

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

25 JULY 2017

REPORT OF THE CORPORATE DIRECTOR OPERATIONAL AND PARTNERSHIP SERVICES

LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT SECTION 65 POWER TO FIX FARES FOR HACKNEY CARRIAGES

APPLICATIONS TO VARY THE HACKNEY CARRIAGE FARES TARIFF

1. Purpose of Report.

- 1.1 To consider three proposals to vary the current Bridgend County Borough hackney carriage table of fares. Proposals have been received by Mr James Borland and Mr Richard Parrott, Mr Tom Burke, and Mr Dario Nelson.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

- 2.1 The duties of the Council under the Local Government (Miscellaneous Provisions) Act 1976 are regulatory in nature. The adoption of an authorised table of fares coupled with the usage of taximeters provides a mechanism to regulate charging and to protect the consumer.

3. Background.

- 3.1 Bridgend County Borough Council regulate the maximum fares that can be charged to passengers in hackney carriages within the county borough. This is in accordance with Section 65(1) 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.
- 3.2 The Bridgend County Borough Council table of fares includes a pickup rate (commonly referred to as the flag) when the journey commences, this currently includes the first half mile of the journey. After this distance, the fare increases by a set amount (commonly referred to as the click) every eighth of a mile.
- 3.3 An application made by Mr James Borland and Mr Richard Parrot to increase the rate of fares is detailed in Appendix A. It states that drivers are facing increasing costs and the current Bridgend tariff is below the Welsh and national averages. This proposal also includes a request for the mechanics to be put in place to annually increase the maximum rate of fares in Bridgend County Borough by a percentage in line with inflation.
- 3.4 An application made by Mr Tom Burke to increase the rate of fares is detailed in Appendix B. Mr Burke states that this proposal is fairer for drivers and will bring drivers' incomes closer to the minimum wage. Mr Burke's application also seeks to

change the times at which the different tariffs are applicable and to introduce two new tariffs for the Christmas and New Year Period.

3.5 An application made by Mr Dario Nelson to increase the rate of fares is detailed in Appendix C. This is the most complex of the submissions. Mr Nelson's proposal amends the hours that the tariffs will be in operation and also includes additional tariffs for the hours between 3.00am – 6.00am. Mr Nelson states that due to the large amount of dead mileage (returning from a job without paying passengers) experienced in a rural area such as Bridgend, fares should generally be higher than in urban areas. In addition to the dead mileage figure, Mr Nelson has asked the council to consider the additional cost to proprietors of licensing new vehicles under the current council policy which also affects drivers who lease vehicles, the higher cost of insurance for taxi drivers as well as vehicle running costs and the council's taxi licensing costs.

3.6 The Licensing Section is a regulatory body and therefore does not hold data on taxi usage within the county borough.

4. Current situation / proposal.

4.1 The current table of fares has been in place in Bridgend County Borough since 15th August 2011. A copy of the current table of fares is attached at Appendix D.

4.2 Tariff's 1 and 3 apply between 6.00am and 8.00pm (the day time tariff) and Tariff's 2 and 4 (commonly referred to as the night time tariffs) apply between 8.00pm and 6.00am and on Bank Holidays and Boxing Day.

4.3 Mr Borland and Mr Parrot's application proposes to change the click from an eighth to a tenth of a mile and vary the flag rate across the range of tariffs; it does not seek to amend the times at which the tariffs operate.

4.4 Mr Burke's application proposes to amend the time at which tariff's 2 and 4 commence from 8.00pm to 10.00pm, to amend the dates, times and rate charged over the Christmas period, and to change the click on the taximeter from an eighth to a tenth of a mile, but to retain the current flag and click rates.

4.5 Mr Nelson's application proposes a total of 6 tariffs, the additional 2 tariffs operate between 03.00am – 06.00am and they add 50 pence per mile to the fare over the 10.00pm – 03.00am tariff. Mr Nelson's proposal would involve four different pick up (flag) rates, and an adjustment of the click from eighths to tenths of a mile. This represents the most significant change to the current regime. It amends the time at which to start the higher rate tariffs from 8.00pm to 10.00pm and changes the click from an eighth to a tenth of a mile. The pickup rate also does not include the first half mile and the meter begins charging by distance as soon as the journey commences.

4.6 No application received seeks to amend the extra charges approved on the current table of fares such as waiting time or the contamination fee.

4.7 Consideration should be given to obtaining a balance between increasing the fares payable by the travelling public and the costs incurred by taxi owners in running costs. There is no statutory set of factors to be considered when approving a table

of fares within a local authority area, but typical running costs and comparison of fares is the usual method used to assess applications. The statistics published by the Private Hire & Taxi Monthly magazine are recognised as a reliable indicator, although a local authority's place within a table will fluctuate as soon as a new application to vary taxi fares is received in the UK.

- 4.8 The AA Fuel Price Report shows that the cost of diesel has decreased from a Wales average of 139.9p per litre in August 2011 to 120.1p per litre in April 2017, a decrease of 16.5%. Unleaded 95 Octane petrol has also decreased in the same period by 14.8% to 118.1p per litre.
- 4.9 The AA Motoring Costs report shows that for a vehicle costing £17,000 when new, the running costs per mile (based on 30,000 miles per year) has decreased from 31.8p per mile in 2011 to 30.7p per mile in 2014 (the latest figures available). It should be noted that this reduction is largely due to fuel costs which may rise over the coming year.
- 4.10 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 the fares authorised by a sample of other licensing authorities:

Authority	Cost per 2 mile journey
Watford	£8.40
London	£7.20
Swindon	£6.70
Exeter	£6.60
Bath	£6.40
Hereford	£6.30
Mr Dario Nelson Proposed Tariff	£6.20
Tewkesbury	£5.85
Newcastle	£5.80
Vale of Glamorgan	£5.65
Newport	£5.60
Cardiff	£5.70
Gwynedd	£5.50
Mr Burke Proposed Tariff	£5.50
Mr Borland and Mr Parrott Proposed Tariff	£5.40
Rhondda Cynon Taff	£5.20
Powys	£5.20
Swansea	£5.05
Current Bridgend Tariff	£4.90
Caerphilly	£4.80
Merthyr Tydfil	£4.50
Blaenau Gwent	£4.30

- 4.11 Bridgend is currently 322nd in the 2 mile fare league table out of 365 local authorities, as printed in the May 2017 edition of Private Hire & Taxi Monthly.
- 4.12 For information the following tables provide details of the current maximum fares for journeys of 5, 10 and 15 miles in Bridgend County Borough with a comparison to the proposed tariffs.

5 mile fare cost	Tariff 1 (1-4 passengers)	Tariff 2 (1-4 passengers)	Tariff 3 (5+ passengers)	Tariff 4 (5+ passengers)
Current Bridgend Tariff	£9.70	£12.30	£13.50	£16.30
Mr Burke Proposed Tariff	£11.50	£14.55	£15.75	£19.00
Mr Borland and Mr Parrott Proposed Tariff	£10.80	£13.40	£14.50	£17.40
Mr Dario Nelson Tariff	£12.20	£14.90* 10pm – 3am £17.40* 3am – 6am	£14.20**	£17.30** 10pm – 3am £19.80** 3am – 6am

Cost for

10 mile fare cost	Tariff 1 (1-4 passengers)	Tariff 2 (1-4 passengers)	Tariff 3 (5+ passengers)	Tariff 4 (5+ passengers)
Current Bridgend Tariff	£17.70	£22.30	£23.50	£28.30
Mr Burke Proposed Tariff	£21.50	£27.05	£28.25	£34.00
Mr Borland and Mr Parrott Proposed Tariff	£19.80	£24.40	£25.50	£30.40
Mr Dario Nelson Tariff	£22.20	£27.40* 10pm – 3am £32.40* 3am – 6am	£24.20**	£29.80** 10pm – 3am £34.80** 3am – 6am

15 mile fare cost	Tariff 1 (1-4 passengers)	Tariff 2 (1-4 passengers)	Tariff 3 (5+ passengers)	Tariff 4 (5+ passengers)
Current Bridgend Tariff	£25.70	£32.30	£33.50	£40.30
Mr Burke Proposed Tariff	£31.50	£39.55	£40.75	£49.00
Mr Borland and Mr Parrott Proposed Tariff	£28.80	£35.40	£36.50	£43.40
Mr Dario Nelson Tariff	£32.20	£39.90* 10pm – 3am £47.40* 3am – 6am	£34.20**	£42.30** 10pm – 3am £49.80** 3am – 6am

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****D***Mr Nelson's proposal includes an additional tariff that operates from 3am – 6am.

****Due to the additional proposed tariffs, the current tariff 3 and 4 would be the equivalent of Mr Nelson's proposed tariff's 4 and 5/6.**

- 4.13 Mr James Borland and Mr Richard Parrott's proposal requests that the mechanics be put in place to annually increase the rate of fares in Bridgend County Borough by a percentage in line with inflation. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 requires that any proposal to change the rate of fares must be published in at least one local newspaper circulating in the district setting out the table of fares or the variation thereof and specifying 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. Therefore, an annual fare increase is not possible without going through the full report and consultation procedure and this is an additional cost to the authority.
- 4.14 This process sets the maximum fare set on the meter. Drivers are able to charge less than the meter fare for example, for regular customers. It is an offence to charge more than the fare shown on the meter.
- 4.15 Should 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 re-considered by Cabinet before the variation is implemented.
- 4.16 Members are advised that there is no known formally constituted trade organisation within the Borough at present but consultation must follow the statutory format laid down in the Local Government (Miscellaneous Provisions) Act 1976 by statutory notice in a newspaper.
- 4.17 In summary, the proposal from Mr Borland and Mr Parrott states that a rise in fares is needed to compensate for the rising costs of running a hackney carriage. There are no changes proposed to the structure of the tariff. The application states that there has not been a rise in taxi fares in this county borough for four years. If this application were accepted it retains the current fare structure which has been in place since 2011 and is the smallest fare increase overall.
- 4.18 In summary, Mr Burke's proposals affect both the standard timings and the Christmas and Bank Holiday periods. Under his proposal, however, there would be a benefit to the public travelling in the evening as the night time rate would commence at 10.00pm instead of 8.00pm.
- 4.19 In summary, Mr Nelson's proposal change the structure of the table of fares with additional tariffs to include an enhanced rate between 3.00am – 6.00am. Mr Nelson states that this is to compensate drivers for the problem of weekend hours when police are not on location, which includes when drunks are visible and expressive. Mr Nelson's proposal would be of benefit to the public travelling earlier in the evening as the night time rate would commence at 10.00pm instead of 8.00pm.

4.20 Whilst it would be desirable for the Council to be able to meet with a recognised trade organisation to discuss any proposal to increase taxi fares, the current situation is that three separate applications have been submitted for consideration.

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

The options available to Cabinet are to:

- a. accept one of the applications to vary the tariff and authorise the statutory consultation. Should 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 re-considered by Cabinet before the variation is implemented at a date to be determined.
- b. Reject the applications received.

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Background documents

Applications

Private Hire and Taxi Monthly National Fares Tables