

REVIEW OF TAXI FARES AND RELATED CHARGES FOR SCOTTISH BORDERS.  
August 2017

Initial submission 18.08.2017

Updated 25.08.2017

I have been asked to represent multiple holders of Taxi Operator Licences who have a cooperative connection and a mutual response in relation to the current Taxi Fare Review (August 2017).

As of Friday 25<sup>th</sup> August 2017, I am currently representing a total of 25 Operators who between them hold 65 Taxi & Private Hire Operators Licences.

The collective total of revenue to Scottish Borders Council in relation to Operators Licences from this cooperative is .....£13,118.00 per annum.

The collective total revenue to Scottish Borders Council in relation to the operating of these vehicles (Taxi/Private Hire Drivers Licences) is approx., £6,428 per annum.

..... Total revenue received by Scottish Borders Council in relation to Operators and Drivers Licences is £19,501 per annum.

Taxi Operators and drivers currently occupied or employed within the Scottish Borders Region managed or controlled in the provision of services, including backroom management by this cooperative of Operators are in excess of 84 persons.

These persons are based, or operate, from all Licenced Zones across the region.

The Taxi Operators involved in this cooperative currently hold four Taxi Office Licences.

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The last Taxi Fare increase was on the 10<sup>th</sup> April 2015.

The Trade did not ask for an increase in 2016 and the 2015 rate was continued from 10<sup>th</sup> October 2016.

The Operator's I represent request that the fare rate is increased from the April 2015 rate by approx., 5% across the board with minor adjustments to lose the 5p requirement.

**Social Hours:**

The request is for a £2.40 initial hire rate for 1-4 passengers and a £3.60 for 5-8 passengers.

A reduction in distance from 100.5 yards to 95.70 yards or part thereof @£0.10

Our understanding is that over the first mile this would increase the 1-4 passenger fare from currently approx. £4.00 to £4.20.

**Unsocial Hours:**

The request is for a £3.60 initial hire rate for 5-8 passengers.

A reduction in distance from 100.5yds to 95.70yds or part thereof @15p

Our understanding is that over the first mile this would increase the 5-8 passenger rate from currently approx. £5.95 to £6.30

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We have based this application on various cost surges to the trade over the last 18 months and additionally our understanding of probable increase in costs over the next fare review period which would not be due to be implemented until 2019. Additionally, legal cases currently in the appeal court, which may have a dramatic increase in trade costs, and retrospective costs to the trade.

**It is our belief that since the last increase in fares on 10<sup>th</sup> April 2015:**

Fuel price report by AA in January 2016 showed National Fuel Costs as:

Diesel: 103.10p per litre.....Currently within the region 115.40p per litre (**Increase of 11.5%**)

Unleaded: 102.60p per litre.....Currently within the region 114.70p per litre (**Increase of 11.75%**)

As of the above date local fuel prices within the region are ..

Diesel: 117.90p per litre (Dalglish, Galashiels)

Unleaded: £116.90p per litre (Purves, Galashiels)

The listed 'National Price' is.....Diesel : £115.40p per litre

Unleaded: £114.70p per litre

(AA Fuel Price Report July 2017)

This calculates that businesses and populace living within the region are paying 2% over the National Cost for Diesel and 1.80% over the National Cost for Unleaded Fuel.

**Autumn Budget**

It is understood that in the Autumn Budget the Chancellor is predicated to increase Fuel Duty (currently frozen since 2009) by 2.05p per litre. (Petrol prices.com – Jan 2017)

Insurance costs have increased by 18% which includes a variation applicable to Insurance Premium Tax and injury claims.

Scottish Borders Council Operators Licences increased from £196.00 to £202.00 ...3% increase

Scottish Borders Council Taxi Drivers Licence has increased from £84.00 to £87.00...3.6% increase

### Minimum Hourly Rate

Maintenance costs have increased dramatically over this period as the Minimum Hourly Rate has increased twice **from £6.50 to £7.50 an increase of ...15.45%**. Garages have increased their hourly rate charge to the trade on a 'pro rata' rate based on these increases.

Staff wages increased to cover the 15.45% increase in the minimum hourly rate.

The government's target for the minimum hourly rate is for it to reach £9.00 per hour by 2020. The current model used by the government would dictate that an increase from £7.50 will fall between now and 2018/19. (Daily Mirror – 9<sup>th</sup> June 2017)

We believe that Scottish Borders Council has one of the strictest criteria in Scotland in relation to the vehicle test. In particular as to the requirement for the vehicles to remain as 'showroom' standard. We have accepted these criteria; however, this does have a significant cost factor as these vehicles are used on a commercial basis, and as such, have a high level of use and subsequent wear & tear, internally and externally.

### Uber

Uber is a worldwide provider of Private Hire passenger transport. Their transport service providers are classed by Uber as self-employed. This has been recently challenged in the High Court by a few of their drivers. They are claiming that their provision of services should not be classed as self-employed but, in fact, should be classed as employed, by Uber. They won their case against Uber. Uber have appealed against the decision.

The outcome of this case, if the original decision is upheld will have serious and wide-ranging consequences, not only within the Taxi/Private Hire trade but across multiple areas of traditionally envisaged areas of service provision, previously regarded as self-employed. As employers, we welcome any change in legislation that gives service providers additional security in their role and support their entitlement to existing rights that employment carries. However, any additional costs to the trade must be recouped from the only income source available to us, which is our clients.

Although we are always hesitant in increasing costs to our clients we realise if we do not follow this direction the long-term provision of the existing services may be at risk.

I have spoken to many existing service providers currently self-employed and not one of them has shown a desire to be employed. The reasons are varied, but the overriding comments relate to removing their freedom to control their own service provision, and they realise that, if employed, employers would be forced to look at split-time Etc., to follow an employment structure that would track demand as it fluctuates through the day and evening.

The employment appeals tribunal has set a two-day hearing starting on the 27<sup>th</sup> September 2017.

It is our understanding that the review papers will be submitted to the Executive on 17<sup>th</sup> October 2017. We request that it is acceptable to update this submission, prior to the 17<sup>th</sup> October, if there is

a ruling from the appeals tribunal that may have a significant effect on the future of Taxi/Private Hire provision.

### **Maximum Fare**

We are aware that this review of fares relates to the **maximum fare** chargeable and we are also aware that within this region various Taxi Companies have discount fares:

Loyalty Discounts

Shoppers Taxi Discounts

£1 off all fares

Long distance discounts Etc

We also understand that in common with other commercial business's the marketplace will ultimately dictate a common and justifiable customer acceptance of the options open to them.

### **Impact Assessment**

We understand that the Taxi Trade is an essential part of the Scottish Borders Transport Framework and should be accessible by all. We believe it is imperative that our services stay available to all able bodies and disabled in the community and continue to provide a door to door service for those disabled members of the community who are not able to use other forms of public transport.

We are aware that an increase of fares may impact negatively on certain groups. These groups may include, low income families, people experiencing fuel poverty, disabled and those living in isolated rural communities.

We, as a cooperative, would be willing to discuss with any working groups, community transport organisations and the Local Authority to facilitate a common approach to alleviate any increases that may affect those who experience a negative effect.

For example: East Lothian Council – Taxicard. City of Edinburgh Council - Taxicard.

West Lothian Council – Taxicard.