

GENERAL PURPOSES AND LICENSING COMMITTEE – 11 JUNE 2010

HACKNEY CARRIAGE FARES

1. INTRODUCTION

- 1.1 To consider a request from Hackney Carriage and Private Hire Owners' Association for an increase in the general tariff.

2. BACKGROUND

- 2.1 The Council is empowered to set the maximum fares for hackney carriages pursuant to the Town Police Clauses Act 1847 and the Local Government (Miscellaneous Provisions) Act 1976. Whilst these fares only apply to hackney carriage tariff many private hire operators also voluntarily adopt this scale.
- 2.2 To safeguard the general public from overcharging, the Council has for many years considered it prudent to follow this course of action and set a maximum tariff of fares. The policy of this committee is to review the fare tariff every two years and only increase it based on the index figures produced in the Monthly Digest of Statistics, unless exceptions reasons exist.
- 2.3 The last increase to the tariff was implemented on 18 March 2008.

3. MOTORING EXPENDITURE

- 3.1 The policy of this Committee is to review the fare tariff a minimum of every two years when requested by the Hackney Carriage and Private Hire Owners' Association. Any increase in the tariff will be based on the intervening rate of inflation taken from the monthly digest of statistics for motoring expenditure.
- 3.2 The Retail Prices Index (RPI) taken from the Government's monthly digest of statistics for motoring expenditure is shown in table 1 below. This uses figures from the last period measured for the purpose of tariff calculation to the latest figures available. The table indicates that during this period there was an overall increase of costs of **16.2%**.

<u>RPI</u>	Sept 07	Dec. 08	Feb.10	Changes	%
Vehicle Expenses	188.6	179.7	210.8	(+22.2)	11.77%
Vehicle Purchase	101.8	87.9	102.2	(+0.4)	0.39%
Vehicle Maintenance	311.8	334.1	352.2	(+40.4)	12.93%
Petrol & Oil	276.7	266.7	326.8	(+50.1)	18.10%
Vehicle Tax & Insurance	297.9	310	375.6	(+77.7)	26.01%
Overall	1176.8	1178.4	1367.6	(+190.8)	<u>16.21%</u>

4. NEW FOREST HACKNEY CARRIAGE AND PRIVATE HIRE OWNERS' ASSOCIATION

4.1 The proposal for a tariff increase was discussed at the most recent meeting of the Association held on Monday 12 April. The Association have requested that the Committee consider a request for a tariff fare increase of 10%. There is no request to increase any of the incidental charges (waiting time, luggage, animal, additional persons or soiling).

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4.2 The fare increase proposed by the Association for each of the three tariffs is shown in Appendix 1.

5. REGIONAL COMPARISON

5.1 Each month the Private Hire & Taxi monthly trade journal publishes a national league table of hackney tariff fares. The figures published for March 2010 for neighbouring authorities are shown in table 2 below. Please note that the figures shown for the New Forest include the requested tariff increase.

Council	TARIFF 1				TARIFF 2			
	Flag-fall	1 mile	2 miles	5 miles	Flag-fall	1 mile	2 miles	5 miles
Salisbury	£2.50	£3.90	£5.70	£11.10	£3.40	£4.90	£7.30	£14.50
Christchurch	£2.40	£3.60	£5.60	£11.20	£3.00	£5.00	£7.50	£15.00
Eastleigh	£2.20	£3.80	£5.50	£10.60	£2.60	£4.80	£7.20	£14.40
Southampton	£2.20	£4.00	£5.40	£9.60	£2.95	£5.20	£6.95	£12.20
New Forest	£2.20	£3.41	£5.76	£12.80	£2.75	£4.57	£8.09	£18.65
East Dorset	£2.10	£3.30	£5.10	£10.50	£2.80	£4.30	£6.80	£13.35
Test Valley	£3.40	£3.40	£4.80	£9.00	£5.10	£5.10	£7.20	£13.50
I.O.W.	£3.00	£3.00	£4.60	£9.00	£6.00	£6.00	£9.20	£18.80
Regional Ave.	£2.71	£3.70	£5.50	£10.91	£3.76	£5.17	£7.67	£15.10
National Ave.	£2.51	£3.40	£5.07	£10.19	£3.34	£4.51	£6.71	£13.30

6. CONCLUSION

6.1 Whilst it is acknowledged that situations and requirements differ between districts, comparisons can be a useful indicator of trends.

6.2 The last tariff increase was on 18 March 2008.

6.3 The RPI for motoring costs indicates that there has been an overall inflation increase of 16.2% during the intervening period.

6.4 The Hackney Carriage and Private Hire Owners' Association has asked that the Council consider a 10% increase to the general tariff rates only.

6.5 Before any increase agreed by this Committee is implemented, it must be advertised in a newspaper circulating in the district. Should there be any objections either from members of the public or by taxi traders, those objections will have to be considered at the next meeting of the General Purposes and Licensing Committee.

7. FINANCIAL IMPLICATIONS

- 7.1 The cost of conducting a tariff change exercise on a two year basis is taken into consideration when setting the cost of licences.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 No environmental considerations directly arise as a result of this report.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 No crime and disorder considerations directly arise as a result of this report.

10. EQUALITY AND DIVERSITY IMPLICATIONS

- 10.1 No equality and diversity considerations directly arise as a result of this report.

11. RECOMMENDATIONS

- 11.1 It is recommended that the Committee considers this report and the request from the Hackney Carriage and Private Hire Owners' Association for a 10% increase in the general taxi fare tariff and decide whether to:

- a) accept the proposal as requested;
- b) accept the proposal in a modified form; or
- c) reject the proposal.

Further information:

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Background Papers:

Monthly Digest of Statistics
Private Hire & Taxi monthly, March 2010

Taxi Tariffs

	Current Tariff					Average of 10% increase					Next Cost
	Flag Yards	Flag Cost	Next yards	Next Cost		Flag Yards	Flag Cost	Next yards	Next Cost		
Tariff 1:	850	£ 2.00	165	£ 0.20		850	£ 2.20	165	£	0.22	
Tariff 2:	850	£ 2.50	165	£ 0.30		850	£ 2.75	165	£	0.33	
Tariff 3:	850	£ 3.30	165	£ 0.40		850	£ 3.63	165	£	0.44	

APPENDIX 1

	Tariff 1		Tariff 2		Tariff 3				
	Current	Proposed	Current	Proposed	Current	Proposed			
Base Yards Per Mile	1760	1760	1760	1760	1760	1760			
First Click (yards)	850	850	850	850	850	850			
Flagfall (£)	£ 2.00	£ 2.20	10%	£ 2.50	£ 2.75	10%	£ 3.30	£ 3.63	10%
Subsequent Clicks (yards)	165	165		165	165		165	165	
Cost Per Click (£)	£ 0.20	£ 0.22	10%	£ 0.30	£ 0.33	10%	£ 0.40	£ 0.44	10%

Using the formula the equivalent cost of journeys is calculated as follows:

Equivalent Cost of a:	7.00am to 11.00pm			11.00pm to 7.00am and on all Public Holidays with the exception of those covered by Tariff 3			Between 6.00pm on 24 December and 7.00am on 27 December and between 6.00 pm on 31 December 7.00am on 2 January		
	Tariff 1	%		Tariff 2	%		Tariff 3	%	
	Current	Proposed	Increase	Current	Proposed	Increase	Current	Proposec	Increase
1 Mile Journey	£3.10	£3.41	10%	£4.15	£4.57	10%	£5.51	£6.06	10%
2 Mile Journey	£5.24	£5.76	10%	£7.35	£8.09	10%	£9.77	£10.75	10%
3 Mile Journey	£7.37	£8.11	10%	£10.55	£11.61	10%	£14.04	£15.44	10%
5 Mile Journey	£11.64	£12.80	10%	£16.95	£18.65	10%	£22.57	£24.83	10%
10 Mile Journey	£22.30	£24.53	10%	£32.95	£36.25	10%	£43.91	£48.30	10%
25 Mile Journey	£54.30	£59.73	10%	£80.95	£89.05	10%	£107.91	£118.70	10%
Waiting time	20p / 50sec	20p / 50sec		30p / 75sec	30p / 75sec		40p / 100sec	40p / 100sec	
Waiting time £ per hour (A)	£14.40	£14.40	0%	£22.50	£22.50	0%	£24.00	£24.00	0%

current 1 mile make-up		
Start Yds	Yds left	£
1760	850	2
850	685	2.2
685	520	2.4
520	355	2.6
355	190	2.8
190	25	3
25	-140	3.2

10% 1 mile make-up		
Start Yds	Yds left	£
1760	850	2.2
850	685	£ 2.42
685	520	£ 2.75
520	355	£ 3.19
355	190	£ 3.19
190	25	#VALUE!
25	-140	#VALUE!