

REPORT: Regulatory Committee
DATE: 19 September 2012
REPORTING OFFICER: Chief Executive
PORTFOLIO: Resources
SUBJECT: Taxi Licensing – Variation of Hackney Carriage Table of Fares
WARDS: Borough-wide

- 1 **PURPOSE OF REPORT:** To consider representations made in response to an application made by elements of the taxi trade to vary the Hackney Carriage table of fares.
2. **RECOMMENDED: That the Committee consider the options outlined in this report**

3. BACKGROUND INFORMATION

- 3.1 At a meeting of the Taxi Consultative Group Meeting on 26 July 2012 the taxi trade requested an increase in the Hackney Carriage table of fares. The proposed fare increase would equate to an 8% increase and the proposals can be found at Appendix A.
- 3.2. The last increase in the Hackney Carriage fares in Halton was August 2010.
- 3.3 The application was advertised in a local newspaper on 8 August 2012 with a request for any objections in writing by 24 August 2012.
- 3.4 The relevant legislation is contained in section 65 Local Government Miscellaneous Provisions Act 1976 which states:-
 1. A notice must be published in a local newspaper stating the proposed fares or variation of the fares.
 2. This must specify a date, not less than 14 days from the date on which the notice is first published. The date has two functions:
 - (a) It is the date by which any objections must be lodged, and
 - (b) It is the date on which the revised fares will come into effect if either
 - (i) No objections are received, or

- (ii) Any objections received have been withdrawn before the specified date
- 3. It must also state where objections should be addressed and how they can be made. Obviously it is desirable for such objections to be lodged in writing as opposed to any other method (although objection by a fax or e mail should be acceptable)
- 4. A copy of the notice must be available at the council offices for inspection, free of charge at reasonable times.
- 5. Once the objection period (usually 14 days) has expired, if there have been no objections received or those received have subsequently been withdrawn, then the new fares take effect, either at the end of the objection period or when the last objection is withdrawn.
- 6. However, if objections are made and are not withdrawn, then the council must consider the objections.
- 7. In the light of those objections (although it must consider them, it does not have to vary the proposed fare as a result of them) the council then sets a second date which cannot be more than two months after the first date specified, when the new fares come into force with or without modification.

4. OBJECTIONS

- 4.1 Objection to the variation application has been received from one member of the taxi trade and the representation is set out at Appendix 2. In addition a counter proposal to the original variation application has been received and is set out at Appendix 3.

5. MATTERS TO CONSIDER

- 5.1 Two of the proposals concentrate on the additional costs which the taxi and private hire trade have been subject to since the table of fares was last set in August 2010. The third proposal (which is that there should be no increase) emphasises the comparison of fares in neighbouring boroughs and concludes that there should be no increase in fares.
- 5.2 The Committee should seek to establish whether there is any consensus within the trade as to the preferred option. This should be set against an assessment of the inflation costs which are peculiar to the trade. The Committee should balance the various views and come to a decision which as far as possible is reasonable for all concerned.
- 5.3 The two proposals for increases are substantially in agreement over the increase in business costs that the trade has been subject to since the last fare increase. The two examples cited are increases in the price of diesel (over 14%) and the increase in

insurance costs (over 52%). The proposal for no increase does not cite any figures relating to increase in business costs.

- 5.4 The proposal for no fare increase cites the cost of 2 mile journeys for neighbouring boroughs and puts Halton at the top even on the current fare tariff. Unfortunately, the comparative cost of journeys over different distances is not supplied. The costs over different distances can be significantly different when producing comparative data: so for example what might be cheaper at 2 miles in one borough might not be cheaper at a different distance calculation. Furthermore this proposal does not provide comparative data on the average distance per journey within the different boroughs. Without this (and without factoring in add on items such as tariff 2 rates) it is extremely difficult to produce meaningful comparative data.
- 5.5 It is also reasonable to note that the Council's charges for taxi related licences have increased over the same period by 2.5% in 2011 and 2% in 2012.
- 5.6 Any further information received concerning any general consensus within the trade will be reported at the meeting.

6 OPTIONS

6.1 The options available to The Committee are:

- Grant the variation as advertised (Appendix A)
- Modify the variation application (eg as shown at appendix C)
- Not to modify the current table of fares.

7 POLICY IMPLICATIONS

The options open to the Committee are not based on policy issues.

8 OTHER IMPLICATIONS

None

9 IMPLICATIONS FOR THE COUNCILS PRIORITIES

9.1 **Children and Young People in Halton**

None

9.2 **Employment Learning and Skills in Halton**

N/A

9.3 A healthy Halton
N/A

9.4 A Safer Halton
None

9.5 Halton's Urban Renewal
N/A

10 RISK ANALYSIS
N/A

11 EQUALITY AND DIVERSITY ISSUES

Any increase in fares could have equality & diversity implications, but the Committee has a legal duty to consider the request and its decision has to be reasonable taking into account all relevant considerations'

12 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Application Documents	Legal Services	John Tully/ John Findlow

APPENDIX 1

Mr Reginald Anderson
C/o APEC Taxis

Dear Kay,
Here is the proposed fare increase from APEC Taxis.

It is now almost two years since our last Taxi fare increase. As the calendared meters must be recalibrated for holiday periods every two years, it is a most opportune time to implement both a fare and a date change for the Taxi fleet of Halton.

During the two year period since August 2010 drivers have incurred many increases in business costs as well as general inflation within their own private lives, for example:

In August 2010 the price of diesel was £1.18 per litre in comparison to todays price of £1.35 per litre, an increase of over 14%.

In August 2010 the price of typical comprehensive insurance with full no claims bonus was £660, this is now £1029 an increase of 56%.

The main components of the proposed increase are that the flag fare increases by 30p on T1 and by 10p per mile on mileage rates. All tariffs increase Pro-rata with existing rates. A full table of the proposed rates is shown below along with comparison examples.

	T1	2 miles	3 miles	4 miles	5 miles
Existing T1 2010 rate	£2.10 Flag 440 yards & 20p for 234.43 yards	£4.726 rounded up to £4.90	£6.226 rounded up to £6.30	£7.726 rounded up to £7.90	£9.226 rounded up to £9.30
Proposed T1 2012 rate	£2.40 Flag 440 yards & 20p for 220 yards	£5.20 exactly	£6.80 exactly	£8.40 exactly	£10 exactly

As shown above the proposed increase for the two year period represents an increase of 4% year on year and is in line with inflation for the same period.

PROPOSED
 HALTON BOROUGH COUNCIL
 HACKNEY CARRIAGE / PRIVATE HIRE
 MAXIMUM TABLE OF FARES
 AUGUST 2012

<p>AUGUST 2012 TARIFF 1 £2.40 for the first (and not exceeding) 440 yards (402 metres then 20p for each following 220 yards (201.2 metres) or part thereof.</p>	<p>TARIFF 2 £3.20 for the first (and not exceeding) 440 yards (402 metres then 20P for each following 165 yards (150.9 metres) or part thereof.</p>	<p>TARIFF 3 £4.00 for the first (and not exceeding) 440 yards (402 metres then 20p for each following 132 yards (120.7 metres) or part thereof.</p>
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*provided that Tariff 2 shall apply (where Tariff 1 would otherwise apply) for any journey at and beyond six miles 10,560yards from the commencement of the journey.

<p>WAITING TIME.</p>		
<p>The hirer will be charged 20p for the following periods or uncompleted part thereof.</p>		
<p>Tariff 1: 60 seconds</p>	<p>Tariff 2 : 40 seconds</p>	<p>Tariff 3 : 30 seconds</p>

Luggage Charge. For each article of luggage outside the passenger compartment of the vehicle **20p.**
Fouling Charge. The cost to the hirer of cleaning the vehicle when fouled by the hirer **£50**
Multiple Passengers. For each passenger carried in excess of 5 passengers. **50p**

- Notes:
1. Tariff 1 applies at all times when neither Tariff 2 nor Tariff 3 applies.
 2. Except when Tariff 3 applies. Tariff 2 applies for hirings between 11pm and 6am, all day on Bank Holidays and Public Holidays, Easter Sunday, and between midday to 11pm on Christmas Eve and New Years Eve.
 3. Tariff 3 applies for hirings between
 - a) 11pm Christmas Eve and 6am Boxing Day.
 - b) 11pm New Years Eve and 6am New Years Day.
 4. If any journey ends outside of the Borough boundary the fare may be agreed in advance with the driver, otherwise the Table Of Fares must be applied.
 5. Only mileage charges and waiting time charges will appear on the taximeter. Other charges will be charged separately.
 6. Taximeters are calibrated in yards, metric equivalents are approximate only.

APPENDIX 2

20th August 2012

Dear Mr Findlow,

I am writing to you to raise my objections to the proposed increase in tariffs for 2012.

My reasons are that, this is not the right time for an increase in fares given the economic times we are in and being in a so called 'double dip' recession.

A rise now would be detrimental to trade. At present, we currently able to compete with local bus companies and are experiencing a growth in the volume of people using taxis. Any increase in fares would surely cause a decline in our trade.

If, for example, you compare the rates of other local councils we are one the most expensive boroughs. Other boroughs such as Warrington, Sefton, Knowsley and St Helens are all on lower tariffs than we are.

<u>Borough</u>	<u>Cost of 2 mile journey</u>
Halton	£4.90
Warrington	£4.70
Sefton	£4.60
Knowsley	£4.40
St Helens	£4.40

The proposed new increase in tariff would put us above Liverpool for the same journey, at present, a 2 mile journey there would cost £5.00. After the increase the same journey here would be £5.20!

Your faithfully



A P Cliffe,

Badge number 519



APPENDIX 3

Eamonn Dunne
Badge No. 917
21st August 2012
Dear Mr Findlow,

I write in respect of a proposed increase to the Halton Borough Council Table of Maximum Fares for the taxi fleet of Halton for August 2012.

It has been two years since the last tariff increase in which time the taxi trade has seen some quite large increases to its running costs. Whilst we understand that we are in a severe recession and that we have to absorb some of the increased costs ourselves, to maintain 'footfall', we feel that a small increase in fares would alleviate the burden somewhat.

Two examples of above inflation prices that we incur on a daily basis are vehicle insurance and fuel and as these are our most expensive overheads (besides vehicle purchase) and we feel that with the data below an increase in the fares is appropriate.

The price of diesel in the north west of England in August 2010 was 118.2p per litre (source theaa.com) which is an increase on today's price of 139.9p per litre of just over 17.5%.

Local insurance costs have risen dramatically too, with the average price for a hackney vehicle driver in Halton enjoying comprehensive cover with full no claims discount, paying an average premium of £840=00 in 2010 (source Swinton Insurance Brokers Liverpool office). However, for the same cover in 2012, premiums are achieving an average of £1280=00 which is an increase of over 52%

As drivers, we understand that Halton Borough Council impose a higher set of standards than neighbouring boroughs, which again incurs higher costs to ourselves, which we are happy to absorb, as this definitely creates a more professional standard, a more balanced modern fleet of vehicles and this portrays the councils image, to both residents and visitors, as a well run corporate entity.

Yours Sincerely,



Eamonn Dunne.

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HALTON BOROUGH COUNCIL

HACKNEY CARRIAGE / PRIVATE HIRE

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*provided that Tariff 2 shall apply (where Tariff 1 would otherwise apply) for any journey at and beyond six miles 10,560 yards from the commencement of the journey.

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The hirer will be charged **20p** for the following periods or uncompleted part there of.

Tariff 1 : 60 seconds Tariff 2 : 40 seconds Tariff 3 : 30 seconds

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Notes:

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3. Tariff 3 applies for hiring's between
 - a) 11pm Christmas Eve and 00:00am 27th December
 - b) 11pm New Years Eve and 6am New Years Day
4. If any journey ends outside of the borough boundary the fare may be agreed in advance with the driver, otherwise the Table Of Fares must be applied.
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