

**REPORT TO: LICENSING COMMITTEE - 26 JUNE 2008**

**REPORT ON: REVIEW OF TAXI FARES**

**REPORT BY: DIRECTOR OF PLANNING & TRANSPORTATION**

**REPORT NO: 354-2008**

## **1 PURPOSE OF REPORT**

- 1.1 To review taxi fares following a written request from the Dundee Taxi Association and the Transport and General Workers Union (TGWU).

## **2 RECOMMENDATION**

- 2.1 It is recommended that the Committee consider the proposals listed under Item 4.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 Should the increases requested by the Dundee Taxi Association and the Transport and General Workers Union be approved this would have an indirect effect on existing taxi contracts such as the conveyance of scholars and the taxicard concessionary travel scheme.

## **4 BACKGROUND**

- 4.1 In February 2007 the City Council received a request from the taxi trade to increase the cost for taxis in Dundee to bring the cost in line with the national average as it was considered by the trade that the cost of taxis in Dundee was at the lower end of the scale. An agreement was reached in principle through the Taxi Liaison Group on 13 August 2007 to leave the Initial Charge at £2.40 but to increase the cost of the mileage thereafter from £1.10 per mile to £1.30 per mile to bring the cost more in line with the national average. These amendments were subsequently approved by the Licensing Committee and the revised tariffs were introduced from October 2007.
- 4.2 From January 2008 the cost of fuel has increased sharply to circa £1.00 per litre on average for both diesel and unleaded. The cost of diesel has now risen to £1.269 per litre and unleaded fuel is at £1.149 per litre. It is also envisaged that the cost of fuel has not yet peaked and it is anticipated to rise further.
- 4.3 A request was submitted from the Dundee Taxi Association and the TGWU to review the taxi fares on 29 January 2008. Details of their proposals for an increase to the cost of taxi fares are as follows:
- To amend the charge from 20p for each additional 270 yards or part thereof to a charge of 20p for each additional 250 yards or part thereof. The effect of this request is to increase the mileage rate from the current level of £1.30 per mile after the initial charge to £1.40 per mile after the initial charge.
  - To increase the cost from 20p to 30p for each passenger after the first passenger.
  - To increase the cost from 20p to 30p for each parcel carried in the luggage compartment, boot or rack.

- There would be no amendment to the current mileage charge over the festive period which would remain at the current charge of 20p for each additional 180 yards or part thereof.
- 4.4 The Director of Planning and Transportation has examined the proposals from the Dundee Taxi Association and the TGWU and would make the following comments.
- 4.5 Increases to the taxi fares have been mainly achieved over the last decade by increasing the initial charge on the meter. The current initial charge of £2.40 has remained constant over the last year and this proposal will enable the national average to catch up with the current level in Dundee.
- 4.6 With the cost of fuel still on the increase it is not unreasonable for the taxi trade to seek an increase to the cost of a taxi linked through the actual distance the taxi is hired. It should be noted that a 10% increase to the cost of fuel does not equate to a 10% increase to the cost of the taxi fare as the proportion of the overall fare attributable to fuel ranges between 7-10% of the overall operating costs.
- 4.7 The taxi trade will require monitoring the increased cost of taking a taxi journey within the City as evidence from the increase to taxi fares in 2007 shows that fewer customers are using taxis and many customers have changed their travel patterns accordingly. Evidence of this can be seen from the number of taxis parked on taxi ranks throughout the day waiting for business.
- 4.8 The average cost of a taxi journey in Dundee is between £5 and £6 and this increase will effectively increase the cost of the average journey by 40p.
- 4.9 A summary is provided (Appendices A to F) which shows the overall percentage increases which would be applicable if the request from the Dundee Taxi Association and the TGWU was to be approved.

## **5 POLICY IMPLICATIONS**

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

## **6 CONSULTATIONS**

- 6.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Head of Finance and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

## **7 BACKGROUND PAPERS**

- 7.1 None

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Director of Planning & Transportation

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Neil Gellatly  
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NHG/MD/MM

23 June 2008

Dundee City Council  
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## APPENDIX A

### Tariff 1: Daytime (Monday to Sunday) from 6am to 10pm - Non-Festive Period

Were the increases requested by the Dundee Taxi Association and the TGWU approved, then some examples of hires would be as follows:

#### a One person travelling weekdays between 6am and 10pm - non-festive period

	Current Fare October 2007	Taxi Trade Proposal 2008	Overall %age Increase
1 mile	£3.20	£3.40	6.25
2 miles	£4.60	£4.80	4.35
3 miles	£5.80	£6.20	6.90
4 miles	£7.20	£7.60	5.56
<b>Average % Increase</b>			<b>5.76</b>

#### b Two persons travelling daily between 6am and 10pm - non-festive period

	Current Fare October 2007	Taxi Trade Proposal 2008	Overall %age Increase
1 mile	£3.40	£3.70	8.82
2 miles	£4.80	£5.10	6.25
3 miles	£6.00	£6.50	8.33
4 miles	£7.40	£7.90	6.76
<b>Average % Increase</b>			<b>7.54</b>

#### c Three persons travelling daily between 6am and 10pm - non-festive period

	Current Fare October 2007	Taxi Trade Proposal 2008	Overall %age Increase
1 mile	£3.60	£4.00	11.11
2 miles	£5.00	£5.40	8.00
3 miles	£6.20	£6.80	9.68
4 miles	£7.60	£8.20	7.89
<b>Average % Increase</b>			<b>9.17</b>

**APPENDIX B****Tariff 2: Weekdays (Monday to Thursday) from 10pm to 6am - Non-Festive Period**

Were the increases requested by the Dundee Taxi Association and the TGWU approved, then some examples of hires would be as follows:

**a One person travelling weekdays between 10pm and 6am - non-festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£3.80	£4.00	5.26
2 miles	£5.20	£5.40	3.85
3 miles	£6.40	£6.80	6.25
4 miles	£7.80	£8.20	5.13
<b>Average % Increase</b>			<b>5.12</b>

**b Two persons travelling weekdays between 10pm and 6am - non-festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£4.00	£4.30	7.50
2 miles	£5.40	£5.70	5.56
3 miles	£6.60	£7.10	7.58
4 miles	£8.00	£8.50	6.25
<b>Average % Increase</b>			<b>6.72</b>

**c Three persons travelling weekdays between 10pm and 6am - non-festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£4.20	£4.60	9.52
2 miles	£5.60	£6.00	7.14
3 miles	£6.80	£7.40	8.82
4 miles	£8.20	£8.80	7.32
<b>Average % Increase</b>			<b>8.20</b>

**APPENDIX C****Tariff 3: Weekends (Friday to Sunday) from 10pm to 6am - Non-Festive Period**

Were the increases requested by the Dundee Taxi Association and the TGWU approved, then some examples of hires would be as follows:

**a One person travelling weekends between 10pm and 6am - non-festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£4.20	£4.40	4.76
2 miles	£5.60	£5.80	3.57
3 miles	£6.80	£7.20	5.88
4 miles	£8.20	£8.60	4.88
<b>Average % Increase</b>			<b>4.77</b>

**b Two persons travelling weekends between 10pm and 6am - non-festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£4.40	£4.70	6.82
2 miles	£5.80	£6.10	5.17
3 miles	£7.00	£7.50	7.14
4 miles	£8.40	£8.90	5.95
<b>Average % Increase</b>			<b>6.27</b>

**c Three persons travelling weekends between 10pm and 6am - non-festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£4.60	£5.00	8.70
2 miles	£6.00	£6.40	6.67
3 miles	£7.20	£7.80	8.33
4 miles	£8.60	£9.20	6.98
<b>Average % Increase</b>			<b>7.67</b>

**APPENDIX D****Tariff 4: Daytime (Monday to Sunday) from 6am to 10pm - Festive Period**

Were the increases requested by the Dundee Taxi Association and the TGWU approved, then some examples of hires would be as follows:

**a One person travelling weekdays between 6am and 10pm - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£4.80	£4.80	0.00
2 miles	£6.80	£6.80	0.00
3 miles	£8.80	£8.80	0.00
4 miles	£10.80	£10.80	0.00
<b>Average % Increase</b>			<b>0.00</b>

**b Two persons travelling daily between 6am and 10pm - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£5.00	£5.10	2.00
2 miles	£7.00	£7.10	1.43
3 miles	£9.00	£9.10	1.11
4 miles	£11.00	£11.10	0.91
<b>Average % Increase</b>			<b>1.36</b>

**c Three persons travelling daily between 6am and 10pm - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£5.20	£5.40	3.85
2 miles	£7.20	£7.40	2.78
3 miles	£9.20	£9.40	2.17
4 miles	£11.20	£11.40	1.79
<b>Average % Increase</b>			<b>2.65</b>

**APPENDIX E****Tariff 5: Weekdays (Monday to Thursday) from 10pm to 6am - Festive Period**

Were the increases requested by the Dundee Taxi Association and the TGWU approved, then some examples of hires would be as follows:

**a One person travelling weekdays between 10pm and 6am - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£5.40	£5.40	0.00
2 miles	£7.40	£7.40	0.00
3 miles	£9.40	£9.40	0.00
4 miles	£11.40	£11.40	0.00
<b>Average % Increase</b>			<b>0.00</b>

**b Two persons travelling weekdays between 10pm and 6am - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£5.60	£5.70	1.79
2 miles	£7.60	£7.70	1.32
3 miles	£9.60	£9.70	1.04
4 miles	£11.60	£11.70	0.86
<b>Average % Increase</b>			<b>1.25</b>

**c Three persons travelling weekdays between 10pm and 6am - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£5.80	£6.00	3.45
2 miles	£7.80	£8.00	2.56
3 miles	£9.80	£10.00	2.04
4 miles	£11.80	£12.00	1.69
<b>Average % Increase</b>			<b>2.44</b>



**APPENDIX F****Tariff 3: Weekends (Friday to Sunday) from 10pm to 6am - Festive Period**

Were the increases requested by the Dundee Taxi Association and the TGWU approved, then some examples of hires would be as follows:

**a One person travelling weekends between 10pm and 6am - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£5.80	£5.80	0.00
2 miles	£7.80	£7.80	0.00
3 miles	£9.80	£9.80	0.00
4 miles	£11.80	£11.80	0.00
<b>Average % Increase</b>			<b>0.00</b>

**b Two persons travelling weekends between 10pm and 6am - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£6.00	£6.10	1.67
2 miles	£8.00	£8.10	1.25
3 miles	£10.00	£10.10	1.00
4 miles	£12.00	£12.10	0.83
<b>Average % Increase</b>			<b>1.19</b>

**c Three persons travelling weekends between 10pm and 6am - festive period**

	<b>Current Fare October 2007</b>	<b>Taxi Trade Proposal 2008</b>	<b>Overall %age Increase</b>
1 mile	£6.20	£6.40	3.23
2 miles	£8.20	£8.40	2.44
3 miles	£10.20	£10.40	1.96
4 miles	£12.20	£12.40	1.64
<b>Average % Increase</b>			<b>2.32</b>