
VARIATION TO HACKNEY CARRIAGE FARES

Responsible Cabinet Member - Councillor David Lyonette, Transport Portfolio

**Responsible Director - Paul Wildsmith
Director of Corporate Services**

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is for Members to consider an application to revise the tariffs levied in respect of hackney carriage fares.

Summary

2. This report provides information on the current hackney carriage tariffs, an application from members of the trade to increase the tariffs, numerous trade objections to the proposal and options for Members in relation to the application.

Conclusion

3. Paragraph 12 of this report reflects that a large proportion of the licensed trade are opposed to the application to increase the tariffs and reminds Members that the hackney tariffs have already been increased in January 2008. If Members are minded to refuse the application, the trade can make further applications in due course.

Recommendation

4. It is recommended that the application to increase the current hackney carriage tariff be refused.

Reasons

5. The recommendations are supported as the hackney carriage tariffs were increased in January 2008 and there has been substantial opposition by the trade to this recent application.

**Paul Wildsmith
Director of Corporate Services**

Background Papers

- 1 Local Government (Miscellaneous Provisions) Act 1976

Appendices

- a Section 65 of the Local Government (Miscellaneous Provisions) Act 1976
- b Letters from members of the taxi trade received 2 July 2008
- c Comparison Table of neighbouring authorities
- d Trade responses to informal consultation

S17 Crime and Disorder	This report has no implications for crime and disorder.
Health and Well Being	There are no issues which this report needs to address.
Sustainability	There are no issues which this report needs to address.
Diversity	There are no issues which this report needs to address.
Wards Affected	The proposals affect all Wards.
Groups Affected	The proposals affect all communities.
Budget and Policy Framework	This report does not represent a change to Council policy.
Key Decision	The proposals do not represent a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There are no issues which this report needs to address.

MAIN REPORT

Information and Analysis

5. The Local Government (Miscellaneous Provisions) Act 1976 (“the 1976 Act”) at Section 65 provides for a District Council to fix the rates of fares for hackney carriages. The relevant section is reproduced in full at **Appendix A**.
6. Members last considered a variation to the hackney carriage tariffs on 12 September 2006 following an application from a trade member. The consultation process on that occasion resulted in a variety of alternative proposals being put forward by a small number of trade members. On that occasion Members approved the original application, referred the matter to the statutory consultation process and as a result the revised fares were introduced on 5 October 2006.
7. In November 2007 a further request for an increase was made by the trade. A preliminary consultation exercise revealed no opposition to the proposal and the application was made subject to statutory consultation. As no objections were received the revised fares were introduced on 29 January 2008 under delegated powers.
8. On 2 July 2008 the Licensing Section received a further request for an increase in tariffs from 14 hackney carriage proprietors (who between them own 19 vehicles) and one person who has a beneficial interest in a vehicle owned by another person. On 9 July 2008 the request was amended due to a typographical error in the original application. The current application is appended as **Appendix B**.

9. The table below gives the existing charge and the proposed increase. The fares proposed in **Appendix B** have been converted to reflect equivalent costs per mile for ease of reference.

TARIFF	Existing First Mile	Proposed First Mile	Existing Subsequent Mile	Proposed Subsequent Mile	Existing 3 Mile	Proposed 3 Mile
1 (06:00 to 23:00)	£3.70	£3.90	£1.44	£1.80	£6.58	£7.30
2 (23:00 to 06:00) and the 24 hours of all public holidays other than those included in tariff 3	£4.50	£5.10	£1.80	£2.70	£8.10	£10.20
3 18:00 24/12 to 06:00 27/12 & 18:00 3/12 to 06:00 2/1	£5.50	£6.80	£2.40	£3.60	£10.30	£13.60

10. A comparison has also been made with neighbouring authorities and is attached as **Appendix C**. It shows large variations in some tariffs and similarities in others.

Outcome of Consultation

11. On 22 July 2008 a letter was sent to all 157 hackney carriage proprietors (who between them own 195 vehicles), advising them of the request and inviting them to comment. As a result of this preparatory consultation:
- (a) 78 hackney carriage proprietors (who between them own 83 vehicles) opposed any form of increase.
 - (b) Two hackney carriage proprietors (who between them own two vehicles) who had originally been part of the 14 original applicants opposed any form of increase.
 - (c) A person with a beneficial interest in a vehicle who had originally made application for an increase opposed any form of increase.
 - (d) 15 hackney carriage drivers and two private hire vehicle proprietors expressed opposition to any form of increase.
 - (e) One further person with a beneficial interest in a vehicle expressed his opposition to any form of increase.

Full details of the responses are appended as **Appendix D**.

12. In considering this application and the resulting consultation with the trade, members should take into account the following:
- (a) Of the original 14 applicants, two (who between them own two vehicles) must be discounted as they have both requested an increase and also opposed the same increase.
 - (b) 78 proprietors who between them own more than 40% of the hackney carriage fleet have opposed this application. By contrast when Cabinet considered an application in 2006, only three trade members objected to the proposal.
 - (c) At a recent Taxi Liaison meeting the Trade specifically requested that Members do not count a nil response as a vote for an increase.
 - (d) The hackney fare has only recently been increased in January 2008.
 - (e) The proposal for an alternative tariff (see **Appendix C (iv)**) equates to a reduction in the current tariff. The tariff set by the Council is the *maximum* a proprietor can charge and any proprietor is entitled to charge a rate below the set tariff. With the exception of the request for a 25% loading on passenger numbers/vehicle size the lower fare can be levied without any need to amend the current tariffs.
 - (f) An increase in the tariff will have an impact on the cost to passengers using hackney carriage vehicles.
 - (g) The impact of an increase to the public has to be balanced with need for the taxi trade to be able to make a living and to continue to both purchase new vehicles and maintain the current fleet.
13. In light of the information contained within this report Members must decide whether to approve the application or refuse it. Paragraph 12 of this report illustrates that a large proportion of the licensed Trade are opposed to the application and that the hackney fares have already been increased in January 2008. It is therefore recommended that Members refuse this application. If Members are minded to refuse the application, the trade can make further applications in due course. If Members are, however, minded to approve it will be subject to statutory advertising

The Statutory Consultation Requirement

14. In the event that Members are minded to approve this application the statutory consultation will not commence until an advertisement is placed in the Northern Echo (approximate cost is £700) and the 14-day consultation period commences. In the event of objections as a result of the statutory consultation, Council will need to consider the objections given that Cabinet has already considered the trade objections before them in this report.

THE LEGISLATION**Section 65 of the Local Government (Miscellaneous Provisions) Act 1976**

- (1) A District Council may fix the rates or fares within the District as well for time as distance, and all other charges in connection with the hire of the vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section.
- (2) (a) When a District Council make or vary a table of fares they shall publish in at least one local newspaper circulating in the District a notice setting out the table of fares or the variation thereof and specify the period, which shall not be less than fourteen days from the date of the first publication of the notice, within which and the manner in which objections to the table of fares or variation can be made.

(b) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of fourteen days from the date of the first publication thereof be deposited at the offices of the Council which published the notice, and shall at all reasonable hours be open to public inspection without payment.
- (3) If no objection to a table of fares or variation is duly made within the period specified in the notice referred to in subsection (2) of this section, or if all objections so made are withdrawn, the table of fares or variation shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection or, if more than one, of the last objection, whichever is the later.
- (4) If objection is duly made as aforesaid and is not withdrawn, the District Council shall set a further date, not later than two months after the first specified date, on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.
- (5) A table of fares made or varied under this section shall have effect for the purposes of the Act of 1847 as if it were included in hackney carriage byelaws made there under.
- (6) On the coming into operation of the table of fares made by a Council under this section for the District, any hackney carriage byelaws fixing rates and fares or any table of fares previously made under this section for the District, as the case may be, shall cease to have effect.
- (7) Section 236(8) (except the words "when confirmed") and Section 238 of the Local Government Act 1972 (except paragraphs (c) and (d) of that section) shall extend and apply to a table of fares made or varied under this section as they apply to byelaws made by a District Council.

APPLICATIONS FOR INCREASE IN TARIFFS

Dear Sir

So far this year I have had to absorb an almost 30% increase in the cost of fuel, diesel having passed £1.30 per litre. This together with increase in road tax and licences has forced me to reluctantly request a taxi tariff increase. I am aware, of course, that we raised our fares in January but feel that increased costs are becoming too much to absorb.

My proposal is as follows:

	Tariff 1	Tariff 2	Tariff 3
For the first 290 yds or part thereof	£2.50	£3.00	£4.00
Each additional 210 yds or part thereof	£0.20	£0.30	£0.40
Waiting time per 40 seconds	£0.20	£0.30	£0.40
For each passenger in excess of two	£0.20	£0.30	£0.40

On tariff 1 this would give £4.10 for the first mile and £1.67 per running mile thereafter.

I have also requested an extra charge, depending on the number of passengers, to compensate for the additional expense of providing an MPV or wheelchair accessible vehicle.

E Boyce	HCV060
S Dockray	HCV 071
LM Farlow	HCV016
E Grunblat	HCV150 & HCV156
J Harper	HCV 257
D Harrod	HCV040
J Harrod	HCV006 & HCV275
A Knight	HCV074
AT Leighton	HCV261
W Lewis	HCV007
P Metcalfe	HCV299
J Notman	HCV42
J Stoddart	HCV224 & HCV265
D Taylor	HCV152, HCV 237 & HCV300
C Todd	3rd party

NEIGHBOURING AUTHORITIES FARE COMPARISON

DARLINGTON BOROUGH COUNCIL

TARIFF 1	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
1 06.00am – 12 midnight	£3.70	£1.44	£6.58
TARIFF 2	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
12 midnight – 06.00am	£4.50	£1.80	£8.10
TARIFF 3	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
Christmas & New Year	£5.50	£2.40	£10.30

MIDDLESBROUGH COUNCIL

TARIFF 1	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
6.00pm – 12.00pm	£2.80	£1.50	£5.80
TARIFF 2	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
12.00pm – 06.00am	£3.80	£2.20	£8.20

REDCAR AND CLEVELAND BOROUGH COUNCIL

TARIFF 1	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
9.00am – 05.00pm	£2.90	£1.50	£5.90
TARIFF 2	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
5.00pm – 11.30pm	£3.40	£1.50	£6.40

SEDFIELD BOROUGH COUNCIL

TARIFF 1	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
7.00am – 11.00pm	£3.46	£1.82	£7.10
TARIFF 2	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
11.00pm – 07.00am	£4.37	£2.34	£9.05

STOCKTON-ON-TEES BOROUGH COUNCIL

TARIFF 1	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
1 06.00am – 12 midnight	£3.20	£1.30	£5.80
TARIFF 2	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
12 midnight – 06.00am	£3.85	£1.95	£7.75
TARIFF 3	EXISTING FIRST MILE	SUBSEQUENT MILE THEREAFTER	3 MILE
Christmas & New Year	£4.40	£2.60	£9.60

OPPOSITION TO INCREASE IN TARIFFS

APPENDIX D (i)

Dear Sir

Hackney Carriage Tariff

With reference to the proposal of the hackney carriage fare increase. I would like to oppose any increase or change in the fares at this moment as I think it would do more harm than good to our industry in the present financial climate.

D Addison	HCV184	C Johnson	HCV108
D Armit	HCV061	S Jones	HCV214
J Bailey	HCV121	I Krausko	HCV246
MT Bell	HCV295	S Leonard	HCV082 & HCV209
A Bradley	HCV087	L Linley	HCV065
M Brown	HCV240	BJ McMillan	HCV076
W Buckle	HCV283	A Marriner	HCV151
S Burns	HCV277	C Marriner	HCV147
M Chamberlain	HCV236	C Mason	HCV258
JD Chapman	HCV069	J Mason	HCV073
K Clark	HCV145	T Morgan	HCV048
V Coxon	HCV281	P Mudd	HCV003
K Dinsdale	HCV293	NA Nevison	HCV290
S Ditchburn	HCV242	D Newcombe	HCV219
G Dove	HCV036	T O'Neill	HCV185
M Dyson	HCV221	R Oyston	HCV124
M Ferguson	HCV105	RL Park	HCV276
P Forster	HCV217	W Redhead	HCV001
DA Gardiner	HCV195	PM Scott	HCV100
B Gilbey	HCV024	S Simpson	HCV227
D Godfrey	HCV206	J Singh	HCV104
A Griffiths	HCV115	P Smith	HCV131
		A Swan	HCV285
S Harrison	HCV028	M Thompson	HCV092
S Henderson	HCV254	N Thompson	HCV055
P Hilton	HCV202	S Thubron	HCV228
AM Howard	HCV218	AS Turner	HCV264
J Irvine	HCV098	G Wakefield	HCV019
M Ivison	HCV280	MS Wilson	HCV034, HCV112, HCV114
K Jackson	HCV287	M Winn	HCV238
M Jackson	HCV008	P Woods	HCV096
		W Yeoman	HCV129

Also L Hamilton 3rd party
+ one driver

OPPOSITION TO INCREASE IN TARIFFS

APPENDIX D (ii)

Dear Sir/Madam

In response to your letter dated July 22nd, the undersigned, wish to lodge my objection to the proposed increase in hackney carriage tariffs on the grounds listed below:

1. The British economy is currently in recession (regardless of the current government line).
2. The taxi trade is engaged in what is best described as a luxury industry.
3. Under no circumstances can our trade actually afford to increase its charges to the travelling public at this time, no matter what a small minority of proprietors may feel.
4. I do not feel that doubling the size of the charge per increment (irrespective of the yardage involved) is the way to achieve good customer relations. (Try explaining the difference to a drunk on a weekend night).
5. I believe that this increase would only benefit a small minority of the trade, while costing the remainder of their trade in lower revenues and possibly lead to a number of operators losing their business. An economic recession is a time to tighten our belts, not try to alienate ourselves from our customers and possibly lose their business permanently.
6. Any day of the week it is possible to see cars from out of town coming onto our railway station and/or our airport etc to pick up pre-booked fares because we are already more expensive than taxis licensed by neighbouring authorities. Any increase in taxi fares would only lead to an escalation of this and therefore reduce the amount of jobs going out of town leading to financial hardship for all taxi proprietors/drivers attempting to make a living from the ranks in the borough.
7. Any idea to levy an excess charge for passengers in excess of 2 would be a total farce as a standard taxi is licensed to carry 4 passengers and therefore the metered fare should be applied to any and all journeys carrying 4 passengers or less.

G Gale HCV188

R Stein HCV080

I Chandler – 3rd party

S Dockray HCV071 (NB this person also signed to request an increase – see **Appendix B**)

P Metcalfe HCV299 (NB this person also signed to request an increase – see **Appendix B**)

C Todd 3rd party (NB this person also signed to request an increase – see **Appendix B**)

OPPOSITION TO INCREASE IN TARIFFS

PETITION 1AB TAXIS LTD

PROPOSED HACKNEY CARRIAGE TARIFF INCREASE

We the undersigned oppose any tariff increase and the proposal to include an extra charge for multiple passengers.

M Ashcroft	HCV232
W Boyd	HCV267
J Burns	HCV038
S Burns	HCV277
M Crang	HCV230, HCV235 & HCV266
MS Crang	HCV095
D Cleminson	HCV252
B Dickinson	HCV041
D Guest	HCV110
G Park	HCV 067
P Kolodziej	HCV284
M Mullett	HCV243
P Rimmer	HCV247
R Spence	HCV035

In addition 2 Private hire proprietors and 14 HC drivers signed this petition & a further 2 signatures were undecipherable

E mail from Hurworth Taxis;

Further to your letter dated 22nd July 2008, Hurworth Taxis would propose consideration of the following:

1. That the increase in additional 210 yards of part thereof read Tariff1 £0.15, Tariff 2 £0.20, Tariff 3 £0.30.
2. Consideration be given to an increase by 25% for vehicles carrying up to 8 max ref your paragraph for MPV vehicles etc.

(For the benefit of Members officers have converted this into an actual cost below)

TARIFF	Existing First Mile	Proposed First Mile	Existing Subsequent Mile	Proposed Subsequent Mile	Existing 3 Mile	Proposed 3 Mile
1)	£3.70	£3.55	£1.44	£1.35	£6.58	£6.25
2 3	£4.50	£4.40	£1.80	£1.80	£8.10	£8.00
3	£5.50	£6.10	£2.40	£2.70	£10.30	£11.50