

BRIDGEND COUNTY BOROUGH COUNCIL

LICENSING COMMITTEE

13 APRIL 2011

REPORT OF THE ASSISTANT CHIEF EXECUTIVE LEGAL AND REGULATORY SERVICES

TAXI LICENSING

**LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976 SECTION 65
APPLICATIONS TO AMEND THE TABLE OF TAXI FARES**

1. Purpose of report

- 1.1 To present an application to amend the Table of Taxi Fares as set out at Appendix A. The application is submitted by Mr Paul Pride and Mr Tom Burke who are licensed taxi drivers and vehicle licensees.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The duties of the Council under the Act are regulatory in nature. Members are advised that, although not mandatory, this Council has set a maximum table of fares for a significant number of years. The adoption of an authorised table of fares coupled with usage of taxi meters provides a mechanism to regulate charging and to protect the consumer.

3. Background

- 3.1 The Council, as Licensing Authority, is empowered to fix the taxi fares within the County Borough. Any decision to vary the Table of Fares must be advertised in a local newspaper inviting representations.
- 3.2 The Council has delegated to the Licensing Committee the power to determine revisions of hackney carriage fares and to hear and determine any objections received to proposed revisions.
- 3.3 The last increase in taxi fares took place in December 2007.

4. Current situation / proposal

- 4.1 The proposals at Appendix A are accompanied by the current Table of Fares for comparison purposes. Members are advised that the Council is only required to set the maximum fare that can be charged by drivers, and that they are free to charge less if they wish. Typically, discounts may be offered to regular customers at the discretion of the individual driver or as part of a company policy. However, the meter must be switched on at the commencement of and throughout the duration of the journey and the meter must be calibrated to the current Table of Fares. Thus, the passenger is able to see the fare charged at all times and the effect of a discount, if offered. A Tariff Sheet showing the rate and times of the Tariff must also be displayed in the vehicle.

- 4.2 The current Table of Fares shows the different tariffs programmed into taxi meters and the times at which each tariff applies. Tariffs 1 and 2 apply to saloons carrying up to 4 persons. Tariffs 3 and 4 apply when more than 5 persons are carried in larger taxis and minibuses. Tariffs 1/3 are generally the “day time” tariff and Tariffs 2/4 cover evenings and bank holidays (i.e. unsocial hours).
- 4.3 Members are requested to consider the application as follows:
- 4.3.1 Increasing the fares across Tariffs One to Four;
- 4.3.2 Changing the structure of the waiting time tariff to a variable charge for waiting time calculated as £15 per hour or part thereof between 6.00 am and 8.00 pm and at £20 per hour or part thereof between 8.00 pm and 6.00 am and to £25 per hour or part thereof for Tariffs 5 and 6;
- 4.3.3 Amending the tariffs charged over the Christmas and New Year Period introducing a new Tariff 5 and 6 and rationalising the times at which higher fares apply over these periods;
- 4.3.4 Changing the wording on the tariff sheets to emphasise to drivers and passengers that the meter must be switched on at the start of a journey and continue to operate throughout the duration of the journey;
- 4.3.5 Amending the fee for a Credit Card/Payment Card transaction from £1 to 10% of the fare.
- 4.4 Officers met with the applicants recently where it was established that the application had been submitted as taxi drivers were now feeling the effects of the recession. There had been no increase in the authorised tariffs since December 2007 and since then there had been a number of factors affecting taxi driver and owner incomes. These were felt across both the day and night time economy, and the applicants pointed out that two nightclub premises had closed in Bridgend Town Centre since the last application. Members are advised that there is no known formally constituted trade organisation within the Borough at present. The applicants advised that this increase has been discussed by Bridgend based taxi drivers.
- 4.5 A major concern was the uncertainty with fuel price increases alongside other vehicle running costs. The applicants were concerned that reduced income would lead to owners cutting back on maintenance of vehicles and replacement tyres which would have an impact on public safety. The applicants stressed that there was decreasing scope for discounting fares to the public because margins were so tight.
- 4.6 In respect of the request to increase waiting time, Members are advised that this charge is to cover the cost to the driver of waiting for the customer to leave the house or premises in case of delay. There are no published tables to assist Members in this regard. One aspect highlighted was that night time drivers lose out when passengers stop the taxi on the way home so that they can order takeaway food. They feel that as the streets are busy and there are customers waiting for taxis drivers miss out on this potential custom they are waiting outside a take away for food to be cooked. Another aspect highlighted was that as Tariff Two is higher for unsocial hours, the waiting time during this period should be proportionately higher.
- 4.7 Officer comments

4.7.1 Application to increase Tariffs 1 to 4

At the time this report was prepared, the Council was ranked at 321 out of 380 Councils in a national league table of taxi fares. However, the league tables will change as Councils approve changes to their Table of Fares during the coming year. These figures are based on the tables provided in the March 2011 edition of Private Hire and Taxi Monthly.

4.7.2 The current UK national average for a 2 mile journey on tariff one (daytime journey) is £5.17. The Wales average is currently £4.86. The current fare in the County Borough is £4.50 and the proposal is for this to increase to £4.90.

4.7.3 Running costs in the form of Council licence fees have increased since the last fare increase was approved in 2007 as have the costs of insurance and fuel.

4.7.4 The following table sourced from Automobile Association data and previous committee reports demonstrates the changes in fuel prices since the last fare increase took effect

Fuel Price Report December 2007.

	Unleaded 95 octane	Unleaded 95 octane	Diesel	Diesel	Super Unleaded	Super Unleaded
	Litre	Gallon	Litre	Gallon	Litre	Gallon
Wales	103	468.2	108.4	492.80	108.1	491.4
UK	102.8	467.3	108	490.98	109.6	498.3

Fuel Price Report February 2011

	Unleaded 95 octane	Unleaded 95 octane	Diesel	Diesel	Super Unleaded	Super Unleaded
	Litre	Gallon	Litre	Gallon	Litre	Gallon
Wales	129.1	586.9	134.7	612.36	134.5	611.4
UK	128.8	585.5	134.0	609.18	136.2	619.2
Supermarket Average	127.4	579.2	131.9	599.6	132.5	602.4

4.7.5 The AA report states that average pump prices for both petrol and diesel have continued to rise to new record highs. Troubles in the Middle East threaten even higher oil prices although a stronger pound has so far cushioned some of the blow.

4.7.5 Within the March 2011 Budget it was announced that fuel duty was to be cut by 1p per litre from 1800 GMT on 23 March 2011, that the planned inflation rise in fuel duty due in April was to be delayed until 2012, that the annual 1p above inflation "fuel escalator" rise was to be scrapped until 2015, but that VAT on fuel would not be reduced.

4.7.6 In respect of the application to increase taxi fares best practice guidelines suggest that there should be a balance between the needs of the travelling public, with reference both to what it is reasonable to expect people to pay, but also to the need to give taxi drivers and owners sufficient reward to provide a service when it is needed and to mitigate the risk of declining standards in vehicle maintenance.

4.7.7 Application to introduce variable waiting time in respect of the request to change waiting time, there are no comparable national statistics available.

4.7.8 Application to introduce Tariffs 5 and 6 to cover Christmas period

With regard to the request to amend the Christmas and New Year tariffs, the applicants feel that it simplifies the current arrangements; at present there are four changes of Tariffs between Christmas Eve and 27 December. The proposal is to introduce a single tariff between 6.00 pm Christmas Eve and 6.00 am on the 27 December and the same rate from 6.00 pm New Year's Eve to 2 January. However, the proposal to introduce Tariffs 5 and 6 will result in higher fares for the public going out before midnight on Christmas Eve but with a reduction of 15 p on a four mile journey throughout Christmas Day. The public would also face higher fares on Boxing Day. However, the applicants argue that being able to charge higher fares for a longer period will act as an incentive for drivers to work thus increasing the number of taxis available and improving the service to the public.

4.7.9 Officers support any moves to simplify taxi tariffs to ensure that they are easy to understand by both the public and the drivers and there is the minimum risk of abuse. However, a particular issue arises regarding implementing Tariffs 5 and 6 for the Christmas and New Year because of the different types of meter installed in vehicles.

4.7.10 There are three types of meter in use: GPS/Satellite, calendar controlled and standard pulse meters. Meters are tested as part of the vehicle test, and providing they are correctly calibrated, are approved for use. Each vehicle is required to display a Fares Tariff so that the passenger can check that the correct fare is being charged depending on the time or day. It had been envisaged that the standard pulse meter would become obsolete in time but it is known that there are at least 50 such meters still in use in the County Borough.

4.7.11 The first two types of meter are programmed by date and time and so the driver does not have to physically adjust the meter when there is a change of tariff, for example from the day to the night time tariff. If a standard pulse meter is fitted, the driver can physically override the Tariff in force. It is therefore possible for a driver using this type of meter to defraud the passenger by selecting the more expensive night time tariff or, in the case of the current application, the more expensive Christmas Tariffs 5 and 6.

4.7.12 This risk can be mitigated if the Council resolves to adopt calendar controlled meters as standard in all taxis. However, this will involve a change to vehicle conditions and additional expense to those vehicle owners who are using standard pulse meters. It is understood that owners would incur a cost of between £100 (excluding fitting) and £420 per vehicle depending on the specification of the meter.

4.7.13 If the Council wishes to impose new licence conditions on owners it is essential for consultation to take place. It is also good practice to allow a reasonable lead in time of at least a year for existing licensees for new requirements to be phased in to minimise the financial implications for existing licensees.

4.8 Regarding the application to amend the fee for payment by credit card/debit card, this is to ensure that charges levied for use of the machines are recovered by the vehicle owner. The current fee to the customer is £1 per transaction and the application seeks to amend this to up to 10% of the transaction.

4.9 If Members are minded to accept an application with or without amendments the Council is required to consult the public by publishing the proposal by way of Public

Notice. This Council also publishes a Notice on its website and consults vehicle licence holders by letter.

- 4.10 If no objection is received, or if objections are received and subsequently withdrawn, the variation to the Table of Fares will come into effect on the date of the expiration of the period specified in the Public Notice or the date of withdrawal of the last objection, whichever date is the later.
- 4.11 Any objections which are not withdrawn must be reported to a further meeting of the Licensing Committee for further consideration. Having considered the objections, the Council shall set a further date, not later than two months after the first specified date in which the new Table of Fares shall come into force.
- 4.12 Notwithstanding this application, Members are requested to approve clarification to the wording of the official tariff as follows:
- 4.13 Extra Charges; Waiting Time; add the words "or part thereof" to any description of the charge.
- 4.14 Amend the advisory note to passengers from:

Passengers are advised to ensure that the meter is switched on at the start of each journey

To: Passengers and drivers should note that the meter must be switched on at the start of each journey and operate for the entire journey.

5. Effect upon Policy Framework & Procedure Rules

- 5.1 None

6. Equality Impact Assessment

- 6.1 The proposal has been screened for the potential impact on protected groups within the community and human rights. We do not consider on the basis of the above that a detailed Equality Impact Assessment is required for this proposal at this stage, but the position will be reviewed at the end of the consultation process.

7. Financial Implications

- 7.1 The cost of public notices and consultation will be met from existing budget.

8. Recommendation

- 8.1 Members are requested to consider the application as follows, and if minded to approve an increase to all or part of the Table of Fares, to authorise the statutory consultation process:
- 8.2 An increase to the general tariffs 1-4 as specified in the application
- 8.3 New tariffs 5 and 6 to cover the Christmas and New Year period as set out in the application.

- 8.4 A variable system of waiting time calculated as £15 per hour or part thereof between 6.00 am and 8.00 pm and at £20 per hour or part thereof between 8.00 pm and 6.00 am and £25 per hour or part thereof for Tariffs 5 and 6.
- 8.5 The following amendments to the wording of the Table of Fares:
- 8.5.1 Extra Charges; Waiting Time; add the words “or part thereof” to any description of the charge.
- 8.5.2 Amend the wording on the Tariffs to: Passengers and drivers should note that the meter must be switched on at the start of each journey and operate for the entire journey.
- 8.6 An amendment to the charge for payment by credit card/debit card from £1 per transaction to up to 10% per transaction.

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Background documents:

<http://www.theaa.com/onlinenews/allaboutcars/fuel/2011/february2011.pdf>

Automobile Association fuel price comparisons at www.theaa.com:

League table information sourced from Private Hire Monthly publication

Taxi and Private Hire Vehicle Licensing: Best Practice Guidance available at www.dft.gov.uk