

BRIDGEND COUNTY BOROUGH COUNCIL

LICENSING COMMITTEE

17 OCTOBER 2008

REPORT OF THE ASSISTANT CHIEF EXECUTIVE LEGAL AND REGULATORY SERVICES

TAXI LICENSING

LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976

SECTION 65: APPLICATION TO INCREASE TABLE OF FARES

1.0 Purpose of Report

1.1 To consider representations made in respect of a proposal to increase the table of taxi fares in the County Borough.

2.0 Link to Corporate Priorities

2.1 The duties of the Council under the Act are regulatory in nature. Members are advised that in the absence of an authorised table of fares and use of taxi meters there is no mechanism to regulate charging and therefore to protect the consumer.

3.0 Background

3.1 At their meeting held on 10 July 2008 the Licensing Committee resolved to approve an application for an increase in taxi fares as shown in Appendix A to this report subject to the statutory consultation process.

3.2 The proposal has been advertised in accordance with the regulations. In addition, a letter advising of the proposal was sent to individual taxi owners inviting their comments.

3.3 The consultation resulted in a number of responses from the taxi trade.

4.0 Representations received in support for part or all of the resolution

4.1 The Bridgend County Hackney Association has submitted representations in support of the proposals except in respect of the implementation time of Tariff One changing to 4.00 am. The Association states that the proposed change to 4.00 am would result in taxi drivers working unsociable hours for the same rate as day time tariffs and therefore potentially result in a lack of taxis at a critical time for the night time economy.

4.2 Mr Davies broadly agrees with increases to Tariff 1 and 2, but also disagrees strongly with proposal to start Tariff 1 at 0400 as the hours of 0400 to 0600 are unsocial hours.

4.2.1 He also disagrees with increases to weekend and Bank Holiday rates. He expresses concerns that unless every car is fitted with a calendar meter

unscrupulous drivers could abuse the tariff system. He adds, that in his opinion, the only Bank Holidays that can be classed as busy are Boxing Day and New Year's Day, the others are very quiet. He also requests that the current anomaly at midnight on Christmas Eve is reviewed, when drivers can now charge double Tariff One to take customers home and there is a considerable increase from the normal return fares. In addition, he states that Christmas Day should remain as Double Tariff 1 but from 0600 hours on 25 December to 0600 hours on 26 December. He states that the only work available on Christmas Day is over the phone and people are told the rates and accept this. He adds that there is no taxi rank work on Christmas Day as licensed premises are closed.

4.2.2 He requests that the unsocial hours premium should be altered to 2200 instead of 2000 hours as at present. He adds that we are all in the same position of facing rising prices but feels that a price increase is necessary and states that the Council's new car policy results in higher costs for taxi drivers.

5.0 Representations received in support of an increase but not to the level proposed in the resolution

5.1 Mr Borland has submitted a letter and a proposed taxi tariff. Mr Borland supports an increase in taxi fares because of the increased costs of running a taxi but feels that the advertised proposals would damage the credibility of the industry. He has submitted a proposal which is less than the proposals considered by the Committee on 10 July 2008.

5.2 Mr Tom Burke, on behalf of Radio Cabs, is concerned at a further increase in taxi fares when there has been a drop in business and has submitted proposals for the general tariff which are lower than those considered by the Committee on 10 July 2008. He objects to Tariff 1 etc being implemented at 0400 hours. He proposes Tariff 2 start at 2200 hours instead of 2000 hours in order to recoup evening business and compete with the bus service and proposes amendments to the main tariffs. Mr Burke states that his proposals for additional tariffs 5 and 6 are aimed at addressing the increased trade and providing rewards for drivers working on Sundays preceding Bank Holidays which are understood to be busier than on the Monday of Bank Holidays.

6.0 Representations against the proposed resolution

6.1 Jason Phillips, Village Cars Aberkenfig, formally objects to all the proposals to increase taxi fares. He states that in the time of near recession taxi owners should not be expected to have meters recalibrated at a cost of £25 to reflect any changes to the tariff, particularly if they intend to continue to charge less than the maximum fare. He believes the public will use taxi services less due to increased fares.

6.2 K Jones has submitted a petition on behalf of 76 members of the trade. The signatories object to all the proposed increases. The signatories are drawn from drivers, owner drivers working for companies and independent owner drivers. The signatories were asked to sign a statement, which is summarised as follows:

6.2.1 The general increase of fares will have a detrimental effect on trade. Conversations with customers has confirmed that the majority of them would use taxis less often if there is a price increase particularly during the present "credit crunch". 0400 is deemed unsocial working time and therefore the higher tariffs should apply. Higher tariff 2 on Sundays would have a detrimental effect and reduce the number of people using taxis.

There would be no advantage to working a Bank Holiday as the rate would not differ from any other weekend. The objections are made purely on the basis of being able to provide a fair and reasonably priced service to taxi customers.

6.2.2 The petition has been checked and the signatories are licensed by this Council and have identified themselves by their Bridgend County Borough Council licence number.

6.3 Mr Malcolm Scott objects to Tariff 1 being implemented at 0400 hours for the same reasons stated above. He also states that the advertised proposals, together with recent fee increases by the Council will not result in increased income for taxi drivers.

7.0 **Summary of responses**

7.1 Copies of the responses have been summarised and a full copy will be available in the Members' Lounge.

7.2 Under Section 65 of the 1976 Act Members must consider all objections which have not been withdrawn and set a further date on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.

7.3 To place the responses in context, there are approximately 670 drivers and 200 + owners of vehicles in the County Borough. There are a number of companies within the area who require drivers and vehicles to fulfill telephone bookings. In essence, the taxi trade is not a single entity and there appears to be many differing interests between the various elements which need to be balanced with the needs of the travelling public.

7.3.1 Of the responses received, the Bridgend County Hackney Association (membership numbers unknown) and an individual taxi owner were in favour but with a modification for the starting time of Tariff 1. Two companies, an owner driver and 76 signatories to a petition were against the advertised proposals. One response suggested that the proposals did not go far enough to address the concerns of rising costs of running a taxi.

7.3.2 The views of the licensed taxi trade have been sought on this important aspect of taxi licensing but unfortunately, despite an extended consultation, some areas of the County Borough have not provided their views on the proposals.

8.0 **Options available to Members**

8.1 Options open to Members include:

8.2 Having considered the objections, revert back to the existing Table of Fares effective from 1 December 2007.

8.3 Having considered the objections, confirm the resolution of 10 July 2008 as published.

8.3.1 Should Members' be minded to approve the original resolution, they are recommended to modify the Tariff 1 implementation time back to 6.00 am on public safety grounds. Members are requested to consider that a proportion of Bridgend town centre venues are open until 0430 hours and the Council's Statement of Licensing Policy and statutory guidance support the dispersal of customers once licensed venues have closed in order to prevent crime and disorder. Taxi drivers provide a valuable

service to the night time economy and there are no other known public transport facilities available to customers at that time.

8.4 Having considered the objections, modify the resolution of 10 July 2008.

8.4.1 Some of the responses received indicated that there was support for fares increase, but not to the level originally considered on 10 July 2008.

8.4.2 Copies of the proposals are attached at Appendices B (Mr Burke) and C (Mr Borland) respectively. The mileage rates proposed will result in lower standard fares than those originally considered by the Committee but both suggest differing tariff structures. Officers have concerns about the complexity of the proposals to introduce additional tariffs beyond the four currently in use or adding charges to cover Christmas fares.

8.4.3 The difficulty of adopting this approach is that whilst the Act allows for the resolution to be approved with modifications, this may prove difficult to achieve where there is clearly no consensus amongst the trade and where the additional proposals have not been given Public Notice.

8.4.4 It is clear that many Councils have received requests to increase fares since the trend in rising fuel prices and other costs began. At the time Members considered the application the national averages for taxi fares were as follows:

	BCBC Current	BCBC (Proposed)	Wales	UK
FlagT1	2.25	2.50	2.39	2.37
Flag T2	3.00	3.00	3.01	3.18
Two Mile fare Tariff 1	4.50	4.90	4.42	4.78
Ten Mile fare Tariff 1	16.50	17.70	17.04	17.60
Two Mile fare Tariff 2	5.70	6.00	5.60	6.37
Ten Mile fare Tariff 2	20.10	22.00	21.60	23.31

Overall the advertised proposals were higher than the Welsh and national averages on daytime tariffs.

8.4.5 However, at the time this report was prepared the October Private Hire Monthly reported the following:

	BCBC Current	BCBC (Proposed)	Wales	UK
FlagT1	2.25	2.50	2.56	2.46
Flag T2	3.00	3.00	3.18	3.28
Two Mile fare Tariff 1	4.50	4.90	4.71	4.97
Ten Mile fare Tariff 1	16.50	17.70	18.16	18.24
Two Mile fare Tariff 2	5.70	6.00	5.90	6.57
Ten Mile fare Tariff 2	20.10	22.00	22.92	24.02

This now shows that the proposals for the basic tariff considered on 10 July 2008 are now lower than the national UK average but higher than the Welsh national average for shorter journeys only. The change in a short period of time reflects the increases approved by Welsh Councils in response to applications to increase taxi fares or following their own review. The above comparisons reflect the average fares that passengers are paying in Wales; the cost of average day time journey of two miles has increased by 29p in four months (June to October). Further changes to league tables are likely if Councils continue to receive requests to increase taxi fares.

- 8.4.6 Members are advised that whilst league tables are produced for reference, the taxi culture and taxi usage within each local authority are unique and the Dft guidance quoted below suggests achieving a balance between reasonable fares and the need to encourage the service to be provided locally.
- 8.4.7 Of those who supported a lesser increase, there was support for an increase to the current mileage rates but no consensus on what that should be or on the tariff structure or unsociable hours rates.
- 8.4.8 Having considered the objections, if Members are satisfied that a fare increase is justified, a further option would be to modify the proposal of 10 July 2008 to increase mileage rates but revert back to the existing charges for Sundays, Bank Holidays, Christmas and New Year. The effect of this proposal is shown at Appendix D. Passengers would pay an additional 40 p on a two mile daytime journey and 60p on a four mile daytime journey rising by £1.20 on a 10 mile journey. The equivalent increases on Tariff 2 would be 30p/70p and £1.90. The proposals to introduce higher fares at weekends and on Sundays would not be implemented.

9.0 Guidance

- 9.1 The current Department of Transport guidance states that taxi fare scales should be designed with a view to practicality and should have regard to the needs of the travelling public, both in terms of what it is reasonable to expect people to pay but also the need to give taxi drivers sufficient incentive to provide a service when it is needed and for owners to maintain vehicles. It is also important that the tariff is simple to understand with a minimum risk of abuse.

9.2 Dft good practice guidance recommends reviews of tariffs. Further guidance is provided by the Dft that Taxi fares are a maximum, and in principle are open to downward negotiation between passenger and driver but that it is not good practice to encourage such negotiations at ranks, or for on-street hailings; there would be risks of confusion and security problems. But local licensing authorities can usefully make it clear that published fares are a maximum, especially in the context of telephone bookings, where the customer benefits from competition.

9.3 Notwithstanding the decision, Members are requested to note that officers will make further attempts to establish a representative consultative group or groups to discuss taxi fares and the tariff structure.

10.0 Legal Implications

10.1 None of the objections have been withdrawn and Members are required to give further consideration to the representations made in respect of the resolution of 10 July 2008.

10.2 Having resolved to accept an application to increase the table of fares, Members are required to consider any objections received. Having considered the objections, the Council shall set a further date, on which a new Table of Fares shall come into force.

11.0 Financial Implications

11.1 There are no financial implications.

12.0 Recommendation

12.1 Members are requested to consider the objections received and set a date, if appropriate, if a new Table of Fares is to come into operation.

Background documents:

Report of the Assistant Chief Executive Legal and Regulatory Services to the Licensing Committee dated 10 July 2008

Department of Transport Guidelines published at www.dft.gov.uk

Bridgend County Borough Council Statement of Licensing Policy

Department for Culture Media and Sport Guidance issued under Section 182 of the Licensing Act 2003

Private Hire Monthly

Report Author:

Yvonne Witchell
Licensing and Registration Officer
Contact telephone number 643105

Lead Officer:

P A Jolley
Assistant Chief Executive Legal and Regulatory Services

Date:

10 October 2008

APPENDIX A

BRIDGEND COUNTY BOROUGH COUNCIL: LOCAL GOVERNEMENT (MISCELLANEOUS PROVISIONS) ACT 1976: SECTION 65 VARIATION OF MAXIMUM FARES FOR HACKNEY CARRIAGES

Notice is hereby given that the Bridgend County Borough Council on the 10 July 2008 resolved to vary the existing table of fares for the hire of Hackney Carriages. The existing and proposed maximum fares' table are set out below:-

	Present Fare		Proposed Fare		
	£	p	£	P	
Tariff 1 6.00 am to 8.00 pm					
			Tariff 1 to apply 4.00 am to 8.00 pm Monday to Saturday		
If distance does not exceed 3/6 th mile:-	2	25	If distance does not exceed 4/8 th mile:-	2 50	
For each subsequent mile:-	1	50	For each subsequent mile:-	1 60	
	(25p per 1/6 th mile)			(20p per 1/8 mile)	
 Tariff 2 8.00 pm to 6.00 am and Bank Holidays and Boxing Day except Christmas Day					
			Tariff 2 to apply 8.00 pm to 4.00am Monday to Saturday and 8.00 pm Saturday to 4.00 am Monday		
If distance does not exceed 3/6 th mile:	3	00	If distance does not exceed 4/8 th mile:	3 00	
For each subsequent mile:-	1	80	For each subsequent mile:-	2 00	
	(30p per 1/6 th mile)			(25p per 1/8 mile)	
 Tariff 3 As per Tariff 1 5 or more passengers					
			Times as per Tariff 1 5 or more passengers		
If distance does not exceed 3/6 th mile	4	20	If distance does not exceed 4/8 th mile	4 20	
For each subsequent mile	1	80	For each subsequent mile	2 00	
	(30p per 1/6 th mile)			(25p per 1/8 mile)	
 Tariff 4 As per Tariff 2 5 or more passengers					
			Times as per Tariff 2 5 or more passengers		
If distance does not exceed 3/6 th mile	5	20	If distance does not exceed 4/8 th mile	5 20	
For each subsequent mile	2	10	For each subsequent mile	2 40	
	(35p per 1/6 th mile)			(30p per 1/8 mile)	

EXTRA CHARGES

Current

Christmas Day	Tariff 1 x 2 (over 5 persons – Tariff 3 x 2)
Christmas Eve – 6.00pm to midnight	Tariff 2 (over 5 persons – Tariff 4)
New Years Eve – 6.00pm to 6.00 am Jan 2	Tariff 2 (over 5 persons – Tariff 4)

Proposed

Tariff	Times	Minimum charge ½ Mile	Per mile	Per 1/8 mile
Five Up to 4 persons	Bank Holidays and 6.00pm 24 th December (Christmas Eve) to 4.00am 27 th December and 6.00pm New Year's Eve to 4.00 am January 2 nd	£3.50	£2.40	30p
Six 5 or more persons	Bank Holidays and 6.00pm 24 th December (Christmas Eve) to 4.00am 27 th December and 6.00 pm New Year's Eve to 4.00 am January 2 nd	£6.00	£3.20	40p

Radiocabs Proposed Increases in Taxi Fares

Tariff	Times	Minimum charge + 1/2 mile	Per mile	Per 1/10 mile
One (1 - 4 people)	6am - 10pm	£2.30	£1.50	£0.15
Two (1 - 4 people)	10pm - 6am	£3.00	£2.00	£0.20
Three (5 - 8 people)	6am - 10pm	£4.00	£2.00	£0.20
Four (5 - 8 people)	10pm - 6am	£5.40	£2.50	£0.25
Five (1 - 4 people)	Bank holidays	£3.50	£2.50	£0.25
Six (5 - 8 people)	Bank holidays	£6.50	£3.00	£0.25
Seven (1 - 4 people)	Christmas Day/Night	£4.50	£3.00	£0.30
Eight (5 - 8 people)	Christmas Day/Night	£8.00	£4.00	£0.40

Tariff 2 This Rate also applies for Bank Holidays from 6am - 10pm and includes Boxing Day and New Years Eve until 6pm

Tariff 4 This Rate also applies for Bank Holidays from 6am - 10pm and includes Boxing Day and New Years Eve until 6pm

Tariff 5 This Rate applies from Sunday 6pm until Monday 6am on all Bank Holidays and includes Christmas Eve, Boxing Night and New Years Eve

Tariff 6 This Rate applies from Sunday 6pm until Monday 6am on all Bank Holidays and includes Christmas Eve, Boxing Night and New Years Eve

Tariff 7 This Rate applies only on Christmas Morning 6am to Boxing Day 6am

Tariff 8 This Rate applies only on Christmas Morning 6am to Boxing Day 6am

The main changes to the Ordinary Tarriffs are we have 10 clicks instead of 6 but we reduce the rate to £0.15p and we put Tarriff 2 back from 8pm to 10pm

APPENDIX C

TARIFF 1 6am - 10pm	£	2.35	If the distance does not exceed 5/10ths of a mile
	£	1.60	Each subsequent mile
	£	0.16	per 1/10th of a mile
TARIFF 2 10pm - 6am	£	3.15	If the distance does not exceed 5/10ths of a mile
	£	2.00	Each subsequent mile
	£	0.20	per 1/10th of a mile
TARIFF 3 6am - 10pm 5 or more persons	£	4.35	If the distance does not exceed 5/10ths of a mile
	£	2.00	Each subsequent mile
	£	0.20	per 1/10th of a mile
TARIFF 4 10pm - 6am 5 or more persons	£	5.40	If the distance does not exceed 5/10ths of a mile
	£	2.30	Each subsequent mile
	£	0.23	per 1/10th of a mile
EXTRAS			
Waiting time	£	0.25	Per minute
Christmas Day			Tariff 1 x 2 (over 5 people Tariff 3 x 2)
Christmas Eve			Tariff 2 + £1.50 (over 5 people Tariff 4 + £1.50)
New Years Eve			Tariff 2 + £1.50 (over 5 people Tariff 4 + £1.50)
Bank Holidays			Tariff 1 + £1.00 (over 5 people Tariff 3 + £1.00)
			Tariff 2 + £1.50 (over 5 people Tariff 4 + £1.50)
Contamination	£	100.00	Per item conveyed outside passenger compartment
Luggage	£	0.25	

APPENDIX D

Resolution of 10 July 2008

Increases applied to mileage rates only:

Tariff	Times	Min charge ½ Mile	Per mile	Per. 1/8	1 Mile	2 Miles	4 Miles	6 Miles	8 Miles	10 Miles
One Up to 4 persons	6am to 8pm	£2.50	£1.60	20p	£3.30	£4.90	£8.10	£11.30	£14.50	£17.70
Two Up to 4 persons Also applies Bank Holidays and Boxing Day but not Christmas Day	8pm to 6am	£3.00	£2.00	25p	£4.00	£6.00	£10.00	£14.00	£18.00	£22.00
Three 5 or more persons	6am to 8pm	£4.20	£2.00	25p	£5.20	£7.20	£11.20	£15.20	£19.20	£23.20
Four 5 or more persons Also applies Bank Holidays and Boxing Day but not Christmas Day	8pm to 6am	£5.20	£2.40	30p	£6.40	£8.80	£13.60	£18.40	£23.20	£28.00

Christmas Day:
Christmas Eve:
New Year's Eve

6pm to midnight
6 pm to 6 am January 2nd

Tariff 1 x 2 or 3 x 2
Tariff 2 or Tariff 4
Tariff 2 or Tariff 4