Title of Report: Taxi Tariff 2012/13

Report to be considered by:

Licensing

Date of Meeting: 20th March 2012

Forward Plan Ref: N/A

Purpose of Report: To inform Members of a request from the taxi trade for

an increase in the taxi tariff (fare)

Recommended Action: To consider the request

Reason for decision to be

taken:

Request from the Trade

Other options considered: To approve, refuse or amend the rate of tariff

Key background documentation:

OfT Report on taxi services

The proposals contained in this report will help to achieve the following Council Plan Priority:

The proposals will also help achieve the following Council Plan Themes:

CPT13 - Value for Money

CPT15 - Putting Customers First

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:

Ensuring that, if approved, the tariff charged does not exceed the maximum agreed thus protecting the taxi using public from overcharging and by creating a consistent approach to charging for taxi operators and drivers.

Portfolio Member Details	
Name & Telephone No.:	Councillor Hilary Cole - Tel (01635) 248542
E-mail Address:	hcole@westberks.gov.uk
Date Portfolio Member	8 March 2011
agreed report:	O Maron 2011

Contact Officer Details				
Name:	Brian Leahy			
Job Title:	Senior Licensing Officer			
Tel. No.:	01635 42400			
E-mail Address:	bleahy@westberks.gov.uk			

Implications

Policy: Although not a mandatory requirement, the Council's has set a

maximum tariff for taxis for a number of years.

Financial: None

Personnel: None

Legal/Procurement: The Council has a duty to advertise the fares and publish a date

by which any objections must be received.

Property: None

Risk Management: None

Equalities Impact

EIA carried out

Assessment:

Corporate Board's N/A

Recommendation:

Executive Summary

1. Introduction

- 1.1 Local Government (Miscellaneous Provisions) Act 1976 section 65 allows a district council to fix the rate of fares, within the District in respect of hackney carriages. The Council are not obliged to set a fare (tariff) for their area but may do so if they wish. In the past, West Berkshire Council and its predecessor have set a maximum taxi fare structure. It is usually reviewed annually to commence as soon as possible at the start of the new financial year.
- 1.2 Members have the option to not set a tariff at all, relying instead on market forces to establish the going rate and at the same time promoting competition. The taxi trade, through the West Berkshire Hackney and Private Hire Association and the CABCO Association, have always been opposed to such a proposal citing potential threats from the public as the main reason, along with the possibility of more mercenary drivers charging unreasonably high fares. If no tariff were set, this would not be illegal.

2. Proposals

- 2.1 To consider the trade's proposal shown as Appendix B and C.
- 2.2 To be aware of an e mail from Mr Mark Townsend of 1st Direct Cars opposing any tariff increase, shown as Appendix D.
- 2.3 To be aware of a petition signed by 40 members of the taxi trade, shown as Appendix E.

3. Conclusion

3.1 It is intended that any changed tariff, if agreed, will be implemented not sooner than 12th April 2011 unless an objection is received during the 14 day statutory notice period. Where an objection is received within the 14 day period, the Council will set a date, no later than 2 months after the first specified period, on which the table of fares will come into force with or without modification as decided by them after having considered all objections.

Executive Report

1. Introduction

- 1.1 The Council are empowered to set a tariff for hackney carriages by virtue of the Local Government (Miscellaneous Provisions) Act 1976 section 65.
- 1.2 The Council have approved a raised tariff at the request of the trade for a number of years and set these as a **maximum** to be charged after having considered the trade's reasons for any increase.
- 1.3 In order to assist Members in considering these requests Officers have provided information on current tariff charges agreed by other councils which are published in the trade publication, Private Hire & Taxi Monthly. The magazine shows an up to date monthly list of local authority tariffs and each Council's ranking in a price chart. The tables are sorted by the Tariff 1, 2 mile fare as being the lowest common denominator. The data is taken from 363 authorities. Rankings shown for West Berkshire and neighbouring authorities in March 2012 were:

West Berks	39	Vale of WH	50
Reading	8	Swindon	49
Wokingham	72	Windsor & Maidenhead	213
Bracknell Forest	53	Basingstoke & Deane	23
Slough	101		

1.4 The national average fare (tariff) and neighbouring councils fares in February 2012 were shown as;

Tariff 1(applies between 06 or Public Holidays, Boxing I				ner than Bank
	At 1 mile	At 5 miles	Flag	Last increase
National average	£3.60	£10.73	£2.64	
West Berks	£4.20	£12.30	£2.50	April 11
Reading	£4.20	£14.00	£2.20	Oct 11
Wokingham	£4.00	£12.00	£3.00	May 10
Bracknell	£4.20	£11.20	£3.00	June 11
Slough	£5.00	£10.40	£3.00	July 10
Vale o WH	£4.10	£12.10	£3.50	Oct 08
Swindon	£4.30	£11.30	£2.90	Sept 08
Windsor & M	£3.57	£10.29	£2.73	Nov 11
Basingstoke & Deane	£4.80	£10.40	£3.00	Feb 12

West Berkshire is therefore 4th most expensive together with 3 other authorities, at 1 mile, 2nd most expensive at 5 miles and 2nd cheapest at flag.

West Berkshire.)	At 1 mile	At 5 miles	Flag
National average	£4.77	£14.03	£3.51
West Berks	£6.05	£18.20	£3.50
Reading	£5.20	£15.00	£3.20
Wokingham	£6.00	£18.00	£4.50
Bracknell	£6.30	£16.80	£4.50
Slough	£6.80	£12.20	£4.80
Val OWH	£5.55	£17.55	£4.65
Swindon	£4.90	£11.90	£3.50
Windsor & M	£5.33	£15.25	£4.09
Basingstoke & Deane	£6.30	£14.70	£4.50

It can be seen that West Berkshire fares are the 4th most expensive at 1 mile, most expensive at 5 miles and the 2nd joint cheapest, at flag.

2. Annual Review 2011/12

2.2 The fare structure currently in place was set by Members in 2011 and showed an increase over the previous tariff of approximately 20p on the average West Berkshire taxi fare. (Trade assessment)

3. The Office of Fair Trading Report on the Regulation of Taxis and Private Hire

- 3.1 The report does not recommend that Councils remove pricing restrictions for taxis. It recognises that whilst there are some good reasons for deregulating fares, on balance, those for applying controls are stronger. Overall, the OFT believes that fare deregulation will lead to higher charges. The report makes clear that when setting fares the Council should make it clear that the fare set, is the maximum that can be charged. This statement is shown on the tariff card issued to all vehicle proprietors.
- 3.2 A copy of the OFT report is available at the OFT web site at www.oft.gov.uk.

4. Request for Annual review 2011/12

- 4.1 The West Berkshire Hackney & Private Hire Association/Cabco, letter dated 19th February 2012 and shown as Appendix B, outlines their case for an increase of tariff for 2012/13. Their submission is that this proposed tariff change will increase the average taxi fare, in West Berkshire, on a % scale shown at Appendix C and outlined at 4.2
- 4.2 The trade submission equates to an increase of between 12.00% and 3.32% at tariff 1, an increase of between 8.57% and 4.61% at tariff 2 and an increase of between 6.67% and 2.68% at tariff 3.
- 4.3 The current taxi fares/tariff and the proposed tariff, as requested by the trade, are shown at appendix C to this report.

- 4.4 Members may wish to suspend standing orders and invite the trade to address the Committee to further explain their request.
- 4.5 The Consumer Price Indices (CPI) annual inflation for January 2012 stood at 3.6%, down from 4.2% in December 2011. (last update 14th February 2012)
- 4.6.1 Annual inflation as recorded by the retail prices index (RPI) stood at 3.9% in January, down from 4.8% in December. (last update 14th February 2012)

5. Objections to any increase

An e mail stating why any increase of tariff should not be considered has been received from 1st Direct Cars and is shown as Appendix D.

5.2 A petition, signed by 40 taxi licence holders supporting no rise in fares is shown as Appendix E.

Appendices

Appendix A – Equality Impact Assessment

Appendix B – Letter from West Berkshire Hackney & Private Hire Association & CABCO.

Appendix C – Current tariff card Tariff card for 2011/12 and proposed Tariff card for 2012/13

Appendix D - Communication from 1st Direct Cars

Appendix E - Petition opposing an increased tariff

Consultees

Local Stakeholders: CABCO Association, West Berkshire Hackney & Private Hire

Association, Independent Taxi/Private Hire drivers, operators and

vehicle owners

Officers Consulted: Paul Anstey Joint Service Delivery Manager

Trade Union: None

APPENDIX A: Equality Impact Assessment – Stage One

Name of item being assessed:	Taxi Tariff 2012/13
Version and release date of item (if applicable):	Version 1
Owner of item being assessed:	Steve Broughton
Name of assessor:	Brian Leahy
Date of assessment:	7 th March 2012

1. What are the main aims of the item?

To inform Members of a request from the taxi trade for an increase in fares.

2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this.

Group Affected What might be the effect?		Information to support this.
Some elderly, disabled and those less well off persons using taxis in West Berkshire.	An increase in tariff during a period of austerity may have a serious effect on those persons dependant upon taxis.	Appendix C to this report.

3.	Result
	High Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
	Medium Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
	Low Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
Х	No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment

Name: Brian Leahy Date: 7th March 2012

APPENDIX B: Letter from West Berkshire Hackney & Private Hire Association & CABCO.

WORLDS END FARMHOUSE

Worlds End, Beedon, Newbury, Berkshire, RG20 8SB February 19, 2012: Tel: 01635 247782

West Berkshire Council Market Street Newbury

Dear Sirs:

Re West Berkshire 2012/2013 Hackney Tariff
Effective from April 2012

- 1. Please find attached the proposed tariff adjustment for the period commencing 01 April 2012. This proposal is the result of a comprehensive review of the views of the members of the West Berkshire Hackney and Private Hire Association and of Cabco Limited. The views of these two organisations represent the views of the majority of the private and public hire trade in the district. The WBHPHA and Cabco request a suspension of standing orders to present the proposal (attached and noted as "Accepted") to the council for approval. Thank you.
- 2. Both the board of Cabco and the WBHPHA committee agree that an annual incremental increase on the basis of "little and often" is a more acceptable pricing strategy than substantial increases only every few years. Both organisations are determined that we continue to adjust rates annually as has been the case over recent years, rather than return to a situation where rates are increased significantly every few years as was the case some years ago.
- 3. We wish to draw the authorities attention to the rate of inflation, the increasing costs of regulation, the existing increase in fuel prices and the implementation of the governments fuel price escalator that is being reintroduced in the summer of 2012, deferred from January 2012. We must also mention the astonishing increase in hire and reward insurance premiums which have increased between 150% and 250% in the last 15 months. These increases alone can be as much as 2% of total turnover.
- 4. As was the case last year and in all previous years there has been wide range of views from the trade, ranging from very substantial increase, (wanted by a very small minority of drivers) to no increase at all, (also wanted by a small minority of drivers) and, as a result, the proposal we recommend represents a compromise that is in the best interests of the trade and the public.
- 5. There were several options that made it through to final consideration. The option Cabco and the WBHPHA have agreed upon is the option shown in the attached paper, marked "ACCEPTED". It may be helpful to you if we briefly comment on these options.
- 6. The mathematics of the algorithms in the meter software are very complicated and we have had to work our desired outcomes around these algorithms. The possible outcomes have influenced our reasoning in rejecting the remaining two options.
- 7. The first option (option 1) to be rejected (marked as "REJECTED") shows an initial flag at Tariff 1 of £3.50. It is agreed that this is too much of an increase from the current £2.50 T1 flag and that this will not be readily supported by the public. The remaining increases on T1 are otherwise acceptable. However the algorithm then calculates a net decrease on Tariff 2 for all journeys over 1 mile. This outcome will

be wholly unacceptable to the trade.

- 8. The second option to be rejected (Option 3, also marked as "REJECTED") shows an initial flag at Tariff 1 of £2.80 and at Tariff 2 of £3.80. The trade has agreed that the percentage increase on the running rate is slightly too high and is too much of an increase from the current rates and that this will not be readily supported by the public. The same argument applies for Tariff 2.
- 9. Thus the proposed Tariff changes put forward to the council is OPTION 2 which represents the best option to put forward for the 2012 2013 tariff and we, the undersigned, commend this proposal to the licensing authority. This will still leave the average taxi driver less well off as the calculations do not allow for a net increase in income, all other things being equal, in real terms.

Thank you for your attention to this matter.

D Oram, on behalf of the board of Cabco Limited A Lutter on behalf of the WBHPHA

NOTES AND BACKGROUND INFORMATION:

10. In calculating previous increases on which these calculations are based we have used the formula agreed and set out by the TGWU and the Public Carriage Office. The basis of these calculations are unchanged from previous years.

Mobile 07768757183

D Oram, on behalf of the board of Cabco Limited A Lutter on behalf of the WBHPHA Email: andrew.lutter@btinternet.com

APPENDIX C: Tariff Cards

WEST BERKSHIRE

Name : TARIFF 2 Date: 07/04/2011	Name : TARIFF 3 Date: 07/04/2011
Soiling charge: Allowed Walt: 18 (secs)	Solling charge: Allowed Wait: 18
Flag fall: £3.50 A	Flag fall: £4.50
initial yardage: 380 B	Initial yardage: 380
Unit thereafter: 86 C	Unit thereafter: 86
Price unit : 0.15 D	Price unit : 0.2
	Date: 07/04/2011

Name : TARIFF 1	Name: TARIFF 2	Name: TARIFF 3
Wait: 36 (secs)	Wait: 36 (secs)	Wait:36 (secs
Flag fall: £3.50 A	Flag fall: £4.50 A	Flag falt: £5.50 A
Initial yardage: 1000 B	Initial yardage: 1000 B	Initial yardage: 1000 B
Unit thereafter: 172 C	Unit thereafter: 172 C	Unit thereafter: 172 C
Price unit : 0.20	Price unit : 0.3 D	Price unit: 0.4 D
Initial Waiting Time (secs): 209	Initial Waiting Time (secs): 209	Initial Waiting Time (secs): 209

Distance		TARIFF 1	1		TARIFF 2			TARIFF 3	
miles)	Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Flag	£2.50	£3.50	40.00%	£3.50	£4.50	28.57%	£4.50	€5.50	22.22%
1	£4.20	£4.50	7.14%	£6.05	€6.00	-0.83%	£7.90	£7.50	-5.06%
2	£6.20	£6.50	4.84%	£9.05	€9.00	-0.55%	€11.90	£11.50	-3.36%
3	£8.20	£8.50	3.66%	£12.05	£12.00	-0.41%	£15.90	£15.50	-2.52%
4	£10.30	€10.70	3.88%	£15.20	£15.30	0.66%	£20.10	£19.90	-1.00%
5	£12.30	£12.70	3.25%	E18.20	£18.30	0.55%	£24.10	€23.90	-0.83%
6	£14.40	£14.70	2.08%	£21.35	£21.30	-0.23%	£28.30	£27.90	-1.41%
7	£16.40	£16.70	1.83%	£24.35	£24.30	-0.21%	£32.30	£31.90	-1.24%
8	£18.50	£18.90	2.16%	£27.50	£27.60	0.36%	£36.50	£36.30	-0.55%
9	€20.50	£20.90	1.95%	£30.50	€30.60	0.33%	£40.50	£40.30	-0.49%
10	£22.60	£22.90	1.33%	£33.65	£33.60	-0.15%	€44.70	£44.30	-0.89%

WEST BERKSHIRE

CURRENT TARIFF TARIFF 2 07/04/2011 TARIFF 3 07/04/2011 TARIFF 1 07/04/2011 Name: Name: Name: Date: Date: Date: Solling charge: Wait: Allowed 18 (secs) Alfowed 18 (secs) Soiling charge: Wait: Solling charge: Allowed 18 (secs) £2.50 A £3.50 A Flag fall: Flag fall: Plag fall: £4.50 A 380 B Initial yardage: 380 B Initial yardage: 380 B Initial yardage: 86 C Unit thereafter: Unit thereafter: Unit thereafter: 0.15 0 0.20 0.1 D Price unit : Price unit : Price unit: Initial Waiting Time (secs): 80 Initial Waiting Time (secs): Initial Walting Time (secs):

Name: TARIFF 1	Name : TARIFF 2	Name: TARIFF 3
Wait: 36 (secs)	Walt: 36 (secs)	Wait: 36 (secs)
Flag fall: £2.80 A	Flag fall: £3.80 A	Fleg fall: £4,80]A
Initial yardage: 377.1429 B	initial yardage: 377.1429 B	Initial yardage: 377,1429 B
Unit thereafter: 125.7143 C	Unit thereafter: 110 C	Unit thereafter: 125.7143 C
Price unit : 0.15 D	Price unit : 0.2 D	Price unit: 0.3 D
Initial Waiting Time (secs): 108	initial Weiting Time (secs): 123	Initial Waiting Time (secs): 108

Distance (miles)	TARIFF 1		TARIFF 2		TARIFF 3				
	Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Flag	€2.50	£2.80	12.00%	£3.50	£3.80	8.57%	£4.50	£4.80	6.67%
1	£4.20	£4.45	5.95%	£6.05	€6.40	5.79%	£7.90	£8.10	2.53%
2	€6.20	€6.55	5.65%	£9.05	£9.60	6.08%	£11.90	£12.30	3.36%
3	£6.20	£8.65	5.49%	£12.05	£12.80	6.22%	£15.90	£16.50	3.77%
4	£10.30	£10.75	4.37%	£15.20	£16.00	5.26%	£20.10	£20.70	2.99%
5	£12.30	£12.85	4.47%	£18.20	£19.20	5.49%	£24.10	£24.90	3.32%
6	£14.40	£14.95	3.82%	£21.35	£22.40	4.92%	£28.30	£29.10	2.83%
7	£16.4D	£17.05	3.96%	£24.35	£25.60	5.13%	£32.30	£33.30	3,10%
8	£18.50	€19.15	3.51%	£27.50	€26.80	4.73%	£36.50	£37.50	2.74%
9	£20.50	€21.25	3.66%	£30.50	£32.00	4.92%	£40.50	£41.70	2.96%
10	£22.60	£23.35	3.32%	£33.65	£35.20	4.61%	£44.70	€45.90	2.68%

WEST BERKSHIRE

CURRENT TARIFF

TARIFF 1 Name: 07/04/2011 Date: Allowed 18 (secs) Soiling charge: £2.50 A Flag fall: 380 B Initial yardage: 86 C Unit thereafter:

0.1 D

80

TARIFF 2 07/04/2011 Name : Date:

£3.50 A

380 B

Solling charge:

Flag fall:

Initial Waiting Time (secs):

Initial yardage:

Date: Allowed 18 (secs)

TARIFF 3 Name : 07/04/2011

Solling charge:

Allowed 18 (secs) £4.50 A

60

144

Flag fall: Initial yardage:

380 B

Unit thereafter: 0.15 D Price unit :

Unit thereafter:

Initial Waiting Time (secs):

0.2 D Price unit:

PROPOSAL 3

Price unit :

Initial Waiting Time (secs):

Name : TARIFF 1	
Wait:	36 (secs)
fleg fell:	£2.80 A
fnitial yardage:	640 B
Unit thereafter:	160 C
Price unit :	0.2 D
Initial Waiting Time (sees):	144

Name :	TAR	FF 2	
	Wait:	36 (secs)	
Fla	ng fall:	£3.80 A	
Initial ya	rdage:	640 B	

54440 ST-000			
Wait:		36 (secs)	
Flag fall:	£3	A 08.	
Initial yardage:		640 B	
Unit thereafter:		160 C	-1
Price unit :		0.3 D	
Initial Walting Tir	ne (secs):	144	000

1	Name :	TARIFF 3
	Wa	it: 36 (sec
	Flag fall;	£4.80]A
	Initial yardage:	640]B
	Unit thereafter:	160 C
	Price unit :	0.4D

initial Waiting Time (secs):

Distance	TARIFF 1			TARIFF 2			TARIFF 3		
(miles)	Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Flag	£2.50	£2.60	12.00%	£3.50	€3.80	8.57%	£4.50	£4.80	6.67%
1	€4.20	£4.20	0.00%	£6.05	€5.90	-2.48%	£7.90	£7.60	-3.80%
2	£6.20	£6.40	3.23%	£9.05	€9.20	1.66%	£11.90	£12.00	0.84%
3	£8.20	€8.60	4.88%	£12.05	£12.50	3.73%	£15.90	£16.40	3.14%
4	£10.30	£10.80	4.85%	£15.20	£15.80	3.95%	£20.10	£20.80	3.48%
5	£12.30	£13.00	5.69%	£18.20	£19.10	4.95%	£24.10	£25.20	4.56%
6	£14.40	£15.20	5.56%	£21.35	£22.40	4.92%	£28,30	£29.60	4.59%
7	€16.40	£17.40	6.10%	£24.35	€25.70	5.54%	£32.30	£34.00	5.26%
8	£18.50	£19,60	5.95%	£27.50	€29.00	5.45%	£36.50	€36.40	5.21%
9	£20.50	£21.80	6.34%	£30.50	£32.30	5.90%	£40.50	£42.68	5.68%
10	£22.60	£24.00	6.19%	£33.65	£35.60	5.79%	£44.70	£47.20	5.59%

APPENDIX D: Letter of objection

Dear Brian,

I am not sure how to formally object to any proposed tariff change, but would like to.

I feel that at this time when the rest of the country is being asked to cut back that for the taxi trade to be asking for increases is totally wrong.

Following our last increase we noticed 2 things happen, firstly the amount of verbal abuse regarding the taxi fares increased and secondly trade in general decreased.

Admittedly fuel prices are high, but really not that higher than April 2011 (139.9p/l (data from whatprice.co.uk)) and today's price is average 142.49p/l.

As requested can you either accept this as a formal objection or advise me how I should.

Mark

Mark Townsend Proprietor. 1st Direct Cars Group.

APPENDIX E: Petition

We, the undersigned object in the strongest terms to the proposed increase in Taxi tariff for 2012. We feel that it is inappropriate to increase fares in the current economic climate and that any increase would be detrimental to the trade in general. We therefor ask that no tariff increase be authorised at this time.

Signature	Name	Badge
Da	D.R. KIMBER.	190
= A-As	B.A. ANNETTS	863
Meur	- PBENGER.	509
92-	D. Agah	700
14.2	J BURKE	2077
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Sleggel	S. Hazzard	739 -
A TOTAL OF THE PARTY OF THE PAR	JUAN BENJARRA	828
de Konnely	JOHN LENKON	672
Lucen Goog	SIMON BOYS	52
19-	O. Surnes	560
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J Donall	JROWER	38
A C	ANON KEAST	2093
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00	C. BRINIS	74
K Des	K DAVEY	2051

24

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Signature	Name	Badge
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Knothern	L. POTTINGEL	480
myled Stenson	MICHARL SKINNER	425
MAGGS MCHAA	maldo	113
F. Falth rose D	F. FARHRAGE	462
Kulum	AJA	2006
M NAME	HQ	191
5 Ridwoods	n BR	572
M. SIMPSON	10h	123
P. TEHEIRA	Bull L	2039.
A-JAM	A. Jan.	467
N. 5.11	MTownsend	14
TAA	K- STURM	梅32
C- Jamos.	C- JAMES.	574_
AR DO	M-BONATH	799
N. Kels	A.M. REDDICK	773
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