## Renfrewshire

## Council

To: Regulatory Functions Board
On: 19 August 2020

Report by: Director of Finance \& Resources

Heading: Civic Government (Scotland) Act 1982: Review of Taxi Fares within Renfrewshire

## 1. <br> Summary

1.1 The Council as Licensing Authority is obliged to fix scales for the fares and other charges in its area in connection with the hire of a taxi. The legislation, the Civic Government (Scotland) Act 1982, provides that fares should be fixed within 18 months beginning with the date on which scales last came into effect. This report was originally due to be considered by the Board at its meeting in March.
1.2 The last Taxi Fares Review was carried out during 2018 and 2019 with a revised Taxi Fares Scale being fixed. It was agreed that this scale would come into effect on $25^{\text {th }}$ March 2019. That revised fares scale represented a change to the previous scale which was in effect, by: (i) increasing the minimum fare from $£ 3.20$ to $£ 3.30$; (ii) amending the additional distance charge from 20p per 239 yards (or part thereof) to 30p per 330 yards (or part thereof); and removal of the Glasgow Airport Terminal Departure charge on the basis it was no longer applicable, as it had been replaced by a Glasgow Airport Terminal pick up and drop off charge.

On $5^{\text {th }}$ November 2019, the Council by letter and e-mail consulted with persons or organisations representative of the operators of taxis operating within its area on the current taxi fare scale. The consultation also included individual taxi operators who were informed of the
consultation on $5^{\text {th }}$ November 2019 by text alert. Three responses to the consultation have been received, as detailed at 3.4.1 to 3.4.3 of the report. A meeting between Council officers and representatives of taxi operators had been held on $23^{\text {rd }}$ October 2019, prior to the above consultation. The impending review of the taxi fares scale was discussed at that meeting and a preference was expressed by a representative of Renfrewshire Public Hire Association for small and regular increases to the taxi fares scale.
1.4 The existing scales require to be reviewed and new scales proposed by the Board. Thereafter, formal notification of the proposed new scales will be given via a newspaper advertisement in the local press in order that representations may be made on the agreed proposal by a specified date at least one month from the date of the newspaper advertisement.
1.5 A further report will thereafter be submitted to the Board after the last date for making representations in order that the representations can be considered and the new fare scale can be fixed. The date for the new taxi fares scale to come into effect requires to be decided by the Board.

## 2. Recommendations

2.1 It is recommended that the Board: -
(i) review the existing fares scale shown at Appendix 1 and consider the proposals received and decide which of these proposals, or other fares scale, should be proposed as a new taxi fares scale for Renfrewshire and included in the newspaper advertisement as detailed in paragraph 1.4 above;
(ii) agree a proposed date of Monday $14^{\text {th }}$ December 2020 for the proposed revised fare scale to come in to effect;
(iii) note that, if approved by the Board, the proposals will be advertised in the local press, and thereafter
(iv) agree that the last day for lodging representations following on the proposed fare scale being advertised shall be one calendar month after the date of publication of that advertisement.

## 3. Background

3.1 Prior to fixing a new Taxi Fares Scale, the Council as Licensing Authority requires to consult with persons or organisations appearing to it to be, or be representative of, the operators of taxis in its area, review the existing fares scales and propose new scales and publish these in a local newspaper.
3.2 Consultation has taken place with organisations appearing to the Licensing Authority to be representative of operators of taxis operating in the area, namely:-

- Paisley Taxis Ltd
- Glasgow Airport Ltd
- Unite the Union
- Renfrewshire Public Hire Association
- Paisley Independent Taxi Owners
- Raymond Stanley
- Renfrewshire Radio Taxis Ltd
- Renfrewshire Cab Co
3.3 Consultation was by letter or e-mail of $5^{\text {th }}$ November 2019. Individual taxi operators who provided mobile phone numbers were advised of the consultation by text alert on the same date.
3.4 The responses received are summarised in paragraphs 3.4.1 to 3.4.3 of this report.
3.4.1 Mr. C. Thomson, Paisley Independent Taxi Owners (Proposal 1) - Mr. Thomson seeks an increase to the minimum taxi fare (or "Flag Fall") from $£ 3.30$ to $£ 3.60$. No other changes to the fares scale are sought by him.
3.4.2 Mr. J. Tannahill, Renfrewshire Public Hire Association (Proposal 2)The Association state that they represent approximately $65 \%$ of all Renfrewshire taxi licence holders. They commissioned Vector Transport Consultancy to conduct a review of the current fares scale on their behalf to determine whether a change to the fares scale should be proposed. A copy of the report accompanying the Association's response is attached at Appendix 2. The Association ask the Board to adopt the recommendations within this report.

In particular, the Association propose that the minimum fare (or "Flag Fall"), which is for a distance not exceeding half a mile, be increased from $£ 3.30$ to $£ 3.45$. They seek a change to the additional distance charge, from 30p per each additional 330 yards (or part) to 30p per each additional 315 yards (or part). They also seek an increase in the charge
for waiting time from 34 p to 36 p for each period of 2 minutes (or part thereof).
3.4.3 Mr. C. Norton, Glasgow Airport Limited (Proposal 3) - Glasgow Airport Limited request that the Board incorporate into the fares scale an increase to barrier fees to the forecourt at Glasgow Airport from the current $£ 2$ charge to $£ 3$. They are in agreement with the view expressed at the taxi trade meeting on $23^{\text {rd }}$ October 2019, referred to at Paragraph 1.3, that small incremental increases at each review are preferable to large uplifts in fares at less regular intervals. They propose that the fares scale should be amended by increasing the additional distance charge (per each additional 330 yards, as at present) by between 1 and 3 pence. They propose no other changes to the fares scale, including the Flag Fall.
3.4.4 $\quad$ No further proposals have been received.
3.5 The fares as existing and as proposed are summarised at Appendix 1.
3.6 In relation to the current rate of inflation, the Consumer Price Index (CPI) 12 months rate as at June 2020 was $0.6 \%$, up from $0.5 \%$ in May.
3.7 In terms of a Circular, 25/1986, reference is expected to be made by the licensing authority to, inter alia, the capital costs of vehicles, the cost of maintaining and replacing them to the standards required, the costs of employing drivers and the prevailing level of wages and costs in related road transport industries. The report from Vector Transport Consultancy contains some information in relation to costs in support of the increase requested by Renfrewshire Public Hire Association. When reviewing these proposals, the Board will also be conscious of the impact of any increase in fares upon the general public.
3.8 Appendix 3 to this report shows the tariffs operating in the surrounding areas for the purposes of comparison with the current and proposed fares within Renfrewshire. These tariffs illustrate a standard journey only. Appendix 4 shows fares under the current and proposed fares as they would affect journeys of between 1 mile and 5 miles within Renfrewshire.

## Implications of the Report

1. Financial - there will be costs associated with the production of new fare scales, cards and advertising costs which will require to be met in existing budgets.
2. HR \& Organisational Development - Nil
3. Council and Community Planning-

- Our Renfrewshire is safe - the continued monitoring of taxi licensing contributes to safer communities.

4. Legal -
(i) Section 17 of the Civic Government (Scotland) 1982 as amended provides that the maximum fare for the hire of taxis and other related charges shall not be greater than those fixed under that Section by the Licensing Authority. The amended section states that the Licensing Authority must fix scales for the fares and other charges within 18 months beginning with the date on which scales last came into effect.
(ii) The Licensing Authority may in fixing scales alter fares or charges or fix them at the same rate as existing charges.
(iii) Before fixing a new taxi fare scale, the Council must consult with persons appearing to be representative of taxi operators, review existing scales and propose new scales and advertise its proposal in a newspaper circulating in its area detailing the proposal, the date when it is proposed to come into effect and stating that representations may be made within a specified period (ending at least one month from the date of the advertisement).
(iv) if any representations are received, the Council require to consider these before fixing a new fares scale.
5. Property/Assets-Nil
6. Information Technology - Nil
7. Equality \& Human Rights - (Please select the statement applicable to the recommendations contained within this board report and delete remaining statements)
(a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it seeks a review only of taxi fares, which the Council has a statutory duty to review at regular intervals. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. $\quad$ Health \& Safety - Nil
9. Procurement - Nil
10. Risk - Nil
11. Privacy Impact - Nil
12. CoSLA Policy Position - Nil
13. Climate Risk- Nil, as the report only sets out proposals received for new taxi fares in Renfrewshire for consideration by the Board and, once a proposed new fares scale is agreed, these will be advertised.

## List of Background Papers

(a) Background Papers-
Responses to the initial consultation

Author: Douglas Campbell, Assistant Managing Solicitor (Licensing) 0141-618-7172
Douglas.Campbell@renfrewshire.gov.uk

## CURRENT AND PROPOSED TAXI FARE SCALES

|  | Current | Proposal <br> (1) | Proposal <br> (2) | Proposal <br> (3) |
| :---: | :---: | :---: | :---: | :---: |
| Fares by Distance |  |  |  |  |
| Minimum fare for a distance not exceeding $1 / 2$ mile | £3.30 | £3.60 | $£ 3.45$ | $£ 3.30$ |
| For each additional 330 yards or part thereof | 30p | no change | Additional 315 yards at 30p | Minimum 31p maximum 33p |
| Fares for waiting time |  |  |  |  |
| For each period of 2 minutes or part thereof | 34 p | no change | 36p | no change |
| Extras |  |  |  |  |
| For each passenger in excess of 4, a fifth passenger charge of (applicable to 5,6 , or 7 seater taxis) | 60p | no change | no change | no change |
| An additional charge for journeys commencing after midnight and before 5 am Sunday to Thursday | 60p | no change | no change | no change |
| An additional charge for journeys commencing after midnight and before 5.00 am Friday and Saturday | £1.00 | no change | no change | no change |
| Glasgow Airport Terminal pick up and drop off charge | £2 | No change | No change | £3 |
| An additional charge for journeys commencing after midnight on 24 December until midnight on 26 December and from midnight on 31 December until midnight on 2 January | £1 | No change | No change | No change |
| From midnight on 24 December until midnight on 26 December the fare chargeable shall be | Normal Fare plus $1 / 3$ (Tariff 2) | no change | no change | no change |
| From midnight on 31 December until midnight on 2 January the fare chargeable shall be | Normal Fare plus 1/3 (Tariff 2) | no change | no change | no change |
| Soiling Fee |  |  |  |  |
| Soiling in this context includes any soiling by means of food, drink, vomit, urine or excrement | up to a maximum of $£ 50.00$ | no change | no change | no change |

## Fares to Places Beyond the Renfrewshire Area Boundary

The driver is not obliged to accept the hire. Any hire terminating outwith the Renfrewshire area will be charged at a rate to be agreed at the time of hire.

Fares chargeable for journeys where a taxi is hired on an exclusive basis shall be charged in accordance with the normal fares scale determined by the Council, but shall be modified where a taxi is hired on a shared basis according to the number of hirers sharing the vehicle, as follows:

1. One hirer
2. For two hirers
3. If three hirers
4. If four hirers
5. If five hirers
$100 \%$ of the fare
$100 \%$ of the first hirer to the point of the second hirer and thereafter both pay $75 \%$ of the standard fare each

As above to the point of the third hirer and thereafter all pay $65 \%$ of the standard fare each

As above to the point of the third hirer and thereafter all pay $55 \%$ of the standard fare each

As above to the point of the third hirer and thereafter all pay $50 \%$ of the standard fare each
6. On departure from the taxi of one or more hirers the fare payable will revert to the rate appropriate to the remaining number of hirers

Review of Taxi Tariff in Renfrewshire

November 2019

## CONTENTS

1 BACKGROUND 1
2 COSTS ASSESSED 2
3 CONSIDERATION OF OTHER INFORMATION 7
4 CONCLUSIONS AND RECOMMENDATION 8

## BACKGROUND

### 1.1 Introduction

Vector Transport Consultancy have been commissioned by Renfrewshire Public Hire Association to undertake a review of the current taxi tariff, in November 2019, in response to an invitation from Renfrewshire Council to provide proposals for a revised taxi fares scale. Recommendations for adjustments to the taxi fares scale are made, based on cost changes since the last review.

### 1.2 Previous reviews

The taxi tariff was revised in March 2019, based on costs calculated in May and June 2018.

In order to assess relevant cost changes, we need to compare present day operating costs with those calculated in May and June 2018 and derive the proportionate change in cost between the two sets of data. The proportion of cost change is then used as the basis for recommending potential changes to the distance and time based fares used in the taxi tariff table.

## 2 COSTS ASSESSED

### 2.1 Overview of methodology

A common approach to reviewing fares, is to use a basket of costs as a representative basis for comparing overall costs between dates. The combination of costs that is used to determine changes in cost, varies between licensing authority areas.

The method used in this report to calculate the change in costs associated with operating a taxi in Renfrewshire uses several component costs which are associated with operating a taxi. These costs do not necessarily encompass all costs which are incurred by all taxi drivers and owners. The costs are intended to provide a reasonable basis for weighting the relative changes in cost for the main components of cost within the overall basket of costs.

Indices of cost changes are available for several elements of motoring costs. The change in cost can vary by the element of cost. For example, the change in fuel cost can be relatively volatile compared with, for example, changes in the cost of tyres or indeed the change in vehicle purchase and depreciation cost. Therefore, it would not be reasonable to choose the variation in a single cost element (such as fuel) as the basis for deciding on changes in taxi fares. The cost indices should be weighted according to what proportion of overall cost each element represents. So, for example, if fuel accounts for say $11 \%$ of annual cost, then the fuel price index would be weighted to represent $11 \%$ of overall cost change index.

The weighting of cost indices is achieved by using current [present day] costs to calculate an aggregate operating cost. The present day costs were then compared with the costs calculated for the last fares review, which used costs for May and June 2018 [base cost]. The base cost and present day costs were then aggregated and the difference in overall aggregate cost was used as the overall cost change index. In this way, the changes in major cost elements, such as vehicle depreciation and driver labour cost, have a greater influence than relatively minor elements such as Vehicle Excise Duty.

The costs used to derive the overall change in cost index are:

- Vehicle cost
- Servicing
- Fuel
- Insurance
- Vehicle Excise Duty
- Licensing cost
- Average National Earnings

Most of the costs are influenced by the annual mileage driven. Based on feedback from the trade, the average annual mileage is estimated to be approximately 38,200 miles.

### 2.2 Vehicle Costs

The most common vehicles used are Peugeot Partner Premier, Renault Traffic and Mercedes Vito. Whilst not all owners follow the same practice, a common approach is to purchase a vehicle, with finance. Vehicles are commonly kept for 5 years, which coincides with common 60 month financing deals. The cost of financing a vehicle over 60 months has been taken as the representative cost of ownership.

This figure represents the actual annual cost of keeping a vehicle, and takes into account interest and depreciation. The cost of the three types of vehicle vary significantly. A weighted vehicle cost has been derived, which is weighted by a third for each vehicle. i.e. a third of the cost of the Peugeot Partner, plus a third of the cost of a Renault Traffic plus a third of the cost of a Mercedes Vito. Present day and base costs were derived for each vehicle. The present day annual weighted cost was calculated as $£ 6,082$. The base cost was calculated for the previous cost review was $£ 5,887$.

### 2.3 Servicing cost

The cost of vehicle servicing, including parts and labour, varies by vehicle. The cost of servicing and maintenance was estimated to range between $£ 1,400$ and $£ 3,200$ per annum, in 2018. We have assumed the mean value of $£ 2,300$ as a representative cost for maintenance, in 2018 values. The RAC have published average historic maintenance costs, from which an index has been derived. The index indicates that the cost of maintenance has increased since May 2018 by $3.96 \%$ Therefore the 2019 maintenance cost has been assumed to have increased from the 2018 level, to $£ 2,391$.

### 2.4 Fuel cost

Fuel consumption for the three most popular vehicles varies. For the calculation of a suitable value for fuel cost, we have obtained the urban fuel consumption for the most fuel efficient diesel version of each model. The fuel consumption rates obtained were as follows:
Peugeot Partner, 61.4 mpg
Renault Traffic, 44.8 mpg
Mercedes Vito, 39.2 mpg
For the purposes of this calculation, we have calculated the cost of fuel for an annual mileage of 38,200 miles, for each vehicle type, for both 2018 and 2019. The average supermarket cost of diesel in May 2018 was $£ 1.247$ per litre. In November 2019, the average supermarket cost of diesel was $£ 1.285$ per litre. Therefore based on the fuel consumption figures above, the cost of fuel for each type of vehicle is as follows:

Table 1 - Fuel Costs

|  |  |  |  | Cost 2018 | Cost 2019 |
| :--- | ---: | ---: | :--- | ---: | ---: |
| Mileage | 38,200 |  | Cost per <br> litre | $£ 1.247$ | $£ 1.285$ |
|  | Fuel <br> Consumption <br> (mpg) | Annual <br> fuel <br> consumed <br> (gallons) | Annual fuel <br> consumed <br> (litres) | Annual <br> fuel cost | Annual <br> fuel cost |
| Peugeot Partner <br> Premier | 61.4 | 622.1 | $2,828.3$ | $£ 3,526.95$ | $£ 3,634.43$ |
| Renault Traffic <br> Business | 44.8 | 852.7 | $3,876.4$ | $£ 4,833.81$ | $£ 4,981.11$ |
| Mercedes Vito | 39.2 | 974.5 | $4,430.1$ | $£ 5,524.36$ | $£ 5,692.70$ |
| average |  | 816.4 |  | $£ 4,628.37$ | $£ 4,769.41$ |

The average cost was derived as the average of the three vehicle types.

### 2.5 Insurance

The cost of insurance varies by the individual and vehicle insured. The average insurance cost was estimated to be around $£ 1,000$ per annum for the previous cost review in May 2018..

The insurance comparison web site Confused.com publish an index of insurance costs. These costs vary by quarter. The index of insurance cost changes has been used to provide an indication of the equivalent cost for insurance in November 2019. The index suggests that insurance costs in Quarter 32019 was $3 \%$ higher than in Quarter 2 2018. Therefore, the calculation assumes that equivalent insurance cost in 2019 was $£ 1,030$.

### 2.6 Vehicle Excise Duty cost

Vehicle excise duty has two stages of charge. For the purchase of a new vehicle, there is a first year Vehicle Excise Duty charge, followed by an annual charge in subsequent years. The duty charges have been assessed over 5 years for each vehicle type and a mean cost calculated, for each assessment year.

The costs for 2018 are as follows:

Table 2-2018 VED Costs

|  | First year |  | Subsequent <br> years |
| :--- | ---: | :--- | ---: |
| Average over <br> 5 years |  |  |  |
| Peugeot Partner Premier | $£ 140$ | $£ 140$ | $£ 140$ |
| Renault Traffic Business | $£ 200$ | $£ 140$ | $£ 152$ |
| Mercedes Vito | $£ 500$ | $£ 140$ | $£ 212$ |
| Average |  |  | $£ 168.00$ |

The costs for 2019 are as follows:

Table 3-2019 VED Costs

| 2019 VED rates | First year | Subsequent years | Average over 5 years |
| :---: | :---: | :---: | :---: |
| Peugeot Partner Premier | £150 | £145 | £146 |
| Renault Traffic Business | £210 | £145 | £158 |
| Mercedes Vito | £530 | £145 | £222 |
| Average |  |  | £175.33 |

### 2.7 Licensing costs

There are some recurring licensing costs incurred, associated with operating a taxi. The 2018 costs were calculated as follows:

A taxi operators licence is renewed every 2 years at a cost of $£ 271$, equating to $£ 135.50$ per annum

A taxi driver licence is renewed every 2 years at a cost of $£ 100$, equating to $£ 50$ per annum.

Annual taxi test fees of $£ 103.95$ are required.
Therefore total licensing costs per annum in 2018 is $£ 289.45$.
In 2019, a revised scale of licensing charges was introduced. The 2019 equivalent costs are:

A taxi operators licence is renewed every 2 years at a cost of $£ 276$, equating to $£ 138$ per annum

A taxi driver licence is renewed every 2 years at a cost of $£ 102$, equating to $£ 51$ per annum.

Annual taxi test fees of $£ 109.95$ are required.
Therefore total licensing costs per annum in 2019 is $£ 298.95$

### 2.8 Average national earnings

The Office of National Statistics collects and publishes earnings data. The mean annual gross earnings for all workers is published. The data for Scotland has been obtained for 2017 (the latest data available for the previous calculation in 2018) and for 2019 (Provisional values [the latest data available]). The average gross earnings for 2017 was $£ 27,287$. For 2019, the average gross earnings were 28,626.

The difference in earnings between 2017 and 2019 was an increase of 5.6\%.

## Total costs calculations

The total indicative annual costs have been summarised in the following table:
Table 4 - Annual Operating Costs

| Cost item | 2018 Costs | 2019 Costs |
| :--- | :--- | :--- |
| Vehicle cost | $£ 5,887$ | $£ 6,082$ |
| Servicing | $£ 2,300$ | $£ 2,391$ |
| Fuel | $£ 4,628.37$ | $£ 4,769.41$ |
| Insurance | $£ 1,000$ | $£ 1,030$ |
| Vehicle Excise Duty | $£ 168.00$ | $£ 175.33$ |
| Licensing cost | $£ 289.45$ | $£ 298.95$ |
| Average National | $£ 27,287$ | $£ 28,626$ |
| Earnings | $£ 41,559.82$ | $£ 43,372.69$ |
| Total cost |  |  |

The proportionate change in overall costs between 2018 and 2019 was an increase of $4.36 \%$.

## CONSIDERATION OF OTHER INFORMATION

### 3.1 Retail Price Index

The office of National Statistics publishes the Retail Price Index on a monthly basis.

The index for April 2018 (the latest data available at the time of the last review) was 279.7.. The equivalent index value for October 2019 (the latest data available) was 290.4. To calculate inflation between April 2018 and October 2019, we divide the later index value by the earlier index value, i.e.
290.4 / $279.7=1.038$

Therefore, inflation between April 2018 and October 2019 was 3.8\%

### 3.2 Comparison of UK average fares

The publication Private Hire and Taxi Monthly maintains a league table of taxi fares around the UK. The table contains an average cost for a 2 mile taxi fare in the UK.

In June 2018, the median position 2 mile fare, in PHTM table (rank 185) cost £5.80 In November 2019, the median position 2 mile fare, in PHTM table (rank 181) cost £6.00

The difference in fares between 2018 1nd 2019 equates to an increase of 3.4\%
In November 2019, the 2 mile fare, in Renfrewshire PHTM table (rank 229) cost £5.70

## CONCLUSIONS AND RECOMMENDATION

### 4.1 Conclusions

There is evidence that operational costs have increased since the last fares increase. The cost increase was greater than Retail Price Inflation. The operational cost increase was slightly higher than the increase in the UK average for a 2 mile taxi fare.

### 4.2 Recommendation

It is recommended that a fares increase be considered in line with the proportionate operation costs incurred since the last increase in 2018. As such, fares should increase by approximately 4.4\%.

It is not practical to simply apply this increase to each of the elements in the Taxi Tariff in Renfrewshire. It is generally preferred that some of the elements are rounded to the nearest 5 or 10 pence. Furthermore, some elements of a taxi fare are rounded up within the meter. For example, for journeys longer that the minimum fare distance (currently half a mile), the cost increases by 30 pence for each 330 yards or part thereof, so a journey which is one yard over the half mile would cost the same as a journey which is 229 yards over the half mile. Consequently, when the tariff is changed, the increase in fares charged is not a consistent percentage for all distances travelled.

Various adjustment can be made to different elements of the tariff rates to generate a resultant increase of around $4.4 \%$ in a typical fare.

The fare structure includes an adjustment to Tariff 1 rates of normal fare plus $1 / 3$ to form Tariff 2. Therefore it is prudent to take this adjustment into account when considering fare adjustments. Where possible, it is recommended that fare components are divisible by 3 to facilitate Tariff 2 adjustments and divisible by 10 to facilitate rounding of fares.

The current Tariff Card for taxi fares indicates that the minimum fare for a distance not exceeding $1 / 2$ mile is $£ 3.30$. Each additional 330 yards, or part thereof is charged at $£ 0.30$.

If we were to apply an increase to the minimum fare and round this off, the $£ 3.30$ increased by $4.4 \%$ would be $£ 3.4452$ This would naturally be rounded to $£ 3.45$, which is divisible by 3 and fits with the Tariff 2 multiplier.

The incremental distance on which charges for journeys in excess of $1 / 2$ mile are charged is 330 yards. A charge of $£ 0.30$ is added for each additional 330 yards or part thereof. Applying the $4.4 \%$ increase to $£ 0.30$ would result in $£ 0.3132$. Even if rounded off to the nearest penny, a charge of $£ 0.31$ per 330 yards is not practical. Consequently, one would normally keep the incremental cost the same, but adjust the incremental distance in line with the proposed increase in cost. The incremental distance would be reduced, so that over longer distances, more increments would be covered and this in turn would lead to a proportionate increase in cost. On this basis, we would consider reducing the 330 yard current
increment by $4.4 \%$, to 315.48 yards. In practice, this would be rounded off to 315 yards.

If the increase in flag drop fare and reduction in incremental distance are applied, the resultant proportionate increase in cost will vary by distance, owing to the rounding up effects of the charging structure. The differences in distance based fare are illustrated in the following tables over a variety of distances. Figure 1 indicates that over longer distances, the increase tends towards $4.4 \%$, with the increase varying around this proportion for shorter distances.

Table 5 - Proposed tariff change

| Option | Existing | Proposed |
| :--- | ---: | ---: |
| Flag drop minimum <br> fare | $£ 3.30$ | $£ 3.45$ |
| Cost per additional <br> distance increment | $£ 0.30$ | $£ 0.30$ |
| Length of additional <br> distance increment | 330 | 315 |

The distance based fares comparison for the existing and proposed tariff is illustrated as follows:

Table 6 - Distance based costs associated with tariff options

|  | Current fare | Propulting \% <br> increase in fare |  |
| :--- | ---: | ---: | ---: |
| Flag drop minimum <br> fare | $£ 3.30$ | $£ 3.45$ | $4.6 \%$ |
| Cost 1 mile | $£ 4.20$ | $£ 4.35$ | $3.6 \%$ |
| Cost 2 miles | $£ 5.70$ | $£ 6.15$ | $7.9 \%$ |
| Cost 3 miles | $£ 7.50$ | $£ 7.65$ | $2.0 \%$ |
| Cost 4 miles | $£ 9.00$ | $£ 9.45$ | $5.0 \%$ |
| Cost 5 mile | $£ 10.50$ | $£ 11.25$ | $7.2 \%$ |
| Cost 6 miles | $£ 12.30$ | $£ 12.75$ | $3.7 \%$ |
| Cost 7 miles | $£ 13.80$ | $£ 14.55$ | $5.4 \%$ |
| Cost 8 miles | $£ 15.30$ | $£ 16.05$ | $4.9 \%$ |
| Cost 9 mile | $£ 17.10$ | $£ 17.85$ | $4.4 \%$ |
| Cost 10 miles | $£ 18.60$ | $£ 19.65$ | 5. |
| Cost 15 miles | $£ 26.70$ | $£ 28.05$ | 5 |
| Cost 20 miles | $£ 34.50$ | $£ 36.15$ |  |



Figure 1 - Resulting percentage increase in fare with the proposed tariff

Waiting time is currently 34 pence per 2 minutes or part thereof. If a $4.4 \%$ increase were applied to this charge, the cost per 2 minutes could rise to 35.496 pence. This would in practice be rounded to 35 or 36 pence per 2 minutes or part thereof. It is recommended that one of these potential increases is chosen.

The existing tariff card includes several extra charges. It is proposed that all of the extra charges (excluding the charges outlined Table 6 and the time based cost) remain unchanged from the current tariff.

## APPENDIX 3

## TAXI FARE SCALES WITHIN SURROUNDING AUTHORITIES

| Authority | $\mathbf{1}$ mile | 3 miles | $\mathbf{5}$ miles |
| :---: | :---: | :---: | :---: |
| City of Glasgow | $£ 4.40$ | $£ 8.70$ | $£ 13.00$ |
| East Renfrewshire | $£ 2.90$ | $£ 5.70$ | $£ 8.50$ |
| Inverclyde | $£ 3.48$ | $£ 7.20$ | $£ 10.92$ |
| West Dunbarton | $£ 3.40$ | $£ 6.70$ | $£ 10.00$ |
| North Ayrshire | $£ 3.40$ | $£ 7.40$ | $£ 11.40$ |
| Renfrewshire (current) | $£ 4.20$ | $£ 7.50$ | $£ 10.50$ |

For comparison purposes, it has been considered that the journey is wholly within the boundaries of the Council concerned.

## APPENDIX 4

TABLE SHOWING CURRENT FARES TARIFF AND PROPOSED FARES

| Proposal | 1 Mile | 2 miles | 3 miles | 4 miles | 5 miles |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Current | 4.20 | 5.70 | 7.50 | 9.00 | 10.50 |
| Proposal 1 | 4.50 | 6.00 | 7.80 | 9.30 | 10.80 |
|  |  |  |  |  |  |
| Proposal 2 | 4.35 | 6.15 | 7.65 | 9.45 | 11.25 |
|  |  |  |  |  |  |
|  |  | 5.78 | 7.64 | 9.19 | 10.74 |
| Proposal 3 | 4.23 | 5.94 | 7.92 | 9.57 | 11.22 |
|  | 4.29 |  |  |  |  |

