

PUBLIC PROTECTION COMMITTEE: 10 May 2011

Report of the Operational Manager (Licensing and Strategic Services)

APPLICATION FOR HACKNEY CARRIAGE FARE INCREASE MAY 2011

1. Background

- 1.1 A district council may fix or vary the rate of fare for the hire of a taxicab under the provisions of Section 65 of the Local Government (Miscellaneous Provisions) Act, 1976. The Section requires that any variation of the fare must be advertised in a local paper and that a period of notice of at least 14 days be given to enable any person to make objections.
- 1.2 On 2 December 2008 the Committee authorised the following rate of fare for the City of Cardiff to commence on 22 December 2008:

<u>AUTHORISED FARE TARIFF</u>	<u>Existing Fare (£)</u>
First 146 yards (133.5 metres) or part thereof,	2.00
If distance exceeds 146 yards (133.5 metres) for first 146 yards (133.5 metres)	2.00
For each subsequent 215 yards (196.6 metres)	0.20
WAITING TIME:	
For each period of 48 seconds	0.20
EXTRA CHARGES	
For hirings between midnight and 6.00 am and on Sundays, and Bank Holidays	1.00
For hirings between 8.00pm Christmas Eve and 6.00am on 27th December and between 8.00pm New Years Eve and 6.00am 2nd January	5.00
For each passenger exceeding four	1.00 each
For bicycles, cabin trunks (minimum size 36" x 24" x 18") and items of furniture	0.20 each
For the fouling of a vehicle	50.00

- 1.3 An application to increase the fare was submitted on 8th April 2011 by the Cardiff Hackney Association (CHA), and a subsequent application proposing a fare increase at the same rate was submitted by the Union of Taxi Drivers (UTD) on the 11th April 2011. The report is to provide members with details of the requests for increases in hackney carriage fares to enable the application to be determined. A previous application made by CHA for a fare increase was rejected by the Committee at its meeting of 8 February 2011.

2. Details of the application by the Cardiff Hackney Association & Union of Taxi Drivers

2.1 An application for a fare increase was received on 8th April 2011 from the Cardiff Hackney Association (CHA) and an application was received from the Union of Taxi Drivers on the 11th April 2011. Both are proposing a fare increase of 4.89%.

2.2 Requested amendments.

The requested amendments to the existing fees and charges are:

- (a) The initial fare should stay at £2.00 but the distance would decrease to 103 yards (metres).
- (b) Where the distance travelled exceeds 103 yards (metres) the cost for each subsequent 207 yards (metres) would be 20p.
- (c) The waiting time be increased to 20p for each 46 seconds.

2.3 The content of the requested increase is shown in the following table.

<u>AUTHORISED FARE TARIFF</u>	<u>Existing Fare (£)</u>
First 140 yards (128.2 metres) or part thereof,	2.00
If distance exceeds 140 yards (128.2 metres) for first 140 yards (128.2 metres)	2.00
For each subsequent 203 yards (185.62 metres)	0.20
<u>WAITING TIME:</u>	
For each period of 46 seconds	0.20
<u>EXTRA CHARGES</u>	
For hirings between midnight and 6.00 am and on Sundays, and Bank Holidays	1.00
For hirings between 8.00pm Christmas Eve and 6.00am on 27th December and between 8.00pm New Years Eve and 6.00am 2nd January	5.00
For each passenger exceeding four	1.00 each
For bicycles, cabin trunks (minimum size 36" x 24" x 18") and items of furniture	0.20 each
For the fouling of a vehicle	50.00

2.4 The proposal would increase the cost of a three mile journey by 5.88% during the day and by 5.13% during the night. An average of journeys of up to 10 miles would result in an increase during the day of 4.53% and 4.13% at night. The increase in the waiting time would be 4.35%.

2.5 In support of the application the Hackney Carriage Association & Union of Taxi Driver make the following points:

- Fares have not increased since December 2008.
- Since this time there have been many substantial cost increases in providing the service, mainly arising from increase in fuel cost, VAT and inflation.

3. Details of an application by the Dragon Taxis

3.1 As a result of consultation an application was submitted by Dragon Taxis, a licensed operator, for a fare increase on 19th April 2011. The application is to increase the tariff as from 1st September 2011.

3.2 Requested amendments.

The requested amendments to the existing fees and charges are:

- (a) The initial fare should stay at £2.00 but the distance would decrease to 140 yards (128.2 metres).
- (b) Where the distance travelled exceeds 140 yards (128.2 metres) the cost for each subsequent 203 yards (185.62metres) would be 20p.
- (c) For hirings between 08.00pm Christmas Eve and 06.00am on 27 December and between 08.00pm on New Year's Eve and 06.00am on 2 January be reduced from £5.00 to £3.00.
- (d) The extra charge for each passenger exceeding four would increase from £1.00 to £1.50.
- (f) The extra charge for bicycles, cabin trunks (minimum size 36" x 24" x 18") and items of furniture would increase from 20p to 50p.

3.3 The content of the requested increase is shown in the following table.

<u>AUTHORISED FARE TARIFF</u>	<u>Existing Fare (£)</u>
First 103 yards (94.18 metres) or part thereof,	2.00
If distance exceeds 103 yards (94.18 metres) for first 103 yards (94.18 metres)	2.00
For each subsequent 207 yards (189.28 metres)	0.20
WAITING TIME:	
For each period of 48 seconds	0.20
EXTRA CHARGES	
For hirings between midnight and 6.00 am and on Sundays, and Bank Holidays	1.00
For hirings between 8.00pm Christmas Eve and 6.00am on 27th December and between 8.00pm New Years Eve and 6.00am 2nd January	3.00
For each passenger exceeding four	1.50 each
For bicycles, cabin trunks (minimum size 36" x 24" x 18") and items of furniture	0.50 each
For the fouling of a vehicle	50.00

3.4 The proposal would increase the cost of a three mile journey by 5.88% during the day and by 5.13% during the night. An average of journeys of up to 10 miles would result in an increase during the day of 3.95% and 3.54% at night.

3.5 In support of the application Dragon Taxis have made the following points:

- The increase should not have effect until 1st September 2011 as we are going into the Easter period now which normally indicates a downturn in work for

the summer period this does not bounce back until the schools and students return in September.

- Although the costs have risen for drivers, the cost of living has risen for everybody so if the trade were to increase the tariff too much we might lose out to customers choosing cheaper forms of transport.
- I would like to decrease the Christmas tariff from £5.00 extra to £3.00 extra as this creates the most loss of work and arguments at this time of year as most people will not pay it, getting in a vehicle that charges £7.00 before you go anywhere is extreme.
- I would like to increase the tariff for carrying more than four people from £1.00 each to £1.50 each as drivers who purchase larger vehicles at a premium cost deserve a large payback. These drivers have to pay more for tyres, fuel, servicing etc than a normal vehicle while most of the fares they carry will be less than four people. So for the times they do carry over four people the charges should be increased to offset the extra costs incurred to keep these vehicles on the road.
- I would like to increase the charges for bicycles, cabin trunks and items of furniture from 20p to 50p as the same argument as above would apply.

4. Considerations.

4.1 For information the following table provides details of the daytime rate of the fare currently authorised by the Council together with a comparison with the proposed fares and also the fares authorised by a sample of other licensing authorities: -

Authority	Initial Charge		Each Succeeding		Change Date	Waiting Time		Fare for a 3 mile Journey (£)
	Price (£)	Yards	Price (p)	Yards		Min (p)	Hour (£)	
London	2.20	295	20	174	April 2011	41.2	24.7	9.00
Bath	2.60	372	20	183	Dec 2010	30	18.00	8.00
Dover	3.00	400	10	117	NS	25.5	15.30	7.60
Stevenage	3.00	880	20	176	Mar 2011	30.0	18.00	8.00
Stockport	2.00	986	20	162	10/07/08	23.1	13.85	7.40
Bristol	2.60	218	20	218	Feb 2011	23.5	18.00	7.40
<i>Cardiff Proposed</i>	<i>2.00</i>	<i>140</i>	<i>20</i>	<i>203</i>		<i>26.1</i>	<i>15.65</i>	<i>7.20</i>
<i>Dragon Proposed</i>	<i>2.00</i>	<i>103</i>	<i>20</i>	<i>207</i>		<i>25.0</i>	<i>15.00</i>	<i>7.20</i>
Vale of Glam	2.60	880	18	176	Aug 2008	25.0	15.00	7.20
Manchester	2.30	422	20	199	April 2011	29.5	17.71	7.20
Carlisle	2.50	1231	20	176	Oct 2010	23.4	14.04	7.20
Edinburgh	1.60	492	25	229	June 2010	33.3	20.00	7.00
Newport	3.00	1200	10	112	Oct 2010	20	12.00	6.90
Wigan	1.80	408	10	97	April 2011	20.7	12.41	6.90
<i>Cardiff Existing</i>	<i>2.00</i>	<i>146</i>	<i>20</i>	<i>215</i>	<i>22/12/08</i>	<i>25.0</i>	<i>15.00</i>	<i>6.80</i>
Coventry	2.80	1344	20	177	Sept 2008	25	15.00	6.60
Swansea	1.80	251	25	251	31/9/08	21.4	12.83	6.50
Liverpool	2.00	330	20	232	3/11/08	17	10.20	6.40

- 4.2 As reported to the Committee on 5 October 2010 the Hackney Carriage Fare Index indicated that the cost of operating a hackney carriage had increased by 2.53% during the previous year. The index has been recalculated from the base year of September 2008 and has shown an average rise in running a vehicle of 11.5% in the 27 month period an annual percentage increase of 4.89%.
- 4.3 The AA Fuel Price Report shows that the cost of Diesel has increased from a Wales average of 101.9p per litre at December 2008 to 139.5 per Litre in March 2011 an increase of 36.90%. Unleaded 95 Octane petrol has increased to 133.2 per litre, an increase of 48.16% in the same period. Since the previous fare application in February 2011 fuel prices have increased by 8.82% for unleaded and 10.10% for diesel. Licence fees have not increased since 1 May 2009 when they went up by 3.0%. The vehicle excise duty has increased for petrol & diesel vehicles in band H from £165 to £180 a 9% increase.
- 4.4 Should the Committee agree to vary the tariff, the variation would need to be advertised for a period of at least 14 days to permit persons to make an objection. A copy of the notice is shown in Appendix A of the report. Should there be no objections; the variation would then come into effect on the date of the expiry of the period of notice. However, should an objection be received the objection would need to be considered by the Committee before the variation is implemented.

5. Consultations.

- 5.1 The authority is required to consult on any proposed increase and it is therefore clearly in the interests of effective administration to consult with all effected parties at an early stage to ensure the matter can be determined speedily and effectively. In accordance with the normal procedure therefore trade representatives and interested parties were advised of the application for a fare increase on 11 April 2011 inviting comments by 22 April 2011. Details of any responses received will be provided at the meeting.

6. Achievability

This report contains no equality personnel or property implications.

7. Legal Implications

- 7.1 If the Committee decides to amend the fare tariff it will be necessary to give public notice in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. The Committee will then have to consider any objections that are received.
- 7.2 All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

8. Financial Implications.

This report does not result directly in any additional financial implications. The increase in fares will need to be publicly advertised and the associated costs of advertising will be borne by the Licensing Service from within its existing budget.

9. Recommendation

That the applications for an increase in taxicab rates of fare be considered and determined on the merits. Should the Committee agree to change the authorised taxicab rate of fare it is recommended that the Committee authorise advertisement of the variation in a local paper requesting representations by 12 noon on Wednesday 1 June 2011.

Paul Shone

19 April 2011

OPERATIONAL MANAGER (LICENSING AND STRATEGIC SERVICES)

This report has been prepared in accordance with procedures approved by Corporate Directors.

Background Papers:

1. Letter of application.
2. Hackney Carriage Tariff Rate Sheets available from Bath and North East Somerset Council, Bristol, Coventry, Carlisle, Dover, Edinburgh, Liverpool, Manchester, Newcastle, Newport, Stockport, Scarborough, Stevenage, Swansea, Wigan Council, Vale of Glamorgan, and the Metropolitan Police for London.

APPENDIX A – PUBLIC NOTICE OF APPLICATION FOR VARIATION

CARDIFF COUNCIL FARES FOR HACKNEY CARRIAGES			
TAKE NOTICE THAT Cardiff Council proposes to vary the Table of Fares currently in force for hackney carriages in the City and County of Cardiff, pursuant to its' powers under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 in the following manner:-			
<u>PRESENT CHARGE</u>		<u>PROPOSED CHARGE</u>	
First 146 yards (133.5 metres) or part thereof,	£2.00	First 140 yards (128.2 metres) or part thereof,	£2.00
If distance exceeds 146 yards (133.5metres) for first 146 yards (133.5metres)	£2.00	If distance exceeds 140 yards (128.2 metres) for first 140 yards (128.2 metres)	£2.00
For each subsequent 215 yards (196.6metres)	£0.20	For each subsequent 203 yards (185.62 metres)	£0.20
WAITING TIME:		WAITING TIME:	
For each period of 48 seconds	£0.20	For each period of 46 seconds	£0.20
EXTRA CHARGES		EXTRA CHARGES	
For hirings between midnight and 6.00 am and on Sundays, and Bank Holidays	£1.00	For hirings between midnight and 6.00 am and on Sundays, and Bank Holidays	£1.00
For hirings between 8.00pm Christmas Eve and 6.00am on 27th December and between 8.00pm New Years Eve and 6.00am 2nd January	£5.00	For hirings between 8.00pm Christmas Eve and 6.00am on 27th December and between 8.00pm New Years Eve and 6.00am 2nd January	£5.00
For each passenger exceeding four	£1.00 each	For each passenger exceeding four	£1.00 each
For bicycles, cabin trunks (minimum size 36" x 24" x 18") and items of furniture	£0.20 each	For bicycles, cabin trunks (minimum size 36" x 24" x 18") and items of furniture	£0.20 each
For the fouling of a vehicle	£50.00	For the fouling of a vehicle	£50.00
<p>Any objection to the proposed variation must be made in writing to the Chief Legal & Democratic Services Officer, County Hall, Atlantic Wharf, Cardiff CF10 4UW. All objections must be received by 12.00noon on 1 June 2011.</p> <p>A copy of this Notice shall be deposited at the Reception of City Hall, Cardiff from today until 12.00noon on 1 June 2011 and shall be open to public inspection at all reasonable hours without payment</p>			
<p>Dated 16 May 2011 Licensing and Strategic Services Cardiff Council, Room 161, Cardiff. CF10 3ND</p>			