

LICENSING AND REGULATION COMMITTEE

8 July 2004

REVIEW OF FARES FOR HACKNEY CARRIAGES

REPORT OF CITY SECRETARY AND SOLICITOR

Contact Officer: Chris Bicknell Tel No: 01962 848179

RECENT REFERENCES:

1. Review of Fares for Hackney Carriages, 30 July 2003 LR 82.

EXECUTIVE SUMMARY:

The review of 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 2003 following a review on 30 July 2003 (LR 82).

Maximum fares are set by the Council and take account 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 6 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 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 2004 (Proposal 1 which produces a fare of £3.20 for the first mile and £1.60 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 110 yards (100 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.

For each journey whilst in use for the purposes of pre-booked private hire by telephone, £3.

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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 30 July 2003 (LR 82).

1.2 After consideration, the Committee decided that it was appropriate to increase the fares and the current fares came into force on 1 September 2003.

2 Current Fares

2.1 The current fares are:-

Distance

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

For each succeeding 120 yards (110 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 £3.10 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 May 2004 was 2.8%.

- 3.2 The licensing fees for Hackney Carriages, set by this Council, were increased by approximately 2.9% with effect from 1 April 2004. The increased fees are set out in Appendix 3 to this report.
- 3.3 Consultation with Westminster Insurance, one of the main specialist provider of taxi insurance for many Winchester drivers, and with other insurance companies, reveal that in general, insurance costs have risen by no more than inflation during the past year.
- 3.4 The cost of unleaded fuel has increased from around 76p per litre (February 2003) to 82p per litre (June 2004), and diesel has increased by similar amounts. This is a percentage increase of 7.8%.

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. No formal written submission has been received, but a copy of this report has been sent to them, and it is understood that representatives of the Association will be present at the meeting.
- 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. Wessex have intimated that they would welcome a small increase.
- 4.3 There are approximately 100 licensed Hackney Carriages operating in Winchester.

5 Representations.

- 5.1 No other representations have been received.

6 Comparisons and Possible Options

- 6.1 Appendix 1 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 2 sets out 6 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 120 yards. The 6 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 The proposals may be summarised as follows
- Proposal 1 increases fares by reducing the 10p yardage by 10 yards
 - Proposal 2 maintains the same 10p yardage but has a small increase of 10p in the pull off charge

- Proposal 3 reduces both the pull off distance and the 10p yardage
- Proposal 4 produces a minimum fare of £3 by increasing the pull off fare and the pull off distance and applying a small reduction in the 10p yardage
- Proposal 5 increases the pull off charge by 20p (compared to 10p from proposal 2)
- Proposal 6 is a further variation increasing the pull off charge by 50p

6.4 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 of costs to the taxi trade and the consequent increase cost to the public. The views of the Taxi Association are that there should be a small increase considering the increase of costs incurred. Appendix 1 sets out a form of comparison for some other council areas. The Committee has previously considered that annual small increases are preferable to less frequent but larger increases
- 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 that if fares be not increased on this occasion, they should be reviewed in January 2005 (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 2 sets out 6 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. The national taxi trade paper "Private Hire Monthly" produces tables for Councils across the whole country, and Winchester is shown in this table as 51 out of 377 (Councils with the most expensive fares are at the top of the table)
- 7.4 **Should there be any changes to the existing "Waiting Time" Charge?** "Waiting Time" is when the vehicle is hired and the wheels are not turning. This charge was increased from 15p per minute to 20p per minute in 2003 at the request of the Taxi Association as there had been no increase to this charge since 1997. There is no suggestion that there should be an increase on this occasion
- 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 to these “Extra Charges”.

- 7.7 **Should there be an additional charge for hackney carriages being used for the purposes of private hire?** Section 67 of the Local Government (Miscellaneous Provisions) Act 1976 requires a hackney carriage whilst acting for the purposes of private hire to charge the fare approved by the Council in accordance with the fare table and bye-laws. At present this could require a hackney carriage travelling several miles to collect a passenger travelling a short distance, but the fare charged would only be calculated on the distance over which the passenger was carried. Under the present table of fares, no additional charge could be made for the distance travelled to the pick up point. It may be considered appropriate to permit the driver of a Hackney Carriage, when being used for the purposes of pre booked private hire, to make an “Extra Charge” of £3 to be shown on the meter at the end of the journey, as a booking fee towards the additional costs of dealing with such private hire bookings.

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. Comparison of fares with other Councils.
2. Comparison of existing hackney carriage fares showing 6 possible proposals.
3. Fee Changes for Hackney Carriages and Private Hire Vehicles from 1 April 2004.

Appendix 3**WINCHESTER CITY COUNCIL****FEES FOR HACKNEY CARRIAGES AND PRIVATE HIRE VEHICLES**

LICENCE	EXISTING FEE 2003/04	PROPOSED FEE 2004/05
Private Vehicle Hire Operator	£168 + £20 for 2nd and each subsequent vehicle	£173 + £21 for 2nd and each subsequent vehicle
Private Hire Vehicle	£174	£179
Hackney Carriage Vehicle	£174	£179
Hackney Driver	£ 84 Initial £ 63 Renewal	£87 Initial £65 Renewal
Hackney Driver Knowledge Re-Test	£ 20	£21
Private Hire Driver	£ 75 Initial £ 63 Renewal	£77 Initial £65 Renewal
Deposit on Plate	£ 34	£35
Transfer of Licensed Vehicle	£ 77	£79