

LICENSING AND REGULATION COMMITTEE

30 July 2003

REVIEW OF FARES FOR HACKNEY CARRIAGES

REPORT OF CITY SECRETARY AND SOLICITOR

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RECENT REFERENCES:

1. Review of Fares for Hackney Carriages, 31 July 2002 LR 65.

EXECUTIVE SUMMARY:

The consideration of the review of the current fares, in respect of Hackney Carriages for this Council District, is considered annually. The existing fares were last increased to commence on 1 September 2002 following a review on 31 July 2002 (LR 65).

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.

Appendix 1 shows a comparison of fares with a selection of other Councils.

Appendix 2 sets out 7 possible proposals should it be considered appropriate that a fare increase should be implemented.

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 hackney fares which may be charged by Hackney Carriages in the Winchester City Council District 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 September 2003 (Proposal 1, which produces a fare of £3.15 for the first mile and £1.45 for each subsequent mile, as detailed in Appendix 2) :-

Distance

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

For each succeeding 120 yards (110 metres) or part thereof, 10p.

(i) Waiting Time

For each period of 1 minute, 20p.

(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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DETAIL:

1 Introduction

1.1 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 31 July 2002 (LR 65).

1.2 After consideration, the Committee decided that it was appropriate to increase the fares and the current fares came into force on 2 September 2002.

2 Current Fares

2.1 The current fares, which commenced on 2 September 2002 are:-

Distance

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

For each succeeding 125 yards (114 metres) or part thereof 10p.

Waiting Time

For each period of 1 minute 15p.

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 £3.10 for the first mile and £1.40 for each subsequent complete mile. 50% is added to the fares at night (11pm to 6am) which produces a current rate of £4.60 for the first mile and £2.10 for each subsequent mile.

3 Increases in Costs

3.1 The underlying inflation rate (RPI percentage change) for the year preceding June 2003 was 2.8%.

- 3.2 The licensing fees for Hackney Carriages, set by this Council, were increased by approximately 2% with effect from 1 April 2003. The increased fees are set out in Appendix 5 to this report.
- 3.3 Consultation with Westminster Insurance, one 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, although some other insurance companies have increased premiums by large amounts.
- 3.4 The cost of diesel and unleaded fuel has also not varied to any significant amount during the past year.

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. 51% of those consulted have indicated that they are seeking a rise of 5% for journey after the first distance of 480 yards. 3% of those consulted suggested that there should be no increase. 46% did not respond. 51% have also requested that waiting time be increased from £9 to £12 per hour (An increase from 15p for each minute to 20p for each minute). (Appendix 1).
- 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.

- 4.3 There are 96 licensed Hackney Carriages operating in Winchester.

5 Representations.

- 5.1 At the Licensing and Regulation Committee meeting on 25 March 2003 a Mr Fergal Quinn made a verbal statement concerning Taxi Fares in Winchester. Mr Quinn gave details of his concerns regarding taxi fares in Winchester which he considers to be too high. His statement was made under the headings of Affordability, Transport and Access (including reference to the Winchester Movements and Access Plan and Winchester Public Transport Forum), Social Exclusion and Quality of Life and Personal Security. Mr Quinn has been contacted and invited to attend this meeting. However, he states that he is no longer living in Winchester. He further states that he is now living in London and "... *enjoying again the benefits of a proper and affordable public transport system, including efficient and affordable taxis.*" (Appendix 2A).
- 5.2 A letter has been received from Mrs Bryant from Teg Down concerning various matters relating to taxis in Winchester. An extract relating to taxi fares reads as follows :- "*I am once again protesting at the high charges of taxis in Winchester. By far higher than any other places that I or my friends know. I paid £5.20 for a journey of about 1¼ miles yet again;.....*" (N.B. At current fares a daytime journey of 1¼ miles should cost no more than £3.50.) (Appendix 2B).

6 Comparisons and Possible Options

- 6.1 Appendix 3 shows a comparison of the existing taxi fares for this Council District with other Councils based on the daytime and night time calculations for a journey of 1 mile, 3 miles, 5 miles and 10 miles.
- 6.2 Appendix 4 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 125 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.

- 6.3 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.

7 Issues for Consideration.

- 7.1 **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. The views of the Taxi Association are that there should be no increase to the first distance of 480 yards and an additional 5% for distance. Members may consider that 5% is a larger increase than should be granted for Winchester at this time but for distances of up to 5 miles, Proposal 7 would meet this criteria but for ten miles it is noted that there has been an increase of over 7%. If there is no increase it may lead to a large increase being necessary in the future rather than a small increase. Proposal 1 gives a more modest increases of 1.5% for 1 mile, 2.5% for 3 miles and 3.1% for 10 miles. However this does achieve an increase of 15p on a journey of 3 miles. Appendix 3 sets out a form of comparison for some other council areas and also includes the comparison with London.
- 7.2 **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 2004 except in the event of any substantial and unexpected increase in costs. e.g. fuel.
- 7.3 **If it is considered that it is appropriate to increase the fares how is this to be achieved?** Appendix 4 sets out 7 proposals as to how an increase could be achieved. Some proposals will give a large percentage increase on short journeys and others a similar percentage increase for all distances, except Proposal 6 where the first mile achieves a 6.9% decrease followed by substantial increases over distance and at 10 miles a 9.2% increase. The 5% increase favoured by the taxi association and private hire vehicle operators gives an increase for a journey of 3 miles from the existing fare of £5.90 to £6.25. Proposal 1 has a minimum charge of £2.00 (for the first 480 yards) which would be shown on the meter before the start of the journey and a charge of 10p for each 120 yards after 480 yards. This converts to a minimum charge between 11pm and 6am of £3.00 for the first 480 yards and 15p for each 120 yards after the first 480 yards. This achieves an increase from the existing £3.10 to £3.15 for the first mile followed by an increase from £1.40 to £1.45 for each subsequent mile by day and from £4.60 to £4.70 for the first mile followed by an increase from £2.10 to £2.15 for each subsequent mile by night. Appendix 3 sets a comparison of fares for night and day with other authorities including London. Column 1 of Appendix 3 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 36 out of 376.

- 7.4 **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 15p to 20p per minute. This charge has not been changed since 1997. It may be considered that it is appropriate, on this occasion, to increase this charge.
- 7.5 **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.
- 7.6 **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:

8 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.

9 RESOURCE IMPLICATIONS:

None.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

1. Letter from Winchester Owners and Drivers Taxi Association.
2. A. Notes on Taxi Fares in Winchester – Statement by Mr Fergal Quinn.
B. Letter making representations regarding taxis – Ms Sheila Bryant.
3. Comparison of fares with other Councils and London.
4. Comparison of existing hackney carriage fares showing 7 possible proposals.
5. Fee Changes for Hackney Carriages and Private Hire Vehicles from 1 April 2003.