

## PLEASE NOTE TIME OF MEETING

A Special meeting of the General Purposes Board will be held on Wednesday 22 February 2023 at 9.00am.

Members may attend the meeting in person or access the meeting by remote online access. The joining details will be sent to Members and Officers prior to the meeting. Members are requested to notify Fiona Denver by 12 noon on Tuesday 21 February 2023 how they intend to access the meeting.

In the event of connectivity issues, Members are asked to use the *join by phone* number in the Webex invitation.

IAIN STRACHAN  
Head of Legal & Democratic Services

### BUSINESS

1.	<b>Apologies, Substitutions and Declarations of Interest</b>	<b>Page</b>
2.	<b>Taxi Fares Review 2022/23</b> Report by Head of Legal & Democratic Services	<b>p</b>

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<b>Report To:</b>	<b>General Purposes Board</b>	<b>Date:</b>	<b>22 February 2023</b>
<b>Report By:</b>	<b>Head of Legal &amp; Democratic Services</b>	<b>Report No:</b>	<b>LS/020/23</b>
<b>Contact Officer:</b>	<b>David Keenan</b>	<b>Contact No:</b>	<b>01475 712189</b>
<b>Subject:</b>	<b>Taxi Fares Review 2022/23</b>		

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## **1.0 PURPOSE AND SUMMARY**

- 1.1  For Decision  For Information/Noting
- 1.2 The purpose of this report is to consult with members of the General Purposes Board and seek the view of the Board on the annual review of the taxi fare scales for the purposes of public advertisement as the first formal stage of the statutory process. This review is being conducted under section 17 of the Civic Government (Scotland) Act 1982.
- 1.3 The initial consultation process for this review of the taxi fares has concluded and all Taxi Operators, including the Operators Liaison Group and other members of the trade have been invited to submit their view regarding what they deem to be the appropriate level of taxi fares in order that any revision of the fare scales can be implemented.

## **2.0 RECOMMENDATION**

- 2.1 That the Board consider the proposals for the review of the taxi fares and charges and remit to the Head of Legal and Democratic Services to advertise the proposals determined and report on the outcome once the statutory period for representations has lapsed.

**Iain Strachan**  
**Head of Legal and Democratic Services**

### 3.0 BACKGROUND

- 3.1 In terms of Section 17 of the Civic Government (Scotland) Act 1982 (“the 1982 Act”) the Council, as licensing authority for taxis is obliged to review and fix scales for the fares, and other charges, within 18 months beginning with the date on which the scales came into effect. Section 17 of the 1982 Act does not apply to Private Hire Cars, although some Private Hire Cars may choose to adopt the Taxi Fare Scale and Charges agreed by the Board.
- 3.2 The current tariff scale, which is set out in **Appendix 1**, was approved by the General Purposes Board on 8 September 2021, and took effect from 26 September 2021.
- 3.3 Section 17 (4A) of the 1982 Act states that before the licensing authority fixes any scales or carries out any review it shall:
- (a) Consult with persons or organisations appearing to it to be, or be representative of, the operators of taxis operating within its area;
  - (b) Following such consultation:
    - (i) review the existing scales, and
    - (ii) propose new scales (whether at altered rates or at the same rates).
  - (c) Publish notice of those proposed scales in the newspaper circulating in its area:
    - (i) setting out the proposed scales,
    - (ii) exploring the effect on the proposed scales;
    - (iii) proposing a date on which the proposed scales are to come into effect; and
    - (iv) stating that any person may make representation in writing until the relevant date, being one month after the date of the first publication of the notice; and
  - (d) Consider such representations.
- 3.4 At its meeting on 9 November 2022 the Board noted the statutory review of the Council’s Taxi Fare Scale and Charges had commenced and that it was anticipated a report would be submitted to the Board at its meeting in January 2023 with a provisional view on such a review of the taxi fare scale and charges, following consultation with representatives of the taxi trade.
- 3.5 All taxi operators were initially contacted by email dated 8 November 2022, or letter if no email address was available, in order to seek their views on the review. Initially, those consulted were asked to submit their views by 23 December 2022 however this date was extended on 14 December 2022. On that date further emails and letters were issued to the same consultees providing an extension to the period of consultation with a new deadline of 9 January 2023. This extension was considered necessary and appropriate due to the low number of responses received in relation to the consultation. Furthermore, in an effort to assist consultees this further communication requested that they consider the undernoted issues in relation to any response:
- 1. The cost to purchase any taxi vehicle(s) you currently operate, to include the initial capital cost and any interest payments which may apply. If possible, it would be helpful if you could confirm the amount by which the purchase of such a vehicle, or a similar model, may have increased since your original purchase.
  - 2. Details of the costs incurred by you in relation to maintaining your taxi (s) to the standards required by Inverclyde Council or any other vehicle inspectorate, for example, the Department of Transport. It would be helpful if you could include specific examples of servicing/repair costs.

3. Details of the approximate cost to you of employing a taxi driver, to include the hourly rate paid and any additional “on-costs”, for example, pension contributions you might pay on behalf of the driver, or mandatory safety training etc. If this cost has increased since the last taxi fare review, please confirm by how much.
4. Details of the cost, if known, of wages in comparable or related road transport industries, for example, van drivers.
5. Confirmation of whether the insurance premiums payable by you (in relation to vehicles you operate) have increased in the last twelve months and if so, please provide examples of your previous premium and current premium payments.
6. Details of how the current “cost of living crisis” has affected you as a taxi operator. You may wish to provide details of e.g. increases in the cost of fuel, difficulties in the recruitment of taxi drivers, or a reduction in passenger numbers as a result of members of the public utilising other methods of transportation.

3.6 The Scottish Government’s Taxi and Private Hire Cars Licensing Best Practice for local authorities issued in April 2012 states that authorities are advised as best practice to pay regard to advice contained in paragraphs 2.34 to 2.37 of the Scottish Department Circular 25/1986 which states:

“In fixing fares, authorities will want to pay primary regard to the costs incurred by the trade, having regard to the capital costs (including interest payments) of the vehicles, the cost of maintaining and replacing them to a standard of the licensing authority, of employing drivers in the prevalent level of wages and costs and related to road transport industries. The public interest is best served by ensuring the maintenance of an adequate taxi service by giving the trade a fair return rather than depressing fares for social reasons, however understandable.”

#### 4.0 RESPONSE TO CONSULTATION

4.1 As set out above , persons or organisations ( taxi operators) appearing to the Council to be representative of the taxi trade in terms of the 1982 Act were invited to submit their views on the taxi fare scales, and other charges, and a copy letter of response received from Inverclyde Taxis Ltd dated 20 December 2022, is set out in **Appendix 2**, on behalf of Inverclyde Taxis Ltd, ABC Taxis (Inverclyde) Ltd, and the Operators Liaison Group. This response to the consultation highlights that the trade is operating in unchartered and unprecedented times and the last three years have been extremely challenging in relation to a significant downturn in business for drivers and businesses alike. In summary the response letter from Inverclyde Taxis Ltd seek:

- An increase of no less than 12% on the flag fall on all four tariffs;
- A further increase of 12 % on the running mile, with increments of 10p;
- A review of the Taxi Booking Office Licence Fees;
- Parity with the approach adopted by Renfrewshire Council, where taxi operators and drivers are permitted to apply for a 3 year licence at a discounted price (e.g. cost of 2 years) when submitting applications for renewal of a taxi operator or taxi driver licence. Inverclyde Council should make this option available to operators and drivers on renewal of taxi and test fees.

4.2 This year, in a departure from the Council’s previous approach, all taxi operators in Inverclyde were consulted in order to seek their views on the proposed review of taxi fares and other charges. Nine consultees replied and their responses are set out in **Appendix 3** to this report. The names of consultees have been redacted unless the Council has received explicit consent to share that information. Most consultee responses refer to the cost of living and inflation, with the increased cost of fuel and maintenance of their vehicle. Eight of the nine consultees who responded are in support of an increase in fares, with one specifically

seeking an increase of 10% and another seeking 12% across the board. One operator expressed the view that given the rising cost of living and current challenges, a significant rise would not be appropriate.

- 4.3 The response letter from Inverclyde Taxis Ltd dated 20 December 2022 has requested a review of the Taxi Booking Office Licence fee and has asked the Board give consideration to the introduction of a discount structure for licences. These are not relevant issues for the Board to consider at a Taxi Fare Review.

## **5.0 COMMENTS ON THE TRADE PROPOSALS**

- 5.1 The Head of Service - Roads and Transportation was invited to submit her views on the taxi fare scales and her comments are as follows:

1. Collectively those who have responded have cited the wish to ensure all Taxi Operators and Drivers sustain a living wage and help attract new drivers as justification for their proposed fare increase.
2. As noted in previous fare reviews the Head of Service- Roads and Transportation has highlighted that as in previous fare reviews increased running and living costs since the last fare increased should be considered as justification for any fare increase. Fuel costs for diesel between October 2021 and December 2022 show a 19.2% increase. ( Source: AA Fuel Price Report). This is a snapshot between two dates and costs have fluctuated over this time, during the noted time period increases in fuel cost have generally been higher than the December 2022 end figure, therefore fuel cost increases incurred will have been higher than the 19.2 % figure indicated over the 14 month period.
3. The Consumer Prices Index (CPI ) which takes into account all areas of inflationary pressure provides a broader overview of increased costs taking into account the overall “ cost of living crisis”. The CPI 12 month rate was 10.5 % in January 2023. (Source : Office for National Statistics).
4. The AA British Insurance Premium Index which has previously been quoted as an indication of insurance trends no longer provides this information. Willis Towers Watson in conjunction with Confused.com do provide a general motor vehicle insurance index which is an indication of the general trend in the cost of insurance. Between Quarter 4 of 2021 and Quarter 3 of 2022 this indicates a 14 % rise in motor vehicle costs. As stated by the trade there are a limited number of companies that provide Public/Private Hire Insurance, and they are not available on price comparison web sites.
5. The concerns raised by the trade in respect of the increased running costs of vehicles meeting the latest Euro6 and Euro5 emissions standards fitted with Diesel Particulate Filters are a concern to all fleet operators operating in urban environments. The increasing reliance on dealer networks due to complex electronic management systems further compounds the problems being experienced with both increased costs and vehicle downtime. Issues with retention of technicians within the motor trade have pushed up employee costs particularly within the private sector.
6. The procurement costs of vehicles and supply chain issues highlighted by the trade are currently a sector wide problem. Inverclyde Council have also experienced similar price rises and delivery issues when procuring fleet. The age profile of the licensed vehicle fleet should be taken into account when considering the impact of the rising cost of new vehicles.
7. Currently as of January 2023, 76 % of licensed vehicles are 5 years or more with the average age of a licensed vehicle currently in excess of 8 years old. The move away from applying flag drop and subsequent distances in increments of £0.10 was to remove the need to reduce distances within both the flag drop and additional distances

thereafter when applying tariff increases. The tariff increase illustration at Appendix 1 illustrates the flexibility of this approach in desiring a required tariff change without requiring changing distances.

8. While Roads and Transportation have made no specific comment on licensing fees which are a licensing issue, the Head of Service- Roads and Transportation has highlighted that a comparison with the fare tariffs of neighbouring authorities cannot be looked at in isolation without considering the other licensing conditions which are required by other neighbouring authorities which significantly affect operating costs. Tariffs in other authorities have developed over time often increasing to compensate operators for additional vehicle requirements being imposed on them, such as vehicle age limits, colour restrictions and compulsory wheelchair accessible vehicles. None of these conditions apply in Inverclyde.

- 5.2 To assist the Board the Head of Service-Roads and Transportation has provided an illustration showing the impact of tariff increases ranging from 3% to 12%, as set out at **Appendix 4**. All illustrated fares are calculated by applying the prescribed percentage increase to both the flag drop (initial fare) and the charge per subsequent distance, with the charge rounded to the nearest one pence. The rounding effect means that the percentage increase is not exact on all tariffs over all distances. However, it does illustrate the exact fare over the stated distance and allow a comparison with the current tariff. It should be highlighted that these tables have been provided for illustration purposes only and in an effort to assist the Board.

## 6.0 IMPLICATIONS

- 6.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	X		
Legal/Risk	X		
Human Resources		X	
Strategic (LOIP/Corporate Plan)			X
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

### 6.2 Finance

There will be costs associated with the production of new fare scales, cards and advertising costs which will be met under existing budgets.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
N/A					

### 6.3 **Legal/Risk**

The Board should note that in terms of section 18 of the 1982 Act, taxi operators, or any person or organisation appearing to the traffic commissioner for the Scottish Traffic Area to be representative of such taxi operators, may within 14 days of notice of the fare scales fixed by the licensing authority being given, appeal against those fare scales to the said traffic commissioner. Such a risk is mitigated by the licensing authority following the prescribed procedure for review of fares and charges and consulting in order to gather the views of a substantial proportion of those operating taxis within the authority area.

### 6.4 **Human Resources**

There are no Human Resources implications directly arising from this report.

## 7.0 **CONSULTATION**

7.1 An initial consultation has been undertaken with those operators appearing to the Council to be representative of the taxi trade in terms of the 1982 Act. Once the Board has reviewed the taxi fares and other charges, there will be a further statutory consultation with a further report to the Board.

## 8.0 **BACKGROUND PAPERS**

8.1 None

LICENSED VEHICLE NO. \_\_\_\_\_ REGISTRATION NO \_\_\_\_\_

**TABLE OF MAXIMUM FARES FOR THE "EXCLUSIVE"  
HIRING OF A TAXI  
EFFECTIVE FROM 26 SEPTEMBER 2021**

<b>TARIFF 1</b>	<b>Hirings from ranks or 'flag' hirings begun between 6am and 11pm</b>
	Initial charge (880 yards or part thereof) £2.75
	Subsequent charge (each additional 294 yards or part thereof) 31p
	Approximate cost for first mile £3.68
	Approximate cost for each additional mile £1.86
<b>TARIFF 2</b>	<b>Hirings from ranks or 'flag' hirings begun between 11pm and 6am and all pre-booked hirings begun between 6am and 10pm</b>
	Initial charge (880 yards or part thereof) £2.85
	Subsequent charge (each additional 285 yards or part thereof) 31p
	Approximate cost for first mile £4.09
	Approximate cost for each additional mile £2.17
<b>TARIFF 3</b>	<b>Pre-booked hirings begun between 10pm and 6am and hirings from ranks or 'flag' hirings on Easter Monday, May Day, Fair Saturday and September Autumn Holiday.</b>
	Initial charge (880 yards or part thereof) £3.05
	Subsequent charge (each additional 249 yards or part thereof) 31p
	Approximate cost for first mile £4.29
	Approximate cost for each additional mile £2.48
<b>TARIFF 4</b>	<b>Pre-booked hirings and hirings from ranks or 'flag' hirings on 25 and 26 December, 1 and 2 January</b>
	Initial charge (first mile or part thereof) £5.35
	Subsequent charge (each additional 249 yards or part thereof) 31p
	Approximate cost for first mile £5.35
	Approximate cost for each additional mile £2.48

<b>EXTRAS</b>	£1 per passenger after first four passengers
<b>WAITING TIME</b>	For each period of 31 seconds or part thereof 20p
<b>SOILING CHARGE</b>	Charge dependent on severity up to a maximum of £50.00

<b>VAT</b>	The foregoing charges are inclusive of Value Added Tax
<b>COMPLAINTS</b>	Any complaint regarding the operation of this vehicle or its driver should be made to Legal Services, Inverclyde Council, Municipal Buildings, Greenock (telephone 712139)
<b>LOST PROPERTY</b>	Any property lost in this vehicle should be reported to the operator and to Police Scotland, Greenock (telephone 101)

For the avoidance of doubt, a vehicle licensed for private hire which uses a taxi meter to charge for journeys is not permitted thereby to pick up hirings from a rank or any public place.

**OPERATOR'S NAME** \_\_\_\_\_

**METER TYPE & NO** \_\_\_\_\_





Anne Sinclair  
Legal Services Manager  
Inverclyde Council  
Litigation, Licensing & Committee Services  
Municipal Buildings  
Clyde Square  
Greenock  
PA15 1LY

3 EARNHILL ROAD  
GREENOCK  
PA16 0EQ

Your Ref: AS/AI

20<sup>th</sup> December 2022

Dear Mrs Sinclair,

Re: Taxi Fares Review 2022

Further to correspondence received from Anne Sinclair (Legal Services Manager) dated 8 November 2022, please accept this letter as the response on behalf of Inverclyde Taxis Ltd, ABC Taxis (Inverclyde) Ltd and the Operators Liaison Group (hereinafter called ITL, ABC and OLG respectively) regarding the proposed Taxi Fares Review 2022.

The respective companies and OLG accept we are in unchartered and unprecedented times, which has and continues to affect everyone in very different ways. As such, the last three years has been extremely challenging to say the least in relation to a significant downturn in business for drivers and businesses alike. This is coupled to the taxi trade (i.e. businesses and operators) receiving little or no financial support from the Scottish Government whatsoever, as we appear to be a sector that has gone into freefall after slipping through the cracks.

Likewise, Inverclyde Council continues to offer limited or no administrative support / guidance to the trade yet endorse year on year taxi and test fees increases without any consultation / notice nor indeed consideration to extended fee / charges packages (i.e. 2 / 3 years fee packages) to secure trade commitment for the medium to longer term. It would appear decisions are for here and now and only looking short term.

Ironically, as we along with our suppliers / third party service providers are genuinely fighting for survival, we find ourselves caught squarely in the middle of this battle. We now have longstanding suppliers applying above inflationary price increases on utilities (250%), mandatory technological updates to function day to day (28%), new vehicles (2021 against 2022 equates to 48.9%+), vehicle funding (6%+), vehicle parts / labour rates (30 – 60%), tyres (30%+) coupled to mandatory Government increases in wages whilst all are reducing credit limits and terms to improve their cash flows. Also, new vehicle availability has become all but negligible which has a direct impact on having to increase expenditure on older vehicles in order they remain roadworthy and meet Local Authority test standards.

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24 hours a day - Just a phone call away!

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We are requesting that the General Purposes Board give due consideration to our proposals to increase the Meter Tariffs in order that Operators and Drivers can see a nominal increase in to meet the ongoing cost of living and annual inflationary rate (+10.7% November 2022) pressures being endured.

As Operators and Drivers are self-employed, they require an increase in the meter tariffs in an attempt to attain the national minimum hourly rate, a key factor that Inverclyde Council themselves have been keen to promote and encourage amongst local businesses. In addition to previous years, there will be a further 9.7% increase in the national minimum wage with anticipated inflationary increases on the horizon over the next 12 months. An increase in the meter tariff may also help reduce the burden on the state and attract individuals to consider a career as Taxi Drivers given the current climate, which will only help improve taxi coverage further.

For Taxi Operators, they continue to absorb significant increases in the costs of Taxi Insurance, which is significantly higher than private car insurance due to public liability cover required and the increased risk which operating a taxi brings over a private car. This year alone, operators have been reporting insurance increases of between 6% - 38%, even for Operators who have 10+ years of No Claims Bonus. The insurance market for Taxi Operators continues to recede at an alarming rate. Unfortunately, you cannot log onto comparison websites such as gocompare.com for taxi insurance. Speaking recently to an Insurance Broker, they advised that the significant increase in people claiming for personal injuries as a result of accidents in the London, Midlands and Yorkshire areas is impacting on taxi insurance premiums across the UK which adds further burdens for Taxi Operators.

As cars become more reliant on electronics, garages are having to invest in new diagnostic technology, which results in them increasing their labour rates to the Taxi Operators. Fuel Costs continue to be a burden for Taxi Operators. Whilst the cost of crude oil is at its lowest levels, these savings are not being transferred to the Forecourts. Fuel costs have fluctuated in the last 12 months with any plus or minus variances being driven in the main by the Supermarkets. The cost of fuel in Inverclyde is still higher than in other neighbouring Local Authority areas.

Should anticipated Inverclyde Council increases in Taxi and Test Fees be applied, these are additional costs which Operators and Drivers must endeavour to absorb should they wish to continue to operate. The only way to cover these additional costs is to increase the Meter Tariffs. Inverclyde Council need to be ever mindful that the evening and night economies have abated and unlikely to return to pre-pandemic levels, thus drivers have a small but definitive window throughout the daytime only to generate a limited income. The Council increase taxi and test fees on the basis that their costs have increased in relation to the administration of Taxi and Private Hire Services. Taxi Operators within Inverclyde suffer some of the highest licensing and test fees in Scotland. We would welcome the opportunity to revisit Licensing and Test fees the trade has to pay, which are significantly higher than those of fellow Taxi Operators and Drivers in Renfrewshire. Renfrewshire Council also endorse a beneficial 3-year package for Taxi and Test Fee renewals, which therefore makes the annual costs that bit lower for Operators and Drivers who take up this option.

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ITL, ABC and OLG remain extremely conscious and mindful of the current challenging times being experienced by all sectors of the community, including the taxi trade, however, the rising costs means that we therefore welcome full endorsement for the following proposals by the General Purposes Board: -

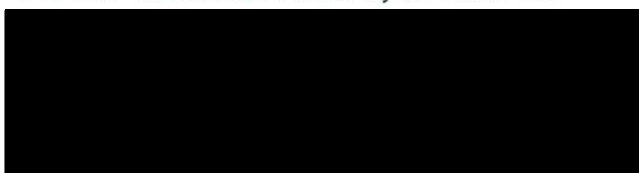
1. An increase of no less than 12% on the flag fall on all four tariffs.
2. A further increase of 12% on the running mile. Given typically journeys are on average no less than 2.5 miles, we believe nominal increases of 12% begins to assist in easing the cost-of-living pressures on Operators and Drivers given the prolonged periods between jobs. It may be prudent to revert to increments of 10p to avoid the unnecessary issues in-vehicle with fares that are not round numbers, as this will avoid ongoing challenges from the public with drivers and office personnel.
3. We would also welcome a review of the Taxi Booking Office Licence Fees, as Inverclyde Council continues to be extremely excessive in its Licence Fee to that of neighbouring Councils.
4. Renfrewshire Council, on renewal of Licenses, permit Operators and Drivers to apply for a 3-year licence at a discounted price (e.g. cost of 2 years). We are requesting that Inverclyde Council make this option available to Inverclyde Operators and Drivers on renewal of Taxi and Test Fees.

You will no doubt acknowledge our submission accrues for many factors that affect the community, whilst also attempting to sustain a credible income, a fair day's pay for a fair day's work, for operators and drivers, as echoed by several Inverclyde Councillor's. It should be acknowledged that the Taxis provide an essential service to the general public of Inverclyde and we are sure Police Scotland will confirm this is the case, particularly in the evenings when Taxis assist in getting the general public home promptly and safely.

Assuring you of our best attention at all times.

Yours faithfully,

For and on behalf of Inverclyde Taxis Ltd



Henry Glasgow  
Director

c.c. Graham Campbell  
Operators Liaison Group

## Anne Sinclair

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**From:** Henry Glasgow [REDACTED]  
**Sent:** 07 January 2023 05:04  
**To:** Anne Sinclair  
**Cc:** Graham Campbell  
**Subject:** RE: TAXi fares review 2022/23  
**Attachments:** 20230105055925957.pdf

Good morning Anne,

Please find below responses to your questions of 14 December as requested, which are highlighted in 'red'. I have also attached the 'Taxi Fare Review' correspondence from the ITL / ABC / OLG for the General Purposes Board consideration at the earliest opportunity.

Should you require any further information, supporting documentation or clarification on any point, please do not hesitate to contact me directly or alternatively Graham Campbell.

Assuring you of our best attention at all times.

Kind Regards,

Henry Glasgow  
Director

DDI: [REDACTED]  
Booking Line: 01475 734563  
Fax: 01475 650710  
Email: [REDACTED]  
Website: [www.inverclydetaxis.co.uk](http://www.inverclydetaxis.co.uk)

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**From:** Anne Sinclair <Anne.Sinclair@inverclyde.gov.uk>  
**Sent:** 14 December 2022 13:13  
**To:** Henry Glasgow [REDACTED]  
**Subject:** FW: TAXi fares review 2022/23

Dear Henry

I refer to my earlier email.

Please note that the time limit for a response has now been extended to 9 January 2023 to afford an opportunity to respond to the issues highlighted.

Dear Taxi Operator,

I refer to my letter of 8 November 2022 seeking your views on the Council's annual statutory taxi fare review by 23 December 2022.

In addition to any response you may have already submitted, I would be grateful if you could also consider the questions below. Please send any response to my undernoted email address.

It would be helpful if you could please provide:

1. the cost to purchase any taxi vehicles(s) you currently operate, to include the initial capital cost and any interest payments which may apply. If possible, it would be helpful if you could confirm the amount by which the purchase of such a vehicle, or a similar model, may have increased since your original purchase. **[HG – Inverclyde Taxis were paying £14,100.00 in 2021 for Skoda Octavia's, but as a result of a prolonged pandemic and subsequent production, supply and delivery issues, we are now paying £20,995.00 . Kia Ceed Estate's now cost us approximately £22,000.00. The disappointing fact is even if you proceed with a purchase, suppliers will not commit to indicative delivery dates. It should also be noted that vehicle funding on average has increased from typically 2% to 7.8 / 8.4%, which again is a substantial uplift in operating a taxi.]**
2. details of the costs incurred by you in relation to maintaining your taxi(s) to the standards required by Inverclyde Council or any other vehicle inspectorate, for example, the Department of Transport. It would be helpful if you could include specific examples of servicing/repair costs. **[HG – as we operate our own garage services at MacDougall Street, it would be misleading to provide average service costs, due to the substantial fluctuations in parts / tyres / delivery costs. Over and above, technician rates have also increased multiple times since the beginning of the pandemic, as this has been a necessary measure to retain personnel.]**
3. details of the approximate cost to you of employing a taxi driver, to include the hourly rate paid and any additional "on-costs", for example, pension contributions you might pay on behalf of the driver, or mandatory safety training etc. If this cost has increased since the last taxi fare review, please confirm by how much. **[HG – all taxi drivers operate on a self-employed basis and, as such, responsible for any ongoing costs to allow them to operate in accordance with Inverclyde Council Licensing Regulations.]**
4. details of the cost, if known, of wages in comparable or related road transport industries, for example, van drivers. **[HG – operating a taxi carries no guaranteed income stream, as this is driven by customer demand which can fluctuate dramatically. We are aware through other group companies that hourly rates vary from £9.50. It should be noted that employed drivers do not incur any operating costs at all, which obviously taxi operators / drivers do from the minute they step in their vehicle(s).]**
5. confirmation of whether the insurance premiums payable by you (in relation to vehicles you operate) have increased in the last twelve months and if so, please provide examples of your previous premium and current premium payments. **[HG – it is fair to state that insurance premiums by enlarge have remained status quo, albeit these can vary dramatically based on one incident whereby premiums can literally double at the drop of a hat where any fault is applied.]**
6. details of how the current "cost of living crisis" has affected you as a taxi operator. You may wish to provide details of e.g. increases in the cost of fuel, difficulties in the recruitment of taxi drivers, or a reduction in passenger numbers as a result of members of the public utilising other methods of transportation. **[HG – this**

*is a particularly difficult question to answer, as the variables each operator / driver incurs are very different in relation to their specific circumstances and commitments. Having said that, the basics to operate do not change for any operator, as you have the cost of the vehicle, funding the vehicle, licence, fuel, maintenance / repairs, badge, test fees and, above all else, the inordinate cost of fuel in Inverclyde as this varies dramatically compared to other parts of Scotland (i.e. much higher as in some cases over 12p or more per litre). Personally, I reside in rural Perthshire where historically prices were higher, but as at today's date, there is a 8p per litre differential compared to that being paid in Inverclyde. This is an area the business community would welcome the influence of Inverclyde Council and the respective Councillors, as there is no justification whatsoever for the differential incurred.]*

*I appreciate that you may not be in possession of some of the information requested above, but any responses you are able to provide will assist the Council as licensing authority to determine the appropriate level of taxi fares which will apply at the end of the annual taxi fare review process.*

*Thank you for your assistance.*

Regards,

Anne Sinclair  
Legal Services Manager  
Inverclyde Council Municipal Buildings  
Clyde Square  
Greenock  
PA15 1LY

[Anne.sinclair@inverclyde.gov.uk](mailto:Anne.sinclair@inverclyde.gov.uk)

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**Anne Sinclair**

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**From:** Kevin J Gill [REDACTED]  
**Sent:** 17 November 2022 14:23  
**To:** Anne Sinclair  
**Subject:** Taxi fare increase

Hello , I own , operate and drive the taxi with plate 115 ,  
My opinion is that we not only deserve at least 10% increase on fares , we need it if only to cover the rise in associated costs of running a taxi ,  
Before I set out my reasons behind this , I would like to complain bitterly about the proposal to increase all taxi associated fees by 10% , I think it's unfair to force the taxi trade to subsidise other areas of council expenditure ,  
Quite frankly , the council should look at inefficiencies and cutting costs and more productivity measures , obviously just my opinion but there you have it

So reasons for 10 % increase

The obvious 1 Inflation is currently at 11% and doesn't look as if it's going to reduce any time soon  
Fuel price increase , the running costs for fuel has increased by , on average 35 % and again doesn't look as if it's going to reduce any time soon , likelihood is it will stay around this level for the foreseeable future ,  
The taxi trade has had to absorb this increase for best part of a year , with no interim mechanism offered by Inverclyde council to increase fares , I know for a fact that other local authorities allowed taxi companies to put a surcharge on the tariffs to alleviate the higher cost of fuel ,  
EG , south Lanarkshire allowed 2 taxi companies to put a 50p per job increase as early as April .

Increased costs for maintenance , parts and labour for the upkeep and safety of our vehicles , on average an increase of 15%

So in summary ,  
Taxi fares should go up by as close to 10% as possible , and my suggestion for the increase is a flat rate change to the tariffs for instance

Tariff 2 £2-85 , increase to £3-40 , the abolition of 1st tariff jobs making the flag down or rank jobs same as phone or app jobs this simplifies the fare structure and avoids confusion ,

Tariff 3 to go to £3-60 , from £3-05 , for the same reasons as above, Tariff 4 ( Christmas new year tariff ) to increase to £5-50 on Christmas day and new years day , but be £5-20 , boxing day and 2nd Jan ,

I want to highlight the reason for asking for all any increase to be put on the starting tariff , In my opinion , historically we had decreased the distance to increase the way any fare increase is added to the meter , I feel that this method is unfair on customers who travel further in taxis and this would mean that they would think twice before ordering a taxi , so I would leave the distances as they are on existing tariff card ,

Many thanks , Kevin gill  
Operator/ driver of taxi plate 115

[Sent from Yahoo Mail on Android](#)

## Anne Sinclair

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**From:** [REDACTED]  
**Sent:** 15 November 2022 16:38  
**To:** Anne Sinclair  
**Subject:** Re: Taxi Fare Review 2022

Thank you for your reply .

As you will possibly be aware that the taxi trade in this area is currently outwith any others control so that is why I ask for confidentiality .

All I ask is that you base any increase ,or none , to help individual operators. Can I also add that the £10 office fee rise was weekly so it was 50 fares per week to pay this with last years tariff increase .

Appreciated if my details are not released but my comments are ok to do so .

Thank you  
[REDACTED]

Sent from my iPhone

> On 15 Nov 2022, at 15:29, Anne Sinclair <Anne.Sinclair@inverclyde.gov.uk> wrote:

>

> Dear [REDACTED]

>

> Thank you for your email.

>

> I note you have requested confidentiality. Would you be happy with me sharing your email/views on the basis your name, address and email address are redacted ?

>

>

> Regards,

>

> Anne

>

> -----Original Message-----

> From: [REDACTED]

> Sent: 15 November 2022 14:18

> To: Anne Sinclair <Anne.Sinclair@inverclyde.gov.uk>

> Subject: Taxi Fare Review 2022

>

> I refer to your letter received today

> Firstly there is no Operators Liaison Group .That stopped during covid so Henry Glasgow is on his own to forward any proposed fare rise Second

> Last year we got 20p per fare and straight away the taxi office put the office fees up by £10 which meant taxi had to do 50 fares to get any increase and also lost a half day takings for meter test .Taking that and the massive increase in fuel prices it was not worth doing .

> Office fees this year will also rise if any fare increase is granted .

> Third

> With the upcoming council fee increase no feasible fare rise would possibly be acceptable to customers .

> As I am considering retiring it won't possibly affect me but others , including customers, will find it difficult to afford taxis .

>

> This is just my opinion and not others so confidentiality is asked for .I trust you will find out who will negotiate with yourselves in due course .

>





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## Selina Cooke

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**From:** Paul Travers [REDACTED]  
**Sent:** 02 December 2022 15:43  
**To:** Licensing Section  
**Subject:** Taxi Fare Review

Thank you for the invitation to take part in the Taxi Fare Review/Consultation.

I propose that the board consider the following tariff increases

Tariff 1 (Normal) Up to the first 3/4 mile - £3.20

Then each mile - £2.20 (in 10p units)

Waiting: up to 5 minutes - £3.20 (and then 20p every 30 seconds or part)

Tariff 2 (Higher) Up to the first 3/4 mile - £3.50

Then each mile - £2.50 (in 10p units)

Waiting: up to 5 minutes - £3.50 (and then 20p every 30 seconds or part)

Tariff 2 applies if the journey starts or ends:

In the period 10.00 p.m. to 06.00 a.m.

On Journeys picking up or dropping off out with Inverclyde council's boundary

On the following Public Holidays:

Easter Monday, May Bank Holiday Spring Bank Holiday Fair Saturday, and September Autumn Holiday.

If a Bank Holiday is on a weekend, the following Monday is treated as the Bank Holiday

Tariff 3 - up to the first 3/4 mile - £5.50.

Then each mile - £2.50 (in 10p units)

Waiting: up to 5 minutes - £5.50 (and then 20p every 30 seconds or part)

25th December 26th December 1st January 2nd January.

Extra Charges Soiling Charge - £50

If the Large Vehicle Charge (5 or more passengers) If the vehicle starts by carrying more than 4 passengers, the fare is charged as an extra 50% on the Tariffs and Charges that would otherwise apply. The higher fare applies until the hire ends, even if some of the passengers leave the vehicle earlier and there are fewer than 5 left in the vehicle.

Kind Regards

## Anne Sinclair

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**From:** Paul Travers [REDACTED]  
**Sent:** 29 December 2022 17:03  
**To:** Anne Sinclair  
**Subject:** Letter 19 December 2022 Taxi Pay Review

Good Morning Anne.

It would take me a month to write an accurate reply to the six questions posed in the correspondence date as above. However here is a shortened reply.

1. To replace my current WAV vehicle would cost anywhere between £25,995 and £49,000 compared with half the first amount for the current Vehicle. New Skoda Octavia £26,995 compared to £14995. I have no idea as to why this information is relevant to locally elected councillors council officers or indeed to yourself. I wonder if council employees had to have forensic investigations of there accounts to receive a pay rise recently.
2. These cost vary year to year. Example - New clutch required 2023 quoted £1250. 3 years ago £660. Most repairs have risen by 300% since Covid. They will never decrees.
3. This question is typical of what council officers employees and elected members know about the taxi trade. Every one in the taxi trade is self employed. Except clerical workers employed by companies.
4. If I was to have a guess at comparable wages as you described in the correspondence other transport industries. 37.5 hours per week a taxi driver would earn less than one third of there employed wage. Why this is relevant to a tariff rise for the taxi trade is beyond my comprehension. I wonder if council employees were asked to state how there wages staked up to say an admin worker in a taxi office.
5. The insurance premiums paid by me increase every year as does the tax on insurance premiums by the UK government . Its commercial insurance and only a limited number of companies in the UK will insure the taxi trade in Inverclyde.
6. You have answered this question. All of the stated fuel cost, Insurance cost, repair cost, lost days due to unattainable parts for repairs, decreasing passenger numbers and free travel for under 22 year olds.
7. The question that isn't on this correspondence. How do you think that Inverclyde's Taxi trade is placed to go forward and become an environmentally friendly industry. With great difficulty without investment from local authorities and government. New environmentally friendly vehicles requires investment and on the tariffs currently set by Inverclyde council this will be a long and expensive transition.

Paul Travers  
Taxi Operator  
[REDACTED]

## Anne Sinclair

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**From:** Mick O'Neill [REDACTED]  
**Sent:** 04 December 2022 23:08  
**To:** Anne Sinclair  
**Subject:** Taxi Fares Review 2022

I refer to the above.

My name is Michael O' Neill address [REDACTED]  
Phone Number [REDACTED]. Taxi Plate number 149.

As the Fuel and all the council fees and our office fees have gone up I think it's only right that the taxi fares go up as I have to work extra hours to make ends meet and it's effecting my health.

Your Sincerely.

Michael O' Neill.

Sent from [Mail](#) for Windows

## Anne Sinclair

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**From:** Billy McGroary [REDACTED]  
**Sent:** 05 January 2023 15:03  
**To:** Anne Sinclair  
**Subject:** Taxi fares

In regard of taxi fares , I think there should be increase of 15 pence on all starting prices , and it should rise by 30p increments instead of 31p ( crazy number nobody deals in 1,2 and 5 ps these days ) and that it should increase over shorter distance , regards william mcgroary general hire no 177

Sent from my iPhone

## Anne Sinclair

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**From:** stu\_black [REDACTED]  
**Sent:** 15 December 2022 21:15  
**To:** Anne Sinclair  
**Subject:** Taxi fare review 2022

Dear Anne

Thank you for your letter of 9th November 2022 regarding the above.

Having taken into account the constantly increasing costs of running a taxi at this present time and having had discussions with other operators within the Inverclyde area, I would like to suggest an increase of a minimum of 12% across the board. This would include the initial flag hire and the incremental distance tariff. Should you require any facts and figures detailing the increases in running and operating costs over the past 12 months, I should be happy to provide these for you, or any further information which you may require.

Kind Regards

Mr Stuart Black

General Hire 103  
[REDACTED]

## Anne Sinclair

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**From:** Graeme Orr [REDACTED]  
**Sent:** 09 January 2023 08:17  
**To:** Anne Sinclair  
**Subject:** Taxi Operator's Annual Statutory Fare Review

Hi Anne,

I trust this e-mail finds you well .

In response to your letter dated 19th December 2022 please find my findings & thoughts on your pertinent points

1. I've been in business for approximately twenty eight years and generally change my car every thirty six months (I generally replace the car with something less than two years old so I get two years whereby I only have to get one annual test due to the council requirements that cars greater than three years old requiring six monthly tests) .On a like by like basis cars that would have cost around 13K pre Covid are now anywhere between 16K & 17K - I last replaced my car in Nov 2021 at a cost of 15K.

2. As per above , as soon as a car is over three years old the requirements for six monthly testing necessitates additional administration & test costs along with any required preventive repairs to meet the required standard .

3. Any drivers I regularly use are on a self employed basis , as such they pay for their own set up

4.N/A

5. Insurance for licenced vehicles has continued to grow incrementally in line with general insurance policies (on a like for like basis) and there is a very limited offering of providers due to the potential risks involved within the business . My latest policy cost £1,290 .

Cost of living crisis - diesel fuel was approx £1,30 per litre in Jan 2022 it increased to £2.05 per litre through Aug 2022 and is currently sitting at around £1.75 per litre - this has a major effect on profitability due to it's daily useage . This effects both drivers & operators as it eats into the daily / weekly operational costs. Along with this - potential foot fall has shrunk due to business closures & business's that have adopted working from home initiative . All of these factors have made it more difficult to source regular / dependable drivers as it is a common fact that less income can now be achieved driving / operating a taxi .

*Graeme Orr*

[REDACTED]

**Anne Sinclair**

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**From:** [REDACTED]  
**Sent:** 06 January 2023 22:59  
**To:** Anne Sinclair  
**Subject:** Taxi Fare Review

With regards to the letter sent out to operators about the taxi fare review, my costs have increased since the last fare rise due to the increase in fuel costs, the rise in costs for parts, tyres etc and the massive yearly increases in sky high council fees including charging nearly 3 times the cost of an MOT for checking a few additional items like a quick look round bodywork and interior fittings.

However in the current cost of living crisis I don't think a massive increase in fares is appropriate and may do the trade more harm than good. But a little would certainly help.

Regards,



Sent from my phone



Appendix 1	Tariff Increase Illustration							
<b>Current Tariff</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£2.75		Initial Charge	£2.85	Initial Charge	£3.05	Initial Charge	£5.35
1 Mile	£3.68		1 Mile	£4.09	1 Mile	£4.29	1 Mile	£5.35
2 Miles	£5.54		2 Miles	£5.95	2 Miles	£6.46	2 Miles	£7.83
3.5 Miles	£8.33		3.5 Miles	£8.74	3.5 Miles	£9.87	3.5 Miles	£10.93
<b>3% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£2.83		Initial Charge	£2.94	Initial Charge	£3.14	Initial Charge	£5.51
1 Mile	£3.79		1 Mile	£4.22	1 Mile	£4.42	1 Mile	£5.51
2 Miles	£5.71		2 Miles	£6.14	2 Miles	£6.66	2 Miles	£8.07
3.5 Miles	£8.59		3.5 Miles	£9.02	3.5 Miles	£10.18	3.5 Miles	£11.27
<b>4% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£2.86		Initial Charge	£2.96	Initial Charge	£3.17	Initial Charge	£5.56
1 Mile	£3.82		1 Mile	£4.24	1 Mile	£4.45	1 Mile	£5.56
2 Miles	£5.74		2 Miles	£6.16	2 Miles	£6.69	2 Miles	£8.12
3.5 Miles	£8.62		3.5 Miles	£9.04	3.5 Miles	£10.21	3.5 Miles	£11.32
<b>5% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£2.89		Initial Charge	£2.99	Initial Charge	£3.20	Initial Charge	£5.62
1 Mile	£3.88		1 Mile	£4.31	1 Mile	£4.52	1 Mile	£5.62
2 Miles	£5.86		2 Miles	£6.29	2 Miles	£6.83	2 Miles	£8.26
3.5 Miles	£8.83		3.5 Miles	£9.26	3.5 Miles	£10.46	3.5 Miles	£11.56
<b>6% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£2.92		Initial Charge	£3.02	Initial Charge	£3.23	Initial Charge	£5.67
1 Mile	£3.91		1 Mile	£4.34	1 Mile	£4.55	1 Mile	£5.67
2 Miles	£5.89		2 Miles	£6.32	2 Miles	£6.86	2 Miles	£8.31
3.5 Miles	£8.86		3.5 Miles	£9.29	3.5 Miles	£10.49	3.5 Miles	£11.61
<b>7% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£2.94		Initial Charge	£3.05	Initial Charge	£3.26	Initial Charge	£5.72
1 Mile	£3.93		1 Mile	£4.37	1 Mile	£4.58	1 Mile	£5.72
2 Miles	£5.91		2 Miles	£6.35	2 Miles	£6.89	2 Miles	£8.36
3.5 Miles	£8.88		3.5 Miles	£9.32	3.5 Miles	£10.52	3.5 Miles	£11.66
<b>8% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£2.97		Initial Charge	£3.08	Initial Charge	£3.29	Initial Charge	£5.78
1 Mile	£3.96		1 Mile	£4.40	1 Mile	£4.61	1 Mile	£5.78
2 Miles	£5.94		2 Miles	£6.38	2 Miles	£6.92	2 Miles	£8.42
3.5 Miles	£8.91		3.5 Miles	£9.35	3.5 Miles	£10.55	3.5 Miles	£11.72
<b>9% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£3.00		Initial Charge	£3.11	Initial Charge	£3.32	Initial Charge	£5.83
1 Mile	£4.02		1 Mile	£4.47	1 Mile	£4.68	1 Mile	£5.83
2 Miles	£6.06		2 Miles	£6.51	2 Miles	£7.06	2 Miles	£8.55
3.5 Miles	£9.12		3.5 Miles	£9.57	3.5 Miles	£10.80	3.5 Miles	£11.95
<b>10% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£3.03		Initial Charge	£3.14	Initial Charge	£3.36	Initial Charge	£5.89
1 Mile	£4.05		1 Mile	£4.50	1 Mile	£4.72	1 Mile	£5.89
2 Miles	£6.09		2 Miles	£6.54	2 Miles	£7.10	2 Miles	£8.61
3.5 Miles	£9.15		3.5 Miles	£9.60	3.5 Miles	£10.84	3.5 Miles	£12.01
<b>11% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£3.05		Initial Charge	£3.16	Initial Charge	£3.39	Initial Charge	£5.94
1 Mile	£4.07		1 Mile	£4.52	1 Mile	£4.75	1 Mile	£5.94
2 Miles	£6.11		2 Miles	£6.56	2 Miles	£7.13	2 Miles	£8.66
3.5 Miles	£9.17		3.5 Miles	£9.62	3.5 Miles	£10.87	3.5 Miles	£12.06
<b>12% Increase</b>	Tariff 1		Tariff 2		Tariff 3		Tariff 4	
Initial Charge	£3.08		Initial Charge	£3.19	Initial Charge	£3.42	Initial Charge	£5.99
1 Mile	£4.13		1 Mile	£4.59	1 Mile	£4.82	1 Mile	£5.99
2 Miles	£6.23		2 Miles	£6.69	2 Miles	£7.27	2 Miles	£8.79
3.5 Miles	£9.38		3.5 Miles	£9.84	3.5 Miles	£11.12	3.5 Miles	£12.29