

DECISION-MAKER:	LICENSING COMMITTEE			
SUBJECT:	TRADE REQUEST FOR PROPOSED VARIATION OF HACKNEY CARRIAGE FARES			
DATE OF DECISION:	11 MARCH 2010			
REPORT OF:	SOLICITOR TO THE COUNCIL			
AUTHOR:	Name:	JOHN BURKE	Tel:	023 8083 2306
	E-mail:	licensing@southampton.gov.uk		

STATEMENT OF CONFIDENTIALITY
NOT APPLICABLE

SUMMARY

A proposal for a varied table of fares has been received from the Southampton Hackney Association. The request is similar to that considered and rejected by the Licensing Committee in August 2009.

This report sets out the details of the request and its effect on the taxi fare structure. At this stage the committee only needs to consider whether the matter should go out to public consultation rather than consider any objections tabled.

RECOMMENDATIONS:

- (i) To consider and determine a request on behalf of the Southampton taxi trade for the variation of the table of fares for the hire of hackney carriages in Southampton.
- (ii) If the committee is minded to vary the table of fares to authorise the Solicitor to the Council to advertise any proposed variation in the table of fares.
- (iii) If the committee is minded to vary the table of fares, that, subject to consideration of any objections to the advertisement, the variation shall come into effect on 10th May 2010.

REASONS FOR REPORT RECOMMENDATIONS

1. The table of fares for the hire of hackney carriages in Southampton was last revised with effect from 14th July 2008.
2. The Southampton Hackney Association, representing 126 individuals holding Southampton hackney carriage proprietors' and drivers' licences as at January 2010, has now requested that consideration be given to revising the table of fares in the light of increases in their business costs, in particular:
 - insurance
 - docks permits
 - replacement vehicles
 - the effect of additional hackney carriage licences
 - vehicle servicing
 and other increases in the cost of living since the last variation of the table of

fares. The trade can submit a proposal at any time and the committee is bound by law to consider it.

CONSULTATION

3. The consultation process specified in the Local Government (Miscellaneous Provisions) Act 1976, requires that, before the table of fares can be varied, notice is given in a newspaper circulating in the area and any objections are considered by the committee. 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.
4. If the committee is minded to vary the table of fares, any objections will be brought to its meeting on 7th April 2010

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. The committee has discretion in law to determine the fares for the hire of hackney carriages in Southampton, subject to a duty to act reasonably.
6. The power under section 65 Local Government (Miscellaneous Provisions) Act 1976 to determine hackney carriage fares is not delegated to officers.

DETAIL

7. The table of fares for hackney carriages, last varied by the City Council with effect from 14th July 2008, is set out in Appendix 1.
8. The Southampton Hackney Association, following consultation by them of all individual holders of hackney carriage licences and hackney carriage driver's licences, have requested that the table of fares be reviewed.
9. The Southampton Hackney Association's proposals and justification for the proposed variation of the table of fares is set out in Appendix 2.
10. A draft table of fares showing the effect of the proposals is set out in Appendix 3.
11. It is important to note that the table of fares only relates to the hire of hackney carriages licensed by the city council for the part of any journey within the city. As a matter of law, the level of fares for the hire of private hire vehicles cannot be controlled by the city council, although the basis for the fare for the hire of such vehicles must be agreed with the passenger before the commencement of the journey. The proprietors and drivers of many private hire vehicles choose to follow the hackney carriage table of fares in charging their customers.
12. The existing and proposed tariffs represent the maximum fares that may be charged for journeys within the city of Southampton.
13. If the committee is minded to vary the tariffs as shown above, 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 charge for items not appearing on the table of fares. A copy of the table of fares must be exhibited in every licensed hackney carriage, and drivers and proprietors are provided with a copy of table of fares for that purpose by the Licensing Team.

14. The effect of the Southampton Hackney Association's proposals is to vary the initial fares as follows:
- for a day-time hiring from £2.20 to £2.60
 - for a night-time hiring from £2.95 to £3.50
 - for a day-time hiring on Sundays and Bank Holidays to from 3.20 to 3.60
 - for a hiring at Christmas and New Year from £4.40 to £3.90

15. It is proposed for all hirings that the basis of calculation for distance travelled will be in 202 metre (221 yard) increments.

The current increments are 110 metres (120 yards) for the first 440 metres (481 yards) and 225 metres (246 yards) thereafter.

16. It is proposed that the additional fare after the first 202 metres (221 yards) travelled will be £0.40 (a total fare of £3.00) and £0.20 thereafter for each 202 metres (221 yards) travelled.

The existing fare structure adds £0.20 to the initial fare of £2.20 for every 110 metres (120 yards) travelled, up to 440 metres (481 yards) (a total fare of £3.00), thereafter £0.20 is added to the fare for every 225 metres (246 yards) travelled.

17. In addition, the Southampton Hackney Association proposes that the Christmas and New Year tariff should commence at 8:00 p.m. on Christmas Eve and New Year's Eve, in substitution for the current 11:00 p.m. on those days, but that the basis for the calculation of the fare should be reduced from the current twice the daytime rate to 1 ½ times the daytime rate.

18. These proposals would result in the following variations in fares for example distances travelled:

19. Miles (Kilometres)	Daytime tariff	Night- time tariff	Current fares		Proposed fares	
			Day	Night	Day	Night
1 (1.61)	4.76%	5.45%	£4.00	£5.20	£4.20	£5.50
3 (4.83)	8.11%	8.42%	£6.80	£8.70	£7.40	£9.50
5 (8.05)	9.43%	9.63%	£9.60	£12.20	£10.60	£13.50
10 (16.09)	9.68%	9.79%	£16.80	£21.20	£18.60	£23.50

20. There is no proposal to alter the basis of the fares charged for Sunday 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.

21. Additionally, it is proposed that the basis for fare charges by time ("waiting time") in tariffs 1 and 3 will remain at £16.00 per hour and tariff 2 will remain at £20.00 per hour, but that the basis for charges by time in tariff 4 will reduce from £32.00 to £24.00 per hour, and that 45 second unit for calculation of charges will remain as at present.

22. Members will be aware that many taxi drivers and proprietors make a boundary charge for vehicles making journeys outside the city boundaries. Such charges cannot be controlled by the table of fares, as they relate to the portion of the journey outside the city boundaries 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.

23. The legislation prescribes a procedure which consists of a determination by the committee of the variation of the table of fares and the advertisement of the proposal. The committee must then consider any objections made and determine whether to confirm the varied table of fares, with or without modifications.
24. This report represents the first step in a process of determining the proposals. Members have discretion in varying the table of fares, and need not be bound by the request submitted on behalf of the trade. In addition, Members cannot fetter their discretion by agreeing future fare structures now.
25. Representatives of the recognised trade representative organisations have been invited to attend the committee's meeting but whilst it considered appropriate for the proposer to address the committee at this stage it is recommended that all representations from the trade and public be considered after advertisement, should the committee be minded to proceed to that stage.
26. If the committee is minded to vary the table of fares, the Solicitor to the Council recommends that any variation should come into force on the 10 May 2010. Members will be aware that, following their decision, 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 arrangements also need to be confirmed for checks on meters installed in licensed vehicles.
27. The officers do not consider the request to be unreasonable, and from the information available to them, the proposed tariff would appear to be compatible with the meters installed in Southampton licensed hackney carriages and private hire vehicles.[don't understand this bit ?]
28. Subject to the committee's views, the timetable for the implementation of the proposals could be as follows: -
29. 11 March 2010 committee's consideration and decision
30. 18 March 2010 newspaper advertisement
31. 31 March 2010 close of objection period (14 days)
32. 7 April 2010 committee – consideration of any objections
33. 10 May 2010 If agreed,new table of fares in force

FINANCIAL/RESOURCE IMPLICATIONS

Capital

34. Not applicable.

Revenue

35. Not applicable.

Property

36. Not applicable.

Other

37. The work involved for the Licensing Team in bringing a variation of the table of fares into effect and in testing taxi meters is contained within existing resources and budgets.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

38. Section 65 Local Government (Miscellaneous Provisions) Act 1976
39. Section 17 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.
40. 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:

41. The city 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.
42. 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.
43. 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 fixed by the committee. This must be no later than two months after the last date for making objections.

POLICY FRAMEWORK IMPLICATIONS

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

SUPPORTING DOCUMENTATION

Appendices

1.	Current table of fares
2.	Southampton Hackney Association's proposals and justification
	Draft table of fares showing the effect of the proposals

Documents In Members' Rooms

1.	None
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Background Documents

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.	Southampton Hackney Association's proposals and justification (published as appendix 2).	
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Background documents available for inspection at:

Licensing office, Southbrook Rise

FORWARD PLAN No: N/A

KEY DECISION? n/a

WARDS/COMMUNITIES AFFECTED:	none
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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

1. **TARIFF 1 – Daytime** – Except as in Tariffs 3 and 4 below, for any hiring begun after 6.00 a.m. and before 11.00 p.m. on any day
Fare for Distance

(a) For the first 110 metres or part thereof	£2.20
(b) For the next 110 metres or part thereof	£0.20
(c) For the next 110 metres or part thereof	£0.20
(d) For the next 110 metres or part thereof	£0.20
(e) For each subsequent 225 metres or part thereof	£0.20

Waiting Time – For each period of forty-five seconds or part thereof £0.20
2. **TARIFF 2 – Night-Time** – Except as in Tariff 4 below, for any hiring begun after 11.00 p.m. and before 6.00 a.m. on any day
Fare for Distance

(a) For the first 110 metres or part thereof	£2.95
(b) For the next 110 metres or part thereof	£0.25
(c) For the next 110 metres or part thereof	£0.25
(d) For the next 110 metres or part thereof	£0.25
(e) For each subsequent 225 metres or part thereof	£0.25

Waiting Time – For each period of forty-five seconds or part thereof £0.25
3. **TARIFF 3 – Sundays, Bank Holidays and New Year** – 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
4. **TARIFF 4 – Christmas and New Year** – For any hiring begun after 11.00 p.m. on the 24th December and before 6.00 a.m. on the 27th December or after 11.00 p.m. on the 31st December and before 6.00 a.m. on the 1st January Double the rate of Tariff 1
5. **ITCHEN BRIDGE TOLLS**
 If any hiring involves crossing the Itchen Bridge, and a toll is payable, there shall be added to the fare a sum equivalent to the toll paid
6. **SOILING CHARGE**
 If the hackney carriage is soiled by a passenger or an animal £50.00

Licensing
PO Box 1344
Southampton SO15 1WQ

MARK R. HEATH
Solicitor to the Council
14th July 2008

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 above

SOUTHAMPTON HACKNEY ASSOCIATION

10 February 2010

Mr Ian Hall

Telephone
Email

Southampton City Council
Southbrook Rise
4-8 Millbrook Road East
SOUTHAMPTON
Hampshire S015 1YG

For the attention of Mr John Burke

Dear Mr Burke,

As Chairman of the Southampton Hackney Association (SHA) I wish to re-submit to the Licensing Panel the fare proposal that the SHA committee put forward to this council in August of last year.

I attended this meeting but unfortunately this fare proposal due to the economic climate was rejected. I was therefore unable to explain to members present in full detail, the complete fare structure which included a root and branch overhaul of our meter prices.

At the present moment out of 380 Councils in the UK who have a fare price structure in place, Southampton is number 116 in the table. Since 1999 we have slipped from sixth position to where we are now, with areas like Bournemouth, Salisbury, New Forest, Winchester and even Eastleigh higher than us in the table of fares.

We sent by letter to 480 holders of either a Southampton Hackney Carriage Proprietors Licence or a Southampton Hackney Carriage Drivers Licence a proposed fare increase for 2009, included within this letter was a questionnaire for the taxi trade to complete and return in a SAE to our PO Box number.

To the best of our knowledge this is possibly the first time ever that a questionnaire of this description has been carried out and although it has cost our association £420.00, the results we feel have proved to be worth while. We did not have a fare increase in 2007 and the one we had in 2008 was of very little significance. The Southampton Hackney Association has given the trade the opportunity to decide whether they want the taxi fares to remain as they are, or to agree with our fare proposal.

However we are concerned that fares at Christmas and the New Year are particularly high. Since the millennium customers tend to complain about high prices that taxis charge, so we suggested a reduction to fare and a half with the new rate starting at 8PM. We hope to attract customers to use us more at this festive time. Fifty six percent agreed to reduce the Christmas and New Year fare from 'double the rate' of tariff 1 to a reduction of fare and a half.

After taking legal advice, although this years proposal for 2010 is exactly the same as the 2009 one, it would be correct to say that the licensing panel need to consider our request once again and not to listen to adverse comments made by the other trade bodies.

At the latest consultation meeting held on January 28th 2010, I was made aware by the other trade representatives that they had sent out letters to their members as well as private hire drivers who belong to their companies, of a proposed fare increase for 2010. According to Section 71 (Taximeters) of the Local Government Miscellaneous Provisions Act 1976, it states 'that nothing in this act shall require any private hire vehicle to be equipped with any form of taxi meter.' The opinions of a private hire driver (owner) should not be taken into consideration when discussing a fare increase that is for the taxi trade only.

Listed below are some of the reasons why we need a fare increase -

1. VAT increased back to 17.5%.
2. Taxi Insurance Rate Increase for 2009 - 2010 3% - 4%
Tradex (Formerly Westminster Motor Insurance)
3. Dock Permit Increase for 2009 from £40 per annum to £50 + VAT per annum.
4. Fuel Cost gradually on the increase.
5. Price of new vehicles has not dropped which causes second hand vehicles to be more expensive.
6. The addition of four extra licenses for December 2009, earning capabilities have already decreased with a further eight licences towards the end of this year.
7. We now have to have two MOTS' per annum.
8. The introduction of camera's for any new or second hand vehicle is now mandatory.

In addition there is the general added 'cost of living' ie. Council Tax increase from April 2009, utilities bills remain high, etc, .etc.

Yours sincerely,



Ian Hall
Chairman of SHA

480 Questionnaires sent out to the trade.....160 replies
= 33%

<p>Do you agree to the fare increase for 2010? 114 want proposed fare increase = 71% 46 said no to the fare increase = 28%</p>
<p>Would you like to be consulted every year regarding the fare structure? 156 want to be consulted every year = 97% 4 do not want to be consulted.</p>
<p>Do you think the Xmas & New Year Tariff 4 fare structure is correct? 70 think the fare structure is correct = 43% 90 think fare structure is incorrect = 56%</p>
<p>Would you like a decrease for Tariff 4 at Xmas and the New Year? 90 would like a decrease = 56% 70 would not like a decrease = 43%</p>

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Ian Hall
Chairman - Southampton Hackney Association

Southampton Hackney Association
Proposed Fare Increase For 2010

<u>Tariff 1</u>	<u>Current Flag</u>	<u>Proposed Flag for 2010</u>
Day-Time 0600-2300	£2.20	For the first 202 metres or part thereof £2.60
		For the next 202 metres or part thereof £0.40
		For each subsequent 202 metres or part thereof £0.20
	1 st mile £3.80	1 st mile £4.00
Waiting time to remain £16.00 per hour		

<u>Tariff 2</u>	<u>Current Flag</u>	<u>Proposed Flag for 2010</u>
Night-Time 2300-0600	£2.95	For the first 202 metres or part thereof £3.50
		For the next 202 metres or part thereof £0.50
		For each subsequent 202 metres or part thereof £0.25
	1 st mile £4.95	1 st mile £5.25
Waiting time to remain £20.00 per hour		

<u>Tariff 3</u>	<u>Current Flag</u>	<u>Proposed Flag for 2010</u>
Sundays and Bank Holidays 0600-2300	£3.20	For the first 202 metres or part thereof £3.60
		For the next 202 metres or part thereof £0.40
		For each subsequent 202 metres or part thereof £0.20
	1 st mile £4.80	1 st mile £5.00
Waiting time to remain £16.00 per hour		

<u>Tariff 4</u>	<u>Current Flag</u>	<u>Proposed Flag for 2010</u>
Christmas and New Year 2000 on 24 th December to 0600 on 27 th December and 20.00 on 31 st December to 0600 on 1 st January	£4.40	For the first 202 metres or part thereof £3.90
		For the next 202 metres or part thereof £0.60
		For each subsequent 202 metres or part thereof £0.30
	1 st mile £8.00	1 st mile £6.30
Waiting time to be reduced from £32.00 to £24.00 per hour		

We are proposing to remove the 4x110 metre drops and to replace with a uniform 202 metre drop. Soiling charge to remain at £50.00.
Itchen Bridge Tolls – If any hiring involves crossing Itchen Bridge, and a toll is payable, there shall be added to the fare a sum equivalent to the toll paid.

Proposed **MAXIMUM TABLE OF FARES**

inclusive of VAT (where applicable)

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Fare for Distance
 - (a) For the first 202 metres or part thereof £2.60
 - (b) For the next 202 metres or part thereof £0.40
 - (c) For each subsequent 202 metres or part thereof £0.20**Waiting Time** – For each period of forty-five seconds or part thereof £0.20
2. **TARIFF 2 – Night-Time** – Except as in Tariff 4 below, for any hiring begun after 11.00 p.m. and before 6.00 a.m. on any day
Fare for Distance
 - (a) For the first 202 metres or part thereof £3.50
 - (b) For the next 202 metres or part thereof £0.50
 - (c) For each subsequent 202 metres or part thereof £0.25**Waiting Time** – For each period of forty-five seconds or part thereof £0.25
3. **TARIFF 3 – Sundays, Bank Holidays and New Year** – 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
4. **TARIFF 4 – Christmas and New Year** – For any hiring begun after 8.00 p.m. on the 24th December and before 6.00 a.m. on the 27th December or after 8.00 p.m. on the 31st December and before 6.00 a.m. on the 1st January
 - (a) For the first 202 metres or part thereof £3.90
 - (b) For the next 202 metres or part thereof £0.60
 - (c) For each subsequent 202 metres or part thereof £0.30**Waiting Time** – For each period of forty-five seconds or part thereof £0.30
5. **ITCHEN BRIDGE TOLLS**
If any hiring involves crossing the Itchen Bridge, and a toll is payable, there shall be added to the fare a sum equivalent to the toll paid
6. **SOILING CHARGE**
If the hackney carriage is soiled by a passenger or an animal £50.00

Licensing Team

PO Box 1344

Southampton SO15 1WQ

Email: licensing@southampton.gov.uk

Internet: www.southampton.gov.uk/licensing

MARK R. HEATH

Solicitor to the Council

[implementation date - to be determined]

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 above, where possible quoting the licence number of the vehicle and driver