

LICENSING AND SAFETY COMMITTEE
24 March 2011

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 on 28 July 2008. Officers have received a request from the Bracknell Licensed Taxi Forum (BLTF), who represents the majority of Hackney Carriage licence holders within the Borough, for an increase in the tariff to represent the increasing costs to their businesses.
- 1.2 Any proposed changes would have to be advertised in a local newspaper for a period of not less than 14 days and, if objections are received and not subsequently withdrawn, these would have to be considered by the Committee.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 any modifications subsequently decided upon by the Committee.
- 1.3 Officers have also taken the opportunity to start consultation with the Hackney Carriage trade upon the wider issues within the tariff relating to additional charges that can be made for days, times of day or even the number of occupied seats within a licensed vehicle.

2 RECOMMENDATIONS

2.1 That the Committee agrees:

- (a) **to advertise from 1 April 2011 a change to the tariff namely**
- i) for the first 700 yards : £3.00 and**
 - ii) for each subsequent 200 yards: 20p**
 - iii) waiting time of 45 seconds : 20p**
 - iv) introduce tariffs 4, 5 and 6 which would mirror tariffs 1, 2 and 3 but be a 50% increase on those tariffs for those vehicles carrying 5 or more passengers.**
- (b) **to note that if no objections are received, the new tariff will come into effect in the week beginning 18 April 2011.**
- (c) **to consider any objections made at its next meeting on 25 May 2011, in which case a new tariff would come into effect in the week beginning 31 May 2011.**
- (d) **that officers continue to consult on the structure of the taxi tariff and bring a report to the Committee on the results of that consultation.**

3 ADVICE RECEIVED FROM STATUORY 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 for any particular group and no direct community safety issues.

Strategic Risk Management Issues

3.4 There are no issues to consider.

4. SUPPORTING INFORMATION

4.1 The last tariff increase was implemented on 28 July 2008. The costs of running a taxi business over the last 2½ years have changed in line with general inflation but also due to wider world economic factors such as the price of crude oil and refined fuels.

4.2 As a comparison the following shows the average cost of fuel in the South East in July 2008 and February 2011:

	Unleaded	Diesel
2008	120.2	133.4
2011	129.5	134.5

This is an increase of 9.3p (7.7%) in unleaded and 1.1p (0.8%) in diesel fuel. The price of diesel fuel hit a peak in July 2009 before falling back to 99.9p in March 2010. There has been a steady increase in the price of diesel since this time with a price of 119.7 in August 2010 and 126.5 in December 2010. With the proposed tax increases set for April 2011 and the political unrest in Africa and the Middle East bringing a level of uncertainty and instability to supply, further increases particularly in the short term are likely.

4.3 To see the full picture there is a need to consider the other impacts upon the costs of running a taxi business and these include vehicle insurance, running and maintenance costs, costs of replacement vehicles, general inflation and increase in wages for other workers. These matters have been brought together in a form agreed with the trade many years ago and which has been used by the Committee as guidance for determining the need and extent of changes in tariff. The figures available from April 2008 when the process to arrive at the present tariff was started, and those for January 2011 the latest published figures show that average earnings rose by 1.8%, RPI general inflation by 7% and motoring expenditure by 16.8%. In April 2008 the price per litre of unleaded was £108.5 and diesel £117.5. Using this agreed formula the overall increase in the costs of running a taxi business appears to have risen by around 11% since April 2008.

4.4 The Bracknell Licensed Taxi Forum (BLTF) have submitted two proposals for changes to the tariff

Option 1 - first 700 yards- £3.00, subsequent 219 yards - 20p
Option 2 - first 700 yards- £3.00, subsequent 200 yards - 20p

The Bracknell Licensed Taxi Forum has also requested a change to the waiting time from 57 seconds to 45 seconds. This is an increase in cost from £12.80 to £16.00 per hour. An area of concern for drivers of vehicles able to carry 5 or more passengers is charging a 50% surcharge on the standard meter price applied by the driver pressing a button on the meter at the end of the journey. A charge of £10.00 as shown on the meter then becomes £15.00. It is said by the trade that this has caused heated disputes with customers in the past. The alternative is to create a further range of tariffs which mirror tariff 1, 2 and 3, but have a 50% loading. These would become 4, 5 and 6. These would be included only on those meters fitted within Hackney Carriages licensed for 5 or more

passengers. It would require a manual action by the driver to select these tariffs at the start of the journey which would then be shown on the meter as the journey progresses. Such a process is open to abuse and the implementation and use of such a tariff would be closely monitored by officers, and should abuse be identified this decision could be reviewed and if necessary reversed.

- 4.5 Attached to the report as **Annex A** is a table which shows a comparison between the pre July 2008, present and proposed tariffs, across a range of distances from 1 to 5 miles and a trip from Bracknell railway station to Reading town centre. The percentage increases for options 1 and 2 are based upon the difference from the present tariff, whilst the percentage associated with the present tariff relates to the difference from the pre July 2008 tariff. Attached as **Annex B** is a table which shows how the recommended tariff compares to those within a range of other authorities in the area.
- 4.6 The structure and format of the tariff for Hackney Carriages has remained the same for many years. On 7 February officers initiated a consultation with owners of Hackney Carriages on whether the present tariff structure is still appropriate for the delivery of a Hackney Carriage business in 2011 and going forward. A copy of the consultation letter is attached to this report as **Annex C**. Seventy seven letters were sent out with a closing date for comments being 8 March 2011. As of 8 March 3 responses were received regarding this consultation.
- 4.7 Attached to the report as **Annex D** are the responses from Mr J Yexley on behalf of the Bracknell Licensed Taxi Forum, Mr K Miah, a Hackney Carriage Owner, and Mr A Ball on behalf of JJM Taxis and Zulu Cars Ltd. It can be seen from the responses that there is resistance to changing the structure of the tariff. Officers are aware that the structure of tariffs vary widely across the country and even within this region. The TPI Unmet Demand Survey highlighted that a common reason given by the public for not using taxis is the cost, and officers are keen to explore with the trade options that might benefit the trade through increased business. The recommendation therefore seeks approval of the Committee for officers to continue with research into the structure of tariffs and through consultation with the trade and the general public to establish if the tariff structure is a barrier to increased usage of taxis, and whether changes to the tariff could result in benefits for both taxi owners and the travelling public.
- 4.8 The Bracknell Licensed Taxi Forum has asked that a letter in support of the change to the tariff be included alongside this report and it can be seen as **Annex E**. It is expected that a representative from the Bracknell Licensed Taxi Forum will be requesting to speak to the Committee regarding this paper.

Background Papers

Local Government (Miscellaneous Provisions) Act 1976

AA Fuel Price reports

Government Statistical data

Contact for further information

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