

# NORWICH CITY COUNCIL

## Report for Resolution

**Report To** Licensing committee  
15 September 2011

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**Report of** Head of citywide services &  
Head of finance

**Subject** Hackney carriage fare review

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### **Purpose**

To ask members to determine the level of fares charged for the hire of Norwich City Council licensed Hackney Carriages.

### **Recommendations**

That members consider the application submitted by the Norwich Hackney Trade Association for an increase in hackney carriage fares in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.

### **Financial Consequences**

The financial consequences of this report are nil.

### **Corporate Objective/Service Plan Priority**

The report helps to achieve the service plan priority of protecting the interests of the public through the administration of the licensing function.

### **Contact Officers**

Ian Streeter

Phone No  
212439

### **Background Documents**

Labour Market Trends.

## **The Report**

1. An application has been received from the Norwich Hackney Trade Association requesting an increase to the current hackney carriage fares, a copy of which is attached at Appendix A.

2. The previous application for an increase in hackney carriage fares was considered by your Committee on the 15 July 2008. That application took account of inflation that specifically affected the taxi trade during the period June 2007 to May 2008. This application takes into account the period until the end of March 2011 and, if successful, is intended to come into effect with immediate effect. Members will note that the Association's medium term goal is to return, when possible, to an annual review date for increases to take effect on the first Monday of April each year.

### **Norwich Hackney Trade Association proposals**

3. Members will note from Appendix A that the Norwich Hackney Trade Association is not proposing to amend the existing tariff structure but is seeking to increase the existing initial hiring charge or 'flag drop' on tariffs 1 and 2 and to reduce the distance travelled for both the 'flag drop' and also the distances travelled for the subsequent 20p unit charge. In respect of tariff's 3 and 4, the application proposes that the initial hiring charge ('flag drop') remains unaltered but the distances travelled for both the 'flag drop' charge and the subsequent 20p unit charge are reduced. The current periods of waiting time and the 20p unit charge remain unaltered across all four tariffs. Attached at Appendix B to the report is a chart that compares the present and proposed hiring charges for each of the tariffs.

4. Attached at Appendix C is a chart showing the cost of different journey distances at the present and proposed rates of fare. When calculating the cost of the journeys, the Head of Financial Services has taken into account that when a part distance falls into the next 20p unit charge (or 'part thereof' as shown on the existing fare chart at Appendix D) then that 20p unit is attributed to the cost of the journey. For example, a one mile (1760 yards) journey at the present tariff 1 rate would cost £4.40. This is calculated by deducting the distance for the initial hiring distance (154 yards) from the journey total (1760), which equals 1606 yards, then dividing this balance by the unit charge distance (221 yards) which equals 7.26 and then multiplying this figure by the 20p unit charge. In this case because there is a 'part thereof' (i.e. .26), there would be 8 unit charges of 20p (£1.60) which when added to the initial hiring charge (£2.80) gives the journey cost of £4.40.

### **The legislation**

5. By virtue of Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, a district council may fix the rate of fares within the district in respect of the hire of hackney carriages. The previous review came into effect on the 18 August 2008 and a copy of the current fare chart detailing the permitted rates is attached at Appendix D.

### **Calculation of inflation increase affecting taxi trade to 31 March 2011.**

6. The National Retail Price Index is formulated from a multitude of sources, one

of which is "Transport and Vehicles". It is this section of the R.P.I. which the City Treasurer, based upon guidelines set by the Licensing Sub-Committee on 19th October 1987, is using to obtain comparative figures.

7. The Transport and Vehicles general cost index is formed by finding the average inflation figures from seven sub-headings and these are:-

- purchase of motor vehicles
- motor insurance
- maintenance of motor vehicles
- rail fares
- petrol and oil
- road transport fares
- vehicle excise licences.

8. After discussion with the trade, it was agreed to remove rail fares and road transport fares as it was agreed that these headings had little or no bearing on the Norwich Taxi Trade and to include:-

- radio rental
- radio repairs
- rents
- wages
- rates

When members considered a review of hackney carriage fares in 1991, the rates heading was replaced with the amount of community charge payable by two people living in Norwich. As a result of further statutory changes, this heading has been amended to include the amount of council tax payable by two people living in Norwich.

9. Attached at Appendix E is a table showing the % change on the nine headings set out above between May 2008 and March 2011. The combined cost increase on these headings during this period was 5.21%.

### **Comments of the Head of Finance**

10. It is not possible to determine an absolute percentage increase represented by this application, without ascertaining the exact distances travelled and tariffs applicable to all journeys undertaken by Hackney Carriage drivers over the course of a year. We can say, on Tariff 1, however, that for a journey of 3 miles the increase for this application amounts to 2.63% and the average across the mid range of 1.75-5 miles is 2.61% excluding waiting time.

11. As members will see from Appendix E the specific inflation guideline to March 2011 is 4.29%, with general increases in the Retail Price Index amounting to 4.3% for the same period.

12. Members will have to consider these factors when making a decision as to whether this increase in Hackney Carriage Fares is reasonable.

## **Comparison with other local authorities**

13. Attached at Appendix F to the report is a table comparing, over five selected journey distances, the existing and proposed charges for licensed Norwich City Council Hackney Carriages against those fares set by neighbouring and some comparable local authorities.

## **Conclusion**

14. The Head of Finance has calculated that the cost increase based upon the guidelines set by the Licensing Sub-Committee for the period May 2008 to March 2011 was 5.21% Based on the application submitted by the Norwich Hackney Trade Association, the increase of a journey of 3 miles on Tariff 1 (the distance estimated to be an average journey) would be 2.63%.

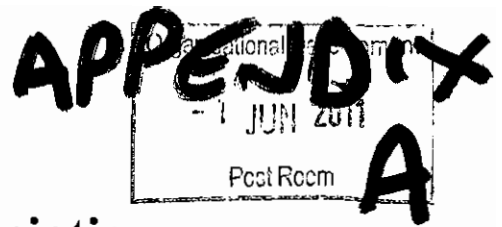
15. Under the provisions of the Local Government (Miscellaneous Provisions) Act 1976, you may fix the rates or fares applicable within the City, for time and distance, and all other charges in connection with the hire of a hackney carriage.

16. Should you wish to recommend approval of a fare increase then a notice must be published in at least one local newspaper setting out the proposed fares. Subject to no objection being received within a specified period (which shall not be less than 14 days), the new fares will then come into operation.

17. Representatives of the Norwich Hackney Trade Association have been invited to attend your meeting.

## **Equality / Anti-Poverty Implications**

18. All hackney carriages licensed by the City Council are wheelchair accessible and are also designed for use by the ambulant disabled. Hackney carriages also provide an alternative to other forms of public transport that may not be readily available or accessible.



## Norwich Hackney Trade Association

Secretary: Steve Royal  
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Email: [steve.royal@ntlworld.com](mailto:steve.royal@ntlworld.com)

Licensing, Legal and Democratic Services  
Norwich City Council  
City Hall  
Norwich  
NR2 1NH

**Attention: Ian Streeter**

26<sup>TH</sup> May 2011

Dear Mr Streeter

### 2011 HACKNEY CARRIAGE FARES REVIEW

I write formally to request increases in the scale of permitted maximum fares for hackney carriages. The changes shown below are those decided upon at a recent, well-advertised Meeting, which was organised by my Association but to which all Norwich hackney trade members were invited.

As you will be aware the last fares increase request was back in the Summer of 2008. We have held back from requesting an increase since that date despite our ever increasing overheads, amongst which are the spiralling costs of fuel oil and a substantial increase in insurance premiums.

The last increase approved by your Council took account of inflation (as calculated by the approved formula) to the end of May 2008. This application is intended to take it to the end of March 2011.

As for the 2011 review, we would request that every effort is afforded to hopefully conclude the process so as to allow an increase to be implemented as soon as possible. At this point I will add that our medium term goal is to return, when possible, to an annual review date for increases to take effect on the first Monday of April each year.

It is also requested that taximeters are programmed (chipped) up to end of April 2014 as it is possible that requests for fares increases in these uncertain economic times may be few and far between. For this reason I include Christmas and New Year timings for 2011/12, 2012/13 and 2013/14.

Obviously BST calendar changes should also be accommodated within the programming.

#### TARIFF CHANGE DETAILS

For tariffs 1 and 2 the basic tariff structure proposed is that flagdrop prices should increase by 20p and then adjustments to the yardages from those approved in 2008. For tariffs 3 and 4 the application is for unchanged flagdrop prices with reduced yardages. The changes to the distance elements of this application are intended to achieve an increase in the region of 3.7%. No fares increase is sought for waiting times, which reduces the overall value of the increase package.

The detail is as follows.

#### **DISTANCE**

Tariff 1	£3.00 for 200 yards, then 20p for each 215 yards
Tariff 2 (evenings)	£3.20 for 170 yards, then 20p for each 201 yards
Tariff 3 (Sundays & nights)	£3.40 for 335 yards, then 20p for each 186 yards
Tariff 4 (Christmas & New Year)	£5.40 for 300 yards, then 20p for each 154 yards

#### **WAITING TIME**

Tariff 1	20p for each 50 seconds
Tariff 2 (evenings)	20p for each 45 seconds
Tariff 3 (Sundays & nights)	20p for each 31 seconds
Tariff 4 (Christmas & New Year)	20p for each 25 seconds

#### **NORMAL TIMING**

All tariffs	No change
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#### **CHRISTMAS AND NEW YEAR TIMING**

24 December 2011	Saturday	to 18:00 hours	Normal Tariffs
		from 18:00 hours	Tariff 4
25 December 2011	Christmas Day	all day	Tariff 4
26 December 2011	Boxing Day	all day	Tariff 4

27 December 2011	Public Holiday	to 06:00 hours from 06:00 hours	Tariff 4 Tariff 3
31 December 2011	Saturday	to 18:00 hours from 18:00 hours	Normal Tariffs Tariff 4
01 January 2012	New Years Day	all day	Tariff 4
02 January 2012	Monday (public holiday)	to 06:00 hours from 06:00 hours	Tariff 4 Tariff 3

24 December 2012	Monday	to 18:00 hours from 18:00 hours	Normal Tariffs Tariff 4
25 December 2012	Christmas Day	all day	Tariff 4
26 December 2012	Boxing Day	all day	Tariff 4
27 December 2012	Thursday	to 06:00 hours from 06:00 hours	Tariff 4 Normal Tariffs
31 December 2012	Monday	to 18:00 hours from 18:00 hours	Normal Tariffs Tariff 4
1 January 2013	New Years Day	all day	Tariff 4
2 January 2013	Wednesday	to 06:00 from 06:00	Tariff 4 Normal Tariffs

24 December 2013	Tuesday	To 18:00 from 18:00 hours	Normal Tariffs Tariff 4
25 December 2013	Christmas Day	all day	Tariff 4
26 December 2013	Boxing Day	all day	Tariff 4
27 December 2013	Friday	to 06:00 hours from 06:00 hours	Tariff 4 Normal Tariffs
31 December 2013	Tuesday	to 18:00 from 18:00 hours	Normal Tariffs Tariff 4
01 January 2014	New Years Day	all day	Tariff 4
02 January 2014	Thursday	to 06:00 from 06:00	Tariff 4 Normal Tariffs

## OTHER

Other public holidays	Tariff 3 (no change)
Soiling charge	Maximum of £70 (no change)

Please do not hesitate to contact me if clarification is needed on any point before presenting your report to councillors.

Yours sincerely



# APPENDIX B

## HACKNEY CARRIAGE FARE COMPARISON CHART (1)

<u>TARIFF 1 (DAY RATE)</u>		
<b><u>PRESENT</u></b>	<b>£2.80 for first 154 yards</b>	<b>Then 20p per 221 yards</b>
	£2.80 for first 141 metres	Then 20p per 202 metres
<b><u>PROPOSED</u></b>	<b>£3.00 for first 200 yards</b>	<b>Then 20p per 215 yards</b>
	£3.00 for first 183 metres	Then 20p per 197 metres
<u>TARIFF 2 (EVENINGS)</u>		
<b><u>PRESENT</u></b>	<b>£3.00 for first 121 yards</b>	<b>Then 20p per 207 yards</b>
	£3.00 for first 111 metres	Then 20p per 189 metres
<b><u>PROPOSED</u></b>	<b>£3.20 for first 170 yards</b>	<b>Then 20p per 201 yards</b>
	£3.20 for first 156 metres	Then 20p per 184 metres
<u>TARIFF 3 (SUNDAYS AND NIGHTS)</u>		
<b><u>PRESENT</u></b>	<b>£3.40 for first 510 yards</b>	<b>Then 20p per 191 yards</b>
	£3.40 for first 466 metres	Then 20p per 175 metres
<b><u>PROPOSED</u></b>	<b>£3.40 for first 335 yards</b>	<b>Then 20p per 186 yards</b>
	£3.40 for first 306 metres	Then 20p per 170 metres
<u>TARIFF 4 (CHRISTMAS AND NEW YEAR)</u>		
<b><u>PRESENT</u></b>	<b>£5.40 for first 511 yards</b>	<b>Then 20p per 158 yards</b>
	£5.40 for first 467 metres	Then 20p per 145 metres
<b><u>PROPOSED</u></b>	<b>£5.40 for first 300 yards</b>	<b>Then 20p per 154 yards</b>
	£5.40 for first 274 metres	Then 20p per 141 metres

The upper row showing each present and proposed tariff in bold type gives the exact yardage upon which the fare is based, or is proposed to be based.

The metered 'equivalent' shown on the lower row is rounded to the nearest metre and shown for comparison purposes only.

### HACKNEY CARRIAGE FARE COMPARISON CHART (2)

<u>JOURNEY DISTANCE</u>		<u>TARIFF 1</u>		<u>TARIFF 2</u>		<u>TARIFF 3</u>		<u>TARIFF 4</u>	
		<u>DAY RATE</u>		<u>EVENING RATE</u>		<u>SUNDAYS AND NIGHTS</u>		<u>CHRISTMAS AND NEW YEAR</u>	
(kilometres)		<u>PRESENT</u>	<u>PROPOSED</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>PRESENT</u>	<u>PROPOSED</u>
		£	£	£	£	£	£	£	£
0.5 MILE	(0.805)	3.60	3.80	3.80	4.00	3.80	4.00	6.00	6.20
0.75 MILE	(1.207)	4.00	4.20	4.20	4.40	4.40	4.60	6.60	6.80
1 MILE	(1.609)	4.40	4.60	4.60	4.80	4.80	5.00	7.00	7.40
1.25 MILES	(2.012)	4.80	5.00	5.20	5.40	5.20	5.60	7.60	8.00
1.5 MILES	(2.414)	5.20	5.40	5.60	5.80	5.80	6.00	8.20	8.60
1.75 MILES	(2.816)	5.60	5.80	6.00	6.20	6.20	6.40	8.80	9.20
2 MILES	(3.219)	6.00	6.20	6.40	6.60	6.60	7.00	9.40	9.60
2.5 MILES	(4.023)	6.80	7.00	7.20	7.60	7.60	7.80	10.40	10.80
3 MILES	(4.828)	7.60	7.80	8.00	8.40	8.40	8.80	11.60	12.00
3.5 MILES	(5.633)	8.40	8.60	9.00	9.20	9.40	9.80	12.60	13.20
4 MILES	(6.437)	9.20	9.40	9.80	10.20	10.40	10.80	13.80	14.20
4.5 MILES	(7.242)	10.00	10.20	10.60	11.00	11.20	11.60	14.80	15.40
5 MILES	(8.047)	10.80	11.00	11.40	11.80	12.20	12.60	16.00	16.60
6 MILES	(9.656)	12.40	12.80	13.20	13.60	14.00	14.40	18.20	18.80
7 MILES	(11.265)	14.00	14.40	14.80	15.40	15.80	16.40	20.40	21.20
8 MILES	(12.875)	15.60	16.00	16.60	17.20	17.80	18.20	22.60	23.40
10 MILES	(16.094)	18.60	19.20	20.00	20.60	21.40	22.00	27.20	28.00
12 MILES	(19.312)	21.80	22.60	23.40	24.20	25.00	25.80	31.60	32.60
15 MILES	(24.140)	26.60	27.40	28.40	29.40	30.60	31.60	38.20	39.40

APPENDIX C

## Hackney carriage fares



**NORWICH**  
City Council

The city council has fixed the maximum fare that you may be charged in this taxi. The rate depends on the day and time of your journey as shown below. Before beginning your journey you should check that the taximeter is in the 'for hire' position. When the 'hired' position is selected the appropriate first charge will be displayed. After that it will increase according to the distance travelled or time spent waiting. You cannot be asked to pay more than the meter shows at the end of your journey. If you think you have been overcharged ask the driver. If you are still not satisfied or if you have any other complaint about this taxi contact the council's licensing office at City Hall (t: 01603 212761). Tell them the number of the taxi and the number on the driver's badge.

**Please ensure that the taximeter is in the 'for hire' position before the start of your journey**

### **TARIFF 1**

#### **DAY RATE:**

**6am–6pm**

**FIRST 154 YARDS  
(or part thereof)**

**£2.80**

Thereafter for each 221 yards

(or part thereof) 20p

Waiting time each 50 seconds

(or part thereof) 20p

### **TARIFF 2**

#### **EVENING RATE**

**6pm–11pm**

**FIRST 121 YARDS  
(or part thereof)**

**£3.00**

Thereafter for each 207 yards

(or part thereof) 20p

Waiting time for each 45 seconds

(or part thereof) 20p

### **TARIFF 3**

#### **SUNDAY RATE and NIGHT RATE**

**11pm–6am**

**FIRST 510 YARDS  
(or part thereof)**

**£3.40**

Each subsequent 191 yards

(or part thereof) 20p

Waiting time for each 31 seconds

(or part thereof) 20p

### **TARIFF 4**

#### **CHRISTMAS/NEW YEAR:**

**FIRST 511 YARDS  
(or part thereof)**

**£5.40**

6pm 24/12/2008 to 6am 27/12/2008 and

6pm 31/12/2008 to 6am 02/01/2009

Each subsequent 158 yards

(or part thereof) 20p

Waiting time each 25 seconds

(or part thereof) 20p

### **REMAINDER OF PUBLIC HOLIDAYS CHARGED AT TARIFF 3**

**FOR CLEANING FOLLOWING THE SOILING OF THE INTERIOR OF THE VEHICLE  
– A CHARGE NOT EXCEEDING £75.**

**FOR PAYMENT OF FARES BY CREDIT OR DEBIT CARD AN ADDITIONAL FEE OF 5% OF  
THE FARE CHARGEABLE.**

**John Jones**

Head of legal and democratic services

Norwich City Council, City Hall, Norwich NR2 1NH

18 August 2008

# APPENDIX E

## HACKNEY CARRIAGE FARE INCREASE APPLICATION

### CALCULATION OF THE PERCENTAGE COST INCREASE ON THE NINE SELECTED ITEMS BETWEEN MAY 2008 and MARCH 2011

	<u>ITEM</u>	<u>MAY 2008 £</u>	<u>% CHANGE</u>	<u>SOURCE / BASIS OF INFORMATION</u>	<u>MARCH 2011 £</u>
1)	20% OF COST OF TAXI VEHICLE (BASED ON FIVE YEAR LIFE)	6,099	-1.64	VEHICLE SUPPLIERS	5,999
2)	MAINTENANCE OF VEHICLES	2,888	14.48	WWW.STATISTICS.GOV.UK/RPI	3,306
3)	PETROL AND OIL	7,184	17.60	WWW.STATISTICS.GOV.UK/RPI	8,449
4)	MOTOR INSURANCE	4,132	-9.29	NORWICH UNION INSURANCE CO.	3,748
5)	ROAD FUND LICENCE	210	23.81	<a href="http://WWW.DVLA.CO.UK">WWW.DVLA.CO.UK</a>	210
6)	RADIO RENTALS AND REPAIRS	310	-4.84	COMMUNICATIONS SUPPLIERS	295
7)	COUNCIL TAX	988	5.35	TWO PEOPLE LIVING TOGETHER IN NORWICH	1,041
8)	HOUSING RENTS	8,052	4.49	WWW.STATISTICS.GOV.UK/RPI	8,414
9)	NATIONAL WAGES	28,092	5.07	WWW.STATISTICS.GOV.UK (AVERAGE EARNINGS INDEX FOR THE WHOLE ECONOMY)	29,515
		<u>57,955</u>			<u>60,977</u>

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## HACKNEY CARRIAGE DAY RATE FARE CHARGES

### COMPARISONS WITH OTHER AUTHORITIES

NAME OF LOCAL AUTHORITY		SELECTED JOURNEY DISTANCES				
		1 MILE £	2 MILES £	3 MILES £	5 MILES £	10 MILES £
NORWICH CITY COUNCIL	PRESENT	4.40	6.00	7.60	10.80	18.60
	PROPOSED	4.60	6.20	7.80	11.00	19.20
BRECKLAND DISTRICT COUNCIL		3.14	5.14	6.94	10.74	20.34
CAMBRIDGE CITY COUNCIL		4.40	6.20	7.80	11.40	20.20
COLCHESTER BOROUGH COUNCIL		4.40	6.80	8.30	11.60	20.00
GREAT YARMOUTH BOROUGH COUNCIL		3.60	5.40	7.20	10.60	19.40
IPSWICH BOROUGH COUNCIL		3.40	5.00	6.40	9.40	17.00
KINGS LYNN AND WEST NORFOLK BOROUGH COUNCIL		3.40	5.05	6.70	10.00	18.25
NORTH NORFOLK DISTRICT COUNCIL		3.95	5.40	6.85	9.75	17.00
YORK CITY COUNCIL		4.10	5.90	7.70	11.30	20.30

APPENDIX F