
ANNUAL TAXI FARES REVIEW 2016-17

Report by Service Director Regulatory Services

EXECUTIVE COMMITTEE

6 SEPTEMBER 2016

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 and recommends that fares remain unchanged for 2016/17.**
- 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. Consultation took place in October 2014 and following an appeal to the Traffic Commissioner made by the Taxi trade the revised taxi rates for 2014/15 came into effect on 10 April 2015.
- 1.3 For 2016/17 the formula which the Council uses to review taxi rates delivered a variation percentage of -0.36% (minus 0.36%) on the usual indicators over the previous 12 months.
- Paragraph 3.3 of this report explains the Councils current formula
- 1.4 If the proposal to fix the scale for taxi fares for 2016/17 is agreed by Members, then officers will write to all taxi operators and others consulted to inform them of that decision. Those parties have a 14 day period in which to appeal against this fare scale to the Traffic Commissioner who may determine to hold a Hearing. If this process is undertaken, the implementation date for the reviewed fare is delayed.
- 1.5 If there is no appeal it is proposed that the 2016/17 scale of charges come in to effect from 10 October 2016.

2 RECOMMENDATIONS

- 2.1 I recommend that the Executive Committee agrees that:**
- (a) Taxi fares remain unchanged for 2016/17**
- The 2016/17 scale takes effect from 10 October 2016.**
- (b) No changes are made to other charges on the tariff sheet:**
- **Waiting time**
 - **Unsocial hours criteria**
 - **Valeting charge**

- (c) 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 10 April 2015.
- 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 fares/mileage is attached as APPENDIX 1 for information.

- 3.3 Since 2009 the Council has used the same formula to calculate the annual revision of taxi fares. This formula which was agreed by the Executive on 27 January 2009 comprises 45% vehicle related costs (fuel prices, insurance charges, purchase and maintenance of vehicles) + 55% local wage levels. The formula was devised by the Council's Business Information Unit in accordance with guidelines advised by the Traffic Commissioner. All of the figures used in the formula are sourced from the Office of National Statistics.
- 3.4 In previous years the use of the formula has resulted in fare revisions of
- 3.81% in 2010/11- applied
 - 5.0 % in 2011/12 - applied
 - 2.51% in 2012/13 - applied
 - 0.01% in 2013/14 - no increase applied
 - 7.04% in 2014/15 – later amended to 4% applied to flag and distance by the Traffic Commissioner and implemented April 2015.

4 TAXI FARES REVIEW PROCESS AND OUTCOME OF CONSULTATION WITH OPERATORS

- 4.1 For 2016 the formula delivered a variation percentage of -0.36% on the usual indicators over the previous 12 months. This effectively meant that taxi fares would remain unaltered for 2016/17. As part of the review the Council is obliged to consult with taxi operators in the Scottish Borders area or their representative body. After the consultation exercise the proposed scales, their effect, and the date upon which it is proposed they come into effect must be published in a newspaper and representations invited from the public.
- 4.2 Each of the circa 125 currently licensed taxi operators was sent the result of the formula in a letter dated 10 June 2016. This letter also included details of how the consultation was to be carried out and which venues, dates and times would be used. This 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 2.
- 4.3 The Council completed the consultation with taxi operators on 8 July 2016.

4.4 The trade participation at this year's consultation meetings was again very low. Only Six operators met with Council officers and two operators responded by email. Figures for the individual venues are as follows:

- Innerleithen 0
- Galashiels 4
- Kelso 2
- Coldstream 0

- For reference nine operators attended the 2015 taxi fare review consultation meetings.

4.5 Of the eight operators who consulted with the Council seven were in favour of the proposal that taxi fares remain unaltered and one operator offered an alternative to the current formula and proposed a new tariff. The Council's Officers informed this operator that whilst these views would be recorded they could not be considered as part of the current consultation because the formula used by the Council was not currently under review. This was accepted by the Operator.

4.6 No-one who attended the consultation stated they were members of a taxi association. As far as Officers are aware, there have been no moves made by the trade to form a new taxi operators' association since this was first raised by them in 2011

4.7 In addition to the consultation with operators, a Public Notice was placed in newspapers circulating in the area - the Berwickshire News, the Border Telegraph, the Hawick News, the Peeblesshire News, the Selkirk Weekend Advertiser and the Southern Reporter The terms of the Notice are reproduced in APPENDIX 3. The public consultation closed in 22 August 2016 being the statutory time period of one month after the date of the publication. No responses were received.

4.8 If Members agree the recommendation that taxi fares remain unchanged for 2016/17, Officers will write as required to give notice of that decision to all persons with whom they have consulted and inform them of the decision. In terms of section 18 of the Act, there is then a 14 day period in which parties may lodge an appeal with the Traffic Commissioner. If the Commissioner so decides a Hearing into the review process may be held and they may confirm or alter the scales or decline to hear the appeal if they consider it is not representative of a substantial proportion of the trade.

4.9 The next taxi fares review will take place within 18 months.

5 IMPLICATIONS

5.1 Financial

There are no costs to the Council attached to any of the recommendations contained in this report. If there is an appeal the Council are required to meet the Traffic Commissioner's costs of this Hearing. Any such costs will be met within the relevant budget

5.2 Risk and Mitigations

There are no risk elements as such involved in this review, however, 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 if it does not comply with this requirement.

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. There will also be a positive impact for License holders as no increase in fees should facilitate continued employment.

5.4 **Acting Sustainably**

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

5.5 **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.

5.6 **Rural Proofing**

Not applicable as this is not a new policy.

5.7 **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 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
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Background Papers: None

Previous Minute Reference: Executive Committee 11th November 2014

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.

APPENDIX 1

Taxi Fares by Mile (Estimated)

1-4 PASSENGERS				5-8 PASSENGERS			
<u>Miles</u>	<u>2014/5 Charge</u>	<u>2015/6 Charge</u>	<u>2016/7 Charge</u>	<u>Miles</u>	<u>2014/5 Charge</u>	<u>2015/16 Charge</u>	<u>2016/7 Charge</u>
1	3.83	3.98	3.98	1	5.77	6.00	6.00
2	5.49	5.71	5.71	2	8.27	8.60	8.60
3	7.17	7.46	7.46	3	10.78	11.21	11.21
4	8.83	9.18	9.18	4	13.3	13.83	13.83
5	10.49	10.91	10.91	5	15.79	16.42	16.42
6	12.17	12.66	12.66	6	18.29	19.02	19.02
7	13.84	14.39	14.39	7	20.79	21.62	21.62
8	15.51	16.13	16.13	8	23.29	24.22	24.22
9	17.17	17.86	17.86	9	25.79	26.82	26.82
10	18.84	19.59	19.59	10	28.29	29.42	29.42
1-4 PASSENGERS				5-8 PASSENGERS			
<u>Miles</u>	<u>2014/5 Unsocial hours charge (+25%)</u>	<u>2015/6 Unsocial hours charge (+25%)</u>	<u>2016/7 Unsocial hours charge (+25%)</u>	<u>Miles</u>	<u>2014/5 Unsocial hours charge (+25%)</u>	<u>2015/6Unsocial hours charge (+25%)</u>	<u>2016/7 Unsocial hours charge (+25%)</u>
1	4.79	4.98	4.98	1	7.21	7.50	7.50
2	6.86	7.13	7.13	2	10.34	10.75	10.75
3	8.97	9.33	9.33	3	13.48	14.02	14.02
4	11.04	11.48	11.48	4	16.62	17.28	17.28
5	13.12	13.64	13.64	5	19.73	20.52	20.52
6	15.21	15.82	15.82	6	22.86	23.77	23.77
7	17.3	17.99	17.99	7	25.99	27.03	27.03
8	19.39	20.17	20.17	8	29.11	30.27	30.27
9	21.46	22.32	22.32	9	32.24	33.53	33.53
10	23.55	24.49	24.49	10	35.37	36.78	36.78

Even though fares remain unchanged for 2016/7 this still has to be shown for comparison to previous reviews.

APPENDIX 2

TRADE CONSULTATION MEETING PROGRAMME 2016-7

Venue	Date and Time
The Memorial Hall Leithen Road Innerleithen EH44 6HZ	Thursday 7 th July 2016 at 10.00am
Old Gala House Scott Crescent Galashiels TD1 3JS	Thursday at 7 th July 2016 12.00 noon
The Town Hall High Street Coldstream TD12 4DH	Friday at 8 th July 2016 10.00am
The Tait Hall Edenside Road Kelso TD5 7BS	Friday 8 th July 2016 12.00 noon

WRITTEN SUBMISSIONS

Any operator who is unable to attend a meeting may submit a written response to this consultation by Noon on Friday 8th July 2016 to:

Timothy Stephenson or Timothy.Stephenson@Scotborders.gov.uk
Passenger Transport
Scottish Borders Council
Council Headquarters
Newtown St Boswells
Melrose
TD6 0SA

APPENDIX 3

PUBLIC NOTICE OF THE PROPOSED SCALE OF CHARGES

CIVIC GOVERNMENT (SCOTLAND) ACT 1982, SECTION 17 REVIEW OF TAXI FARES AND RELATED CHARGES FOR SCOTTISH BORDERS

Scottish Borders Council, as Licensing Authority under the above Act are required to fix scales for fares and other charges and review and implement these at intervals of not exceeding 18 months from the date the last review came into effect. The last review of fares in the Scottish Borders was brought into effect on 10 April 2015.

Accordingly notice is hereby given that it is proposed the fare scale continues to be effective from 10 October 2016 as follows:

MAXIMUM FARE LEVELS

<u>SOCIAL HOURS</u>	<u>No. of PASSENGERS</u>	
	1 to 4	5 to 8
Initial Hire	£2.25	£3.40
Each 100.5 yards (approx. 93.60 metres) or part thereof	£0.10	£0.15
<u>Waiting Time</u>		
After 60 seconds each 35 seconds	£0.10	£0.15
<u>Valeting/Customer Misuse</u>		
Car valeting charge for customer misuse:	£70.00	
<u>UNSOCIAL HOURS</u>		
(a) In addition to social hours from 10.00pm to 6.00am	+25%	+25%
(b) Festive Season:-		
Between 6.00pm on 24 December until 6.00am on 27 December and between 6.00pm on 31 December until 6.00am on 3 January		
Initial Hire	£3.35	£4.95
Each 100.5 yards (approx. 93.60 metres) or part thereof	£0.15	£0.25
<u>Waiting Time</u>		
After 60 seconds each 35 seconds	£0.15	£0.25

Any person may lodge representations in writing with respect to the proposals by **22 August 2016** to

B. FRATER
Service Director Regulatory Services
Scottish Borders Council
Newtown St Boswells
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TD6 0SA

July 2016