

Notice of Meeting and Agenda Regulatory Functions Board

Date	Time	Venue
Wednesday, 17 May 2023	10:00	Remotely by MS Teams,

MARK CONAGHAN
Head of Corporate Governance

Membership

Councillor John McNaughtan (Convener): Councillor Cathy McEwan (Depute Convener):

Councillor Audrey Doig: Councillor Neill Graham: Councillor Lisa-Marie Hughes: Councillor Janis McDonald: Councillor Kevin Montgomery: Councillor Sam Mullin: Councillor Emma Rodden: Councillor Andy Steel:

Further Information - online meetings only

This meeting is on-line only but is a meeting which is open to members of the public by prior arrangement. A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please email democratic-services@renfrewshire.gov.uk

Members of the Press and Public - contact details

Members of the press and public wishing to attend the meeting should contact democratic-services@renfrewshire.gov.uk to allow the necessary arrangements to be made.

Recording of Meeting

This meeting will be recorded for subsequent broadcast via the Council's internet site. If you have any queries regarding this please contact committee services on democratic-services@renfrewshire.gov.uk

Recording

https://youtu.be/Sl2OI_bOy-Q

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

1 Civic Government (Scotland) Act 1982: Review of Taxi 7 - 28

Fares within Renfrewshire

Report by Director of Finance & Resources.

2 Grant of Taxi Driver's Licence - Personal Appearance

Submit the undernoted application for grant of a Taxi Driver's Licence. The applicant has been asked to appear personally for the first time:-

Parvaz Akhtar

3 Renewal of Private Hire Car Operator's Licence - Personal Appearance

Under reference to item 3 of the Minute of the meeting of this Board held on 23 March 2023, resume consideration of the undernoted application for renewal of a Private Hire Car Operator's Licence. The applicant has been asked to appear personally for the second time:-

Applicant: Baiju Paul
Licence No.: PH1082

4 Renewal of Late Hours Catering Licences

Submit the undernoted applications for renewal of Late Hours Catering Licences:-

(a) Applicant: WM Morrison Supermarkets Limited
Premises: 30 Napier Street, Johnstone
Activity: supermarket
Operating hours: Monday to Sunday - 11.00 pm to 5.00 am
Licence No.: LHC-086

(b) Applicant: WM Morrison Supermarkets Limited
Premises: Anchor Mill, Paisley
Activity: supermarket
Operating hours: Monday to Sunday - 11.00 pm to 5.00 am
Licence No.: LHC-087

EXCLUSION OF PRESS AND PUBLIC

The Board may by resolution exclude the press and public from the meeting during consideration of the following items of business as it is likely, in view of the nature of the business to be transacted, that if members of the press and public are present, there could be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973.

5 Grant of Late Hours Catering Licence - Personal

Appearance

Submit the undernoted application for grant of a Late Hours Catering Licence. The applicant has been asked to appear personally for the first time:-

Applicant: Madras Grill House

Premises: 20-22 Old Sneddon Street, Paisley

Activity: catering

Operating hours: Sunday to Thursday - 11:00 pm to 1:00 am and Friday and Saturday - 11.00 pm to 3:00 am

6 Grant of Private Hire Car Drivers' Licences - Personal

Appearances

Under reference to item 9(d) of the Minute of the meeting of this Board held on 2 February 2023, resume consideration of application (c) and submit the undernoted applications for grant of Private Hire Car Drivers' Licences. Applicant (c) has been asked to appear personally for the second time and applicants (a), (b), (d), (e), (f), and (g) have been asked to appear personally for the first time together with Police Scotland who has submitted objections to applications (c) and (d) and representations to applications (e), (f) and (g):-

(a) Muhammad Nadeem

(b) Moumen Helmi

(c) Brogan Carslaw

(d) Mohammad Akram

(e) David Walker

(f) Jawwad Anwar

(g) Parmjit Singh

Adjournment

The meeting will adjourn following consideration of 6(g) and reconvene at 1.30 pm.

7 Renewal of Private Hire Car Drivers' Licences - Personal Appearances

Under reference to item 10(c) of the Minute of the meeting of this Board held on 2 February 2023, resume consideration of application (b) and submit application (a) for renewal of Private Hire Car Drivers' Licences. Applicant (a) has been asked to appear personally for the first time and applicant (b) has been asked to appear personally for the second time together with Police Scotland who has submitted a representation to application (a) and an objection to application (b):-

(a) Applicant: Shamshad Hashimi
Licence No.: P3234

(b) Applicant: Mahamudul Hassan
Licence No.: P0292

8 Renewal of Taxi Operator's Licence

Submit the undernoted application for renewal of a Taxi Operator's Licence:-

Applicant: Eric Egan
Licence No.: TX010

9(a) Renewal of Taxi Operator's Licence - Personal

Appearance

Submit the undernoted application for renewal of a Taxi Operator's Licence. The applicant has been asked to appear personally for the first time together with Police Scotland who has submitted an objection to the application:-

Applicant: Mohamed Youssef
Licence No.: TX212d

9(b) Variation of Taxi Operator's Licence - Personal

Appearance

Submit the undernoted application for variation of a Taxi Operator's Licence. The applicant has been asked to appear personally for the first time:-

Applicant: Mohammed Youssef
Variation: exception to policy and standard condition 22
Licence No.: TX212d

10 Grant of Taxi Driver's Licence - Personal Appearance

Submit the undernoted application for grant of a Taxi Driver's Licence.
The applicant has been asked to appear personally for the first time:-

Patrycja Singh



To: Regulatory Functions Board

On: 17th May 2023

Report by: Director of Finance and Resources

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

1. Summary

- 1.1 At a meeting of the Regulatory Functions Board on 2nd February 2023, there was submitted a report by the Director of Finance and Resources relative to the review of taxi fares applying within Renfrewshire.
- 1.2 At that meeting the Board agreed, after considering responses to an initial consultation, to advertise a proposal to fix a new fare scale. The agreed proposal involved: (i) an increase to the minimum fare (or "Flag Fall") from £3.45 to £3.90; (ii) an increase in 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) an increase to the waiting charge (based on a period of 2 minutes, or part thereof) from 36p to 40p. The Board agreed that the proposed scale would be advertised, allowing representations to be made within one month.
- 1.3. The Board agreed a proposed date of 10th July 2023 for the proposed fare scale to come into effect. The Board also agreed that a report would be submitted to a future meeting of the Board to allow a taxi fare scale to be fixed.
- 1.4. An advertisement detailing the proposal was advertised in the press on 17th February 2023 and provided that any person wishing to make

representations on the proposal must do so in writing no later than 17th March 2023. The advertised proposal is attached at Appendix 1 to this report. The procedure followed as detailed above is set out in Section 17 of the Civic Government (Scotland) Act 1982, as amended (“the Act”).

1.5 In response to the advertisement, three parties made representations. These are detailed at Paragraphs 1.5.1 to 1.5.3 below.

1.5.1 A response was received from Renfrewshire Public Hire Association (“the Association”). They make observations in relation to the advertised proposal and provide a supporting report from Vector Transport Consultancy. Given the lengthy and detailed nature of the Association’s response and accompanying report, these are attached to this report at Appendix 3. However, in summary, the Association express concerns regarding the financial pressures upon the taxi trade and suggest that the increase afforded by the advertised proposal is inadequate to address the difficulties faced by them.

They also comment on the reduction in the number of licensed drivers and the impact upon the general public if the proposed level of increase results in fewer taxis being available.

The Association refer to levels of increase in taxi fares agreed in other Council areas. Officers can confirm that, since the Board considered the original proposals following consultation in February, Glasgow City Council have agreed an increase in taxi fares for their area. Officers are also aware that, in relation to the other neighbouring authorities’ fares highlighted in the report considered by the Board in February, Inverclyde Council have also been reviewing their taxi fares.

The Association ask the Board to reconsider their original proposal in determining the next taxi fares scale. They refer to the analysis set out in the new report from Vector Transport Consultancy attached at Appendix 3. The previous Vector Transport Consultancy report referred to in that report was considered by the Board on 2nd February 2023, having been attached as an Appendix to the report to Board on that date.

Further to the response attached at Appendix 3, the Association provided a subsequent submission requesting that consideration be given to increasing the Glasgow Airport pick up and drop off charge within the new fares scale from £4 to £5. They state that they were not aware of this increase until 17th March, when they submitted this further response. They indicate that this increase will be applied to the taxi trade with effect from May 2023.

- 1.5.2 A response was received from Renfrewshire Radio Taxis Ltd objecting to the advertised taxi fares proposal. The company make reference, in general terms, to decisions of other local authorities as well as increased costs, such as of vehicles and fuel, since the previous fares increase. They state that they, and their lessees, would like to see an increase in fares in the region of 20%.
- The company sent a further response thereafter, stating that they were aware of the terms of the Vector Transport Consultancy report provided by the Association and that they agreed with its recommendations.
- 1.5.3 Finally, a response from an independent taxi operator/ driver. He highlighted the increase in the Glasgow Airport charge referred to at 1.5.1, while stating that it was introduced on 14th February 2023. No other matters were raised in this response.
- 1.6 The Board now requires to fix a taxi fare scale for Renfrewshire. The Board is also required, under the Act, to determine a date for the scale to come into effect. It is recommended that the scale comes into effect on 10th July 2023, as previously proposed by the Board.
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2. Recommendations

- 2.1 It is recommended that the Board:-
- 2.1.1 Agree a new fares scale for Renfrewshire, either in accordance with the advertised scale as described in paragraph 1.2 of, and Appendix 1 to, this report, or such other scale as the Board thinks appropriate, having considered the representations received;
- 2.1.2 Determine that this fares scale shall come into effect on 10th July 2023;
- 2.1.3 Thereafter, authorise officers to give notice to (a) all operators of taxis operating in Renfrewshire and (b) the persons and organisations appearing to the Board to be representative of the operators of taxis operating within Renfrewshire (being the parties initially consulted) of the fares scale fixed and its effect, the date on which it is to come into effect and the rights of appeal against the scale, all as set out in Section 17 of the Act, as amended;
- 2.1.4 Authorise officers to publish the fares scale, as soon as practicable following expiry of the period for appeal to the Traffic Commissioner (or, if appealed, as soon as practicable after determination of the appeal), by giving notice of the scales in an advertisement in a newspaper

circulating in Renfrewshire and to specify therein that the scales shall come into effect on 10th July 2023 (or on such other date agreed by the Board), all in terms of Section 18A of the Act.

3. **Background**

- 3.1 Section 17 of the Civic Government (Scotland) Act 1982, as amended, requires the Council as licensing authority to fix maximum fares for the hire of taxis. A copy of the Board's existing fare scale is attached at Appendix 2. Prior to fixing a new taxi fare scale, the Council requires to review the scales, by formally consulting taxi operators (or persons or organisations representative of them) and thereafter proposing new scales, and to publish these in a newspaper circulating in its area. The report to the Board on 2nd February 2023 detailed the initial consultation which had taken place with organisations representative of the taxi trade within Renfrewshire and also stated that individual taxi operators had been consulted by text alert.
- 3.2 Three proposals were received in response to the initial statutory consultation, details of which were set out in Paragraphs 3.4.1 to 3.4.3 of the report to the Board on 2nd February 2023.
- 3.3 The Board agreed on 2nd February 2023 to propose a fares scale for consultation as outlined in Paragraph 1.2 of this report. The advertisement which thereafter publicised the proposed scale on 17th February 2023 stated that any representations would require to be made by 17th March 2023. The representations received within that period following upon the advertisement are as detailed above at Paragraphs 1.5.1 to 1.5.3. The Board will require to consider the terms of these representations before fixing a new taxi fares scale.
- 3.4 The Board now requires to fix a new taxi fares scale for Renfrewshire and to determine the date the scale is to come into effect. The Board agreed on 2nd February 2023, for the purpose of advertising the proposed scale, a proposed date of 10th July 2023 for the scale coming into effect.
- 3.5 The Board may note that the Consumer Price Index, including Owner Occupiers' housing costs (CPIH) rose by 8.9% in the 12 months to March 2023, down from 9.2% in February. The Consumer Price Index (CPI) rose by 10.1% in the 12 months to March 2023, down from 10.4% in February. Further details regarding the contributions to the annual and monthly changes are available at <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/march2023>

Implications of the Report

1. **Financial-** There will be some costs associated with 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-** A licensing authority must fix scales for the fares and other charges in relation to the hire of a taxi within 18 months beginning with the date on which the last scales came into effect. Prior to fixing those scales, the licensing authority must consult with the operators of taxis in its area (or persons or organisations representative of them), review the existing scales and propose new ones, publish these in a local newspaper and consider any representations made on or before the date specified in the advertisement.

Once the Board has fixed scales as recommended in this report, the Council requires to give notice within seven days to the operators of taxis and also to those persons representative of them (as initially consulted) of the scale and its effect, the date on which the scale is to come into effect and the rights of appeal to the Traffic Commissioner.

Any operator of a taxi or person or organisation appearing to the Traffic Commissioner to be representative of operators may, within fourteen days of the above notification of the scales being fixed, appeal the decision to the Traffic Commissioner for the Scottish Traffic Area. Following this 14 day appeal period (or the conclusion of an appeal to the Traffic Commissioner), the Council requires to give notice of the scale by newspaper advertisement.
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 Emergency**- Nil. The report recommends that the Board agree maximum fares for taxis licensed to operate in Renfrewshire following upon a statutory review. No significant impacts are likely to arise from the introduction of the proposed scale.

List of Background Papers

- Consultation responses as detailed in the report

Author: Douglas Campbell, Assistant Managing Solicitor (Licensing)
douglas.campbell@renfrewshire.gov.uk
0141-487-1096

APPENDIX 1

Civic Government (Scotland) Act 1982 Taxi Fares Scale

NOTICE IS HEREBY GIVEN in accordance with the provisions of Section 17 of the Civic Government (Scotland) Act 1982 that Renfrewshire Council proposes to fix a new taxi fares scale as follows:

TARIFF

FARES BY DISTANCE

Minimum fare for a distance not exceeding ½ mile.....£3.90
For each additional 309 yards or part thereof.....30p

FARES FOR WAITING TIME

For each period of 2 minutes or part thereof.....40p

EXTRAS

For each passenger in excess of 4, a fifth passenger charge of..... 60p
(applicable to 5,6, or 7 seater taxis)

An additional charge for journeys commencing after midnight and before
5.00am Sunday to

Thursday.....£1.60

An additional charge for journeys commencing after midnight and before

5.00am Friday and Saturday.....£2.00

Glasgow Airport pick up and drop off charge.....£4.00

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.....£1.00

From midnight on 24 December until midnight on 26 December

the fare chargeable shall be.....normal fare plus 1/3
(Tariff 2)

From midnight on 31 December until midnight on 2 January

the fare chargeable shall be.....normal fare plus 1/3
(Tariff 2)

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

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 fourth hirer and thereafter all pay 55% of the standard fare each.
5. If five hirers: As above to the point of the fifth 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.

The effect of the above proposal is, firstly, to increase the Flag Fall (minimum fare) from £3.45 to £3.90. Secondly, the proposal is to increase the additional distance charge by retaining the unit charge of 30p but applying it to a reduced distance of 309 yards. Thirdly, the proposal would increase the current waiting time charge for each 2 minutes (or part thereof) from 36p to 40p.

It is proposed that the above fares scale will come into effect on 10 July 2023.

Any person wishing to make representations in relation to the above proposals must do so in writing to the undernoted address no later than Friday 17th March 2023.

Mark Conaghan
Head of Corporate Governance
Renfrewshire Council
Renfrewshire House
Cotton Street
Paisley
PA1 1TT
Or by email to: licensing.cs@renfrewshire.gov.uk

17th February 2023

APPENDIX 2

CIVIC GOVERNMENT (SCOTLAND) ACT 1982 - TAXI FARES SCALE - TAXI No.

With effect from 21 March 2022

TARIFF

FARES BY DISTANCE

Minimum fare for a distance not exceeding ½ mile£3.45
For each additional 315 yards or part thereof30p

FARES FOR WAITING TIME

For each period of 2 minutes or part thereof36p

EXTRAS

For each passenger in excess of 4, a fifth passenger charge of60p
(applicable to 5,6, or 7 seater taxis)
An additional charge for journeys commencing after midnight and before 5.00am Sunday to Thursday£1.60
An additional charge for journeys commencing after midnight and before 5.00am Friday and Saturday£2.00
Glasgow Airport Terminal pick up and drop off charge£4.00

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£1.00

From midnight on 24 December until midnight on 26 December the fare chargeable shall benormal
fare plus 1/3 (Tariff 2)

From midnight on 31 December until midnight on 2 January the fare chargeable shall
benormal fare plus 1/3 (Tariff 2)

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

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 fourth hirer and thereafter all pay 55% of the standard fare each.
5. If five hirers: As above to the point of the fifth 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.

To whom it may concern,

I write to you on behalf of our Association in relation to the advertisement placed in the Paisley Express on Friday 17/2/2023 regarding the council's proposal for a new Taxi fare scale for Renfrewshire.

Renfrewshire Public Hire Association represents 60% of the Taxi operators in Renfrewshire and we respectfully ask that you reconsider this proposal as we believe the increase contained within it to be derisory.

The proposal advertised has not considered any information of relevance to the financial pressures the Taxi trade has and is experiencing since the last increase in the fares by distance segments of the tariff scale came into effect in 2019.

As an Association we submitted a proposal determined by a report commissioned from an independent transport consultant namely Vector Transport Consultancy.

The full report was submitted along with our proposal. It was stated in the report that a 17% increase was needed and that this figure was a conservative amount to ask for.

The increase proposed in the advertisement will not even offset the rise in our fuel costs let alone the substantial rise in the purchase price of vehicles your current policy dictates, or the rise in insurance premiums, servicing and repair costs since the last increase mentioned in 2019, all of which are considerable.

When one factors in the cost of living increase, which impacts Taxi drivers like everyone else in our community, we do not see how the proposed increase comes anywhere near to addressing the difficulties that the trade faces.

Councils responsible for Edinburgh and neighbouring Glasgow are proposing a 20% increase in their Taxi fare scale, in recognition of the increased operating costs for Taxis. The Taxi operators in Renfrewshire face the same challenges of operating in the face of substantially increased costs.

Nationally, there has been a drop in the number of licensed drivers operating licensed vehicles in recent years. Initially this drop has been attributed to the impact of Covid-19. Subsequently, drivers have not returned to the licensed vehicle trades as earning potential has fallen behind the income which can be earned from other sources such as delivering fast food and parcels. As the cost of operating Taxis continues to increase, there is little potential scope for attracting drivers back to the Taxi trade. Indeed, anecdotal evidence suggests that the number of drivers continues to drop and the number of Taxis licensed in Renfrewshire has dropped.

At the Regulatory Function Board meeting comments were made that the proposal chosen was better for the general public. However, if Taxis are not able to operate at a profitable level, then the public will see little benefit, as it is likely that there would be fewer Taxis available for them to use.

If the Taxi fares are not set at a level which enables Taxi operators to cover costs, then operators will, over time, leave the trade. With the proposed fare level, the operators will not be able to justify the level of investment in vehicles required to remain in operation.

The reduction in the number of drivers and vehicles operating in recent times is a result of reduced earning capacity within the licensed vehicle trades. Taxi operators will continue to leave the trade unless potential revenues increase to a level which enables business to operate at a profit.

We respectfully ask that you reconsider our proposal and the information contained within the Vector Report with the view to adopting our proposal as the new Taxi Fare Scale.

We have asked Vector Transport Consultancy to evaluate the current and proposed fares against the background of costs and other comparable trends in order to provide further background to our position which is submitted along with this representation.

Yours respectfully
Jason Tannahill,
Renfrewshire Public Hire Association.

Response to proposed Renfrewshire taxi fares tariff revision

February 2023



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1.1 Introduction

Vector Transport Consultancy have been commissioned by Renfrewshire Public Hire Association to prepare a response to the proposed taxi tariff review, presented by Renfrewshire Council.

Vector Transport Consultancy have previously prepared a proposal for increased taxi fares, dated October 2022. The October proposal suggested a fares increase of 17.3%

1.2 Proposed fares revision advertised by Renfrewshire Council

The proposed taxi fares table was based on one of the proposals presented in a report to the Regulatory Functions Board of the Council on 2nd February 2023.

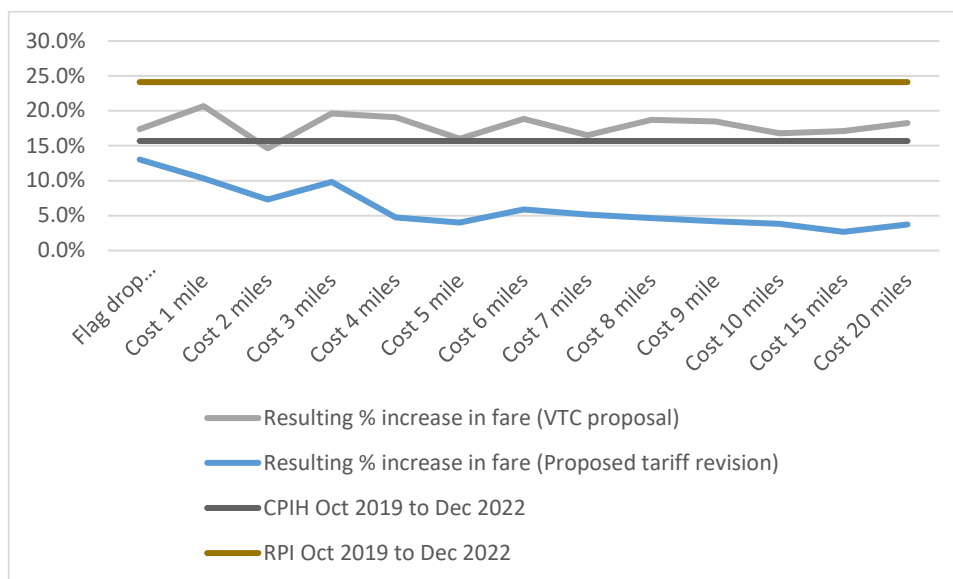
The report mentioned that the CPIH inflation for the 12 months to December 2022 was 9.2%. It is prudent to consider that the last distance based change to the taxi fares table was undertaken, based on costs calculated in October 2019. The CPIH inflation from October 2019 to December 2022 was 15.7% Retail Price Index (RPI) inflation over the same period was 24.1%

Data for both measures of inflation is available at the following Office of National Statistics web address:

<https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/consumerpriceinflation>

Three options were presented to the Regulatory Functions Board. Option 1 was the proposed tariff revision advertised by the Council. Option 2 was the VTC proposed tariff revision and Option 3 incorporated an increase to waiting costs but no other changes to the taxi tariff.

A comparison of distance only based fares is presented in the following figure. The data presents the proposed tariff as a proportion of increase, compared with the existing taxi tariff. For comparison, the proposed taxi tariff recommended by Vector Transport Consultancy (VTC) is plotted, together with the CPIH and RPI inflation since October 2019. The CPIH and RPI illustrate the levels of inflation which have been measured since the last distance based fares revision.



The proposed, advertised fares increase (Proposed tariff revision) would lead to a flag drop fare 13% higher than the current fare. However, the level of proportionate increase declines with distance travelled. The proposed tariff would lead to a fares increase well below both inflation measures used for comparison.

The VTC proposed fares revision would lead to a more consistent level of increase over all hire distances. The VTC proposed tariff increase lies between the plotted measures of inflation.

2 FARES COMPARISON

2.1 Comparison of historic fares

Information regarding distance based fares around the UK can be used for comparison between licensing authority areas. All over the UK, taxi operators are facing increased costs. However, operators also recognise that there is an elasticity relationship between cost and use, associated with taxi fares. One would expect demand for taxis to drop in response to increased fares. Consequently, operators are wary about asking for fares increase which are too high and which may damage the viability of their businesses in the longer term.

Fare increases are generally considered to take the 'middle ground', taking account of both increased costs and potential reduced demand. Consequently, fares which rise by more than the average fares rise are more likely to deter users. Fares which rise by less than the average rise are likely to be less able to meet increased costs.

A comparison of distance based fares for a 2 mile journey has been undertaken for Renfrewshire, relative to national mean fares. Data was obtained from the publication PHTM. The January fares in each year from each year from 2017 up to 2023 have been obtained and presented in the following table.

Fares from 345 licensing authority areas are ranked in PHTM in order of cost, with the most expensive fares ranking first in the table. The relative ranking of Renfrewshire fares each year is presented.

Table 1 - Renfrewshire fares compared with median fare in January each year

	2017	2018	2019	2020	2021	2022	2023
Renfrewshire fare	£5.60	£5.60	£5.60	£5.70	£5.70	£5.70	£6.15
Median fare	£5.80	£5.80	£5.90	£6.00	£6.00	£6.00	£6.80

Table 2 - Renfrewshire fare rank compared with median fare rank in January each year

	2017	2018	2019	2020	2021	2022	2023
Renfrewshire fares ranking (PHTM rank)	205	217	235	236	246	253	267
Median rank	172	172	172	172	172	172	172

In 2017 Renfrewshire fares were close to the national mean and the ranked position was below the mean rank position. Each year, the ranked value for Renfrewshire fares increased indicating that Renfrewshire fares became comparatively cheaper each year, compared with the median value. In 2017, the Renfrewshire fare was 3.4% below the median value. By 2023, the Renfrewshire fare was 9.1% below the median fare.

2.2 Fuel prices

The cost of operating a taxi encompasses many components. One element which is immediately relatable is fuel cost. Between October 2019 and December 2022, the cost of fuel increased by 32%.

The fuel cost is only one component of the operational costs associated with each hire.

As an illustrative example, a the proposed 4% (75 pence) increase in fare for a 9 mile journey would not cover the additional fuel cost for that journey, compared with fuel costs in October 2019.

Using an example of a vehicle achieving 40 miles per gallon fuel consumption, a 9 mile hire plus 9 miles dead mileage to return, would consume just over 2 litres of fuel to cover the 18 miles. Diesel fuel has increased by approximately 42 pence per litre. Therefore, the additional fuel cost would be 84 pence, in this example. However, the proposed additional fare would be 75 pence.

In addition to increased fuel costs, other costs associated with operating a taxi have also increased. A detailed breakdown of costs are included in the Vector Transport Consultancy report which was incorporated in the report to Board on the 2nd February.

3.1 Impact of Covid-19

The number of taxis, private hire cars and licensed vehicle drivers in Renfrewshire has declined since pre-Covid times. Some drivers have left the trade to take up other employment. This is a national phenomenon and not one which is unique to Renfrewshire.

In order to attract new licensed vehicle drivers and owners, it is commonly felt that fares need to increase to a level where drivers may earn enough to compete with other forms of employment.

The changes in licensed vehicle drivers and licensed taxi and private hire car numbers are presented in the following figures. Data has been obtained from Scottish Transport Statistics publications.

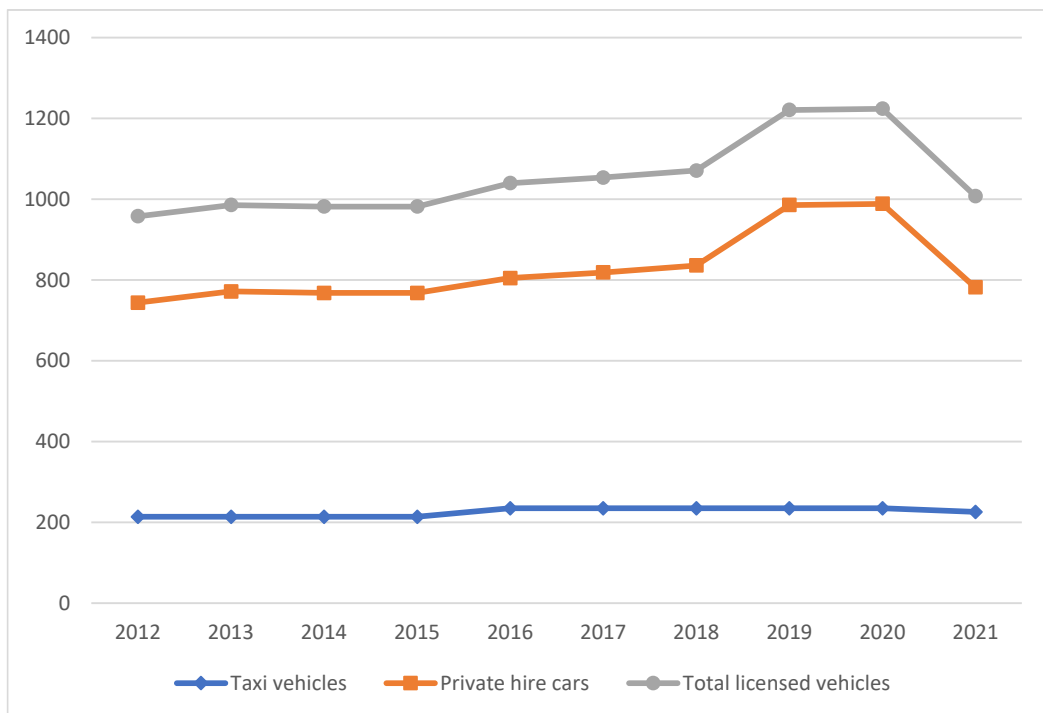


Figure 1 - Profile of licensed vehicle driver numbers in Renfrewshire

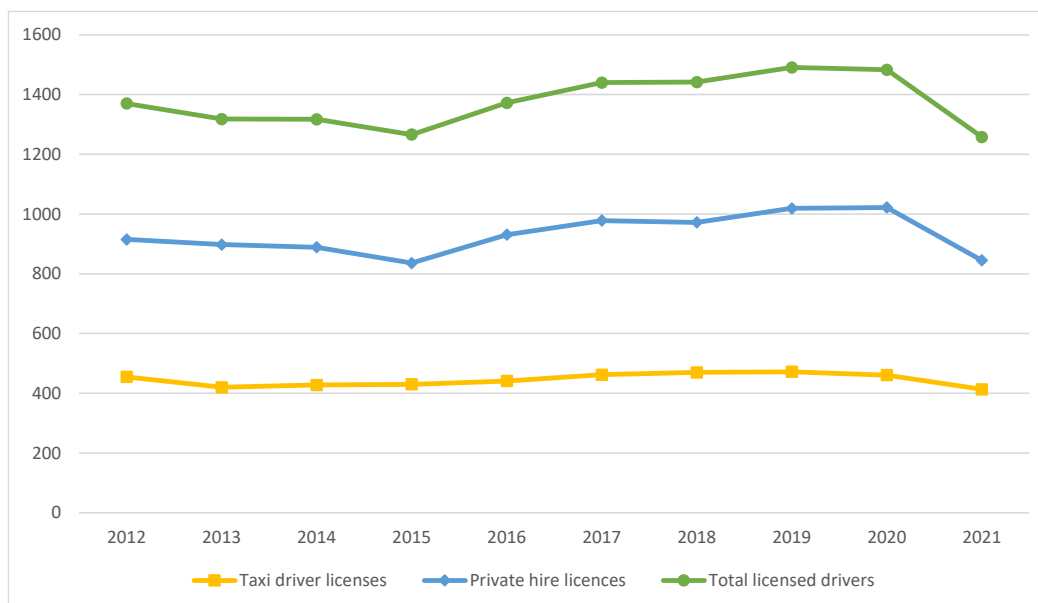


Figure 2 - Profile of licensed vehicle numbers in Renfrewshire

The data presented is the latest data available.

From national trends and feedback from other licensing areas, there is some evidence that driver numbers are likely to continue to fall in the short term, when some drivers don't renew their licences. Similarly, feedback from operators in parts of the UK indicates that when it comes time to re-invest in a new vehicle, some will give up their licensed vehicle, rather than fund the investment. Some licensing authorities have extended the maximum age limits on licensed vehicles in recognition of this factor.

If the fares tariff does not increase income to a sustainable level for businesses to operate, there is a significant risk in Renfrewshire, that driver and vehicle numbers will reduce further. Consequently, this would limit the availability of taxis and private hire cars for the general public to use and result in a poorer level of service.

4.1 Conclusions

The proposed revised fares would raise fares to a level below inflation. The proposed fares table would result in a proportionate increase which is not consistent over distance. The proposed increase in fares would be proportionately diminished over distance, with longer distance fares increasing by less than 4%, against a background of between 15.7% to 24.1% inflation (dependant on the inflation index used).

Under the proposed fares revision, longer distance hires would be progressively less economic to undertake.

The proposed fare revision would not keep pace with inflation and would limit the scope for operators to invest in their vehicles and maintain current levels of service.

4.2 Recommendation

It is recommended that a fares increase be considered in line with the proportionate operation costs incurred since 2019. As such, fares should increase by approximately 17.3%. The increase in fares should be consistent for all distances travelled and not penalise either short distance or long distance hires.