

LICENSING AND REGULATION COMMITTEE

12 December 2006

REVIEW OF FARES FOR HACKNEY CARRIAGES

REPORT OF CITY SECRETARY AND SOLICITOR

Contact Officer: Chris Bicknell Tel No: 01962 848179

RECENT REFERENCES:

LR 183 – Review of fares for Hackney Carriages, 2 November 2005

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

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

EXECUTIVE SUMMARY:

Fares in respect of Hackney Carriages for Winchester are usually reviewed on an annual basis. The existing fares were last increased to commence on 1 December 2005 following a review on 2 November 2005

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

Appendix 3 shows a comparison of fares with a section of other Councils in Hampshire.

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, the fares which may be charged by Hackney Carriages in the area of Winchester City Council be varied with effect from 1 January 2007 as follows, which produces a fare of **£3.60** for the first mile and **£1.80** for each subsequent mile (**Proposal 2**, Appendix 2 to this report):-

Distance

For the first 660 yards (603 metres) or part thereof £2.40.

For each succeeding 200 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 and New Year's 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 2 November 2005 (LR183 refers). After consideration, the Committee decided that it was appropriate to increase the fares and the current fares came into force on 1 December 2005.
- 1.2 The Winchester Taxi and Private Hire Association has requested that consideration be given to an increase in fares (Appendix 1 refers).

2 Current Fares

- 2.1 The current fares, which commenced on 1st December 2005 are:-

Distance

For the first 660 yards (603 metres) or part thereof (minimum charge) £2.30.

For each succeeding 200 yards (183metres) or part thereof 20p.

Waiting Time

For each period of 1 minute 25p.

Extra Charges

For each charge which commences between 11pm and 6am or at any time on Bank and Public Holidays or after 6.30am on Christmas Eve or New Year's 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 £3.50 for the first mile and £1.80 for each subsequent complete mile. 50% is added to the fares at night (11pm to 6am) which produces a current rate of £5.25 for the first mile and £2.70 for each subsequent mile.

3 Increases in Costs

- 3.1 The underlying inflation rate (RPI percentage change) for the year preceding October 2006 was 3.7%.

- 3.2 The licensing fees for Hackney Carriages, set by this Council, were increased by approximately 3% with effect from 1 April 2006. The increased fees are set out in Appendix 5 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 still 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, and competition is increasing amongst all insurance companies as far as the taxi trade is concerned. Officers are not aware of any large increases by other insurance companies.
- 3.4 The cost of diesel has fallen from 95 pence per litre in November 2005 to 90 pence and to date. Unleaded fuel has decreased by a similar rate. This is a decrease of 5.3 per cent.
- 3.5 In terms of interest rates for finance, the Bank of England Bank Rate has increased from 4.5% in January 2006, to 5% in November 2006, an increase of 11%.
- 3.6 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 £4,050 (annual decrease of 5.3% in the previous year).
 - b) Insurance – varies between £2,000 and £5,000 (some evidence of reductions this year due competition amongst insurance companies)
 - c) Maintenance – servicing every six weeks - £1,000 per annum (inflation at 3%)
 - d) Finance - £250 to £450 per month to finance a new vehicle depending on size and type (Bank Rate increase of 11% over the past year).

4 Consultations with the Taxi Trade

- 4.1 The Winchester Taxi and Private Hire Association, who represent hackney and private hire drivers, have requested an increase and have provided ideas which are included in the proposals (Appendix 1). Proposal 2 reflects their suggested increase. They are also seeking a reintroduction of the extra charges for Christmas Eve and New Years Eve of 50% from 6.30pm.
- 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. Informal feedback has been received, which has been taken into account in preparing the proposals (Appendix 1), but no formal written response has been submitted.
- 4.3 There are 124 licensed Hackney Carriages operating in Winchester, a rise of 14 during the last year. A letter was sent to all Hackney Carriage Drivers asking for their opinions as to a possible fare increase, together with a stamped addressed envelope for their reply. 38 replies were received of which 25 supported the proposed increase of 10 pence on the “pull-off charge” (i.e. the minimum charge which is displayed on the meter as soon as the hire begins). This equates to 20% of the total number of drivers, and 65% of those who responded, being in favour of an increase.

5 Comparisons and Possible Options

- 5.1 Appendix 3 shows a comparison of the existing taxi fares for Winchester compared with other Councils, and Appendix 4 is a chart taken from 'The Private Hire Monthly' showing most of the Hampshire Local Authorities' position in the 'league table'.
- 5.2 Appendix 2 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" or "pull-off" charge is shown on the meter before the taxi moves and changes before the start of the next distance. e.g. for the existing fares £2.30 is shown on the meter as soon as the vehicle is hired, an additional 20p is shown on the meter after 660 yards and another 20p is added after the next and each subsequent 200 yards. The 7 proposals set out the increase, compared to the existing maximum fares for the Winchester 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.
- 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 April 2007 to take into account any changes made by the Chancellor of the Exchequer to the tax added to fuel and the vehicle licence (tax disc).
- 6.3 **If it is considered that it is appropriate to increase the fares how is this to be achieved?** Appendix 2 sets out 7 proposals as to how an increase could be achieved, all proposals are modest as is felt in the trade that too great a rise at the present time could drive trade away from the taxis towards other form of public transport.
- 6.4 Column 1 of Appendix 4 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 22 out of 377, and it is considered that a modest rise would not alter that position radically. The national average is a pull off charge of £2.24, first mile of £2.96 and second mile of £3.36. Copies of the Private Hire Monthly will be available for scrutiny at the meeting.
- 6.5 **Should there be any changes to the existing "Waiting Time" Charge?** The Taxi Association are not seeking any changes. This charge was changed last year from

20 to 25 pence per minute It may be considered that it is inappropriate, on this occasion, to increase this charge.

- 6.6 **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.
- 6.7 **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. The Taxi Association have asked for the reintroduction of a 50% increase from 6.30pm on Christmas Eve and New Years Eve which was not included in last years’ fare chart but was present in many of the pervious charts. Officers accept that it is appropriate to make this change.

OTHER CONSIDERATIONS:

7 CORPORATE STRATEGY (RELEVANCE TO):

The licensing function relates to the priorities of “Homes and Jobs” and “Safer and More Inclusive Communities”.

8 RESOURCE IMPLICATIONS:

None

BACKGROUND DOCUMENTS:

Correspondence in Appendix 1.

APPENDICES:

1. Letters from Winchester Taxi and Private Hire Association.
2. Table showing 7 possible proposals.
3. List of Hackney Carriage fares for other Local Authorities in Hampshire.
4. Fare comparison taken from The Private Hire Monthly
5. Fee Changes for Hackney Carriages and Private Hire Vehicles from 1 April 2006.

Winchester Taxi & Private Hire Association.

Taxi fare increase proposals 2006.

The current fares at present are as follows:

£2.30 pull off and for the first 660 yards

20p every 200 yards,

The first mile is £3.50,

And then it is £1.80 per mile thereafter

So therefore:

5 mile fare is £10.70

10 miles is £19.70

The Taxi and Private hire Association have met this year in 2006, and would like to put forward before the Licensing Committee a proposal of only a small increase to the Hackney carriage fare, this being:

A 10p increase on the pull off charge which would give us £2.40 on the Taximeter, the first mile being £3.60.

Also the association on behalf of the drivers would like the fare chart to include the following amendment:

New years eve being time and a half from 1830 hrs as last year this was omitted.

Yours sincerely.



Steve Eckton.

CURRENT FARE 2005/2006

£2.30 PULL OFF FOR 660YARDS

0.20P EVERY 200 YARDS (£1.80 PER MILE)

1 MILE IS £3.50

PROPOSED INCREASE 2006/2007

£2.40 PULL OFF FOR 660 YARDS

0.20P EVERY 200 YARDS (£1.80 MILE)

1ST MILE IS £3.60

**SO IN REALITY ONLY A 0.10PENCE INCREASE ON EVERY
FARE**

**ALSO WE WOULD LIKE TO SEE THE FARES FOR ON NEW
YEARS EVE RETURNED TO TIME AND A HALF AFTER
18.30HRS AS IT WAS BEFORE IT WAS REMOVED LAST YEAR
WHEN THERE WAS NO CONSULTATION WITH THE TRADE.**

PROPOSAL	Current	%age increase	1	%age increase	2	%age increase	3	%age increase	4	%age increase	5	%age increase	6	%age increase	7	%age increase
Pull Off Charge	£2.30		£2.30		£2.40		£2.30		£2.30		£2.40		£2.30		£2.30	
Pull Off Distance	660		550		660		660		500		660		500		600	
Yardage distance	200		200		200		200		200		150		200		150	
Yardage rate	£0.20		£0.20		£0.20		£0.25		£0.20		£0.20		£0.20		£0.20	
1 mile fare	£3.50		£3.70	5.7%	£3.60	2.9%	£3.80	8.6%	£3.70	5.7%	£4.00	14.3%	£3.70	5.7%	£3.90	11.4%
2 mile fare	£5.30		£5.30	0.0%	£5.40	1.9%	£6.05	14.2%	£5.50	3.8%	£6.40	20.8%	£5.50	3.8%	£6.30	18.9%
3 mile fare	£7.10		£7.10	0.0%	£7.20	1.4%	£8.30	16.9%	£7.10	0.0%	£8.60	21.1%	£7.10	0.0%	£8.70	22.5%
4 mile fare	£8.70		£8.90	2.3%	£8.80	1.1%	£10.30	18.4%	£8.90	2.3%	£11.00	26.4%	£8.90	2.3%	£10.90	25.3%
5 mile fare	£10.50		£10.70	1.9%	£10.60	1.0%	£12.55	19.5%	£10.70	1.9%	£13.40	27.6%	£10.70	1.9%	£13.30	26.7%
10 mile fare	£19.30		£19.50	1.0%	£19.40	0.5%	£23.55	22.0%	£19.50	1.0%	£25.00	29.5%	£19.50	1.0%	£25.10	30.1%
Fare distance (Miles)	1		1		1		1		1		1		1		1	
Fare distance (Miles)	2		2		2		2		2		2		2		2	
Fare distance (Miles)	3		3		3		3		3		3		3		3	
Fare distance (Miles)	4		4		4		4		4		4		4		4	
Fare distance (Miles)	5		5		5		5		5		5		5		5	
Fare distance (Miles)	10		10		10		10		10		10		10		10	
Excess yards/yardage 1 mile	5.50000		6.05000		5.50000		5.50000		6.30000		7.33333		6.30000		7.73333	
Excess yards/yardage 2 mile	14.30000		14.85000		14.30000		14.30000		15.10000		19.06667		15.10000		19.46667	
Excess yards/yardage 3 mile	23.10000		23.65000		23.10000		23.10000		23.90000		30.80000		23.90000		31.20000	
Excess yards/yardage 4 mile	31.90000		32.45000		31.90000		31.90000		32.70000		42.53333		32.70000		42.93333	
Excess yards/yardage 5 mile	40.70000		41.25000		40.70000		40.70000		41.50000		54.26667		41.50000		54.66667	
Rounded up excess yards 1 mile	6		7		6		6		7		8		7		8	
Rounded up excess yards 2 mile	15		15		15		15		16		20		16		20	
Rounded up excess yards 3 mile	24		24		24		24		24		31		24		32	
Rounded up excess yards 4 mile	32		33		32		32		33		43		33		43	
Rounded up excess yards 5 mile	41		42		41		41		42		55		42		55	
Rounded up excess yards 10 mile	85		86		85		85		86		113		86		114	

LIST OF HACKNEY CARRIAGE FARES OF LOCAL AUTHORITIES IN HAMPSHIRE

<p>Basingstoke and Deane* £2.40 for first 293 yards or 1minute 15 seconds or a combination of parts distance and time 20p for each additional 293 yards or 50 seconds until the fare exceeds £7.20 or a combination of parts distance and time 20p thereafter for each 220 yards or 50 seconds or combination of parts distance and time 20p waiting time for 50 seconds</p>	<p>East Hants District Council* Rate 1 Day rate Monday to Sunday 6am-11pm £2.00 for first 503 yards or 6 minutes (or parts of) or a combination of both 20p for each succeeding 251.4 yards or 40 seconds (or parts of) or a combination of both</p>
<p>Eastleigh Borough Council Rate 1 Day Rate Monday - Saturday 7am-11pm £2.00 for first 107.25 metres (1/15th mile approx) for the whole distance 10p for each subsequent 107.25 metres of the first mile (1/15th mile approx) or uncompleted part thereof 10p for each subsequent 107.25 metres of a mile thereafter (1/15th mile approx) or uncompleted part thereof Waiting time 20p for each period of one minute or uncompleted part thereof</p>	<p>Fareham Borough Council* Rate 1 £2.00 for the first 300 metres or part thereof 20p for each succeeding 245 metres or part thereof Waiting time 20p for each period of 60 seconds or part thereof</p>
<p>Gosport Borough Council* £2.00 for first 353 metres or part thereof 30p for next 353 metres or part thereof 20p for each subsequent 231 metres or part thereof Waiting time 20p for each period of 60 seconds or part thereof</p>	<p>Hart District Council* as of 3.3.2006 £2.60 for first 8/10 of mile 20p for each subsequent 1/10 of a mile or part thereof Waiting time 33p for each 1 minute period or part thereof</p>
<p>Havant Borough Council * £1.80 for the first 171 metres or part thereof (minimum charge) 20p for each succeeding 260 metres of part thereof Waiting time 20p for each period of 60 seconds</p>	<p>Isle of Wight Council* 3.00 for distance not exceeding 1760 yards or part thereof 40p for each succeeding 440 yards or part thereof (this charge is operational after the first 1 mile for the next 4 miles) 30p thereafter for each succeeding 440 yards or part thereof 30p Waiting time for each period of 60 seconds</p>
<p>New Forest District Council* Tariff 1 7am to 11pm £1.90 for 1150 yards or Part thereof 20p for each subsequent 182 yards or part thereof 20p Waiting time for each 54 seconds waiting time or part thereof.</p>	<p>Portsmouth City Council* £2.00 for first 253.05 yards or 56.07 second or part thereof 20p for each additional 253.05 yards or 56.07 seconds or part thereof until the fare reaches £9.80. 20p thereafter for each 173.1 yards or 38.38 seconds or part thereof Waiting time £12.84 per hour</p>
<p>Rushmoor Borough Council* Rate 1 Between 07:00 and 22:59 hours First 7/9th of a mile or part thereof £2.40 East subsequent 1/9th of a mile or part thereof 0.20p Waiting time 0.30p per minute</p>	<p>Southampton City Council* £1.90 for the first 110 metres or part thereof 20p for the next 110 metres or part thereof 20p for the next 110 metres or part thereof 20p for the next 110 metres or part thereof 20p for the next 110 metres or part thereof 20p for each subsequent 240 metres of part thereof. 20p Waiting time for each period of 45 seconds or part thereof</p>

<p>Test Valley Borough Council* Tariff 1 7.00am – Midnight 2.40 for first ½ mile (880 yards) 10p for each 1/11 mile (160 yards) thereafter Waiting time 10p for each 24 seconds or part thereof</p>	<p>Winchester City Council* £2.30 for the first 660 yards (603 metres) or part thereof (minimum charge) 20p for each succeeding 200 yards (183 metres) or part thereof Waiting time 25p for each period of 1 minute</p>

Compiled 23.03.01 - Items * updated 23.10.2006

WINCHESTER CITY COUNCIL

FEEES FOR HACKNEY CARRIAGES AND PRIVATE HIRE VEHICLES - 2006/07

<u>LICENCE</u>	<u>EXISTING FEE 2005/06</u>	<u>PROPOSED FEE 2006/07</u>
Private Vehicle Hire Operator	£178 + £22 for 2nd and each subsequent vehicle	£183 + £23 for 2nd and each subsequent vehicle
Private Hire Vehicle	£185	£190
Hackney Carriage Vehicle	£185	£190
Hackney Driver	£90 Initial £67 Renewal	£ 93 Initial £ 69 Renewal
Hackney Driver Knowledge Re-Test	£22	£ 23
Private Hire Driver	£80 Initial £67 Renewal	£ 82 Initial £ 69 Renewal
Deposit on Plate	£36	£ 37
Transfer of Licensed Vehicle	£81	£ 84