
ANNUAL TAXI FARES REVIEW 2019

Report by Service Director Regulatory Services

EXECUTIVE COMMITTEE

16 APRIL 2019

1 PURPOSE AND SUMMARY

- 1.1 This report advises Members of the recent consultations undertaken in connection with the statutory review of the current scale of charges for taxi fares.**
- 1.2 The Council as licensing authority is required in terms of Section 17 of the Civic Government (Scotland) Act 1982 ("the Act") to review the scales for fares and other charges in connection with the hire of a taxi at intervals not exceeding 18 months of the last review.**
- 1.3 For 2019 the formula which the Council uses to review taxi rates delivered a variation percentage of +3.7% on the usual indicators over the previous 12 months.**

2 RECOMMENDATION

- 2.1 I recommend that the Executive Committee decides:**
 - (a) That taxi fare rates should increase by 3.7% in line with the outcome of the Council's established formula;**
 - (b) A further review of the taxi fare settings is undertaken and implemented within 18 months of this review.**

3 BACKGROUND

- 3.1 Scottish Borders Council, as Licensing Authority is required under Section 17 of the Act to review and then fix scales for fares and other charges at intervals of not exceeding 18 months from the date the last scales came into effect. The current scales came into effect on 19th March 2018
- 3.2 Any fares set by the Council are the MAXIMUM that may be charged. For every journey undertaken the taxi meter must be working and switched on and the metered fare clearly displayed. Operators may choose to discount fares if they wish.

A guide to the current fares/mileage is attached as APPENDIX 1 for information. Included in this are the proposed changes to rates of a 3.7% increase.

- 3.3 Since 2009 the Council has used the same formula to calculate the annual revision of taxi fares. This formula was reviewed in 2018 and amendments were made. A guide to the current formula can be viewed in APPENDIX 2
- 3.4 In previous years the use of the formula has resulted in fare revisions of

Review	% Change	Notes
2010/11	+3.81%	Increase applied
2011/12	+5%	Increase applied
2012/13	+2.51%	Increase applied
2013/14	+0.01%	No increase applied
2014/15	+4% *	Increase applied
2016	-0.36%	No increase applied
2017/18	-0.45%	No increase applied
2019/20	+3.7%	Proposed

* The original result of the formula of +7.04% was not supported by Elected Members and taxi operators submitted an appeal to the Traffic Commissioner. A hearing was held and the Traffic Commissioner directed that a +4% increase be applied to flag and distance – this was implemented April 2015.

4 TAXI FARES REVIEW PROCESS AND OUTCOME OF CONSULTATION WITH OPERATORS

- 4.1 As part of the review the Council is obliged to consult with persons or organisations appearing to it to be, or to be representative of, the operators of taxis operating within its area. Following that consultation the Council is required to review the existing scales, and thereafter propose new scales (whether at altered rates or the same rates). The proposed scales, their effect, and the date upon which it is proposed they come into effect must then be published in a newspaper and representations invited from the public in writing by a stated deadline. The Council must then consider any representations received.

- 4.2 Each of the circa 111 currently licensed taxi operators was sent the result of the formula in a letter dated 4 March 2019. This letter included details of how the consultation was to be carried out and which venues, dates and times would be used. The letter also included several options for how the trade could give their views on the proposal either at one of the arranged meetings, by e-mail, letter or phone call. A list of venues and dates can be seen in APPENDIX 3. The Council completed the consultation with taxi operators on 27 March 2019
- 4.3 The trade participation at this year's consultation meetings is shown below. Figures for the individual venues are as follows:

Date/2019	Venue or Medium	Number of Attendees/Responses
25 March	Hawick	0
26 March	Galashiels	1
27 March	Kelso	1
27 March	Peebles	1
27 March	Mandate	0
27 March	Email	1
Total		

- 4.4 A total of 3 (three) operators attended the consultation meetings and 1 operator responded by email. There were no mandates received.
- 4.5 Of the 4 operators who responded directly to the consultations, 3 were in favour of the proposal that taxi fares are increased by 3.7% for 2019/20 and 1 did not express a view.
- 4.6 The Operator who responded by email did not comment on the proposed 3.7% increase but instead offered views on the Councils use of its formula and his suggestion of introducing a new taxi rates process.
- 4.7 One operator expressed concern about the cost of taxi meter calibration and the time it will take to recoup his outlay in getting his meter recalibrated. He claimed that meter calibration costs are somewhere between £30 and £50
- 4.8 In previous years Elected Members have asked for examples of similar taxi fare reviews carried out across Scotland for the purpose of comparison. In 2016 The Office of the Traffic Commissioner (Scotland) held a Hearing in Galashiels in response to a challenge submitted by taxi operators. At that Hearing the Depute Traffic Commissioner warned against making comparisons with other Authorities in respect of setting taxi fares. He advised that the formula used by Scottish Borders Council was a well-established method of comparing locally related KPI's over the previous 12 months, and no further (external) comparisons were required.
- 4.9 Purely for information; The Retail Prices Index (RPI) a national indicator often used to see the variation in prices was at 2.5% during the operator consultation process. The variation over the previous 12 months was 1.8%.

This information was sourced from the Office of National Statistics and published on their website 20 March 2019

- 4.10 Once Members agree the proposed taxi rates (whether the proposal is that they are to be altered or remain unchanged), public notices will be placed in newspapers circulating in the Scottish Borders area and representations in writing will be invited by a specified date. The outcome of the consultation will be provided in a future report to this Committee.

5 IMPLICATIONS

5.1 Financial

There are no costs to the Council, other than officer time in the reviews, attached to any of the recommendations contained in this report.

5.2 Risk and Mitigations

The Council does have a statutory duty to consider reviewing taxi fares within 18 months of the previous review and therefore may risk a legal challenge and reputational damage if it does not comply with this requirement, thus this report and its recommendations for risk mitigation.

5.3 Equalities

An Equality Impact Assessment has been conducted and no negative impacts have become apparent. Indeed maintaining the licence fee will lead to a positive impact for the whole community as access should remain status quo.

- 5.4 Equalities will need reviewed for impact if any increase recommended

5.5 Acting Sustainably

The Council has a statutory responsibility to review taxi fares within 18 months of the previous review.

5.6 Carbon Management

Taxis are a carbon consuming service. However this fact must be balanced against the level of provision particularly in rural areas where mainstream local bus services cannot or do not operate.

5.7 Rural Proofing

Not applicable as this is not a new policy.

5.8 Changes to Scheme of Administration or Scheme of Delegation

No changes to either the Scheme of Administration or the Scheme of Delegation are required as a result of the recommendations in this report.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR, Communications and the Clerk to the Council have been consulted in the preparation of this report.

Approved by

Service Director Regulatory Services Signature

Author(s)

Name	Designation and Contact Number
Timothy Stephenson	Passenger Transport Manager - 01835 825182

Background Papers: None

**Previous Minute Reference: Executive Committee 6 September 2016
And Executive Committee 4 December 2018 for the Taxi Formula Review**

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies.

Contact Jacqueline Whitelaw, Place, Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 825253, Fax 01835 825071, email JWhitelaw@scotborders.gov.uk.

	1-4 PASSENGERS				5-8 PASSENGERS	
<u>Miles</u>	<u>Current Charge</u>	<u>Proposed 2019/20 Charge</u>		<u>Miles</u>	<u>Current Charge</u>	<u>Proposed 2019/20 Charge</u>
1	3.98	4.13		1	6.00	6.22
2	5.71	5.92		2	8.60	8.92
3	7.46	7.73		3	11.21	11.63
4	9.18	9.52		4	13.83	14.34
5	10.91	11.31		5	16.42	17.03
6	12.66	13.13		6	19.02	19.73
7	14.39	14.93		7	21.62	22.42
8	16.13	16.73		8	24.22	25.12
9	17.86	18.52		9	26.82	27.81
10	19.59	20.32		10	29.42	30.51
	1-4 PASSENGERS				5-8 PASSENGERS	
<u>Miles</u>	<u>Current Unsocial hours charge (+25%)</u>	<u>Proposed 2019 Unsocial hours charge (+25%)</u>		<u>Miles</u>	<u>Current 2018 Unsocial hours charge (+25%)</u>	<u>Proposed 2019 Unsocial hours charge (+25%)</u>
1	4.98	5.17		1	7.50	7.78
2	7.13	7.40		2	10.75	11.15
3	9.33	9.67		3	14.02	14.54
4	11.48	11.91		4	17.28	17.92
5	13.64	14.15		5	20.52	21.28
6	15.82	16.40		6	23.77	24.65
7	17.99	18.66		7	27.03	28.03
8	20.17	20.91		8	30.27	31.39
9	22.32	23.14		9	33.53	34.77
10	24.49	25.40		10	36.78	38.15

Proposed Taxi Formula to come in to effect from 2019

Calculated 26/02/2019

Vehicle Related Costs	SBC Weighting (%)	Annual Percent Change to 2018	Annual Percent Change times (*) SBC Weighting
Purchase of Motor Vehicles	5%	3.0%	0.2%
Maintenance of Motor Vehicles	17%	3.6%	0.6%
Petrol and Oil	20%	7.2%	1.4%
Vehicle Tax and Insurance plus Medical and License costs	8%	3.4%	0.3%
Local Wage Rates (Clients' ability to pay)	50%	2.5%	1.3%
Total %	100%	Calculated Change:	3.7%

Sources:

Consumer Price Inflation: <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>

Resident Earnings (ASHE): <http://www.nomisweb.co.uk/reports/lmp/la/1946157430/report.aspx>

TAXI RATES: TRADE CONSULTATION MEETING PROGRAMME 2019

Venue	Date and Time
Hawick Town Hall Cross Wynd Hawick TD9 9EF	Monday 25 th March 2019 13.00 to 14.00
Old Gala House Scott Crescent Galashiels TD1 3JS	Tuesday 26 th March 2019 13.00 to 14.00
Kelso Tait Hall Edenside Road Kelso TD5 7BS	Wednesday 27 th March 2019 10.00 to 11.00
Peebles Burgh Hall High Street Peebles EH45 8AG	Wednesday 27 th March 2019 13.00 to 14.00

WRITTEN SUBMISSIONS

Any operator who is unable to attend a meeting may submit a written response to this consultation by 17.00 on Wednesday 27th March 2019 to:

Timothy Stephenson
Passenger Transport
Scottish Borders Council
Council Headquarters
Newtown St Boswells
Melrose
TD6 0SA

or Timothy.Stephenson@Scotborders.gov.uk