

**RURAL, ECONOMIC AND ENVIRONMENTAL AFFAIRS COMMITTEE****16 NOVEMBER 2011****REPORT OF HEAD OF REGULATORY SERVICES****HACKNEY CARRIAGE TARIFF INCREASE****1.0 PURPOSE OF REPORT**

1.1 The purpose of this report is to present to the Committee a request made by the Hackney Carriage drivers within Melton to consider an increase in the tariff charges.

**2.0 RECOMMENDATIONS**

2.1 **It is recommended that the tariff is proposed to be increased in line with the prevalent opinion of the drivers expressed at the Drivers Meeting on 19 October 2011 (Option 2).**

2.2 **It is further recommended that the Head of Regulatory Services be delegated the authority to consider any objections against an increase of the tariff. If the objection is considered to be contentious, the objection will be reported back to the Committee at the next meeting for consideration.**

2.3 **It is recommended that the Head of Regulatory Services be delegated to consider an annual increase to the Hackney Carriage Tariff in line with the guidelines below (see para 3.7), i.e., authority to determine an increase up to, but not exceeding, the RPI on an annual basis.**

**3.0 KEY ISSUES**

3.1 The request to consider an increase to the Hackney Carriage Tariff was tabled at the Drivers Meeting held on 8<sup>th</sup> April 2011. This follows approaches made earlier in the year by drivers that the fares required increasing due to inflation, particularly the cost of fuel, and because it has been 3 years since they were last reviewed.

3.2 A Local Authority has the power to set fares for Hackney Carriages under the provisions of s65 of the Local Government (Miscellaneous Provisions) Act 1976.

3.3 There is a prescribed process that should be followed by a Local Authority when considering a tariff increase, this is attached as appendix 1.

3.4 Consultation papers were sent to all Hackney Carriage drivers in Melton Borough and they were asked to suggest proposals for how the tariffs could be increased or not. 42 responses were received identifying 7 options from 'no increase' through to increases in the 'drop' and 'running mile'.

3.5 The drivers met on 19<sup>th</sup> October 2011 at the Drivers Meeting and discussed the tariff increase. The drivers unanimously voted in favour of a tariff increase and opinions were canvassed from those present on which of the tariffs were considered to be the most appropriate. The current tariff, proposals, national and local averages were identified and these are attached as Appendix 2.

3.6 The majority vote was for proposal 2, a minor increase in the drop, reducing the distance of the drop from 0.5 mile to 0.3 mile, with the running mile remaining the same. Proposal 6 was also supported, an increase in the drop and the running mile, slightly less than was proposal 2.

3.7 If there is to be an increase in the tariff, this should be a balanced approach that ensures that the demand for the use of Hackney Carriages continues and that the cost of providing the service reasonably reflects the cost of running such a service.

3.8 It is considered that the risk identified associated with proposal 2 is that this may not adequately reflect the increase in cost of providing a taxi service since the last increase in 2008, taking into consideration running cost increases, e.g. fuel, insurance, minimum wage increases etc. For instance there has been a rise of 19% in the price per litre of unleaded fuel from April 2008 to October 2011. The increase that has been proposed (proposal 2) shows an increase of around 6% on a local journey of 2 miles reducing to 1.7% with a fare of 10miles.

3.9 Objections are anticipated against the tariff increase and s65 of the LG(MP)Act 1976 requires that the objections must be considered. It is considered that unless an objection is contentious, it is suggested that the objection could be reasonably dealt with by the Head of Regulatory Services.

3.7 It was also considered at the Drivers' Meeting that there should be a mechanism through which an increase to the taxi tariff could be considered on an annual basis which would simplify the process of any increase and would reduce the amount of officer and Committee time spent considering a requested change. It is suggested that the tariff is considered against the current annual retail price index or consumer price index on an annual anniversary, suggesting 1 April every year making calculation easier. The suggested increase could be if the RPI or CPI is between 3 and 5%, the tariff is increased as such, if less it is not increased, if more an increase is referred to the appropriate Committee.

#### **4.0 POLICY AND CORPORATE IMPLICATIONS**

5.1 If the tariff increase is agreed as per the recommendation there would be no changes to the existing taxi policy, nor any corporate implications.

#### **6.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

6.1 An increase in the taxi tariff would not impose no additional costs nor generate any income for the Council.

6.2 There will be cost to the Council in terms of officer time in the carrying out of the consultation and implementing any change and financially for the advertising of proposed tariff in the newspaper. The exact quantity of this cost has not yet n=been established but is estimated to be in the region of £1500. This can be met from existing budgets.

#### **7.0 LEGAL IMPLICATIONS/POWERS**

7.1 The legal basis for considering changes to the tariff and the procedure to be followed is set out above. Upon the adoption of a new taxi tariff the existing tariff within the Borough shall cease to have any effect and all drivers will be bound to the new approach..

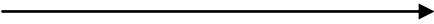
#### **8.0 COMMUNITY SAFETY**

8.1 There are no community safety issues to be considered with a taxi tariff increase.

#### **9.0 EQUALITIES**

9.1 There are no equalities issues to be considered.

## 9.1 RISKS

Very High A						
High B	2.				<b>Risk No.</b>	<b>Description</b>
Significant C					1.	Negative public reaction to the increase in fares
Low D	1.				2.	Opposition from some drivers resulting in a protracted process and disputes played out in public
Very Low E		3.			3.	Reduced competitiveness for Melton taxis
Almost Impossible F						
	IV Negligible	III Marginal	II Critical	I Catastrophic		
						
	<b>Impact</b>					

## 11.0 CLIMATE CHANGE

11.1 There are no implications for Climate Change.

## 12.0 CONSULTATION

12.1 Consultation would be carried out as part of the process of adopting any tariff increase..

## 13.0 WARDS AFFECTED

13.1 All.

Contact Officer: Andrew Dudley, Lead Enforcement Officer

Date: 28<sup>th</sup> October 2011

Appendices : 1- statutory procedure  
2- Tariff options

Reference : Q : Committee

## Appendix 2

### Proposal Comparison – Tariff 2

	Drop	1 Mile	2 Mile	3 Mile	5 Mile	10 Mile	Runnin g Mile
Existing	£3.00	£3.92	£5.75	£7.58	£11.24	£20.39	£1.83
Proposal 1	£3.00	£4.10	£5.93	£7.76	£11.42	£20.57	£1.83
Proposal 2	£3.00	£4.28	£6.11	£7.94	£11.60	£20.75	£1.83
Proposal 3	£3.50	£4.42	£6.25	£8.08	£11.74	£20.89	£1.83
Proposal 4	£3.50	£4.50	£6.50	£8.50	£12.50	£22.50	£2.00
Proposal 5							
Proposal 6	£3.60	£4.60	£6.60	£8.60	£12.60	£22.60	£2.00
National Average	£3.45	£4.67	£6.95	£9.23	£13.79	£25.19	£2.28
Local Average	£3.33	£4.46	£7.01	£9.57	£14.67	£27.44	£2.55

### Proposal Comparison – Tariff 3

	Drop	1 Mile	2 Mile	3 Mile	5 Mile	10 Mile	Runnin g Mile
Existing	£4.00	£5.08	£7.24	£9.40	£13.72	£24.52	£2.16
Proposal 1	£4.00	£5.30	£7.46	£9.62	£13.94	£24.74	£2.16
Proposal 2	£4.00	£5.51	£7.67	£9.83	£14.15	£24.95	£2.16
Proposal 3	£4.50	£5.58	£7.74	£9.90	£14.22	£25.02	£2.16
Proposal 4	£5.00	£6.08	£8.24	£10.40	£14.72	£25.52	£2.16
Proposal 5							
Proposal 6	£4.50	£5.70	£8.10	£10.50	£15.30	£27.30	£2.40
Charnwood BC	£3.75	£5.43	£7.67	£9.91	£14.39	£25.59	£2.24