

**LICENSING AND SAFETY COMMITTEE**  
**5 JULY 2007**

---

**TARIFF CHARGES**  
**(Director of Environment and Leisure)**

**1 PURPOSE OF DECISION**

- 1.1 The Committee annually reviews the fees charged (the tariff) by Hackney Carriages (Taxis) within Bracknell Forest to ensure it is appropriate when balancing the interests of the taxi trade and users of the service.
- 1.2 The current tariff came into effect in October 2006 and any changes would need to be considered now so that legislative requirements regarding advertisements and consideration of objections can be met prior to introduction in October 2007.

**2 RECOMMENDATIONS**

**That the Committee agrees not to implement a change in the tariff at this time.**

**3 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

- 3.1 The Borough Solicitor is satisfied that the relevant legal provisions are contained within the body of the report.

Borough Treasurer

- 3.2 The Borough Treasurer is satisfied that no significant financial implications arise from this report.

Access Implications

- 3.3 There are no access issues arising from the report.

Strategic Risk Management Issues

There are no strategic risks identified.

**4 SUPPORTING INFORMATION**

- 4.1 The purpose of this report is for members to consider if changes should be made to the present charging structure for journeys within Hackney Carriages. If the decision of members is to change tariff then those changes must be advertised in a prescribed manner, and any objections received and considered before implementation.

- 4.2 The Council, in conjunction with the taxi trade, in an effort to arrive at charges which truly reflect costs, agreed a formula based upon those relevant business elements subjected to inflation in the previous year. This has been in use for charge setting for the last 8 years. The formula looks at changes in average earnings, motoring expenditure and the retail price general index for the previous year, in this case 1 January to 31 December 2006. The factors are then "weighted" to reflect the likely impact they might have on the business of running a taxi. Therefore motoring expenditure, ie fuel, servicing, insurance, taxes, vehicle costs and depreciation, is seen and weighted as the most influential factor. Employee earnings is seen as second with general inflation as last.
- 4.3 In 2006 the Committee agreed a tariff increase which equated to an average 3.7% increase over journeys from one mile to 5 miles. This was against an inflationary formula figure of 3.2%. Due to the manner in which a taxi meter works, it is not possible to have a consistent percentage increase for a range of distances travelled.
- 4.4 The inflationary figure for 2006 using the standard formula is 0.84%. This is set against an RPI General Index figure of 4.8%, average earnings of 1.3% and motoring expenditure of -0.05%. Attached to the report as Annex A is an extract from a spreadsheet which demonstrates how these figures have been calculated using the National Statistics data and the weighting factor.
- 4.5 There are substantial costs incurred by both the trade and the Council with the implementation of a tariff change. The meters have to be reprogrammed, often losing the owners at least half a day's work, and then separately tested by Council officers. In view of this, officers spoke to members of the trade to gauge their views should an increase of 1% or less be recommended. The view was that they would be disappointed with that level of increase and if that was to be the amount granted, then the costs incurred by them to implement it would not be recoverable. In such circumstances no increase would be preferable.
- 4.6 The tariff has been increased every year for the last 6 years as follows=:

2006	3.7%	2003	4.5%
2005	4.8%	2002	3.5%
2004	2.0%	2001	3.0%

and this has matched or bettered inflationary figures using the agreed formula. In light of the low inflationary rise this year and the comments regarding the costs of implementation, it is recommended that no increase be made for 2007.

#### Background Papers

National Inflation Statistics 2005 and 2006

#### Contact for further information

Robert Sexton – 01344 352580

robert.sexton@bracknell-forest.gov.uk

#### Doc Ref

Secs\other ctte\L&S\2007\july\tariff charges\11.6.07

## TAXI CHARGE INCREASE CALCULATOR

		% Increase	Weighting	Increase
<b>Average Earnings (E1)</b>				
Jan 2005	118			
Jan 2006	123.8	4.92	30%	1.476
Jan 2007	125.4	1.29	30%	0.387
<b>Motoring Expenditure</b>				
Jan 2005	181			
Jan 2006	185.5	2.4861878	60%	1.491713
Jan 2007	185.4	-0.0539084	60%	-0.032345
<b>RPI General Index</b>				
Mar 2005	190.5			
Mar 2006	195	2.36	10%	0.236
Mar 2007	204.4	4.82	10%	0.482
<b>Total %</b>				3.203713
<b>Total %</b>				0.836655