

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**LICENSING & APPEALS COMMITTEE**

**20 August 2007**

**Report of the Chief Solicitor**

**Part 1- Public**

**Delegated**

**1 REQUEST FOR INCREASE IN TARIFF OF MAXIMUM HACKNEY CARRIAGE FARES**

**Executive summary:**

**To advise members that a request has been received for an increase in the table of maximum hackney carriages fares.**

**1.1 Existing tariff**

1.1.1 The existing tariff of maximum fares for hackney carriages is set out in **[Annex 1]**. Members would normally consider any request for increased fares at their April meeting.

1.1.2 At its meeting on 3 April 2006, the Committee resolved the current table of maximum fares be retained at present; and that this issue be reviewed in twelve months time and advice be sought from the Department of Transport and the appropriate national association on the implications of introducing a charge for 'time and distance'.

1.1.3 At the annual liaison meeting with the taxi trade it was indicated that there would not be a request for an increase this year or for the "time and distance" tariff to be introduced and so no further action was taken. However, a request has now been received from Mr Terry Hill of Castle Cars, particulars of which are set out below.

**1.2 Request for increase**

1.2.1 Mr Hill writes as follows:

"Since the last increase 2 years ago we had had wildly fluctuating fuel prices particularly from May to November each year when the price has been in the region of £1 per litre. With the current uncertain situation with Iran and the middle east this is likely to happen again this year but is unlikely to drop again as it has previously.

"We have also had further increases in the cost of Licensing, Insurance, Road Fun Licence etc. Tonbridge and Malling Borough fares are now well below those of all

other local authorities and that is based on the mileage only which does not take into account the time element that they also charge.

"I would also ask firstly that Time and Distance is now brought in, in line with ALL other local authorities. This committee promised last year that investigations would be made regarding this matter and I would hope that those investigations are now complete.

The flag rate of £2.80 be left as it is but the distance reduced to 0.8 of a mile.  
The rate per mile being increased to £2.20 instead of the current £2.00  
The weekend rate being left as it is at an extra 50p.

"I would also ask that the committee consider the fare and a half tariff be brought into operation at 2300 hrs in line with some other local boroughs.

"I understand that we are expected to start introducing wheelchair accessible vehicles in the next couple of years at almost double the cost of a standard car. Many drivers will need to start saving now for these vehicles and I believe a fare increase will help with this. We also have to look at the imminent prospect of "per mile" charges on the roads and I ask the committee to find out on our behalf if licensed vehicles will be exempt from this charge. If not exempt how will councils be able to set fare tariffs in the future as the same journey will cost the driver varying amounts depending on the time of day and type of roads?

"For example I have calculated that at the suggested rate of £1.30 per mile for the M25 at peak time plus a further £1 per mile for the A21 section a journey to Heathrow Airport at peak times will cost £130.60 in tolls without the average £70 fare charged for this journey!"

### **1.3 The Council's considerations**

- 1.3.1 The Council's role in setting fares is to ensure a fair return to the operators for the service which they provide, whilst at the same time protecting the public from excessive charging. This can sometimes be a fine balance.
- 1.3.2 The tariff is one of maximum fares: it is always open to an operator to charges less than the maximum tariff and, in practice, many do not charge the full rate.
- 1.3.3 The tariff is required by law to be fixed in relation to metric distances: 1 mile is taken to be the equivalent of 1.6 km. As a result, the proposal would have the effect of increasing the cost of the first mile (1.6 km) from £2.80 to £3.20, an increase of 14.29%.
- 1.3.4 The tariff does not apply to pre-booked journeys, which are treated as private hire bookings even though a hackney carriage is used. In those cases the charge has to be agreed between the hirer and the operator before the journey commences. The tariff only applies to journeys undertaken between two points in the Borough:

journeys to points outside the Borough, such as Heathrow Airport, are also treated as private hire bookings.

- 1.3.5 As there are presently no proposals for road charging within this Borough it is impossible to say how such measures, if introduced, would affect the situation. Accordingly, this is not a relevant consideration. The most likely charges to be incurred by operators in this area are the toll for the Dartford river crossing and the central London congestion charge, but as fares for journeys through these locations are by negotiation it is not a matter for this Council to intervene.

#### **1.4 NPHA statistics**

- 1.4.1 According to the most recent statistics published by the National Private Hire Association at the date this report was written, Tonbridge and Malling appeared in the highest quartile of fares approved. According to this table, the national average "flag fall" rate is £2.27 compared to our current charge of £2.80 and the national average charge for a 2 mile journey is £4.07 compared to our charge of £5.00. It would, therefore, be wrong to suggest that our fares are "now well below those of all other local authorities". Only 44 of 377 councils were said to have had an increase in fares in 2007.

#### **1.5 The "time and distance" proposal**

- 1.5.1 The Council's current tariff is for "distance only", ie the fare is charged according to the distance actually travelled. Under a "time and distance" tariff, the charge made for distance travelled is the same. However, in addition, the meter also records the time expended when the vehicle is stationary or travelling at a speed less than 0.1 mph. The adjoining authorities of Maidstone, Medway, Sevenoaks and Tunbridge Wells have adopted time and distance tariffs.
- 1.5.2 For some time, Members have had serious concerns about the effect that a change to a "time and distance" tariff would have on fares. It will certainly be the case that for the fare for a vehicle stalled in traffic there is the potential for the impact to be greater than at present rates. However, recent tests have shown that, in reality, for most normal journeys the impact is minimal – not more than 20p in most cases.
- 1.5.3 Members have also been concerned that, under a "distance only" tariff the passenger can predict the likely fare with reasonable accuracy and the fare will normally be consistent. With a "time and distance" tariff the rate will be variable and, to some extent, unpredictable.
- 1.5.4 Members last considered this issue at the Committee's meeting in April 2006 and decided not to implement time and distance at that time.
- 1.5.5 In the event that members are minded to allow a change to a "time and distance" tariff, it will be necessary to fix a rate of charge for the time element. A comparison with the rates charged by our neighbouring authorities shows that the charge (for

the year 2005/2006) at Medway and Tunbridge Wells was 25p per minute, at Sevenoaks 30p per minute and at Maidstone 35p per minute, giving an average of 28.8p. As a result, I would suggest that a rate of 30p per minute might be appropriate.

## **1.6 DDA requirements**

- 1.6.1 On the issue of accessible taxis, the Disability Discrimination Act 1995 contains powers to make regulations setting technical standards for accessibility for all land-based public transport, including hackney carriages. Regulations for rail transport have been in place since 1999 and for buses and coaches since 2000. These set standards for wheelchair access and a range of other features to help disabled people to use those vehicles. Virtually all of the Kent authorities, including Tonbridge and Malling, are designated as "first phase" authorities where the regulations for accessible hackney carriages will have effect from 2010. This is national law, outside the control of the Council.

## **1.7 Public consultation**

- 1.7.1 Where the Council fix new fares (either by changing the rates or by adopting time and distance charging) the proposal has to be subject to public consultation before it becomes effective. This means that the proposals have to be published in a local newspaper and giving the public a minimum of 14 days in which to make representations. Notice also needs to be posted at the Council's offices. If there are no objections, the revised tariff becomes effective at the end of the time period given for representations. However, if there are objections, the Council must consider the objections at another meeting held within two months. It would, therefore, be the intention to publish the notices after 12 September 2007 so that any objections could be considered at the Committee's next programmed meeting on 12 November 2007.

## **1.8 Legal Implications**

- 1.8.1 The Council has a legal duty to set a table of maximum fares. The Council has a discretion whether to adopt a "time and distance" tariff.

## **1.9 Financial and Value for Money Considerations**

- 1.9.1 Not applicable.

## **1.10 Risk Assessment**

- 1.10.1 Not applicable.

## **1.11 Recommendations**

1.11.1 Members are requested to consider and determine this request.

Background papers:

contact: Duncan Robinson

Letter of request from Mr Terry Hill of Castle Cars

**Duncan Robinson**

Chief Solicitor