

<b>DECISION-MAKER:</b>	<b>CABINET</b>		
<b>SUBJECT:</b>	<b>REQUEST FOR VARIATION OF HACKNEY CARRIAGE FARES</b>		
<b>DATE OF DECISION:</b>	<b>18 MARCH 2014</b>		
<b>REPORT OF:</b>	<b>HEAD OF LEGAL AND DEMOCRATIC SERVICES</b>		
<b><u>CONTACT DETAILS</u></b>			
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**STATEMENT OF CONFIDENTIALITY**

None

**BRIEF SUMMARY**

Cabinet is asked to consider two requests for the variation of the table of fares for the hire of hackney carriages and to determine whether to proceed to public consultation.

**RECOMMENDATIONS:**

- (i) To consider and determine two requests for the variation of the table of fares for the hire of hackney carriages in Southampton
- (ii) If Cabinet is minded to vary the table of fares, to authorise the Head of Legal and Democratic Services to advertise any proposed variation in the table of fares and that subject to consideration of any objections by Cabinet resulting from the advertisement, the variation shall come into effect on 14 April 2014 or as soon as possible thereafter

**REASONS FOR REPORT RECOMMENDATIONS**

1. The table of fares for the hire of hackney carriages in Southampton was last revised with effect from 17 May 2013.
2. With effect from 1 March 2014, Associated British Ports (ABP) has decided that it wishes to levy a charge of £1.00 to the driver for each hackney carriage hired from a Southampton cruise terminal to enable it to fund a taxi marshal scheme and thereby improve standards at the docks for its cruise passengers. For this charge to be lawfully recovered from the hirer, the table of fares must provide for it.
3. A request has also been received for additional variations to the table of fares from Mr. C. Johnson, on behalf of "the Southampton's Combined Taxi Trade". It is understood that this body comprises, Southampton UNITE Cab Branch, Southampton Trade Association and Southampton Hackney Association, representing elements of the Southampton taxi trade.

4. The submission of requests for the variation of hackney carriage fares is not reserved to any particular group or individual and proposals can be submitted at any time. The council has discretion in determining whether or not to proceed to consult on any such proposal.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

5. The council has discretion under section 65 of the Local Government (Miscellaneous Provisions) Act 1976 to set the fares for the hiring of hackney carriages within the city.
6. The alternative is for the council not to set a table of fares, but to allow individual drivers and proprietors to negotiate individual charges; no request has been made for consideration to be given to this course of action, and the option is not currently considered to be appropriate.

### **DETAIL (Including consultation carried out)**

7. With effect from 1 March 2014 Associated British Ports has provided marshals to assist the movement of passengers to and from cruise ships attended by hackney carriages. To cover the costs of this, hackney carriage drivers are charged £1.00 by ABP to collect a fare from a cruise ship in Southampton docks. To allow drivers the opportunity to recover their costs it has been requested that an allowance is made in the table of fares to allow the fee to be recovered from the passenger.  
  
Separately, the trade request seeks to justify a general increase in the rates of fares for distance on the basis of the costs of running motor vehicles have increased significantly above the changes on the retail prices index and consumer prices index in the past 12 months.  
  
The table of fares for hackney carriages, last varied by the council with effect from 17 May 2013, is set out in appendix 1
8. The request from Mr. C. Johnson, on behalf of “the Southampton’s Combined Taxi Trade” is set out as appendix 2
9. A draft table of fares showing the effects of both proposals is set out in appendix 3.
10. It is important to note that the table of fares relates only to the hire of hackney carriages licensed by the council for the part of any hiring within the city, and charges may only be made in accordance with the table of fares. The basis for any additional charge for any part of a journey outside the city boundaries must be agreed with the passenger before the commencement of the journey. Charges for that part of such a journey cannot be controlled by the table of fares, but must be the subject of a contract between the vehicle proprietor or their agent and the hirer, agreed before the commencement of the journey.
11. The existing and proposed tariffs represent the maximum fares that may be lawfully charged for the hire of hackney carriages within Southampton. It should be noted that any proprietor or driver of a licensed hackney carriage might lawfully charge lower fares if they so wish, but may not exceed the tariffs set by the council or make any charge for an item not appearing on the table of fares
12. In considering the request, matters relating to any aspect of the private hire

trade cannot be considered, because, as a matter of law, fares for the hire of private hire vehicles cannot be regulated. Fares for the hire of private hire vehicles must be agreed with passengers before the commencement of each journey. Many proprietors and drivers of private hire vehicles choose to follow the hackney carriage table of fares in charging their customers, but a significant proportion choose not to do so.

13. The effect of the first proposal is to vary the fares by adding to the fare chart: "Cruise terminals – if hired from a marshalled cruise terminal rank, per hiring: £1.00."
14. In summary, the effect of the Combined Taxi Trade's proposals is to vary the initial fares as follows: (figures in parentheses refer to the charge for more than four passengers):
15.
  - for a day-time hiring from £2.60 to £2.80 (£4.60 to £4.80)
  - for a night-time hiring from £3.45 to £3.70 (£5.45 to £5.70)
  - for a day-time hiring on Sundays, Bank Holidays and 1<sup>st</sup> January from £3.60 to £3.80 (£5.60 to £5.80)
  - for a hiring at Christmas from £3.90 to £4.20 (£5.90 to £6.20)
  - for a hiring at New Year from £5.20 to £5.60 (£7.20 to £7.60)
16. It is proposed that for all hirings the basis of calculation of fares for distance travelled will remain at 110 metres/120 yards up to the first 330 metres/361 yards) (previously 440 metres/481 yards) but that thereafter, the distance increment will reduce from 200 metres/219 yards to 195 metres/213 yards.
17. The proposals retain the current monetary increments in fares for each distance travelled as follows:
 

Daytime	£0.20	Christmas	£0.30
Night-time	£0.25	New Year	£0.40
18. There are no proposals to alter the basis for the calculation of fares by time ("waiting time") currently set at 36 seconds.
19. No proposal is made to alter the additional charge of £2.00 per hiring where more than four passengers are carried.
20. These proposals would result in the following variations in fares for the example distances travelled:

<b>Miles (Km)</b>	<b>1 (1.6 km)</b>	<b>3 (4.8 km)</b>	<b>5 (8 km)</b>	<b>10 (16.1 km)</b>	<b>Time (hour)</b>
Current daytime rate	£4.40	£7.60	£11.00	£19.00	£20.00
Proposed (1-4 passengers)	£4.60	£8.00	£11.20	£19.40	£20.00
<i>Percentage increase</i>	<i>4.35%</i>	<i>5.00%</i>	<i>1.79%</i>	<i>2.06%</i>	<i>0.00%</i>
Current night-time rate	£5.70	£9.70	£13.95	£23.95	£25.00
Proposed (1-4 passengers)	£5.95	£10.20	£14.20	£24.45	£25.00
<i>Percentage increase</i>	<i>4.20%</i>	<i>4.90%</i>	<i>1.76%</i>	<i>2.04%</i>	<i>0.00%</i>

21. The average fare paying journey for a Southampton licensed hackney carriage is reputed to be just over three miles.
22. The last variation in hackney carriage fares took effect from 17 May 2013. The Office for National Statistics (ONS) indicates that, for the 12 months including January 2014, the increase in the Consumer Prices Index (CPI) was 1.9% and that for the Retail Prices Index (RPI) was 2.8%. The ONS indicates in "Consumer price Inflation, January 2014" that the formulae used to calculate the RPI do not meet the international standards.
23. There is no proposal to alter the basis of the fares charged for Sunday, Bank and public holiday journeys (commencing between 06:00 am and 11:00 pm), save that the underlying daytime rate (Tariff 1) is proposed to increase. Equally, No proposals have been made to alter the basis for the calculation Christmas tariff, which is 1 ½ times the daytime rate or the basis for the calculation of the New Year tariff which is twice the daytime rate, which is proposed to increase. No proposals have been submitted to amend the £70.00 soiling charge or the additional charge for crossing the Itchen Bridge which amounts to a sum equivalent to the toll paid.
24. Additional charges for facilities for the payment of fares by debit and credit cards cannot lawfully be demanded of the hirer of the hackney carriage without provision for such a charge being in the table of fares. The provision for such charges in the table of fares complies with the requirements of the Consumer Rights (Payment Surcharges) Regulations 2012.
25. In order to give effect to a variation in the table of fares, beyond the charge for cruise passenger hirings, individual hackney carriage proprietors would need to have their taximeters re-set, at an approximate minimum cost of £20.00 - £25.00 per meter, payable by the proprietors of the vehicles.
26. This report represents the first step in a process of determining the proposals. The council has discretion in varying the table of fares, and need not be bound by the request submitted on behalf of the trade. In addition, the council cannot fetter its discretion by agreeing future fare structures or formulae for their calculation. The legislation prescribes a procedure which consists of a determination of the request to vary of the table of fares and the advertisement of the proposal in a newspaper circulating in the area. A minimum period of 14 days must be allowed from the date of the advertisement for the receipt of written representations and objections. It is recommended that a period of 14 days be given for objections. Objections may be made by anyone, and are not limited to those involved in the hackney carriage trade in the city. If objections are made and not withdrawn, Cabinet must consider them and determine whether to confirm the varied table of fares, with or without modifications, and set a date for any varied table of fares to come into effect. If Cabinet is minded to vary the table of fares, any objections will be reported back following advertisement for consideration, but, if no objections are received, the Head of Legal and Democratic Services recommends that any variation should come into force on the 14 April 2014 or as soon as possible thereafter.
27. Following the determination of any objections or, if none are received, before the new table of fares is implemented, arrangements will need to be made by

the Licensing Team and the suppliers of taximeters and their agents for the variation to be effected and fare charts printed. This represents:-

- 18 March 2014. consideration and initial decision
- 28 March 2014 newspaper advertisement (Hampshire Independent)
- 11 April 2014 close of objection period (14 days)
- 15 April 2014 new table of fares in force, if no objections made
- 15 April 2014 consideration by Cabinet of any objections
- 28 April 2014 amended table of fares (if any) in force following objections

28. The officers' view is that the first request, in respect of the ABP charges, is reasonable. Although the trade's request appears to be acceptable in principle, it fails to take the opportunity to propose structural alterations to the somewhat complex table of fares so as to provide clarity for passengers as to the lawful charges which may be made for hire of hackney carriages.

### **RESOURCE IMPLICATIONS**

#### **Capital/Revenue**

29. The work involved for the Licensing Team in bringing a variation of the table of fares into effect, the statutory advertisement of the proposals and printing of fare charts for hackney carriages must be contained within existing resources and budgets and charged against the income arising from hackney carriage licences. There is no power to make a separate charge for this process.
30. There are no capital costs associated with this proposal.

#### **Property/Other**

31. None.

### **LEGAL IMPLICATIONS**

#### **Statutory power to undertake proposals in the report:**

32. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gives the council power to determine hackney carriage fares.
33. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) indicate that setting of hackney carriage fares is a matter for the executive. This position has previously been unclear until clarified by recent case law.
34. Section 17 of the Crime and Disorder Act 1998 places the council under a duty to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.
35. The Human Rights Act 1998 requires UK legislation to be interpreted in a manner consistent with the European Convention on Human Rights. It is unlawful for the council to act in a way that is incompatible (or fail to act in a way that is compatible) with the rights protected by the Act. Any action undertaken by the council that could have an effect upon another person's Human Rights must be taken having regard to the principle of Proportionality

- the need to balance the rights of the individual with the rights of the community as a whole. Any action taken by the council which affect another's' rights must be no more onerous than is necessary in a democratic society. The matter set out in this report must be considered in light of the above obligations.

**Other Legal Implications:**

- 36. The council would be acting beyond its powers if it were to seek to fetter its discretion by fixing the period of review for fares or by fixing a particular formula for any future variations of fares. However, this does not preclude individuals or a trade association from making requests for variation, or from producing whatever evidence they think fit in support of any proposal.
- 37. The prime purpose in licensing hackney carriages and associated regulation, such as the setting of fares for the hire of hackney carriages, is the protection of the public, not to provide employment or guarantee income for individuals involved in the trade.
- 38. If no objections are made to the proposals following the advertisement, the varied table of fares could come into force at the end of the period specified in the Notice mentioned above, or if objections were made, on such other date as may be fixed. This must be no later than two months after the last date for making objections.

**POLICY FRAMEWORK IMPLICATIONS**

- 39. The decision to determine the application in the manner set out in this report is not contrary to the council's policy framework.

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	Not applicable
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Current table of fares
2.	Request from Mr. C. Johnson, on behalf of "the Southampton's Combined Taxi Trade".
3.	Draft table of fares, taking into account all proposals.

**Documents In Members' Rooms**

1.	None
2.	

**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection online (see link below):**

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	<a href="#">Consumer Price Inflation, January 2014</a>	Not applicable
2.		



# MAXIMUM TABLE OF FARES inclusive of VAT where applicable

**Passengers are only obliged to pay the fare shown on the meter except where a surcharge for journeys ending outside the city has been agreed before the hiring commences**

**The driver must carry an assistance dog at no extra charge – Equality Act 2010, section 168**

**Any complaints about the hiring of this vehicle or the conduct of the driver should be sent in writing to the Licensing Team at the address below, if possible quoting the vehicle and driver licence numbers**

## **TARIFF 1 – Daytime – for any hiring begun after 6.00 a.m. and before 11.00 p.m. except as in Tariffs 3, 4 and 5 below**

- |   |              |
|---|--------------|
| (a) For the first 110 metres (120.3 yards) or part thereof:   | <b>£2.60</b> |
| (b) For the each subsequent 110 metres (120.3 yards) or part thereof to a maximum total distance travelled of 440 metres (481.2 yards): | <b>£0.20</b> |
| (c) For each subsequent 200 metres (218.7 yards) or part thereof thereafter:  | <b>£0.20</b> |
| (d) Waiting Time – For each period of thirty-six seconds or part thereof:   | <b>£0.20</b> |

## **TARIFF 2 – Night-Time – for any hiring begun after 11.00 p.m. and before 6.00 a.m. except as in Tariffs 4 and 5 below**

- |   |              |
|---|--------------|
| (a) For the first 110 metres (120.3 yards) or part thereof:   | <b>£3.45</b> |
| (b) For the each subsequent 110 metres (120.3 yards) or part thereof to a maximum total distance travelled of 440 metres (481.2 yards): | <b>£0.25</b> |
| (c) For each subsequent 200 metres (218.7 yards) or part thereof thereafter:  | <b>£0.25</b> |
| (d) Waiting Time – For each period of thirty-six seconds or part thereof:   | <b>£0.25</b> |

## **TARIFF 3 – Sundays, Bank and Public Holidays**

Except as in Tariff 4 below, for any hiring begun after 6.00 a.m. and before 11.00 p.m. on a Sunday, Good Friday, a Bank or Public Holiday, or 1st January, Tariff 1 above plus a surcharge, per hiring, of: **£1.00**

## **TARIFF 4 – Christmas**

For any hiring begun after 11.00 p.m. on the 24th December and before 6.00 a.m. on the 27th December: **One and a half times the rate of Tariff 1**

## **TARIFF 5 – New Year's Eve**

For any hiring begun after 11.00 p.m. on the 31st December and before 6.00 a.m. on the 1st January: **Twice the rate of Tariff 1**

## **Additional Charges**

**MORE THAN 4 PASSENGERS** – If more than four passengers are carried, **£2.00** per hiring

**CARD PAYMENT** – If payment is made by credit or debit card, a sum not exceeding that permitted by law shall be added to the fare

**ITCHEN BRIDGE TOLLS** – If a toll is payable for crossing the Itchen Bridge, a sum equivalent to the toll paid

**SOILING CHARGE** – If the hackney carriage is soiled by a passenger or an animal: **£70.00**



**Southampton's Combined Taxi Trade's Proposed Variation of the Hackney Carriage Table of Fares for 2014**

February 2014

Southampton's Combined Taxi Trade that represents the Southampton Trade Association (STA), Southampton Hackney Association (SHA) and the Unite Union Cab Section is requesting the following increase to the Southampton City Council Table of Fares.

Although the Consumer Price Index (CPI) stated in December 2013 inflation was at 2% and the Retail Price Index (RPI) stated in December inflation was at 2.7% and that may be the case across certain selected items for the general public, for anyone running motor vehicle the picture is somewhat different. For the Taxi Trade the main concerns that effect its survival are items such as fuel, insurance, licensing, servicing and the replacement costs of the vehicles themselves. Of those items the only category that has reduced slightly is the fuel costs and although this is a major part of the Taxi Trade's expenses, this reduction has been more than over taken by increasing cost in all the other categories. For example insurance costs have increased by 7.5% over the last year and servicing costs by 9.5%.

The Taxi Trade being more in touch with the general public realise that the strain on the public's finances is still high for everyone but it still needs to maintain the standards expected of it. Therefore a small increase is necessary to keep pace with current costs.

The tariff variation the Combined Taxi Trade is proposing will increase the overall cost of a journey by no more than 3% no matter how far the journey travels. The Taxi Trade also feel that the travelling public will understand the need for a small increase because of the pressure on the drivers. This fare variation has been constructed to make only a small change to the current tariff structure and all taximeters should be able to make the changes easily.

The proposed increase to the structure is that the initial displayed fare during the Day Time Tariff (Tariff 1) should be increased by 0.20p to £2.80 followed by a reduced three 110 metre drops of £0.20 and then every subsequent £0.20p drop after the first 330 metres would also be reduced by 5 metres to 195 metres. The Night Time Tariff (Tariff 2) would follow the same drop sequence and measurements and the initial displayed fare would also be increased by £0.25p to £3.70 and each subsequent drop remains at £0.25.

The current waiting time will not change as well as the Sunday and Bank Holiday Tariffs. The Trade also propose that the current Tariff for Christmas and New Year will also remain the same as well as the soiling charge and the multi seat vehicle charge over 4 passengers.

There is a cost to increase the tariffs in the taximeters and prices do vary but we estimate that cost can be recouped in between 10 to 12 days as the increase on the average 3 mile journey is 22p and most drivers will do at least 10 journeys per day.

Yours sincerely

Mr C Johnson  
Chairman  
On behalf of the Southampton's Combined Taxi Trade