

Gloucester City Council

Committee	: LICENSING AND ENFORCEMENT
Date	: 17 TH JANUARY 2012
Subject	: LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976 HACKNEY CARRIAGE TARIFF
Decision Type	: POLICY AND FRAMEWORK
Ward	: ALL
Report By	: GILL RAGON, GROUP MANAGER FOR ENVIRONMENTAL HEALTH AND REGULATORY SERVICES
No. Of Appendices	: A: Formula used to calculate proposed increase B: Comparative Table of Fares C: Proposed Published Tariff Variation Proposal D: Representation from Associated Taxis E: Correspondence from GHCA regarding tariff waiting times
Reference No.	: ES21129

1.0 Purpose of Report

- 1.1 For Members to consider an objection to the proposed tariff changes and determine if the published proposals should be amended in light of the objection.

2.0 Recommendations

- 2.1 The Committee is recommended to resolve that:
the published tariff proposals be implemented without an amendment from 1st February 2012.

3.0 Background

- 3.1 The Council sets the Hackney Carriage fares under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. The present fares have been unchanged since May 2010.
- 3.2 In October 2011, Gloucester Hackney Carriage Association (GHCA) submitted a request for a tariff increase, following a freeze to the fares in May 2011 with an agreement that the fares could be reviewed in 6 months time if appropriate.
- 3.3 GHCA requested an increase of approximately 8% to all Tariff rates, as calculated in a formula contained within Appendix A. This formula was used to compare our position within the South West region, our local position within Gloucestershire and determine what increase would be appropriate to bring the fares in line with the average for that area. In May 2010, the Tariff was increased to bring our fares in line with the regional average. At this time, GHCA aspired for the taxi fares to be brought in line with the local average under the next review.

- 3.4 The formula used to calculate local and regional averages demonstrates that to maintain a tariff level within the median range of the Southwest Region, a 4% increase should be applied. However, to bring Gloucester rates in line with the local average of our neighbouring authorities, an 8% increase would need to apply.
- 3.5 Officers considered that there may be a general need to increase these tariff rates because the costs of living, fuel and vehicle maintenance have increased. Details of the current motoring costs and fuel prices have been considered. In general fuel prices have increased by approximately 12% since May 2010, with motoring 'running' costs only increasing by 0.6% in the last 12 months. At the end of March 2011, insurance premiums had risen by over 40% over the previous 12 months; however this annual rise has now dropped to 16% for the 12 months ending September 2011. Many drivers have seen their insurance premiums increase however much of the increase has been passed onto young or inexperienced drivers.
- 3.6 Licensed drivers have not seen any further increase to their fees since May 2010, because in August 2011, following consultation with the trade, the Licensing Authority approved a freeze in taxi licence fees for the current financial year.
- 3.7 Members will recall that there are three taxi tariff rates applicable in Gloucester. Tariff one applies between the hours of 7:00am to 9:00pm. Tariff two comes into effect from 9:00pm and 7:00am and the taxi meter calculates prices at approximately 23% higher than tariff one. Tariff three applies on Christmas Day, Boxing Day and New Years Day and the taxi meter is set at prices approximately 33% higher than those of tariff one.
- 3.8 In 2010 Mouchel Ltd, conducted a study into the provision of our taxi and private hire service. In this study a comparison was made against the costs of public transport, they commented that the bus is cheaper for most journeys over one mile. However, the Hackney Carriages will only compete on fares for groups and for shorter distances. It was also identified that licensed vehicles are more favoured outside the working day due to lower public transport service levels, and there is very little public transport beyond 23:30.

4.0 Progress

- 4.1 The table below compares the current tariffs (from May 2010) against those published and proposed by GHCA. The table shows the actual fares net of any extras that may be charged.

JOURNEY	TARIFF 1		TARIFF 2		TARIFF 3	
	Current	PROPOSED	Current	PROPOSED	Current	PROPOSED
1 mile	£3.80	£4.00	£5.00	£5.20	£5.80	£6.00
2 miles	£5.60	£5.80	£7.40	£7.60	£8.40	£8.80
3 miles	£7.40	£7.80	£9.60	£10.20	£11.00	£11.80
5 miles	£11.00	£11.60	£14.20	£15.00	£16.40	£17.40
10 miles	£19.80	£21.20	£25.60	£27.40	£29.60	£31.80

- 4.2 The Tariffs were compared against our national, regional and local average rates, this comparative list can be found in Appendix B.

- 4.3 In comparison with our neighbouring authorities it is important to remember that Gloucester and Cheltenham are mainly urban areas, whereas the remaining districts are largely rural. It is common for urban areas to keep the initial flag fare high to maintain a minimum fare for shorter journeys. The current flag is already higher than neighbouring districts for tariff 1, however the first mile fare is lower because the subsequent yardage calculated by the meter is lower than that of our neighbours. Gloucester City currently has the cheapest fares for tariff 1 in Gloucestershire and for journeys over 1 mile the Tariff rates also falls below the average for the County and the South West region.
- 4.4 Using the same comparison for the proposed published fares as requested by GHCA, the proposed fares under tariff 1 would only be more expensive than Cheltenham for journeys 5 miles or over. Overall the proposed 'tariff 1' would sit below the County average and the South West average on journeys over 1 mile.
- 4.5 Tariff 2 applies at night-time between 9:00pm and 7:00am. Any increase to tariff 2 has the potential to impact the evening economy of Gloucester. Consideration has therefore been given to how our Tariff costs compares to our neighbours as competitors for visitors to the City. Whilst our current tariff 2 is already more expensive than Cheltenham's, Gloucester's current tariff 2 does fall below the County average on journeys 5 miles or over and below the SW average on all journeys 1 mile or over.
- 4.6 Cheltenham's tariff 2 also operates slightly earlier between 8:00pm and 7:00am and Stroud's tariff 2 operates even earlier from 6:00pm until 1:00am. This means that if the proposed published tariff took effect, Gloucester Taxi's would be cheaper than Cheltenham's between 8pm and 9pm, and it would also be cheaper than using Stroud taxi's between the hours of 6pm and 9pm and after 1am when Stroud's Tariff 3 operates.
- 4.7 The proposed tariff 2 fares, would take Gloucester City's charges above the County average but below the SW average on all journeys. It is also useful to note that under tariff 1 the County average is higher than the SW Regional average however the Regional average is higher than the County average for tariff 2. Gloucester's proposed tariff 3 would be cheaper than Cheltenham for all journeys but only cheaper than Stroud on journeys under 5 miles.
- 4.8 The tariff proposals were published in the Citizen on 28th November 2011 with a planned implementation date of 12th December 2011, allowing a statutory period of 14 days for objections. A copy can be found in Appendix C. During this consultation period, The Manager of Associated Taxi's made a formal written objection to this increase. His letter of 8th December states:

"I am writing to you on behalf of Associated Taxis and its 33 Hackney Carriage Drivers.

We are against any rise for the year 2012. As a company we are seeing less and less demand for our services, due to economic climate.

We feel that if a rise goes ahead, it would only further damage our trade and business, which at the moment is at an all time low."

A copy of this letter can be found in Appendix D.

5.0 Future Work

- 5.1 On 25th November 2011, the Hackney Carriage Association agreed that they would be happy to freeze the waiting times to the tariff for now and the near future. In their correspondence they state:

“Further to our conversation yesterday, the GHCA will not be seeking an increase in the rate for waiting time on this year’s tariff rise. This situation will prevail for at least two years, but more likely for three, although a fourth year is possible if we stay in the median range of our neighbouring authorities.”

A copy of this letter can be found in Appendix E.

- 5.2 During informal consultations with the Hackney Carriage Trade, it was agreed that the Taxi Tariff will be reviewed annually to take effect in December. This task was originally scheduled for review in March to take effect May each year; however, this will now be changed to be reviewed in September for fares to take effect in December each year. The Trade may request additional 6 monthly reviews, however they should be able to demonstrate exceptional circumstances for this request.
- 5.3 As a result of any tariff increase, all taxi meters would need to be calibrated by the trade and subject to checking by an approved testing station on the measured mile. Council Officers will subsequently check that the meter has been tested upon application and routine checks, however, this is a normal part of the work undertaken by the Council's Licensing Enforcement Officers and does not present an unrecognised resource implication.

6.0 Conclusions

- 6.1 The published proposals reflect those changes requested by the Gloucester Hackney Carriage Association.
- 6.2 The aspirations of the Hackney Carriage Association are that the tariff rates are brought in line with the County average for Gloucestershire. Although the proposed published tariff seeks to address this, Tariff 1 would remain below the County average for journeys over 1 mile and above the County average for all journeys under tariff 2. At the same time Tariff 1 would also remain below the SW Regional average for journeys 2 miles or more and Tariff 2 would fall below this Regional average for all journeys. The proposed published tariff therefore seeks a balance between the County and the Regional average rates.
- 6.3 Members must consider the objection received, and determine whether or not it is appropriate to change the current tariff charges at this time. Any changes determined should be appropriate and reasonable for Gloucester City.
- 6.4 Members have the option of making no changes to the proposed published Tariff or determining, in the light of the objection, that the Tariff should either remain the same or be modified further. If any changes are contemplated, they must take effect before 12th February 2012.

7.0 Financial Implications

7.1 The cost of implementing the new taxi fare tariff rates will be met within existing budgets.

8.0 Legal Implications

8.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 enables the Council to fix the rates or fares within and all other charges in connection with the hire of hackney carriage vehicles in their area. This Authority is responsible for regulating fares, taking into account representations made on behalf of the hackney carriage proprietors and the public interest.

8.2 Any variation of the fare must be advertised and a period specified (being not less than 14 days from the publication of the advertisement) within which objections should be made. If any objections are made and not withdrawn a further meeting of the Licensing and Enforcement Committee is required to consider the objections.

8.3 Section 65 of the Act of 1976 states that if any objections are unresolved after the initiate 14 day consultation period, a date for a Licensing Committee hearing will be set, not more than two months after the first specified date on which the table of fares would have come into force (12 December 2011), to consider the objections and make a final decision.

8.4 In reaching a decision Members are exercising discretion and must act in a judicial and reasoned way.

9.0 Risk Management Implications *(Authors to complete) Identify all key risks (scoring 8 and above) for the recommendation including the impact and likelihood of the risk occurring and what measures will be taken to mitigate the risk.*

The key risks arising from this relate to decisions taken by the Licensing and Enforcement Committee. Any decisions made which are unreasonable or unlawful could be open to legal challenge resulting in loss of image, reputation and potential financial penalty.

10.0 People Impact Assessment (PIA):

Please ensure you complete this section even if a PIA is not required.

Is a PIA required?	Yes	No	Explanation:
		x	
Has an initial PIA screening been completed?	Yes	No	Explanation:
		x	
Has a full PIA been completed?	Yes	No	Explanation:
		x	
Is the PIA available?	Yes	No	Explanation:
		x	

Has the PIA identified any negative impacts on any protected characteristic or community cohesion?	Yes*	No	*Please ensure PIA is available

Any Further Relevant Information:

None

11.0 Other Corporate Implications (this may include Community Safety, Environmental, Staffing, Trade Union)

- 11.1 The Licensing system for vehicles and drivers plays an important role in offering safe and secure transportation for travellers, particularly lone ones and it offers an alternative for the driver who wishes to drink alcohol.
- 11.2 The Hackney Carriage and Private Hire fleet form an important part of public transportation provision not least because of its 24 hour availability and door to door service.

Background Papers : None

Published Papers : None

Person to Contact : Lisa Wilkes
 Tel: 396047
 E-mail: lisa.wilkes@gloucester.gov.uk