

## Agenda Item 8

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<b>Date</b>	8 <sup>th</sup> April 2014

<b>Ward (s) affected</b>	All	<b>Key Decision</b>	No
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<b>Subject</b>	New Taxi Tariff for 2014/15
<b>RECOMMENDATION</b>	
That the Executive approve the new tariff as set out in paragraph 3.0 of the report.	

<b>EXECUTIVE SUMMARY</b>
<p>On 10<sup>th</sup> June 2008 the Executive considered and adopted a new method of calculating the Hackney Carriage Tariff based on increases on the Retail Price Index (RPI) index.</p> <p>A new tariff based on this approach is now brought to the Executive for decision.</p> <p>The recommendation before the Executive is informed by the views of the Hackney Carriage Consultative Group which met on 25<sup>th</sup> February 2014.</p>
<b>CORPORATE PRIORITIES</b>
<p><b>Access to Services – Helping businesses and residents access the services they need</b></p> <p>The new tariff has been produced with the agreement of the Hackney Carriage Consultative Group</p>
<b>The Executive has the authority to determine the Recommendation</b>

### 1.0 BACKGROUND

- 1.1 On 10<sup>th</sup> June 2008 the Executive considered and adopted a new method of calculating the Hackney Carriage Tariff based on increases on the Retail Price Index (RPI) index.

- 1.2 It is the Council's informal policy to consult with the Hackney Carriage Consultative Group annually concerning possible amendments to the 'table of fares' (the tariff) and the new tariff, calculated in accordance with the new method, has been considered by them.
- 1.3 Once the Executive has resolved to make any changes to the table of fares based on the information provided, this fare structure is published by way of a public notice in the local press. A copy of the notice is also made available at the Council Offices at all reasonable times for public inspection without payment. A statutory period of not less than 14 days is allowed for any objections to be made to the Council.
- 1.4 If objections are received, they are reported to the Executive for consideration. The Executive may then decide to proceed with the advertised table of fares or amend it, having taken into account any objections.
- 1.5 The table of fares set by the Executive will continue in that form until such time as the Executive determine, normally 12 months starting in April of each new year.
- 1.6 The current tariff came into effect on 2<sup>nd</sup> April 2012. The proposed tariff is compared with other Surrey tariffs in the table at Appendix 1. The Taxi Consultative Group agreed that there should be no increase to the tariff for 2012/2013.

## **2.0 The Proposed New Tariff**

- 2.1 Between January 2011 to January 2014 the RPI has increased by an average of 5%. The current tariff has been adjusted to produce an average increase across the usual set of fares to reflect changes in the RPI as well as the average cost of motoring and average wage increases in the preceding three years.
- 2.2 If the tariff were adjusted as shown below in **Tariff A** this would produce an average increase over the standard distances of 3.8%. This is the closest figure officers have been able to come to the RPI increase of 5% having taken into consideration other factors, wages and motoring costs. The Taxi Consultative Group agreed that a 5% reduction in the initial yardage (the flag rate) and a 5% reduction in the further yardage (20p rate) be accepted and this results in the average increase of 3.8%.
- 2.3 This was agreed with both the Dorking and the Leatherhead representatives of the Taxi Consultative Group at the Hackney Carriage Consultative Group meeting held on 25<sup>th</sup> February 2014.

## **3.0 Tariff A**

- 3.1 The proposed tariff is based on yardage of 1563 yards as the starting flag rate which is the charge made before any distance is travelled. The Tariff T1 represents the normal working hours and Tariff T2 applies in relation to unsocial hours.

3.2 Attached at Appendix 2 are the minutes of the Hackney Carriage Consultative Group held on the 25<sup>th</sup> February 2014.

3.3 The existing tariff is based on 1645 yards starting flag rate

Tariff	Yardage	Flag	1.5 mile	2 mile	3 mile	5 miles	10 miles
Current tariff (T1) 1645 yards	165@20p	£3.90 (1645yds)	£5.30	£6.30	£8.50	£12.70	£23.30
Proposed tariff (T1) (RPI) 1563 yards	156@20p	£3.90 (1563yds)	£5.30	£6.50	£8.70	£13.30	£24.50
% increase		0%	0%	3.17%	2.35%	4.72%	5.15%
Current tariff (T2) 1645 yards	165@30p	£5.85 (1645yds)	£7.95	£9.45	£12.75	£19.05	£34.95
Proposed tariff (T2) (RPI) 1563 yards	156@30p	£5.85 (1563yds)	£7.95	£9.75	£13.05	£19.95	£36.75

3.3 No other changes to the Tariff are proposed.

3.4 The cost of fuel as in January 2014 is illustrated below:

Petrol Prices February 2014 (average):  
 Unleaded = 129.74 ppl (133.70 ppl 2011)  
 Diesel = 137.09 ppl (141.50 ppl 2011)

3.5 The average wage increase for 2013 is 0.7%.

3.6 In 2013/14, according to the AA, the cost of running a diesel car at an average of 30,000 miles per annum is £12,528.

#### 4.0 OPTIONS

The Executive can decide:

- 1 To accept the proposed tariff.
- 2 To amend the tariff as set out in paragraph 3.0 - Tariff A.
3. To advise officers on alternative amendments to the proposed tariff as considered appropriate.

#### Financial Implications

There are no significant financial implications as far as the Council is concerned. Every proposed change to the tariff has to be advertised and this incurs a cost but this is covered in the revenue budget. The cost of advertising in the local newspaper is approximately £900.

#### Legal Implications

There are none arising directly from this report.

### 3.0 CORPORATE IMPLICATIONS

**Monitoring Officer commentary** - The Executive has the power under s.65(1) Local Government (Miscellaneous Provisions) Act 1976 to fix rates or fares within the district. A notice setting out the table of fares must be published in at least one local newspaper circulating in the district, and the notice must specify how objections may be made, and allow a minimum 14 day period for objections to be made from the date of first publication of the notice as set out in s.65(2) LG(MP)A 1976. In addition, a copy of the notice must be placed on deposit both at Pippbrook and at Leatherhead Helpshop and be available for public inspection free of charge.

If no objections are made, the varied table of fares will come into effect on the date on which the objection period expires. If objections are made, and are not withdrawn, the Executive must consider the objections and set a further date no later than two months after the original expiry date for objections, on which the table of fares shall come into force with or without any revisions.

The Department of Transport 'Taxi and Private Hire Vehicle Licensing: Best Practice Guidance' (March 2010) contains the following recommendations:

- (a) fare scales should be designed with a view to practicality
- (b) a simple formula for deciding on fare revisions will increase understanding and improve the transparency of the process;
- (c) in reviewing fares, the licensing authority should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed.
- (d) Taxi fares are a maximum, and especially in the context of telephone bookings, there is more likely to be a choice of taxi operators and scope for differentiation of services to the customer's advantage (e.g. lower fares off peak or for pensioners).
- (e) Taxi operators who wish to do so can make it clear that they charge less than the maximum fare.

The Executive should have regard to the Council's Hackney Carriage and Private Hire Licensing Policy, which states that:

The Council will regulate the hackney carriage tariff by the use of a transparent and coherent system. The system will take account of costs related to hackney carriage business. The Council will consider representations by hackney carriage proprietors or their representatives regarding the tariff.

**S151 Officer commentary** - There are minor financial cost implications in relation to advertising the proposals for change and these have been taken into account in this report.

**Risk Implications** – The report applies the agreed mechanism for reviewing and increasing fees previously agreed by the Executive. There would be reputational risks if fees were increased significantly above or below the levels recommended.

**Equalities Implications** - None

**Employment Issues** – None

**Sustainability Issues** – None for the purposes of this report.

**Consultation** – The Hackney Carriage Consultative Group has been consulted on the tariff proposals set out in this report.

**Communications** - Following any approval by the Executive an advert will be published in the local newspaper for a two week period of consultation. If any objections are received this will be considered and if necessary brought back to Executive for a decision.

**4.0 BACKGROUND PAPERS** - None other than published documents

**APPENDIX 1**

**'Proposed Tariff for the Mole Valley Entry (based on starting flag rate of 1563 yards) for Tariff One (Normally Daytime) and Tariff**

RANKING		Council	TARIFF ONE (NORMALLY DAYTIME)					TARIFF TWO (UNSOCIAL HOURS)					Intro Date
Surrey	National		Flag	1 mile	2 mile	5 mile	10 mile	Flag	1mile	2 mile	5 mile	10 mile	
1	3	Epsom & Ewell	2.40	5.20	7.00	14.40	31.20	2.20	5.60	8.20	17.40	34.50	Apr-12
2	8	Guildford	3.00	4.80	6.90	13.20	23.40	3.50	6.30	8.70	17.10	30.70	Jun-13
3	15	Woking	3.10	4.60	6.70	12.10	25.40	4.00	6.25	9.40	17.50	36.80	Dec-13
<b>4</b>	<b>12</b>	<b>Mole Valley</b>	<b>3.90</b>	<b>4.30</b>	<b>6.50</b>	<b>13.30</b>	<b>24.50</b>	<b>5.85</b>	<b>6.45</b>	<b>9.75</b>	<b>19.95</b>	<b>36.75</b>	<b>May-14</b>
=5	79	Waverley	3.40	3.80	6.40	13.60	25.60	5.10	5.70	9.60	20.40	38.40	Jul-12
=5	41	Surrey Heath	3.60	4.00	6.40	13.40	24.80	3.60	5.40	8.70	18.60	35.10	Oct-12
7	71	Runnymede	3.60	3.60	6.20	12.60	23.00	5.40	5.40	9.20	18.80	34.40	Jun -11
=8	87	Spelthorne	3.60	3.60	6.10	13.66	26.10	5.40	5.40	8.40	17.40	32.40	Sept-11
=8	84	Elmbridge	3.85	3.85	6.10	12.85	24.10	4.95	4.95	7.95	16.95	31.95	Jul-11
10	137	Reigate & Banstead	3.60	3.60	5.80	12.40	23.20	4.50	4.50	7.30	15.50	28.90	Dec-11
11	229	Tandridge	3.40	3.40	5.40	11.40	21.40	3.70	3.70	6.30	14.10	27.10	Jul-11
O/D	61	Crawley	3.80	4.00	6.20	12.60	23.00	4.80	5.10	8.10	17.10	32.10	Dec-12
O/D	64	Horsham	3.80	4.30	5.70	11.40	20.90	5.70	6.60	9.45	17.85	32.10	Jul-12

**Two (Unsocial hours)**

**Minutes of a Meeting of the Hackney Carriage Consultative Group  
held on 25<sup>th</sup> February 2014 at Pippbrook, Dorking,  
from 5.00pm to 5.55pm**

Present: Representing Mole Valley District Council: Councillor John Chandler (Chairman), Paul Elderton and Simon Ling.

Representing the Hackney Carriage Trade: Mr Bill Adams, Mr Jose Bernal, Mr Matthew Clear and Mr Peter Harms

Also In Attendance: Mr Mark Epsom representing Southern Rail, Mr John Pleasance, Senior Licensing Officer and Mr Simon Trevaskis, Senior Democratic Services Officer.

**1. Minutes**

The minutes of the meetings held on 21<sup>st</sup> November 2011 and 21<sup>st</sup> May 2013 were approved as a correct record.

**2. Matter Arising – Deepdene Station, Dorking – Request for Taxi Rank**

It was noted that Councillor Paul Elderton would liaise with the organisation responsible for Dorking Deepdene Station to find out if it would be possible to introduce a taxi rank outside the station.

It was also noted that requests for a taxi rank outside the new Waitrose store on South Street, Dorking and the relocation of a taxi rank in Leatherhead would need to be directed to the relevant Surrey County Councillor for that area.

**3. Taxi Tariff 2014/2015**

The trade representatives presented an alternative tariff proposal to the one set out in the report, requesting a 5% rise to the taxi tariff spread over the next two years. The increase was also based on reducing the yardage, rather than increasing the fees for hiring a hackney carriage.

As the increase was based upon inflation there was acceptance amongst the group that the proposals were fair and that they would be submitted to the Executive for its approval.

**4. Taxi Rank at Dorking Railway Station**

Mr Mark Epsom from Southern Rail was in attendance at the meeting to discuss with the Dorking trade representatives their concerns about the new layout outside Dorking Station.

Mr Epsom advised the Working Group that he was looking to improve the current arrangement outside the station and wanted to increase the number of spaces in the taxi rank from four to approximately ten spaces. It was also advised that a permit was being introduced for drivers who wanted to use the taxi rank and would initially cost £220. Mr Epsom advised that he was looking for guidance from the taxi drivers themselves about how many permits should be made available.

The Dorking trade representatives accepted the need for a permit at the station, but felt that the taxi rank would need regular monitoring to ensure that it was not being used by

## **APPENDIX 2**

non permit holders. The Leatherhead trade representatives also requested more regular monitoring of permit holders at the taxi rank outside of Leatherhead railway station.

The Dorking trade representatives had a number of proposals for Mr Epsom about how the current layout outside Dorking railway station could be improved, including improved signage. Mr Epsom agreed to take these proposals back to Southern Rail to assess their viability and would report back any developments to the drivers.