

To: General Purposes Licensing Committee
Date: 13th October 2010 **Item No:**
Report of: Head of Environmental Development
Title of Report : Hackney Carriage Tariff - Application for Increase

Summary and Recommendations

Purpose of report: Hackney Carriage Tariff - Application for Increase

Report Approved by:

Finance: (Verbal Report at Meeting)

Legal: Daniel Smith

Policy Framework: Improve the local environment, economy and quality of life

Recommendation(s):

The Committee is recommended to:-

- i) Agree the variation to the hackney carriage tariff in accordance with the report submitted by City of Oxford Licensed Taxicab Association (COLTA).
- ii) Note that the proposed variation is subject to a period of public consultation;
- ii) Authorise the Head of Environmental Development, to carry out the statutory process of consultation needed to vary hackney carriage fares

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 start in January 2011. There is a detailed report from the Secretary of the association at **Appendix One**. Any financial implications regarding this matter are covered within existing budgets.

3. When writing their report COLTA have used data showing the rate of inflation from October 2008 to the most recent figures available at the time of the writing the report, pages 2 and 3 of appendix one.
4. COLTA are reluctant to increase the daytime fare to the outlying housing estates of Oxford when calculating fare reviews, this is particularly relevant to day time journeys where the majority are taken by one person. They are also aware that the shorter journeys, of less than 1 mile, are more costly to the environment and less productive for the taxi driver particularly after waiting on a rank for an hour or more. Due to the hours of operation of tariff 1 it is generally the business user who is responsible for shorter journeys, i.e. from the rail station into business premises within the city centre.
5. COLTA believe that tariff 2 (unsocial hours) needs to remain a premium rate fare as an incentive to drivers to work during periods when they are at a higher risk of violent or aggressive behaviour from certain members of the public.
6. In brief COLTA have requested that :-
 - **tariff 1** the flag fall should increase from £2.30 to £2.45, an increase of 15p.
 - the waiting time to be decreased from 21 seconds or part of to 20.3 seconds or part of.
 - **tariff 2** the waiting time to be decreased from 19.5 seconds or part there of to 18.9 seconds or part there of.
 - all journeys up to the first 2120 metres remain the same but the subsequent distance of every 140 metres with a 10p 'drop' decreases to 130 metres with a 10p 'drop'.
 - **tariff 3** the flag fall should increase from £2.65 to £2.80, an increase of 15p.
 - the waiting time to be decreased from 21 seconds or part of to 20.3 seconds or part of.
7. The committee should be aware that the last tariff increase was on the 7th January 2009. **Appendix Two the current tariff chart and the new tariff chart as proposed by COLTA**
8. The Private Hire and Taxi Monthly, a trade newspaper contains a table of fares across the United Kingdom. The table below shows fares in Oxfordshire and nearby larger urban areas for a 2 mile journey on tariff 1 and tariff 2 . The figures have been taken from the September 2010 issue for comparison, the Oxford figures are the current tariff.

District	2 mile journey on tariff 1	2 mile journey on tariff 2
South Oxfordshire	No fares set	No fares set
Swindon	£6.10	£6.70
Vale of White Horse	£6.10	£8.55
West Berkshire	£6.00	£8.25
Reading	£6.20	£7.40
West Oxfordshire	£5.40	£8.10
Milton Keynes	£5.40	£6.60
Oxford	£5.20	£7.20
2009 tariff		
Cherwell	£5.03	£5.66
Wycombe	£4.60	£5.80

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Background papers:

Appendix 1 Report from COLTA

Appendix 2 Tariff Sheets for 2009 & 2011

In 1998 it was agreed with Taxi Licensing officials that the average taxi fare was 2.7 miles or 4344 metres, this has been checked by Colta on three occasions since 1998, the most recent check was made in 2007 when that distance had not significantly altered. It was generally agreed with Taxi Licensing Officials in 1993 that regular fare reviews would take place for implementation onto the taximeter for January of February each year & that the % value of fare review should be aimed at the 2.7 mile journey.

Due to the downturn in the economy in 2008/2009, Colta took the decision not to increase the rate of fares for January 2010, the most recent review of fares was implemented in February 2009. At the present rates a 2.7 mile journey without waiting time would cost £4.60. However, during 2010, the cost of insuring a taxi has increased by at least 15%, taking the average annual premium to £1100, this, combined with the 2.5% increase in VAT early in 2011, the trade has requested that Colta make an application for a review in the rates charged per mile & per hour.

TARIFF 'ONE' Monday to Saturday 6am to 10pm

Colta are always reluctant to increase the daytime fare to the outlying housing estates of Oxford when calculating fare reviews, this is particularly relevant to day time journeys where the majority are taken by one person, we are also aware that the shorter journeys, of less than one mile (1609m), are more costly to the environment & less productive for the taxi driver, particularly after waiting on a rank for an hour or more, due to the hours of operation of this tariff it is generally the business user who is responsible for these shorter journeys ie from the rail station into business premises within the city centre.

We therefore propose that the tariff 'ONE' flag fall (also the hackney carriage minimum fare) should rise by 15 pence from £2.30 to £2.45, whilst this proposal would raise the cost of a 'minimum fare' by around 6% the increase would reduce to approximately 1.9% as the journey distance increased into the suburbs, passengers travelling to Oxford's housing estates would realise an increase in their fare of just 1.8%. *A private hire vehicle minimum fare is £4.00 at the time of writing this report.*

We also apply for the waiting time to be increased from 10 pence for each period of 21.0 seconds or part of (£17.15 per hour), to increase to 10 pence for each period of 20.3 seconds or part of (17.73 per hour).

National Table of taxi fares

Of the 379 nationwide listed fares in (England Scotland & Wales), Oxford rate 166th.

Of the 5 Oxfordshire Licensing Authorities, Oxford City rate 4th

The Licensing Authority
Oxford City Council

TARIFF TWO, Monday to Saturday 10pm to 6am the following morning all day Sunday, All Public Holidays from 00:01 until 6am the following morning(except Tariff 3).

Colta accept that tariff two (unsocial hours) needs to remain a 'premium rate' fare, particularly as an incentive to badge holders to work during periods when they are at substantially higher risk of violent & aggressive behaviour of certain members of the community & certainly a higher incident of damage to the vehicle also due to the same type of behaviour.

We do not propose any increase of the minimum fare on this tariff, the 'short journey' element (as with tariff one) is not relevant during the hours of operation of this tariff where the vast majority of unsocial hour journeys are made by multiple passenger groups where up to six passengers share a cab, it is therefore proposed to increase the rate per mile by a little over 3% on tariff two journey's where the journey exceeds 1.3 miles or 2120 metres.

We therefore propose that the first 53 metres or part of, remain unchanged at £2.50.

We also propose that all journeys up to 2120 metres or part of remain unchanged.

We then propose that after the first 2120 metres of any tariff two journey, the present 10p 'drop' for every 140 metres or part of be increased to 10p for each 130 metres a four mile journey would rise by 3.2%.

It is also proposed that the waiting time on tariff two should increase from 10p for each period of 19.5 seconds or part of (£18.46 per hour) to 10p for each period of 18.9 seconds (£19.05 p per hour).

TARIFF THREE, Christmas Day from 10pm December 24th to 6am on December 27th & From 8 pm on December 31st to 6am on January 2nd

It is proposed to increase the Flag fall (minimum fare) from £2.65 to £2.80 & the waiting time from 15p for each period of 21 seconds or part of to 15p for each period of 20.3 seconds or part of.

Tariff three proposals are identical proposals as tariff one except the increments are by 15p instead of 10p which reflects the 50% surcharge for Christmas & New Year service.

DEFLATION

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Current Inflation

In actuality however, it rose from 2.16% to 2.32% or a .16% increase, substantially more than .1%!

The Inflation table below is updated monthly and provides the current US Inflation Rate plus Monthly Inflation Rate data back to January 2000. The Inflation rate is calculated using the **Current Consumer Price Index (CPI-U)** published monthly by the Bureau of Labor Statistics. **CPI Index Release Dates**

Menu navigation is available on the menu bar on the left of every page.

Current Inflation Rate

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ave	LINE
2010	2.63%	2.14%	2.31%	2.24%	2.02%	1.05%	NA	NA	NA	NA	NA	NA	NA	3
2009	0.03%	0.24%	-0.38%	-0.74%	-1.28%	-1.43%	-2.10%	-1.48%	-1.29%	-0.18%	1.84%	2.72%	-0.34%	2
2008	4.28%	4.03%	3.98%	3.94%	4.18%	5.02%	5.60%	5.37%	4.94%	3.66%	1.07%	0.09%	3.85%	1
2007	2.08%	2.42%	2.78%	2.57%	2.89%	2.69%	2.36%	1.97%	2.76%	3.54%	4.31%	4.08%	2.85%	
2006	3.98%	3.60%	3.36%	3.55%	4.17%	4.32%	4.15%	3.82%	2.06%	1.31%	1.97%	2.54%	3.24%	
2005	2.97%	3.01%	3.15%	3.51%	2.80%	2.53%	3.17%	3.64%	4.69%	4.35%	3.46%	3.42%	3.39%	
2004	1.93%	1.69%	-1.74%	2.29%	3.05%	3.27%	2.99%	2.65%	2.54%	3.19%	3.52%	3.26%	2.68%	
2003	2.60%	2.98%	3.02%	2.22%	2.06%	2.11%	2.11%	2.16%	2.32%	2.04%	1.77%	1.88%	2.27%	
2002	1.14%	1.14%	1.48%	1.64%	1.18%	1.07%	1.46%	1.80%	1.51%	2.03%	2.20%	2.38%	1.59%	
2001	3.73%	3.53%	2.92%	3.27%	3.62%	3.25%	2.72%	2.72%	2.65%	2.13%	1.90%	1.55%	2.83%	
2000	2.74%	3.22%	3.76%	3.07%	3.19%	3.73%	3.66%	3.41%	3.45%	3.45%	3.45%	3.39%	3.38%	

Note: Red indicates Deflation, NA indicates data not yet released.

Get more Historical Data from InflationData.com

Oil Price Outlook 2010

Oil is no longer \$30/barrel, find out whats in store for oil prices.
EnergyAndCapital.com

Producer Price Index

Leverage PPI For Better Day trading Decision Making. Learn How For Free
www.forexgurus.co.uk/PPI

Find UK List

Find list of businesses or consumer sales and marketing projects
www.Prospect360.co.uk

Catering & FM Consultants

Catering and Facilities Management Managing your Tender process
www.alchemyfmconsultants

CPI & Inflation

Find Out How You Could Protect Your Wealth With Fleet

To calculate inflation from a month and year to a later month and year, Try our [Inflation calculator](#)

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The data on this page needs to be read in conjunction with page 'A1' of this report.

The previous fare review was applied for using inflation data which was available up to September 2008, that review was incorporated in taximeters from February 2009.

This review has used data from October 2008 until the most recent figures available at the time of preparing this report.

Line '1' on page 'A1' of this report calculates the average rate of inflation across the number of months relevant to this report i.e October 2008 to December 2008.

OCTOBER 2008 to DECEMBER 2008	(line 1 of Doc 'A1')	1.6	Average
JANUARY 2009 to DECEMBER 2009	(line 2 of Doc 'A1')	-0.34	Average
JANUARY 2010 to JUNE 2010	(line 3 of Doc 'A1')	2.06	Average

Total Value of review	3.32%
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Appendix Two (current tariff)

MAXIMUM FARES set by OXFORD CITY COUNCIL

for licensed taxi-cabs. OPERATIVE FROM 7th January 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	For the first 80 metres or part thereof	£2.30
06.00 -22.00	each subsequent 80 metres or part thereof until 1600 metres	£0.10
Monday to Saturday	each subsequent 125 metres or part thereof	£0.10
WAITING TIME For each period of 21.0 seconds or part thereof		£0.10
For each trunk carried		£1.00
TARIFF 2	For the first 53 metres or part thereof	£2.50
22.00 - 06.00 Monday to Saturday	each subsequent 53 metres or part thereof until 2120 metres	£0.10
all day Sunday	each subsequent 140 metres or part thereof	£0.10
All Public Holidays (except Tariff 3)		
from 00.01 until 06.00 the following day		
WAITING TIME For each period of 19.5 seconds or part thereof		£0.10
For each trunk carried		£1.00
TARIFF 3	For the first 80 metres or part thereof	£2.65
Christmas From 20.00 24 th Dec	each subsequent 80 metres or part thereof until 1600 metres	£0.15
Until 06.00 27 th Dec		
New Year From 20.00 31 st Dec	each subsequent 125metres or part thereof	£0.15
Until 06.00 2 nd Jan		
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

Appendix Two (new tariff)

MAXIMUM FARES set by OXFORD CITY COUNCIL

for licensed taxi-cabs. OPERATIVE FROM 2011

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	£2.45
	each subsequent 80 metres or part thereof until 1600 metres	£0.10
	each subsequent 125 metres or part thereof	£0.10

WAITING TIME For each period of 20.3 seconds or part thereof	£0.10	For each trunk carried	£1.00
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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 130 metres or part thereof	£0.10

WAITING TIME For each period of 18.9 seconds or part thereof	£0.10	For each trunk carried	£1.00
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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	£2.80
	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 20.3 seconds or part thereof	£0.15	For each trunk carried	£1.50
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For each passenger in excess of one	£0.20
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For each article of baggage carried outside the passenger compartment of the cab	£0.10
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For each adult pedal cycle carried (except folding)	£1.00
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For each wheeled vehicle carried (except mobility impaired persons vehicle)	£0.10
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PAYMENT by cheque credit card or debit card	£0.50
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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
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