North Lanarkshire Council
Report

Finance and Resources Committee

Does this report require to be approved? ☒ Yes ☐ No

Ref FS/CJ **Date** 18/11/26

Review of Taxi Scales Under Section 17 and 18 of the Civic Government (Scotland) Act 1973

From Francis Scott, Acting Chief Officer (Legal and Democratic)

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Executive Summary

The purpose of this report is to update Members on the outcome of the statutory consultation process approved by Committee in relation to the proposed review of taxi fares within North Lanarkshire.

The report provides an analysis of the responses received, including the formal objections submitted, and details the alternative fare scales submitted by the North Lanarkshire Joint Taxi Trade Association and in response to the recommendations arising from the independent Licensed Vehicle Surveys and Assessments (LVSA) review.

Following consideration of the independent assessment, consultation responses, trade representations and a comparative assessment of the alternative fare methodologies, the report sets out the recommended fare scales together with the rationale supporting the proposed approach.

Committee is asked to consider the outcome of the consultation exercise, the representations received during the consultation process and the assessment set out within this report and determine the taxi fare scales to be implemented within North Lanarkshire.

Recommendations

It is recommended that the Finance and Resources Committee:

(1) Acknowledges the outcome of the statutory consultation exercise, including the responses received and representations submitted in relation to the proposed taxi fare review.

(2) Acknowledges the alternative fare proposal submitted by the North Lanarkshire Joint Taxi Trade Association and the findings of the additional assessment undertaken by officers in respect of operating costs, benchmarking information, local market conditions and alternative tariff models.

(3) Acknowledges the conclusions of the independent Licensed Vehicle Surveys and Assessments (LVSA) review and the wider evidence gathered throughout the review process.

(4) Approves the revised taxi fare scales detailed in Appendix two to this report as the Council's proposed scale of taxi fares for North Lanarkshire.

(5) Approves the publication of notice of the proposed fare scales in accordance with Section 17 of the Civic Government (Scotland) Act 1982.

(6) Delegates authority to the Acting Chief Officer (Legal and Democratic) to:

(a) conclude the statutory procedures where no representations or objections are received following publication of the Section 17 notice;

(b) implement the approved fare scales with effect from 1 January 2027, following completion of the statutory process and expiry of the appeal period specified under Section 18 of the Civic Government (Scotland) Act 1982, where no appeal has been lodged; and

(c) report any representations received under Section 17, or any appeal lodged under Section 18, to a future meeting of the Finance and Resources Committee for consideration.

(7) Approves the establishment of a North Lanarkshire Taxi Trade Steering Group comprising representatives of the licensed taxi trade and relevant Council officers to support ongoing engagement on future fare reviews, licensing standards, vehicle specification requirements and operational matters.

(8) Approves the continued monitoring of operating costs, fuel price volatility, matters affecting different sectors of the licensed fleet, including purpose-built hackney carriage vehicles, vehicle age limits, vehicle specification requirements and wider market conditions affecting the licensed taxi trade through the proposed North Lanarkshire Taxi Trade Steering Group, with a further report being submitted to Committee where there is evidence of a material change in circumstances affecting the sustainability of the trade.

The Plan for North Lanarkshire

Priority	Enhance participation, capacity, and empowerment across our communities
Ambition statement	(20) Improve the involvement of communities in the decisions, and development of services and supports, that affect them
Programme of Work	Statutory / corporate / service requirement

1. Background

1.1 Section 17 of the Civic Government (Scotland) Act 1982 requires licensing authorities to fix scales for taxi fares and other charges and to review those scales at intervals not exceeding 18 months. The Council is therefore required to undertake periodic reviews to ensure that fares remain appropriate, proportionate and reflective of changes in the costs associated with operating licensed taxis.

1.2 The current taxi fare scales came into effect on 1 May 2024 following completion of the previous statutory fare review. As approximately 18 months have now elapsed since implementation of the current tariff, a further review is required.

2. Report

2.1 Recognising the importance of ensuring that any proposed revisions are based upon objective evidence, the Council commissioned Licensed Vehicle Surveys and Assessments (LVSA) to undertake an independent assessment of taxi operating costs and the existing fare structure within North Lanarkshire. The review considered changes in vehicle ownership costs, servicing and maintenance, fuel, insurance, vehicle excise duty and driver earnings, together with wider economic factors affecting the licensed taxi trade.

2.2 On the basis of that assessment, revised taxi fare scales were presented to the Finance and Resources Committee on 2 September 2026. Committee agreed that consultation should be undertaken on the proposed revised fare scales as per the legislative requirement.

2.3 The findings of the independent review identified an estimated increase of approximately 10.6% in operating costs since the introduction of the current fare scales in May 2024.

Outcome of Statutory Consultation and Formal Objections

2.4 The consultation period commenced on 7 September 2026 and concluded on 2 October 2026. Details of the proposed fare scales were published on the Council's website, promoted through the Council's social media channels and circulated directly to stakeholders. In addition, over 1,500 letters were issued to licensed taxi drivers, taxi operators, the North Lanarkshire Joint Taxi Trade Association and other relevant stakeholders, inviting comments either through an online questionnaire or by written submission.

2.5 A total of 108 responses were received, comprising 68 questionnaire submissions and 40 written representations from taxi drivers, operators and trade representatives. Overall, 84.3% of respondents either objected to the proposals (38.9%) or supported only certain elements of them (45.4%), while 15.7% fully supported the proposed fare structure.

2.6 The principal concerns raised related to the methodology underpinning the independent LVSA review. Respondents questioned whether the assumptions applied to annual vehicle mileage, fuel costs, servicing and maintenance expenditure, insurance premiums and vehicle replacement costs accurately reflected the operating conditions experienced by licensed taxi operators within North Lanarkshire. Concerns were also expressed that the assessment was based on a standard saloon vehicle and did not fully recognise the higher purchase, maintenance and replacement costs associated with purpose-built and wheelchair-accessible vehicles, which form an important part of the licensed fleet.

2.7 Respondents further submitted that, although the LVSA review identified an increase in operating costs, the proposed tariff structure would not deliver comparable increases across a number of commonly undertaken journeys. Concerns were also raised regarding the reliance placed on waiting time charges and supplementary tariffs in achieving the overall increase in fare income.

2.8 Additional representations highlighted continuing increases in fuel, insurance, vehicle replacement, licensing and regulatory costs, together with wider economic pressures affecting the taxi sector and the potential impact on the long-term sustainability of the trade within North Lanarkshire.

2.9 In addition to the objections received, the North Lanarkshire Joint Taxi Trade Association submitted an alternative fare proposal seeking to increase the minimum fare from £3.00 to £3.80 whilst retaining the existing distance tariff structure and waiting time provisions which is an increase of 9.2%. It was submitted that this approach would provide greater support for shorter and medium-distance journeys and more accurately reflect the operating costs currently being incurred by operators.

2.10 A detailed analysis of the consultation responses is contained within Appendix one.

Supplementary Assessment of Operating Costs and Comparative Fare Benchmarking

2.11 Following the consultation process, two differing proposals emerged regarding the appropriate fare structure. Whilst the LVSA report did not recommend an increase to the initial flagfall charge, the Joint Trade Taxi Association proposed a tariff model which included an increase. Given these conflicting positions, officers undertook further work to examine both models, the assumptions on which they were based, and their potential impact on both the trade and taxi users. In doing so, officers considered changes in vehicle replacement costs, fuel prices, insurance-related costs and vehicle repair costs since the current fare scales came into effect on 1 May 2024, together with benchmarking against neighbouring and comparable licensing authorities. This work was undertaken to ensure that any proposed tariff structure was fair, evidence-based, proportionate and capable of being applied consistently across the licensed taxi fleet, and the findings informed the recommendation presented to the Committee.

2.12 Since the previous fare review in May 2024, taxi operators have experienced notable increases in the key costs associated with providing a licensed taxi service. The purchase price of a typical saloon taxi vehicle, such as a Škoda Octavia SE Technology, has increased from £26,775 to £28,740. Similarly, the cost of purpose-built hackney carriage vehicles, such as the LEVC TX, has risen from approximately £60,000-£65,000 to between £66,500 and £70,000.

2.13 Fuel costs have also increased significantly over the same period. Petrol prices have risen from around £1.45 pence per litre to between £1.73 and £1.75 pence per litre, while diesel prices have increased from approximately £1.50-£1.55 pence per litre to around £1.99 pence per litre. Given that fuel remains one of the most significant day to day operating expenses for taxi operators, these increases have had a direct impact on operating costs.

2.14 In addition, operators continue to face increased expenditure on vehicle maintenance and repairs. Industry benchmarks indicate that the cost of repair materials has risen since the last fare review, adding further pressure to the cost of keeping vehicles safe, roadworthy and compliant with licensing requirements.

2.15 Insurance related costs have also continued to increase. Average motor claims costs have risen from approximately £3,425 to £3,699, and wider claims inflation within the motor insurance sector has resulted in increasing insurance premiums for vehicle owners and operators.

2.16 Taken together, the evidence demonstrates that the overall cost of operating a licensed taxi has increased significantly since May 2024. The combined impact of higher vehicle

purchase costs, fuel prices, maintenance expenses and insurance costs has placed additional financial pressure on the trade and should be considered as part of the assessment of the current fare tariff.

2.17 Officers also undertook a benchmarking exercise against neighbouring licensing authorities.

Licensing Authority	Starting Fare
North Lanarkshire Council	£3.00
City of Edinburgh Council	£3.60
South Lanarkshire Council (Hamilton	£3.80
South Lanarkshire Council (East Kilbride)	£4.00
South Lanarkshire Council (Cambuslang and Rutherglen	£4.40
Glasgow City Council	£4.50

2.18 The benchmarking exercise identified that the Council's current starting tariff remains below comparable neighbouring authorities. It also identified that Glasgow City Council, as part of its most recent taxi fare review, introduced a temporary fuel surcharge of £0.25 per hire for a period of three months in recognition of exceptional fuel price volatility and increasing operating costs affecting the taxi trade.

2.19 Although the independent review remains the primary evidence base for the review of taxi fares, the supplementary assessment supports the concerns raised by trade representatives regarding increasing operating costs and demonstrates that those cost pressures are consistent with wider market conditions experienced across neighbouring licensing authorities

2.20 Significant weight has been given to the findings of the independent LVSA review, officers consider that the combination of increased operating costs, benchmarking evidence and the representations received from the trade provide sufficient justification to consider an alternative tariff structure. The additional work undertaken by officers demonstrates that operators continue to experience increased costs across all key areas of their business, including vehicle acquisition, fuel, maintenance and insurance. The benchmarking exercise also confirmed that North Lanarkshire's current starting tariff remains below that of comparable neighbouring authorities.

2.21 Notwithstanding these findings, officers also considered whether the proposed £3.80 starting tariff represented an appropriate and proportionate increase when measured against inflationary movements since May 2024 and the need to balance the interests of the trade with those of the travelling public. Whilst recognising the need for operators to recover legitimate operating costs, it was also important to ensure that any increase remained reasonable and affordable for customers.

2.22 Consequently, officers met with representatives of the trade to discuss a range of options and to explore whether an alternative approach could be identified which both recognised the increased costs being incurred by operators and maintained a customer-friendly tariff structure. These discussions, together with the wider evidence gathered during the review process, informed the recommendation presented to Committee and provide a sound evidential basis for departing from the LVSA position on the flagfall charge.

2.23 To test whether a comparable uplift in fare income could be achieved through a different balance of flagfall and distance charges, officers developed and assessed a number of alternative tariff options. This work considered the differing approaches to tariff setting identified during the review process and sought to identify a tariff structure that reflected

increasing operating costs whilst maintaining a reasonable and customer-focused fare structure. Following consultation with their members, trade representatives confirmed their support for a tariff comprising a £3.40 flagfall and a charge of 10p per 86 yards which is an increase of 9.3%.

2.24 The assessment demonstrated that the proposed tariff structure would provide a consistent uplift across representative journey distances and more closely reflect local journey patterns and operating conditions within North Lanarkshire whilst maintaining a reasonable and proportionate fare structure for passengers.

2.25 It was concluded that this methodology more appropriately reflected local journey patterns and operating conditions within the authority whilst maintaining a reasonable and proportionate fare structure for passengers.

Assessment of options and recommended approach

2.26 In determining the recommended fare structure, officers have considered the findings of the independent LVSA review, the responses received during the consultation process, the alternative proposal submitted by the North Lanarkshire Joint Taxi Trade Association and the additional analysis undertaken in relation to operating costs, benchmarking information and local market conditions.

2.27 The assessment concluded that, whilst both the LVSA proposal and the alternative model would provide an increase in fare income when compared with the current fare structure, the alternative model more appropriately reflects local journey patterns and operating conditions within North Lanarkshire. Officers also considered the increasing cost pressures facing the licensed taxi trade, including vehicle, fuel, maintenance and insurance costs, together with wider challenges relating to driver recruitment, retention and licence uptake.

2.28 Having regard to all of the available evidence, officers are satisfied that the recommended fare structure provides an appropriate balance between supporting the continued viability of the licensed taxi trade, including the provision of wheelchair-accessible vehicles, and ensuring that fares remain reasonable and proportionate for passengers.

2.29 It is therefore recommended that Committee approve the fare scales detailed in Appendix 2 to this report and authorise progression to the next stage of the statutory process in accordance with sections 17 and 18 of the Civic Government (Scotland) Act 1982.

Statutory Requirements and Implementation Timetable

2.30 Subject to Committee approval of the recommended fare scales, the Council will proceed to the next stage of the statutory review process in accordance with Section 17 of the Civic Government (Scotland) Act 1982.

2.31 Notice of the proposed fare scales will be published in accordance with the requirements of Section 17 of the 1982 Act. Following publication, a period of 28 days will be provided during which any person may submit representations or objections in relation to the proposed fare scales.

2.32 Any representations or objections received during the Section 17 consultation period will be considered and, where necessary, reported to a future meeting of the Finance and Resources Committee for determination.

2.33 Following completion of the Section 17 process, a further 14-day appeal period will apply in accordance with Section 18 of the Civic Government (Scotland) Act 1982. The approved fare scales cannot be implemented until the expiry of that appeal period or, where an appeal is lodged, until the appeal has been determined or otherwise disposed of.

2.34 To ensure the efficient administration of the statutory process, delegated authority is sought for the Acting Chief Officer (Legal and Democratic) to conclude the procedural requirements arising from publication of the Section 17 notice where no representations or objections are received, including expiry of the appeal period specified under Section 18 of the Civic Government (Scotland) Act 1982 where no appeal has been lodged.

2.35 This delegation is sought to support compliance with the statutory timetable, facilitate implementation of the approved fare scales by the anticipated effective date of 1 January 2027 and avoid the requirement for a further report to Committee solely to confirm that no representations or objections have been received following publication of the Section 17 notice and that no appeal has been lodged under Section 18.

2.36 In the event that representations or objections are received under Section 17, or an appeal is lodged under Section 18, a further report will be submitted to a future meeting of the Finance and Resources Committee for consideration and determination.

2.37 Where an appeal is lodged under Section 18, implementation of the approved fare scales will be suspended pending determination or disposal of the appeal in accordance with the provisions of the Act.

2.38 Subject to completion of the statutory procedures, expiry of the appeal period and the absence of any appeal, the revised fare scales will be implemented with effect from 1 January 2027.

Future Engagement and Partnership Working with the Licensed Taxi Trade

2.39 Members will recall that, when considering the wider programme of taxi licensing reviews at its meeting on 2 September 2026, Committee agreed that further reviews and engagement exercises would be undertaken in relation to matters affecting the licensed taxi trade.

2.40 Throughout the current review process, the Council met regularly with representatives of the North Lanarkshire Joint Taxi Trade Association to discuss the proposed fare review and wider issues affecting the sector. These discussions proved constructive and facilitated improved communication and engagement between the Council and trade representatives.

2.41 As part of those discussions, it is proposed that a North Lanarkshire Taxi Trade Steering Group be established comprising representatives of the North Lanarkshire Joint Taxi Trade Association, relevant Council representatives and, where appropriate, other stakeholders with an interest in taxi licensing and service provision.

2.42 The Steering Group would provide a forum for ongoing engagement on matters affecting the licensed taxi trade, including future fare reviews, licensing standards, vehicle specification requirements, accessibility provision, driver recruitment and

retention, fleet development and any future policy or regulatory changes affecting the sector. The group would also support early engagement with the trade where external consultants or independent specialist bodies are commissioned by the Council to undertake research, data gathering or independent assessments, ensuring that local operational knowledge and experience can be considered as part of the review process.

2.43 Monitoring of taxi licence uptake, driver recruitment and retention, operating costs and wider market conditions across the North, Central and South taxi areas would continue through the Steering Group, which would meet on a quarterly basis. This collaborative approach will support ongoing dialogue, strengthen partnership working and help identify emerging issues at an early stage, enabling future reviews and policy development to be informed by both independent evidence and local operational experience.

2.44 Future reviews will also consider matters affecting different sectors of the licensed fleet, including the prevalence of purpose-built hackney carriage vehicles within the North area. The proposed Steering Group will provide a forum for discussion of these matters, together with fuel price voluntarily, vehicle age limits, vehicle specification requirements and other factors affecting the sustainability of the licensed taxi trade, with any significant matters being reported to Committee, where appropriate.

3. Measures of success

3.1 A sustainable, resilient and accessible licensed taxi trade supported by fare scales that reflect operating costs, ongoing engagement with trade representatives and continued monitoring of market conditions, accessibility provision and driver recruitment and retention trends.

4. Supporting documentation

Appendix one – Detailed analysis of the consultation responses
Appendix two – Proposed taxi fare scales



Francis Scott
Acting Chief Officer (Legal and Democratic)

5. Impacts

5.1 Public Sector Equality Duty and Fairer Scotland Duty

Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The proposed fare scales will apply equally to all taxi users and licensed taxi operators within North Lanarkshire. In considering the proposed fare structure, regard has been given to the need to maintain an accessible and sustainable taxi service, including the continued provision of wheelchair-accessible vehicles. The proposed fare scales seek to balance the need for operators to recover increasing operating costs whilst ensuring that fares remain reasonable and proportionate for passengers.

If Yes, has an assessment been carried out and published on the council's website? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments

Yes ☐ No ☒

5.2 Financial impact

Does the report contain any financial impacts?

Yes ☒ No ☐

If Yes, have all relevant financial impacts been discussed and agreed with Finance?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The proposed fare scales will impact on fare income generated by licensed taxi operators but do not have any direct financial implications for the Council. Any costs associated with the statutory consultation and implementation process will be met from existing service budgets.

5.3 HR policy impact

Does the report contain any HR policy or procedure impacts?

Yes ☐ No ☒

If Yes, have all relevant HR impacts been discussed and agreed with People Resources?

Yes ☐ No ☐

If Yes, please provide a brief summary of the impact?

5.4 Legal impact

Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)?

Yes ☒ No ☐

If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

The report relates to the Council's statutory duty under Sections 17 and 18 of the Civic Government (Scotland) Act 1982 to fix and periodically review taxi fare scales. The recommendations require compliance with the statutory consultation, publication and appeal procedures prescribed by the Act prior to any revised fare scales taking effect.

5.5 Data protection impact

Does the report / project / practice contain or involve the processing of personal data?

Yes ☒ No ☐

If Yes, is the processing of this personal data likely to result in a high risk to the data subject?

Yes ☐ No ☒

If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to dataprotection@northlan.gov.uk

Yes ☐ No ☒

5.6 Technology / Digital impact

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes ☐ No ☒

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes ☐ No ☐

5.7 Environmental / Carbon impact

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes ☐ No ☒

If Yes, please provide a brief summary of the impact?

5.8 Communications impact

Does the report contain any information that has an impact on the council's communications activities?

Yes ☒ No ☐

If Yes, please provide a brief summary of the impact?

Implementation of the statutory consultation process requires publication of notices in accordance with the Civic Government (Scotland) Act 1982 and communication of the proposed fare scales to licence holders, relevant stakeholders and members of the public through the Council's communication channels.

5.9 Risk impact

Is there a risk impact?

Yes ☒ No ☐

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

There is a risk that the approved fare scales may be subject to objection during the statutory consultation process or appeal under Section 18 of the Civic Government (Scotland) Act 1982, which could delay implementation. There is also a risk that failure to maintain fare scales at an appropriate level could adversely affect the sustainability of the licensed taxi trade and the availability of taxi services within North Lanarkshire. These risks are mitigated through the independent review, public consultation, additional assessment undertaken by officers and ongoing monitoring of market conditions.

5.10 Armed Forces Covenant Duty

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes ☐ No ☒

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

5.11 Children's rights and wellbeing impact

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes ☐ No ☒

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes ☐ No ☒