

Report to Licensing Committee
30 November 2017
Report of Head of citywide services

Item

5

Subject Hackney Carriage Fare Review

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 Station Taxi 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 Maguire – safe city environment

Contact officers

Tony Shearman, the environmental protection, licensing and markets manager 01603 212278

Background documents

None

The Report

1. An application has been received from the Norwich Station Taxi 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 17 March 2014. That application took account of inflation that specifically affected the taxi trade until the end of December 2013. This application takes into account the period until the end of September 2017 and, if successful, is intended to come into effect on 1 January 2018.

Norwich Hackney Trade Association proposals

3. Members will note from Appendix A that the Norwich Station Taxi 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. The maximum soiling charge remains the same. 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 April 2014 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 2017.

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 2014 and September 2017. The combined cost increase on these headings during this period was 11.29%.

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 4.88% and the average across the mid-range of 1.75-5 miles is 5.17%, excluding waiting time.
11. As members will see from Appendix E the specific inflation guideline to September 2017 is 11.29%.
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 2014 to September 2017 was 11.29%. 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 4.88%.
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 Station Taxi 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 Station Taxi Association

Secretary

Chairman

Treasurer

CORPORATE

13 JUL 2017

POST ROOM

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

12th July 2017

Dear Sir,

2017 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 meeting of the Norwich Station Hackney Association.

We recognise that historically this letter would be written and dispatched to you by the Norwich Hackney Trades Association but whilst the NHTA are fully supportive of this application they are unfortunately unable to take the lead on this occasion. As there is an urgency about this application we respectfully request that it is accepted on behalf of the whole Norwich hackney trade.

You will be aware the last fares increase was requested in November 2013 and the request was for taximeters to be programmed (chipped) up to January 2nd 2018. Checks having been made with the local agent for Digitax (the taximeters used as standard in the Peugeot E7 vehicles) have revealed that those meters require urgent re-calibration. We have been informed that the Digitax meters will fail to recognise any bank holidays after New Years day 2018. Further to this we have also been informed that the 'firmware' used in those meters requires urgent updating to ensure that they remain usable. So urgent action is required to ensure that all taximeters are fully calibrated from early 2018.

Hackney tariffs have not seen an increase since 2014. To remedy this and also to resolve the issues regarding the Digitax meters we therefore apply for a modest 3.6% increase, we believe this request to be more than reasonable.

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. It is also requested that taximeters are programmed (chipped) up to end of April 2021 for this reason we include Christmas and New Year timings for 2018/19, 2019/20 and 2020/21. Obviously BST calendar changes should also be accommodated within the programming.

TARIFF CHANGE DETAILS

We propose no changes to any flagdrop prices we propose simple adjustments to the present approved yardages to achieve an increase in the region of 3.6% for all tariffs. No 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 40 yards, then 20p for each 194 yards
Tariff 2 (evenings)	£3.20 for 40 yards, then 20p for each 181 yards
Tariff 3 (Sundays & nights)	£3.40 for 70 yards, then 20p for each 169 yards
Tariff 4 (Christmas & New Year)	£5.40 for 90 yards, then 20p for each 147 yards

WAITING TIME

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

TIMINGS

All tariffs	No change
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CHRISTMAS AND NEW YEAR TIMINGS

24 December 2018	Monday	To 18:00 hours	Normal Tariffs
		from 18:00 hours	Tariff 4
25 December 2018	(Tues)Christmas Day	All day	Tariff 4
26 December 2018	(Wed)Boxing Day	All day	Tariff 4
27 December 2018	Thursday	To 06:00 hours	Tariff 4
		from 06:00 hours	Normal Tariffs
31 December 2018	Monday	To 18:00 hours	Normal Tariffs
		from 18:00 hours	Tariff 4
01 January 2019	(Tues)New Years Day	All day	Tariff 4
02 January 2019	Wednesday	To 06:00 hours	Tariff 4
		from 06:00 hours	Normal Tariff

24 December 2019	Tuesday	to 18:00 hours	Normal Tariffs
		from 18:00 hours	Tariff 4
25 December 2019	(Wed)Christmas Day	all day	Tariff 4
26 December 2019	(Thurs)Boxing Day	all day	Tariff 4
27 December 2019	Friday	to 06:00 hours	Tariff 4
		from 06:00 hours	Normal Tariffs
31 December 2019	Tuesday	to 18:00hours	Normal Tariffs
		from 18:00 hours	Tariff 4
1 January 2020	New Years Day	all day	Tariff 4
2 January 2020	Thursday	to 06:00	Tariff 4
		from 06:00	Normal Tariffs

24 December 2020	Thursday	To 18:00	Normal Tariffs
		from 18:00 hours	Tariff 4
25 December 2020	(Fri)Christmas Day	all day	Tariff 4
26 December 2020	(Sat)Boxing Day	all day	Tariff 4
27 December 2020	Sunday	to 18:00 hours	Tariff 4
		from 18.00 hours	Normal Tariffs
31 December 2020	Thursday	to 18:00	Normal Tariffs
		from 18:00 hours	Tariff 4
01 January 2021	(Fri)New Years Day	all day	Tariff 4
02 January 2021	Saturday	to 06:00	Tariff 4
		from 06:00	Normal Tariffs

OTHER

Other public holidays	Tariff 3 (no change)
Soiling charge	Maximum of £80 (no change)

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

Yours sincerely

Secretary

HACKNEY CARRIAGE FARE COMPARISON CHART (1)

<u>TARIFF 1 (DAY RATE)</u>		
<u>PRESENT</u>	£3.00 for first 40 yards	Then 20p per 205 yards
	£3.00 for first 36.5 metres	Then 20p per 180 metres
<u>PROPOSED</u>	£3.00 for first 40 yards	Then 20p per 194 yards
	£3.00 for first 36.5 metres	Then 20p per 177 metres
<u>TARIFF 2 (EVENINGS)</u>		
<u>PRESENT</u>	£3.20 for first 40 yards	Then 20p per 191 yards
	£3.20 for first 36.5 metres	Then 20p per 174 metres
<u>PROPOSED</u>	£3.20 for first 40 yards	Then 20p per 181 yards
	£3.20 for first 36.5 metres	Then 20p per 166 metres
<u>TARIFF 3 (SUNDAYS AND NIGHTS)</u>		
<u>PRESENT</u>	£3.40 for first 90 yards	Then 20p per 178 yards
	£3.40 for first 82 metres	Then 20p per 155 metres
<u>PROPOSED</u>	£3.40 for first 70 yards	Then 20p per 169 yards
	£3.40 for first 82 metres	Then 20p per 155 metres
<u>TARIFF 4 (CHRISTMAS AND NEW YEAR)</u>		
<u>PRESENT</u>	£5.40 for first 90 yards	Then 20p per 147 yards
	£5.40 for first 82 metres	Then 20p per 134 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)		4.00	4.00	4.20	4.20	4.40	4.40	6.60	6.60
0.75 MILE	(1.207)		4.40	4.40	4.60	4.80	4.80	5.00	7.20	7.20
1 MILE	(1.609)		4.80	4.80	5.20	5.20	5.40	5.40	7.80	7.80
1.25 MILES	(2.012)		5.20	5.40	5.60	5.60	5.80	6.00	8.40	8.40
1.5 MILES	(2.414)		5.60	5.80	6.00	6.20	6.40	6.60	9.00	9.00
1.75 MILES	(2.816)		6.00	6.20	6.40	6.60	6.80	7.00	9.60	9.60
2 MILES	(3.219)		6.40	6.60	7.00	7.20	7.40	7.60	10.20	10.20
2.5 MILES	(4.023)		7.40	7.60	7.80	8.20	8.40	8.60	11.40	11.40
3 MILES	(4.828)		8.20	8.60	8.80	9.00	9.40	9.60	12.60	12.60
3.5 MILES	(5.633)		9.00	9.40	9.80	10.00	10.40	10.80	13.80	13.80
4 MILES	(6.437)		10.00	10.40	10.60	11.00	11.40	11.80	15.00	15.00
4.5 MILES	(7.242)		10.80	11.20	11.60	12.00	12.20	12.80	16.20	16.20
5 MILES	(8.047)		11.60	12.20	12.40	13.00	13.20	13.80	17.40	17.40
6 MILES	(9.656)		13.40	14.00	14.40	15.00	15.20	16.00	19.80	19.80
7 MILES	(11.265)		15.00	15.80	16.20	16.80	17.20	18.00	22.20	22.20
8 MILES	(12.875)		16.80	17.60	18.00	18.80	19.20	20.00	24.60	24.60
10 MILES	(16.094)		20.20	21.20	21.60	22.80	23.20	24.20	29.40	29.40
12 MILES	(19.312)		23.60	24.80	25.40	26.60	27.20	28.40	34.20	34.20
15 MILES	(24.140)		28.80	30.20	31.00	32.40	33.00	34.60	41.20	41.20

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 40 yards (or part thereof)	£3.00
Thereafter for each 205 yards		(or part thereof)	20p
Waiting time each 48 seconds		(or part thereof)	20p

Tariff 2

Evening rate:	6pm–11pm	First 40 yards (or part thereof)	£3.20
Thereafter for each 191 yards		(or part thereof)	20p
Waiting time each 43 seconds		(or part thereof)	20p

Tariff 3

Sunday rate and night rate: 11pm–6am	First 90 yards (or part thereof)	£3.40
Thereafter for each 178 yards	(or part thereof)	20p
Waiting time each 30 seconds	(or part thereof)	20p

Tariff 4

Christmas/New Year:	First 90 yards (or part thereof)	£5.40
From 6pm 24/12/2014 to 6am 27/12/2014		
From 6pm 31/12/2014 to 6am 02/01/2015		
Thereafter for each 147 yards	(or part thereof)	20p
Waiting time each 24 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 £80.

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

April 2014

HACKNEY CARRIAGE FARE INCREASE APPLICATION**CALCULATION OF THE PERCENTAGE COST INCREASE ON THE NINE SELECTED ITEMS BETWEEN
MARCH 2014 & SEPTEMBER 2017**

	ITEM	MARCH 2014 £	% CHANGE	SEPTEMBER 2017 £	SOURCE / BASIS OF INFORMATION
1)	20% OF COST OF TAXI VEHICLE (BASED ON FIVE YEAR LIFE)	6,599	68.51	11,120	VEHICLE SUPPLIERS
2)	MAINTENANCE OF VEHICLES	3,509	9.23	3,833	WWW.ONS.GOV.UK/RPI
3)	PETROL AND OIL	8,285	-10.21	7,439	WWW.ONS.GOV.UK/RPI
4)	MOTOR INSURANCE	3,858	0.68	3,826	NORWICH UNION INSURANCE CO.
5)	ROAD FUND LICENCE	280	78.57	500	WWW.DVLA.CO.UK
6)	RADIO RENTALS AND REPAIRS	354	-25.14	265	COMMUNICATIONS SUPPLIERS
7)	COUNCIL TAX	1,050	8.76	1,142	BAND A PROPERTY
8)	HOUSING RENTS	9,135	8.31	9,894	WWW.ONS.GOV.UK/RPI
9)	NATIONAL WAGES	31,504	7.44	33,848	WWW.ONS.GOV.UK/AWE (AVERAGE EARNINGS INDEX FOR THE WHOLE ECONOMY)
		<u>64,574</u>		<u>71,867</u>	

11.29

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	4.80	6.40	8.20	11.60	20.20
	PROPOSED	4.80	6.60	8.60	12.20	21.20
BRECKLAND DISTRICT COUNCIL		3.00	4.80	6.60	10.20	19.20
CAMBRIDGE CITY COUNCIL		4.60	6.40	8.20	11.80	20.80
COLCHESTER BOROUGH COUNCIL		4.40	6.80	8.30	11.00	18.20
IPSWICH BOROUGH COUNCIL		4.20	6.00	7.80	11.20	19.80
KINGS LYNN AND WEST NORFOLK BOROUGH COUNCIL		4.00	5.76	7.52	11.04	19.84
NORTH NORFOLK DISTRICT COUNCIL		5.10	6.90	8.70	12.30	21.30
YORK CITY COUNCIL		4.40	6.20	8.00	11.60	20.60