

ORIGINATING SECTION: PUBLIC PROTECTION SERVICE

REPORT TO: LICENSING COMMITTEE

05:06:2013

TITLE : APPLICATION FOR AN INCREASE IN HACKNEY CARRIAGE FARES

1. PURPOSE

For Members to consider a request received from the hackney carriage trade for an increase in the hackney carriage fares

2. RECOMMENDATIONS

For members to consider the fare increase request and make a decision on whether to support the increase and commence the consultation process.

3. KEY ISSUES

A request for an increase of hackney carriage fares has been received from the members of the Hackney Driver's Association Ltd. At this stage this increase is not supported by all the members of the hackney trade, representations will be made at the committee hearing.

The fare request received is detailed at appendix 1, the request seeks to simplify the fares charged by the trade, by deleting the existing evening tariff that comes into force at 6pm each evening, and deleting the extra charges for each passenger in excess of 1.

The cost of the first flag would rise from £2.30 to £2.50 and the additional charges in relation to the carriage of Pets, dogs and cats would rise from 50p to £1, and a valet fee if the vehicle is soiled by a passenger would rise from £25 to £30.

Hiring's over the Christmas period would also rise by 20p on the first flag.

The introduction of calendar controlled meters would negate the need for drivers to manually switch the meters to the Christmas tariff; the trade have informed the licensing service that the current meters that are in the existing vehicles have the capacity for the calendar chip to be put into the meter.

A request for a fare increase was brought before the committee in February 2013, at that time the committee did not support the increase, one of the reasons for this was the lack of information supplied by the trade. This latest request includes a fare formula that Manchester City Council use.

A sub group was formed at the Taxi forum, to look at fare formulas and attached at appendix 2 is a formula devised for Blackburn with Darwen.

Attached for members information is a copy of the current fare tariff at appendix 3.

4. RATIONALE

In accordance with Section 65(2)(a) of the Local Government (Miscellaneous Provisions) Act 1976, when a district council make or vary a table of fares they shall publish in at least one local newspaper circulating in the district, a notice setting out the table of fares, or the variation thereof, and specifying the period, which shall be not less than fourteen days from the date of the first publication of the notice, within which, and the manner in which objections to the table of fares or variation can be made.

The advert will be published in the Lancashire Telegraph if, in principle, members support the increase. If any objections are then made, the Council should set a further date on which the table of fares will come into force, after consideration has been given to the objections. The further date will not be more than 2 months after the original specified date.

5. POLICY IMPLICATIONS

The application for increase in hackney carriage fares is a policy matter that should therefore be considered by the Executive Member.

The expertise of the Licensing Committee in this area of work is recognised.

6. FINANCIAL IMPLICATIONS

There are no financial implications for the council, apart from the fee for the advert, but council, apart from the fee for the advert, but there is an opportunity for increased financial rewards to the hackney carriage trade. Users of hackney carriages may incur an increase in the cost of each journey undertaken by the customer (this is dependent on the number of passengers on each journey). Any passengers travelling alone would incur the greatest increase in the cost on a journey.

7. LEGAL IMPLICATIONS

In accordance with Section 65(2)(a) of the Local Government (Miscellaneous Provisions) Act 1976, when a district council make or vary a table of fares they shall publish in at least one local newspaper circulating in the district, a notice setting out the table of fares, or the variation thereof, and specifying the period, which shall be not less than fourteen days from the date of the first publication of the notice, within which, and the manner in which objections to the table of fares or variation can be made.

If no objection to a table of fares or variation is duly made within a specified period specified in the notice, or if all objections are withdrawn, the table of fares or variations shall come into operation on the date specified in the advert.

If an objection is duly made and is not withdrawn, the council will set a further date on which the table of fares will come into force with or without modifications as decided by them after consideration of the objections.

8. RESOURCE IMPLICATIONS

Staff in the licensing section of the Public Protection Service will undertake all the work associated with the increase in the fare tariff.

9. CONSULTATIONS

The public consultation will commence with the advertisement in the Lancashire Telegraph, and notices sighted near to or on the ranks in the town.

10 . CONTACT OFFICER

Donna Riding – Principal Licensing Officer
Telephone 01254 267644

THE HACKNEY DRIVERS ASSOCIATION LTD
BOLTON, BURY, BLACKBURN, BURNLEY, CHORLEY, WIGAN, MANCHESTER, OLDHAM,
PRESTON, ROCHDALE, CALDERDALE, TELFORD, NEWCASTLE RIBBLE VALLEY.

Mr. Charles Oakes, Mrs. S Oakes.
The Hackney Drivers Association Ltd
38 Shaireburn Ave,
Tongfold,
Bolton,
BL2 2SX
Phone 01204 371928
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Mob 07436070340
bbha@btinternet.com

Our ref: 170220131329
Page 1 of 7

By Email
For the attention of
Licensing panel Blackburn
Council

17 February 2013

Dear

Further to the meeting 7.02.2013, concerning Hackney Carriage Fare increase. We have now received instructions to again but in for a Formal increase in fare charge by Hackney Carriages in Blackburn,, you will recall that we asked for the consideration of the following items to be considered.

It would seem to us that the Council as totally ignored the cost of living, with the average gas and electricity, and water bills on the rise, along with ever other cost relating to the Taxi trade. Our view is that the roof over your head and utilities are not optional they are bare necessities.

Decent family life is hardly possible with out debt; the majority of driver have family commitments which may also incur cost either through childcare or university fees, there is also the issue of pensions, cab drivers along with other workers are expected to rely on their savings in retirement so there must be a weighted component for them to make provision for a pension scheme which we think should start contributing at the age of 30 years old?

The real cost of living is dictated by spending habits which are essentially driven by the basics, housing and utilities. We suspect by now you will have realized we are dissatisfied with your decision on the 7 February 2013, we strongly urge the council to rethink that decision.

We noted that there was not time set by members for further application for an proposal.

Proposals

For all hiring
Excluding Xmas and New Year

Waiting period for each period of 10p
60 Seconds or uncompleted part
Therefore.

If the distance does not exceed
805 meters (880 yards) for the whole £2.50

If the distance exceed 805 meters
(880 yards) for the first 805 meters £2.50

For each subsequent 101 meters
(110 yards) or less portion therefore £0.10

Additional charges

Wheelchairs for disabled person FREE
Assistance dogs FREE

Pets, Dogs and Cats £1.00

Valet fee if vehicle is fouled £30.00

For Hiring between 11.00pm 24th December and 6am 26th December

And between 11.00pm 31st December and 6.00am 2nd January

If the distance dose not exceed 805 meters (880 yards) for the whole therefore £3.50

If the distance exceed 805 meters (880 yards) for the first 805 meters £3.50

For each 101 meters (110 yards) or lesser potion thereof £0.10p

- It is also proposed that meter be calendar Controlled

Regards

Charles Oakes

Chairman The Hackney Drivers Association Ltd.

bbha@btinternet.com

Table One

We will use the Manchester Figures as only to demistart how a fare calculation should be done
And does not represent figures that may form a fare calculation in Blackburn.

Component on index	Total Cost December 2010	Total cost December 2012	% change
Vehicle Cost	6752	6721	-0.45%
Parts	3211	3371	5.0%
Tyres	517	530	2.50%
Garage & Servicing Labour	941	936	-0.05%
Insurance	1899	2518	32.61%
Fuel	4254	4923	15.73
Miscellaneous	462	472	0.40%
Total Operating cost	18035	19471	7.96%
Average National Earnings	25100	26200	4.38%
Grand Total	43135	45671	5.88%

Table two

This Table shows where the data Source and Assumption come from

Average National Earnings	Office of National Statistics	These are Taken from Office of National Statistics median Figure
Vehicle Cost	Mann and Overton	Vehicle Costs are Included for:
Fuel	AA	Directly related to annual Mileage Price is running cost of a diesel car of value £27,000 to £39,000 running cost June 2012 at 16.06 pence per mile with fuel at 137.08 pence per litre
Insurance	Westminster Insurance	Average cost of insurance for Manchester
Parts And Tyres	Mann and Overton	LTI vehicle Parts Dunlop SP, calculated using the formula tyre Life assumption
Miscellaneous	Licensing Unit	Licence Fees
Average National Earnings	Office of National Statistics	These are taken from the office of National Statistics Median figure

Fare Increase Proposals for 2013/2014 for Blackburn

	Now		Proposed	
	Distance	Rate	Distance	Distance
Current First Distance (Yds) (M)	880 (805m)	£2.30	880 (805m)	£2.50
Each extra (yds) (m)	110 (101m)	10p	110 (101m)	10p
Wheelchairs for disabled persons & Assistance dogs	N/A	Free	N/A	No Change
For Hiring between 11.00pm 24 th December and 6am 26 th December and Between 31 st December and 6am 2 nd January.	880 (805m)		880 (805m)	£3.50
For each subsequent		10p	110 (101m)	10p
Waiting Period for each	45 seconds	10p	60 seconds	10p

Distance (Miles)	2012 – 2013 (Current fare)			2013 – 2014 (Proposed Fare)		
	Day	Night	Difference between Cost of Fare (Night and Day)	Distance (Miles)	Day	
Flag	£2.30	£2.40	10p	Flag	£2.50	
1	£3.10	£3.50	40p	1	£3.30	
2	£4.70	£5.30	60p	2	£4.90	
5	£9.10	£10.70	80p	5	£9.30	
10	£17.20	£19.70	£2.00	10	£17.40	

- Our members have requested the consideration of removing Tariff Two (2) and replacing it with one Tariff which would cover all times. Excluding Xmas and New years.
- The meter works by calculating the maximum fare based upon the time of day distance traveled.

Tariff One Day Time Comparison

Tariff one Day Time Journey						
	*Flag	Running Mile	Journey distance (Miles)			
			1	2	5	10
National Average	£2.70	£1.81	£3.71	£5.52	£11.00	£20.12
Regional Average	£2.41	£1.69	£3.45	£5.13	£10.70	£18.63
Blackburn Current	£2.30	£1.60	£3.10	£4.70	£9.10	£17.20
Blackburn Proposed	£2.50	£1.60	£3.30	£4.90	£9.30	£17.40

Taxi Fare League Tables as of February 2013

Number of Council	Blackburn Currently at
361	324

- Last Increase in Fares was in September 2011

We Request that consideration of this information in respect of our Fare for 2013/2014

C Oakes

FORMAL REQUEST FOR FARE INCREASE

Nov-06										
strategy	Model	HP rate	price	deposit	term	payments	total	less value	net cost	total cost over 12 years
1	TX4	7.50%	£29,995	£1,500	60	£656.33	£39,380	£500	£38,880	£38,880
2	TX4	7.50%	£29,995	£1,500	60	£656.33	£39,380	£13,000	£26,380	£79,140
3	TXII	7.50%	£15,500	£1,550	60	£324.16	£19,449	£5,000	£14,449	£43,347
4	TX1	8.50%	£8,995	£750	36	£292.48	£10,529	£500	£10,029	£30,087
									Total	£47,864
									Annual Cost	£6,255

Note: All model prices assumed at Bronze Manual level.

1. Purchase new and run to scrap
2. Purchase new and sell at 4 years
3. Purchase at 4 years and sell at 8
4. Purchase at 8 and run to scrap

Dec-05										
strategy	Model	HP rate	price	deposit	term	payments	total	less value	net cost	total cost over 12 years
1	TXII	7.00%	£27,695	£1,500	60	£591.19	£35,471	£500	£34,971	£34,971
2	TXII	7.00%	£27,695	£1,500	60	£591.19	£35,471	£15,000	£20,471	£61,413
3	TX1	7.50%	£18,995	£1,500	60	£402.76	£24,165	£4,750	£19,415	£58,245
4	TX1	8.00%	£8,995	£750	36	£286.75	£10,323	£500	£9,823	£29,469
4	Fairway	7.75%	£2,500	£250	36	£77.03	£3,023	£0	£3,023	£9,069
									Total	£46,025
									Annual Cost	£6,015

Note: All model prices assumed at Bronze Manual level.

	Annual Cost 2012	Annual Cost 2013	% Change 2012-2013
Parts	£686	£686	0.00%

Based upon:

AA costs of average 20k miles per year

	Annual Cost 2005	Annual Cost 2006	% Change 2005-2006
Tyres	£324	£363	12.00%

Supplier	Taxi Tyre Type	Piece Cost	Dec-06		Total
			VAT		
M&O Manchester	Dunlop SP	56	9.8		£65.80
Average					£65.80

Source: Mann and Overton Manchester

Supplier	Taxi Tyre Type	Piece Cost	Dec-05		Total
			VAT		
M&O Manchester	Dunlop SP	50	8.75		£58.75
Average					£58.75

	Annual Cost 2012	Annual Cost 2013	% Change 2012-13
Garage & Servicing - Labour	£962	£962	0.0%

	Annual Cost 2012	Annual Cost 2013	% Change 2012-2013
Fuel	£3,088	£3,088	0.0%

Source: Automobile Association

	Annual Cost 2012	Annual Cost 2013	% Change 2005-2006
Insurance	£3,500	£3,500	0.0%

Quote provide by Westminster Insurance based upon one owner (no NCD) employing one driver and having 1 claim resulting in loss of £400 excess

	Annual Cost 2012	Annual Cost 2013	% Change 2005-2006
Licence Fees	£560	£660	17.9%
Permits	0	0	#DIV/0!
TOTAL	£560	£660	17.9%

Source: BwDBC

	Annual earnings 2012	Annual earnings 2013	% Change 2012-2013
Average National Earnings	£23,000	£23,000	0.00%

Source: UK Average National Earnings Index

Component on index	Total 2012	Total 2013	% Change 12 13
Vehicle Cost	6255	6255	0.00%
Parts	686	686	0.00%
Tyres	324	363	12.00%
Garage & Servicing - Labour	962	962	0.00%
Fuel	3088	3088	0.00%
Insurance	3500	3500	0.00%
Miscellaneous	560	660	17.86%
Total Operating Costs	15375	15514	0.90%
Average National Earnings	23000	23000	0.00%
Grand Total	38375	38514	0.36%

Increase

0.36%

BLACKBURN WITH DARWEN BOROUGH COUNCIL**LICENSED HACKNEY CARRIAGE FARES**

For Hiring between 6.00 am and 6.00 pm Monday to Saturday (excluding Bank Holidays)		Waiting period for each period of 45 seconds or uncompleted part thereof	10p
If the distance does not exceed 805 metres (880 yards) for the whole thereof	£2.30	Additional charges	
If the distance exceeds 805 metres (880 yards) for the first 805 metres	£2.30	a) Articles of luggage conveyed outside the passenger compartment of the Hackney Carriage	20p
For each subsequent 101 metres (110 yards) or lesser portion thereof	10p	b) For the first person in excess of one conveyed	10p
For Hiring between 6.00 pm and 6.00 am Monday to Saturday, All day Sundays, and Bank Holidays		For each subsequent person conveyed	10p
		Wheelchairs for disabled persons	Free
If the distance does not exceed 663 metres (725 yards) for the whole thereof	£2.40	Assistance dogs	Free
		Pets, Dogs and Cats	50p
If the distance exceeds 663 metres (725 yards) for the first 663 metres	£2.40	Valet fee if vehicle fouled	£20
For each subsequent 89 metres (98 yards) or lesser portion thereof	10p		

For Hiring between 6.00 pm 24th December and 6.00 am 27th December and between 6.00 pm 31st December and 6.00 am 2nd January		
If the distance does not exceed 603 metres (660 yards) for the whole thereof	£3.30	
If the distance exceeds 603 metres (660 yards) for the first 731 metres	£3.30	
For each subsequent 185 metres (203 yards) or lesser portion thereof	30p	
Journey over 6 miles from point of pickup - Tariff Two		

NO OTHER CHARGES MAY BE MADE

Distance - The above fares apply throughout the
whole of the Borough of Blackburn with Darwen Borough Council

UP-FRONT PAYMENTS

Drivers may ask you to pay an estimated fare/deposit up-front.
IF YOU DO NOT AGREE YOU MAY BE REFUSED TRAVEL

COMPLAINTS

In case of complaint, please contact the Public Protection Service, Licensing, Town Hall,
Blackburn, BB1 7DY (Telephone: 01254 222505) giving the number of the Hackney Carriage
Licence and full details