
Consideration of a Hackney Carriage fares increase request

SYNOPSIS

The purpose of this report is to provide information regarding a recent request received from the Corby Hackney Taxi Owners Association (CHTOA) to implement a fares increase in this borough. A decision is required as to whether this request should be granted having regard to the contents of the report.

1. Relevant Background Details

The Council as the relevant Licensing Authority has the discretionary power under legislation to fix the rate of fares within the Borough and publish a "Table of Fares" which is displayed in every Hackney Carriage. The Council's current published "Hackney Carriage Fares" table is produced as Appendix 1.

Previously, the Corby Borough Council has held discussions with the Corby Hackney Taxi Owners Association (CHTOA) in the July of each year regarding a proposed fares increase. Subsequently the fares increase was advertised and if no objections were received then the revised fare was implemented on the 1st November of each year.

In 2007 One Corby Policy Committee decided that the fares increase should be returned to a formula based approach utilising the RPI table for motoring expenditure which is a part of the Consumer Price Indices published by the Office of National Statistics.

However, since this decision the economy has altered significantly and as a consequence OCPC and the Trade have rejected the implementation of this formula approach on a number of occasions.

In 2011 this Local Authority was approached by the CHTOA to request a fares increase. In July of that year, One Corby Policy Committee resolved to increase the basic flag rate by 10 pence from £1.70 to £1.80 and reduce the distance travelled from 744 yards to 506 yards.

In 2012 the CHTOA requested a 10 pence increase by way of reducing the distance travelled from 506 yards to 387 yards and this was also agreed and implemented on the 7th December 2012.

2. Report

An e-mail has been received from the secretary of the CHTOA on the 21st August 2013 requesting a 10 pence increase by way of reduced yardage (see Appendix 2).

Although officers are not recommending the implementation of the original formula approach at this time Members may wish to know that if this was applied for the last 12 months since August, there would be an overall 2% increase of costs (see Appendix 3 for relevant background research).

There are a number of options that Members may wish to consider if and when a fares increase may be introduced. However, for further context members should be aware that according to an East Midlands Regional comparison table Corby is listed as being the 67th out of 69 Local Authorities with an average flag rate of £2.66.

3. Options to be considered

The options for members of the Committee to consider are as follows:

Option 1

Agree on the increase requested by the CHTOA which would effectively realise a 10pence increase in the fare by reducing the initial yardage by 119 yards from 387 yards to 268 yards.

Option 2

Agree to implement the previous formula approach. This would not have any effect on the flag rate (with the rise being less than 5 pence) but would decrease the yardage (by 2%) and subsequently fares would increase with longer journeys only.

Option 3

Agree to no increase in fares at this time.

Option 4

Agree on an alternative fare increase having considered the statistical information collected by officers during the research for this report.

4. Issues to be taken into account

Policy Priorities

A healthy and viable Hackney Carriage Service within the Borough has the potential to influence a number of the Council's key Community Strategy and Corporate Plan Objectives relating to integrated transport strategies, regeneration of the Town Centre and the reduction of Crime and Disorder.

Financial Implications

There are no financial implications for the Council, however, there are to passengers, owners and possibly drivers of Hackney Carriages.

Legal Implications

Local authorities have a discretionary power to determine Hackney Carriage Fares, under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. Any changes in the fares need to be advertised for a period of 14 days by way of a notice at the Council offices and in a locally circulating newspaper for public objection prior to implementation. Should there be any objection during this period, objections would be reported back to the next scheduled OCPC meeting for discussion and decision prior to any revised fares being implemented.

Crime and Disorder Implications

See Policy Priorities above.

Local Agenda 21

No particular implications.

Human Rights

The First Protocol 1 Article 1 is engaged in that the regulation of fares is a control on the use of the vehicle. There is derogation if the control is in the public interest. A fair balance has to be achieved. The issues are the effect on the drivers business, the nature of the public interest, whether the public interest could be secured in another way, and if not whether there is a fair balance.

Best Value Implications

It would not be best value to have a fare structure that resulted in owners businesses suffering and passengers then having a low quality, cheap service. Alternatively it would not be best value to have empty expensive cabs waiting for passengers who could not afford to use them.

Equal Opportunities Implications

The Council's discretionary power to determine fares is largely utilised so as to enable the taxi trade to operate effectively whilst ensuring that the general public can afford to use them in a borough with low private car ownership, a limited train service and a growing bus service. Hackney Carriages also provide a valuable door to door service for the disabled.

Risk

There are no direct risks to this Local Authority regardless of the decision taken. However, as raised previously Members must balance the provision of a quality service with the desire to keep prices low for passengers.

5. Conclusions

Various options for fares increases have been provided which include the original request from the CHTOA. The Committee should consider whether to grant an increase for Hackney Carriage fares at this time.

6. Recommendations

It is recommended that Members adopt Option 1 and agree the requested increase by way of reduced yardage having regard to the escalating costs associated with the ownership and maintenance of a hackney carriage. As highlighted above with reference to the average fare tables for the East Midlands this would still represent good value for passengers.

Appendices

Appendix 1 – The Council's current published December 2012 "Hackney Carriage Fares" table

Appendix 2 – Copy of e-mail from CHTOA requesting fares increase

Appendix 3 – Research figures for fare rise increase August 2013

Appendix 4 – Table of comparison of how fares increase with distance travelled

Officer to Contact

Damian S Wilkins
Health Protection Manager
01536 464299
damian.wilkins@corby.gov.uk

CORBY BOROUGH COUNCIL
WITH EFFECT FROM 7 DECEMBER 2012
THE FOLLOWING FARES ARE AUTHORISED
HACKNEY CARRIAGE FARES

| |
|--------------------------------|
| HACKNEY CARRIAGE NO |
|--------------------------------|

| | H/C |
|---|--------------------------------------|
| a) MILEAGE | |
| If the distance does not exceed 387 yards (354 metres) for the whole distance. | £1.80 |
| If the distance exceeds 387 yards (354 metres) for the first 387 yards (354 metres) | £1.80 |
| Then for each subsequent 119 yards (109 metres) or uncompleted part thereof | 10p |
| (b) WAITING TIME | |
| For each period of 20 seconds or uncompleted part thereof | 10p |
| (c) EXTRA CHARGES | |
| (i) For hiring commenced between the hours of 11.00pm and 5.00am | 50% of the rate or fare at (a) above |
| (ii) For each hiring affected on all Bank Holidays | 50% of the rate or fare at (a) above |
| (iii) A soiling charge of £25 will be applied where Hackney Carriage is soiled during operation. | |

JOURNEYS ENDING OUTSIDE THE BOROUGH OF CORBY

The fare for a journey ending outside the Corby Borough must be agreed between the passenger and the driver **BEFORE** the journey is started, if no prior agreement is reached the fare must be calculated using the above table.

COMPLAINTS

Please refer any complaints to the Planning & Environmental Services Department within Corby Borough Council, (Tel 01536 464000) giving the number of the taxi and the Drivers Badge Number.

For the purpose of clarification bank holidays to which c) ii) applies are: New Years Day, Good Friday, Easter Monday, May Bank Holiday, Spring Bank Holiday, August Bank Holiday, Christmas Day and Boxing Day (including official bank holidays when any of these fall at weekends) and any other national Bank Holiday recognised by Her Majesty's Government.

Damian Wilkins

From: Shay O'Connor
Sent: 21 August 2013 12:50
To: Damian Wilkins
Subject: taxi fare increase.

Follow Up Flag: FollowUp
Flag Status: Flagged

Hi Damian,Apologies for not contacting you sooner,at CHTOA agm we the owners all agreed to ask for a 10p rise on existing fares,not on the flag but reduced mileage as before,the reasons for this are increased insurance premiums,and running cost repairs.We would like to put this forward,could you instruct us on this,Regards Shay OConnor CHTOA.

This e-mail has been scanned for all viruses by Claranet. The service is powered by MessageLabs. For more information on a proactive anti-virus service working around the clock, around the globe, visit:
<http://www.claranet.co.uk>

Research figure for August 2013

Purchasing new vehicle

| | |
|--|--------------|
| Hackney Carriage (London Style) | 0% |
| Hackney Carriage (Eurocab Style – Peugeot) | 3.7% |
| Average rise | 1.85% |

Motoring Expenditure Group

| | | | |
|----|-------------------------------|------|-----------------------|
| a. | Purchase of Hackney Carriage | 1.9% | 12 months August 2013 |
| b. | Maintenance of motor vehicles | 2.2% | 12 months August 2013 |
| c. | Petrol and oil | 2.0% | 12 months August 2013 |
| d. | Vehicle Tax and insurance | 2.2% | 12 months August 2013 |

Average % of above categories and calculated fares increase **2%**

Contacts for vehicle purchase

- *The London Taxi Company 39-41 Brewery Road LONDON N7 9QH (0)20 7700 0888*

Confirmed no price change since August 2012 with TX4 Manual Style at 31,995 through to the TX4 Elegance Auto at £35,995

- *Cab Direct, 230 Balmore Road, Glasgow, G22 6LJ Phone: 0141 3363211*

Price for a Peugeot Euro 7 was £25,995 in August 2012, compared to £26,995 in August 2013

HOW INCREASE OPTION COMPARES WITH THE CURRENT FARES STRUCTURE WITH DISTANCE TRAVELLED

| | Basic Flag Rate (Starting Fare) | Distance Miles | | | | |
|---|------------------------------------|----------------|--------------|--------------|--------------|--------------|
| Distance | | .5 | 1 | 1.5 | 2 | 3 |
| Current | £1.80 | £2.30 | £3.00 | £3.80 | £4.50 | £6.00 |
| Option 1 Increase requested by the CHTOA | £1.80 | £2.40 | £3.10 | £3.80 | £4.60 | £6.10 |
| (% difference to nearest whole number) | 0% | 4% | 3% | 0% | 2% | 2% |
| Option 2 RPI Formula approach (2%) | £1.80 | £2.30 | £3.00 | £3.80 | £4.50 | £6.10 |
| (% difference to nearest whole number) | 0% | 0% | 0% | 0% | 0% | 2% |
| Option 3 No increase | £1.80 | £2.30 | £3.00 | £3.80 | £4.50 | £6.00 |

Working out a Fare

½ mile = 880 yards
 1 mile = 1,760 yards
 1.5 mile = 2,640 yards
 2.0 mile = 3,520 yards
 3.0 mile = 5,280 yards

To arrive at proposed fare e.g. 1.0 mile (1,760 yards). 1st 387 yards = £1.80, next yards (1760 – 387) divided by 119 yards subsequent yardage
 £1.80 (basic fare/flag rate/starting fare) + £1.00 subsequent yardage = £2.80 fare