

**APPLICATION FOR A HACKNEY CARRIAGE FARE  
INCREASE**

**CLEAN STREETS, RECYCLING AND ENVIRONMENT  
(COUNCILLOR MICHAEL MICHAEL)**

**AGENDA ITEM: 3**

---

**DIRECTOR OF CITY OPERATIONS**

**Reason for this Report**

1. To consider an application made by Dragon Taxis to vary the current rate of hackney carriage fares in Cardiff.

**Background**

2. The Council may fix or vary the rate of fare for the hire of a hackney carriage 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.
3. The current tariff of fares has been in place since 21 December 2015 and is shown in appendix A
4. An application made by taxi operator Dragon Taxis, Martin Road, Tremorfa Industrial Estate, Cardiff, to increase the rate of fares was submitted to the Licensing Section.

**Dragon Taxis Application**

5. Dragon Taxi's application proposes to increase the charge of the first 103 yards by 20p to £2.50. After 103 yards, 20p will be charged for each subsequent 195 yards, this has been decreased from 207 yards. All other charges remain the same as the current table of fares. Full details of the request, including supporting information, are shown in Appendix B. The requested implementation date of 1<sup>st</sup> October is not achievable and the alternative is set out in the recommendations section of the report.

6. In support of the application Gareth Owen of Dragon taxis has stated:  
*“In real terms drivers are now earning 5.3% less than two years ago and this application will bring drivers back in line with inflation. I am proposing and increase to the drop on the meter of 20 pence bring the initial start of the meter from £2.30 to £2.50 and an increase in the ongoing mileage rate of 10 pence per mile, bring the rate up from £1.70 per mile to £1.80 per mile.”*
7. The proposal would increase the cost of an average three mile journey by 6.9% during the day and by 6% during the night. In monetary terms this would be an increase from £7.30 to £7.80 during the day and from £8.30 to £8.80 at night. An average journey of up to 10 miles would result in an increase during the day from £19.20 to £20.40, a rise of 6.25% and £20.20 to £21.40 at night, a rise of 5.94%. There would be no increase in waiting time or additional charges. The following tables provide details of the current maximum fares for journeys within Cardiff with a comparison to the proposed tariffs.

<b>Journey Length (Daytime)</b>	<b>Current</b>	<b>Dragon Proposal</b>	<b>Percentage increase</b>
1 mile	£3.90	£4.20	7.69%
2 mile	£5.60	£6.00	7.14%
3 mile	£7.30	£7.80	6.85%
4 mile	£9.00	£9.60	6.67%
5 mile	£10.70	£11.40	6.54%
10 mile	£19.20	£20.40	6.25%

<b>Journey Length (Night time)</b>	<b>Current</b>	<b>Dragon Proposal</b>	<b>Percentage increase</b>
1 mile	£4.90	£5.20	6.12%
2 mile	£6.60	£7.00	6.06%
3 mile	£8.30	£8.80	6.02%
4 mile	£10.00	£10.60	6.00%
5 mile	£11.70	£12.40	5.98%

10 mile	£20.20	£21.40	5.94%
---------	--------	--------	-------

8. The application made by Dragon is above the rate of inflation since the previous fare increase. The annual rate of inflation was 1.7% in 2016 and is on average 2.7% so far in 2017. However, it should be noted that if inflation remains at current levels, this difference will be negated within 12 months.

### **Considerations**

9. In September 2009, the Council approved the Hackney Carriage Fare Index; a method of calculating how much the cost of operating a hackney carriage has changed since the last fare increase was implemented. Using the Index, it has been calculated that the vehicle costs have risen considerably, with insurance costs increasing by 22% and vehicle parts costs increasing by 40%. Driver costs have decreased by 0.94% due to a decrease in licence fees. It should be noted that although this index shows a significant increase in costs. However little weight can be attached to the results of the fare index as the vehicle that was used for a base line comparison is no longer made, so calculations performed this time are not truly comparable.
10. The AA Fuel Price Report shows that the cost of diesel has increased from a Wales average of 107.3p per litre in December 2015 to 120.3p per litre in September 2017 an increase of 12%. Unleaded 95 Octane petrol has also increased by 15% during the same period from 104p per litre to 119.6p per litre.
11. Hackney Carriage Vehicle Licence fees have decreased since December 2015 from £163 to £154 for a 12 month renewal, a decrease of approximately 5%.
12. Consideration should be given to obtaining a balance between increasing the fare to compensate in the increase of costs of running a hackney carriage, and ensuring that the increase does not deter the public from using hackney carriages.

13. For information the following table provides details of the daytime rate of the 2 mile 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:

<b>Authority</b>	<b>Cost per 2 mile journey</b>
Watford	£8.40
London	£7.20
Swindon	£6.70
Exeter	£6.60
Bath	£6.40
Hereford	£6.30
Plymouth	£6.00
<b>Dragon Proposed Tariff</b>	<b>£6.00</b>
Newcastle upon Tyne	£5.80
UK Average	£5.75
Vale of Glamorgan	£5.65
Newport	£5.60
<b>Cardiff (Current Tariff)</b>	<b>£5.60</b>
Gwynedd	£5.50
Wales Average	£5.20
Rhondda Cynon Taff	£5.20
Powys	£5.20
Swansea	£5.05
Bridgend	£4.90
Caerphilly	£4.80
Merthyr Tydfil	£4.50
Blaenau Gwent	£4.30

The

The average 2 mile day-time fare in the UK is currently £5.74, and in Wales it is £5.20. Cardiff is currently 220<sup>th</sup> in the 2 mile fare league table out of 369 local authorities, as printed in the September edition of Private Hire & Taxi Monthly. Dragon's proposed increase would move Cardiff to 146<sup>th</sup> out of 369 local authorities. A copy of the full list is attached at appendix B.

14. Should the Cabinet 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. 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 Cabinet before the variation is implemented.

### **Reason for Recommendations**

15. The report seeks determination of the application to vary Cardiff Council's Hackney Carriage tariff of fares. It is a legal requirement that the approved tariff applies to all hackney carriage journeys that start and end within the Cardiff boundary.

### **Financial Implications**

16. 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

### **Legal Implications**

17. If Cabinet 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 Cabinet will then have to consider any objections that are received.
18. 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.

### **HR Implications**

19. There are no HR implications as a result of this report.

## **RECOMMENDATIONS**

Cabinet is recommended to:

1. Note the issues and impacts to taxi fares set out in the report
2. Approve the application put forward by Dragon Taxis with an implementation date of 1<sup>st</sup> February 2018 (provided that there are no objections).
3. Authorise the advertisement of the variation in a local newspaper.

### **ANDREW GREGORY**

Director

8 December 2017

*The following appendices are attached:*

Appendix A: Current Hackney Carriage Tariff

Appendix B: Details of the Dragon Taxis application

Appendix C: Private Hire & Taxi Monthly Fare League Table (September)

