

Report to Licensing Committee
13 March 2014
Report of Head of citywide services

Item

Subject Hackney Carriage Fare Review

6a

Purpose

To ask members to determine the level of fares charged for the hire of Norwich city council licensed hackney carriages.

Recommendation

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.

Corporate and service priorities

The report helps to meet the corporate priority of a safe and clean city and the service plan priority of protecting the interests of the public through the administration of the licensing function.

Financial implications

None.

Ward/s: All wards

Cabinet member: Councillor Stonard – Environment, development and transport

Contact officers

Ian Streeter

01603 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 committee on the 15 September 2011. That application took account of inflation that specifically affected the taxi trade until the end of March 2011. This application takes into account the period until the end of March 2014 and, if successful, is intended to come into effect on 7 April 2014 in accordance with the association's goal 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 or the existing initial hiring charge or 'flag drop' for each of the four tariffs but is seeking a reduction in respect of the distance travelled for both the 'flag drop' and the distances travelled for the subsequent 20p unit charge. The application also seeks to reduce the periods of waiting time for the 20p unit charge and to increase the maximum soiling charge. 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.

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 in November 2011 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 March 2014.

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 19 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 March 2011 and February 2014. The combined cost increase on these headings during this period was 6.76%.

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 5.13% and the average across the mid-range of 1.75-5 miles is 5%, excluding waiting time.
11. As members will see from appendix E the specific inflation guideline to December 2013 is 6.76%.
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 March 2011 to February 2014 was 6.76% 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 5.13%.
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

Chairman – James Marriott
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Email – nhta.chair@live.com

Norwich City Council
BY EMAIL

Attention: Ian Streeter, Licensing Manager

30th November 2013

Dear Mr Streeter

2014 HACKNEY CARRIAGE FARES REVIEW

On behalf of my Association I write formally to request increases in the scale of permitted maximum fares for hackney carriages. The suggested changes shown below are those decided upon at a general meeting, to which the whole trade was invited.

The last increase approved by your Council took account of inflation (as calculated by the approved formula) to the end of March 2011. That increase was an "emergency" one, reflecting the special factor of spiralling fuel costs. This request is timed to revert to the previous arrangement agreed with your Council, whereby new fares scales come into effect on the first working Monday in April, which in this case will be the 7th April 2014.

The basic tariff structure proposed is unchanged from the current one. In summary the application is to keep the flag-drop prices the same and to achieve an overall increase of 5 percent across all tariffs by reductions in yardages. Increases are sought in the charges for waiting times and in the maximum soiling fee. The details are as follows.

DISTANCE

Tariff 1	£3.00 for the first 40 yards, then 20p for each further 205 yards
Tariff 2 (evenings)	£3.20 for the first 40 yards, then 20p for each further 191 yards

Tariff 3 (nights & Sundays)	£3.40 for the first 90 yards, then 20p for each further 178 yards
Tariff 4 (Christmas & New Year)	£5.40 for the first 90 yards, then 20p for each further 147 yards

WAITING TIME

Tariff 1	20p for each 48 seconds
Tariff 2 (evenings)	20p for each 43 seconds
Tariff 3 (nights & Sundays)	20p for each 30 seconds
Tariff 4 (Christmas & New Year)	20p for each 24 seconds

SOILING CHARGE

Maximum charge	£80
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The trade proposes that the days and times for changes between tariffs are unchanged and that bank holidays (other than Christmas and New Year) remain at the tariff 3 rate. I give below the specific timings for the Christmas and New Year periods. These are listed for four years ahead, to allow for the contingency that subsequent fares increases become unnecessary for reasons as yet unforeseen.

CHRISTMAS & NEW YEAR TIMING

24 Dec 2014	Wed	To 06:00	T3
		From 06:00 to 18:00	T1
		From 18:00	T4
25 Dec 2014	Thu, Christmas Day	All day	T4
26 Dec 2014	Fri, Boxing Day	All day	T4
27 Dec 2014	Sat	To 06:00	T4
		From 06:00 to 18:00	T1
		From 18:00 to 23:00	T2
		From 23:00	T3
31 Dec 2014	Wed	To 06:00	T3
		From 06:00 to 18:00	T1
		From 18:00	T4
01 Jan 2015	Thu, New Years Day	All day	T4
02 Jan 2015	Fri	To 06:00	T4
		From 06:00 to 18:00	T1
		From 18:00 to 23:00	T2
		From 23:00	T3

24 Dec 2015	Thu	To 06:00	T3
		From 06:00 to 18:00	T1
		From 18:00	T4
25 Dec 2015	Fri, Christmas Day	All day	T4
26 Dec 2015	Sat, Boxing Day	All day	T4
27 Dec 2015	Sun	To 18:00	T4
		From 18:00	T3
28 Dec 2015	Mon, substitute bank holiday	All day	T3
31 Dec 2015	Thu	To 06:00	T3
		From 06:00 to 18:00	T1
		From 18:00	T4
01 Jan 2016	Fri, New Years Day	All day	T4
02 Jan 2016	Sat	To 06:00	T4
		From 06:00 to 18:00	T1
		From 18:00 to 23:00	T2
		From 23:00	T3

24 Dec 2016	Sat	To 06:00	T3
		From 06:00 to 18:00	T1
		From 18:00	T4
25 Dec 2016	Sun, Christmas Day	All day	T4
26 Dec 2016	Mon, Boxing Day	All day	T4
27 Dec 2016	Tue, substitute bank holiday	To 06:00	T4
		From 06:00	T3
31 Dec 2016	Sat	To 06:00	T3
		From 06:00 to 18:00	T1
		From 18:00	T4
01 Jan 2017	Sun, New Years Day	All day	T4
02 Jan 2017	Mon, substitute bank holiday	To 06:00	T4
		From 06:00	T3

24 Dec 2017	Sun	To 18:00	T3
		From 18:00	T4
25 Dec 2017	Mon, Christmas Day	All day	T4
26 Dec 2017	Tue, Boxing Day	All day	T4
27 Dec 2017	Wed	To 06:00	T4
		From 06:00 to 18:00	T1
		From 18:00 to 23:00	T2
		From 23:00	T3
31 Dec 2017	Sun	To 18:00	T3
		From 18:00	T4
01 Jan 2018	Mon, New Years Day	All day	T4
02 Jan 2018	Tue	To 06:00	T4
		From 06:00 to 18:00	T1
		From 18:00 to 23:00	T2
		From 23:00	T3

I would be grateful for acknowledgement of your receipt of this letter. Please do not hesitate to contact me if clarification is needed on any point before presenting your report to your Licensing Committee.

Yours sincerely

JIM MARRIOTT

APPENDIX B

HACKNEY CARRIAGE FARE COMPARISON CHART (1)

TARIFF 1 (DAY RATE)		
<u>PRESENT</u>	£3.00 for first 200 yards	Then 20p per 215 yards
	£3.00 for first 183 metres	Then 20p per 197 metres
<u>PROPOSED</u>	£3.00 for first 40 yards	Then 20p per 205 yards
	£3.00 for first 36.5 metres	Then 20p per 180 metres
TARIFF 2 (EVENINGS)		
<u>PRESENT</u>	£3.20 for first 170 yards	Then 20p per 201 yards
	£3.20 for first 156 metres	Then 20p per 184 metres
<u>PROPOSED</u>	£3.20 for first 40 yards	Then 20p per 191 yards
	£3.20 for first 36.5 metres	Then 20p per 174 metres
TARIFF 3 (SUNDAYS AND NIGHTS)		
<u>PRESENT</u>	£3.40 for first 335 yards	Then 20p per 186 yards
	£3.40 for first 306 metres	Then 20p per 170 metres
<u>PROPOSED</u>	£3.40 for first 90 yards	Then 20p per 178 yards
	£3.40 for first 82 metres	Then 20p per 155 metres
TARIFF 4 (CHRISTMAS AND NEW YEAR)		
<u>PRESENT</u>	£5.40 for first 300 yards	Then 20p per 154 yards
	£5.40 for first 274 metres	Then 20p per 141 metres
<u>PROPOSED</u>	£5.40 for first 90 yards	Then 20p per 147 yards
	£5.40 for first 82 metres	Then 20p per 134 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)		3.80	4.00	4.00	4.20	4.00	4.40	6.20	6.60
0.75 MILE	(1.207)		4.20	4.40	4.40	4.60	4.60	4.80	6.80	7.20
1 MILE	(1.609)		4.60	4.80	4.80	5.20	5.00	5.40	7.40	7.80
1.25 MILES	(2.012)		5.00	5.20	5.40	5.60	5.60	5.80	8.00	8.40
1.5 MILES	(2.414)		5.40	5.60	5.80	6.00	6.00	6.40	8.60	9.00
1.75 MILES	(2.816)		5.80	6.00	6.20	6.40	6.40	6.80	9.20	9.60
2 MILES	(3.219)		6.20	6.40	6.60	7.00	7.00	7.40	9.60	10.20
2.5 MILES	(4.023)		7.00	7.40	7.60	7.80	7.80	8.40	10.80	11.40
3 MILES	(4.828)		7.80	8.20	8.40	8.80	8.80	9.40	12.00	12.60
3.5 MILES	(5.633)		8.60	9.00	9.20	9.80	9.80	10.40	13.20	13.80
4 MILES	(6.437)		9.40	10.00	10.20	10.60	10.80	11.40	14.20	15.00
4.5 MILES	(7.242)		10.20	10.80	11.00	11.60	11.60	12.20	15.40	16.20
5 MILES	(8.047)		11.00	11.60	11.80	12.40	12.60	13.20	16.60	17.40
6 MILES	(9.656)		12.80	13.40	13.60	14.40	14.40	15.20	18.80	19.80
7 MILES	(11.265)		14.40	15.00	15.40	16.20	16.40	17.20	21.20	22.20
8 MILES	(12.875)		16.00	16.80	17.20	18.00	18.20	19.20	23.40	24.60
10 MILES	(16.094)		19.20	20.20	20.60	21.60	22.00	23.20	28.00	29.40
12 MILES	(19.312)		22.60	23.60	24.20	25.40	25.80	27.20	32.60	34.20
15 MILES	(24.140)		27.40	28.80	29.40	31.00	31.60	33.00	39.40	41.20

APPENDIX

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 please advise the council by using the contact form on www.norwich.gov.uk or by telephoning **0344 980 3333**. You will need to know either the number of the taxi or 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 200 yards (or part thereof)	£3.00
Thereafter for each 215 yards		(or part thereof)	20p
Waiting time each 50 seconds		(or part thereof)	20p

Tariff 2			
Evening rate:	6pm–11pm	First 170 yards (or part thereof)	£3.20
Thereafter for each 201 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 335 yards (or part thereof)	£3.40
Each subsequent 186 yards		(or part thereof)	20p
Waiting time for each 31 seconds		(or part thereof)	20p

Tariff 4			
Christmas/New Year:		First 300 yards (or part thereof)	£5.40
From 6pm 24/12/2011 to 6am 27/12/2011			
From 6pm 31/12/2011 to 6am 02/01/2012			
Each subsequent 154 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.

Adrian Akester
Head of citywide services
Norwich City Council, City Hall, Norwich NR2 1NH

November 2011

APPENDIX E

HACKNEY CARRIAGE FARE INCREASE APPLICATION

CALCULATION OF THE PERCENTAGE COST INCREASE ON THE NINE SELECTED ITEMS BETWEEN MARCH 2011 & FEBRUARY 2014

	<u>ITEM</u>	<u>MARCH</u> <u>2011</u> <u>£</u>	<u>% CHANGE</u>	<u>SOURCE / BASIS</u> <u>OF INFORMATION</u>	<u>December</u> <u>2013</u> <u>£</u>
1)	20% OF COST OF TAXI VEHICLE (BASED ON FIVE YEAR LIFE)	5,999	10.00	VEHICLE SUPPLIERS	6,599
2)	MAINTENANCE OF VEHICLES	372	6.14	WWW.STATISTICS.GOV.UK/RPI	394
3)	PETROL AND OIL	394	-1.93	WWW.STATISTICS.GOV.UK/RPI	386
4)	MOTOR INSURANCE	3,748	1.39	NORWICH UNION INSURANCE CO.	3,858
5)	ROAD FUND LICENCE	260	7.69	WWW.DVLA.CO.UK	280
6)	RADIO RENTALS AND REPAIRS	295	20.00	COMMUNICATIONS SUPPLIERS	354
7)	COUNCIL TAX	1,041	0.90	TWO PEOPLE LIVING TOGETHER IN NORWICH	1,051
8)	HOUSING RENTS	312	8.57	WWW.STATISTICS.GOV.UK/RPI	338
9)	NATIONAL WAGES	141	6.74	WWW.STATISTICS.GOV.UK (AVERAGE EARNINGS INDEX FOR THE WHOLE ECONOMY)	151
		<u>12,561</u>			<u>13,411</u>
			<u>6.76</u>		

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	4.60	6.20	7.80	11.00	19.20
	PROPOSED	4.80	6.40	8.20	11.60	20.20
BRECKLAND DISTRICT COUNCIL		3.14	5.14	6.94	10.74	20.34
CAMBRIDGE CITY COUNCIL		4.60	6.40	8.00	11.60	20.40
COLCHESTER BOROUGH COUNCIL		4.40	6.80	8.30	11.60	20.00
IPSWICH BOROUGH COUNCIL		4.00	5.60	7.00	10.00	17.60
KINGS LYNN AND WEST NORFOLK BOROUGH COUNCIL		3.60	5.25	6.90	10.20	18.45
NORTH NORFOLK DISTRICT COUNCIL		5.10	6.90	8.70	12.30	21.30
YORK CITY COUNCIL		4.20	6.00	7.80	11.40	20.40