

NON EXEMPT

EAST HAMPSHIRE DISTRICT COUNCIL

LICENSING COMMITTEE

13 January 2015

PROPOSED ADDITION OF A BOOKING FEE TO THE TABLE OF HACKNEY CARRIAGE FARES

Report of the Licensing Team Leader

FOR DECISION

Key Decision: No

1.0 Purpose of Report

1.1 The purpose of this report is to consider a proposal to include a booking fee on the Hackney Carriage table of fares.

2.0 Recommendation

2.1 That the Members decide whether a booking fee should be included on the table of fares, and the circumstances where a fee may apply.

3.0 Summary

3.1 Following investigation into a complaint about taxis making a charge to pick up a fare, an advisory letter was written to the trade reminding them that this was against the law. A copy of this advisory letter can be seen as Appendix I. As a result of this advisory letter, the Licensing team was formally approached by two Hackney Carriage proprietors with a request for a booking fee to be included in the table of fares.

3.2 A consultation of the members of the Hackney Carriage trade was conducted by the Licensing team, and out of fifty possible responses from Hackney Carriage Proprietors, nineteen were in favour of an increase and two were against it. The positive responses received are shown at Appendix II and the negative response at Appendix III.

3.4 The last fare increase was implemented in June 2011. A booking fee was lobbied for by the trade but rejected in November 2012. The minutes of the Licensing Committee held on 30 November 2012 are attached as Appendix IV.

4.0 Subject of Report

4.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that “a District Council may fix the rates or fares within the district for time as well as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a “table of fares”) made or varied in accordance with the provisions of this section.”

By ‘fixing’ the fares, the Council is effectively setting the maximum fare that hackney carriages can charge. Legally, hackney carriage drivers may charge less than this rate but may not charge more than this rate. Additionally, extra charges not listed on the table of fares may not legally be charged. In practice, it is customary for hackney carriage drivers to set the fares at the rate fixed by the Council. This contrasts with Private Hire Vehicle Operators who are not bound by the Council’s table of fares and are able to factor in the travel distance to a customer in their charging structure.

A previous request by the trade to include a booking fee on the table of fares was rejected by Licensing Committee in November 2012. The minutes of this hearing are attached as Appendix IV.

4.2 Following investigation into a complaint from a member of the public about being quoted a fee to pick him up, an advisory letter was written to the trade in October 2014 reminding them that taxis could not charge to pick customers up and must only start their meter when the customer has begun their journey. A copy of this letter can be seen in Appendix I.

Following this letter, the Licensing team was formally approached by two Hackney Carriage proprietors with a request for a booking fee to be included in the table of fares.

A consultation of all Hackney Carriage Proprietors was conducted by the Licensing team, and out of fifty possible responses; nineteen were in favour of an increase and two were against it. The positive responses received are shown at Appendix II and the negative response at Appendix III. A copy of the consultation letter is shown at Appendix V.

In addition to the consultation responses, further correspondence was received from the trade about charging, including a survey by the East Hampshire District Taxi Association to its members based in Alton. This additional correspondence can be seen in Appendix VI.

4.3 From the consultation responses received, there was a majority in favour of including a booking fee.

Twenty one consultation responses were returned, of which 19 were in favour of introducing a booking fee and 2 were against.

- 4.4 The drivers in favour of a booking fee had the general opinion that they wished to serve their customers in more rural locations, and as they were based in the District's towns, they wished to cover their costs of travelling away from their base to pick up their fare. There was one opinion that there should be an increase in fares overall as there has not been a fare increase for over 4 years.
- 4.5 From those drivers in favour of an increase they were asked for their suggestions for the way the fare should be increased. Several options have been proposed and are shown below.
- 4.6 For the purpose of comparison with other local authorities, a table in Appendix VII details whether a booking fee is included in the table of fares, and the level of fee is shown for other Hampshire and neighbouring authorities.
- 4.7 The following options are for consideration by the Licensing Committee:-
- 4.8 Option 1: (2 out of 21 responses in favour of this option)
No change to the current table of fares. This would mean that a booking fee would not appear on the table of fares and Hackney Carriages would not be able to make a surcharge to pick customers up who are some distance away.
- 4.9 Option 2: (1 out of 21 responses in favour of this option)
A booking fee could be charged for a pick up (distance away from the operators base) under the following circumstances:
3 to 5 miles: £7.00
5 miles and over: £10.00
- 4.10 Option 3: (2 out of 21 responses in favour of this option)
A booking fee could be charged for a pick up (distance away from the operators base) under the following circumstances:
Up to 3 miles: £3.00
5 miles and over: £10.00
- 4.11 Option 4: (6 out of 21 responses in favour of this option)
A booking fee could be charged for a pick up (distance away from the operators base) under the following circumstances:
Up to 5 miles: £3.00
5 miles and over: £10.00
- 4.12 Option 5: (2 out of 21 responses in favour of this option)
A booking fee could be charged for a pick up (distance away from the operators base) under the following circumstances:
Up to 5 miles: £5.00
5 miles and over: £10.00
- 4.13 Option 6: (1 out of 21 responses in favour of this option)

A booking fee could be charged for a pick up (distance away from the operators base) under the following circumstances:

2 to 4 miles: £5.00

4 miles and over: £10.00

4.14 Option 7: (2 out of 21 responses in favour of this option)
A reasonable fee such as £7.00 could be charged for jobs which do not come back to base.

4.15 Option 8: (4 out of 21 responses in favour of this option)
A reasonable fee should reflect the engaged mileage to the pick up point.

4.16 Option 9:
Local Authorities are not obliged to fix the maximum fare but all have chosen to do so. The possibility of deregulating the fares was not part of the driver consultation. It is, however, an option.

This option would involve removing the current maximum fares that have formally been applied. This would leave the hackney carriage proprietors free to set their own level of charges unconstrained by a maximum rate.

They would have to produce a fare card which would have to be permanently displayed and adhered to. They would continue to have their meters tested as they do currently.

Should the members choose to not fix the fares it would be left to the hackney carriage proprietor/driver to set their own fare table. They would also have the option of changing the charges as and when they see fit.

For each change, the meter would have to be rechecked by a Council Officer in order to ensure that the correct fare is being charged in accordance with the fare tables. This could create a large increase in officer time spent testing meters.

This option would create confusion for customers and on the ranks as people look for the cheapest fare. It could also cause disputes amongst members of the trade as customers would no longer take the first vehicle in the queue.

4.17 Should the Members be minded to authorise one of the other options then the following procedure will be initiated:

1. The Solicitor to the Council be instructed to initiate the necessary statutory procedure to lead to the variation in the rate of fares as proposed above.
2. Any objections to the above proposals following the newspaper advertisement be considered by this Committee at its next meeting.

3. If there are no objections within 28 days of the advertisement being

published then the increase can be implemented at a date to be set by this Committee.

4.18 It should be noted that the meters must be calibrated to the maximum fare and the maximum fare must be displayed. However, technically a driver may still choose to charge less than that shown on the meter, by providing a discounted fare, if he wishes. It is not customary for drivers to choose to follow this course as it risks causing friction in the trade.

5.0 Implications

5.1 Resources:

The Council will have to pay approximately £100 to advertise the proposed fare change in a local newspaper.

Subsequently, if the proposed fare change goes ahead Licensing Staff will be required to advise the trade and produce a new table of fares. This could be approximately 10 officer hours dealing with enquires.

5.2 Legal:

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides the powers for local authorities to set maximum fares for hackney carriages.

A statutory notice displaying any proposed increase is required to be placed in a local newspaper.

5.3 Strategy:

The priorities in the Council corporate strategy are:

Financial Sustainability: Cost incurred through consulting with the trade and advertising are recovered in the licensing fees charged.

Economic Growth: Introducing a booking fee to the table of fares would allow the trade to recover their costs through picking up fares some distance away from their base location.

The ability to charge a booking fee may encourage more taxi companies to provide a service to outlying areas of the district. As stated by a number of the consultation responses, some of the companies are finding it uneconomic to travel to these areas. However, as the charge would be discretionary, those that would not wish to charge may benefit from increased business because their service would be cheaper.

Public Service Excellence: Effective community transport is a key issue in East Hampshire. It is important that our towns and villages continue to be served by a viable taxi service. Consulting with and taking on board the views of the taxi trade on fares will ultimately help to make sure that this remains the case.

Creativity and Innovation: Most Local Authorities do not have a booking fee on their table of fares. In the cases of those that do, the fee is no more than £1.00.

5.4 Risks:

Option 1 may increase officer time spent investigating cases of overcharging and may increase the risk of instigating enforcement action as the trade look to cover their costs and yet continue to provide a service to their customers.

Option 3 may cause confusion for the trade and public as a booking fee would not apply for a distance of between 3 and 5 miles.

Option 9 may involve the risk of expending significant amounts of time for Licensing Officers setting and checking meters and regulating disputes.

5.5 Communications:

Proprietors of the Hackney Carriage trade were consulted and asked whether they wanted a fare increase (Appendix V). Responses are shown at Appendices II and III.

Any proposed variation to the table of fares must be advertised in a local newspaper.

5.6 For the Community:

Effective community transport is a key issue in East Hampshire. It is important that our towns and villages continue to be served by a viable taxi service. Allowing a booking fee may affect the affordability of local transport for the community. Not allowing a booking fee may affect the economic viability of the taxi trade and may affect the level of provision.

6.0 Consultation

Members/drivers of the Hackney Carriage trade were consulted and asked whether they wanted a booking fee. Responses are shown in Appendices II and III.

Appendices:

Appendix I – Copy of advisory letter to the trade dated October 2014 regarding charging to pick customers up.

Appendix II – Copies of positive responses to the consultation.

Appendix III – Copies of negative responses to the consultation.

Appendix IV – Minutes of the Licensing Committee held on 30 November 2012

Appendix V – Booking fee consultation letter

Appendix VI – Details of other responses received from the trade about booking fees.

Appendix VII – Comparison of booking fee with other Local Authorities

Agreed and signed off by:

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Relevant Executive Head: 30 December 2014
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