

Forward Planning and Transportation
Salisbury District Council
24 Endless Street
Salisbury, Wiltshire SP1 1DR

Officer to contact: John Webb
Direct line: 01722 434243
Fax: 01722 434487
Email: jwebb@salisbury.gov.uk
Web: www.salisbury.gov.uk

Report

Subject : Hackney Carriage Fare Increase
Report to : The Cabinet
Date : Tuesday 15 July 2008
Author : Hackney Carriage and Private Hire Licensing and Enforcement Officer
Cabinet Member for Transport : Councillor Helena McKeown

Hackney Carriage Fare Increase

- 1. Report summary:**
For the Cabinet to consider a proposal from the taxi trade for a fare increase in 2008.
- 2. Report:**
Since 1996 this Council has declared a "Maximum Tariff" for taxi fares. The tariff set by the Council must be displayed on the meter but the driver can lawfully charge any amount up to the maximum fare displayed i.e. give discounts. This is a favoured practice by the trade when carrying regular customers or for the longer journeys.

It is the Council's policy to review taxi fares annually. The last fare increase was introduced on the 1st October 2006, there was no increase in 2007. With the tremendous increases in petrol/diesel prices and the ever-increasing cost of insurance and maintenance costs, the trade have requested a fare increase for 2008. The trade have always maintained that the first mile of a journey is the most expensive for them and the "pull off" charge is an important component of this, as well as representing the minimum charge for any journey. In an effort to address this, the proposed increase for this year includes a higher percentage increase in the first mile only, which includes the "pull off" charge, with no increase in the yardage charge on Tariff one and a small increase on Tariff Two. There are other proposed increases in relation to waiting times for each Tariff which is the first increase for these changes since 2003.



Awarded in:
Housing Services
Waste and Recycling Services



There is also a continuing worry in the trade, with the ever increasing fuel prices and no certainty when or if prices will stabilise. In an effort to address this problem it is the officers proposal that the introduction of a "fuel surcharge" be considered as a way of off-setting these continuing increases in fuel prices without the need for further fare increases and recalibration of meters every few months. This could be achieved by using the "extras" button on the meter and charging an "extra" of 20p per journey. This could be increased at the discretion of the Licensing Officer after consultation with the Forward Planning and Transportation Service Unit Head and Portfolio Holder, as and when the price of fuel demanded it. It should be noted that the charging of "extras" is at the discretion of the driver.

If this proposal is agreed a special "tariff chart" will be provided for display in each vehicle explaining the "extras" so that customers can clearly see what they could be charge for. See Appendix A.

3. **Consultation:**

A consultation exercise is undertaken on each occasion that taxi fares are reviewed. Each licence holder is sent a pro forma with a request that they indicate whether or not they are in favour of an increase and if so the reasons for this and any proposals they wish to be considered. This exercise was carried out in March/April 2008. Of the 55 (48%) replies received 52 (46%) were in favour of a fare increase. They quoted the large and continuing increases in fuel prices, insurance and maintenance costs as the reason for this. At a Taxi Liaison Panel Meeting held on Thursday 8th May 2008 the various suggestions were discussed and the proposed fare increase as set out in the attached Appendix B was agreed.

4. **Recommendations:**

- 4.1 That Cabinet approve the proposed fare increase to the taxi tariff as set out in Appendix B.
- 4.2 That the Cabinet approves the introduction of a "fuel surcharge" as an "extra" of 20p per journey. This to be increased at the discretion of the Licensing Officer after consultation with the Forward Planning and Transportation Service Unit Head and Portfolio Holder.
- 4.3 If objections are made that authority be delegated to Forward Planning and Transportation Service Unit Head to determine any objection in consultation with the Portfolio Holder.

5. **Background Papers:**

- Letter to all licensed Hackney Carriage Proprietors.
- Pro-forma replies and results.

6. **Implications:**

- **Financial:**
 1. Printing of new tariff sheets.
 2. Advertising charges in the local press.These costs are covered from existing budgets.
- **Legal:**

Under the Local Government (Miscellaneous Provisions) Act 1976 a District Council is empowered to: -

 1. Fix the rates of fares within the District.
 2. Vary the rates of fares, but when doing so must publish the variation in at least one local newspaper, allowing 14 days for objections to be made.
- **Human Rights:**

The Human Rights relating to this have been considered and any interference with them is justified.
- **Personnel:** None
- **Climate Change:** None
- **Council's Core Values:** Providing a flexible and responsive service by consultation, fairness and equality.
- **Wards Affected:** All

Extras

- “Fuel Surcharge” 20p per Journey
- For use of the boot – 40p
- For each dog (not guide dogs/assistance dogs) or other animal carried at the discretion of the driver – 40p
- For each person carried in excess of one – 40p
- Soiling charge – where the taxi or seating is soiled or defecated by any passenger or animal, which necessitates cleaning before the vehicle can be used again for public hire - £75

Mileage Charges

| | 1 st Mile | 2 nd Mile | Each Sub Mile |
|---|----------------------|----------------------|---------------|
| Tariff 1 (7am to 11pm) £2.50 + £1.40 = | £3.90 | £5.70 | £1.80 |
| Tariff 2 (11pm – 7am) £3.40 + £1.50 = | £4.90 | £7.30 | £2.40 |
| Tariff 3 (Xmas day and New Years Day) £5.00 + £2.80 = | £7.80 | £11.40 | £3.60 |

Appendix B

PRESENT TARIFF

| | | | |
|--|--|--|--|
| Tariff One 7 am – 11 pm | First 585 yards (3/9 th of a mile) or part thereof £2.20 | Each subsequent 195 yards (1/9 th of a mile) or part thereof 20p | Waiting time for each 60 seconds (= £12 per hour) 20p |
| Tariff Two 11pm to 7 am and on all Public Holidays with the exception of those covered by Tariff 3 | First 585 yards (3/9 th of a mile) or part thereof £3.00 | Each subsequent 195 yards (1/9 th of a mile) or part thereof 25p | Waiting time for each 60 seconds (=£15 per hour) 25p |
| Tariff Three Christmas Day and New Years Day | First 585 yards (3/9 th of a mile) or part thereof £4.40 | Each subsequent 195 yards (1/9 th of a mile) or part thereof 40p | Waiting time for each 80 seconds (=£18 per hour) 40p |

A breakdown of the existing tariff is shown below: -

| | |
|------------------------|--|
| Tariff One: - | £2.20 pull off + (6 x 20p = £1.20p) = £3.40p first mile Each subsequent mile = 9 x 20p = £1.80p |
| Tariff Two: - | £3.00 pull off + (6 x 25p = £1.50p) = £4.50 first mile Each subsequent mile = 9 x 25p = £2.25p |
| Tariff Three: - | Double Tariff One |

PROPOSED TARIFF

| | | | |
|--|--|--|--|
| Tariff One 7 am – 11 pm | First 390 yards (2/9 th of a mile) or part thereof £2.50 | Each subsequent 195 yards (1/9 th of a mile) or part thereof 20p | Waiting time for each 48 seconds (= £15 per hour) 20p |
| Tariff Two 11pm to 7 am and on all Public Holidays with the exception of those covered by Tariff 3 | First 660 yards (3/8 th of a mile) or part thereof £3.40 | Each subsequent 220 yards (1/8 th of a mile) or part thereof 30p | Waiting time for each 60 seconds (=£18 per hour) 30p |
| Tariff Three Christmas Day and New Years Day | First 390 yards (2/9 th of a mile) or part thereof £5.00 | Each subsequent 195 yards (1/9 th of a mile) or part thereof 40p | Waiting time for each 60 seconds (=£24 per hour) 40p |

A breakdown of the proposed increase, with percentage increases is shown below: -

| | |
|------------------------|--|
| Tariff One: - | £2.50 pull off + (7 x 20p = £1.40p) = £3.90p first mile (14.7% increase on the first mile of the journey only) Each subsequent mile = 9 x 20p = £1.80p (0% increase on each subsequent mile) |
| Tariff Two: - | £3.40 pull off + (5 x 30p = £1.50p) = £4.90p first mile (8.8% increase on the first mile of the journey only) Each subsequent mile = 8 x 30p = £2.40p (6.6% increase on each subsequent mile) |
| Tariff Three: - | Remains double Tariff One |