
TAXI FARES REVIEW 2022/23

Report by Director Infrastructure and Environment EXECUTIVE COMMITTEE

15th November 2022

1 PURPOSE AND SUMMARY

- 1.1 This report advises Members of the outcome of the statutory review of the current scale of taxi fares, and seeks approval for an increase in 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** In March 2022, a review of the current taxi fare rates was carried out using the Council's established formula which indicated that a 4.6% increase should be applied.
- 1.4** This report requires members to consider the proposed 4.6% increase and note the responses received from the consultation.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Executive Committee agrees that the taxi fare rates should increase by 4.6% as assessed during the review carried out in March 2022 and thereafter agree that taxi operators are informed of the Council's decision in writing.**
- 2.2 If no appeal is received by the Office of the Traffic Commissioner within the 14 day period, then a statutory notice will appear in the local press giving the Council's intention to increase taxi fares by 4.6%. Operators will be required to display an updated tariff sheet in their vehicles from 20th December 2022.**

3 BACKGROUND

- 3.1** Scottish Borders Council, as Licensing Authority, is required under Section 17 of the Act to review and fix scales for taxi fares and other charges at intervals not exceeding 18 months from the date the last scales came into effect. The current tariff was set at 3.7% and was implemented in September 2019.
- 3.2** Due to operational pressures associated with the Covid 19 pandemic it proved not to be possible to carry out the next scheduled review during 2021 in accordance with the timescales set out in the Act. In March 2022 a review of the current fares was carried out in accordance with the established formula used by the Council. The review indicated that a 4.6% increase in the taxi fare tariff would be appropriate (See table below)

Proposed Taxi Formula to come in to effect from 2022

Calculated 23/03/2022

Vehicle Related Costs	SBC Weighting (%)	Annual Percent Change to 2021	Annual Percent Change times (*) SBC Weighting
Purchase of Motor Vehicles	5%	8.3%	0.4%
Maintenance of Motor Vehicles	17%	3.2%	0.5%
Petrol and Oil	20%	13.9%	2.8%
Vehicle Tax and Insurance plus Medical and License costs	8%	-1.4%	-0.1%
Local Wage Rates (Clients' ability to pay)	50%	1.9%	1.0%
Total %	100%	Calculated Change:	4.6%

Sources:

Consumer Price Inflation: <https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>
Resident Earnings (ASHE): <http://www.nomisweb.co.uk>

- 3.3** A formal consultation was undertaken and was made available to both operators and members of the public. The consultation was held using the Council's Citizen Space tool and was open from 25 April 2022 to 15 May 2022. The option to provide a written response for those unable to access the online consultation was available until 16 May 2022
- 3.4** It should be noted that in recent months operators have faced increased operating costs related directly to volatile fuel prices, increased insurance premiums and driver wages
- 3.5** Whilst not directly related to taxi fare scales, it's also worth noting that most local bus operators have increased fares by up to 10% on most single fares

4 OUTCOME OF CONSULTATION

- 4.1** A total of 68 people responded to the consultation. 48 people disagreed with the proposal to increase fares whilst 20 agreed that fares should increase.

- 4.1.1 19 identified themselves as taxi users
- 4.1.2 36 identified themselves as members of the public
- 4.1.3 13 identified themselves as either taxi drivers or operators
- 4.1.4 26 out of 36 members of the public disagreed
- 4.1.5 8 out of 13 taxi drivers/operators disagreed
- 4.1.6 14 out of 19 taxi users disagreed

- 4.2** 27 (40%) responders indicated that they were concerned regarding the affordability of the proposed increase in taxi rates, Whilst this is a genuine concern this needs to be balanced against the potential loss of operators as a result of not being able to cover increasing operating costs.
- 4.3** 7 (10%) responders wished to alter the calculation methods of the taxi tariff. The calculation is based on a format agreed between Taxi operators and the Traffic Commissioner, the formula is due for review in 2023.
- 4.4** 5 (7%) responders wished to see the taxi licences being granted for longer than 1 year and the number of licences granted decreased. Licences are granted on a 3 year basis for the vehicle and can be paid as yearly instalments at the same time as the vehicle goes for its annual taxi test. The benefits of a yearly licence is that drivers are vetted by the police annually whereas moving to a longer duration would increase the risk of not having a non-disclosure of offence. Offers a greater of public protection.
- 4.5** 2 (3%) responders indicated that they wished a higher increase than the proposed 4.6% increase to current rates to be applied. This is a valid point as operating costs continue to rise however increasing costs further may prevent people from using taxis altogether.
- 4.6** 2 (3%) responders wanted to remove the waiting and antisocial elements of the taxi tariff. Taxis can only after a short period of time. Given the logistics of the area it is hard to define waiting times and any withdrawal may have a financial impact upon taxi operators.
- 4.7** 2 (3%) respondents wanted taxi fare to reflect the rural element and recognition that disabled people from the Borders have no choice other than use taxis. The transport network review will consider how we make transport more accessible and affordable to all Borderers
- 4.8** 23 (34%) responders chose to offer no comments or comments not relevant to the purpose of the consultation.

4.9 Elected Members are reminded that the proposed 4.6% increase is as a result of the application of the Council's established formula.

4.10 Consideration needs to be given to the fact that of the 68 respondents, 23 responded yes or no but chose not to provide any comments. This in effect means that there were only 45 respondents who provided comments.

5 IMPLICATIONS

5.1 Financial Implications

There are no costs to the Council, other than Officer Time associated with the review process and possible appeal to the Traffic Commissioner, attached to any of the recommendations contained in this report.

A fares increase will impact upon residents across the region who use taxis as their primary mode of transport. In light of this, I have highlighted the support the council can offer to support families with the cost of living below.

[Financial support and advice](#) | [Cost of Living Crisis support](#) | [Scottish Borders Council \(scotborders.gov.uk\)](#)

5.2 Risks and Mitigations

The Council does have an ongoing statutory duty to consider reviewing taxi fares within 18 months of a previous review. We accept that this has not been possible to meet this obligation due to additional operational pressures associated with the Covid -19 pandemic. To ensure we are not risking future legal challenge and reputational damage we must comply with this requirement moving forward.

5.3 Equalities Impact Assessment

See Appendix 1 Taxi Fare Review IIA

5.4 Sustainable Development Goals

Whilst a fares increase may have an adverse impact on poverty, social isolation and affordability. Not increasing fares at a time when operators are facing increased operating costs could worsen the problem. Operators may be unable to continue as a business. Increasing fares will enable operators to increase driver wages which in turn will encourage drivers back to driving taxis. Taxis are a key enabler across the region, particularly for people who do not reside close to or along major bus routes, any reduction in number of taxis that operate will have a knock on effect to the wider transport including school transport.

5.5 Climate Change

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. Consultation is ongoing with the taxi trade on moving towards more sustainable fuel delivery sources.

5.6 Rural Proofing

Not applicable as this is not a new policy.

5.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

5.8 Scheme of Delegation

No changes to either the scheme of Administration or the scheme of delegation are required as a result of this report

6 Consultation

The Director (Finance and Corporate Governance) r, the Monitoring Officer/ Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People, Performance and Change) , the Clerk to the Council and Corporate Communications are being consulted in the preparation of this report.

Approved by

Service Director Infrastructure and Environment

John Curry

Author(s)

Name	Designation and Contact Number
Gordon Grant	Principal Transport Officer – 01835 825857
Eleanor Grieve	Performance Review and Systems Officer

Background Papers: None

**Previous Minute Reference: Executive Committee,
20 August 2019**

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, email JWhitelaw@scotborders.gov.uk.