	<b>REPORT TO CABINET TO BE HELD ON 16 OCTOBER 2018</b>	
	<b>Key Decision</b>	<b>YES</b>
	<b>Forward Plan Ref No</b>	
<b>Corporate Priority: Meets all Corporate Priorities</b>	<b>Cabinet Portfolio Holder</b>	<b>Cllr Bill Chatt</b>

## REPORT OF: THE DIRECTOR (LD) – 18/222

**WARDS AFFECTED: “All”**

### **SUBJECT: APPLICATION FOR FARE INCREASE FROM SCARBOROUGH AND DISTRICT TAXI ASSOCIATION**

#### **RECOMMENDATION:**

Cabinet are asked to consider this report and determine whether or not to approve a request made by the Scarborough and District Taxi Association for an increase in Hackney Carriage fares. A recommendation that Cabinet approve the request was made by the Licensing Committee at its meeting of 10 September 2018.

#### **REASON FOR RECOMMENDATION:**

The last fare increase was approved over 5 years ago on 18 March 2013. In light of this the Scarborough and District Taxi Association has now requested a fare increase and amendment to the structure of the hackney carriage fare table.

#### **HIGHLIGHTED RISKS:**

None

### **1. INTRODUCTION**

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 makes provision for the Council to fix the rates of fares for time, distance and all other charges in connection with the hire of a hackney carriage. This is an Executive function of the Council.
- 1.2 When setting the fares the legislation does not prevent the Council from taking into account any external factors, and there is no limit on the amount of increase or variation (subject to reasonableness).

1.3 As the Council would like to encourage the provision of high quality hackney carriage vehicles it is important that fares are balanced, thereby ensuring proprietors are able to support the running costs associated with the high standard of vehicles required by the Council, but at the same time the fare should not be so high as to preclude use by passengers.


## 2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN

2.1 This report supports all four of the Council's corporate objectives.

## 3. BACKGROUND AND ISSUES

3.1 A request has been received from the Scarborough and District Taxi Association (SDTA) for a fare increase through an amendment to the existing fare structure. A copy of the request is attached to this report at **Appendix A**. The current fares and associated structure have been in effect since 1 May 2013.

3.2 Members will note that the request was received in July last year; however due to existing scheduled work it has only now been possible to include the request in the Committee Calendar. The SDTA have been afforded the opportunity to amend/update the request given the time which has passed, however have confirmed they are content for the initial request to be considered. The current fare regime is as follows:

 A great place to live, work & play		From 1 May 2013		
		<b>TAXI FARES</b>		
PERIOD APPLICABLE	Between 06:00am & 12:00 midnight	Between 12:00 midnight & 06:00am	On Bank Holidays except Christmas Day, Boxing Day and New Year's Eve – TARIFF RATE 2	
TARIFF RATE	1	2	EXTRA CHARGES	CHARGE
First 1/7 <sup>th</sup> mile or part thereof (First 1/8 <sup>th</sup> mile for Tariff 2)	£3.60	£3.80	For each person in excess of one	£0.10
For each subsequent 1/7 <sup>th</sup> mile or part thereof up to 1 mile (1/8 <sup>th</sup> mile for Tariff 2)	£0.20	£0.20	For each bicycle, child's perambulator, pushchair, invalid car, dog or cat	£0.10
For each subsequent 1/6 <sup>th</sup> mile or part thereof up to 15 miles (1/7 <sup>th</sup> mile for Tariff 2)	£0.20	£0.20	For each article of luggage conveyed outside the passenger compartment of the carriage (not including carrier bags or other parcels not exceeding 15lbs)	£0.10
For each subsequent 1/7 <sup>th</sup> mile or part thereof after 15 miles (1/8 <sup>th</sup> mile for Tariff 2)	£0.20	£0.20	<b>Booking Fee</b> Not to exceed £12	£12 (MAXIMUM)
Waiting time per minute (48 seconds for Tariff 2)	£0.20	£0.20		
<b>CHRISTMAS AND NEW YEAR</b>			<b>Soiling Charge</b> A soiling charge may be levied, up to a maximum of £40, necessitating the cleansing of a Licensed Taxi	
<b>Christmas Rate</b> (6pm on Christmas Eve to 6am on 27 <sup>th</sup> December)	<b>Double Tariff 1</b>	<b>Double Tariff 1</b>	<b>Congestion &amp; Toll Charges</b> Any congestion and/or toll charges incurred on a journey shall be charged to the customer	
<b>New Year Rate</b> (6pm New Year's Eve to 6am on 2 <sup>nd</sup> January)	<b>Double Tariff 1</b>	<b>Double Tariff 1</b>		

- 3.3 The current fare regime consists of 4 tiers based on the distance travelled which are: up to 1/7<sup>th</sup> (or 1/8<sup>th</sup>) mile, up to 1 mile, up to 15 miles and over 15 miles. This is further separated in to two tariffs dependent on the time of day the journey is undertaken.
- 3.4 The request seeks a number of amendments including the introduction of an additional third 'evening' tariff and increases to the initial 'flag drop' fare. Other amendments include:
- a) An additional charge of £1 per passenger where more than 4 passengers are carried.
  - b) To double the existing charge applied in respect of luggage, bicycles, pushchairs, dogs etc. to 20p per item.
  - c) Extending the definition of 'Bank Holidays' to include the bank holiday weekend i.e. Saturday, Sunday, Monday and annual Good Friday.
  - d) To double the existing soiling charge from £40 to £80.
- 3.5 The SDTA's request together with additional supporting information is attached at **Appendix A**. After considering the submissions Officers agree that the proposals would both simplify the fare structure whilst also making it more transparent for passengers.
- 3.6 In addition Officers consider the increased soiling charge to be proportionate in terms of a driver's potential loss of income where it is necessary to take a vehicle off the road to be cleaned.
- 3.7 The SDTA also raise the additional cost and time incurred following the introduction of mandatory vehicle testing at Scarborough Borough Council's Testing Station. Whilst Officers agree there may be some additional costs particularly in respect of vehicles based outside of Scarborough, Members will be aware that hackney carriage vehicles are only subject to two such tests per year, and therefore a degree of proportionality should be applied to the overall impact of this.
- 3.8 Clearly there are a number of other factors which influence the costs of operating a Hackney Carriage. Members will note that despite some fluctuation, the price of diesel has steadily fallen since the approval of the current fare table in March 2013, with prices dropping sharply in the last few months of 2014 into 2015 before dropping further in 2016. As of June 2018, the average price of diesel in the Yorkshire and Humberside area was 130.9p per litre; although this represents the highest price since 2014 it still remains almost 15p per litre cheaper compared to March 2013. (Source: AA monthly fuel cost reports).
- 3.9 Car insurance premiums have also fluctuated since 2013, although as of the 1st quarter of 2018, premiums now broadly reflect those at the time the last fare increase was approved (source: AA Insurance Premium Index).

3.10 As would be expected the fares set by local authorities vary from area to area. To enable Members to put Scarborough's current and proposed fares into context, an extract from the July 2018 issue of Private Hire and Taxi Monthly Magazine is attached at **Appendix B**. This extract includes the fares for local authorities in England, Scotland and Wales. Scarborough, together with a number of nearby local authorities is highlighted. For comparison if the proposed fare increase were to be approved, a 2 mile journey on tariff 1 would amount to £6.60.

## 4. CONSULTATION

4.1 The Scarborough and District Taxi Association have submitted this request following consultation with taxi drivers and owners who are members of the Association. The public (including drivers and owners who are not members of the SDTA) will be able to make submissions on this increase as, if approved, it will be advertised in the local press and objections invited from the public. Where valid objections are received a further report will need to be submitted for those objections to be considered.

## 5. ASSESSMENT

5.1 The revised fares would result in an increase to the cost of all journeys undertaken in the Borough. Some example journeys are provided below taking into account the proposed fares and additional tariff:

### *Journey between 6am and 9pm*

	<b>Current fare</b>	<b>Proposed fare</b>	<b>% Increase</b>
Journey of 1 mile	£4.80	£5.20	8.3
Journey of 5 miles	£9.60	£10.80	12.5
Journey of 20 miles	£28.60	£31.80	11.2
Average % increase for all above journeys			<b>10.7%</b>

### *Journey between 9pm and midnight*

	<b>Current fare</b>	<b>Proposed fare</b>	<b>% Increase</b>
Journey of 1 mile	£4.80	£5.60	16.7
Journey of 5 miles	£9.60	£12.00	25
Journey of 20 miles	£28.60	£36.00	25.9
Average % increase for all above journeys			<b>22.5%</b>

### ***Journey between midnight and 6am***

	<b>Current fare</b>	<b>Proposed fare</b>	<b>% Increase</b>
Journey of 1 mile	£5.20	£6	15.4
Journey of 5 miles	£10.80	£12.40	14.8
Journey of 20 miles	£32.80	£36.40	11
Average % increase for all above journeys			<b>13.7%</b>

## **6. IMPLICATIONS**

### **Policy**

6.1 There are no Policy implications associated with this report.

### **Financial**

6.2 If approved the Council must advertise the proposed fare increase in a local newspaper which can be accommodated within existing service budgets.

### **Legal**

6.3 There are no legal implications associated with this report.

### **Equality and Diversity**

6.4 This report and Policy has been prepared in accordance with the Council's Corporate Equalities Scheme.

6.5 Staffing Implications, Planning Implications, Crime and Disorder Implications, Health and Safety implications and Environmental implications have been considered and do not apply.

## **7. ACTION PLAN**

7.1 If Cabinet are minded to approve the request, the new proposed fare table will be subject to public consultation prior to being implemented.



Lisa Dixon  
**Director**

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### **Background Papers:**

Local Government (Miscellaneous Provisions) Act 1976

Town Police Clauses Act 1847

AA Fuel and Insurance Premium Indexes

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT THE AUTHOR.

## Risk Matrix

<b>Risk Ref</b>	<b>Date</b>	<b>Risk</b>	<b>Consequences</b>	<b>Mitigation</b>	<b>Current Risk Score</b>	<b>Target Score</b>	<b>Service Unit Manager/ Responsible Officer</b>	<b>Action Plan</b>
1	25/09/2018	Failure to set the tariff at a reasonable level could impact on the service level of the licensed trade.	Could potentially reduce the level and quality of service offered.	Regular reviews of the tariff will assist in ensuring the tariff is set at a fair level for both the trade and consumers.	B3	A1	Jonathan Bramley	None
2	25/09/2018	The proposed increase could have an impact on service users.	Users may no longer be able to afford to use the service.	Regular reviews of the tariff will assist in ensuring the tariff is set at a fair level for both the trade and consumers.	B3	A1	Jonathan Bramley	None

## Glossary of Terms

Risk	An event which may prevent the Council achieving its objectives
Consequences	The outcome if the risk materialised
Mitigation	The processes and procedures that are in place to reduce the risk
Current Risk Score	The likelihood and impact score with the current mitigation measures in place
Corporate Objectives	An assessment of the Corporate Objectives that are affected by the risk identified.
Target Risk Score	The likelihood and impact score that the Council is aiming to achieve
Service Unit Manager	The Service Unit or Officer responsible for managing the risk
Action Plan	The proposed actions to be implemented in order to reduce the risk to the target score

## Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
			A	B	C	D
		Likelihood				

### Likelihood:

A = Very Low

B = Not Likely

C = Likely

D = Very Likely

**E = Almost Certain**

### Impact

1 = Low

2 = Minor

3 = Medium

4 = Major

**5 = Disaster**