

## Notice of Meeting and Agenda Regulatory Functions Board

Date	Time	Venue
Thursday, 15 November 2018	10:00	Council Chambers (Renfrewshire), Council Headquarters, Renfrewshire House, Cotton Street, Paisley, PA1 1AN

KENNETH GRAHAM  
Head of Corporate Governance

### Membership

Councillor Eddie Devine: Councillor Audrey Doig: Councillor Lisa-Marie Hughes: Councillor Alistair Mackay: Councillor Cathy McEwan: Councillor Kevin Montgomery: Councillor Andy Steel: Councillor Jane Strang:  
Councillor John McNaughtan (Convener): Councillor Emma Rodden (Depute Convener):

### Further Information

This is a meeting which is open to members of the public.

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 either email [democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk) or telephone 0141 618 7112.

### Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

## **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 5 - 28**

##### **Fares within Renfrewshire**

Report by Director of Finance and Resources.

#### **2 Grant of Temporary Public Entertainment Licence -**

##### **Personal Appearance**

Submit the undernoted application for grant of a temporary Public Entertainment Licence. The applicant has been asked to appear personally for the first time together with Mr Fisher who has submitted an objection to the application in relation to the fairground ride situated near the Cenotaph, Paisley:-

Applicant: Kifdo Limited, 77 Hamilton Road, Bellshill

Activity: fairground

Location: Paisley town centre, High Street, Gilmour Street and Central Way

Operating: 23 November to 30 December 2018 – 7 days per week – 10.00 am to 10.00 pm

#### **3 Grant of Street Trader's Licence - Personal Appearance**

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

Applicant: Elizabeth Donaldson, 400 Gladsmuir Road, Hillington, Glasgow

Authorised goods: hot and cold food, beverages, confectionery and milk

Trading from: Watt Road and Huntly Road, Hillington and Maxwell Street, Paisley

Operating hours: Hillington – Monday to Friday – 6.00 am to 2.30 pm and Paisley – 7 days per week – 9.00 pm to 4.00 am

### **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.**

#### **4 Grant of Street Trader's Licence - Personal Appearance**

Submit the undernoted application for grant of a Street Trader's Licence. The applicant has been asked to appear personally for the first time together with Police Scotland who has submitted a representation to the application:-

Applicant: Leonard Begaj, 136 Brown Street, Paisley  
Authorised goods: hot and cold food and soft drinks  
Trading from: Ferguslie, Hunterhill, Gallowhill and Foxbar areas of Paisley and Renfrew – all areas within routes except school areas  
Operating hours: 7 days per week – 3.00 pm to 11.00 pm

#### **5 Recall of Suspension of Private Hire Car Driver's Licence - Personal Appearance**

Under reference to item 1(b) of the Minute of the meeting of this Board held on 7 August 2018 submit the undernoted request for recall of suspension of a Private Hire Car Driver's Licence. The applicant has been asked to appear personally for the first time together with Police Scotland:-

Nebert Tumwesige, 35 Capelrig Street, Glasgow

#### **6 Request for Exemption from Assisting Wheelchair Passengers - Personal Appearance**

Submit the undernoted request for exemption from assisting wheelchair passengers. The licence holder has been asked to appear personally for the first time:-

Michael Skinnider, 43 Raeburn Avenue, Paisley T1743

#### **7 Grant of Private Hire Car Drivers' Licences - Personal Appearances**

Submit the undernoted applications for grant of Private Hire Car Drivers' Licences. The applicants have been asked to appear personally for the first time together with Police Scotland who has submitted objections to the applications:-

(a) Gordon Buchanan, Flat 1/1 4 Redshank Avenue, Renfrew  
(b) Jamie Collins, 16C Dimity Street, Johnstone

#### **8 Hearings into Possible Suspension or Revocation of Private Hire Car Drivers' Licences - Personal Appearances**

Consider the possible suspension or revocation of the undernoted Private Hire Car Drivers' Licences. The licence holders have been asked to appear personally for the first time together with Police Scotland:-

- (a) Naqash Ahmed, Flat 2/1 19 Elizabeth Street, Glasgow
- (b) Robert O'Neill, 77 Parkvale Avenue, Erskine

## **9 Grant of Landlord Registrations - Personal Appearances**

Under reference to item 6(a) of the Minute of the meeting of this Board held on 6 September 2018, resume consideration of application (a) for grant of Landlord Registration and submit applications (b) and (c) for grant of Landlord Registrations. Applicant (a) has been asked to appear personally for the second time and applicants (b) and (c) have been asked to appear personally for the first time together with Police Scotland who has submitted a representation to application (b):-

- (a) Len Heslop, 39 Crookston Drive, Glasgow
- (b) Deborah Ameh, 74 Shielhill Crescent, Bridge of Don, Aberdeen
- (c) David Blackwood, 15/1 Carriagehill Drive, Paisley



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**To:** Regulatory Functions Board

**On:** 31 October 2018

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**Report by:** Director of Finance & Resources

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

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**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. Fares require to be fixed within 18 months beginning with the date on which scales last came in to effect.
- 1.2 The last Taxi Fares Review was carried out during 2016 and 2017 with a revised Taxi Fares Scale being fixed. It was agreed that this scale would come into effect on 28 August 2017. That revised fares scale represented a change to the previous scale which was in effect, by increasing the Glasgow Airport Terminal Departure charge from £1.00 to £1.50 and introducing a Glasgow Airport pick up and drop off charge of £2.00.
- 1.3 On 24 May 2018, 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 24 May 2018 by text alert. Three responses to the consultation have been received. A meeting took place between Council officers and representatives of taxi operators on 3 September 2018. The review of the existing taxi fares scale was discussed at that meeting.

- 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 new taxi fares scale requires to be fixed by 27 February 2019, although the date for it to come into effect requires to be decided by the Board.
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## **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 25 March 2019 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.
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## **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 24 May 2018. 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 3.4.4 of this report.

3.4.1 Jason Tannahill, Renfrewshire Public Hire Association (Proposal 1) – 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 scale. A copy of the report accompanying the Association’s response is attached at Appendix 3. The Association have asked the Board to adopt some of the recommendations contained within this report in their new fares scale.

In particular, the Association propose that the minimum fare for a distance not exceeding half a mile is increased from £3.20 to £3.30 and that the charge of 20 pence for each additional 239 yards or part thereof is changed to 30 pence for each additional 330 yards. The Association also indicate that the Glasgow Airport Terminal Departure charge of £1:50 should be removed, given that the existing scale includes a pick up and drop off charge of £2:00. They advise that the Terminal Departure charge has been increased to £2:00, meaning that a charge of £2:00 now applies for picking up or dropping off passengers at Glasgow Airport.

The Association note that other recommendations were made in the report by Vector Transport Consultancy but state that they do not wish to make any proposals in respect of those recommendations.

3.4.2 Craig Allan, Paisley Taxis (Proposal 2)- Mr Allan states that he represents 8% of the taxi operators in Renfrewshire. He states that he is supportive of the proposals set out at Paragraph 3.4.1.

3.4.3 Chic Thomson, Paisley Independent Operators (Proposal 3) – Mr Thomson states that Paisley Independent Operators wish the minimum fare (flag fall) to be increased from £3:20 to £3:50.

He states that, while his organisation would like the charge for the “running mile” (charge for additional distance, currently for each 239 yards or part thereof) increased, they do not propose any increase at this time. They consider that an increase would not be sensible due to their perceived decline of Paisley Town Centre (which they state is only busy on Saturday nights) and the restriction upon their members from working at Glasgow Airport. They feel that any such increase would negatively impact passengers and reduce the use of their service.

Mr. Thomson does not seek any other changes to the current fares card.

- 3.4.4 No further proposals have been received, including at the meeting with the taxi trade on 3<sup>rd</sup> September referred to at Paragraph 1.3 above.
- 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 August 2018 was 2.7%, up from 2.5% in July 2018. According to the Office for National Statistics, the rise can be attributed to rising prices for a range of goods and services including transport services.
- 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 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 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.

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## 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. **Health & Safety - Nil**
9. **Procurement – Nil**
10. **Risk - Nil**
11. **Privacy Impact - Nil**
12. **CoSLA Policy Position - Nil**

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#### **List of Background Papers**

None

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## CURRENT AND PROPOSED TAXI FARE SCALES

	Current	Proposal (1)	Proposal (2)	Proposal (3)
<b>Fares by Distance</b>				
Minimum fare for a distance not exceeding ½ mile	£3.20	£3.30	£3.30	£3.50
For each additional 239 yards or part thereof	20p	30p*	30p*	no change
<b>Fares for waiting time</b>				
For each period of 2 minutes or part thereof	34p	no change	no change	no change
<b>Extras</b>				
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 Departure Charge	£1.50	Remove	Remove	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	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
<b>Soiling Fee</b>				
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

**\* It should be noted that these proposed changes are based on a charge per additional 330 yards, not per additional 239 yards as at present**

#### 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 FARE SCALES WITHIN SURROUNDING AUTHORITIES

Authority	1 mile	3 miles	5 miles
City of Glasgow	£4.00	£7.80	£11.60
East Renfrewshire	£2.90	£5.70	£8.50
Inverclyde	£3.30	£6.80	£10.30
West Dunbarton	£3.40	£6.70	£10.00
North Ayrshire	£3.30	£7.30	£11.30
Renfrewshire (current)	£4.00	£7.00	£10.00

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





## **Review of Taxi Tariff in Renfrewshire**

**June 2018**







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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 June 2018, with a view to assessing changes to operating costs since the last revision to the taxi tariff rates. A recommended adjustment to the tariff rate is made, based on cost changes since the last review.

## **1.2 Previous reviews**

The taxi tariff was revised in 2015. This revision related to additional charges for payment by credit or debit card and additional charges during the festive period at Christmas and New Year. The changes are summarised in the following extract from committee minutes:

“(a) That a new taxi fares scale be fixed which would mean that a surcharge for payment by debit or credit cards be allowed up to a maximum of 10% of the taxi fare and that from midnight on 24 December until midnight on 26 December and from midnight on 31 December until midnight on 2 January an extra charge of £1.00 apply, and that otherwise the new taxi fares scale would be in accordance with the existing scale,”

A further revision to the taxi tariff table was made in 2017. In the 2017 review, changes were made to pick up and drop off charges at Glasgow Airport and the departure charge from Glasgow Airport. The changes are summarised in the following extract from committee minutes:

“(a) That there be no increase in the taxi fares scale proposed for further consultation except that the Glasgow Airport Terminal Departure charge be increased from £1.00 to £1.50, and that a Glasgow Airport pick up and drop off charge of £2.00 be introduced;

Both the 2015 and 2017 reviews left the underlying fares tariff table unchanged for the distance and time based fares. The last revision of distance and time based charges was implemented in 2012, based on an assessment made in December 2011. The minutes from the Licensing Board for 2011 and 2012 are not available for review.

In order to assess relevant cost changes, we need to compare present day operating costs with those in December 2011 and derive the proportionate change in cost between the two dates. 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 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 since December 2011 has been more volatile than the change in insurance cost 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 present day costs to calculate an aggregate operating cost. The equivalent costs are then derived for 2011 either directly, where available, or by applying an appropriate index for each element to the cost for each element. The costs for each year are then aggregated and the difference in overall aggregate cost is 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 insurance and road fund licence.

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 December 2011 costs were derived for each vehicle. The 2011 annual weighted cost was calculated as £4,844. The 2018 annual weighted cost was calculated as £5,887.

## **2.3 Servicing cost**

The cost of vehicle servicing, including parts and labour, varies by vehicle. The trend for vehicles has been for servicing costs to reduce over recent years, with improved vehicle reliability and increased service intervals reducing overall costs. The cost of servicing and maintenance was estimated to range between £1,400 and £3,200 per annum. 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 in 2011 was £2,461.

## **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 2011 and 2018. The average supermarket cost of diesel in December 2011 was £1.391 per litre. In May 2018, the average supermarket cost of diesel was £1.247 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**

				<b>Cost 2011</b>	<b>Cost 2018</b>
Mileage	38,200		Cost per litre	£1.39	£1.25
	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	£3,934.23	£3,526.95
Renault Traffic Business	44.8	852.7	3,876.4	£5,392.01	£4,833.81
Mercedes Vito	39.2	974.5	4,430.1	£6,162.29	£5,524.36
average		816.4		<b>£5,162.85</b>	<b>£4,628.37</b>

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. However, discussion with a trade representative resulted in an estimate of the average insurance cost of £1,000 per annum.

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 December 2011. The index suggests that insurance costs in Quarter 4 2011 was 10% higher than in Quarter 2 2018. Therefore, the calculation assumes that equivalent insurance cost in 2011 was £1,100.

## 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 2011 are as follows:

**Table 2 - 2011 VED Costs**

2011 VED rates	First year	Subsequent years	Average over 5 years
Peugeot Partner Premier	£0	£20	£16
Renault Traffic Business	£130	£130	£130
Mercedes Vito	£165	£165	£165

<b>Average</b>	<b>£103.67</b>
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The costs for 2018 are as follows:

**Table 3 - 2018 VED Costs**

2018 VED rates	First year	Subsequent years	Average over 5 years
Peugeot Partner Premier	£140	£140	£140
Renault Traffic Business	£200	£140	£152
Mercedes Vito	£500	£140	£212
<b>Average</b>			<b>£168.00</b>

## 2.7 Licensing costs

There are some recurring licensing costs incurred, associated with operating a taxi.

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.

An annual taxi test fee of £103.95 is required.

Therefore total licensing costs per annum in 2018 is £289.45. Unfortunately the equivalent costs in 2011 were not available. For the purpose of the overall cost calculation, we have assumed the same costs were applicable in 2011.

## 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 2011 and for 2017 (the latest data available). The average gross earnings for 2011 was £24,462. For 2017, the average gross earnings were 27,287.

The difference in earnings between 2011 and 2017 was an increase of 11.5%.

## Total costs calculations

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

**Table 4 - Annual Operating Costs**

Cost item	2011 Costs	2018 Costs
Vehicle cost	£4,844	£5,887
Servicing	£2,461	£2,300
Fuel	£5,162.85	£4,628.37
Insurance	£1,100	£1,000
Vehicle Excise Duty	£102,67	£168
Licensing cost	£289.45	£289.45
Average National Earnings	£24,462	£27,287
<b>Total cost</b>	<b>£38,319.30</b>	<b>£41,559.82</b>

The proportionate change in overall costs between 2011 and 2018 was an increase of 8.46%.



### **3.1 Retail Price Index**

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

The index for December 2011 was 239.4. The equivalent index value for April 2018 (the latest data available) was 279.7. To calculate inflation between December 2011 and April 2018, we divide the later index value by the earlier index value, i.e.

$$279.7 / 239.4 = 1.168$$

Therefore, inflation between December 2011 and April 2018 was 16.8%

### **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.

The cost in December 2011 was £5.36.

The cost in June 2018 was £5.83.

The difference in fares between the two years equates to an increase of 8.8%

### **4.1 Conclusions**

There is clear and compelling evidence that operational costs have increased since the last fares increase. The cost increase is significantly less than Retail Price Inflation. The operational cost increase is broadly similar to 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 2011. As such, fares should increase by approximately 8.5%. 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 ½ mile is £3.20. The fare for a 1 mile distance is £4.00 and the fare for a 2 mile journey is £5.60. If an increase of 8.5% is applied, this minimum fare would increase to £3.47, the fare for a 1 mile journey would be £4.34 and the fare for a 2 mile journey would be £6.08.

In practice, the initial minimum fare would be rounded up or down. If the minimum fare were increased to £3.30, this would facilitate division by 3 in order to apply the adjustment to Tariff 2. It is recommended that the minimum fare is raised to £3.30.

The current distance based charge is in 20 pence increments for each 239 yards. In order to implement an increase in fares cost, the distance increment can be reduced, or the unit charge increased. If the unit charge is increased to 30 pence per unit, then the distance covered per unit should be increased. It is recommended that the unit price is increased to 30 pence per unit and the distance per unit is increased to 330 yards. When combined with the new charge of £3.30 for the first half mile, the distance based charge of 30 pence for each 330 yards or part thereof, would increase the overall cost for a mile, to £4.20. This would equate to an increase of 5% for a 1 mile fare.

The waiting time charge for each two minute period or part thereof, is set at 34 pence. By implementing an increase of 8.5%, this charge would increase to 37 pence.

The existing tariff card includes several extra charges. The following changes are recommended, based on an increase of 8.5%

For each passenger in excess of 4, increase from 60 pence to 65 pence

Additional charge for journeys commencing after midnight and before 5:00 am Sunday to Thursday, increase from 60 pence to 65 pence.

Additional charge for journeys commencing after midnight and before 5:00 am Friday to Saturday, increase from £1.00 to £1.10.

Additional charge for journeys commencing after midnight on 24<sup>th</sup> December until midnight on the 26<sup>th</sup> December and from midnight on the 31<sup>st</sup> December until midnight on the 2<sup>nd</sup> January, increase from £1.00 to £1.10.

Glasgow Airport charges are related to current charges levied by the airport and should remain unchanged.

