

AGENDA ITEM NO. 5

LICENSING COMMITTEE

Date **02 MARCH 2012**

Title **TAXI TARIFF**

1. PURPOSE/SUMMARY

To inform Members of a request from the taxi trade to increase the maximum scale of fares for licensed Hackney Carriages operating in the Fenland District Council area.

2. KEY ISSUES

- Request from Taxi trade for an increase in taxi tariff.
- Last tariff increase was the 25 April 2011.
- Local Authorities have a power to set fares for hackney carriages under the Local Government (Miscellaneous Provisions) Act 1976.

3. RECOMMENDATIONS

- (1) To approve, refuse or amend the tariff.

Wards Affected	All
Forward Plan Reference No. (if applicable)	Not applicable
Portfolio Holders	Councillor Owen, Cabinet member with responsibilities for Licensing
Report Originator	Kim Winterton, Licensing Regulatory Officer, tel: 01354 622564, email: kwinterton@fenland.gov.uk
Contact Officer	Mick Gipp, Safer Fenland Manager, 01354 654321, email: mgipp@fenland.gov.uk
Background Papers	

1 BACKGROUND

- 1.1 The fare structure currently in place was set by Members on 25 April 2011 and showed an increase over the previous tariff of 5.462%.
- 1.2 The proprietor of Fenland Taxis has written to the Council in an email outlining a proposal for an increase of tariff for 2012/13. The proposal outlines three different tariffs plus additional scaled charges for large taxis. The email request is at **Appendix A** of this report.
- 1.3 The trade submission equates to an increase of 5.7% on flag (starting fare) for proposal 1 and an increase of roughly 40% by virtue of reduced distance at flag for proposal 2.
- 1.4 The practice of reviewing fares operated by Fenland District Council has traditionally been on the basis of applying the Retail Prices Indices (RPI) to the current fares from the date of the last review,
- 1.5 The Retail Price Index (RPI) is currently 3.9% and the Consumer Price Index (CPI) is currently 3.6%. **Appendix B** to this report is information taken from the Office of National Statistics. Please note the figures quoted above were compiled from the latest available figures immediately prior to the submission of this report on 16 February 2012.
- 1.6 It is at the discretion of the Council as licensing authority to set a meter tariff for licensed hackney carriages operating within the district if it chooses to do so.
- 1.7 Councils are not obliged to set a maximum fare for their area, they could decide instead to rely on market forces to establish the going rate and at the same time promote competition.
- 1.8 In the past Fenland District Council has chosen to set a tariff. The Office of Fair Trading does not recommend that Councils remove pricing restrictions for taxis and recognises that whilst there may be some good reason for deregulating fares, on balance, those for applying controls are stronger. It does however, recommend that local authorities should only set fare tariffs which represent the maximum that can be charged, and not set fixed or minimum fares.
- 1.9 The current taxi fares set by this authority are attached at **Appendix C** to this report. The last increase became effective 25 April 2011 in response to representations from Hackney Carriage proprietors and in accordance with Section 65 of Part II of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.10 It should be emphasised that any tariff set is the maximum any hackney carriage driver can charge. They are at liberty to charge less than the approved tariff if they choose to do so.
- 1.11 The tariff does not apply to private hire drivers who set their fares, via market forces, without Council involvement.
- 1.12 The review of taxi licensing conditions approved on 15 December 2011 saw the addition of taxi meters to be installed in all Hackney Carriage vehicles as of 1 April 2012. The Council's structure of the current table of fares does not work well with the digital make up of taxi meters. Figures are best rounded up (or down) to within 10 or 20 pence segments for time and distance calculations as well as increments for the 'extras' buttons. Licensing Committee members may want to review the structure of our current fare table. See **Appendix B** for our current Table of Fares.

2 LEGAL IMPLICATIONS

- 2.1 The authority for the Council to fix fares for hackney carriages is given under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. The Act states that:
- a) When a Council makes or varies a table of fares (which may be by time and/or distance), it must publish in a least one local newspaper a notice setting out the table of fares, or variations to the table, specifying the period (not less than 14 days) within which, objections to the table, or variations can be made.
 - b) A copy of the proposed tariff must be available at the Council's offices for the public to inspect, free of charge, at all reasonable hours.
 - c) If there are no objections, the table, or variation, will come into effect on the expiration date of the period specified in the notice.
- 2.2 If there are objections the Council must set a further date, within two months after that date first specified, on which the table is to come into force with or without modification, as decided.
- 2.3 It is proposed that if there are any objections to the tariff they be dealt with by the delegated authority to the relevant portfolio holder.

3 FINANCIAL IMPLICATIONS

- 3.1 The cost of the newspaper advertisement will be accommodated from within the existing budget.
- 3.2 The cost of re-calibrating individual meters will be met by individual hackney carriage proprietors and the meters will then be sealed by Licensing Officers. This is a normal part of the work undertaken by Officers and, although it may take two or three days of concentrated activity, it does not present an unrecognised resource implication.
- 3.3 The cost of the seals used to secure the individual meters once they have been calibrated will be accommodated from within the existing budget.

4 EFFECT ON CORPORATE OBJECTIVES

4.1

- Streets Ahead – by ensuring public safety/protection by the licensing and regulation of certain activities;
- Open for Business – by providing an efficient and timely Licensing Service that assists the operation of those individuals and businesses that require a licence.

5 COMMUNITY SAFETY

5.1 The District Council as the Licensing Authority has a duty to ensure that there is a safe, secure and confident 'taxi' service provided for the public.

6 CONCLUSION

6.1 Members are requested to consider the content of this report and decide whether they wish to either:

- Agree the proposed increase of fares and authorise Officer's to take the necessary steps to implement the revised hackney Carriage Fares tariff with effect from a future set date, subject to no objections to the tariff being received. Any objections which are received to be referred to a future meeting of the Licensing Committee for consideration.
- Make no changes to the existing Hackney Carriage tariff.
- Amend the current tariff structure and authorise Officer's to take the necessary steps to implement the revised Hackney Carriage Fares tariff with effect from a future set date, subject to no objections to the amendments being received.

Appendix A

From: fenlandtaxi [fenlandtaxi@virginmedia.com]
Sent: 18 January 2012 18:20
To: Kim Winterton
Subject: FW: new rares nov 20112

Follow Up Flag: Follow up
Flag Status: Red

From: fenlandtaxi [mailto:fenlandtaxi@virginmedia.com]
Sent: 17 January 2012 22:45
To: 'kwinterton@fenland.gov.co.uk'
Subject: new rares nov 20112

Kim winterton/Mick gipp/licensing committee

Please will you answer questions and ask committee the following

Will the committee please consider a **maximum** fare increase **.does not mean all taxis will charge**

We need to sort out a fare increase before we all have to fit new meters as new meters are going to cost drivers about £250.00 and it will cost approx a further £30 to re set the tariff in the meters when fitted to cars (free when buying and fitting first time) if this is not possible in the time we have can we delay fitting of meters till we can sort out a new fare structure. To help save drivers wasting money.

We fell that there should be an increase in maximum taxi fares as **fuel car insurance vehicle servicing drivers wages license fees the cost of living and inflation** have all gone up so we asking for a small rise of 5.7 % on flag and 3.5% on running mile and change

Fenland district council is currently running very low down the national average in taxi fares we are currently last but one in our basket of councils and of the national table off councils there are 363 councils we are 356 on list that's 7th from bottom

Proposal 1

	New	old
Increase the flag to £ 3.50 from £ 3.31 for one mile and two fifths	3.50	3.31
Increase the 1/5 of mile to	0.32	0.31
Waiting time per minute or part	0.20	0.20
For each passengers over 2	0.20	0.20
For each article of luggage	0.20	0.20
For each dog except guide dogs	50 %	50 %
For each arrangement fee 0.36	0.40	
Soiling fee not changed	£60	£60

**The arrangement fee must be set at 40p so drivers can put on meter via extras button i.e. 2 x 20p
As meters are not currently able to add 36p**

To also include large vehicle price rise

Appendix A

More simple tariff

Proposal 2

	New	old
continue the flag at £ 3.31 for one mile		
Flag to end at one mile	3.31	3.31
Increase the 1/5 of mile to	0.32	0.31
Waiting time per minute or part	0.20	0.20
For each passengers over 2	no charge	0.20
For each article of luggage	no charge	0.20
For each dog except guide dogs	50 %	50 %
For each arrangement fee	up to £ 5.00	0.36
Soiling fee not changed	£60	£60

To also include large vehicle price rise

New arrangement fee

- We need a new arrangement fee so that customers who book taxis from the villages Outside of Wisbech can still get taxis. As using only the meter on journeys that don't start or finish or go through Wisbech will not be viable to the drivers so drivers won't do these jobs.

We feel that leaving flag at £ 3.31 and removing extras for luggage and extra passengers and reducing the initial mileage down to 1 mile not 1.4 miles would simplify the tariff so that the public would be able to understand the fare tariff easier. And would not be increasing the price on short journeys just reducing distance to meter distance activation

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Large Taxis

- We feel that taxis that are able to carry up to 8 passenger and lots of luggage are a very valuable asset to the taxis in fenland council area.

We would like the committee to consider a change for taxis that are licensed for 5 - 8

Appendix A

Passengers and luggage.

When taxi has 1 - 4 passengers it uses rate 1 on meter as used now between 7 am till 11 pm

When taxi has 1 - 4 passengers it uses rate 2 on meter as used now between 11pm till 7 am and Sundays

When taxi has 1 - 4 passengers it uses rate 3 on meter as used now on bank holidays

New ideas for 5 - 8 passengers

When taxi has 5 - 8 passengers it uses rate 2 on meter between 7am and 11 pm

When taxi has 5 - 8 passengers it uses rate 3 on meter between 11 pm and 7 am Sundays and bank holidays

Rate 3 would be maximum any taxi would be able to charge

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Over half off council in our basket use this as part of there fare structure and we feel this would help keep the large taxis in business as customers are using this service a lot more to save money and it also allows a large party to travel together in one taxi but large taxis do cost more to operate

We need a fare increase as taxi drivers are really beginning to struggle to make a reasonable living in the current climate which is why we are asking for a small increase in fares that's fair for driver and travelling public alike

Please change wording on present tariff

Waiting time reads

Per minute or part thereof 20p

needs to read

for first minute then part thereof 20p

This is confusing and looks like you can charge 20p for part of minute or whole minute

Also booking fee needs to change from 36p to 40p as meters do not allow 36p to be added as extras or meters will be breaking the law as not set correctly and this is down to the council and needs sorting before we have to fit meters in our taxi as a compulsory item .

List of councils in our basket		2 mile journey	
1	kettering	£ 6.00	
2	high peak	£ 5.92	
3	carlisle	£ 5.50	
4	newark & Sherwood	£ 5.40	
5	north warickshire	£ 5.40	
6	bassetlaw	£5.35	
7	boston	£ 5.20	
8	breckland	£ 5.14	
-----			All below our basket average
9	erewash	£ 5.00	
10	north east Derbyshire	£ 4.65	

Appendix A

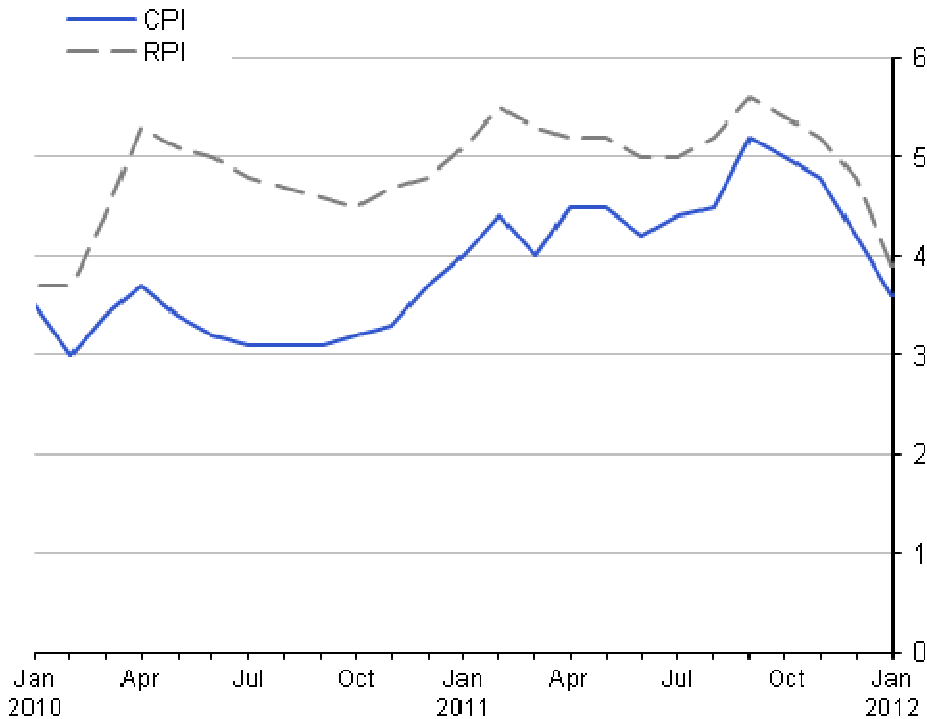
11	wyre forest	£ 4.60
12	amber vally	£ 4.40
13	fenland	£ 4.24
14	newcastle under lyme	£ 4.20

2 mile average is £ 5.07

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Appendix B

Information taken from the Office of National Statistics
16 February 2012 (the date of writing the report for Licensing Committee)



All items Retail Prices Index (RPI)

In the year to January the all items RPI rose by 3.9 per cent, down from 4.8 per cent in December. The RPI 12-month rate has therefore decreased by 0.9 percentage points between December 2011 and January 2012 compared with a fall of 0.6 percentage points in the CPI 12-month rate between the same two months.

The larger fall in the RPI 12-month rate is mainly due to:

- **car insurance:** has a far higher weight in the RPI than the CPI so the downward effect from this component had a larger impact on the RPI
- **financial services:** have a much lower weight in the RPI than the CPI so the upward effect from this component had a smaller impact on the RPI
- **petrol & oil:** due to the differences in weight this component had in the CPI and RPI in January 2011 (the weight in the RPI was higher) and that the RPI weight is the same this January whereas the CPI weight has decreased. These factors have led to this component having a larger downward effect on the RPI compared with the CPI

Appendix B

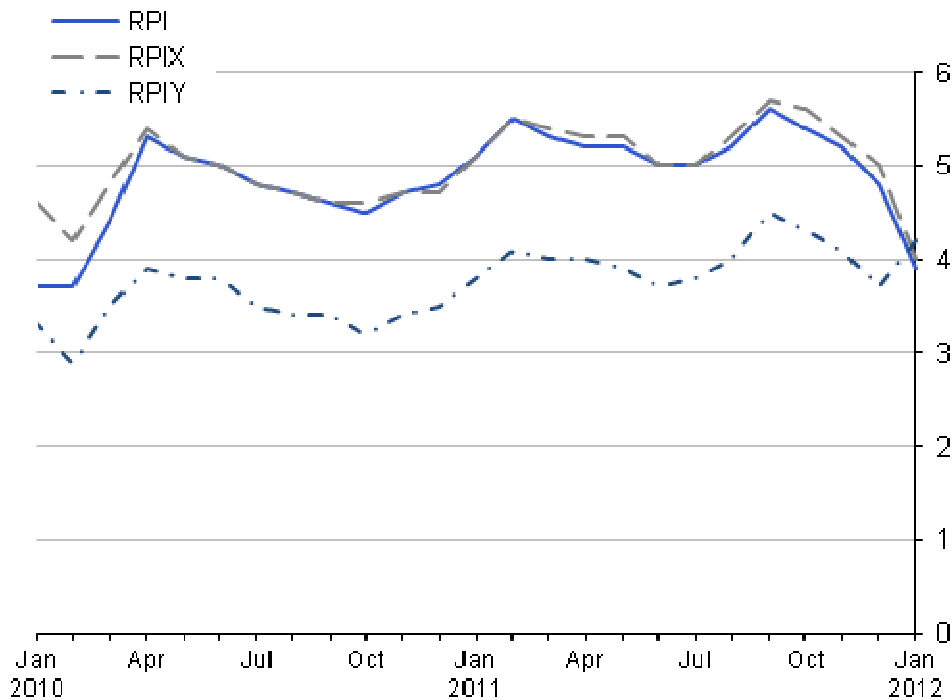
Information taken from the Office of National Statistics 16 February 2012 (the date of writing the report for Licensing Committee)

- **food:** has a higher weight in the RPI than the CPI so the downward effect from this component had a larger impact on the RPI

These effects were partially offset by:

- **purchase of new cars:** the differences in the methods used to measure prices in the CPI and RPI led to only a negligible effect on the change in RPI 12-month rate but to a large downward effect to the change in the CPI 12-month rate

Percentage changes over 12 months



All items CPI Annual rate +3.6%, down from +4.2% last month
Lowest since November 2010 (+3.3%)

Food & non-alcoholic beverages Annual rate +3.5%, down from +3.8% last month
Lowest since July 2010 (+3.4%)

Transport Annual rate +4.0%, down from +5.8% last month
Lowest since October 2009 (+3.5%)

Appendix B

Information taken from the Office of National Statistics

16 February 2012 (the date of writing the report for Licensing Committee)

All Services	Annual rate +3.6%, down from +4.2% last month Also +3.6% in July 2010 Last lower in May 2010 (+3.4%)
All items RPI	Annual rate +3.9%, down from +4.8% last month Lowest since February 2010 (+3.7%)
All items RPI exc MIPS (RPIX)	Annual rate +4.0%, down from +5.0% last month Lowest since December 2009 (+3.8%)
Food	Annual rate +4.0%, down from +4.6% last month Also +4.0% in August 2010 Last lower in July 2010 (+3.3%)
Motoring expenditure	Annual rate +3.9%, down from +6.8% last month Lowest since September 2009 (+2.9%)
Leisure Services	Annual rate +2.5%, down from +3.0% last month Also +2.5% in August 2006 and September 2006 Last lower in July 2006 (+2.1%)



TABLE OF FARES	
FARES FOR DISTANCE (inclusive of VAT)	
Distance	Pence
If the distance does not exceed one mile and two-fifths for the whole distance.	331
If the distance exceeds one mile and two-fifths for the first mile and two-fifths	331
For each subsequent one-fifth of a mile or uncompleted part thereof	31
Waiting Time	20
For each 1 minute or uncompleted part thereof	
Extra Charges	
For each person carried in excess of two (two children under 16 years old shall count as one person and children under the age of 3 years shall not be counted)	20
For each article of luggage conveyed outside the passenger compartment of the carriage	20
For each dog conveyed (except for guide, hearing and other assistance dogs for which no fee shall be charged)	50% of adult rates
For each arrangement conducted by telephone, letter or otherwise with the proprietor or driver prior to the commencement of a hiring for the hire to commence from a place other than a hackney carriage stand, maximum fee of	36
For persons soiling the carriage, a fee not exceeding	£60.00
<p>Provided that where a hiring by distance commences between 11 pm and 7 am the proprietor or driver may demand and take 150% of the above rate or fare in respect of distance, waiting time and additional passengers, Mon-Sat & all day Sundays and 200% of the above rate or fare in respect of distance, waiting time and additional passengers may be demanded by the proprietor or driver all day on all Bank Holidays.</p>	

By Order 25 April 2011

Sandra Claxton, Chief Executive