

Title of Report: Annual Review of the Taxi Tariff

Item 5

Report to be considered by: Licensing Committee

Purpose of Report:

To set a maximum scale of fares for licensed hackney carriages operating in the district, for 2006/7.

Recommended Action:

To approve the recommended tariff.

List of other options considered:

To not set a tariff or to set a lesser tariff than that proposed.

Key background documentation:
(bulleted list format)

- Office of Fair Trading Report: The Regulation of Licensed Taxi and PHV Services in the UK.

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Supporting Information

1. Background

- 1.1 Councils are not obliged to set a maximum taxi fare 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 Although not a recommended action, 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 Carriage and Private Hire Operators Association, are opposed to such a proposal citing potential threats from the public as the main reason, along with the possibility of unscrupulous drivers charging unreasonable fares. The local police are also not in favour of such a move for similar reasons.
- 1.3 The taxi trade representatives have also said in the past that having a maximum tariff set by the Council helps to deflect criticism of apparently high fares. Currently, the fare regime for the district is staged at 146 in a national council league table of 247 authorities. The national average Flag Fall (item 1, on the 2005 tariff card attached as appendix 1) is currently £2.15, with West Berkshire standing at £1.80.
- 1.4 Officers meet annually with the trade to discuss the tariff and the trade's formal response is attached as appendix 2. Members may wish to suspend standing orders and invite trade representatives to address the committee.

2. The Office of Fair Trading Report

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.

- 2.2 A copy of the OFT report is available at the OFT web site at, <http://www.of.gov/Market+Studies.taxis.htm>

3. Taxi Fares for 2005/6

- 3.1 The current taxi fares set by this authority are shown at appendix 1 to this report. The taxi trade, through the West Berkshire Hackney Carriage and Private Hire Operators Association have set out a proposed increase to these rates by letter, shown as appendix 2. The proposed increase equates to roughly 10%.

Appendices *(in list format)*

1. 2004/5 taxi tariff
2. Letter from trade association requesting increase in tariff

Policy: There is no established policy on this subject except that the Council has opted in the past to set a maximum tariff. Legally it is not obliged to do so.

Financial:	None directly to the Council
Personnel:	None
Legal:	Any proposed changes in the tariff must be published in a local newspaper by the Council. There is an appeal mechanism through the Magistrate's Court for objections.
Environmental:	Licensed taxis are a valuable contribution to the provision of public transport.
Equalities:	None
Property:	None
Risk Management:	None
Community Safety:	By setting a tariff, the Council are reducing the potential for crime and disorder against taxi drivers.
Consultation Responses	Letter from the taxi trade association.

Local Stakeholders:	Taxi trade association members and independent taxi owners.
Officers Consulted:	John Priest
Trade Union:	Not appropriate for this report.