

REPORT

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| To: GENERAL PURPOSES COMMITTEE | | Subject: TAXI LICENSING – TAXI FARES REVIEW | |
| From: DIRECTOR OF ADMINISTRATION | | | |
| Date: 12 February 2003 | | Ref: WBK/KH | |

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to advise the Committee of the outcome of the consultation on the taxi fares review and to present the matter for decision.

2. BACKGROUND

- 2.1. Section 17 of the Civic Government (Scotland) Act 1982 obliges the Council, as licensing authority to review, from time to time, scales for the fares and other charges in respect of the hire of taxis. On 20 October 2002 the Committee authorised the Head of Legal Services to commence a full consultation on the issue of the taxi fares.
- 2.2. Taxi trade representatives in the Council's Central and South licensing areas (i.e. the former Monklands District Council and Motherwell District Council areas respectively) have advised that they do not seek an increase in the taxi fares scales at this time. Taxi trade representatives in the Council's North licensing area (i.e. the former Cumbernauld and Kilsyth District Council area together with that area of the former Strathkelvin District Council that now forms part of North Lanarkshire) have put forward proposals for an increase in the scale governing maximum taxi fares in that area. The positions in all three licensing areas have been made the subject of public consultation.
- 2.3. The proposals in the North licensing area are in simple terms. They currently charge £1.50 for an initial hire charge for a distance not exceeding 1,470 yards. They wish to change the initial hire charge to £1.50 for a distance not exceeding 1,274 yards. It is proposed that each additional 294 yards continue to be charged at 20p and that no other change be made to the current fares scale. The taxi trade in the North area asserts that based on an average 3 mile journey the proposals represent a change from £4.10 to £4.30 which equates to an increase of 4.88%. Given that it is almost two years since the original implementation date of the present fare structure that represents an increase of 2.44% per annum. The North area representatives have also pointed to the fact that the fare scales in North Lanarkshire currently stand at Number 371 in a league table of 377 licensed areas in Great Britain (i.e. among the least expensive) and they make that assertion on the basis of a survey published in November 2002 in the Private Hire and Taxi Monthly.
- 2.4. The public consultation on the fares review and the particular proposals in the North area has attracted three representations which are at Appendix A. The substantive representation is contained in the letter from the North Lanarkshire (North) Private Hire Association dated 28 January 2003. That representation makes a number of points in respect of private hire fares. The Committee is reminded that private hire fares are essentially a matter between driver and customer and are only regulated where private hire operators have chosen to fit taximeters to their cars. The North Lanarkshire (North) Private Hire Association do not suggest that any of their members have taximeters fitted and indeed recognise that the private hire fares are

essentially a matter that do not fall within the regulation of the Council. The representation argues in detailed terms that the proposed increase in the North Licensing area is insufficient. That argument appears to be made on the basis of the cost of operating private hire cars. There is no evidence to suggest that the particular association in question or indeed private hire operators in the Council's North licensing area are likely to be significantly impacted upon by the taxi fares review.

3. ISSUES FOR CONSIDERATION OF DECISION

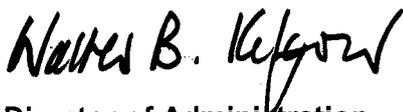
- 3.1. The Committee requires to note the proposals in North, Central and South licensing areas. The fact that the North licensing area has taken a different position from the Central and South licensing areas is not particularly surprising given that they have traditionally argued that they operate in a substantially different environment on the basis that they all have purpose built taxis and the topography of the North licensing area is substantially different from the Central and South licensing areas thereby rendering plying for hire less significant.
- 3.2. There appears to be no evidence to suggest that the fares increase proposed in the North licensing area is excessive and in so considering the Committee will wish to bear in mind that there has been a full public consultation on the matter which has not attracted any such suggestion. That simply leaves the representations from the North Lanarkshire (North) Private Hire Association, Mr Ian McConnell and Mr Ian Millar which suggest that the proposed increase is in fact insufficient. Those objectors do not put forward any substantive alternative proposals and appear to simply make a comparison of taxi and private hire car running costs with no suggestion that a substantial body of private hire operators have elected to subject themselves to the maximum fares tariff by fitting taximeters. It is suggested that the representations received from the North Lanarkshire (North) Private Hire Association and Messrs McConnell and Millar are not of sufficient relevance and weight as to seriously challenge the proposed increase by the taxi trade in the Council's North licensing area. On that basis, and on the basis that there are no other adverse representations and indeed nothing to suggest that the proposed increase in the North area is unjustified or unreasonable, the Committee requires to decide whether to approve that increase and to confirm that the fares scales in the Central and South licensing areas are to remain unchanged.

4. CORPORATE CONSIDERATIONS

- 4.1. The issues raised in this report do not significantly impact upon the Council's wider policies or positions.

5. RECOMMENDATIONS

- 5.1. The Committee is asked to agree to amend the taxi fares scale relative to the Council's North licensing area as detailed at paragraph 2.3 and that with effect from 17 March 2003.
- 5.2. The Committee is asked to agree that the fares scales in the Council's Central and South licensing areas are to remain unchanged.



Director of Administration

Members requiring further information on the contents of this report are asked to contact Kenny Hannaway, Senior Solicitor (Licensing) on Extension 2214.

NORTH LANARKSHIRE (NORTH)**PRIVATE HIRE ASSOCIATION**

MEMBER OF NATIONAL PRIVATE HIRE ASSOCIATION

Date: 28/01/03

Tel No: 01236 729097

Secretary
Ian Stewart
61 Cedar Rd
Abrohill
CUMBERNAULD
G67 3AR

Chairperson
John Bremner



Dear Sir

I am writing to you on behalf of our members with regards to the proposed taxi fares review for the north zone of North Lanarkshire Council which is due to take effect from 17th March 2003, and we cite the following reasons for our objection:

- 1.) As an association we are well aware that as the legislation stands at present it is only the public hire sector who can apply for a taxi fares review and that the private hire sector basically have an open policy, whereby they can set their own fares at whatever level they wish, this however has one major fault in our view and that is in any local authority which does not licence public hire sector do have the freedom to raise their fares on a more regular basis and frequently do, but with a district council who on average only have a fares review every two years and also licence public hire vehicles the private hire sector do not have this freedom and almost without exception run at a lower rate in comparison to the public sector.
- 2.) If this fares review is based solely on an inflationary basis, we then feel that the proposed increase is far too small to cover the running costs of our vehicles, and it is a myth to suggest that the running costs of a public sector vehicle is any higher than the repair and maintenance costs of many of today's saloon vehicles who have mechanical and electronic parts which are particularly expensive, tyres which on average are more expensive than public sector vehicles. We then have the matter of vehicle insurance which many private hire drivers have seen their premiums rise by 100% over the last two years and is forecast by many in the insurance industry to continue for the next 2 to 3 years. In a similar fashion we then have the subject of fuel which admittedly has remained stable for the last year, but in most areas within the last couple of weeks there has been a 5% increase and if the experts and analysts are to be believed this will rise very shortly to anything from 15 to 25%, and most public sector vehicles are run on diesel fuel, whereby a lot of private hire vehicles are run on petrol, and although in many petrol stations today there is not a great deal of difference in the purchase of

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these fuels, over the period of a year the petrol engine is at a distinct disadvantage in a small limited local survey these were the figures we arrived at for private hire vehicles and using the smallest % increase predicted for fuel and insurance only over a year.

| <u>%</u> | <u>Weekly av</u> | <u>Fuel</u> | <u>Yearly av</u> | <u>Increase</u> |
|----------|------------------|-------------|------------------|-----------------|
| 15 | £120 | Diesel | 6,240 | £966 |
| 15 | £150 | Petrol | 7,800 | £1170 |

Insurance

| <u>%</u> | <u>Yearly Policy</u> | <u>Increase</u> |
|----------|----------------------|-----------------|
| 25 | £960 | £240 |

We could also include a list for parts and maintenance for some vehicles which could easily match or exceed the public sector vehicles costs so we believe that this fares review is totally inadequate, considering that it will be another two years before another review is implemented.

3.) The third reason that we object so strongly to this review is as stated previously we are well aware of the difference in legislation between the public and private sectors, and we find it very difficult to understand that in our north zone alone there are approximately only 48 licensed public sector vehicles, but there is approximately 450 licenced private hire vehicles who after paying their fees are not allowed to voice their opinion on their own level of earnings when they are so much in the majority particularly when there is a constant increase of private hire licences and none in the public sector and with little or no population growth, and most homes today having at least one vehicle, almost all private hire drivers see their income decrease year after year.

4.) There is a final point we would like the council to consider in the December 2003 publication of the private hire and taxi monthly (the official newspaper of the national private association) of which we are members, they give a monthly league table of fares based on a 2 mile hackney fare.

- Out of all licencing authorities in Scotland North Lanarkshire is the cheapest.
- Out of 377 licencing authorities in the U.K. North Lanarkshire is 371.
- The north zone generally runs at a lower running cost than the central and south zones in North Lanarkshire despite the councils claims it is trying to harmonise the fare structure across North Lanarkshire we are now nearly six years since North Lanarkshire was formed and it still has not been achieved.
- Finally as a private hire association we would like to say that at times the private hire industry can be it's own worst enemy and in general is not as well organised as the

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public sector, it is groups like our selves who can help to improve things, like the lack of democracy, bullying and intimidation when opinions are voiced, but the council could also do more by becoming involved and encouraging the private hire sector even at meetings and looking at legislation such as numerical control of vehicle licencing to encourage people to stay in the industry, and help improve our standard of living.

We as a association hope that you will take note of our points of view and will come to a more amicable decision.

With Regards

Ian Stewart

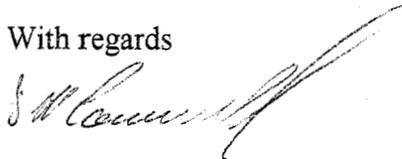
Mr Ian McConnell
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28/01/03

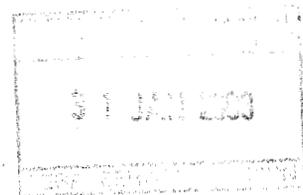
Dear Sir/Madam,

I am writing to you with regards of the taxi fares review for the North zone of North Lanarkshire Council which is due to take effect from the 17th of March 2003, and since the publication of this review I would like to add my objection to this inadequate fare rise, As a private hire driver in the North zone I would like to object for the same reasons as North Lanarkshire (north) private hire association who I believe have sent you a detailed copy of their members, which I wholeheartedly support. With the grounds for their objection.

With regards



Ian McConnell



DATE 24.1.03

NAME & ADDRESS

IAN MILLAR
161, BINNIEHILL RD
BALLOCH
CUMBERNAULD
G68 9JH

Dear Sir

I am writing to you with regards of the taxi fares review for the North zone of North Lanarkshire Council which is due to take effect from the 17th of march 2003, and since the publication of this review i would like to add my objection to this inadequate fare rise, As a private hire driver in the north zone i would like to object for the same reasons as North Lanarkshire (north) private hire association who i believe have sent you a detailed copy of their members, which i wholeheartedly support. With the grounds for their objection.

With regards

Ian Millar

BADGE 555

PLATE 163 (P.H.)

