

Title of Report:	Private Hire Vehicle Licensing	Item 4
Report to be considered by:	Licensing Committee	
Forward Plan Ref:	n/a	

Purpose of Report: To update members on the safety and effectiveness of Tuk Tuks to be licensed for private hire.

Recommended Action: To agree to licence Tuk Tuks as private hire vehicles subject to special conditions.

Reason for decision to be taken: Application on hold until a committee decision is taken

Key background documentation: None

Portfolio Member:	Councillor Findlay
Tel. No.:	01635 871992
E-mail Address:	gfindlay@westberks.gov.uk

Contact Officer Details	
Name:	Brian Leahy
Job Title:	Senior Licensing Officer
Tel. No.:	01635 519209
E-mail Address:	bleahy@westberks.gov.uk

Executive Summary

1. Introduction

- 1.1 The Local Government (Miscellaneous Provisions) Act 1976 allows for a council to issue private hire vehicle licences for the purposes of commercial hire or reward.
- 1.2 The Act does not allow for a council to place a limit on the number of licences it issues for private hire however it may attach to the grant of a licence such conditions as it may consider reasonably necessary. Vehicles must be suitable in type, size and design, be in suitable mechanical condition and be safe and comfortable.
- 1.3 West Berkshire Council and its predecessor Newbury District Council has only ever issued licences to four wheeled vehicles.
- 1.4 Officers have received an application from a private hire operator to licence a Tuk Tuk as a private hire vehicle.
- 1.5 A motorcycle requires no explanation however Tuk Tuk probably does. These vehicles are three wheeled, originated in Thailand and are used extensively in that country to convey passengers in the same way as a taxi or private hire vehicle. They have been introduced into this country and have been licensed or had licences approved as private hire vehicles in a number of towns.
- 1.6 The vehicles must be operated in the same way as a motor cycle and comply with appropriate traffic/vehicle legislation. They must be insured, have an MOT and road fund licence.

2. Tuk Tuk Licensing

- 2.1 Members are being asked to consider whether or not they wish to approve the issue of private hire licences to these types of vehicles.
- 2.2 Whilst officers initially have no problem with this type of vehicle being licensed as private hire they would require to write a set of special conditions to ensure that the vehicles are used safely, notwithstanding traffic law.
- 2.3 Private hire vehicles can only be used via a prior booking arrangement and as such the vehicles could not be used from a rank nor could they be flagged down in the street. There is no formal setting of fees for private hire vehicles so no consideration need be given to anomalies of charges due to the slower rate of travel of this type of vehicle.
- 2.4 The applicant has informed the Council that he would only use the vehicle for weddings and for excursions around the town and district and not as a general commercial private hire vehicle. However should a licence be granted it would be difficult to enforce the type of use to which the vehicle is being applied. Members should note that the use of any vehicle for weddings is exempt licensing.

- 2.5 Members will recall that at the last meeting officers had been asked to confirm that this type of vehicle would be fit for use on West Berkshire's roads.
- 2.6 Officers have made enquiries with both users of the vehicles and manufacturers and with the exception of a similar type of vehicle known as a "Bajas" they appear to be safe for use on Britain's roads.

3. Recommendations

- 3.1 That the Chairman suspends Standing Orders to allow the applicant to address the committee.
- 3.2 Members be given the opportunity to inspect the vehicle during the suspension of Standing Orders.
- 3.3 Agree to licence this vehicle subject to special conditions being applied (to be formulated by the Senior Licensing Officer under delegated powers).

Appendices

Appendix A – Letter from Mr Paul Raymond

Policy:	There is no established policy on this subject.
Financial:	None directly to the Council other than possible increased licensing income should licensing of these vehicles be approved and taken up by the trade
Personnel:	None
Legal:	Any decision taken to refuse a licence is appealable through the Magistrates' Court.
Environmental:	Licensed private hire vehicles make a valuable contribution to the provision of public transport in West Berkshire.
Equalities:	None
Property:	None
Risk Management:	None
Community Safety:	None
Local Stakeholders:	West Berkshire Hackney Carriage & Private hire Operators Association
Officers Consulted:	None
Trade Union:	None

APPENDIX A

Dear Mr. Leahy,

I am aware that my application to license my Tuk Tuk as a private hire vehicle is going to the committee on the 23rd February 2009.

I would like to send you an official letter drawing out what I intend to use the Tuk Tuk for, as well as a little background about the Tuk Tuk and me.

The Tuk Tuk that I have was the first Hackney carriage to be licensed in the UK (Western Supermare). The vehicle then went onto the Isle of White where again it was a Hackney.

I feel that as Newbury is not a tourist trap it would not be appropriate for it to be a Hackney Carriage and hence the application for a Private Hire vehicle. I want to market the Tuk Tuk towards mainly weddings (I am aware that I don't need an operator's license if purely for weddings and funerals) and the odd novelty event (where I need an operator's license). As the Tuk Tuk is an open air vehicle its use will naturally be limited by the season. I am guessing that I will only operate for approximately 4 to 5 months of the year, and certainly not in inclement weather. Examples of the type of novelty work that I mentioned, are as follows. I have been approached by Sheepdrove Eco centre and been asked if I would bring the Tuk Tuk to their Open Day to convey customers around their farm, as it does fit in with their eco-friendly philosophy. I have been asked to take customers to restaurants in Hungerford for Valentines Day (obviously I cannot do that this year). Due to its design it really isn't the most comfortable vehicle to drive on long distances, and thus my market is limited.

There are several councils that have licensed Tuk Tuks around the UK. Some have imposed certain conditions such as a speed restrictor fitted to the vehicle for example. All of the other Tuk Tuks, as far as I know, are all operated in towns not rural locations like I am intending to do so. For this reason I feel that a speed limiter fitted to the vehicle would not be appropriate as I will need to bring the vehicle on B4000 to Newbury which if it was governed I feel would be dangerous. Also due to the basic technology I am not sure that such an item could be fitted.

I would like to bring to your attention that I am an advanced driver and until 2 years ago was a Police Officer, so I certainly wouldn't be driving it in a 'Thai' style. Whilst in the Police I attended a 3 week driver training course. I also have a vocational professional drivers license (D license) so my driving standards are high and I do not take risks.

There is some bad publicity regarding so called Tuk Tuks in Brighton, where they had several accidents, In fact they were not tuk tuks but Indian Bajas – there are huge technical and safety differences between those types of vehicle and the tradional Thai Tuk Tuk:-

1. They were not fitted with dual curcuit braking systems. In fact the front brake worked on the handlebars.
2. They are fitted with 8in wheels and tyres, this size has never been used for a motor car but is used on a trailor.

MMW probably has the best build quality amongst Tuk Tuks. It is fair to say that the Tuk Tuk is possibly not as safe as driving in a car – but please bear in mind that vehicles with

the highest safety ratings still have accidents, it's how you drive them. However, as it is a private hire vehicle the customers will be very aware of what they are travelling in. I am fully aware of its design limits and I would never put customers at risk. I do currently drive the Tuk Tuk with my young family which if I thought was dangerous I would not do.

I would also like to point out to the committee, that I will be the only person in my company, Valley Cars, to be driving the vehicle commercially, as I have the most experience in the handling and style of driving required to operate one. Please also be assured, that I have sourced a reputable supplier of spare parts for the vehicle, and have already organised someone to carry out regular mechanical and safety checks for it.

When I have driven the vehicle around locally, it has attracted very positive attention. In fact, I have had local businesses enquiring about how the vehicle may be used to help promote their product during these hard economic times, surely a good thing for the local economy.

As stated, I would be very selective about the bookings I took on. I certainly would not be taking groups of rowdy people on pub crawls. It really is a vehicle where something 'a bit different' is required – giving the people of West Berkshire a real up-to-date alternative to other forms of transport. I also believe that people like to decide on their own sense of adventure – if they thought they were taking a risk, they wouldn't book the vehicle. I, myself, choose not to ride on motorcycles – a personal choice – but am happy to drive the Tuk-Tuk.

Title of Report:	Hackney Carriage Tariff 2008/9	Item 5
Report to be considered by:	Licensing Committee	
Forward Plan Ref:	n/a	

Purpose of Report: To consider a request from the trade for a further increase in fares for licensed hackney carriages operating in the district for the financial year 2009/10 or to allow the 50 pence fuel supplement to remain

Recommended Action: To consider the report

Reason for decision to be taken: Formal annual request from the trade to consider the taxi tariff.

Key background documentation: Office of Fair trading Report: The Regulation of Licensed Taxis and Private Hire Vehicle services in the UK

The proposals contained in this report will help to achieve the following Council Plan Theme(s):

CPT1 - Safer Communities – reducing crime and anti-social behaviour

CPO2 – Thriving Town Centres

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

Maintaining a set tariff for taxis in West Berkshire thus preventing members of the public being unfairly charged and the trade being subject to undue pressure through unfair competition

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Contact Officer Details

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Executive Summary

1. Introduction

- 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 48 in a national council league table of 376 authorities. The national average fare at one mile is currently £3.37 with West Berkshire standing at £3.90. The flag tariff is currently, nationally £2.49 and locally £2.50.
- 1.4 Neighbouring council's fares are as follows;

	At one mile	at flag
Reading	£4.00	£2.20
Wokingham	£4.00	£3.00
Bracknell	£4.00	£3.00
Slough	£4.00	£3.00
Vale oWH	£4.10	£3.50
Swindon	£4.30	£2.90
Windsor & M	£3.40	£2.60

2. Annual Review 2009/10

- 2.1 The annual review applicable from April 2008 allowed for an increase of approximately 2.5% to become effective from the 1st April 2008 until 31 March 2009, or thereabouts. Members will recall a further review of the tariff carried out in June 2008 where an increase of £0.50p was allowed at flag, to compensate for the rapid increase in fuel prices since the annual review taking effect in April 2008.
- 2.2 Since that time fuel prices have reduced and officers have been monitoring the price ranges at petrol stations throughout the A4 corridor. Monitoring figures provided are from 12/11/2008 to 15/01/2009. It appears from the stats that the price of petrol decreased by 10.74% and diesel by 9.92% over this period. Further up to date figures will be available at the meeting.

- 2.3 Cabco have written to the Council, letter dated 27th January and shown as Appendix A, outlining their case for a no change situation for this year's review.
- 2.4 A further letter has been received from The West Berkshire Hackney Carriage and Private Hire Association, dated 11th February 2009, shown as Appendix B, which also outlines a case for no change. The letter goes on to say that if members are minded to review the tariff by lifting the £0.50p surcharge, they request an increase as shown in 1) and 2) of the letter.
- 2.5 Members may wish to suspend standing orders and invite trade representatives to address the committee to further explain their request.

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 card issued to all vehicle proprietors.

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

4. Taxi Fares for 2008/9

- 4.1 The current taxi fares/tariff set by this authority are shown at appendix C to this report.

5. Options

- 5.1 To remove the £0.50p surcharge and set a maximum tariff based upon the information provided by officers and the trade.
- 5.2 To keep the £0.50p surcharge and allow no further changes to the forthcoming years tariff.

Appendices

Appendix A – Letter from Cabco

Appendix B – Letter from The West Berkshire Hackney Carriage & Private Hire Association

Appendix C - 2008/9 tariff card

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. There are no legal barriers to reviewing a tariff change more than once per year
Financial:	The cost of printing tariff cards and advertising the changes in the newspaper. Approximately £500. This figure is already budgeted for.
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.
Local Stakeholders:	West Berkshire Hackney Carriage & Private hire Operators Association, Cabco
Officers Consulted:	None
Trade Union:	None

APPENDIX A

Mr Brian Leahy
Senior Licensing Officer
West Berkshire Council
Council Offices
Faraday Road
Newbury
Berkshire
RG14 2AF

27th January 2009

Fuel Surcharge

Dear Brian,

I understand that you have been asked to prepare a report on the validity of the 50p fuel surcharge added last year; I know that Dave Oram is meeting you on Thursday to give you the trade association's view, but as a director of Cabco, West Berkshires largest fleet with 60 cars I believe that you should hear our views as well.

Firstly when we applied for an increase the price of a litre of diesel was approximately £ 1.20 per litre. It peaked around £ 1.35 at the time we were granted the surcharge. The trade had already had to absorb these costs for some months before we were granted the increase. Recent months have seen the price fall, but it still remains unstable. This week for instance we have seen a 4p per litre increase at the pumps to anything from 98p to £ 1.06. Other oil related prices have shown no decrease, I.E. tyres, servicing etc. Using the formula agreed and set out by the TGWU and the Public Carriage Office, we calculate that motoring inflation is running at about 5% this year, although with other prices this does look set to fall slightly.

Cabco with an investment of £85.000 to fully computerise its office and vehicles and with the benefit of the 50p surcharge on the daytime running rate was actually able to cut its prices as of the 1st October last year. As a company we were able to scrap booking fees/call out charges to all our customers in both Newbury and Thatcham. We calculate that in the last 4 months alone some 30000 customers have benefited from reductions of anything up to £ 5.00 on their fare, a journey from Tesco's to Greenham is now up to £ 1.30 cheaper. A customer travelling from Wash common to Falkland Surgery could save £ 3.10, Shaw to Turnpike 80p. Significant reductions, along with this Cabco believe that there will be no request from the trade this year for an increase in lieu of the 50p. All in all despite the increase last year, many Cabco customers are now benefiting from cheaper fares.

The scrapping of the 50p will lead to 2 things, firstly a request for an increase of tariff by 5% in line with the TGWU calculations. Secondly the re-introduction of booking fees/call out charges to cover our costs. The average fare increasing by 25p + any applicable booking fee. This will also increase the costs for night-time users who saw no increase in fares last year and have also gained from our no booking fee initiative.

Cabco believes that the 50p surcharge should remain, with the trade waiving its annual increase for 2009. Cabco carried in excess of 500.000 passengers last year, and believe that the current tariff /fare structure to be fair simple and workable, with many of its customers benefiting from cheaper fares.

Yours sincerely,

Rodney Nemeth
Director

APPENDIX B**West Berkshire Hackney Carriage & Private Hire Operators
Association**

15 Ashley Piece, Ramsbury, Wiltshire, SN8 2QE

Mr Brian Leahy
Senior Licensing Officer
West Berkshire Council
Council Offices
Faraday Road
Newbury
Berkshire
RG14 2AF

11th February 2009

Dear Mr Leahy,

Removal of the 50p fuel surcharge and setting of the maximum chargeable fares for Hackney Carriages W.E.F the 1st April 2009

We understand that the licensing committee is to meet shortly to discuss the possible removal of the 50p fuel surcharge granted to the trade last July.

We realise that fuel prices have dropped although they remain unstable but the view of the trade is that the 50p increase should remain in lieu of any fare increase for the period 2009-2010. We have had little complaint from customers, while the 50p per job increase has in fact helped the radio companies to reduce their fares in many cases, by reducing or abolishing booking/call out fees.

Members should also please note that by leaving the tariff unchanged the cost saving to the trade would be circa £ 3,000 and to the council £ 500.00

Should councillors decide to remove the 50p members of the above mentioned association have instructed me to apply to you for an increase in charges to take effect from the 1st April 2009..

Our application is as follows:

- 1) Initial distance not exceeding 454meters or part thereof
Initial waiting time 120 seconds or a combination of time and distance £2.00
- 2) For each subsequent 82 metres completed or part thereof. £ 0.10p.

All other charges to remain the same.

In calculating our increase we have used the formula agreed and set out by the TGWU and the Public Carriage Office. Calculations are based on the following criteria,

1. The average cost of providing a vehicle. (In this case a Ford Mondeo and London Taxi). Calculations 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.

2. Vehicle Spares:

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

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3. Garaging and Servicing:

These are divided into property derived costs (rent, rates, heating, lighting), using the Hillier-Parker rent index for industrial premises and labour derived costs using the TGWU 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 Petroleum Times Energy Source, and assumes typical consumption of 25 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 will be pleased to have a representative at the committee meeting to answer any further questions councillors might have.

Yours faithfully,

Mr R.Nemeth
Vice-Chairman

APPENDIX C

Hackney Carriages - Table of Fares effective from 2nd July 2008



Customers should be aware that these charges are the **MAXIMUM** to be charged and any lesser fare negotiated prior to commencement of the journey.
 The meter may be engaged in the hired time mode at the agreed booking time. (Local Government (Miscellaneous Provisions) Act 1976 sec 67)

Tariff 1

applies between the hours of 0600 and 2200 Monday to Saturday, other than Bank or Public Holidays or Christmas Day

Initial distance not exceeding 478 meters or part thereof	
Initial waiting time 120 seconds or a combination of time and distance	£2.50
For each subsequent 86 meters completed or part thereof	10p
Waiting time; for every period of 20 seconds or part thereof	10p

Tariff 2

applies for any hiring when the journey commences between 22.00hrs and 06.00hrs, including Sundays, Bank Holidays or Public Holidays other than Christmas day.
 For any hiring when the journey commences between 19.00hrs and midnight on Christmas Eve or New Years Eve.
 For any journey with 5 or more passengers taking place between 06:00hrs and 22:00hrs

Initial distance not exceeding 478 meters or part thereof	
Initial waiting time 120 seconds or a combination of time and distance	£3.00
For each subsequent 86 metres or part thereof	15p
Waiting time; for every period of 20 seconds or part thereof	15p

Tariff 3

Applies for any hiring when the journey commences on Christmas day until 06.00hrs on Boxing day

Initial distance not exceeding 478 meters or part thereof	
Initial waiting time 120 seconds or a combination of time and distance	£4.00
For each subsequent 86 meters completed or part thereof	20p
Waiting time; for every period of 20 seconds or part thereof	20p

Vehicle Plate No.

Any complaints should be made to:
West Berkshire District Council,
Council Offices,
Faraday Road,
Newbury, Berks,
RG14 2AF,
 Quoting the above vehicle plate number.

Booking fee (By prior arrangement only) If a Hackney Carriage is booked by phone a booking fee may be charged but only by prior arrangement.
 Fouling will be charged for.
 London Congestion charge will be applied for journeys within the charge zone.