
To: Regulatory Functions Board

On: 2 February 2023

Report by: Director of Finance & Resources

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

1. **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.
- 1.2 The last Taxi Fares Review was carried out during 2021 and 2022 with a revised Taxi Fares Scale being fixed. It was agreed that this scale would come into effect on 21st March 2022. That revised fares scale represented a change to the previous scale, by: (i) allowing an increase in the Glasgow Airport pick up and drop off charge from £2 to £4; (ii) increasing the additional charge between midnight and 5am on Sunday to Thursday evenings from 60p to £1.60; and (iii) increasing the additional charge between midnight and 5am on Friday and Saturday evenings from £1 to £2.
- 1.3 On 10th October 2022, the Council consulted with persons or organisations representative of the operators of taxis within its area on the current taxi fare scale, by email. The consultation also included individual taxi operators who were informed of the consultation by text alert. Three responses to the consultation were received, as detailed at Paragraphs 3.4.1 to 3.4.3 of the report. At a meeting between Council officers and representatives of taxi operators on 13th September 2022, the matter of taxi fares had also been discussed briefly, with a

representative of the taxi trade asking for the review to commence in early course given the rising cost of living and fuel prices.

- 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.

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 10th July 2023 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.

2. 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 Operators
- Raymond Stanley
- Renfrewshire Radio Taxis Ltd
- Renfrewshire Cab Co

3.3 Consultation was by email of 10th October 2022. Individual taxi operators who provided mobile phone numbers were advised of the consultation by text alert at the same time.

3.4 The responses received are summarised in paragraphs 3.4.1 to 3.4.3 of this report.

3.4.1 Proposal 1- Proposal 1 is from Paisley Operators and Drivers Association. They seek increases in: (i) the Flag Fall (minimum charge) from £3.45 to £3.90; (ii) the additional distance charge, by retaining the unit charge of 30p but changing the measure of distance from 315 yards to 309 yards; and (iii) the waiting charge, from 36p to 40p based on periods of 2 minutes (or part thereof), as existing. They calculate these increases as amounting to 13%, 6% and 11.1% respectively.

3.4.2 Proposal 2- Proposal 2 is from Renfrewshire Public Hire Association. They suggest a number of increases and also provide a report in support of their request from Vector Transport Consultancy.

Specifically, they propose an increase in the Flag Fall from £3.45 to £4.05 and an increase in the additional distance charge, by retaining the unit charge of 30p but changing the measure of distance from 315 yards to 267 yards. They also suggest an increase in the waiting time charge from 36p to 42p, based on the existing unit of 2 minutes (or part of that period).

Finally, they propose various changes to the additional charges on the existing tariff. They seek to increase the charge for passengers in excess of four passengers from 60p to 70p. They seek increases in the existing late night charges from £1.60 to £1.90 and from £2 to £2.30, respectively. They also seek to increase the additional charges during the festive period from £1 to £1.20.

3.4.3 Proposal 3- Proposal 3 is from an individual taxi operator. He states that the waiting time currently permitted to be charged under the existing taxi fares scale is detached from reality and suggests this be increased to £25-£30, but does not state to what unit of this time this charge may relate. Further, while not proposing any other changes specifically, he remarks on rising fuel prices, the cost of new and second hand vehicles and, in light of a one year waiting list for new vehicles, suggests the age of vehicles be increased from 8 years to 10 years. Regarding the age and specification of vehicles, these matters are being reviewed separately.

3.4.4 No further proposals have been received. During the consultation exercise, officers highlighted to the trade representatives the existing charges for shared hires and allowed an opportunity for comment in

relation to these. However, no comments in relation to these charges 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 Prices Index, including owner occupiers' housing costs (CPIH), rose by 9.2% in the 12 months to December 2022, down from 9.3% in November. The largest contributors to this increase are attributable to housing and household services, principally from electricity, gas and other fuels, as well as food and non-alcoholic beverages. On a monthly basis, the CPIH rose by 0.4% in December 2022, as compared to a rise of 0.5% in December 2021.
- Further information in relation to the CPIH and the Consumer Prices Index (CPI) is available at:
- <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/december2022>
- 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. When reviewing the fares scale, the Board will also be conscious of the impact of any increase in fares upon the general public.
- 3.8 Appendix 2 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 3 shows fares under the current and proposed fares as they would affect standard journeys of between 1 mile and 5 miles within Renfrewshire. Only two proposals are shown in Appendix 3, as Proposal 3 seeks an increase only in the waiting time charge, which will not affect a standard journey.
- 3.9 The report from Vector Transport Consultancy referred to at Paragraph 3.4.2 is attached as Appendix 4. The Board may note, with regard to the comments in Vector's report at Paragraphs 2.1 and 4.1, that a report from Vector Transport Consultancy was provided by Renfrewshire Public Hire Association in relation to the fares review which concluded in early 2021, having been delayed as a result of the coronavirus pandemic. A further fares review was completed in early 2022 as detailed at Paragraph 2.1 to this report.

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 from 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** – 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. **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

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APPENDIX 1

CURRENT AND PROPOSED TAXI FARE SCALES

	Current	Proposal (1)	Proposal (2)	Proposal (3)
Fares by Distance				
Minimum fare for a distance not exceeding ½ mile	£3.45	£3.90	£4.05	No change
For each additional 239 yards or part thereof	30p	309 yards/30p	267 yards/30p	no change
Fares for waiting time				
For each period of 2 minutes or part thereof	36p	40p	42p	£25-£30
Extras				
For each passenger in excess of 4, a fifth passenger charge of (applicable to 5, 6, or 7 seater taxis)	60p	no change	70p	no change
An additional charge for journeys commencing after midnight and before 5 am Sunday to Thursday	£1.60p	no change	£1.90	no change
An additional charge for journeys commencing after midnight and before 5.00 am Friday and Saturday	£2.00	no change	£2.30	no change
Glasgow Airport Terminal Departure Charge	£4	No change	No change	No change
Glasgow Airport Terminal pick up and drop off charge	£2	No change	No change	No change
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	£1.20	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 100% of the fare
2. For two hirers 100% of the first hirer to the point of the second hirer and thereafter both pay 75% of the standard fare each
3. If three hirers As above to the point of the third hirer and thereafter all pay 65% of the standard fare each
4. If four hirers As above to the point of the third hirer and thereafter all pay 55% of the standard fare each
5. If five hirers 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

APPENDIX 2

TAXI FARES IN NEIGHBOURING AUTHORITIES

Authority	1 mile	3 miles	5 miles
City of Glasgow	£4.60	£9.00	£13.60
East Renfrewshire	£4.40	£8.40	£12.40
Inverclyde	£3.68	£7.40	£11.12
West Dunbarton	£4.40	£9.30	£13.30
North Ayrshire	£4.10	£8.70	£13.30
Renfrewshire (current)	£4.35	£7.65	£11.25

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

APPENDIX 3

TAXI FARES REVIEW 2022

Table showing current fares tariff and proposed fares

Proposal	1 Mile	2 miles	3 miles	4 miles	5 miles
Current	4.35	6.15	£7.65	9.45	£11.25
Proposal 1	4.80	6.60	8.40	9.90	11.70
Proposal 2	5.25	7.05	9.15	11.25	13.05

Review of Taxi Tariff in Renfrewshire

October 2022



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1.1 Introduction

Vector Transport Consultancy have been commissioned by Renfrewshire Public Hire Association to undertake a review of the current taxi tariff, in October 2022, 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 November 2019, based on costs calculated in October 2019, using the latest available data at that time.

In order to assess relevant cost changes, we need to compare present day operating costs with those calculated in October 2019 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.

2.1 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 September and October 2019 [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 in 2019 were Peugeot Partner Premier, Renault Traffic and Mercedes Vito. The profile of the current fleet is similar. The Peugeot Partner Premier is no longer in production, so an equivalent current production vehicle has been used for comparative purposes.

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 equivalent new vehicle has been used to derive the cost for each of the three vehicle types. The current equivalent to a Peugeot Partner vehicle used is a Peugeot Rifter Horizon RS, the Renault Traffic and Mercedes Vito equivalents are still available for comparison purposes. The present day annual weighted cost was calculated as £9,868. The base cost was calculated for the previous cost review was £6,082.

2.3 Servicing cost

The cost of vehicle servicing, including parts and labour, varies by vehicle. The mean cost of servicing and maintenance was estimated to be £2,391 in 2019. The Office of National Statistics publish a range of inflation indices related to costs incurred by society. One of these indices relates to maintenance and repair of vehicles. The index indicates that the cost of maintenance has increased since October 2019 by 12.36%. Therefore, the October 2022 maintenance cost has been assumed to have increased from the 2019 level, to £2,687 in 2022.

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
Peugeot Rifter Horizon RS, 57.4 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 2019 and 2022. The average supermarket cost of diesel in October 2019 was £1.285 per litre. In September 2022 (the latest report available at the time of writing), the average supermarket cost of diesel was £1.820 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 2019	Cost 2022
Mileage	38,200		Cost per litre	£1.285	£1.820
	Fuel Consumption (mpg)	Annual fuel consumed (gallons)	Annual fuel consumed (litres)	Annual fuel cost	Annual fuel cost
Peugeot Partner Premier	61.4	622.1	2,828.3	£3,634.43	
Peugeot Rifter Horizon RS	57.4	665.5	3,028.0		£5,510.96
Renault Traffic Business	44.8	852.7	3,876.4	£4,981.11	£7,055.05
Mercedes Vito	39.2	974.5	4,430.1	£5,692.70	£8,062.78
average		816.4		£4,769.41	£6,876.26

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 £1,030 per annum for the previous cost review in 2019.

Office of National Statistics publish a range of inflation indices related to costs incurred by society. One of these indices relates to motor vehicle insurance. The index indicates that the cost of insurance has increased since 2019 by 9.9%. Therefore, the October 2022 insurance cost has been assumed to have increased from the 2019 level, to £1,132.

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 2019 are as follows:

Table 2 - 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

The costs for 2022 are as follows:

Table 3 - 2019 VED Costs

2022 VED rates	First year	Subsequent years	Average over 5 years
Peugeot Rifter Horizon RS	£230	£165	£178
Renault Traffic Business	£230	£165	£178
Mercedes Vito	£945	£165	£321
Average			£225.67

2.7 Licensing costs

There are some recurring licensing costs incurred, associated with operating a taxi. The 2019 costs were calculated as follows:

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 was £298.95.

In October 2022, a licensing charges are:

A taxi operators licence is renewed every 2 years at a cost of £331, equating to £165.5 per annum

A taxi driver licence is renewed every 2 years at a cost of £109, equating to £54.5 per annum.

Annual taxi test fees of £75.45 are required.

Therefore total licensing costs per annum in 2022 is £295.45

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 2019 and for 2021 provisional data [the latest data available]. The average gross earnings for 2019 were £28,626. The equivalent average gross earnings for 2021 were £29,798.

The difference in earnings between 2019 and 2021 was an increase of 4.1%.

Total costs calculations

The total indicative annual costs have been summarised in the following table:

Table 4 - Annual Operating Costs

Cost item	2019 Costs	2022 Costs
Vehicle cost	£6,082	£9,868
Servicing	£2,391	£2,687
Fuel	£4,769.41	£6,876.26
Insurance	£1,030	£1,132
Vehicle Excise Duty	£175.33	£225.67
Licensing cost	£298.95	£295.45
Average National Earnings	£28,626	£29,798
Total cost	£43,372.69	£50,882.38

The proportionate change in overall costs between 2019 and 2022 was an increase of 17.31%.

3.1 Retail Price Index

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

The index for October 2019 was 290.4. The equivalent index value for September 2022 (the latest data available) was 347.6. To calculate inflation between October 2019 and September 2022, we divide the later index value by the earlier index value, i.e.

$$347.6 / 290.4 = 1.197$$

Therefore, inflation between October 2019 and September 2022 was 19.7%

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 October 2019, the median position 2 mile fare, in PHTM table (rank 179) cost £6.00

In October 2022, the median position 2 mile fare, in PHTM table (rank 174) cost £6.60

The difference in fares between 2019 and 2022 equates to an increase of 10.0%

In October 2019, the 2 mile fare, in Renfrewshire PHTM table (rank 229) cost £5.70 The October 2022 PHTM table Renfrewshire 2 mile fare is £6.15 and ranked 245.

4.1 Conclusions

There is evidence that operational costs have increased significantly since the last fares increase. The cost increase was less than Retail Price Inflation. However, it is noted that the latest average earnings data relates to 2021 average earnings and are likely to underestimate the equivalent annual earnings for 2022. Consequently, the operational cost increase calculation is likely to be a conservative calculation. The operational cost increase was significantly 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 2019. As such, fares should increase by approximately 17.3%.

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 than the minimum fare distance (currently half a mile), the cost increases by 30 pence for each 315 yards or part thereof, so a journey which is one yard over the half mile would cost the same as a journey which is 314 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 17.3% 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 where feasible, 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 $\frac{1}{2}$ mile is £3.45. Each additional 315 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 £3.45 increased by 17.3% would be £4.0469. This would naturally be rounded to £4.05, which is divisible by 3 and fits with the Tariff 2 multiplier.

The incremental distance on which charges for journeys in excess of $\frac{1}{2}$ mile are currently charged is 315 yards. A charge of £0.30 is added for each additional 315 yards or part thereof. Applying the 17.3% increase to £0.30 would result in £0.3519. Even if rounded off to the nearest penny, a charge of £0.35 per 315 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 315 yard current increment by 17.3%, to 268.542 yards. In practice, this would be rounded off to 267 yards, which is divisible by 3.

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 17.3%, with the increase varying around this proportion for shorter distances.

Table 5 – Proposed tariff change

Option	Existing	Proposed
Flag drop minimum fare	£3.45	£4.05
Cost per additional distance increment	£0.30	£0.30
Length of additional distance increment	315	267

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	Proposed fare	Resulting % increase in fare
Flag drop minimum fare	£3.45	£4.05	17.4%
Cost 1 mile	£4.35	£5.25	20.7%
Cost 2 miles	£6.15	£7.05	14.6%
Cost 3 miles	£7.65	£9.15	19.6%
Cost 4 miles	£9.45	£11.25	19.0%
Cost 5 mile	£11.25	£13.05	16.0%
Cost 6 miles	£12.75	£15.15	18.8%
Cost 7 miles	£14.55	£16.95	16.5%
Cost 8 miles	£16.05	£19.05	18.7%
Cost 9 mile	£17.85	£21.15	18.5%
Cost 10 miles	£19.65	£22.95	16.8%
Cost 15 miles	£28.05	£32.85	17.1%
Cost 20 miles	£36.15	£42.75	18.3%

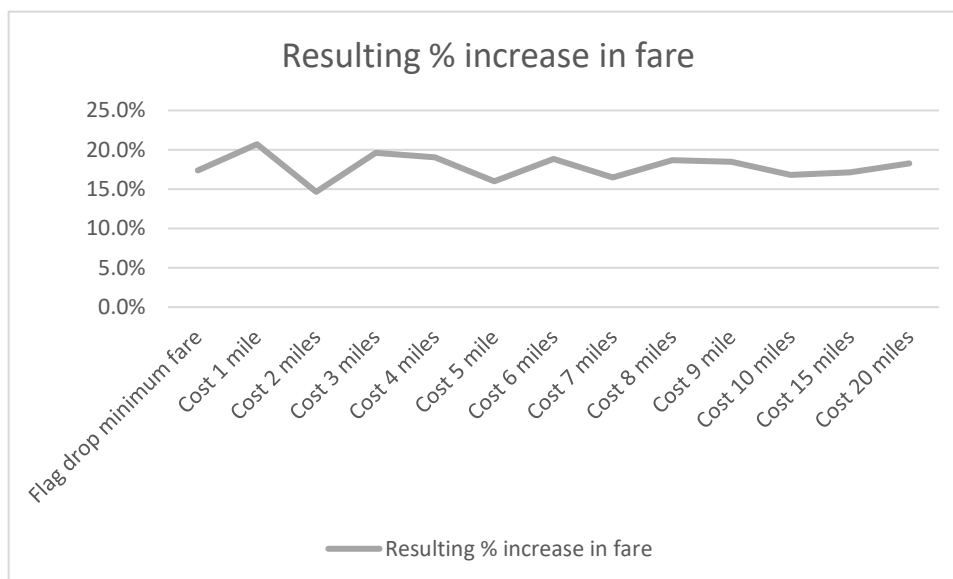


Figure 1 - Resulting percentage increase in fare with the proposed tariff

Waiting time is currently 36 pence per 2 minutes or part thereof. If a 17.3% increase were applied to this charge, the cost per 2 minutes could rise to 42.228 pence. This would in practice be rounded to 42 pence per 2 minutes or part thereof.

The existing tariff card includes several extra charges. It is proposed that the majority of the extra charges are increased by 17.3% and rounded to the nearest amount which is divisible by 3.

Therefore, the additional charge per passenger in excess of 4, would increase from 60 pence to 69 pence.

Additional charge for journeys commencing after midnight and before 5.00 am Sunday to Thursday, would increase from £1.60 to £1.89.

Additional charge for journeys commencing after midnight and before 5.00 am Friday and Saturday, would increase from £2.00 to £2.34.

The Glasgow Airport terminal pick up or drop off charge is currently set at £4.00. This would not be adjusted, unless the Airport changed the charges levied on Taxis.

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, would increase from £1.00 to £1.20.