

LICENSING AND REGULATION COMMITTEE

2 November 2005

REVIEW OF FARES FOR HACKNEY CARRIAGES

REPORT OF CITY SECRETARY AND SOLICITOR

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RECENT REFERENCES:

LR 134 - Review of Fares for Hackney Carriages, 22 September 2005

LR105 - Review of Fares for Hackney Carriages, 8 July 2004

EXECUTIVE SUMMARY:

This report is a revised version of LR 134 which was considered by the Committee on 22 September 2005. The Appendix 3 to the report was incorrect, and Members should therefore reconsider their decision, in the light of the correct figures. Changes to the original report are shown in bold type.

Fares which may be charged by Hackney Carriages within this Council District are normally considered annually. The existing fares were last increased to commence on 1 September 2004 following a review on 8 July 2004 (LR105).

Maximum fares are set by the Council and take regard of the underlying inflation rates, changes to costs incurred by Hackney Carriage owners and the consequences to their paying passengers.

Appendices 1 and 2 set out the comments and proposals of various bodies representing drivers.

Appendix 3 sets out 7 possible proposals should it be considered appropriate that a fare increase should be implemented.

Appendices 4 and 5 show a comparison of fares with a selection of other Councils.

RECOMMENDATIONS:

- 1 That consideration be given as to whether the maximum fares for Hackney Carriages should be or should not be varied at this time.
- 2 That if it is considered that the fares should be varied, then subject to the statutory requirements for advertising and dealing with objections, fares which may be charged by Hackney Carriages in the area of Winchester City Council be varied as follows to come into effect from 1 **December** 2005 (**Proposal 6**, which produces a fare of **£3.50** for the first mile and **£1.60** for each subsequent mile, as detailed in Appendix 3) :-

Distance

For the first 660 yards (603 metres) or part **thereof £ 2.50.**

For each succeeding 220 yards (183 metres) or part thereof, **20p.**

(i) Waiting Time

For each period of 1 minute, 25p.

(ii) Extra Charges

For each hiring which commences between 11pm and 6am or at any time on bank holidays and public holidays, or after 6.30pm on Christmas Eve, 50% of the above rate of fare.

For each hiring on Christmas Day or, at any time until 6.00am on Boxing Day, 100% of the above rate of fare.

Fouling charge, £40.00.

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#### REPORT OF THE CITY SECRETARY AND SOLICITOR

##### DETAIL:

##### 1 Introduction

1.1 **At its meeting of 22 September 2005, the Committee considered report LR134 concerning the review of Hackney Carriage Fares. Members resolved to agree to Proposal 7 as set out in Appendix 3 of the Report. Unfortunately, the figures for fares based on this proposal for 3, 5 and 10 miles were incorrect. The report is therefore being referred back to Members with the correct figures inserted in Appendix 3 Proposal 7, so that Members can reconsider their decision on the matter.**

1.2 The maximum fares for Hackney Carriages in this District are set by this Council and are normally reviewed annually, taking regard of the underlying inflation rates, changes to costs incurred by Hackney Carriage owners and the consequences to fare paying passengers. Fares were last reviewed by the Licensing and Regulation Committee on 8 July 2004 (LR105).

1.3 After consideration, the Committee decided that it was appropriate to increase the fares and the current fares came into force on 1 September 2004.

##### 2 Current Fares

2.1 The current fares, which commenced on 1 September 2004 are:-

###### Distance

For the first 480 yards (439 metres) or part thereof (minimum charge) £2.00.

For each succeeding 110 yards (101 metres) or part thereof 10p.

###### Waiting Time

For each period of 1 minute 20p.

###### Extra Charges

For each charge which commences between 11.00pm and 6.00am or at any time on Bank and Public Holidays or after 6.30am on Christmas Eve or New Years Eve, 50% of the above rate of fare.

For each hiring on Christmas Day or at any time until 6.00am on Boxing Day, 100% of the above rate of fare.

Fouling Charge £40.00.

- 2.2 This rate of fare produces a daytime rate of £3.20 for the first mile and £1.60 for each subsequent complete mile. 50% is added to the fares at night (11pm to 6am) which produces a current rate of £4.80 for the first mile and £2.40 for each subsequent mile.

### 3 Increases in Costs

- 3.1 The underlying inflation rate (RPI percentage change) for the year preceding August 2005 was 2.9%.
- 3.2 The licensing fees for Hackney Carriages, set by this Council, were increased by approximately 3% with effect from 1 April 2005. The increased fees are set out in Appendix 6 to this report.
- 3.3 Consultation with Westminster Insurance and Norwich Union (two of the main specialist provider of taxi insurance for many Winchester drivers), reveal that there has been no significant increase in the premiums during the past year. In fact there has been ten to twenty per cent reduction in the last year for some drivers. Officers are not aware of any large increases by other insurance companies.
- 3.4 The cost of diesel has risen from 82.pence per litre in June 2004 to 95 pence and rising to date. Unleaded fuel has risen by a similar rate. This is an increase of 15.8 per cent.
- 3.5 **At the last meeting of the Committee, some Members asked for additional information on the costs which drivers incur. It is impossible to give reliable figures, given the wide variety of work and hours which drivers do, but the following information may be helpful:-**
- a) **Fuel – 50,000 miles per year would cost approximately £5,000 (15% increase)**
  - b) **Insurance – varies between £2,000 and £5,000 (some evidence of reductions this year)**
  - c) **Maintenance – servicing every six weeks - £1,000 (inflation at 3%)**
  - d) **Finance - £400 per month to finance a new vehicle**

### 4 Consultations with the Taxi Trade

- 4.1 The Winchester Owners and Drivers Taxi Association, who represent hackney and private hire drivers, have been consulted. The Association have not written to their members as in the past but have had meetings on the subject. They are agreed that an increase is necessary and have provided ideas which are included in the proposals (Appendix 1). The Association also request an increase in waiting time from 20 pence a minute to 25 pence which is £15 per hour as compared to £12 at the moment.
- 4.2 Representatives of Wessex Cars and Wintax, which are the two main operators of both private hire vehicles and hackney carriages in Winchester, have also been consulted. Both operators agree with the views of the Taxi Association and have submitted ideas which are included in the proposals. Wessex Cars have had an opportunity to see the proposals and have sent an E mail (Appendix 2) in which they have selected Proposal 7 as their first choice as it gives a higher pull off without hitting the customer too hard but would still place Winchester City Council in the top ten of The Private Hire Table (Appendix 5).

4.3 There are 110 licensed Hackney Carriages operating in Winchester.

## 5 Comparisons and Possible Options

5.1 Appendix 5 shows a comparison of the existing taxi fares for Winchester compared with other Councils, together with a chart taken from 'The Private Hire Monthly' showing most of the Hampshire Local Authorities' position in the 'league table'.

5.2 Appendix 3 sets out 7 possible options for increases. It should be noted that the figures show the actual meter reading at the distances shown for each proposal. The "start fare" is shown on the meter before the taxi moves and changes before the start of the next distance. e.g. for the existing fares £2.00 is shown on the meter as soon as the vehicle is hired, an additional 10p is shown on the meter after 480 yards and another 10p is added after the next and each subsequent 110 yards. The 7 proposals set out the increase, compared to the existing maximum fares for this Council District, at distances of 1 mile, 3 miles, 5 miles and 10 miles, together with the percentage increase in cost. From consultation with the taxi trade, the average journey for taxis hired from the hackney carriage stands in Winchester is considered to be approximately 3 miles. The proposals compare possible increases which would be shown on the taximeter at the distances shown and the percentage increase is calculated to one decimal point.

5.3 In the event of any variation to the existing fares, the statutory provisions require a public notice to be advertised in the local press, and representations invited. Representations can be made by any person, including members of the public and taxi drivers. Any representations made within 14 days must be considered by the Council before the variation is implemented, and it would normally therefore be necessary to bring a further report to Committee to consider these representations.

## 6 Issues for Consideration.

6.1 **Is it appropriate to increase the maximum fare for hackney carriages?** Members may wish to consider the increase to costs to the taxi trade and the consequent increase cost to the public. If there is no increase it may lead to a large increase being necessary in the future rather than a small increase. All proposals give modest increases. However, proposals 3, 4 and 7 produce large increases in the first mile but these fall to more reasonable increases over the 3, 5, and 10 mile journeys.

6.2 **If it is considered there should be no increase on this occasion when should the matter next be reviewed?** It may be considered if fares are not be increased on this occasion that they should be reviewed in January 2006 except in the event of any substantial and now expected increase in costs e.g. fuel.

6.3 **If it is considered that it is appropriate to increase the fares how is this to be achieved?** Appendix 3 sets out 7 proposals as to how an increase could be achieved. **It is considered that a significant increase in the initial Start Fare whilst increasing the yardage would produce a significant increase on the more common shorter distances, whilst producing a more modest increase for longer distances. Proposals 3 and 6 achieve such changes, although the initial increase is larger under Proposal 3.** Appendix 5 sets a comparison of fares for other authorities. Column 1 of Appendix 5 shows the position of the listed authorities in a league table of fares according to the national taxi trade paper "Private Hire Monthly". Winchester is shown in this table as 58 out of 378. The national average is a pull off of £2.09, first mile of £2.80 and second mile of £4.20. Copies of the Private Hire Monthly will be available for scrutiny at the Review Meeting

- 6.4 **Should there be any changes to the existing “Waiting Time” Charge?** The Taxi Association are seeking an increase to the charge for “Waiting Time”, i.e. when the vehicle is hired and the wheels are not turning, from 20p to 25p per minute. This charge has not been changed since 2002. It may be considered that it is appropriate, on this occasion, to increase this charge.
- 6.5 **Should there be any changes to the existing “Fouling Charge”?** The Fouling Charge was increased in 1999 from £35 to £40. This charge is included in order to support taxi drivers who may have problems in recovering this money and having to go out of service to clean the vehicle. It is considered that this amount is a reasonable charge that could be recovered and any increase may lead to difficulties.
- 6.6 **Should there be any changes to the existing “Extra Charges”?** At present each hiring which commences between 11pm and 6am or at any time on Bank Holidays and Public Holidays, or after 6.30pm on Christmas Eve and New Year’s Eve are 50% extra to the daytime fare. On Christmas Day until 6am on 26th December charges are 100% extra to the daytime fare. Members may consider that it is not necessary to change any of the “Extra Charges”.

#### OTHER CONSIDERATIONS:

##### 7 CORPORATE STRATEGY (RELEVANCE TO):

The licensing function affects the objectives of promotion of a thriving local economy, and promoting a healthier, safer, and more caring community.

##### 8 RESOURCE IMPLICATIONS:

None.

#### BACKGROUND DOCUMENTS:

Correspondence in Appendices 1 and 2.

#### APPENDICES:

1. Letters from Winchester Owners and Drivers Taxi Association.
2. E-mail from Paul Smith, Wessex Cars.
3. Table showing 7 possible proposals.
4. List of Hackney Carriage fares for other Local Authorities in Hampshire.
5. Fare comparison taken from The Private Hire Monthly
6. Fee Changes for Hackney Carriages and Private Hire Vehicles from 1 April 2005.