
ANNUAL TAXI FARES REVIEW 2017/18

Report by Service Director Regulatory Services

EXECUTIVE COMMITTEE

17 OCTOBER 2017

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. 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.**
- 1.2 For 2017/8 the formula which the Council uses to review taxi rates delivered a variation percentage of -0.45% on the usual indicators over the previous 12 months. Paragraph 3.3 of this report explains the Councils current formula.
- 1.3 Whilst the officers are recommending that taxi fares remain unaltered in 2018, Members should also consider that during the statutory consultation with representatives of the trade within the area, a submission proposing an increase of 5% has been made. Paragraph 4.6 explains the proposal.
- 1.4 In an effort to provide members with further consideration a comparison with the Retail Prices Index (RPI) a national indicator often used for annual or monthly comparisons has been included in paragraph 4.7

2 RECOMMENDATIONS

- 2.1 I recommend that the Executive Committee agrees:**
 - (a) that taxi fare rates should remain unaltered 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 4 October 2016.
- 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.

- 3.3
- a. Since 2009 the Council has used the same formula to calculate the annual revision of taxi fares.
 - b. A guide to the formula is attached as APPENDIX 2
 - c. 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.
 - d. It 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.
 - e. A consultation on the future use of the formula was undertaken by Council Officers and the Taxi Trade in 2014.
 - f. Following the consultation the Council agreed to maintain the formula in its current format for a further 3 years, whereupon it should be reviewed again.
 - g. The Council will review the formula again in 2018.

- 3.4 In previous years the use of the formula has resulted in fare revisions of

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| 2010/11 | 3.81% |
| 2011/12 | 5.0 % |
| 2012/13 | 2.51% |
| 2013/14 | 0.01% no increase applied |
| 2014/15 | 7.04% later amended to 4% applied to flag and distance by the Traffic Commissioner and implemented April 2015. |
| 2016 | -0.36% no increase applied |

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 113 currently licensed taxi operators was sent the result of the formula in a letter dated 4 August 2017. 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 25 August 2017

4.3 The trade participation at this year's consultation meetings is shown below. Figures for the individual venues are as follows:

- Eyemouth 2
- Kelso 1
- Hawick 0
- Galashiels 2
- Peebles 0
- Mandated 22
- Email 2
- Letter 0

4.4 A total of 5 operators attended the consultation meetings and two operators responded by email.

One operator attended four of the five consultation meetings. As he can only be recorded once his attendance is included in Eyemouth meeting figures that being the first meeting held.

This operator held signed mandates to represent the views of 22 taxi operators.

4.5 Of the 7 operators who responded directly to the consultations, 3 were in favour of the proposal that taxi fares remain unchanged for 2017/8 and 4 were not in favour. The 22 mandated responses were not in favour of the proposal that taxi fares remain unchanged for 2017/8.

4.6 The Operator who represented 22 Mandates submitted a proposal asking for an increase of 5%. A copy of this submission can be seen as APPENDIX 4. The effect of a 5% increase on current rates can be seen in APPENDIX 5

4.7 For comparison the Retail Prices Index (RPI) figure is currently 3.0% - were this to be applied as an increase to current taxi rates the effect can be seen in APPENDIX 6

4.8 This operator stressed that he did not represent a taxi trade association. He said he was a representative of a collaboration of mutual businesses with a common purpose. In relation to taxi associations, it should be noted that there is no taxi trade association within the Scottish Borders. This was raised with the trade by the Council in 2011 and the setting-up

of an association was a recommendation of the Traffic Commissioners report following the outcome of a fare review within the Scottish Borders in 2015. Unfortunately, the taxi operators in the area have been unable to form a trade association despite some efforts to do so.

- 4.9 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

- (a) 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.
- (b) Equalities will need reviewed for impact if any increase recommended.

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)

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|--------------------|--|
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Background Papers: None

Previous Minute Reference: Executive Committee 6 September 2016

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.

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