

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Corporate Director of Enterprise, Tourism & the  
Environment

to

**Licensing Committee**

on

**19 March 2007**

Report prepared by: Allan Evans

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## **Review of Hackney Carriage Fares**

*A Part I Public Agenda Item*

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### **1. Purpose of Report**

- 1.1 Members are invited to consider applications from Southend 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 give consideration to proposed revisions of the present Hackney Carriage fare and charges structure at the request of Southend Taxi Drivers' Association, as shown at Appendix 1.**
- 2.2 **To give consideration to an average 2.58% increase in fares (Appendix 1).**
- 2.3 **To give consideration to an extension to the additional night charge hours from midnight until 4am to midnight until 6am on Saturdays, Sundays and Bank Holiday Mondays.**
- 2.4 **To give consideration to the fare chart given at Appendix 3.**
- 2.5 **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 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 procedure for 2006, as increases are covered by the standard Pickup Formula. It was also agreed that any objections would be heard by Licensing Committee C. However, due to the request made by the Association at 2.3, it was felt this year the revision should be heard by Members.

- 3.2 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 Hackney Carriage and Private Hire vehicle fare tariffs on an annual basis.
- 3.3 It has also been resolved that an annual review take place, 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.
- 3.4 On 16 August 2001, at their annual fare meeting, the Licensing Committee considered proposals for increases and amendments in the Hackney Carriage fares and extra charges tariff and the adoption of the 'Pickup' Formula, an inflation based annual review, linked to the Retail Price Index for both fares and extra charges.
- 3.5 Having considered the matter in detail, Members resolved:
- 3.5.1 That the proposed revision of the present fare structure be adopted.
- 3.5.2 That the following formula for dealing with increases in fares and the extra charges tariff in future years be approved:
- Motoring Retail Price Index percentage figure rounded up to the nearest whole number plus 1%, to be rounded up or down over future years (to be known as the 'Pickup' Formula). For 'extras' the formula would be used, but increases held until a whole unit figure was reached.
- 3.6 The formula agreed was negotiated after Members' requests for an inflation based formula which could be used year on year. It is based on the nearest published Retail Price Index which reflects most closely expenses incurred by the Taxi Trade. The Motoring Price Index is therefore used as a base for both fare and tariff increases. However, this Index reflects the cost of private motoring rather than cost incurred by full time taxis and so the figure quoted by Government is rounded up and 1% is added to reflect this anomaly. This calculation is the 'Pickup' Formula.
- 3.7 For fares, the Pickup Formula is to be applied each year by a reduction in yardage which most closely reflects the Pickup percentage in the fare charged. For tariffs, the Pickup percentage is applied, but not activated until a whole unit figure is reached by year on year increases (eg 5p for extras such as luggage, or 10p for the start up or night charge).
- 3.8 On 22 January 2007, the Southend Taxi Drivers' Association wrote to the Council and requested fare increases. Following discussions with officers from the Council and representatives of the Association, it was decided that their application shown in their letter should be presented to the Members for consideration. This letter is shown at **Appendix 4**.
- 3.9 The Retail Price Motoring Index for January 2007 indicates a 0.8% increase. Using the Pickup Formula, this would indicate a 2% increase in fares (1% + 1% = 2%). For the extras, a 2% increase represents a total of 5.47p since the Formula was introduced (activated when the figure reaches 5p, however the

Association request not to put this in place until figure reaches 10p). On the start up a 2% increase represents 5.09p + 4.3p in holding basket = 9.39p (activated when the figure reaches 10p). It has been agreed that an increase of 10p will be allowed, leaving 0.0p in holding basket.

### ***Night Charge/Unsocial Hours***

- 3.10 In 2003 a working group gave consideration to crime and disorder problems in the Town late at night. Concern was expressed at the lack of taxi availability when nightclubs in the Town close. Whilst it was identified that this is linked to the violence that drivers may experience late at night, to encourage more drivers to work at this time, it was proposed that between 9pm and midnight the night charge would be £1 and from midnight to 4am, the charge would be increased to £2.80 to take into account the above problem. From 4am to 6am, the charge would revert to £1. It was agreed that the effectiveness of this night charge would be monitored and measured by the increase in the availability of taxis and hire cars between midnight and 4am.
- 3.11 A brief study showing this availability before and after the 2003 fare change is shown at **Appendix 5**. Southend Police expressed their desire that the night charge should remain at the 2004 fare meeting with a supporting letter from the then Divisional Commander, Mick Thwaites, shown at **Appendix 6**. However, at the 2004 fare meeting on 8 October, the Licensing Committee, when considering the review of the fares (Minute 436 refers), agreed that a more detailed study be undertaken in relation to the availability and levels of use of licensed vehicles as regard the additional charge between midnight and 4am. It was requested that the Crime and Disorder Partnership Strategy Board examine and report upon the effectiveness of the charge, the content of which report to be submitted to a future meeting of the Committee. The Crime and Disorder Partnership Strategy Board met on a quarterly basis and it was not possible to report the matter to the Board at its last meeting.
- 3.12 In March 2005 the Crime and Disorder Partnership Strategy Board was formerly reconstituted with a new membership and terms of reference. It was therefore proposed to request the new Crime and Disorder Reduction Partnership Board undertake this review and to take the matter forward. A report on the outcome on the review will be submitted to the Licensing Committee in due course. To date, however, no contact has been received from the Crime and Disorder Reduction Partnership Board. The Association would also wish the charge to remain but with a variation. When the charge was introduced in 2003 the aim was for a minimum fare of £5.00 to be shown on the meter (the then minimum fare of £2.20 plus the additional night charge from midnight to 4am of £2.80 = £5.00). Increases since then have seen the minimum charge rise above this figure. The Association has requested, as last year, that this charge be reduced this time from £2.50 to £2.40 with a 10p increase on the minimum charge due from the present £2.50 to £2.60. This enables the original £5.00 to be recreated, but with no night charge over Christmas and New Year periods.
- 3.13 In addition to this variation, the trade has been approached by the Night Time Economy Forum (a forum consisting of Police, Council and other interested parties of the night time economy) to find ways of combating the extra numbers of people on the streets in the town centre between 4am and 6am. This has been created by the extension of licensing hours for various licensed premises

in Southend. In view of this, the Association has requested that the additional night charge between midnight and 4am be extended on Saturdays, Sundays and Bank Holiday Mondays until 6am. This extension of the night charge is to encourage drivers to extend their night shift or start their day shift early to help with this problem.

- 3.14 The Association has proposed that for the Christmas and New Year periods the fare should remain the same as last year, double the proposed normal unsocial hours charge of £3.60. From midnight on 24 December until 6am on 27 December and from midnight on 31 December until 6am on 1 January, the meter will show £7.20 for the minimum charge, with no additional charge from midnight until 4am or until 6am Saturdays, Sundays or Bank Holidays
- 3.15 Taking all the above into account, **Appendices 1, 2 and 3** show the proposed changes by the Association using the Pickup Formula plus 10p added to the initial charge, the change to the waiting time and the current and proposed fare charts.

#### **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 Consultation**

All recommendations have been fully consulted with officers and interested parties.

##### **4.4 Equalities Impact Assessment**

No assessment necessary.

##### **4.5 Risk Assessment**

No risk assessment necessary.

##### **4.6 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.

##### **4.7 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** - Details of proposed fare increase.
- 6.2 **Appendix 2** - Current fare chart.
- 6.3 **Appendix 3** - Proposed fare chart including additional 10p on start.
- 6.4 **Appendix 4** - Letter from the Association.
- 6.5 **Appendix 5** - Results of study into vehicle availability (2003).
- 6.6 **Appendix 6** - Letter from Southend Police (2004).
- 6.7 **Appendix 7** - Letter from Night Time Economy Group.