

VALE OF WHITE HORSE DISTRICT COUNCIL

REPORT OF THE DEPUTY DIRECTOR FOR ENVIRONMENTAL HEALTH  
TO THE PORTFOLIO HOLDER WITH RESPONSIBILITY FOR  
ENVIRONMENTAL HEALTH  
15<sup>th</sup>. SEPTEMBER 2008

**Revised Tariffs for Hackney Carriages – Results of 2008 consultation**

**1.0 Introduction**

1.1 A report concerning Revised Tariffs for Hackney Carriages, and the associated consultation process, was approved by the Executive on 1 August 2008 (Report No. 53/08). Delegated authority was given to the Portfolio Holder with responsibility for Environmental Health to finalise the tariff after consultation.

1.2 The consultation period has now elapsed, and a total of four written objections have been received: two stating that the proposed increases are too low, and two saying that the increases should not go ahead.

**2.0 Recommendations**

(a) *that the current Hackney Carriage tariffs are amended in line with Option 1 below:*

	<b>Soiling charge (£)</b>	<b>Tariff One (£)</b>				<b>Tariff Two (£)</b>			
		<b>Less than <math>\frac{7}{10}</math> Mile</b>	<b>More than <math>\frac{7}{10}</math> Mile</b>	<b>Subsequent <math>\frac{1}{10}</math>'s Mile</b>	<b>Waiting Time (per minute)</b>	<b>Less than <math>\frac{7}{10}</math> Mile</b>	<b>More than <math>\frac{7}{10}</math> Mile</b>	<b>Subsequent <math>\frac{1}{10}</math>'s Mile</b>	<b>Waiting Time (per minute)</b>
<i>Existing charge</i>	50	3.10	3.10	0.20	0.20	4.10	4.10	0.30	0.30
<i>Original proposal</i>	56.50	3.50	3.50	0.20	0.20	4.63	4.63	0.30	0.30
<b>Option 1</b>	<b>55 max.*</b>	<b>3.50</b>	<b>3.50</b>	<b>0.20</b>	<b>0.20</b>	<b>4.65*</b>	<b>4.65*</b>	<b>0.30</b>	<b>0.30</b>
<b>Option 2</b>	<b>55*</b>	<b>3.50</b>	<b>3.50</b>	<b>0.20</b>	<b>0.25</b>	<b>4.50</b>	<b>4.50</b>	<b>0.30</b>	<b>0.25</b>

*\*It is now considered impracticable for drivers to collect the £56.50 fee for soiling, and this has been rounded to the nearest £5. Also, this fee is the maximum which can be charged, as it is envisaged that some cases of soiling will warrant a lower amount.*

*\*\*It has been pointed out by some Hackney Carriage proprietors that the proposal for a Tariff Two  $\frac{7}{10}$  mile charge of £4.63 is impracticable; although other proprietors disagree with this an adjustment has been made in Option 1, as shown.*

- (b) *That the new tariff comes into force on 13<sup>th</sup>. October 2008, and that licensees, and the general public, are informed of these changes in the week commencing 6<sup>th</sup>. October 2008.*
- (c) *That Licensees are given a transition period of one month, so that vehicles are expected to have their meters adjusted for the new tariff no later than 12<sup>th</sup>. November 2008.*

### **3.0 Summary of consultation results**

- 3.1 Four written objections were received from the public consultation, and these are summarised in the table in Appendix 1. Two respondents said the proposed increases are insufficient and pointed out the rise in both fuel costs and the Council's fees. One of these said the tariff must increase if taxi businesses are to remain profitable and, ultimately, to continue to trade. Two other respondents were against tariff increases, pointing out that fuel prices are falling. One of these intimated that £6.10 for a two mile journey could not be justified, and the other mentioned that County and Regional comparisons show that Hackney Carriage operators in the Vale have been much less affected by price fluctuations than other taxi operators (the original report to Executive showed that the Vale has the highest tariff in the County and amongst the Regions, excluding South Oxfordshire). This respondent also said that, although the percentage increase in the soiling charge was understandable, the current level of £50 is too high.
- 3.2 The two respondents who wanted a larger tariff increase both operate taxi companies in this district. However, during the earlier survey of the local taxi trade, many drivers working for taxi firms submitted information themselves. Therefore, the total number of individual responses from the trade for the public consultation was potentially 291, i.e. the number of licensed taxi drivers in the district. With only two of these submitting written objections, the percentage of taxi drivers objecting to the proposed tariff in writing can therefore be considered as 0.69%.
- 3.3 The 'league table' of tariffs in the latest issue of the taxi trade magazine ('Private Hire and Taxi Monthly') places this Council's current tariff as the 35<sup>th</sup> most expensive, compared to its position as 17<sup>th</sup> in mid-2008. However, this is out of 375 councils surveyed and if Option 1 above is approved, the Council will be approximately the 9<sup>th</sup> most expensive (for a Tariff One 2 mile journey).
- 3.4 Both of the respondents who were against the proposed increases included additional comments in their submissions, which do not relate directly to setting the tariff and will be pursued outside this process. In particular, certain environmental impact issues were raised and, while these will be addressed by other means, they will also be explored when the Council sets the next tariff in 2009/10.
- 3.5 The detailed written submissions from the four respondents have been made available to the Portfolio Holder with responsibility for Environmental Health.
- 3.6 Many of the Hackney Carriage licensees at a recent quarterly Taxi Meeting between Council officers and the trade, expressed concern that the proposed increases are insufficient. Private Hire Vehicle licensees who attended the meeting were neutral concerning their views on the proposed tariff, which does not apply to them as the law allows them to set their own rates. However, the forces of competition generally mean that certain private hire charges are approximately

equal to those for Hackney Carriages. Apart from two licensees included in Appendix 1 none of the licensees at the meeting subsequently put their views in writing as formal responses to the consultation.

#### 4.0 Further details

4.1 It was noted in the report to the Executive, on 1<sup>st</sup>. August 2008, that local petrol and diesel prices had increased as shown in the table below, and this has now been updated to show current local fuel prices (taken as an average of local supermarket prices). At no time has there been a 50% to 60% annual increase in the cost of fuel.

<b>Comparison of local motor fuel prices</b>			
Fuel type	2007 national average (p. per litre)	July 2008 local price (p. per litre)	September 2008 local price (p. per litre)
Petrol	96.4	119.9	113.9
Diesel	97.1	132.9	125.4

4.2 Council fees have increased this year, as follows:

<b>Hackney Carriage Fee increases</b>				
Licence type	2007-08 Fee (£)	2008-09 Fee (£)	Increase in £	% increase
Vehicle under 3 years old	284	312	28	11
Vehicle between 3 and 7 years old	368	405	37	12.4
Vehicle over 7 years old	417	459	42	13.8
1 year driver's licence	61	78	17	21.8
3 year driver's licence	163	209	46	22

In percentage terms the above increases are considerable, however in absolute terms the fee increases were considered to be commensurate with the Council's administrative costs, when they were approved in this year's budget.

4.3 In South Oxfordshire District Council's area no tariff is set by the local authority and it is understood that Hackney Carriage owners are allowed to make variable charges, which are not required to be metered. Discussions with a taxi firm in the Didcot area revealed that the equivalent of a Tariff One 2 mile journey would cost £6.30 in that area, compared with a recommended £6.10 for the new tariff in the Vale. The equivalent rate after the first  $\frac{7}{10}$ 's of a mile is 21p per  $\frac{1}{10}$  in

South Oxfordshire and 20p per  $\frac{1}{10}$  in the Vale (for the existing and proposed tariff).

- 4.4 A recent survey of surrounding Councils revealed that soiling charges vary from £30 to £75, with two authorities allowing drivers to use their discretion on how much to charge. It is envisaged that a flexible fee of up to £55 maximum will allow an amount to be charged corresponding to the degree of soiling. Officers in the Licensing Unit have no evidence that taxi drivers abuse the system by making a charge when none is justified.
- 4.4 Research concerning the proposed tariff has included detailed discussions with an expert in this field, and he regarded the set of mileage and waiting costs given by Option 2 (above) as acceptable. This is similar to the proposed tariff, except that the Tariff Two  $\frac{7}{10}$ 's figure has been reduced to £4.50, and the waiting time charges for Tariff 1 and Tariff 2 are both 25p (instead of 20p and 30p respectively). This expert examined a number of options and suggested other tariff structures, however none of his preferred options conformed to our established system of using  $\frac{1}{10}$ 's of a mile. Further research would be required to explore these other incremental charges suggested by the expert, and this will be included in the 2009/10 tariff review. The possibility of adjusting the charge per  $\frac{1}{10}$  of a mile will also be reviewed in detail at that time.

DAVID STEVENS  
DEPUTY DIRECTOR (ENVIRONMENTAL HEALTH)

TAXI TARIFF WRITTEN PUBLIC CONSULTATION RESULTS: AUGUST 2008

APPENDIX 1

Reference number	Proposed increase satisfactory/ too high/too low	Brief details
1	Too low	The proposed tariff increase is insufficient to compensate for the increase in fuel costs and Council's fees.
2	Too high	Fuel prices have started to fall; how can the Council justify £6.10 for a two mile journey?
3	Too high	Fuel prices have dropped back by a very significant margin since the proposals were tabled. The much lower tariffs elsewhere in the County and Region suggest Vale hackney carriages will have been proportionally very much less affected than other operators, but that their profit margins will undoubtedly have been reduced. The impact of fare increases on disadvantaged, vulnerable and disabled users, who make up a disproportionately high percentage of taxi passengers, has not been assessed. The current £50 soiling charge is too high and therefore so is the new proposal, but the increase in percentage terms for this charge is acceptable.
4	Too low	The proposed increase is not in line with the view of the trade nor the increased operating costs, in particular the increase in fuel costs and the increase in Council fees of between eleven and twelve percent. Any business must increase its charges in line with increases in overheads if it is to remain profitable and ultimately continue to trade.