

Title of Report:	TAXI TARIFF 2013/14
Report to be considered by:	Licensing
Date of Meeting:	20 March 2013.
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 Refuse the request

Reason for decision to be taken: Request from the Trade

Other options considered: To approve the request 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 Strategy priority:

CSP4 – Protecting the environment

The proposals contained in this report will help to achieve the above Council Strategy priority:

Ensuring that the tariff charged is set at a fair and reasonable level does not exceed the maximum agreed thus protecting the taxi using public from being overcharged.

Portfolio Member Details	
Name & Telephone No.:	Councillor Hilary Cole - Tel (01635) 248542
E-mail Address:	hcole@westberks.gov.uk
Date Portfolio Member agreed report:	07 March 2013

Contact Officer Details	
Name:	Brian Leahy
Job Title:	Team Manager Licensing
Tel. No.:	01635 519494
E-mail Address:	bleahy@westberks.gov.uk

Implications

Policy: Although not a mandatory requirement, the Council has set a maximum tariff for a number of years.

Financial: None

Personnel: None

Legal/Procurement: The Council has a duty to advertise any variation in fares and publish a date by which any objections must be received.

Property: None

Risk Management: None

Equalities Impact Assessment: None

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 is 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 has been reviewed annually for a number of years.
- 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.

3. Equalities Impact Assessment Outcomes

- 3.1 Consultation has taken place with the trade liaison representatives. The issue of increased taxi fares could be a source of financial difficulty for those who rely on taxis but have reduced or low incomes.

4. Conclusion

- 4.1 It is intended that if Members agree to the trade's request, any change in tariff will be implemented not sooner than 15th April 2013 unless an objection is received during the 14 day statutory notice period.
- 4.2 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.
- 4.3 If Members choose to reject the request the tariff will remain at that set in 2012.

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 has approved an increase in tariff at the request of the trade for at least the last 9 years. Records previous to this are archived but should Members wish, these can be produced.
- 1.3 In 2008 the tariff was increased twice, at the request of the trade. As a consequence of the additional increase in 2008, the trade did not submit an application for a further increase in 2009 but asked for the tariff to remain unchanged. Members agreed to this proposal.
- 1.4 Fees have always been set as the maximum to be charged.
- 1.5 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 361 authorities. Rankings shown for West Berkshire and neighbouring authorities in March 2013 were:

West Berks	16 up from 39 in 2012
Reading	13 down from 8 in 2012
Wokingham	34 up from 72 in 2012
Bracknell Forest	76 down from 53 in 2012
Slough	126 down from 101 in 2012
Vale o WH	73 down from 50 in 2012
Swindon	72 down from 49 in 2012
Windsor & Maidenhead	239 down from 213 in 2012
Basingstoke & Deane	44 down from 23 in 2012

- 1.6 The national average fare (tariff) and neighbouring councils fares in February 2013 were shown as;

Tariff 1(applies between 06:00hrs and 22:00hrs Monday to Saturday other than Bank or Public Holidays, Boxing Day and Christmas day, in West Berkshire.)

	At 1 mile	At 5 miles	Flag	Last known increase
National Average	£3.70	£10.99	£2.68	
West Berks	£4.20	£13.80	£2.80	Aug 12
Reading	£4.20	£14.00	£2.20	Oct 11
Wokingham	£4.20	£12.60	£3.00	May 12
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

Tariff 2 (applies between 22.00hrs and 06.00hrs and on Sundays & Bank Holidays, in West Berkshire.)

National Average	£4.88	£14.34	£3.56
West Berks	£6.40	£19.20	£3.80
Reading	£5.20	£15.00	£3.20
Wokingham	£6.30	£18.90	£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

2. Annual Review 2012/13

- 2.1 The fare structure currently in place was set by Members in 2012 and showed an increase over the previous tariff (2011) of approximately 20p on the average West Berkshire taxi fare. (Trade assessment)

3. The Office of Fair Trading Report

- 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 notification issued to all vehicle proprietors.
- 3.2 A copy of the OFT report is available at the OFT web site at, <http://www.offt.gov.uk/OFTwork/publications>

4. Request for Annual review 2012/13

- 4.1 4.1 The West Berkshire Hackney & Private Hire Association/Cabco Association letter and associated data, dated 1st March 2013 and shown as Appendix B, outlines their case for an increase of tariff for 2013/14. Their submission is that this proposed tariff change represents an increase of 15p on the average West Berkshire taxi fare and equates to roughly 2%.
- 4.2 The current taxi fare/tariff is shown at appendix C to this report.
- 4.3 When Members agreed the last increase in tariff (2012) the Consumer Price Indices (CPI) annual inflation for January 2012 stood at 3.6%, down from 4.2% in December 2011. (Published; 14th February 2012) and annual inflation, as recorded by the Retail Prices Index (RPI,) stood at 3.9% in January, down from 4.8% in December 2011. (Published; 14th February 2012).
- 4.4 At the date of writing this report (5 March 2013) the rate of inflation in the UK in January remains unchanged for the fourth consecutive month. The rate as measured by the Consumer Prices Indices stayed at 2.7%. The Retail Prices Index RPI rose to 3.3% in January from 3.1% in December 2012, according to the Office for National Statistics. (Source; BBC News Business Economy Tracker 5th March 2013).
- 4.5 It can therefore be seen that CPI is in fact 0.9% lower than last year in the same period and RPI is 0.6% lower.
- 4.6 In writing this report, officers have referred back to the minutes of the Licensing Committee meeting held on the 12th March 2012, when Members agreed to an increase in tariff.
- 4.7 At that meeting, the then, Chairman of the West Berkshire Hackney & Private Hire Association, Mr Lutter, declared that "1 litre of diesel at Savacentre, Calcot was £1.52p". (Source: Licensing Committee Meeting Minutes 12th March 2012)
- 4.8 On the 5th March 2013, at the same fuel station, diesel was £146.9 per litre.
- 4.9 At the same meeting, Mr Lutter responded to a question from Councillor Edwards, who queried his position on fare increases should the price of fuel decrease. Mr Lutter answered that if there was a decrease in fuel prices, this should be reflected in the next annual tariff revue. (Source: Licensing Committee Meeting Minutes 12th March 2012).

5. Shared Service Agreement

- 5.1 In January 2012, West Berkshire and Wokingham Councils entered into a shared service agreement for the provision of Environmental Health and Licensing functions. West Berkshire Council is the lead authority.
- 5.2 In taking into consideration the shared arrangements and the need to review service provision and therefore costs/fees etc, officers informed the trade liaison group in February that the Council had decided not to increase any taxi or private hire fees for 2013/14. It would appear that the trade has decided that a moratorium on fees is not sufficient for their operations and its representative's have made no mention of this fact in their request for an increase.
- 5.3 The number of hackney carriages on 1st March 2012 was 200, on the 5th March 2013 the number stood at 190.

5.4 Members may wish to suspend standing orders at this point and invite the trade to address the Committee to further explain their request.

6. Recommendations

6.1 Officers believe that the trade have provided insufficient clear evidence of justifying any increase in tariff for 2013/14 and recommend refusal of the request.

6.2

Appendices

Appendix A – Equality Impact Assessment – Stage 1

Appendix B - Letter and associated data from West Berkshire Hackney & Private Hire Association & CABCO Association.

Appendix C – Current tariff card Tariff card for 2012/13.

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, Julia Weymouth Principal Licensing Officer

Trade Union: None

APPENDIX A

Equality Impact Assessment – Stage One

Name of item being assessed:	Taxi Tariff 2013/14
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:	5 th March 2013

1. What are the main aims of the item?

To inform Members of the request for an increase in taxi fares for 2012/13

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. (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)

Group Affected	What might be the effect?	Information to support this.
The elderly, disabled and less wealthy members of the public.	Those members of society, of all ages and social groups, who are dependant upon travel by taxi, will be subject to an increase in the cost of travel should the requested increase in fare be approved.	Detail in the report.

Further comments relating to the item:

3. Result (please tick by clicking on relevant box)

<input checked="" type="checkbox"/>	No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment
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For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

4. Identify next steps as appropriate:

Stage Two not required:

Name: Brian Leahy

Date: 5 March 2013.

Appendix B

West Berkshire Hackney and Private Hire Association
(WBHPHA)
27 Harrington Close
Manor Park
Newbury
Berks
RG14 2 RQ

Mr Brian Leahy
Senior Licensing Officer
West Berkshire District Council
Council Offices
Market Street
Newbury
Berkshire
RG14 5LD

1st March 2013

Dear Mr Leahy,

Setting of the maximum chargeable fares for Hackney Carriages W.E.F the 1st April 2013

The members of the above mentioned association and the Cabco owners and drivers Association have instructed me to apply to you for an increase in charges.

Our application is as follows:

- 1) Initial distance not exceeding 377.1429 yards or part thereof unchanged
Initial waiting time 81 seconds or a combination of time and distance £ 2.80 unchanged
- 2) For each subsequent 123.2493 yards completed or part thereof 15p

The associations also propose a small change in the rate charged for tariff 2 and tariff 3, details of which are shown in the attached revised tariff card.

The above proposals represent an increase of 15p on the average West Berkshire taxi fare.

In calculating our increase we have used the formula agreed and set out by National Private Hire Association. The Rate of inflation is currently running at 2.7% for the period November 2011 to 2012. (From the Office of National Statistics) This Proposal gets as close as possible to an overall increase of 2% (two percent) on the running rate . The Science of setting these rates is somewhat imprecise as the mathematics is extremely complex. This is why the actual percentage rates varies between drops (the distance after which the meter pulse triggers the meter price to change)

UNITE the Union formerly known as the TGWU and the Public Carriage Office. Calculations are based on the following criteria, are based on 4 different methods.

- a) Purchase new and run for 6 years.
- b) Purchase new and run for 3 years.
- c) Purchase at 3 years and run for 6 years.
- d) Lease.

1. Vehicle Spares:

basket of 15 components is taken into account, along with tyre costs from 3 manufactures.

2. Garaging and Servicing:

These are divided into property derived costs (rent, rates, heating, lighting), using the rent index for industrial premises and labour derived costs using the National Joint Council for the Motor Retail Repair Industry's Minimum rates of pay index.

4. Fuel costs:

The price of derv per gallon is taken from the Automobile Association , and assumes typical consumption of 30 miles to the gallon.

5. Insurance:

Three insurance companies provide quotes; this figure is then averaged out.

6. Miscellaneous costs:

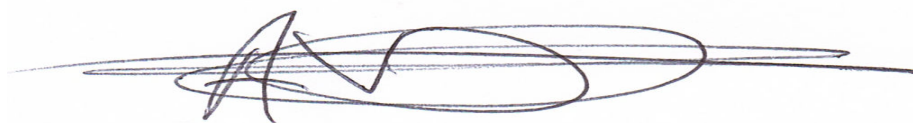
- 1) Licence fees
- 2) Class 2 NI contributions
- 3) MOT

7. Earnings:

As taxi fares comprise taxi drivers main income the formula takes account of earnings as 45% of the overall calculation for a fares increase. The earnings figure is derived from the average earnings index for the whole economy.

We would be obliged if you could consider the above and arrange for the appropriate Committee to consider our application at their earliest convenient meeting in order that the proposed increase can be implemented from the 1st April 2013 We will be pleased to have a representative at the committee meeting to answer any questions councillors might have.

Yours faithfully,



Mr A Vass Chairman of the WBHPHA on behalf of the West Berkshire Hackney and Private Hire Association

Mr Dave Oram on behalf of the Cabco Owners and Drivers Association.

Hackney Carriages – Table of Fares effective from 1 April 2013

Customers should be aware that these charges are the **MAXIMUM** to be charged and any lesser fare agreed prior to commencement of the journey. Where the taxi is used for pre-booked journeys the fare shall be calculated from the point in the district at which the hirer commences his/her journey) (Local Government (Miscellaneous Provisions) Act 1976 sec. 67)

Tariff 1

Applies for any hiring when the journey commences between 06:00 and 22:00 Monday to Saturday, other than Bank Holidays, Public Holidays, Boxing Day or Christmas Day.

Initial distance not exceeding 377.1429 yards or part thereof

Initial waiting time 81 seconds or a combination of time and distance **£2.80**

For each subsequent 123.2493 yards completed or part thereof **15p**

Waiting time: for every period of 27 seconds or part thereof **15p**

Tariff 2

Applies for any hiring when the journey commences between 22:00 and 06:00 Monday to Saturday.

Applies for any hiring when the journey commences on Sundays, Bank Holidays or Public Holidays.

Applies for any hiring when the journey commences between 06:00 and midnight on Boxing Day.

Applies for any hiring when the journey commences between 19:00 and midnight on Christmas Eve or New Years Eve.

For any journey with 5 or more passengers which commences between 06:00 and 22:00 Monday to Saturday.

Initial distance not exceeding 377.1429 yards or part thereof

Initial waiting time 72 seconds or a combination of time and distance **£3.80**

For each subsequent 106.8431 yards completed or part thereof **20p**

Waiting time: for every period of 24 seconds or part thereof **20p**

Tariff 3

Applies for any hiring when the journey commences on Christmas Day until 0600hrs on Boxing Day.

Applies for any hiring when the journey commences between midnight and 06:00 on New Years Day.

Initial distance not exceeding 377.1429 yards or part thereof

Initial waiting time 81 seconds or a combination of time and distance **£4.80**

For each subsequent 123.2493 yards completed or part thereof **30p**

Waiting time: for every period of 27 seconds or part thereof **30p**

If a Hackney Carriage is booked by telephone, facsimile, e mail or other electronic means a booking fee may be charged by prior arrangement only.

London Congestion Charge (or similar in any other place), or any Tolls, will be applied for any journey where such charges or tolls are incurred.

Fouling will be charged.

2013 to 2014 HACKNEY PROPOSAL WEST BERKSHIRE COUNCIL

New Sheet

CURRENT TARIFF

<p>Name : <input type="text" value="TARIFF 1"/></p> <p>Date: <input type="text" value="2012/13"/></p> <p>Soiling charge: <input type="text" value="ALLOWED"/></p> <p>Wait: <input type="text" value="27"/> (secs)</p> <p>Flag fall: <input type="text" value="£2.80"/> A</p> <p>Initial yardage: <input type="text" value="377.1429"/> B</p> <p>Unit thereafter: <input type="text" value="125.7143"/> C</p> <p>Price unit : <input type="text" value="0.15"/> D</p> <p>Initial Waiting Time (secs): <input type="text" value="81"/></p> <p>RUNNING MILE <input type="text" value="0.0210"/></p>	<p>Name : <input type="text" value="TARIFF 2"/></p> <p>Date: <input type="text" value="2012/13"/></p> <p>Soiling charge: <input type="text" value="ALLOWED"/></p> <p>Wait: <input type="text" value="24"/> (secs)</p> <p>Flag fall: <input type="text" value="£3.80"/> A</p> <p>Initial yardage: <input type="text" value="377.1429"/> B</p> <p>Unit thereafter: <input type="text" value="110"/> C</p> <p>Price unit : <input type="text" value="0.2"/> D</p> <p>Initial Waiting Time (secs): <input type="text" value="82"/></p> <p>RUNNING MILE <input type="text" value="0.0320"/></p>	<p>Name : <input type="text" value="TARIFF 3"/></p> <p>Date: <input type="text" value="2012/13"/></p> <p>Soiling charge: <input type="text" value="ALLOWED"/></p> <p>Wait: <input type="text" value="27"/> (secs)</p> <p>Flag fall: <input type="text" value="£4.80"/> A</p> <p>Initial yardage: <input type="text" value="377.1429"/> B</p> <p>Unit thereafter: <input type="text" value="125.713"/> C</p> <p>Price unit : <input type="text" value="0.3"/> D</p> <p>Initial Waiting Time (secs): <input type="text" value="81"/></p> <p>RUNNING MILE <input type="text" value="0.0420"/></p>
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PROPOSAL

<p>Soiling charge: <input type="text" value="ALLOWED"/></p> <p>Name : <input type="text" value="TARIFF 1"/></p> <p>Date: <input type="text" value="2013/14"/></p> <p>Wait: <input type="text" value="27"/> (secs)</p>	<p>Soiling charge: <input type="text" value="ALLOWED"/></p> <p>Name : <input type="text" value="TARIFF 2"/></p> <p>Date: <input type="text" value="2013/14"/></p> <p>Wait: <input type="text" value="24"/> (secs)</p>	<p>Soiling charge: <input type="text" value="ALLOWED"/></p> <p>Name : <input type="text" value="TARIFF 3"/></p> <p>Date: <input type="text" value="2013/14"/></p> <p>Wait: <input type="text" value="27"/> (secs)</p>
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Flag fall: £2.80 A	Flag fall: £3.80 A	Flag fall: £4.80 A
Initial yardage: 377.1429 B	Initial yardage: 377.1429 B	Initial yardage: 377.1429 B
Unit thereafter: 123.2493 C	Unit thereafter: 106.8431 C	Unit thereafter: 123.2493 C
Price unit : 0.15 D	Price unit : 0.2 D	Price unit : 0.3 D
Initial Waiting Time (secs): 81	Initial Waiting Time (secs): 72	Initial Waiting Time (secs): 81

RUNNING MILE 0.0214

RUNNING MILE 0.0329

RUNNING MILE 0.0428

Distance (miles)	TARIFF 1			TARIFF 2			TARIFF 3		
	Current	Proposed	% Change	Current	Proposed	% Change	Current	Proposed	% Change
Flag	£2.80	£2.80	0.00%	£3.80	£3.80	0.00%	£4.80	£4.80	0.00%
1	£4.45	£4.60	3.37%	£6.40	£6.40	0.00%	£8.10	£8.40	3.70%
2	£6.55	£6.70	2.29%	£9.60	£9.80	2.08%	£12.30	£12.60	2.44%
3	£8.65	£8.80	1.73%	£12.80	£13.00	1.56%	£16.50	£16.80	1.82%
4	£10.75	£11.05	2.79%	£16.00	£16.40	2.50%	£20.70	£21.30	2.90%
5	£12.85	£13.15	2.33%	£19.20	£19.60	2.08%	£24.90	£25.50	2.41%
6	£14.95	£15.25	2.01%	£22.40	£23.00	2.68%	£29.10	£29.70	2.06%
7	£17.05	£17.35	1.76%	£25.60	£26.20	2.34%	£33.30	£33.90	1.80%
8	£19.15	£19.60	2.35%	£28.80	£29.60	2.78%	£37.80	£38.40	1.59%
9	£21.25	£21.70	2.12%	£32.00	£32.80	2.50%	£42.00	£42.60	1.43%
10	£23.35	£23.80	1.93%	£35.20	£36.20	2.84%	£46.20	£46.80	1.30%

WEST BERKSHIRE APPROVED TAXI FARES

Tariff 1

Applies between 06:00 and 22:00 Monday to Saturday.
 Initial distance not exceeding 377.1429 yards or part thereof and/or initial waiting time of 81 seconds or a combination of time and distance **£2.80**
 For each subsequent 125.7143 yards completed or part thereof **15p**
 Waiting time: for every period of 27 seconds or part thereof **15p**

Tariff 2

Applies for any hiring when the journey commences between 22:00 and 06:00 Monday to Saturday,
 Sundays, Bank Holidays or Public Holidays, between 06:00 and midnight on Boxing Day and between 19:00 and midnight on Christmas Eve or New Years Eve or for any journey with 5 or more passengers which commences between 06:00 and 22:00 Monday to Saturday.
 Initial distance not exceeding 377.1429 yards or part thereof and/or initial waiting time of 72 seconds or a combination of time and distance **£3.80**
 For each subsequent 110 yards completed or part thereof **20p**
 Waiting time: for every period of 24 seconds or part thereof **20p**

Tariff 3

Applies for any hiring when the journey commences on Christmas Day until 0600hrs on Boxing Day or between midnight and 06:00 on New Years Day.
 Initial distance not exceeding 377.1429 yards or part thereof and/or initial waiting time 81 seconds or a combination of time and distance **£4.80**
 For each subsequent 125.7143 yards completed or part thereof **30p**
 Waiting time: for every period of 27 seconds or part thereof **30p**

Average fare would be **approximately**, as follows, depending on time of day/night and traffic conditions:

	Tariff 1	Tariff 2	Tariff 3
Flag	£2.80	£3.80	£4.80
1	£4.45	£6.40	£8.10
2	£6.55	£9.60	£12.30
3	£8.65	£12.80	£16.50

4	£10.75	£16.00	£20.70
5	£12.85	£19.20	£24.90
6	£14.95	£22.40	£29.10
7	£17.05	£25.60	£33.30
8	£19.15	£28.80	£37.50
9	£21.25	£32.00	£41.70
10	£23.35	£35.20	£45.90

It is an offence for any taxi driver, at any rank, to refuse or neglect a fare without reasonable excuse.

Incidences of such behaviour should be reported to:

The Licensing Team

West Berkshire Council

Council Offices

Market Street

Newbury

Berkshire

RG14 5LD

licensing@westberks.gov.uk

01635 519184