
Report To:	GENERAL PURPOSES BOARD	Date: 11 August 2010
Report By:	HEAD OF LEGAL AND DEMOCRATIC SERVICES	Report No: LA/574/10
Contact Officer:	IRENE BRANNAN	Contact No: 01475 712114
Subject:	TAXI FARES REVIEW 2010	

1.0 PURPOSE

- 1.1 The purpose of this report is to seek the views of the Board on the annual review of taxi fare scales for the purposes of public advertisement as the first formal stage of the statutory process.
- 1.2 The informal consultation process for this year's review of the taxi fares has been commenced and the Operators Liaison Group and other members of the trade have been invited to submit their view of the level of taxi fares so that any revision of the fare scales will be implemented in November.

3.0 EXISTING FARE SCALES AND CHARGES

- 3.1 Appendix 1 to this report details the current fare scales which have been in force in Inverclyde since November 2009. **APPENDIX 1**

4.0 RESPONSE BY TAXI TRADE

- 4.1 The taxi trade were invited to submit their views on the taxi fare scales and a copy of a letter of response received from Inverclyde Taxis Ltd setting their submission in detail and their justification for it forms Appendix 2 to this report. **APPENDIX 2**
- 4.2 The submissions for change to the tariff scales are:
- (a) Tariff 1 – increase of 6% after initial charge
 - (b) Tariff 2 – increase initial charge to £2.40 and 6% on subsequent charge
 - (c) Tariff 3 – increase initial charge to £2.60 and 6% on subsequent charge
 - (d) Minimum charge of £5.00 on 25 December and 1 January
 - (e) £1.00 charge per passenger after the first 4 passengers

- 4.3 I attach as Appendix 3 to this report the taxi fare scales in outline which would apply if the proposals described above were adopted provisionally for the purposes of advertisement. **APPENDIX 3**

5.0 COMMENT ON THE PROPOSALS FROM THE TRADE

- 5.1 Consultation with the Head of Environmental and Commercial Services was undertaken and a copy of a response from Jim Bradley, Team Leader, Transportation and Waste Collection, whose functions include vehicle testing and inspection, forms Appendix 4 to this report. **APPENDIX 4**
- 5.2 Appendix 5 to this report details the taxi fare scales which would apply if the proposals submitted by Mr Bradley were adopted. **APPENDIX 5**

6.0 CONCLUSION

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

Irene Brannan
Legal & Democratic Services

**Inverclyde
Council**

Civic Government (Scotland) Act 1982

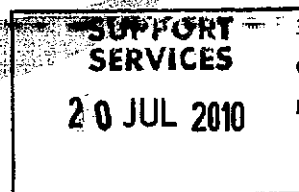
GENERAL HIRE CAB NO _____ REGISTRATION NO _____

**TABLE OF MAXIMUM FARES FOR THE "EXCLUSIVE" HIRING OF A TAXI
EFFECTIVE FROM 9 NOVEMBER 2009**

TARIFF 1	Hirings from ranks or 'flag' hirings begun between 6am and 11pm	
	Initial charge (1,103 yards or part thereof)	£2.20
	Subsequent charge (each additional 137 yards or part thereof)	10p
	Approximate cost for first mile	£2.70
	Approximate cost for each additional mile	£1.30
TARIFF 2	Hirings from ranks or 'flag' hirings begun between 11pm and 6am and all pre-booked hirings begun between 6am and 11pm	
	Initial charge (1,071 yards or part thereof)	£2.30
	Subsequent charge (each additional 134 yards or part thereof)	10p
	Approximate cost for first mile	£2.80
	Approximate cost for each additional mile	£1.30
TARIFF 3	Pre-booked hirings begun between 11pm and 6am and hirings from ranks or 'flag' hirings on 25 and 26 December, 1 and 2 January, 19 April (Spring holiday), 3 May (May Day), 3 July (Fair Saturday) and 6 September (Autumn holiday)	
	Initial charge (1,071 yards or part thereof)	£2.50
	Subsequent charge (each additional 119 yards or part thereof)	10p
	Approximate cost for first mile	£3.10
	Approximate cost for each additional mile	£1.50
WAITING TIME	For each period of 31 seconds or part thereof	20p
SOILING CHARGE	Charge dependent on severity up to a maximum of	£50.00
VAT	The foregoing charges are inclusive of Value Added Tax	
COMPLAINTS	Any complaint regarding the operation of this vehicle or its driver should be made to Legal and Administration The Inverclyde Council, Municipal Buildings, Greenock (telephone 712107)	
LOST PROPERTY	Any property lost in this vehicle should be reported to the operator and to Strathclyde Police, Greenock (telephone 492500)	

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 AND NO** _____



3 FEARNHILL ROAD
GREENOCK
PA16 0EQ

Howard McNeilly
Managing Solicitor (Legal / Litigation)
Inverclyde Council
Head of Legal and Democratic Services
Municipal Buildings
Clyde Square
Greenock
PA15 1LX

Your Ref: IPB/AI/TAX0017

20th July 2010

Dear Mr McNeilly,

Re: Taxi Fare Review 2010

In answer to your correspondence dated 9th July 2010, I have much pleasure in responding accordingly on behalf of the Inverclyde Taxis Ltd, ABC Taxis (Inverclyde) Ltd and associated Operators Liaison Group (hereinafter called ITL, ABC and OLG respectively) regarding the proposed Taxi Fare Review 2010.

Commercially, market forces (i.e. the purchase of vehicles has increased significantly since the last fare increase on 9th November 2008 - **22.66%**, increased fuel, VAT, insurance, food, utilities & maintenance / repair costs, tyres, credit restrictions, etc) are dictating disturbing trends, which has resulted in a significant increase in an operators cost per mile, particularly WAV's, whilst job volumes corroborate other public transport trends with declining numbers.

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, and confirm the overwhelming consensus amongst operators and drivers alike is that the trade would welcome full endorsement for the following proposals by the General Purposes Board.

We, ITL, ABC and OLG would therefore respectively request that the General Purposes Board give due consideration and endorse the following proposals: -

1. Tariff 1 - flag fall remains status quo, but would propose a 6% increase.
2. Tariff 2 - flag fall to go up to £2.40 and propose a 6% increase after 1,071 yards.
3. Tariff 3 - flag fall to go up to £2.60 and propose a 6% increase after 1,071 yards.
4. We are in no doubt the General Purposes Board would acknowledge that operators / drivers do incur a high portion of unsocial hours by having to work weekends and public holidays, and would therefore ask the Board members to endorse a minimum charge on 25th December and 1st January of £5.00.

Cont/...

24 hours a day - Just a phone call away!

.../cont

5. We would also request that the General Purposes Board give due consideration to introducing a tariff change by including extra's for passengers above the first 4 to £1.00 per passenger, as this is intended to ensure the availability of Multi Purpose Vehicles, whilst meeting the diverse demands of the general public, particularly on evenings and weekends.

Should the GPB members endorse the above proposal, we collectively believe this would impact positively on operators investing in Multi Purpose Vehicles, such as the Peugeot E7, Peugeot Premier, etc, which ultimately enhances service delivery across all sectors of the community. It should also be acknowledged by the GPB members that the fuel cost alone to operate WAV / MPV's is between 40% / 50% higher than that to operate a standard Skoda Octavia.

Early indications from respected economists is that the UK is likely to experience further economic turbulence, resulting in anticipated increases in vehicles, fuel, VAT, insurance premiums, maintenance, etc, hence we would respectfully request that GPB give due consideration to endorsing a mid-term fare review should the economic climate have a significant detrimental impact on operating costs.

Furthermore, we would also request that Inverclyde Council and GPB members give due consideration to refrain from implementing any increases to Council Tests until 2012, bearing in mind, the diminishing job volumes, employment opportunities and declining disposable income available in Inverclyde. Should this request be refused consent, we would ask that the GPB members consider applying a discount structure to Taxi / Private Hire Fess for payment in advance (e.g. 2-years fees paid in advance subject to an agreed discount structure).

You will no doubt acknowledge our submission is accruing for the many factors, whilst also attempting to sustain a credible income for operators and drivers.

Should you require any additional information or clarification on any point, please do not hesitate to contact me directly.

Assuring you of our best attention at all times.

Yours faithfully,
For and on behalf of Inverclyde Taxis Ltd

~~Henry Glasgow~~
Managing Director

c.c. Graham Campbell
Elizabeth McDonald
Nicola Stewart
Operators Liaison Group

ITEM 2 APPENDIX 3

INVERCLYDE TAXIS, ABC TAXIS and OPERATORS LIAISON GROUP PROPOSALS 2010

TARIFF 1	Hirings from ranks or 'flag' hirings begun between 6am and 11pm	
	Initial charge (1,103 yards or part thereof)	£2.20
	Subsequent charge (each additional 129 yards or part thereof)	10p
	Approximate cost for first mile	£2.70
	Approximate cost for each additional mile	£1.40
TARIFF 2	Hirings from ranks or 'flag' hirings begun between 11pm and 6am and all pre-booked hirings begun between 6am and 11pm	
	Initial charge (1,071 yards or part thereof)	£2.40
	Subsequent charge (each additional 126 yards or part thereof)	10p
	Approximate cost for first mile	£2.90
	Approximate cost for each additional mile	£1.40
TARIFF 3	Pre-booked hirings begun between 11pm and 6am and hirings from ranks or 'flag' hirings on 26 December, 2 January, 11 April (Spring holiday), 2 May (May Day), 2 July (Fair Saturday) and 5 September (Autumn holiday)	
	Initial charge (1,071 yards or part thereof)	£2.60
	Subsequent charge (each additional 112 yards or part thereof)	10p
	Approximate cost for first mile	£3.20
	Approximate cost for each additional mile	£1.60
TARIFF 4	Pre-booked hirings and hirings from ranks or 'flag' hirings on 25 December and 1 January.	
	Initial charge (1,071 yards or part thereof)	£5.00
	Subsequent charge (each additional 112 yards or part thereof)	10p
	Approximate cost for first mile	£5.60
	Approximate cost for each additional mile	£1.60
EXTRAS	£1 per passenger after first 4 passengers	
WAITING TIME	For each period of 31 seconds or part thereof	20p
SOILING CHARGE	Charge dependent on severity up to a maximum of	£50.00
VAT	The foregoing charges are inclusive of Value Added Tax	
COMPLAINTS	Any complaint regarding the operation of this vehicle or its driver should be made to Legal and Democratic Services, The Inverclyde Council, Municipal Buildings, Greenock (telephone 712107)	
LOST PROPERTY	Any property lost in this vehicle should be reported to the operator and to Strathclyde Police, Greenock (telephone 492500)	

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To: Howard McNeilly
Managing Solicitor

Your Ref.:

From: Jim Bradley
Team Leader (Transport & Waste Collection) Ext: 4757

Our Ref.: 2010 Response

Date: 27 July 2010

Subject: **CIVIC GOVERNMENT (SCOTLAND) ACT 1982**
TAXI FARES REVIEW 2010

Response to proposals submitted by ITL, ABC and OLG in respect of Taxi Fares Review 2010.

Collectively the groups have cited increased running and living costs since the last fare increase in November 2008 as justification for their proposals to be considered. They have quoted a figure of 22.6% as a guide to the increased running costs they have incurred. We can confirm that fuel costs for diesel has risen by approx. 20%, if comparing November 2008 prices with current prices, but that is simply a snapshot of prices at two fixed periods in time. Fuel prices have fluctuated greatly over this period and we feel a more realistic indicator to use would be the Consumer Price Index (CPI) which takes into account all the areas highlighted by the groups. The CPI is the measure adopted by the Government for its UK inflation target. Over the two year period from June 2008 to June 2010 the average annual inflation rate has been 3.02%. We feel any tariff applied should reflect the average annual CPI inflation figure. (Points 1, 2 and 3)

We feel the most uniform way to apply any increase agreed would be to reduce yardage on both the initial charge and the subsequent charge by the agreed percentage. This would ensure customers taking short journeys are not penalised by a proportionally higher initial charge.

Point 4 – No comment.

Point 5 – This proposal has been tabled at the last two Taxi Fare Reviews and has been supported by ourselves on both occasions. We believe that the proposal to introduce a £1.00 charge (per person) for extra passengers above 4 in multi-purpose vehicles would be a positive step. It would be an incentive for operators to invest in multi-purpose vehicles, the majority of which are disabled access. Until the recent introduction of vehicles licensed for more than four passengers, parties of more than four had no choice other than to hire two vehicles. The proposal seems reasonable taking into account the considerable investment required to purchase this type of vehicle.

Point 6 – Test/Licence Fees - No comment

Jim Bradley

Team Leader (Transport and Waste Collection)

**ENVIRONMENTAL AND COMMERCIAL SERVICES
PROPOSALS 2010**

TARIFF 1	Hirings from ranks or 'flag' hirings begun between 6am and 11pm	
	Initial charge (1,070 yards or part thereof)	£2.20
	Subsequent charge (each additional 133 yards or part thereof)	10p
	Approximate cost for first mile	£2.70
	Approximate cost for each additional mile	£1.30
TARIFF 2	Hirings from ranks or 'flag' hirings begun between 11pm and 6am and all pre-booked hirings begun between 6am and 11pm	
	Initial charge (1,039 yards or part thereof)	£2.30
	Subsequent charge (each additional 130 yards or part thereof)	10p
	Approximate cost for first mile	£2.90
	Approximate cost for each additional mile	£1.40
TARIFF 3	Pre-booked hirings begun between 11pm and 6am and hirings from ranks or 'flag' hirings on 25 and 26 December, 1 and 2 January, 11 April (Spring holiday), 2 May (May Day), 2 July (Fair Saturday) and 5 September (Autumn holiday)	
	Initial charge (1,039 yards or part thereof)	£2.50
	Subsequent charge (each additional 116 yards or part thereof)	10p
	Approximate cost for first mile	£3.10
	Approximate cost for each additional mile	£1.50
EXTRAS	£1 per passenger after first 4 passengers	
WAITING TIME	For each period of 31 seconds or part thereof	20p
SOILING CHARGE	Charge dependent on severity up to a maximum of	£50.00
VAT	The foregoing charges are inclusive of Value Added Tax	
COMPLAINTS	Any complaint regarding the operation of this vehicle or its driver should be made to Legal and Democratic Services, The Inverclyde Council, Municipal Buildings, Greenock (telephone 712107)	
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