
Report To:	General Purposes Board	Date:	10 August 2016
Report By:	Head of Legal and Property Services	Report No:	LP/089/16
Contact Officer:	Fiona Denver Legal Services	Contact No:	01475 712109
Subject:	Taxi Fares Review 2016		

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 and charges 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 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.

2.0 SUMMARY

- 2.1 The taxi trade were invited to submit their views on the taxi fare scales and a copy of their response received from Inverclyde Taxis Ltd dated 23 June 2016 forms **Appendix 1** to this report.
- 2.2 The trade have requested that the General Purposes Board give due consideration to a review of the taxi driver and taxi/private hire operator application fees together with the introduction of a discount structure of 3 year licences. The Board may wish to note that these requests will be dealt with as a separate matter from the Taxi Fares Review at a future meeting of the Board.
- 2.3 The trade submissions for change to the tariff scales are:-
 - (i) Tariff 1 – flag fall to be maintained, and propose a 10% reduction in yardage after 1004 yards.
 - (ii) Tariff 2 – flag fall to be maintained, and propose a 10% reduction in yardage after 974 yards.
 - (iii) Tariff 3 – flag fall to be maintained, and propose a 10% reduction in yardage after 974 yards.
 - (iv) Tariff 4 – flag fall to be maintained, and propose a 10% reduction in yardage after the first mile.
 - (v) Tariff 4 – amend the subsequent charge yardage to be the same as that stated in Tariff 3.

- (vi) Tariff 3 – amend the time the hire will commence to 10pm. This change will have a knock on effect to the times stated in all other tariffs.
- (vii) Addition of permitting Tariff 3 to be utilised on journeys starting or ending outwith the Inverclyde area.

2.4 These changes are outlined in **Appendix 2** of this report and shown in bold type.

3.0 COMMENTS ON THE TRADE PROPOSALS

- 3.1 The Head of Environmental & Commercial Services was invited to submit his views on the taxi fare scales and his comments are as follows:-
- 3.2 Collectively the groups have cited the wish to ensure all Taxi Operators and Drivers receive the National Living Wage as justification for their proposed fare increase. We are not in a position to comment on whether this claim is relevant given the self-employed nature of the taxi trade and the variables that would affect an individual's level of reimbursement.
- 3.3 As noted in previous fare reviews increased running and living costs since the last fare increase in November 2014 should be considered as justification for any fare increase. Fuel costs for diesel fell approximately 13.5% between November 2014 and November 2015. Diesel has since increased by 0.8% from November 2015 to June 2016 but remains 12.8% below the November 2014 level (source; AA Fuel Price Report).
- 3.4 The Consumer Price Index (CPI) which takes into account all areas of inflationary pressure provides a broader overview of increased costs. The CPI is the measure adopted by the Government for its UK inflation target. The 2014 annual CPI was 1.5% and the 2015 CPI was 0%. The most up to date CPI figure for May 2016 was 0.3% (source: Office for National Statistics)
- 3.5 The proposals submitted by the trade equate to increases of:-

	Tariff 1	Tariff 2	Tariff 3	Tariff 4
Initial Flag Fall & first 1004 or 974 yards or part thereof	0%	0%	0%	0%
First Mile	3.1%	2.9%	2.7%	0%
3.5 mile journey	8.3%	8%	7.1%	8.4%

Note: Tariff 4 percentage increase includes the adoption of the trade proposals at point 5 bringing the yardage after the first mile in line with Tariff 3.

The proposals put forward by the trade disproportionately affect passengers taking a longer journey. A customer taking an eight mile journey from the centre of Greenock to Wemyss Bay or Kilmacolm would see their fare rise on Tariff 1 from £14.40 to £15.80 an increase of 9.7%.

- 3.6 Should the Board decide that a fare increase is justifiable the two illustrations below show alternative tariff increases in percentage terms.

Illustration 1

A 10p increase in the flag fall across Tariff's 1, 2, 3 and 4 as per the existing distances, with no reduction in yardage thereafter on Tariff's 1, 2, and 3 and adoption of the trade's point 5 proposal to bring Tariff 4 yardage in line with Tariff 3 after the initial mile would equate to an increase of:-

	Tariff 1	Tariff 2	Tariff 3	Tariff 4
Initial Flag Fall & first 1004 or 974 yards or part thereof	4%	3.9%	3.6%	2%
First Mile	3.1%	2.9%	2.7%	2%
3.5 mile journey	1.4%	1.3%	1.2%	4.2%

3.7 Illustration 2

Flag fall to be maintained across Tariff's 1, 2, 3, and 4 with yardage reduced by 3% on Tariff's 1, 2, and 3 with Tariff 4 remaining at 1 mile, combined with a 3% reduction in yardage thereafter and adoption of the trade's point 5 proposal to bring Tariff 4 yardage in line with Tariff 3 after the initial mile would equate to an increase of:-

	Tariff 1	Tariff 2	Tariff 3	Tariff 4
Initial Flag Fall & first 1004 or 974 yards or part thereof	4%	3.85%	3.6%	0%
First Mile	3.1%	0%	0%	0%
3.5 mile journey	2.8%	2.7%	2.4%	5.3%

3.8 **Point 5** - The difference between the yardage after the initial flag fall on Tariff's 3 and 4 has come about due to the initial fare increase after the introduction of Tariff 4 only being applied to Tariff's 1, 2, and 3.

3.9 **Point 6** – Review of Tariff 3 starting time – no comment.

3.10 **Point 7** – We have checked back as far as Tariff card 2000/01 and can see no record that “journey starting or ending outside of the Inverclyde Council district can be on Tariff 3” was stated on the card.

3.11 **Point 8** – Review of licence fees – no comment.

3.12 Illustrations 1 and 2 are outlined in **Appendix 2** of this report.

4.0 RECOMMENDATIONS

4.1 That the Board consider the submissions from the taxi trade and the Head of Environmental & Commercial Services and remit to the Head of Legal & Property Services to advertise the proposals they determine, following which, once the statutory period of representations has lapsed, provide a report back to the Board on the outcome.

Fiona Denver
Legal Services

5.0 BACKGROUND

- 5.1 **Appendix 2** of this report details the current fare scales and charges and the proposals submitted by Inverclyde Taxis Ltd and illustrations by the Head of Environmental & Commercial Services which would apply if the proposals described were provisionally adopted for the purpose of advertisement.

6.0 IMPLICATIONS

Finance

- 6.1 There are no financial implications.

Legal

- 6.2 The Board should note that The Licensing authority must fix scales for the fares and other charges mentioned in Section 17(1) of the 1982 Act within 18 months beginning with the date on which the scales came into effect.

Human Resources

- 6.3 There are no Human Resources implications.

Equalities

- 6.4 There are no equalities implications.

Repopulation

- 6.5 There are no repopulation implications.

7.0 CONSULTATIONS

- 7.1 Consultations have been undertaken with Inverclyde Taxis Ltd, ABC Taxis (Inverclyde) Ltd and members of the Operations Liaison Group for trade representations and the Head of Environmental and Commercial Services on behalf of Inverclyde Council, which are subject to this report.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 None.

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GREENOCK
PA16 0EQ

Lindsay Carrick
Senior Admin Officer
Inverclyde Council
Legal and Democratic Services
Municipal Buildings
Clyde Square
Greenock
PA15 1LY



Your Ref: LC/JD/TAX0017

23rd June 2016

Dear Ms Carrick,

Re: Taxi Fare Review 2016

Further to your letter of 2nd June 2016, 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 2016.

We are requesting an increase to the Taxi Fares and our reasons for this request are as follows. Stephen McCabe, leader of Inverclyde Council, has fought hard to ensure that Inverclyde Council employees receive the National Living Wage. Inverclyde Council are an accredited Living Wage Employer, committed to paying every member of Inverclyde Council a minimum of £8.25 per hour. This is a 23% increase on the national minimum wage (£6.70) and a 14.5% increase on the recommended national living wage of £7.20 per hour. Mr McCabe fought for this on the basis of a "fair day's pay for a fair day's work" – on this basis alone this is justification for endorsement of our proposals below. Inverclyde Council are responsible for the licensing of Taxis & Private Hire Vehicles and Taxi/Private Hire Drivers. Why should Taxi/Private Hire Operators and drivers therefore be excluded from the hard work that Stephen McCabe has completed and continues to campaign for other public and private sector employers to follow the Councils example. We are following the work of Mr McCabe and request that the General Purpose Board enforce the views of the Leader of Inverclyde Council to ensure that Taxi Operators and Drivers receive a fair day's pay for a fair day's work.

In addition to this, we have also seen annual increases again to the Taxi Licensing Fees, please see appendix A, Table 1. This is additional costs which Operators and Drivers have to meet and the only way to cover these additional costs is to increase the Meter Tariffs. The Council increase these fees on the basis that their costs have increased. In addition to this, Inverclyde Taxi Operators and Drivers suffer some of the highest licensing fees in Scotland. We have compiled a table of comparable charges with our closest neighbour, Renfrewshire Council. Please see Appendix A, table 2. The Licensing fees we have to pay are significantly higher than those of fellow Taxi Operators and Drivers in Renfrewshire. Renfrewshire Council also endorse a 3 year license for renewals, highlighted in red, which therefore makes the annual costs lower. A renewal of a Taxi License for 3 years costs £264 (annually this makes the 3 year license £88) against Inverclyde Council annual fees of £323.30. This is a higher fee in Inverclyde which is further compounded by Renfrewshire Council having a higher Meter Tariff than Inverclyde Council. Not only do Renfrewshire Operators enjoy lower Council Operating costs, their Meter Tariffs enable them to earn more. It is our belief that this significant difference in fees goes against the Living Wage work of Inverclyde Council Leader Stephen McCabe as there is more financial pressure on Inverclyde Taxi / Private Hire Operators to cover the Council fees alone in relation to our neighbours.

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24 hours a day - Just a phone call away!

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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, as the Leader of Inverclyde Council has established a clear wage standard within the district, we therefore welcome full endorsement for the following proposals by the General Purposes Board :-

1. Tariff 1 – flag fall to be maintained, and propose a 10% reduction in yardage after 1,004 yards.
2. Tariff 2 – flag fall to be maintained, and propose a 10% reduction in yardage after 974 yards.
3. Tariff 3 – flag fall to be maintained, and propose a 10% reduction in yardage after 974 yards.
4. Tariff 4 – flag fall to be maintained, and propose a 10% reduction in yardage after the first mile.
5. Tariff 4 – The yardage on the subsequent charge on Tariff 4 (at present 102 yards) should be the same as Tariff 3 (at present 94 yards). At present, the yardage on Tariff 4 is greater than on Tariff 3. These should be the same otherwise the benefit which Tariff 4 was introduced to bring, will be lost.
6. Tariff 3 – This tariff should take effect from 10pm, with subsequent changes to other Tariffs to take account of this change in start time. The majority of Councils in Scotland permit the “nighttime” tariff to take effect from 10pm and Inverclyde should be the same.
7. Can we please have wording added at the bottom of the “NOTE OF TARIFF”, before the VAT comment, that journeys Starting or Ending outside of the Inverclyde Council district can be on Tariff 3. This has been requested by Operators who advise this used to be on the Tariff but disappeared.
8. Renfrewshire Council, on renewal of Licenses, permit Operators and Drivers to apply for a 3 year license at a discounted price (cost of 2 years). We are requesting that Inverclyde Council make this option available to Inverclyde Operators and Drivers on renewal of Licenses.

You will no doubt acknowledge our submission is accruing 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 the Leader of Inverclyde Council, Stephen McCabe.

Assuring you of our best attention at all times.

Yours faithfully,
For and on behalf of Inverclyde Taxis Ltd

Martyn Hambley
Operations Manager

c.c. Graham Campbell
Alex Gray
Operators Liaison Group

Appendix A

Table 1: Inverclyde Council 2015 Fees V. Inverclyde Council 2016 Fees

Taxi / Private Hire Liensing Fees

	Inverclyde Council 2015	Inverclyde Council 2016	Var + / -	Var %
	£	£	£	%
Taxi Operator	316.70	323.30	6.60	2.08%
Surrender & Re-issue	316.70	323.30	6.60	2.08%
Variation of Licence	42.00	42.50	0.50	1.19%
Annual Test & Meter Test	141.20	142.90	1.70	1.20%
6 Monthly Test & Meter Test	90.40	92.90	2.50	2.77%
Test After Surrender	148.50	150.00	1.50	1.01%
Replacement Vehicle	190.50	192.90	2.40	1.26%
Renewal & Replacement Vehicle	465.20	473.70	8.50	1.83%
Taxi or Private Hire Driver License	66.70	68.00	1.30	1.95%
Taxi Plate	22.50	23.10	0.60	2.67%
Taxi Booking Office Licence	600.00	600.00	0.00	0.00%
Booking Office Licence Renewal	600.00	600.00	0.00	0.00%

Table 2: Inverclyde Council 2016 Fees V. Renfrewshire Council 2016 Fees

Taxi / Private Hire Liensing Fees

	Inverclyde Council	Renfrewshire Council	Var + / -	Var %
	£	£	£	%
Taxi Operator	323.30	264.00	59.30	22.46%
Surrender & Re-issue	323.30	67.00	256.30	382.54%
Variation of Licence	42.50	59.00	-16.50	-27.97%
Annual Test & Meter Test	142.90	67.75	75.15	110.92%
Test After Surrender	150.00	67.00	83.00	123.88%
Replacement Vehicle	178.00	29.00	149.00	513.79%
Renewal & Replacement Vehicle	379.00	205.00	174.00	84.88%
Taxi or Private Hire Driver License	68.00	49.00	19.00	38.78%
Taxi or Private Hire Driver License Renewal	68.00	98.00	-30.00	-30.61%
Taxi Plate	23.10	29.00	-5.90	-20.34%
Taxi Booking Office Licence	600.00	276.00	324.00	117.39%
Booking Office Licence Renewal	600.00	551.00	49.00	8.89%

* Please note that boxes in red are 3 year licenses, therefore the annual cost is lower

TARIFF	INVERCLYDE COUNCIL NOTE OF TARIFF (CURRENT)	INVERCLYDE TAXIS, ABC TAXIS and OLG PROPOSALS 2016	ENVIRONMENTAL & COMMERCIAL SERVICES 2016 - ILLUSTRATION 1	ENVIRONMENTAL & COMMERCIAL SERVICES 2016 - ILLUSTRATION 2
Tariff 1	Hirings from ranks or 'flag' hirings begun between 6am and 11pm	Hirings from ranks or 'flag' hirings begun between 6am and 11pm (6am and 10pm)	Hirings from ranks or 'flag' hirings begun between 6am and 11pm	Hirings from ranks or 'flag' hirings begun between 6am and 11pm
	Initial charge (1,004 yards or part thereof)	Initial charge (1,004 yards or part thereof)	Initial charge (1,004 yards or part thereof)	Initial charge (1004 yards or part thereof)
	£2.50	£ 2.50	£ 2.60	£ 2.50
	Subsequent charge (each additional 110 yards or part thereof)	Subsequent charge (each additional 99 yards or part thereof)	Subsequent charge (each additional 110 yards or part thereof)	Subsequent charge (each additional 107 yards or part thereof)
	£ 0.10	£ 0.10	£ 0.10	£ 0.10
	Approximate cost for first mile	Approximate cost for first mile	Approximate cost for first mile	Approximate cost for first mile
£ 3.20	£ 3.30	£ 3.30	£ 3.30	
Approximate cost for each additional mile	Approximate cost for each additional mile	Approximate cost for each additional mile	Approximate cost for each additional mile	
£ 1.60	£ 1.80	£ 1.60	£ 1.70	
Tariff 2	Hirings from ranks or 'flag' hirings begun between 11pm and 6am and all pre-booked hirings begun between 6am and 11pm	Hirings from ranks or 'flag' hirings begun between 11pm and 6am (10pm and 6am) and all pre-booked hirings begun between 6am and 11pm	Hirings from ranks or 'flag' hirings begun between 11pm and 6am and all pre-booked hirings begun between 6am and 11pm	Hirings from ranks or 'flag' hirings begun between 11pm and 6am and all pre-booked hirings begun between 6am and 11pm
	Initial charge (974 yards or part thereof)	Initial charge (974 yards or part thereof)	Initial charge (974 yards or part thereof)	Initial charge (974 yards or part thereof)
	£ 2.60	£ 2.60	£ 2.70	£ 2.60
	Subsequent charge (each additional 107 yards or part thereof)	Subsequent charge (each additional 96 yards or part thereof)	Subsequent charge (each additional 107 yards or part thereof)	Subsequent charge (each additional 104 yards or part thereof)
	£ 0.10	£ 0.10	£ 0.10	£ 0.10
	Approximate cost for first mile	Approximate cost for first mile	Approximate cost for first mile	Approximate cost for first mile
£ 3.40	£ 3.50	£ 3.50	£ 3.40	
Approximate cost for each additional mile	Approximate cost for each additional mile	Approximate cost for each additional mile	Approximate cost for each additional mile	
£ 1.60	£ 1.90	£ 1.70	£ 1.70	

APP	INVERCLYDE COUNCIL NOTE OF TARIFF (CURRENT)	INVERCLYDE TAXIS, ABC TAXIS and OLG PROPOSALS 2016	ENVIRONMENTAL & COMMERCIAL SERVICES 2016 - ILLUSTRATION 1	ENVIRONMENTAL & COMMERCIAL SERVICES 2016 - ILLUSTRATION 2
Tariff 3	Pre-booked hirings begun between 11pm and 6am and hirings from ranks or 'flag' hirings on Easter Holiday, May Day, Fair Saturday and Autumn Holiday	Pre-booked hirings begun between 11pm and 6am (⁶ 10pm and 6am) and hirings from ranks or 'flag' hirings on Easter Holiday, May Day, Fair Saturday and Autumn Holiday	Pre-booked hirings begun between 11pm and 6am and hirings from ranks or 'flag' hirings on Easter Holiday, May Day, Fair Saturday and Autumn Holiday	Pre-booked hirings begun between 11pm and 6am and hirings from ranks or 'flag' hirings on Easter Holiday, May Day, Fair Saturday and Autumn Holiday
	Initial charge (974 yards or part thereof) £ 2.80	Initial charge (974 yards or part thereof) £ 2.80	Initial charge (974 yards or part thereof) £ 2.90	Initial charge (974 yards or part thereof) £ 2.80
	Subsequent charge (each additional 94 yards or part thereof) £ 0.10	Subsequent charge (each additional ³ 85 yards or part thereof) £ 0.10	Subsequent charge (each additional 94 yards or part thereof) £ 0.10	Subsequent charge (each additional 91 yards or part thereof) £ 0.10
Approximate cost for first mile £ 3.70	Approximate cost for first mile £ 3.80	Approximate cost for first mile £ 3.80	Approximate cost for first mile £ 3.70	
Approximate cost for each additional mile £ 1.90	Approximate cost for each additional mile £ 2.10	Approximate cost for each additional mile £ 1.90	Approximate cost for each additional mile £ 2.00	

APP	INVERCLYDE COUNCIL NOTE OF TARIFF (CURRENT)	INVERCLYDE TAXIS, ABC TAXIS and OLG PROPOSALS 2016	ENVIRONMENTAL & COMMERCIAL SERVICES 2016 - ILLUSTRATION 1	ENVIRONMENTAL & COMMERCIAL SERVICES 2016 - ILLUSTRATION 2
	Pre-booked hirings and hirings from ranks or 'flag' hirings on 25 and 26 December, 1 and 2 January	Pre-booked hirings and hirings from ranks or 'flag' hirings on 25 and 26 December, 1 and 2 January	Pre-booked hirings and hirings from ranks or 'flag' hirings on 25 and 26 December, 1 and 2 January	Pre-booked hirings and hirings from ranks or 'flag' hirings on 25 and 26 December, 1 and 2 January
	Initial charge (first mile or part thereof)	Initial charge (first mile or part thereof)	Initial charge (first mile or part thereof)	Initial charge (first mile or part thereof)
	£ 5.10	£ 5.10	£ 5.20	£ 5.10
	Subsequent charge (each additional 102 yards or part thereof)	Subsequent charge (each additional ⁴ 92 yards or part thereof)	Subsequent charge (each additional 94 yards or part thereof)	Subsequent charge (each additional 91 yards or part thereof)
	£ 0.10	£ 0.10	£ 0.10	£ 0.10
Tariff 4		⁵ Subsequent charge (each additional 85 yards or part thereof)		
	Approximate cost for first mile	Approximate cost for first mile	Approximate cost for first mile	Approximate cost for first mile
	£ 5.10	£ 5.10	£ 5.20	£ 5.10
	Approximate cost for each additional mile	Approximate cost for each additional mile	Approximate cost for each additional mile	Approximate cost for each additional mile
	£ 1.70	£ 2.00	£ 1.90	£ 2.00
		⁵ Approximate cost for each additional mile		
		£ 2.10		
Extras	£1 per passenger after first four passengers			
Waiting Time	For each period of 31 seconds or part thereof			
	£ 0.20			
Soiling Charge	Charge dependent on severity up to a maximum of			
	£ 50.00			
⁷ Journeys outwith Inverclyde	Journeys starting or ending outside of the Inverclyde Council district can be on Tariff 3.			
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 Property 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 Police Scotland, Greenock (telephone 492500)			

1 Illustration of point 1 of trade request. 2 Illustration of point 2 of trade request. 3 Illustration of point 3 of trade request. 4 Illustration of point 4 of trade request.

5 Illustration of point 5 of trade request. 6 Illustration of point 6 of trade request. 7 Illustration of point 7 of trade request.