

Report of: Head of Environmental Development

To: General Purposes Licensing Committee

Date: 28th October 2008 **Item No:** 6.

Title of Report : Hackney Carriage Tariff - Application for Increase

Summary and Recommendations

Purpose of report: Hackney Carriage Tariff - Application for Increase

Key decision: No

Portfolio Holder: N/A

Scrutiny Responsibility:

Ward(s) affected: All

Report Approved by:

Tony Payne	Environmental Development
Daniel Smith	Legal & Democratic Services
Andy Collett	Finance

Policy Framework: None

Recommendation(s):

The Committee is RECOMMENDED to:-

Agree the variation to the hackney carriage tariff in accordance with the application submitted by City of Oxford Licensed Taxicab Association.

Agree the mechanism by which a fuel surcharge could be applied.

Note that the proposed variation is subject to a period of public consultation;

1. Local authorities are empowered by virtue of Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 to set the fares for hackney carriages.
2. The City of Oxford Licensed Taxicab Association (COLTA) has applied for a variation in the Hackney Carriage tariff, to be operative as soon as can be arranged following the Committee meeting.
3. COLTA submitted an application for an increase in fares (**Appendix 1**) based on the previously agreed formula (detailed on COLTA's proposals), with figures obtained from the Office of Statistics and fuel prices from the AA. The period for calculation is from October 2007 to September 2008.
4. COLTA's calculations which have been made without the inclusion of the large motoring costs which has been the previous practice, show that there has been an increase in other costs of 4.9%.
5. The increase in fuel costs are reported to have had a severe impact on the profitability of hackney carriages, bearing in mind also that the costs have been borne at current fares for some months.
6. COLTA report that hackney carriages only rarely find a return fare when dropping at outlying areas or the business parks thus a 4.5 mile journey becomes 9 miles when the vehicle has returned to the City centre, doubling the costs.
7. The cost of a gallon of diesel fuel has increased from £4-53.7 to £5-59.2. In terms of the average fuel consumption, diesel fuel has increased by 4.6 pence per mile. Motoring cost have been included separately as a cost per journey, irrespective of length, to be included as a single item, 41.4 pence,

6.2

8. COLTA state that they have attempted to place a larger burden of the increase upon the shorter journey. These journeys of under one mile are considered to be more responsible for polluting the environment and generally carried out on behalf of the business user between the rail station and the City centre.
9. In addition to the fare increase detailed above, COLTA have also made application for a system to be put in place should there again be any very large fuel price increases.
10. The proposal is in the following terms
Colta would like to propose that an 'automatic trigger' system be adopted, as with some other local authorities, where the surcharge could be applied by use of the taximeters 'extras button', a surcharge of 20p per journey could be applied to all fares where the price of a litre of diesel fuel reaches £1.50, the system could be triggered by a predetermined list of local fuel outlets who's fuel met that cost, ie, London Road Headington, Garsington Road Cowley & Oxpens Service Station these three petrol stations represent those more frequently used by taxi operators, the system would only be triggered when all three of these outlets charged above the £1.50 per litre & then only when the cab displayed an official notice issued by Oxford city Council of the surcharge...when any one of the predetermined outlets reduced the cost to below £1.50 then the surcharge would be taken off...
11. The taxi licensing office would be in a position to determine when the surcharge should be applied/removed and could deal with the issue and return of notices which would be issued to individual numbered vehicles to ensure the return of the notices

12. The Private Hire and Taxi Monthly, a trade newspaper contains a table of fares across the United Kingdom. Figures show the following two-mile fares in Oxfordshire and nearby larger urban areas from the October issue for comparison.

South Oxfordshire	No fares set
Swindon	£6.10
Vale of White Horse	£5.70
West Berkshire	£5.70
Reading	£5.60
West Oxfordshire	£5.40
Milton Keynes	£5.40
Oxford	£5.20
Cherwell	£5.08
Wycombe	£4.80

Name and contact details of author:

Philip Pirouet

Taxi Licensing Officer

Environmental Development

☎ 01865 252115

email: ppirouet@oxford.gov.uk

Background papers:

Appendix 1 Report of COLTA

Appendix 2 Tariff Sheets for 2008 & 2009

Colta Application for Variation in Hackney Carriage Fares

to take effect as soon as possible

[Redacted]

FUEL COSTS *This calculation is additional to the normal formula used to calculate annual review of fares*

Increase in the cost of diesel fuel from October 2007 to September 2008

Average Fuel Consumption of London Taxis International Fairway, TX1 & TX2 approximately 23MPG

Per Gallon October 2007 (source Automobile Association) 453.7 p per Gallon 19.7 p per mile

Per Gallon September 2008 (source Automobile Association) 559.2 p per Gallon 24.3 p per mile

Increase 105.5 p per gallon 4.6 p per mile

94% of all journeys result in an empty return to the central ranks, therefore, in order to recover the full additional cost the outbound mileage of any journey needs to be doubled.

ie a 4.5 mile outbound journey becomes 9 miles

Total cost of fuel increase on that journey 41.4P

% increase in Fuel Costs	23.50%
% other inflationary Itmes (page 3)	4.90%

Total Value of Increase IF all items applied as per Agreed Formula

28.40% [Redacted]

Colta

6.5

Whilst the association have included the regular formula for calculation of annual fare reviews, the overall concern is the massive increase in the cost of diesel fuel, 23.5% since the previous fare increase was calculated 4 months before implementation. This substantial cost has been incurred by the trade since September 2007, urgent action is needed to correct this situation.

The following Formula, part one and two, show the percentage increase in OTHER inflationary issues requiring attention.

Formula Part ONE

'A' Retail Prices 'All Items'
For 12 months to September 25th 2008
4.80%

'B' Fares & Other Travel
For 12 months to June 2008
7.40%
These are the latest figures available from the Statistics Office

'C' Earnings
For 12 months to October 2008
3.80%
This figure is based upon the increase in the National minimum Wage

6.6



Formula Part TWO

1	<u>Earnings</u>	2/3rds of the total annual increase from part one of this formula	2.53%	2.53%
2	<u>Retail Prices 'All Items'</u>	100% of the total annual increase from part one of this formula	4.80%	
	<u>Fares & Other Travel</u>	100% of the total annual increase from part one of this formula	7.40%	12.20%
Total of boxes 1 & 2 Above				14.70%

1/3rd of 14.7% (refer to page one) 4.90%

IT is NOT Colta's wish to place the whole burden of additional expenditure on to the general population of Oxford, however. The proposed increase on pages 4, 5 & 6 of this report, has attempted to place a larger burden of the increase upon the shorter journey these journeys are journeys under 1 mile are considered to be more responsible for polluting the environment & generally carried out on behalf of the business user between the Rail Station & the city centre, the longer journeys, to housing estates, will realise a lesser burden of the increase if the whole fare increase is placed on the first 1 mile of every journey.



TARIFF 'ONE'	2008	P R O P O S E D	Tariff ONE
FLAGFALL & then up to 95m <i>then 10p for each 95m or part of</i>	\$2.30	Flagfall & then up to 80m <i>then 10p for each 80m of part of</i>	\$2.30
Approx cost of a 1 mile journey <i>up to 1710m</i> <i>then 10p for each 132m</i>	\$3.90	Approx cost of a 1 mile journey <i>up to 1600m</i> <i>then 10p for each 125m</i>	\$4.20
Approx cost of a 1.5m journey of a 2 mile journey of a 2.5 mile journey of a 3 mile journey of a 3.5 mile journey of a 4 mile journey of a 4.5 mile journey of a 5 mile journey	\$4.55 \$5.15 \$5.75 \$6.35 \$6.95 \$7.55 \$8.25 \$8.90	Approx cost of a 1.5 mile journey of a 2 mile journey of a 2.5 mile journey of a 3 mile journey of a 3.5 mile journey of a 4 mile journey of a 4.5 mile journey of a 5 mile journey	\$4.85 \$5.45 \$6.15 \$6.75 \$7.45 \$8.05 \$8.75 \$9.35
Waiting time 10p for each 22 seconds or part of		Waiting time 10p for each 21 seconds	

6.8

TARIFF 'TWO'	2008	P R O P O S E D	Tariff TWO
FLAGFALL & then up to 61 m then 10p for each 61m or partof Up to 2196m the 10p for each 140m Approx cost of a 1 mile journey	\$2.30	Flagfall & then up to 53m then 10p for each 53 m or partof Up to 2120m then 10p for each 140m or part of approx cost of a 1 mile journey	\$2.50
of a 1.5 mile journey	\$5.05	of a 1.5 mile journey	\$5.45
of a 2 mile journey	\$6.15	of a 2 mile journey	\$6.60
of a 2.5 mile journey	\$6.75	of a 2.5 mile journey	\$7.15
of a 3 mile journey	\$7.35	of a 3 mile journey	\$7.75
of a 3.5 mile journey	\$7.85	of a 3.5 mile journey	\$8.35
of a 4 mile journey	\$8.45	of a 4 mile journey	\$8.95
of a 4.5 mile journey	\$9.05	of a 4.5 mile journey	\$9.45
\$9.55			\$10.00
Waiting time 10p for each 20.5 seconds or partof		Waiting time 10p for each 19.5 seconds or part of	

TARIFF THREE	2008	PROPOSED
Flagfall & then up to 95m or part of	\$2.65	Flagfall & then up to 80m
Up to 1710m		then 15p for each 80m or part of
Then 15p for each 132m or part of		Up to 1600m
		Then 15p for each 125m
		Waiting time 15p for each 21 seconds or part of

This proposed increase will only compensate drivers for the additional cost of fuel incurred during the previous twelve months, it is likely that diesel fuel will substantially rise again within the next few years. Colta are of the opinion that a 'safety net' needs to be set into place in order to address such a situation. The Hackney Carriage is the only form of public transport that cannot increase their fares whenever operational costs cause the operator severe hardship, an application (such as this one) has to be made & travel through at least three stages of sanction before being seen on the taximeter, these applications can take up to three months before authorisation, it is obvious to the trade that a 'automatic trigger' is required if hardship is to be avoided in the future.

Colta would like to propose that an 'automatic trigger' system be adopted, as with some other local authorities, where the surcharge could be applied by use of the taximeters 'extras button', a surcharge of 20p per journey could be applied to all fares where the price of a litre of diesel fuel reaches £1.50, the system could be triggered by a predetermined list of local fuel outlets who's fuel met that cost, ie, London Road Headington, Garsington Road Cowley & Oxpens Service Station these three petrol stations represent those more frequently used by taxi operators, the system would only be triggered when all three of these outlets charged above the £1.50 per litre & then only when the cab displayed an official notice issued by Oxford city Council of the surcharge. when any one of the predetermined outlets reduced the cost to below £1.50 then the surcharge would be taken off.

MAXIMUM FARES set by OXFORD CITY COUNCIL**for licensed taxi-cabs. OPERATIVE FROM 18TH FEBRUARY 2008**

The driver must, unless he has reasonable excuse, accept any hiring within the City of Oxford boundary if the destination is also within the City of Oxford boundary. The fare for such a journey, shown below, will be calculated by the taxi meter.

The driver does **not have to accept journeys** that end **outside the City of Oxford** boundary; the fare or rate of **fare must be by agreement** between the hirer and driver before the journey commences. The fare is likely to be higher than within the City as drivers cannot accept a return hiring. **Where no such agreement exists then the scale of charges applicable to journeys within the City shown below will apply.**

FARES FOR DISTANCE TRAVELLED & TIME

TARIFF 1 06.00 -22.00 Monday to Saturday	For the first 95 metres or part thereof	£2.30
	each subsequent 95metres or part thereof until 1710 metres	£0.10
	each subsequent 132 metres or part thereof	£0.10
WAITING TIME For each period of 22.0seconds or part thereof	£0.10	For each trunk carried £1.00
TARIFF 2 22.00 - 06.00 Monday to Saturday all day Sunday All Public Holidays (except Tariff 3) from 00.01 until 06.00 the following day	For the first 61 metres or part thereof	£2.30
	each subsequent 70 metres or part thereof until 2196 metres	£0.10
	each subsequent 140 metres or part thereof	£0.10
WAITING TIME For each period of 20.5 seconds or part thereof	£0.10	For each trunk carried £1.00
TARIFF 3 Christmas From 20.00 24 th Dec Until 06.00 27 th Dec New Year From 20.00 31 st Dec Until 06.00 2 nd Jan	For the first 95 metres or part thereof	£2.65
	each subsequent 95 metres or part thereof until 1710 metres	£0.15
	each subsequent 132metres or part thereof	£0.15
WAITING TIME For each period of 22.0 seconds or part thereof	£0.15	For each trunk carried £1.50
For each passenger in excess of one		£0.20
For each article of baggage carried outside the passenger compartment of the cab		£0.10
For each adult pedal cycle carried (except folding)		£1.00
For each wheeled vehicle carried (except mobility impaired persons vehicle)		£0.10
PAYMENT by cheque credit card or debit card		£0.50
SOILAGE CHARGE * To cover cleaning and loss of income, where the interior of the vehicle is soiled due to the excessive consumption of alcohol etc. or by the carriage of an animal, excluding guide dogs.		£30.0

Complaints about the cab or driver should be sent immediately **PREFERABLY IN WRITING** or **E mail** to the Oxford City Council, Taxi Licensing, 10 St. Ebbes Street, OXFORD. OX1 1PT. (taxilicensing@oxford.gov.uk) quoting the large vehicle identification number shown on the rear side windows of the vehicle or licence plate

Complaints can also be notified by telephone on 01865 252115

MAXIMUM FARES set by OXFORD CITY COUNCIL for licensed taxi-cabs. OPERATIVE FROM 2009

The driver must, unless he has reasonable excuse, accept any hiring within the City of Oxford boundary if the destination is also within the City of Oxford boundary. The fare for such a journey, shown below, will be calculated by the taxi meter.

The driver does **not have to accept journeys** that end **outside the City of Oxford** boundary; the fare or rate of fare **must be by agreement** between the hirer and driver before the journey commences. The fare is likely to be higher than within the City as drivers cannot accept a return hiring. **Where no such agreement exists then the scale of charges applicable to journeys within the City shown below will apply.**

FARES FOR DISTANCE TRAVELLED & TIME

TARIFF 1 06.00 -22.00 Monday to Saturday	For the first 80 metres or part thereof	£2.30	
	each subsequent 80metres or part thereof until 1600 metres	£0.10	
	each subsequent 125 metres or part thereof	£0.10	
WAITING TIME For each period of 21.0seconds or part thereof	£0.10	For each trunk carried	£1.00
TARIFF 2 22.00 - 06.00 Monday to Saturday all day Sunday All Public Holidays (except Tariff 3) from 00.01 until 06.00 the following day	For the first 53 metres or part thereof	£2.50	
	each subsequent 53 metres or part thereof until 2120 metres	£0.10	
	each subsequent 140 metres or part thereof	£0.10	
WAITING TIME For each period of 19.5 seconds or part thereof	£0.10	For each trunk carried	£1.00
TARIFF 3 Christmas From 20.00 24 th Dec Until 06.00 27 th Dec New Year From 20.00 31 st Dec Until 06.00 2 nd Jan	For the first 80 metres or part thereof	£2.65	
	each subsequent 80 metres or part thereof until 1600 metres	£0.15	
	each subsequent 125metres or part thereof	£0.15	
WAITING TIME For each period of 21.0 seconds or part thereof	£0.15	For each trunk carried	£1.50
For each passenger in excess of one			£0.20
For each article of baggage carried outside the passenger compartment of the cab			£0.10
For each adult pedal cycle carried (except folding)			£1.00
For each wheeled vehicle carried (except mobility impaired persons vehicle)			£0.10
PAYMENT by cheque credit card or debit card			£0.50
SOILAGE CHARGE * To cover cleaning and loss of income, where the interior of the vehicle is soiled due to the excessive consumption of alcohol etc. or by the carriage of an animal, excluding guide dogs.			£30.0

Complaints about the cab or driver should be sent immediately **PREFERABLY IN WRITING** or **E mail** to the Oxford City Council, Taxi Licensing, 10 St. Ebbes Street, OXFORD. OX1 1PT. (taxilicensing@oxford.gov.uk) quoting the large vehicle identification number shown on the rear side windows of the vehicle or licence plate

Complaints can also be notified by telephone on 01865 252115