of £0.50 in the rate of each of the first mile for Tariffs 1, 2 and 3 but no increase in the mile rate after the first mile.

Proposal 2

Requests for tours, in particular from cruise liners far exceeds availability of vehicles and drivers during the summer season but this tails off considerably out with the season. Most such tours are pre-booked in our experience. "On the day" demand is hence very hard to absorb between the operators. The economics of running vehicles seasonally is very touch and go and greater incentive to do so will be beneficial for all operators.

As such, we propose an increase in the touring rates to £50 per hour for vehicles up to 4 passenger seats, and £75 per hour for vehicles up to 8 passenger seats.

Proposal 3

Vehicle fouling when it occurs, will generally translate to a loss of earnings from that vehicle and the associated costs of restitution. When it has to be applied, it has a proportionally greater effect on smaller operators.

In line with rising costs, it is proposed that the fouling charge be raised to £150.”.

4.5.1.

The operators advised that they did not consider their three proposals to be “mutually dependent so each should be considered separately on its own merits”. The proposed new scales, attached as Appendix 2 to this report, incorporate all three proposals for ease of reference.

4.5.2.

The Council’s approved testing garage, Manse Road Motors, has confirmed that the taximeter software could be recalibrated by means of a software update to reflect all of the changes proposed by the operators.

5. Options

5.1.

There are three options in respect of considering what action to take with regard to identifying proposed scales, effective from 1 May 2023, for maximum fares and charges for all taxi services within the mainland area of Orkney, including the linked south isles, for approval for public consultation.

5.2.

Option 1: Approve the suggested increased scales received from one operator, detailed at section 4.3 above, for public consultation.

5.2.1.

The proposed increased scales have been suggested by only one operator. Sixteen other operators have either submitted different proposals or have not submitted any response to the consultation.

5.3.

Option 2: Approve the suggestion that the scales should remain the same received from one other operator, detailed at section 4.4 above, for public consultation.

5.3.1.

Only one operator has suggested that the scales should remain the same. Sixteen other operators have either submitted different proposals or have not submitted any response to the consultation.

5.4.

Option 3: Approve the suggested increased scales received from seven operators, detailed at section 4.5 above, for public consultation.

5.4.1.

The proposed increased scales have been suggested by seven operators. Two other operators have submitted differing proposals and eight other operators have not submitted any response to the consultation.

5.5.

The preferred option is Option 3. Seventeen taxi operators were consulted on the statutory review of the scales for maximum fares and charges for all taxi services within the mainland area of Orkney, including the linked south isles, for approval for public consultation. One operator suggested increases to the scales, one other operator suggested that the scales should remain the same and seven other operators suggested particular increases to the scales. On balance, it is proportionate to approve increased scales for consultation on the basis of proposals submitted by seven out of 17 operators.

6. Public Consultation

It is now proposed that the new scales, set out in Appendix 2, be advertised from 5 January 2023 stating that any person may make representations in writing until 6 February 2023. A further report will be submitted to the Licensing Committee on 9 March 2023, detailing the outcome of the public consultation.

7. Corporate Governance

This report relates to the Council complying with its statutory duties as a Licensing Authority and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

8. Financial Implications

8.1.

The maximum fares and charges for taxi services were last altered with effect from 1 May 2021 when all tariffs were increased for the first mile travelled, for each mile thereafter and for the touring rate, by approximately 12% to 14%.

8.2.

There are no direct financial implications to the Council arising from the recommendations of this report.

9. Legal Aspects

9.1.

The fares for the hire of taxis in any area and all other charges in connection with the hire of a taxi or with the arrangements for its hire shall not be greater than those fixed for that area in terms of sections 17 and 18 of the Civic Government (Scotland) Act 1982 (the Act).

9.2.

In terms of section 17(2) of the Act, the licensing authority must fix scales for the fares and all other charges in connection with the hire of a taxi, and review those scales, within 18 months beginning with the date on which the scales came into effect. In fixing scales, the licensing authority may alter fares or other charges or fix them at the same rates as previously.

9.3.

The statutory provisions referred to in sections 9.1 and 9.2 above do not apply to fares and charges in respect of private hire cars which do not have a meter fitted. If a meter is fitted in a private hire car, the scales for maximum fares and charges apply.

9.4.

Before establishing any scales or carrying out any review the licensing authority must:

9.4.1.

Consult with persons or organisations appearing to be, or be representative of, the operators of taxis within their area.

9.4.2.

Following such consultation, review the existing scales and propose new scales (whether at altered rates or the same rates).

9.4.3.

Publish those proposed scales in a newspaper circulating in its area:

- Setting out the proposed rates.
- Explaining the effect of the proposed scales.
- Proposing a date on which the proposed scales are to come into effect.
- Stating that any person may make representations in writing until the relevant date.

9.4.4.

Consider any such representations.

9.5.

The relevant date referred to at section 9.4.3 above is a date specified by the licensing authority falling at least one month after the first publication by the authority of the proposed scales.

9.6.

After fixing scales, the licensing authority must set out and explain the effect of the scales as fixed and notify all persons or organisations appearing to be, or be representative of, the operators of taxis within their area of the date on which the scales as fixed are to come into effect and their rights of appeal to the Traffic Commissioner for Scotland.

9.7.

Following the fixing of scales, the licensing authority must publish them in a newspaper circulating in its area and specify in the advertisement the date on which the scales are to come into effect.

9.8.

The scales may come into effect no earlier than 7 days after the date on which they are published.

9.9.

The authority must give notice of the scales:

- Where no appeal has been lodged, as soon as practicable after the expiry of the period of 14 days within which appeals may be lodged.
- Where such an appeal has been lodged, as soon as practicable after the determination of the appeal.

9.10.

An appeal is determined on the date on which the appeal is abandoned or notice is given to the appellant of its disposal.

10. Contact Officers

Karen Greaves, Corporate Director for Strategy, Performance and Business Solutions, extension 2202, Email karen.greaves@orkney.gov.uk.

Gavin Mitchell, Head of Legal and Governance, extension 2233, email gavin.mitchell@orkney.gov.uk.

Sheila Tulloch, Service Manager (Legal Services), extension 2213, Email sheila.tulloch@orkney.gov.uk.

Elaine Sinclair, Legal Clerk, extension 2232, email elaine.sinclair-hill@orkney.gov.uk.

11. Appendices

Appendix 1: Current scales for maximum fares and charges for all taxi services within the Mainland area of Orkney, including the linked south isles, effective from 1 May 2022.

Appendix 2: Proposed scales for maximum fares and charges for all taxi services within the Mainland area of Orkney, including the linked south isles, to be effective from 1 May 2023.



ORKNEY
ISLANDS COUNCIL

Scales of Maximum Fares and Charges in respect of all Taxi Services in the Mainland Area of Orkney and Linked South Isles 2022/23.

Description.			
First mile.	Tariff 1. £4.50.	Tariff 2. £5.50.	Tariff 3. £6.50.
For each mile thereafter.	Tariff 1. £2.00.	Tariff 2. £2.40.	Tariff 3. £2.90.
Extras – all tariffs.		£2.00.	
Waiting time – all tariffs.		£27.00 per hour.	
Additional.			
Car fouling – all tariffs.		£120.00.	
Touring rate – all tariffs – vehicles licensed to carry up to 4 passengers.		£45.00 per hour.	
Touring rate – all tariffs – vehicles licensed to carry more than 4 passengers (maximum of 8 passengers).		£67.00 per hour.	
Vehicles carrying more than 4 passengers (maximum of 8 passengers).		All tariffs multiplied by 1.5.	
Tariff Information.			
Tariff 1.	normal operating times – 07:00 to 20:59 daily except as otherwise stated herein.		
Tariff 2.	21:00 to 06:59 daily. 21:00 Saturday until 06:59 Monday. 07:00 to 20:59 County Show Day.		
Tariff 3.	County Show Day 21:00 to 06:59 the next day. Christmas holiday 19:00 on 24 December to 06:59 on 27 December. New Year holiday 19:00 on 31 December to 06:59 on 3 January.		

Extras.	
(a)	carriage of animals (excluding assistance dogs).
(b)	journeys to and from Airport.
A limit of £2.00 for extras will apply.	
In addition, provision has been made for a supplementary booking charge of up to a maximum of £20.00 to compensate for the cost of the outward journey for hires which commence 3 miles or more away from the taxi or taxi base (whichever is the nearer) and the customer wishes to travel further away. This charge may only be demanded if the customer is informed of the amount of the charge at the time of booking.	
When a taxi (or a private hire car fitted with a taxi meter) is called but not used, a charge shall be allowed as if it had been occupied from the time it left the stance or garage.	
Car Fouling.	
Maximum of £120.00 payable by an offending passenger, where a vehicle requires to be removed from service for cleaning in order for it to be restored to a usable state and condition.	
Touring Rate.	
Vehicles licensed to carry up to 4 passengers – minimum charge of £45.00.	
Vehicles licensed to carry more than 4 passengers (maximum of 8 passengers) – minimum charge of £67.00.	
Agreed: 10 March 2022.	
Effective From: 1 May 2022.	



ORKNEY
ISLANDS COUNCIL

Scales of Maximum Fares and Charges in respect of all Taxi Services in the Mainland Area of Orkney and Linked South Isles 2023/24.

Description.			
First mile.	Tariff 1. £5.00.	Tariff 2. £6.00.	Tariff 3. £7.00.
For each mile thereafter.	Tariff 1. £2.00.	Tariff 2. £2.40.	Tariff 3. £2.90.
Extras – all tariffs.		£2.00.	
Waiting time – all tariffs.		£27.00 per hour.	
Additional.			
Car fouling – all tariffs.		£150.00.	
Touring rate – all tariffs – vehicles licensed to carry up to 4 passengers.		£50.00 per hour.	
Touring rate – all tariffs – vehicles licensed to carry more than 4 passengers (maximum of 8 passengers).		£75.00 per hour.	
Vehicles carrying more than 4 passengers (maximum of 8 passengers).		All tariffs multiplied by 1.5.	
Tariff Information.			
Tariff 1.	normal operating times – 07:00 to 20:59 daily except as otherwise stated herein.		
Tariff 2.	21:00 to 06:59 daily. 21:00 Saturday until 06:59 Monday. 07:00 to 20:59 County Show Day.		
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When a taxi (or a private hire car fitted with a taxi meter) is called but not used, a charge shall be allowed as if it had been occupied from the time it left the stance or garage.	
Car Fouling.	
Maximum of £150.00 payable by an offending passenger, where a vehicle requires to be removed from service for cleaning in order for it to be restored to a usable state and condition.	
Touring Rate.	
Vehicles licensed to carry up to 4 passengers – minimum charge of £50.00.	
Vehicles licensed to carry more than 4 passengers (maximum of 8 passengers) – minimum charge of £75.00.	
Agreed:	
Effective From:	