



# Licensing Committee

No Specific Ward Relevance

28th September 2009

## HACKNEY CARRIAGE - FARES

(Report of the Head of Environmental)

### 1. Summary of Proposals

The Committee is asked whether or not to recommend a variation of the fares for the hiring of Hackney Carriages within the Borough. Any variations will need to be advertised and an opportunity given for objections to be made. Any objections duly made must be considered.

The Committee can recommend no increases to the Hackney Carriage Tariff for the year 2009-2010 as proposed by Officers, an increase of 0.9% as shown in the report or it can recommend its own proposals if it wishes. However, any proposed variation to the Council's approved policy would have to be subject to the approval of the full Council

Indices show that inflation is very low at the present time and an increase in the Hackney Carriage Tariff as shown at 5.3 would not necessarily be cost effective for the Hackney Carriage Proprietors due to the meter recalibration charges.

### 2. Recommendations

The Committee is asked to **RECOMMEND** that

- 1) **there be no increase in the Hackney Carriage fare rates for the year 2009 to 2010.**

or

- 2) **there be an increase in the Hackney Carriage fare rates in line with the current Retail Price Index as detailed in paragraph 5.1 of the report and advertised as required under the Local Government (Miscellaneous Provisions) Act 1976.**

**and, if approved, that**

**EITHER:**

- a) **authority be delegated to the Head of Environment, in consultation with the Chair of the Licensing Committee:**

- i) **to consider any objections received, following public advertisement; and**
- ii) **to modify the fare rates or confirm the fare rates unmodified, as appropriate; and**
- iii) **to set a date when the fare rates shall come into operation in line with the statutory requirements as set out in paragraph 3.4 and 3.5.**

**OR**

- b) **any objections received following public advertisement be reported back to the Committee for consideration.**

**OR**

- c) **if no objections are received following public advertisement, the increase to take effect from the end of the consultation period.**

### **3. Financial, Legal, Policy Risk and Sustainability Implications**

#### Financial

- 3.1 If the proposed changes at recommendation 2 are agreed, it will be necessary for the increase to be advertised in a local newspaper, in accordance with the provisions of the Local Government (Miscellaneous Provisions) Act 1976. The cost of such advertisement can be met by the existing licensing advertising budget.
- 3.2 Hackney Carriage proprietors then choose whether their meters are updated to this higher tariff at a cost of approximately £30.00 per vehicle.
- 3.3 These fares do not affect the Council's budget in that they are fares paid by the travelling public to taxi drivers for taxi rides and are calculated by the taximeters installed in the taxis.

#### Legal

- 3.4 Under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, the Council has the power to fix rates or fares within the district for the hire of hackney carriages. The rates or fares can relate to time as well as distance and can cover all other charges in connection with the hire of a hackney carriage.

- 3.5 Section 65 of the Act also requires the Council to publish a notice of the tables informing the public of the proposed changes and specifying the period within which objections may be made to the proposed fare increases. The period for objections can be no less than 14 days from the date of the first publication. If no objection is made during this period the new fares will come into operation on the date of expiration of the specified period. If objections are made and are not withdrawn, the Council has two months from the end of the period for objections to be made, to consider the objections made and set a date for the table of fares, with or without modification, to come into force.

### Policy

- 3.6 The former Public and Entertainment Services Committee at its meeting on 21 September 1999, requested Officers to present annual review report showing tariffs increased in line with the retail price index which is currently 0.9% on average.

### Risk

- 3.7 If the fares are not increased it may lead to protest action by Hackney Carriage drivers as it has become increasingly difficult to earn a living within the current economic climate; although it is acknowledged that an increase in line with the current policy would make little change to the Tariff.

### Sustainability / Environmental

- 3.8 None specific

### Report

#### **4. Background**

- 4.1 The former Public and Entertainment Services Committee at its meeting on the 21st September 1999, requested Officers to present annual review reports showing tariffs increased in line with the retail price index.
- 4.2 This policy was amended on the 1st November 2006 by the Executive Committee when members resolved that the Retail Price Index and other inflation indices be considered when setting new tariff rates.
- 4.3 This policy was again put before the Executive Committee on 22nd November 2008 when members resolved that petroleum products indices should be taken into consideration as a separate indices.

- 4.4 The last fare increase was approved on 19<sup>th</sup> November 2008 and took effect from 12<sup>th</sup> January 2009. The current rates are shown below.

### Mileage

First half mile or uncompleted parts thereof	£2.62p
Subsequent charge	10p per 135 yards or £1.31 p per mile
Waiting time	10p per 40 secs. or 15p per minute
Each person exceeding one	10p
Late Night and Bank Holiday Surcharge	
Midnight to 6.00am every day and all Bank Holidays (excluding Good Friday)	£1.25 per journey
From 6.00pm Christmas Eve to Midnight Boxing Day	DoubleTariff
From 6.00pm New Years Eve to 6.00am New Years Day	Double Tariff
Dogs (with the exception of guide dogs)	£1.35p
Any persons fouling the vehicle will be charged an excess of £75 per journey.	

## 5. Key Issues

- 5.1 At its meeting on 22nd October 2008 the Executive Committee recommended that Officers take account of petroleum products as well as other retail price indices and the Retail Price Index as resolved by previous Committees when preparing future reports.
- 5.2 The BIS (Department for Business Innovation and Skills) government website which shows retail indices; states that Petroleum products have decreased in cost in real terms by 14.1% since June 2008 and therefore Petroleum products indices are not taken into account for the Hackney Carriage Tariff for the year 2009 to 2010.
- 5.3 The average of the indices below represents a fair reflection of inflation in the year to July 2009 and rises to the nearest penny would produce the following amendments to the Hackney Carriage Fare table.

Retail Price Index	-1.6%
Consumer Price Index	1.8%
All Items RPI excluding interest payments	1.0%
Average Earnings (whole economy)	2.3%
Average of above indices (excluding petroleum)	0.9%

Effects to fare table:

### Mileage

First half mile or uncompleted parts thereof	£2.64p
Subsequent charge	10p per 135 yards or £1.32p per mile
Waiting time	10p per 40 secs. or 15p per minute
Each person exceeding one	10p
Late Night and Bank Holiday Surcharge	
Midnight to 6.00am every day and all Bank Holidays (excluding Good Friday)	
From 6.00pm Christmas Eve to Midnight Boxing Day	Double Tariff
From 6.00pm New Years Eve to 6.00am New Years Day	Double Tariff
Dogs (with the exception of guide dogs)	£1.35p
Any persons fouling the vehicle will be charged an excess of £75 per journey.	

- 5.4 Consultation with the Redditch Taxi Association has taken place and the trade are in agreement with the policy and recognise inflation is extremely low at present and this has little effect to the current tariff.
- 5.5 Within the Private Hire monthly magazine fares are now listed on a regional basis. Based on the most current figurers we have ht current regional average for a 2 mile journey is £4.55p. Redditch currently appears at 5 out of 68 on the table and compares favourably to other authorities in the area being cheaper than our immediate neighbours Bromsgrove, Stratford, Worcester and Warwick but slightly more expensive than Wyre Forest.

### 6. Other Implications

- Asset Management - None specific
- Community Safety - None specific
- Human Resources - None specific
- Social Exclusion - An increase may affect residents who do not have access to a car.

### 7. **Lessons Learnt**

It is noted by Licensing Officers that the majority of Hackney Carriage Proprietors do not increase the charges set on their meters on a yearly basis. They wait until the increase is substantial over a period of years. The legislation states that a meter can show less than the agreed tariff (licensee choice): but not more than the agreed tariff and increasing the tariff by a few pence would not be cost effective to the drivers due to the £30.00 calibration charge.

### 8. **Background Papers**

Public and Environmental Services Committee meeting report and minutes 21st September 1999

Executive Committee meeting report and minutes of 22nd October 2008

Details of relevant indices.

Table of current charges Redditch and neighbouring authorities.

### 9. **Consultation**

9.1 The Hackney Carriage trade, relevant Council Officer and neighbouring Authorities were consulted when proposals indicated in paragraph 5.3 were made.

9.2 Additional public consultation will be by way of the response to the statutory notices.

### 10. **Author of Report**

The author of this report is Sue Garratt (Licensing Manager), who can be contacted on extension 3032 (email: [sue.garratt@redditchbc.gov.uk](mailto:sue.garratt@redditchbc.gov.uk)) for more information.

### 11. **Appendices**

There are no appendices for this report.