

## **GENERAL PURPOSES COMMITTEE**

**14 JUNE 2018**

### **HACKNEY CARRIAGE FARE REVIEW**

#### **1.0 Purpose of Report**

1.1 For Members to consider the approach to undertaking a review of Hackney Carriage fares.

#### **2.0 Introduction**

2.1 The Local Government (Miscellaneous Provisions) Act 1976 permits a District Council to fix the fares applicable to Hackney Carriages. The last review of fares was undertaken in 2012 where it was decided that no change to the fares was required.

2.2 The current fare charging policy states:

##### Tax Meter and Fare to be Demanded

While acting as a driver of a hackney carriage and plying for hire within the District the driver shall charge and cause to be paid the fare calculated at the rate set out in the table of fares displayed in the vehicle and determined from time to time by the Council.

2.3 The setting of taxi fares is a complex process as the fare itself is normally a combination of four elements. These elements are flag fall, tariff, distance travelled and waiting time.

Flag fall – this is the name given to the part of the fare that is the fixed initial start fee that is charged.

Tariff Rate – this is a distance or time based charge. These tariffs can be set to be the same over the whole distance of any journey or can be set so as to become increase or decrease as the journey progresses. The tariff rate is also set for any waiting time.

2.4 Both of the above are set by the local authority. Additional charges (normally based on a multiplication of the basic tariff) are charged based on the time of day or day of the week.

2.5 The current Hackney Carriage Fares for Newark and Sherwood are set out in Appendix One.

2.6 As members will see these fares mean very little to the general public as they are not in a format that allows for an easy calculation of the likely cost of a journey, nor do they allow for comparison across different Council areas.

2.7 In order for these comparisons to be made spread sheets are used to calculate the fare for various lengths of journeys and these can be compared to national and regional values.

2.8 The trade magazine Private Hire and Taxi Monthly produces comparisons of charges for the country. The table below shows a comparison of fares for a 2 mile distances at tariff 1.

Flag Fall/Distance	Area	Cost
Two Mile Fare T1	National Average	£5.83
	Gedling	£5.50
	<b>Newark and Sherwood</b>	<b>£5.40</b>
	Bassetlaw	£5.90
	Mansfield	£4.80
	Nottingham	£5.60
	Highest in Country Watford	£8.40
	Lowest in Country South Kesteven	£3.80

1.9 Increases to the taxi fares for Newark & Sherwood were last made in 2008. Each year informal consultation takes place with the operators to seek their views. This process has taken place again this year and the pattern emerging is that a price increase is now overdue. There are some drivers that feel the night time rate (which is currently a 1.5 multiple of the daytime rate) should be cheaper, or at least increased at a lesser rate. There is also a suggestion that any increase should be directed at the flag drop and not the distance tariff so that the basic starting price is increased.

1.10 Some authorities have started to apply a simple calculator for their review of prices. To reflect increases in prices the Retail Price Index or Consumer Price Index is used and applied to the existing tariffs. As of February 2012 the CPI was 3.4% and the RPI was 3.7%. Clearly this rate is calculated using other products not necessarily related to the motor/taxi trade and therefore may not reflect the current inflation pressures on the taxi trade. However, it does have the benefit of being a nationally produced figure that is used to calculate annual increases in various sectors of business.

## 2.0 Points for Consideration

2.2 Do Members have any views on whether the fares should be set so as to favour short or long journeys? This could be achieved by changing the balance between the flag drop and the tariff for distance.

2.3 Would Members like to see any change to the multiplier used to calculate the rates for evenings, Sundays and public holidays? The table below illustrates the effect that the multiplier has on the T2 tariff.

Local Authority	T1 Two Miles	T2 Two Miles	% Increase for Night fares
<b>Newark and Sherwood</b>	£5.40	£8.10	50%

## 3.0 Proposals

3.1 It is proposed to undertake informal consultation with a range of taxi companies and individual drivers to ascertain their opinions on how the fares are currently calculated and the impact of the tariff 2 and 3 multiplier.

3.2 On completion of these informal consultations it is proposed to distil the finding down to a small number of fare review options and then to undertake a ballot of all drivers as to which method they would like to see introduced.

#### **4.0 RECOMMENDATION**

**Members are asked to consider the details relating to the fare reviews of Hackney Carriage fares and support the proposals for carrying out the fare review.**

#### Background Papers

Nil

For further information please contact Alan Batty on 01636 655467

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