

Summary Sheet

Council Report

Licensing Board 20th February 2017

Title

Proposal to increase Hackney Carriage Tariffs

Is this a Key Decision and has it been included on the Forward Plan?

This is not a key decision.

Director Approving Submission of the Report

Karen Hanson – Assistant Director of Community Safety and Street Scene

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Ward(s) Affected

All wards

Executive Summary

A representation has been received on behalf of members of the Rotherham Hackney Carriage Association requesting a rise in the metered fares currently being charged in hackney carriage vehicles.

In addition, the association are requesting an additional multiplier to be applied when carrying more than four passengers, and an increase of the soiling charge.

The tariffs are set by the Council in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 – this function has been delegated to the Licensing Board.

Recommendations

- That the requested increase in tariffs 1, 2 and 3 be considered and if appropriate approved.
- That the requested introduction of a 'large group surcharge' be considered and if appropriate approved.
- That the Licensing Board authorise Council officers to advertise the any changes in the tariffs in accordance with Section 65(2)(a) of the Local Government (Miscellaneous Provisions) Act 1976.
- That Licensing Board delegate the authority to approve the final tariffs to a Sub-Committee of the Licensing Board.

List of Appendices Included

Appendix 1 - Current Hackney Carriage Tariffs
Appendix 2 - Proposed Hackney Carriage Tariffs

Background Papers

- None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Not applicable.

Council Approval Required

No.

Exempt from the Press and Public

Not exempt.

Title (main report)

Proposal to increase Hackney Carriage Tariffs

1. Recommendations

- 1.1 That the requested increase in tariffs 1, 2 and 3 be considered and if appropriate approved.
- 1.2 That the requested introduction of a 'large group surcharge' be considered and if appropriate approved.
- 1.3 That the Licensing Board authorise Council officers to advertise the any changes in the tariffs in accordance with Section 65(2)(a) of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.4 That Licensing Board delegate the authority to approve the final tariffs to a Sub-Committee of the Licensing Board.

2. Background

- 2.1 A representation has been received on behalf of members of the Rotherham Hackney Carriage Association requesting a rise in the metered fares currently being charged in hackney carriage vehicles.
- 2.2 In addition, the association are requesting an additional multiplier to be applied when carrying more than four passengers, and an increase of the soiling charge.
- 2.3 The tariffs are set by the Council in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 – this function has been delegated to the Licensing Board.

3. Key Issues

- 3.1 The current and proposed tariffs are detailed in Appendices 1 and 2.
- 3.2 The request was received by the council on 16th January 2017, and was made by Mr Tariq Sadiq as Chair of the Rotherham Hackney Carriage Association.
- 3.3 The revised tariffs represent the costs that passengers must pay when taking a journey in a Hackney Carriage, and are considered by the Association to be a fair balance for passenger and licence holder alike.
- 3.4 The current tariffs were set in 2007. Since this time, the cost of fuel, insurance and vehicle servicing has increased significantly. Fuel alone has increased by around 9% since 2007 (according to the AA Fuel Price Report). Licence holders are therefore requesting this increase to cover running costs and allow them to see sufficient return for their business.

- 3.5 The increase in tariffs will see the following charges being paid customers:

Tariff 1

The current charge for first mile is £3.60, with each additional mile costing the passenger £1.20. This will increase to £3.80 for the first mile (an increase of 5.6%), and £1.40 for each additional mile thereafter (an increase of 16.7%).

Tariff 2

The current charge for first mile is £3.80, with each additional mile costing the passenger £1.40. This will increase to £4.00 for the first mile (an increase of 5.3%), and £1.60 for each additional mile thereafter (an increase of 14.3%).

Tariff 3

The current charge for first mile is £6.40, with each additional mile costing the passenger £1.50. This will increase to £6.60 for the first mile (an increase of 3.1%), and £1.70 for each additional mile thereafter (an increase of 13.3%).

- 3.6 In addition to the above, the trade are also requesting the ability to activate an additional surcharge in the event that more than four passengers are being carried in the vehicle. This surcharge would comprise of a multiplier of 1.5 being applied to whichever tariff is in operation, and would be applied for the whole of the fare if more than four passengers are present in the vehicle during any part of the journey. This additional surcharge would be activated manually by the driver.
- 3.7 The trade have requested that the current soiling charge is increased from £25 to £45. This charge is paid by the customer in the event that a passenger is sick, or spills food or drink in the vehicle. In the event that this happens, the vehicle must be taken off the road and cleaned before it can operate as a licensed vehicle. The trade believe that the current charge of £25 is insufficient to cover the cost of both an interior valet and the associated "down time".
- 3.8 Any change in the proposed tariffs must be advertised in the local press, this will take place following agreement of the tariffs by the Licensing Board. Should any comments be received then these will need to be considered prior to the tariffs being implemented. Final approval of the fees will need to be confirmed by the Licensing Board (or Licensing Board Sub-Committee).
- 3.9 On implementation, the meters fitted in Hackney Carriages will require reprogramming – this activity will be undertaken by specialist meter programmers under supervision from licensing officers, and officers will

verify the accuracy of the meter following reprogramming. The costs associated with the reprogramming of the meters will be met by the licence holder.

3.10 The proposed tariffs will only apply to Hackney Carriages licensed by Rotherham MBC. Private Hire Vehicles licensed by Rotherham MBC are at liberty to set their tariffs at whatever level they deem appropriate.

4. Options considered and recommended proposal

4.1 Only one option is proposed, and this is detailed above.

5. Consultation

5.1 A notice will be placed in the local press allowing 28 days for comments regarding the proposed tariffs to be submitted to the council.

5.2 Any comments received will be assessed and a final report submitted to a meeting of Licensing Board (or Licensing Board Sub Committee) for approval.

6. Timetable and Accountability for Implementing this Decision

6.1 Once the proposed tariffs are agreed, they will be communicated to the local licensed trade representatives by email. In addition, a notice will be placed in the local press.

6.2 The trade and members of the public will be given a period of 28 days within which to comment on the proposed fees, it is anticipated that this process will be completed by mid-March 2017.

6.3 Subject to any comments that are received, the fees will be brought before the Licensing Board (or Sub-Committee) prior to the end of March 2017 for final agreement of the fees.

6.4 The revised fees will be introduced with effect from 1st April 2017.

7. Financial and Procurement Implications

7.1 Costs will be incurred by the service in the advertisement of the fees in the local press, and the production of revised tariff cards. These costs will be met using the existing service budget.

7.2 The costs associated with the introduction of the new tariffs, and the reprogramming of the meters, will be met by the individual hackney carriage drivers.

8. Legal Implications

8.1 When setting tariffs, the Council must adhere to the statutory process that is detailed in legislation. Failure to do this may lead to the Council being challenged which may result in reputational and / or financial damage.

9. Human Resources Implications

9.1 There are no specific implications for children, young people or vulnerable adults introduced by this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 There are no specific implications for children, young people or vulnerable adults introduced by this report.

11. Equalities and Human Rights Implications

11.1 There are no specific equalities or human rights implications introduced by this report.

12. Implications for Partners and Other Directorates

12.1 There are no specific implications for partners and other directorates introduced by this report.

13. Risks and Mitigation

13.1 Setting the tariffs excessively high may cause fewer people to use hackney carriages, and it has been suggested that this may result in an increased temptation for drink driving.

13.2 Fewer people using hackney carriages may also lead to difficulties in clearing the town centre on a Friday and Saturday evening. This may lead to an increase in disorder. However, the proposed rates compare favourably with those in the rest of the region, and are invariably lower than private hire tariffs, and it is felt that the impact of the increased tariffs would be negligible.

13.3 There is a belief that a reduction in the number of hackney carriages will increase the likelihood of private hire drivers illegally plying for hire.

14. Accountable Officer(s)

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<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

Appendix 1 – Current Hackney Carriage Tariff

<u>Tariff 1</u>		£
1	Distance For the first 1/12 th mile	2.50
	Subsequently for each 1/12 th mile or uncompleted part thereof	0.10
2	Waiting time For each period of one minute or uncompleted part thereof	0.20
<u>Tariff 2</u>		
1	For hirings between 2200hrs and 0600hrs and Sundays and Bank Holidays (excluding Christmas Day, Boxing Day and New Year's Day) for the first 1/14 th mile	2.50
	Subsequently for each 1/14 th mile or uncompleted part thereof	0.10
2	Waiting time For each period of one minute or uncompleted part thereof	0.20
<u>Tariff 3</u>		
1	For hirings between 1700hrs on 24 th December to 0500hrs on 27 th December, and 1700hrs on 31 st December to 0500hrs on 2 nd January for the first 1/15 th mile	5.00
	Subsequently for each 1/15 th mile or uncompleted part thereof	0.10
2	Waiting time For each period of one minute or uncompleted part thereof	0.20

Additional Charges

For the purpose of extra charges hereinafter authorised the following days in each year are classified as Bank Holidays:-

New Year's Day	Good Friday	Easter Monday
May Day	Spring Holiday	Late Summer Holiday
Christmas Day	Boxing Day	

All meters are Calendar controlled so the amount displayed will be the amount to be paid by the customer, all Tariffs will be charged automatically by the meter.

Soiling Charge £25.00

Appendix 2 – Proposed Hackney Carriage Tariff

<u>Tariff 1</u>	£
1	Distance For the first <u>1/7th</u> mile <u>2.70</u>
	Subsequently for each <u>1/7th</u> mile or uncompleted part thereof <u>0.20</u>
2	Waiting time For each period of one minute or uncompleted part thereof 0.20
 <u>Tariff 2</u>	
1	For hirings between 2200hrs and 0600hrs and Sundays and Bank Holidays (excluding Christmas Day, Boxing Day and New Year's Day) for the first <u>1/8th</u> mile <u>2.80</u>
	Subsequently for each <u>1/8th</u> mile or uncompleted part thereof <u>0.20</u>
2	Waiting time For each period of one minute or uncompleted part thereof 0.20
 <u>Tariff 3</u>	
1	For hirings between 1700hrs on 24 th December to <u>0600</u> hrs on 27 th December, and 1700hrs on 31 st December to <u>0600</u> hrs on 2 nd January for the first <u>1/9th</u> mile 5.00
	Subsequently for each <u>1/9th</u> mile or uncompleted part thereof <u>0.20</u>
2	Waiting time For each period of one minute or uncompleted part thereof 0.20

Additional Charges

For the purpose of extra charges hereinafter authorised the following days in each year are classified as Bank Holidays:-

New Year's Day	Good Friday	Easter Monday
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Christmas Day	Boxing Day	

All meters are Calendar controlled so the amount displayed will be the amount to be paid by the customer, all Tariffs will be charged automatically by the meter.

Soiling Charge £45.00

Large group surcharge Relevant tariff multiplied by 1.5

(This charge is to be applied in cases where there are more than four passengers present in the vehicle at any one time – the multiplier will be applied to the whole of the final fare as stated on the meter).

Tariff 1	-	first mile £3.90, each subsequent mile £1.40
Tariff 2	-	first mile £4.20, each subsequent mile £1.60
Tariff 3	-	first mile £6.60, each subsequent mile £1.80