

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**LICENSING & APPEALS COMMITTEE**

**19 MARCH 2012**

**Report of the Chief Solicitor**

**Part 1- Public**

**Delegated**

**1 REVIEW OF HACKNEY CARRIAGE FARES**

**1.1 Background**

- 1.1.1 At the previous meeting of this Committee on 13 January 2011, it was resolved that a three per cent increase in the approved maximum Hackney Carriage Fares be imposed with effect from 1 February 2011. This increase has originally been agreed at the September 2010 meeting of the Committee, but following receipt of an objection to the proposed increase the Committee considered a financial analysis of the alternative tariff put forward by the objectors (which sought a higher increase ) and resolved to proceed with the three per cent increase.
- 1.1.2 At the time of the previous increase, Tonbridge and Malling was operating a distance only tariff. However, at the meeting of this Committee on 15 June 2011, I reported on the practical difficulties we were encountering in enforcing a distance only tariff. In view of these difficulties, it was resolved that with immediate effect the tariff be regarded as one which allows charging for time and distance.
- 1.1.3 The current maximum fares are attached at Annex 1.
- 1.1.4 In accordance with our commitment to review the maximum fares on an annual basis (agreed by this Committee on 21 September 2010), Members are invited to consider whether any increase in the maximum fares is now appropriate.
- 1.1.5 Comparative information from other Kent Authorities is also included for Members' information.

**1.2 Requirement to set fees**

- 1.2.1 The Council is empowered to set maximum Hackney Carriage fares. It is important to note that these are the maximum fares that may be charged, and indeed it is an offence to charge more than the fare shown on the meter. No driver is required to charge the maximum fares and indeed many accept a lower rate.

1.2.2 These fares do not apply to private hire work (journeys which are pre-booked) or to journeys which extend outside the Borough, although in the latter case an agreement to pay more than the metered fare must be made in advance of the hiring commencing.

### 1.3 Comparison with other Kent Authorities

1.3.1 Below is a table showing other Kent authorities' standard tariffs. All operate a time and distance tariff, so waiting time would be payable (if applicable) in addition to the fares set out below. Higher tariffs are also in operation for each authority for journeys between 11.30/ 12.00 midnight and 6.00am, bank holidays and Christmas/ New Year.

<b>Region</b>	<b>Initial fee (Flag)</b>	<b>1 Mile</b>	<b>2 Miles</b>	<b>10 Miles</b>	<b>Last Reviewed</b>
Ashford	£2.60	£3.80	£5.80	£20.80	Apr - 11
Canterbury	£2.60	£4.20	£6.00	£20.40	Oct - 08
Dartford	£2.20	£4.00	£6.20	£27.00	Nov - 09
Dover	£3.30	£4.35	£6.00	£18.00	Jan - 12
Gravesham	£2.40	£4.20	£6.40	£23.20	Dec - 11
Maidstone	£2.80	£4.00	£6.00	£22.00	Dec - 10
Medway	£3.00	£4.40	£6.00	18.80	Dec - 11
Sevenoaks	£3.80	£4.22	£6.32	£23.12	May - 11
Shepway	£2.80	£3.80	£5.40	£18.20	Oct - 10
Swale	£2.60	£4.20	£6.00	£20.30	Oct - 11
Thanet	£3.00	£3.80	£5.00	£16.20	Apr - 07
Tonbridge and Malling	£2.90	£3.50	£5.90	£24.10	Mar - 11
Tunbridge Wells	£4.00	£4.00	£6.60	£27.40	Jan - 2011

## **1.4 Consultation with the Trade**

1.4.1 The issue of Hackney Carriage fares has been raised with the trade during both recent trade meetings (February 2012) and in discussions with Hackney Carriage Drivers while undertaking enforcement on the 14<sup>th</sup> February, 22<sup>nd</sup> of February, 2<sup>nd</sup> March and 3<sup>rd</sup> March 2012. The vast majority of drivers indicated that they did not want an increase in fares. The only comment in favour was a request to consider a small increase each year rather than a large increase after many years.

## **1.5 Fuel costs**

1.5.1 When determining the level of fares, paragraph 5.1.2 of our Hackney Carriage and Private Hire licensing policy provides that consideration will be given as to what it is reasonable to expect the travelling public to pay as well as the need to give drivers an incentive to provide a cost-effective service at the times it is needed.

1.5.2 A key cost for the taxi trade is the price of fuel.

1.5.3 There is evidence to indicate that fuel prices have increased since the last time we increased the maximum tariff in January 2011.

1.5.4 According to the most recent AA fuel price report (February 2012), the price of unleaded fuel is 135 pence per litre. Diesel prices are 142.8 pence per litre, giving a price difference of 7.8 pence per litre between unleaded and diesel. By way of comparison, the fuel prices in Jan 2011 were 128.3 pence per litre for unleaded and 132.8 for diesel. In percentage terms, the price of unleaded fuel rose by 5.2% between January 2011 and February 2012, with diesel seeing a 7.5% rise.

1.5.5 The UK has the ninth highest unleaded prices in Europe and the second highest diesel prices.

## **1.6 Conclusions**

1.6.1 These are undoubtedly challenging financial times, not only for the taxi trade, but also for their customers. The current rate of inflation (Consumer Prices Index – Jan 2012) is 4.8%. This remains higher than the price stability target of 2 per cent inflation set by the government.

1.6.2 It is important to note that the Hackney Carriage tariff has in effect seen 2 increases since the start of 2011 – firstly, the 3 per cent increase agreed by this Committee on 13 January 2011, and secondly the decision to allow for time and distance charging taken in June.

1.6.3 The current maximum fares within Tonbridge and Malling remain competitive with other authorities within Kent. Broadly speaking, our maximum fares fall within the centre range for Kent authorities.

1.6.4 Whilst we should be cautious of attaching much weight to this, given our commitment to review the fare chart on an annual basis, Members are also

advised that we have not received any requests from the trade to increase the maximum fares at this time.

- 1.6.5 In the circumstances, it is not proposed to increase the maximum fare tariff at the present time. In line with our commitment to review fares on an annual basis, a further review will commence in November of this year, with a view to a decision being taken by this Committee in January 2013 and any changes implemented by the start of April 2013.

## **1.7 Legal Implications**

Any proposal to vary the table of fares is subject to consultation. Under the Local Government Act 1976 – Section 65, any fares approved by the Council must be advertised via a public notice in a local newspaper. Any relevant objections received would need to be reported back to Members for consideration.

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

It should be noted that the tariff is the maximum fare that can be charged and discounts can be given, should the driver wish.

## **1.9 Risk Assessment**

Approval of a new maximum fare, below the expectation of the Hackney Carriage trade, may result in dissatisfaction from the trade. Increasing the maximum fare may result in complaints from members of the public.

## **1.10 Recommendations**

No change to be made to the current Hackney Carriage authorised maximum fares that took effect on the 1 February 2011.

The Hackney Carriage authorised maximum fares be reviewed in early 2013.

Background papers:none

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