

REPORT OF THE DEPUTY DIRECTOR (ENVIRONMENTAL HEALTH)
TO THE EXECUTIVE
1ST AUGUST 2008

Revision of the Tariff for Hackney Carriages

1.0 Introduction and Report Summary

- 1.1 The Council last reviewed the tariff structure and charges for Hackney Carriages in April 2007. This report sets out the results of a consultation exercise with Hackney Carriage drivers within this District and asks Members to determine the tariff level which should be proposed for the next year.
- 1.2 Following this initial decision from Members, the proposed tariff must be published in a local newspaper so that any member of the public or trade can make representations to the Council. Any objections which are received must be considered and the tariff (with any necessary amendments) must be introduced within two months of the original publication date. This report therefore also asks Members to support the delegation of responsibility for finalising the tariff to the Member with Portfolio for Environmental Health. The contact officer for this report is Rob Akers, Team Leader (Food and Safety), tel. 01235 540382 [Email Rob.Akers@whitehorsedc.gov.uk](mailto:Rob.Akers@whitehorsedc.gov.uk)

2.0 Recommendations

- (a) *that that the proposal to increase the tariff for Hackney Carriages within the Council's District to the average amounts (rounded to the nearest 0.5 pence) arising from the recent consultation exercise, as given in the table below be approved:*

	Charge for cleaning ('Soiling charge')	Tariff One (£)				Tariff Two (£)			
		Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$'s Mile	Waiting Time (per minute)	Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$'s Mile	Waiting Time (per minute)
Option 2	56.5	3.50	3.50	0.20	0.20	4.63	4.63	0.30	0.30

- (b) *that this proposed tariff be published for consultation no later than 14th August 2008, and taking effect from 18 days after publication, provided that no objections have been received.*
- (c) *that the Executive delegate authority to the Portfolio Holder with responsibility for Environmental Health to consider any objections which are received and approve a final tariff, with any necessary amendments.*

3.0 Relationship with the Council's Vision, Strategies and Policies

This report supports the Council's overall aim of seeking the economic, environmental and social sustainability of the Vale, protecting and enhancing the vitality of our towns and villages. In particular this report helps to create a cleaner, greener, safer and healthier environment

4.0 Background

4.1 The tariff structure and charges for Hackney Carriages was last reviewed between December 2006 and April 2007, and the present tariff was determined on 11 June 2007 by the member with Portfolio Holder responsibility for Environmental Health, under delegated authority.

4.2 At that time Executive determined that the tariff would be reviewed every two years; however, largely in response to recent dramatic rises in fuel costs and the significant increase in Council fees and charges, local taxi traders requested another review this year. Officers advised on the matter and on 29th May 2008 the Portfolio Holder revised the frequency of review to annually. The amended decision therefore states:

"that a periodic consultation exercise with the taxi trade within the District is undertaken annually, in order to ascertain their views on tariff levels, the results of which will be reported to Members with recommendations made as to the amendment of tariff levels"

4.3 This report sets out the results of the consultation exercise for 2008 and asks Members to determine the tariff level which should be proposed for the next 12 months.

4.4 Following this initial decision from Members, the proposed tariff must be published so that any member of the public or trade can make representations to the Council. At least 14 days must be allowed for receipt of these representations, from the date of publication. If no objections to the proposal are received, the tariff will take effect on a previously specified start date; if objections are received, Members must consider them and introduce the tariff within two months of the original start date

4.5 The tariff for Private Hire Vehicles is not set by the Council. Operators of these vehicles set their own rates, but the forces of competition generally mean that private hire tariffs are approximately equal to those for Hackney Carriages.

5. Current tariff and comparisons

5.1 The tariff is the maximum rate which taxi drivers may charge (outside unsocial hours), but they are at liberty to make a reduced charge if they wish. Tariff One is a list of basic rates, whereas the rates in Tariff Two apply in unsocial hours (see the note to Appendix 1 for a complete definition). The current rates for this Council are as follows, with the rates up to June 2007 being shown for comparison

	Tariff One (£)				Tariff Two (£)			
	Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$'s Mile	Waiting Time (per minute)	Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$'s Mile	Waiting Time (per minute)
Before 11/6/07	2.70	2.70	0.20	0.20	3.75	3.75	0.25	0.25
After 11/6/07 (current)	3.10	3.10	0.20	0.20	4.10	4.10	0.30	0.30

N.B. Tariff One is the basic rate; Tariff Two applies: (a) on public holidays, from 10 p.m. on the evening preceding the holiday until 6 a.m. on the morning after the holiday, and (b) to all journeys on all other days commencing after midnight and before 6 a.m.

A charge is also specified for 'soiling', which covers cleaning and loss of income where the interior of the vehicle has been soiled by customers. This is currently £50 (and remained unchanged following the last consultation).

- 5.1 Using a two mile 'Tariff One' fare as a benchmark, the current national average (July figures) is £4.81, whereas the Council currently has set this at £5.70. Although the national average takes into account areas where the cost of living is substantially lower than in the Vale, the table below shows that this Council's rate is still the highest in Oxfordshire and the regional averages across the UK: (using the two mile 'Tariff one' fare for comparison). Currently, taxi charges in the Vale are the 17th highest in the United Kingdom, out of 375 Councils listed in national trade literature

Name of Council	'Tariff One' 2 Miles	Date Introduced
Vale of White Horse D. C.	£5.70	June 07
West Oxfordshire D.C.	£5.40	Sep 07
Oxford City Council	£5.20	Feb 08
Cherwell D. C.	£4.30	May 06
South Oxfordshire D.C.	No tariff set	
South West region	£5.24	
South	£5.22	
East Anglia	£4.81	
Midlands	£4.69	
North	£4.55	
Scotland	£4.42	
Wales	£4.42	

- 5.2 It is worth noting that national and local tariff comparisons are dynamic and whilst the Vale's tariff is comparatively high at present, it is likely that other Councils are in the process of reassessing their tariffs. A recent telephone survey revealed the details in the table below:

Tariff status for reference authorities	
Authority	Comment
Wokingham	Consultation with taxi trade planned for August. May offer an emergency review if fuel price rises above a trigger level.
West Berkshire	Seeking a formula from the National Association of Licensing and Enforcement Officers (NALEO): will then make a decision on the level of tariff.
Oxford City	Report planned for October, to be implemented in January 2009.
Cherwell	Under consultation; no timescale specified.
West Oxfordshire	No plans to review tariff at present.
South Oxfordshire	Tariff set by the trade themselves.

6 Fuel and other costs

- 6.1 Figures published for June 2008 by the Department for Business Enterprise and Regulatory Reform (BERR) show significant increases in petrol and diesel since the same time last year. These include an increase of 5.0 pence for petrol and 6.5 pence for diesel per litre on the previous month. In May 2008 the UK price for petrol was ranked eighth highest in the EU, and the diesel price was ranked the highest (including tax in both cases).

Comparison of average UK motor fuel prices between June 2007 and June 2008				
Fuel type	2007 (p. per litre)	2008 (p. per litre)	Price Increase	%age increase
Petrol	96.4	117.7	21.3	22.1%
Diesel	97.1	130.7	33.6	34.6%

- 6.2 In June this year the South East had the highest price for unleaded petrol (118.9 p. per litre), followed by London (118.8 p. per litre). Scotland and the South West had the highest diesel price (132.2 p. per litre). No published figures have been found for the immediate locality, but in July some local retailers were advertising 119.9 p. per litre for unleaded petrol and 132.9 p. per litre for diesel (average).

- 6.3 It is likely that the increase in fuel prices also has an indirect effect on the taxi trade (e.g. increased costs of vehicle servicing, trade-related products, etc.) but no published information is available on this.
- 6.4 Enquiries have been held with an expert at the trade publication which produces the monthly 'league table' of tariffs (the 'Private Hire and Taxi Monthly' magazine). He described as "great" the impact which fuel price increases are having on the trade, and provided some reference material which would enable a further detailed investigation into tariff setting. However, although this information and any formula to be produced by the NALEO (see table above) might be useful for next year's tariff setting process, present timescales prevent their use in setting the 2008/09 tariff.
- 6.5 The taxi trade has also been subject to increases charges levied by the Council. This year, these increases were 25% for a taxi driver's licence and 10% for a vehicle licence.

7 Equality and Diversity

- 7.1 As noted in the current Vale of white Horse licensing Policy for Hackney Carriages and Private Hire Vehicles, taxis have a specific role to play in an integrated transport system, providing services in situations where public transport is either not available and/or for those with mobility problems. A number of customers therefore have no alternative transport choices. Some of these customers could be considered to be in vulnerable groups. It is important that in setting a revised tariff the impact on such groups is taken into account.

8 Risk Assessment

- 8.1 The process of consulting upon and setting a taxi tariff is governed by statute. A failure to apply effective procedures in this respect could lead to legal or administrative challenge. The processes referred to in this report have been checked against the relevant statutes and follow previous council conventions.

9 Results of consultation

- 9.1 59 replies were received from the taxi trade out of a total of 312 questionnaires sent out (a response rate of 18.9%). The details of these replies are given in Appendices 1 and 2.
- 9.2 Members of the taxi trade were asked to suggest amounts for the individual charges, as described by the headings to the table in paragraph 9.4 below. However, some also chose to amend the criteria for certain charges (e.g. specifying a charge for $\frac{4}{10}$'s of a mile instead of $\frac{7}{10}$'s). Two companies submitted batches of returns completed by all of their drivers which were identical within each company; one of these firms also submitted an alternative batch, thus submitting two returns for each driver. The figures for the company which submitted an alternative set of returns have been averaged to produce a single return for each driver.
- 9.3 The submission of batches of identical returns, or two per driver, can skew the results. The companies which submitted batches of returns have both been contacted and have explained that their individual drivers were free to make any return they wished. This has been confirmed by contacting a random sample of drivers for each of the firms concerned.

9.4 The figures in the table below have been taken from Appendix 1, and show the average amount requested by the trade for each charge.

	Charge for cleaning ('Soiling charge')	Tariff One (£)				Tariff Two (£)			
		Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$'s Mile	Waiting Time (per minute)	Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$'s Mile	Waiting Time (per minute)
Average (all returns)	52.00	4.14	5.16	0.25	0.25	5.80	6.79	0.30	0.38
Current VWH Rate	£50	3.10	3.10	0.20	0.20	4.10	4.10	0.30	0.30

9.5 Using the figures above, the Average 'Tariff One two mile' charges are given below:

Source of figures	Tariff 1 Two mile benchmark (£)
Consultation Average	8.41
Current VWH rate	5.70

10 Discussion and calculation of recommended tariff

- 10.1 Although fuel costs have risen dramatically over recent months, the Vale's taxi tariff was set at a comparatively high level in June 2007, and is the highest set by District Councils in Oxfordshire. The benchmark 'Tariff One' two mile journey costs £5.70 in the Vale, but is £5.40 in West Oxfordshire D.C. (the next expensive district). In Oxford City, which set a tariff as recently as February this year, the same journey costs £5.20. In Cherwell D.C. the journey would cost £4.30 (i.e. £1.40 cheaper than in the Vale), although this tariff was set in May 2006. Also, the cost of the benchmark journey in the Vale is 89p more expensive than the national average of £4.81, and 46p higher than the most expensive regional average of £5.24 (for the South West).
- 10.2 Set against the details above is the rise in fuel costs earlier this year. These amount to average retail price increases over the past 12 months of 22.1% for unleaded petrol, and 34.6% for diesel (for the ultra low sulphur types of these fuels). In addition, Council fees and charges increased by 25% for Drivers' licences and 10% for vehicle licences.
- 10.3 Some detailed work on the impact of fuel cost increases has been carried out by the London Public Carriage Office and by applying a correction to their figures for outside London it appears that fuel costs amount to approximately 10% of operating costs. With a 34.6% increase in fuel costs, this would give an increase in the fuel component of operating costs of 3.46% (i.e. 10% of 34.6%). This in turn would give a 'Tariff One' two mile figure of £5.90 (£5.70 + 3.46%). However, in view of the other price increases given in this report and the taxi trade consultation outcome, it is proposed that the revised rate should lie between this figure and that resulting from the consultation.

10.4 The table below shows the effect of increasing the overall tariff charges by A Tariff One two mile figure of £6.01 would represent a 7% increase in the tariff. £6.45 would represent a 13% increase, £6.75 would represent an 18.4 % increase and £6.99 a 22.6% increase. These increases are shown as options 1, 2 and 3 in the table below

	Soiling charge	Tariff One (£)				Tariff Two (£)				T1 2 mile
		Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$'s Mile	Waiting Time (per minute)	Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$'s Mile	Waiting Time (per minute)	
Average (all returns)	52.0	4.14	5.16	0.25	0.25	5.80	6.79	0.30	0.38	8.41
Current VWH Rate	£50	3.10	3.10	0.20	0.20	4.10	4.10	0.30	0.30	5.70
Option 1	53.5	3.32	3.32	0.20	0.20	4.39	4.39	0.30	0.30	5.92
Option 2	56.5	3.50	3.50	0.20	0.20	4.63	4.63	0.30	0.30	6.10
Option 3	59.3	3.67	3.67	0.20	0.20	4.85	4.85	0.35	0.35	6.27
Option 4	61.3	3.80	3.80	0.25	0.25	5.05	5.05	0.35	0.35	7.05

Values rounded to the nearest 0.5p

10.4 Given on the one hand the need to protect the taxi using public, including vulnerable groups, from unprecedented increases in the tariff, but on the other to take account of the pressure on the trade from substantial increases in fuel costs and other running costs, it is recommended that Option 2 is proposed for the revised tariff.

Hackney Carriage Tariff Survey – Summary of Requested Charges

Questionnaire No.	Tariff One (£)					Tariff Two (£)				
	Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$ Mile	Waiting Time (per minute)	Soiling Charge	Less than $\frac{7}{10}$ Mile	More than $\frac{7}{10}$ Mile	Subsequent $\frac{1}{10}$ Mile	Waiting Time (per minute)	Soiling Charge
1	3.50	3.50	0.20	0.20	50.00	4.50	4.50	0.30	0.30	50.00
2	3.50	None given	0.25	0.25	50.00	4.10	None given	0.30	0.30	50.00
3	3.50	3.50	0.25	0.25	70.00	4.50	4.50	0.35	0.35	70.00
4	4.00	4.00	0.22	0.22	50.00	5.50	5.00	0.30	0.30	50.00
5	3.50	None given	0.25	0.20	50.00	4.10	4.10	0.30	0.30	50.00
6	4.10	4.10	0.20	0.20	70.00	5.10	5.10	0.20	0.20	70.00
7	4.00	4.00	0.25	0.25	50.00	5.00	5.00	0.50	0.50	50.00
8	3.50	3.50	0.20	0.20	50.00	4.50	4.50	0.30	0.30	50.00
9	4.10	4.10	0.25	0.25	100.00	4.50	4.50	0.30	0.30	100.00
10	4.00	4.00	0.22	0.22	50.00	5.50	5.50	0.30	0.30	50.00
11	4.00	4.00	0.22	0.22	50.00	5.50	5.50	0.30	0.30	50.00
12	4.00	None given	0.22	0.22	None given	5.00	None given	0.32	0.32	None given
13	4.10	4.10	0.20	0.20	80.00	5.50	5.50	0.30	0.30	80.00
14 to 30*	5.43	5.43	0.33	0.22	50.00	7.18	7.18	0.30	0.45	50.00
31	3.10	3.10	0.20	0.20	50.00	4.10	4.10	0.30	0.30	50.00
32	3.10	3.10	0.20	0.20	50.00	4.10	4.10	0.30	0.30	50.00
33 to 59*	3.55	5.62	0.22	0.28	50.00	5.50	7.54	0.30	0.38	50.00
Average	4.14	5.16	0.25	0.25	52.07	5.80	6.79	0.30	0.38	52.07
Current VWH Rate	3.10	3.10	0.20	0.20	50.00	4.10	4.10	0.30	0.30	50.00

* Batch of identical returns received from these companies.

Hackney Carriage Tariff Survey – Summary of Comments

Questionnaire No.	Comment
1	No comments.
2	It is with a certain amount of regret that I find myself asking for an increase in the rates on taxi tariff. Since Christmas the price on fuel has gone up by about one third. The proposal will redress the acute loss that we all are feeling at present. This time next year we may well be doing this all again.
3	No comments.
4	Referring to your letter of 12th June I feel both yourself and team and me are blowing in the wind with this, as it will come down to the one man bands and others who do not attend meetings and the Councillors and public who will decide this issue.
5	No comments.
6	No comments.
7	No comments.
8	No comments.
9	I feel increases will benefit the taxi companies but not penalise the public too much, as you will see the evening rate has hardly changed, as the exercise is to help against soaring fuel prices not to make a profit. The soiling charge has always been unrealistic.
10	No comments.
11	No comments.
12	No comments.