

## NON-EXEMPT

### EAST HAMPSHIRE DISTRICT COUNCIL

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Licensing Committee

11 January 2007

**HACKNEY CARRIAGE (TAXI) FARES**  
Principal Licensing Officer

ODMR/50

**FOR DECISION**

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### PURPOSE OF REPORT

To review the maximum Hackney Carriage fares chargeable in East Hampshire.

### RECOMMENDATIONS

It is recommended that:

- Option 3 outlined in section 3.2 of the report be adopted
- The soiling charge be increased from £50 to £75
- Licensing Committee recommend to Council that:
  - 1) the introduction of calendar controlled meters to be brought in when the taxi fares are reviewed in 2008/9.
  - 2) licensing officers be permitted to require calendar controlled meters to be fitted, prior to the mandatory requirement, in specific cases where it is necessary to control overcharging.

### RESOURCING IMPLICATIONS

There will be a cost to the Council arising out of this report of approximately £200 to cover the public notice advertisement charge.

### CONSULTATION

Head of Environmental Services  
Financial Services  
Legal Services  
Hackney Carriage Operators

### CONTRIBUTION TO CORPORATE PRIORITIES:

Building Successful Communities   
Providing Good Quality Services   
Protecting the Environment

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## HACKNEY CARRIAGE (TAXI) FARES

### 1.0 BACKGROUND

1.1 The Council is the licensing authority for Hackney Carriages (taxis) in East Hampshire. A hackney carriage can ply for hire and wait on taxi ranks. Private hire vehicles must be pre-booked and operators set their own charges. At the time of writing this report, there are 113 licensed hackney carriages and 151 licensed private hire vehicles in the district.

1.2 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides that district councils may fix the rates of fares within the district for time or distance (or a combination of both) and all other charges in connection with the hire of Hackney Carriages. The means to achieve this is by setting a Table of Fares.

1.3 Hackney Carriage operators cannot charge more than the fares contained in the Table of Fares, although they have discretion to offer a discount to their customers. They often do this with their regular, elderly customers.

1.4 The current Tables of Fares (see 3.2 and **appendix 1**) was reviewed on 2 June 2006.

1.5 The Council's fees and charges to Hackney Carriage vehicle owners and drivers were increased on 1 April 2006 (Cabinet Report SMWP/4/07). This represents an average increase in line with inflation of 2½%. Licence costs must, by law, be self-funding.

1.6 It currently costs, on average, £432.60 initially to obtain a yearly licence for a vehicle and driver. This sum takes into account the licence fee and vehicle plate fixing, medical fee, vehicle test and criminal record check. On annual renewal, a driver's licence fee reduces to £44 (2007/8). The annual vehicle licence fee is the same as an initial fee, which is £166 (2007/8). Frequency of vehicle tests and medicals depend on age of vehicle/age of licence holder respectively. Vehicles under 6 years old are required to have an annual inspection. For vehicles over 6 years old the requirement increases to two inspections a year. Drivers under the age of 60 are required to have a medical every 5 years, between ages of 60-70 annually and twice a year if over 70.

1.7 Data supplied by the AA shows an increase in costs to private motoring and, although a benchmark, is not indicative of the higher cost of running a public transport vehicle. The data shows that a private motorist has seen an increase to standing charges since 2006 of 3.73% (petrol vehicle) and 2.65% (diesel vehicle). Details are shown in **appendix 2**. Currently the price of fuel is fluctuating and the future market for fuel is uncertain. Information obtained from a local insurance broker indicates that the cost of hackney carriage or private hire vehicle insurance is, on average, between £2,200 and £3,300 per annum, a rise of 10% on last year.

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1.8 In the light of these increases and other rising overheads to businesses, including business rates and labour costs, two local taxi associations requested that the Table of Fares be reviewed.

## 2.0 Consultation

2.1 Letters requesting an increase in the tariff have been received from Alton Taxi Association and Petersfield Taxi Association and shown in **appendix 3**. Because it was not clear at the time of writing this report which operators are represented by the Petersfield Taxi Association, the consultation was extended to ensure all Petersfield Operators were aware of the proposal. The responses to the consultation are shown in **appendix 4**.

## 3.0 Proposals

3.1 The proposals received from the taxi associations are outlined below, with the current table of fares for comparison.

3.2 A comparison has been made with fares charged by neighbouring authorities shown in **appendix 5**. It is considered that the proposal by Petersfield Taxi Association is not comparable to charges set in other districts and does not accurately reflect the increased costs. Therefore, we suggest that both associations may wish to consider a third option. The third option shown in the table would give an 8.82% increase to the first mile. Option 3 is also close to that proposed by Mr Graver shown in **appendix 3**.

	2006	Alton Proposed	% Increase	Petersfield Proposed Option 2	% Increase	EHDC Proposed	% Increase
	Rate 1 £	Option 1 £		Option 2 £		Option 3 £	
Flag Now	2.40	2.40	0.00%	2.40	0.00%	2.50	4.17%
1st Mile	3.40	3.50	2.94%	3.90	14.71%	3.70	8.82%
2nd Mile	4.80	5.00	4.17%	6.00	25.00%	5.20	8.33%
5th Mile	9.00	9.50	5.56%	12.30	36.67%	9.70	7.78%
10th Mile	16.00	17.00	6.25%	22.80	42.50%	17.20	7.50%

3.2 Any changes made to Rate 1 will be reflected in Rate 2 (Rate 1 plus 50% and Rate 3 (Rate 1 plus 100%). Current rates shown in **appendix 1**.

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### 3.3 Extra Charges:

Members of the Taxi Forum, held at the Council offices on 20 December 2007, agreed that a request should be put to the Licensing Committee to increase the soiling charge from £50 to £75 to more accurately reflect the cost of a vehicle being off the road for cleaning (following soiling by passengers).

### 4.0 Public Notice

4.1 Any variation to the Table of Fares agreed by the Licensing Committee must be advertised in accordance with the relevant legal requirements shown in **appendix 6**. The advertisement will provide that variations will come into force on 1 February 2008, if there are no objections.

4.2 At least two weeks must be allowed for objections. If objections are made to the proposals and not withdrawn, the Licensing Committee must consider the objections. After such consideration, the Licensing Committee must set a further date, not later than two months after 1 February 2008, on which the Table of Fares shall come into force with or without modification.

### 5.0 Calendar Controlled Meters

5.1 The tiered tariff system is relatively simple but is open to mistake and/or misinterpretation. This is because the tariff changes are controlled by the driver and not the meter. Complaints have been received about customers being overcharged by the inappropriate use of Rate 2 during a normal day although evidence, to support identity of vehicle and driver, is usually extremely poor.

5.2 Calendar controlled meters will lead to absolute public protection, universal charging and will ensure no pre-loading of fares. The driver will have to do little more than either switch on or switch off the meter.

5.3 The calendar control function is locked into the taximeter. It is understood that most meters have facilities or are capable of accepting calendar control elements for recognising night time, bank and public holiday charges etc. There may be some meters however that do not have this facility and will need to be changed. It is proposed, therefore, that a requirement for all hackney carriages to have fares controlled by calendar controlled meters be introduced at the fare review at the end of 2008/beginning of 2009. This will give operators time to ensure that they have suitable meters installed. The automation of the fares in this way leaves no room for interpretation of the fare charge by the driver and would be a positive step forward.

5.4 As a cautionary note, if calendar control facilities are introduced, it is recommended that fares are reviewed at least every 18 months to ensure that any up to date calendar information can be programmed into meters for future bank and public holidays.

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5.5 Where there is evidence that an operator has overcharged by the inappropriate use of Rate 2 or Rate 3, it is proposed that licensing officers are given the immediate authority to require that the meter be calendar controlled prior to the formal introduction in 2009.

5.6 Discussions with trade representatives at December's Taxi Forum showed a willingness to consider the imposition of clock/calendar control meters and suggested that it be brought in as described at 5.3 and 5.5.

## **6.0 Conclusion**

6.1 Although tariff changes were proposed by two taxi associations within the District, consultation with the trade as a whole indicate that the majority support an increase. Option 3 seems to be the most favourable.

6.2 The proposal to increase the soiling fee would address the concerns voiced at the Taxi Forum that the present level does not cover the costs involved in the vehicle being off the road for cleaning.

6.3 The proposal to recommend to Council the introduction of calendar control meters would address the issue of overcharging due to the inappropriate use of the meter. It would eliminate the risk of operators making a mistake or deliberately overcharging.

### **EHDC Readability Level: 3.5**

This score is based on average word and sentence lengths. Writers should be aiming for a score of around 6.

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