

Report of Corporate Director for Place
To

Licensing Committee

On

15th November 2013

Report prepared by: Dipti Patel, Head of Public Protection

Review of Hackney Carriage Fares

A Part I Public Agenda Item

1. Purpose of Report

- 1.1 Members are invited to consider an application from Southend Licensed Taxi Drivers Association for an increase in the Hackney Carriage and Private Hire Vehicle fares and charges and other associated amendments.

2. Recommendations

- 2.1 **To approve a 4% fare increase as submitted by the Southend Licensed Taxi Drivers Association, to cover a period of two years to 31st March 2015, subject to consideration of any objections to the statutory advertisement of the proposals.**
- 2.2 **That any changes to the fare and extra charges structure be duly advertised, implementing the public consultation process. Any appeals will be heard by Licensing Sub Committee C.**

3. Background

- 3.1 The Council is empowered to determine fares for Hackney Carriages. In addition, all those Private Hire vehicles which are equipped with a meter must also apply the same fares. Revision to the fares must be advertised before any revision comes into effect. Following consideration at the Licensing Committee C meeting held on 6 July 2006, it was accepted that this matter should be dealt with in accordance with the Standing Order 46 procedure for 2006 and subsequent years, as increases are covered by the standard Pickup Formula. It was also agreed that any objections would be heard by Licensing Committee C. Any approved fare increase has a statutory 14 day publication period.
- 3.2 The Pickup Formula has been used since it was proposed by the SLTDA in 2001 to calculate any fare increase and uses the national Retail Price Index for motoring costs as its basis. Please see **Appendix 5** for background history.
- 3.3 On 20 July 1993 the Chairman and Members of the Licensing Sub-Committee agreed in principal to a request from the licence trade to review fare tariffs on an annual basis to be implemented before Christmas each year. If no proposal is

made by the Association by the end of August each year, the fare should remain unchanged until the following autumn.

4. The Current Fare Increase Proposal

- 4.1 On 22 May 2013 the Southend Licensed Taxi Drivers Association (SLTDA) wrote to the Council and requested a fare increase. This letter is shown at **Appendix 4**. The application shown in the letter contains variations from the standard methodology (the Pickup Formula) and therefore the SLTDA proposal of 4% is inconsistent with that calculated using the Pickup Formula of 2%.
- 4.2 Following a meeting held between Council Officers and representatives of the SLTDA in August 2013 and subsequent discussions in November 2013, the SLTDA agreed to amend their proposal to request a 4% increase to cover a period of two years to 31st March 2015.
- 4.2 The SLTDA proposal requests that the 4% is reduced from the yardage for each tariff change which equates to an approximate 4% fare increase across the range of the Fare Chart.
- 4.4 **Appendix 2** sets out the revised Fare Chart in respect of a 2% fare increase under the Pickup Formula and a table to detail how this proposal affects the tariff changes at each mile of the journey. **Appendix 3** sets out the revised Fare Chart in respect of the proposed SLTDA 4% fare increase and a table to detail how this proposal affects the tariff changes at each mile of the journey.

5. Consultation Discussions

- 5.1 Due to the variation in the SLTDA proposals to the Pickup Formula, discussions have taken place between Southend BC officers and SLTDA representatives. The SLTDA holds a view that the Pickup Formula no longer represents the most effective method of calculating a fare increase. There have been previous years for example where the Pickup Formula had indicated a large increase in fares (10% or more) and where the trade has requested a more reasonable increase (4% / 5%). Also, in 2012/13, the Pickup Formula indicated a 2% fare increase however the trade opted for no increase during that year due to the economic climate and the potential impact on customers.
- 5.2 The SLTDA has therefore undertaken to propose a revised method of calculating any annual fare increase and to go away from using the Pickup Formula, to achieve a reasonable fare increase figure taking account of local and national issues and to remain competitive in relation to other local authority fares. These proposals for the future are currently being developed and when agreed will be applied from April 2015. The current proposal is for a time limited period only and is not a permanent change to a two yearly review.
- 5.3 The 4% increase originally proposed for this year (2013/14) by the SLTDA takes into account that in the previous year (2012/13) no fare increase was requested and therefore fares remained static during that year. Where no increase has been proposed by the trade during any year, this is not taken forward for consideration in future years in compliance with the Pickup Formula.
- 5.4 Again, following a meeting held between Council Officers and representatives of

the SLTDA in August 2013 and subsequent discussions in November 2013, the SLTDA agreed to amend their proposal to request a 4% increase to cover a period of two years to 31st March 2015.

4. Corporate Implications

4.1 *Resource Implications*

None.

4.2 *Contribution to Council's Vision and Critical Priorities*

To maintain and improve transport availability within the Borough.

4.3 *Legal Implications*

As a procedural matter, this report is required to be considered at Licensing Committee as opposed to via Standing Order 46, due to the proposed fare increase being inconsistent with the previously agreed Pickup Formula.

4.4 *Consultation*

All recommendations have been fully consulted with officers and interested parties including the Southend Licensed Taxi Drivers Association

4.5 *Equalities Impact Assessment*

Hackney Carriage and Private Hire fares influence the choice of individuals to access public transport. Reasonable fare increases are considered not to have an adverse impact on any individual in terms of access to public transport, and the hackney carriage / private hire services operate and are accessible 24 hours per day

4.6 *Risk Assessment*

No risks have been identified

4.7 *Community Safety Implications*

To maintain a Taxi and Hire Car service within the Borough and assisting with night time economy dispersal of persons leaving town centre.

4.8 *Environmental Impact*

Making transport available to impact on reduction of crime and disorder in the town centre.

5. Background Papers

5.1 Letter from Southend Taxi Drivers' Association.

5.2 Letter from Southend Police Divisional Commander.

5.3 Letter from Night Time Economy Forum.

6. Appendices

6.1 Appendix 1 - Current Fare Chart.

6.2 Appendix 2 - Fare Chart & Tariff Details (Using Pickup Formula)

6.2 Appendix 3 - Proposed Fare Chart & Tariff Details (SLTDA Proposal)

6.3 Appendix 4 - SLTDA Proposal Letter

6.4 Appendix 5 - Background History - Pickup Formula