

Carlisle City Council

Report to Regulatory Panel

Report details

Meeting Date: 16th March 2022
Portfolio: Finance, Governance & Resources
Key Decision: No
Policy and Budget Framework: No
Public / Private: Public

Title: Hackney Carriage Table of Fares Review 2022 - Objection
Report of: Corporate Director of Governance & Regulatory Services
Report Number: GD 17/22

Purpose / Summary:

At the Regulatory Panel meeting on 9th February 2022 an increase to the Hackney tariff fare was approved, subject to the increase being advertised and no objections being received. The deadline for objections was 28th February 2022 and seven objections have been received for consideration by the Panel.

Recommendations:

Members are requested to determine whether the increase in the Hackney Carriage Tariff should be approved or amended in light of the objection.

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Tracking

Executive:	N/A
Scrutiny:	N/A
Council:	N/A

1. Background

- 1.1. The Regulatory Panel considered report GD.04/22 at their meeting on 9th February 2022. The resolution was as follows

RESOLVED - 1) That, subject to consultation, Members agreed the proposed changes to the Table of Fares for Hackney Carriages.

2) That the Licensing Manager arrange for details of the Hackney Carriage Fares Review 2022 to be advertised on the Council's website.

- 1.2. As a result of the consultation 6 objections have been received within the specified period. All objections are from licensed drivers (4 Hackney Carriage Drivers and 2 Private Hire). The details of the objections can be found at **Appendix 1** and all state that the proposals are not high enough to cover the costs of rising fuel and living costs.
- 1.3. One objector requests that the Licensing Authority review its position on the age of vehicles for first licensing (3 years), the mandatory colour (white) for Hackney Saloons and the policy on only accepting new applications from Wheelchair Accessible Vehicles.
- 1.4. Another objector, who is also currently establishing a Taxi Association, requests that the panel consider to increase the flagfall of £3.80 for tariff 1, £4.50 to tariff 2 and £4.80 to tariff 3 on top of the increases proposed on the distance.

2. Proposals

- 2.1 Members agreed in principle the proposal to keep the current flagfall on Tariff 1 £3.00 but reduce the distance to the first “click” to 1,000 meters (1094 yards) and thereafter a 20p for each subsequent 160 yards or uncompleted part thereof.
- 2.2 The objector’s proposal can be compared with the current tariff and the proposals of the report considered in February.

	Current Tariff	Proposed Tariff	Increase	Objector’s Proposal	Increase (on current tariff)
1 mile	£3.80	£4.00	5%	£4.80	21%
2 mile	£5.80	£6.20	6%	£7.00	17%
5 mile	£12.00	£12.80	6%	£13.60	12%
10 mile	£22.40	£23.80	6%	£24.60	9%

- 2.3 His proposal would move Carlisle to the top of the Cumbria district charge for a 2 mile journey (£7.00) and would be nearly £1 more than the national average 2 mile journey for Tariff one which is £6.06.

District	Charge for 2 Miles	2 Mile Ranking	Date Reviewed
South Lakeland	6.40	1	2014
Carlisle	6.20/7.00	2/1	2022
Eden	5.50	3	2013
Allerdale	5.45	6	2018
Barrow BC	5.40	4	2012
Copeland	5.00	5	2013

2.4 The objector is also proposing an increase to the change in flagfall for Tariff 2, (£4.50) and Tariff 3 (£4.80) which are currently £4.00 and £4.50 respectfully.

2.5 The consultation stated that any objections will be heard by the Council's Regulatory Panel on 16th March 2022 and the table of fares shall come into force, with or without modification on 1st April 2022.

2.6 As a result of the objections paragraph 2.5 will apply and the Regulatory Panel must decide if a modification is required.

3. Recommendations

3.1 Members to decide to

- Ratify the resolution of 9th February 2022 and impose the new charges
- Modify the resolution in accordance with the objections

Contact details:

Contact Officer: Nicola Edwards

Ext: 7025

Appendices attached to report:

1. Objections to HC Tariff

Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

- None

Corporate Implications:

Legal Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 allows the Council to fix the maximum rates or fares.

Any proposals for amendment are to be published and if no objection is received then the amendments shall take effect. Where objection is received

then the Council shall consider the objections received and may set a further date (no later than two months) on which the table of fares (with or without modification) shall take effect.

Finance None – the consultation and publication in respect of the proposed Table of Fares will be met from the running costs of the Licensing Department. The revised rates will be collected and form part of the Licensing income.

Equality - None

Information Governance- None

-----Original Message-----

From:

Sent: 25 February 2022 14:05

To: Licensing Team

Subject: ****NE**** Taxi tariff proposal

To whom this may concern, my name is and badge number is . I am sending this email in regards to the tariff changes proposed to us, I am extremely sorry to say I don't think it is enough of a change due to the fact our expenses have risen for example price of diesel itself today was £1.56 a litre and I'm sure you are well aware of all the other expenses we have to deal with. Please reconsider the tariff so it is fairer to us the driver's as even minimum wages have gone up and every day standards of life is more expensive.

Thank you

From:

Sent: 27 February 2022 21:39

To: Licensing Team

Subject: New Fares and Expenses

Dear Licensing Authorities

Hope you're all having a great day.

I've looked at the new fares and see that the fares gone up for lower percentage than the inflation in 4.5 years.

I am sure you have considered all of these expenses, I just want to put some of them on here for the purpose of this email.

£7.83 vs £9.50 %21 National minimum wage

£1.20 vs £1.51.9 %25 petrol prices

£22000 vs £25000 %12 New car price

(the amounts are approximate)

However, I also understand that increasing the fares for over 20% would have a negative impact to our business, updating fares every year maybe more acceptable by the public. The expense of running the business is keep rising as I have seen the diesel was £ 1.56 this morning.

Servicing, parts etc are all more costly. Drivers may have to work longer hours to cover the expenses. I think for temporarily at least, changing some rules when buying/updating vehicles would help more than anything,

When registering a new car, the rule is 3 years old maximum, and, 3-year-old vehicles are still expensive. I think this rule alone prevents most drivers updating their vehicles.. For example, If my car is 2013 registered,

it has a high mileage on it and it is mechanically giving problems too often. However, I can find a 2015 plate car in much better condition with much lower mileage. I am sure, drivers will replace their cars with better ones than currently they drive.

Also, the White Colour rule seems a bit out dated. Even the World Famous London Black Cabs, don't have to be black anymore. Drivers have much higher chance to find a better conditioned car in any colour, than white only .

And lastly, along with the Wheel Chair accessible Taxis, Hybrid saloon cars may also be an option. They are more economical to buy and maintain and much cleaner for the environment. Wheel chair accessible cars are expensive to buy and costly to run. Beside Fuel consumption and maintenance,

only a couple of company are selling them. The choice is very limited. At the moment, to buy a saloon taxi is not a sensible move as they are very expensive if any current owner is selling one. No matter how high the mileage is.

I just thought, considering these options may help drivers keeping better vehicles on the road as well as cutting costs.

Yours Faithfully

From:

Sent: 26 February 2022 22:11

To: Licensing Team

Subject: Taxi tariff proposal

To whom this may concern, my name is and badge number is . I am sending this email in regards to the tariff changes proposed to us, I am extremely sorry to say I don't think it's enough of a change due to the fact our expenses have risen for example price of diesel itself today was 1.59 a litre and I am sure you are well aware of all other expenses we have to deal with. please reconsider the tariff so it is fairer to us the driver's as even minimum wages have gone up and every day standards of life is moremore expensive. thank you .

-----Original Message-----

From:

Sent: 28 February 2022 21:26

To: Nicola Edwards

Subject: Proposed tariff increase objection

Hello Nicola,

I would like to send my objections for the proposed rate increase.

The reason for my decision is due to high increase in living cost ,fuel prices and the fact that this increase is well overdue as it's the first one for four and a half years.

Only in last few months fuel prices increased by nearly 30% and the proposed offer will not be enough to cover only this cost itself,nevermind all the roaring bills prices that we're forced to pay.

Regards,

Hello Nicola,

First off, apologies that I'm sending you my objections on the last day, I was on holiday last week and just realised today is last day of the 2 weeks we had to object.

While I appreciate the fares MUST remain competitive and fair for both drivers and passengers and understand that If the fares are too expensive fewer people will use the services offered and opt for other un-regulated options instead, but If the fares are too low, the industry will lose more drivers to other sectors. It's an important balancing act.

Inflation has seen the price of pretty much everything sky-rocket in the last few months and It's widely accepted that we can no longer swallow the sharp fuel pump price increases or the investment in cleaner electric vehicles without passenger input also rising.

Along with changes to the cost of living and average national earnings, a number of different components relating directly to being a taxi driver (e.g. vehicle costs, parts, tyres, servicing, fuel and insurance) I believed are considered when reviewing the new tariffs.

After I did some research I would like to give a few figures that are directly related to our profession as I already mentioned and the difference in price and percentage increase since last tariff change in Carlisle in 2017:

Fuel prices:

Average UK price for October 2017 is 118.0 p per litre petrol and 120.3 p for litre diesel, where now as today 28.02.2022 is 151.25 p per litre petrol and 154.72 p for diesel which is over 28% increase and going up daily if not hourly at the moment..

Vehicle prices:

Average used car price soars 24% in just one year due to manufacturers continue to struggle to meet production demands of new cars.

Vehicle maintenance:

Average garage hourly rate now is £60 where in 2017 average price was £46.30 which is over 29% increase

Inflation:

The pound had an average inflation rate of 2.31% per year between 2017 and today, producing a cumulative price increase of 12.09%.

Inflation alone should dictate the increase, but throw in the need to invest in greener vehicles and the need to cover lost revenue caused by the pandemic, the fare prices should realistically go fairly up.

Living wage:

Living wage raise since oct 2017 (april 2017 to march 2018 - £7.50)
(April 2022 to march 2023 - £9.50)
£2 or 26.7% increase)

We also seen significant increase in tyres,parts and insurance prices..

That's only a few to mention, because in the end of the day we are also consumers and getting increases in out energy bills, council tax, council fees ,tax increases etc.

Given these figures I think the proposed rate increase is not enough and ineffective especially for the time scale it's been reviewed.. Whereas rail companies and other transport companies review tariffs on an annual basis, the taxi trade sometimes lags in its pricing. You'll be surprised by how many fares we're doing on flagfall of £3 and they're normally the most physical ones where we pick up customer from shop with fair amount of shopping bags for which we helping them to load into the vehicle before we start the meter,than drive for couple of hundred yards and helping them to offload them from vehicle after we stop the meter..These are the fares that will not be affected by the proposed rate increase...

I would like to ask what figures and period has been taken in consideration when this increase was agreed and I know it's a long shot, but when is planned to be next one,considering we missed last one which was due in the end of 2020(I've been told is normally reviewed every 3 years by licencing officer)

Kind regards,

27/02/2022

Ref:- Proposed Hackney Tariff Change.

For the attention of N.J. EDWARDS (LICENSING MANAGER),

I write with regards to the recently proposed changes to the Hackney Carriage Tariffs, which are due to come into effect from the 1st of April 2022. I strongly believe that the proposed increase is insufficient and requires significant reconsideration.

Hackney tariffs were last assessed and raised in 2017 a period 5 years previous. In this timeframe the average working and living costs have increased exponentially, relative to inflation and interest.

On average:

Fuel prices up 40% (and rising daily)

Rubber and tyres up 35%

General vehicle parts up 30%

Change in national minimum wage in April 2022 since April 2017 \rightarrow 27%

Cost of rental for radio system from local operator up 40%.

In addition to these increases, the public demand for cash and contactless payments which was growing every year but has been rapidly brought to the forefront due to the recent pandemic. This is now (from my personal experience) about 35% of my takings. Each individual transaction costs me between

1.67 and 2.8 % dependent on the type of card and method used.

This is in addition to the terminal cost, increased wifi requirement and business banking charges.

These costs have never been factored in, as card payments were not as prevalent in 2017.

An issue I feel which has never been taken into consideration (though I may be mistaken) is the loss factor. Non paying customers. I am not referring to those who refuse to pay (where you call the police and still get no payment) but those who simply abscond. This is particularly prevalent to those drivers like myself who work the overnight shifts. In any other business field, losses are coded into pricing, retail, restaurants, wholesale, regardless that cost is accounted for. I'm not sure it is in our field as our pricing is set by ~~the~~ body not involved in the day to day workings of the industry.

I can hand on heart say that not a single week has ever gone past when at least 1 passenger has not absconded without making payment (let me re-iterate that, NOT A SINGLE WEEK). This is in addition to those passengers who don't have enough fare, or those that expect us to return the day after at our own cost.

I am aware the 11pm to 7am tariff is higher and you may feel that the above issue is covered in this group set up. However I believe that the increase in tariff 2 is simply compensation for choosing to work anti social hours that others do not wish to work. The change in tariff is only a reflection of what I would receive working those shifts in any other vocation and not ~~and~~ a cover all price for losses highlighted above.

Finally I would surmise that it is common knowledge that the general cost of living has increased.

Food prices and domestic utilities are ever rising, in particular utilities expected to rise a further 50% by April.

Inflation and interest rates are rising and expected to rise further, which will cause rents, mortgages and vehicle finance payments to rise.

With all of this to bear in mind, I am very much of the opinion that the proposed increases are completely inadequate and as such should be reviewed before implementation. I also believe that tariffs should as a minimum be reviewed every 3 if not 2 years so that increases are gradual not sudden, by leaving it 5 years it has created a situation where any increase will feel inadequate to drivers but substantial to passengers. I hope you are able to find a happy medium, however I feel you are far short of it at the moment.

With regards

From:

Sent: 22 February 2022 12:43

To: Nicola Edwards

Subject: tariff increase

Hi Nichola The proposed increase on the tarrif dos not come close to covering increased expenses. I would therefore like you to ask the panel to increase the start (flag) of the tariff to £3.80 Day £4.50 night £4.80 Bank holiday as well as the increases already proposed.

Kind regards .