

LICENSING AND SAFETY COMMITTEE
3 July 2008

HACKNEY CARRIAGE TARIFF CHARGES
(Director of Environment, Culture and Communities)

1 PURPOSE OF DECISION

- 1.1 The current tariff for Bracknell Forest Hackney Carriages came into effect in March 2008 following a decision made by this Committee at its meeting on 31 January.
- 1.2 Due to continuing pressure on the world market price of crude oil, petrol and diesel prices have risen sharply. Fuel is a major cost for taxi drivers and an approach has been made to officers for the Committee to consider a further rise in the tariff.
- 1.3 Any proposed changes would have to be advertised for a period of not less than 14 days and if any objections are made and not withdrawn, these would have to be considered by the Committee. The Committee must also set a date within 2 calendar months of the expiry of the consultation period when the tariff will be in force with or without modifications as decided by the Committee.

2 RECOMMENDATIONS

2.1 That the Committee agrees:

- (a) to advertise from 10 July 2008 a change to the tariff in line with option 2 namely:
 - (i) for the first 738 yards: £3.00 and
 - (ii) for each subsequent 240 yards: 20p

and that

- (b) in the event of any objections being received and not withdrawn, the Committee delegates responsibility for considering those objections to the chair and vice chair of the Committee;
- (c) the date of implementation for any change will be 8 September 2008.
- (d) Officers will bring a further report on inflationary pressures to the Committee at its meeting on 2 October 2008.

3 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 3.1 The Borough Solicitor is satisfied that no significant legal implications arise from this report.

Borough Treasurer

- 3.2 There are no financial implications arising from this report.

Impact Assessment

- 3.3 There are no direct consequences of this report for any group and no direct community safety implications.

Strategic Risk Management Issues

- 3.4 There no issues to consider.

4 SUPPORTING INFORMATION

- 4.1 The Council has devised a formula to gauge increases in taxi trade expenditure. The formula looks at changes in average earnings, motoring expenditure and the Retail Price Index (RPI) for a given period. The factors are then weighted to reflect the impact they may have on the business of running a taxi. Therefore motoring expenditure, ie fuel, servicing, insurances, taxes, vehicle purchase and depreciation, are seen as the most influential factor and weighted accordingly.

- 4.2 The last indices that were considered were to the period ending October 2007. The figures from then to April 2008 show an inflationary increase across all areas of 3.2%.

- 4.3 The price of fuel has risen dramatically in the last 6 months. From data supplied by the AA the average price for unleaded and diesel in October 2007 was 98.1p and 100.3p per litre respectively. The equivalent figures for May 2008 in the Bracknell area are:

Unleaded	113.1p
Diesel	124.4p

This equates to 15% and 24% increases respectively. The figures for April 2008 were:

Unleaded	108.5p
Diesel	117.5p

These show a monthly change of 4.2% and 5.9% respectively.

- 4.4 To have a full picture this needs to be compared with the weighted factors which as stated in 4.2 above amounts to an increase of 3.2% across all relevant factors for the period October 2007 to April 2008. Figures for May were not available when preparing this report, but it must be borne in mind that fuel costs have risen sharply in May as shown in 4.3.

- 4.5 Two possible options are being put forward for the consideration of the Committee (see Table A). The first is an increase of 20p on the "flag". The flag is the term for the amount of money that is on the meter at the start of the journey and is the minimum charge for a journey of less than 738 yards. An increase on this element of the fare remains consistent regardless of the distance travelled and impacts most severely on the shorter trips. A higher flag is particularly helpful in an authority where taxis have a large downtime on ranks with shorter journeys. Bracknell Forest could be seen as such an authority, and an increase to £3.00 would put the flag on a par with that in Wokingham, Slough and Surrey Heath. This change to the tariff would have an average 3.3%

increase on a journey between one and 5 miles, and would match the 3.2% inflationary increase up to April 2008.

- 4.6 As stated in 4.3, the month of May saw a sharp rise in the costs of fuel and predictions are that the price of oil on the world market will rise further in the next year. It may therefore be appropriate to make allowance for future costs when setting this tariff. A second option is therefore put forward which whilst maintaining an increase in the "flag" also provides an element that reflects the distance travelled. This reduces the distance travelled for 20p from 250 yards to 240 yards, and results in an average increase of 4.27% when used in conjunction with an increase in the flag to £3.
- 4.7 In view of the continuing rise in fuel costs, officers are recommending option 2. If adopted the proposed increase will be advertised and both residents and the taxi trade will have an opportunity to comment. If any objections are received, then those will need to be considered by the committee before a tariff is set. If there are no objections, the new tariff will come into effect within 14 days of the date for the expiry of objections to be received.

Table A – Current					
Flag	1 mile	2 miles	3 miles	4 miles	5 miles
£2.80	£3.80	£5.20	£6.60	£8.00	£9.40

Option 1 – Flag £3.00						
Flag	1 mile	2 miles	3 miles	4 miles	5 miles	Average %
£3.00	£4.00	£5.40	£6.80	£8.20	£9.60	
% increase	5.26	3.84	3.03	2.50	2.08	3.3%

Option 2 – Flag £3.00 – Distance 240 Yards						
Flag	1 mile	2 miles	3 miles	4 miles	5 miles	Average %
£3.00	£4.00	£5.40	£6.80	£8.40	£9.80	
% increase	5.26	3.84	3.03	5	4.25	4.27%

- 4.8 These charges will only be applicable to Hackney Carriages and not Private Hire vehicles who can set their own charges. It is normal however for Private Hire charges to be set by the Private Hire Trade at a level commensurate with the Hackney Carriage tariff.

Background Papers

National Information Statistics
AA data on fuel prices

Contact for further information

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