

TONBRIDGE & MALLING BOROUGH COUNCIL

LICENSING & APPEALS COMMITTEE

5 DECEMBER 2012

Report of the Chief Solicitor

Part 1- Public

Delegated

1 REVIEW OF HACKNEY CARRIAGE FARES

1.1 Background

- 1.1.1 In accordance with our commitment to review the maximum fares on an annual basis (agreed by this Committee on 21 September 2010), this report invites Members to consider whether any increase in the maximum fares is appropriate.
- 1.1.2 At the previous meeting of this Committee on 19 March 2012, it was resolved that no change be made to the current Hackney Carriage authorised maximum fares that took effect on 1 February 2011. It was further resolved to review the fares in November 2012.
- 1.1.3 Members may recall that in February 2011, a three per cent increase in the maximum fares was authorised. At the time of this 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.
- 1.1.4 The current maximum fares are attached at **Annex 1**.
- 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. 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.

Region	Initial fee	1 Mile	2 Miles	10 Miles	Last Reviewed
Ashford	£2.70	£4.10	£5.90	£21.90	Apr - 2012
Canterbury	£2.60	£4.20	£6.00	£20.40	Oct - 2008
Dartford	£2.20	£4.00	£6.20	£27.00	Nov - 2009
Dover	£3.30	£4.35	£6.00	£18.00	Jan - 2012
Gravesham	£2.40	£4.20	£6.40	£23.20	Dec - 2011
Maidstone	£2.80	£4.00	£6.00	£22.00	Dec - 2010
Medway	£3.00	£4.40	£6.00	£18.80	Dec - 2011
Sevenoaks	£3.80	£4.22	£6.32	£23.12	May - 2011
Shepway	£3.00	£4.40	£6.20	£20.60	Jul - 2012
Swale	£2.60	£4.20	£6.00	£20.30	Oct - 2011
Thanet	£3.00	£3.80	£5.00	£16.20	Apr - 2007
Tonbridge and Malling	£2.90	£3.50	£5.90	£24.10	Mar - 2011
Tunbridge Wells	£4.00	£4.00	£6.60	£27.40	Jan - 2011
Kent average		£4.11	£6.04	£21.77	Sep - 2012
Sevenoaks, Maidstone, Tunbridge Wells average, Gravesham		£4.105	£6.33	£23.93	Sep - 2012

Source September 2012 table - http://www.phtm.co.uk/_includes/docs/league_table/WI6VK0.pdf

1.4 Consultation with the Trade

1.4.1 All Hackney Carriage and Dual Badge licensed drivers were written to in October 2012 asking them if they wanted a fare increase and what level of increase they would like to see. To encourage people to respond a prepaid envelope was provided.

1.4.2 The Licensing Team sent out 235 letters. We had 67 replies within the stated period (11 October 2012 until the 5 November 2012) and 6 replies that were received late.

Letters sent out	replies	%
235	67	28.5%

1.4.3 In answer to the question of whether drivers wanted a fare increase, 59 drivers stated "yes" and 8 "No".

Reply	replies	%
Yes	59	88.05%
No	6	8.95%

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.

Month	UK National Average Unleaded (litre)	UK National Average Diesel (litre)	South East Unleaded (litre)	South East Diesel (litre)
November 2012	135.1	141.9	135.1	142.2
August 2012	135.5	140.4	135.9	140.8
May 2012	138.4	144.3	138.9	145.1
February 2012	135.0	142.8	135.6	143.2

Source – AA website <http://www.theaa.com/resources/Documents/pdf/motoring-advice/fuel-reports/february2012.pdf>

Conclusions

Consumer Price Indices, October 2012

- 1.5.3 The Consumer Prices Index (CPI) annual inflation stands at 2.7 per cent in October 2012, up from 2.2 per cent in September.
- 1.5.4 The Retail Prices Index (RPI) annual inflation stands at 3.2 per cent in October 2012, up from 2.6 per cent in September.
- 1.5.5 The current maximum fares within Tonbridge and Malling for short journeys of one and two miles remain uncompetitive with other authorities within Kent. Whilst at the 10 mile journey the fare is above the Kent average and below the neighbouring authorities.

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Kent average		£4.11	£6.04	£21.77	Sep - 2012
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- 1.5.6 In the circumstances, it is proposed to increase the maximum fare tariff at the present time.

Proposed Fare Increases

	Current	Proposal
FLAG	£2.90 (up to .75 of a mile / FLAG (1320 yards))	£2.90 (up to .55 of a mile / FLAG (968 yards))
each subsequent 155 yards	£.0.20 (each subsequent 155 yards)	£.0.20 (each subsequent 155 yards)
1 Mile	£3.50	£4.10
2 Mile	£5.90	£6.30

	Current	Proposal
Waiting Time (For each period of 20 seconds or part thereof)	£0.10	£0.10
Extra Charges <ul style="list-style-type: none"> • For hiring beginning between 00:00 hours and 06:00 on any day • at any time on a bank or public holiday except Christmas Day • between 18:00 and 24:00 hours on Christmas Eve • between 18:00 and 24:00 hours on New Year's Eve 	50% of the above rate of fare	50% of the above rate of fare
For hiring beginning at any time on Christmas Day or Easter Sunday:	100% of the above rate of fare	100% of the above rate of fare
For hiring's on Saturdays & Sundays per fare beginning between 06:00 hours and 24:00 hours.	£0.50 surcharge on each fare	£0.50 surcharge on each fare
For the carriage of more than four passengers up to the maximum capacity of the carriage	50% of the above rate of fare	50% of the above rate of fare
Vehicle spoilage charge	£100.00	£100.00
Congestion charges, tolls and car parking		Congestion charges, tolls and car parking incurred during hiring Any charges(s) detailed above, incurred as a result of a passengers instruction may be added to the fare.

1.6 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.

1.7 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.

1.8 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.

1.9 Recommendations

Members are invited to consider increasing the Hackney Carriage Fares as detailed in section 1.56 of the report. In the event that Members are minded to approve an increase in the maximum fares, it is recommended that any change take effect from 7th January 2013 to allow for the statutory public consultation period. If any relevant objections are received during the period these will be reported to the Committee so that Members may consider whether to proceed with the proposed increase.

Background papers:none

contact:
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Adrian Stanfield
Chief Solicitor and Monitoring Officer

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	A full equality impact assessment has been carried out. The Hackney Carriage and Private Hire Vehicles are used by all members of the public.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	N/A	
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		