

**LICENSING
COMMITTEE**

24th June 2013

HACKNEY CARRIAGE FARE INCREASE - REQUEST

Relevant Portfolio Holder	Councillor Kit Taylor
Portfolio Holder Consulted	No
Relevant Head of Service	Steve Jordan – Head of Worcestershire Regulatory Services
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	N/A

1. SUMMARY OF PROPOSALS

To consider varying the table of fares to be charged by Hackney Carriage owners.

2. RECOMMENDATIONS

Members are asked to RESOLVE;

Whether or not to vary the Hackney Carriage table of fares as proposed by the Bromsgrove Taxi Association.

If Members resolve to vary the table of fares, to delegate authority to the Head of Worcestershire Regulatory Services to carry out the required advertising of any variation and implement the variation if no objections are received.

3. KEY ISSUES

Financial Implications

- 3.1 There are no direct financial implications to the Council arising from this report. The costs of advertising any proposed variation to the table of fares will be met from existing Worcestershire Regulatory Services budgets.

Legal Implications

- 3.2 The Committee has the power to fix the rates or fares within the district as well for time as distance and all other charges in connection with the hire of a hackney carriage vehicle by means of a table under section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
- 3.3 When varying the table of fares there is a statutory requirement to publish the proposal in the form of a Notice, specifying the day (the specified date) on which it will come into force, in at least one local

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newspaper and allow 14 days for any objections to be made. During that period a copy of the Notice must be available for inspection at the Council Offices at all reasonable hours.

- 3.4 If no objections are received to the variation of the table of fares or all of the objections that are made are withdrawn then the variation will come into effect on the specified date. However, if objections are made and not withdrawn, the Licensing Committee must consider them and set a date, not later than two months after the specified date, when the table of fares shall come into effect with or without modification as decided by them after consideration of the objections.
- 3.5 In accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, there is no limit to the amount of increase or variation, nor need an increase be dependent upon external factors such as the increase in fuel prices.

Service / Operational Implications

- 3.6 The current table of fares can be seen at **Appendix 1**. This table of fares was agreed by the Licensing Committee in July 2008 and has not been increased since.
- 3.7 The Council has recently received a request from the Bromsgrove Taxi Association to increase the mileage rates charged to passengers by adding 50p to the flag charge (the flag charge is the initial amount displayed on the meter and charged for the first mile of a journey). The Taxi Association have not requested an increase on the running mile cost or any change on any other tariff or surcharges. A copy of the request received is shown at **Appendix 2**.
- 3.8 As a consequence, the Council has consulted with all Hackney Carriage owners on the proposal put forward by the Taxi Association. There are presently 136 vehicles licensed to be used as Hackney Carriages. A copy of the consultation letter is shown at **Appendix 3**. The results of the consultation are:
- 64 responses were received in total during the consultation
60 respondents are in favour of the proposed increase
4 respondents are not in favour of the proposed increase
- 3.9 The remaining vehicle owners have not responded to the consultation letter. However, a number of them are believed to be members of the Taxi Association.

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3.10 A number of those that are in favour of the proposed increase have commented that the increase is required and justified in light of the increasing running costs that members of the taxi trade have to meet including fuel and insurance prices.

3.11 Two of the respondents who have indicated that they are not in favour of the proposed increase, have commented that now is not the right time to increase the charges in the table of fares as members of the public are already struggling in the current economic climate. One of these respondents has expressed the opinion that a £3.80 flag charge would have been a better compromise and more easily justified to the public.

3.12 In relation to fuel price rises since the table of fares was last varied, the average cost of a litre of fuel in the West Midlands Region was as follows:

	Unleaded 95 Octane	Diesel	Super-Unleaded	LPG
Price (per litre)	119.5p	132.9p	126.2p	57.9p

(Figures taken from the AA Motoring Trust Fuel Report – July 2008)

3.13 According to the same statistics, in May 2013 the average price for a litre of fuel in the West Midlands Region was at the following levels:

	Unleaded 95 Octane	Diesel	Super-Unleaded	LPG
Price (per litre)	133.2p	137.8p	142.1p	73.6p
Change since July 2008	+ 11.5%	+ 3.7%	+ 12.6%	+ 27.1%

(Figures taken from the AA Motoring Trust Fuel Report – May 2013)

3.14 Based on the current table of fares, the cost of a 2-mile journey in the Bromsgrove district is £5.28.

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3.15 The proposed increase will result in the following charges:

For the first mile	£4.00
For each subsequent 99 yards	10p = £1.78 per mile approx.

3.16 This will result in a charge of £5.78 for a journey of approx. 2 miles, an increase of around 9.5% on the existing cost of such a journey.

3.17 Comparisons with other nearby Councils show that the current cost of a 2-mile journey in the following areas is:

Wyre Forest	£4.90
Redditch	£4.88
Worcester	£5.40
Wychavon	£5.00
Dudley	£5.90
Malvern Hills	£6.10
Birmingham	£6.20
Solihull	£6.20

3.18 The national average cost of a 2-mile journey is £5.52 as at April 2013.

3.19 Based on the comparisons, and given that the current cost of a 2-mile journey in Bromsgrove is below the national average, Members may wish to consider increasing the mileage rates with immediate effect, subject to no objections being received during the consultation period.

3.20 If objections are received during the public consultation exercise, these objections will need to be brought back before the Licensing Committee for consideration before a decision to be taken as to when the table of fares shall come into effect with or without modifications.

3.21 If members decide to increase the Hackney Carriage fare tariff charged by Hackney Carriage drivers, all Hackney Carriage owners will be notified in writing of any increase, which will take effect as soon as possible after the consultation period.

3.22 Hackney Carriage owners will then have to have their meters re-calibrated to the new tariff and tested by the depot.

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4. RISK MANAGEMENT

4.1 The main risk associated with the detail included in this report is:

- To ensure that public transport is readily available, accessible and effective in contributing to the night time economy.

5. APPENDICES

Appendix 1	Current table of fares
Appendix 2	Request from Bromsgrove Taxi Association
Appendix 3	Copy of consultation letter

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