

## \*PART A

**Report to:** Licensing Committee  
**Date of meeting:** 18 March 2013  
**Report of:** Head of Environmental Services  
**Title:** Hackney Carriage Fare Tariff

### 1.0 **SUMMARY**

- 1.1 Watford Borough Council is the licensing authority for hackney carriages within the Borough. It has the power to set a maximum tariff of fares that may be charged for journeys within the Borough, and a request has been received from the Watford Hackney Carriage Drivers' Association to increase the current tariff. The last fare review and increase took place in 2010.
- 1.2 The proposal contained in this report and proposed by Watford Hackney Carriage Driver's Association is to add 60p to the initial fare of tariff 1 for the first three miles of a journey. There are no proposals to make any changes to tariffs 2, 3 or 4.
- 1.3 If approved by the Committee, the revised tariff will be advertised for 14 days. If no objections are received or those received are withdrawn, then the tariff will take effect from the end of the consultation period or when the last objection is withdrawn.
- 1.4 If objections are received and not withdrawn then the council must consider them. If The Committee can decide whether or not to modify the tariff and set a date on which the revised tariff will come into effect.

### 2.0 **RECOMMENDATIONS**

- 2.1 That the Licensing Committee consider the proposed revised tariff 1 of hackney carriage fare charts as shown at appendix 2.
- 2.2 If the Committee decide they wish to pursue the revisions to the fare, they authorise officers to consult and are aware that if no objections are received within 14 days the tariff will come into force. If objections are received the committee authorises officers to consider these objections and if they can not be resolved, bring the matter back to committee for further consideration.

**Contact Officer:**

For further information on this report please contact Oliver Rawlings,  
Licensing Officer  
telephone extension: 8903 email: [oliver.rawlings@watford.gov.uk](mailto:oliver.rawlings@watford.gov.uk)

**Report approved by:** Alan Gough, Head of Environmental Services

### 3.0 **DETAILED PROPOSAL**

#### 3.1 Legislative background

The Council is the licensing authority for hackney carriages within the Borough and has a power to set a maximum tariff of fares that may be charged for journeys within the Borough.

3.2 A statutory scheme is in place that requires any proposals for changes to the tariffs to be advertised in a public newspaper at least fourteen days before the tariff is due to come into force. If no objections are received, the tariff takes effect from the specified date. If objections are received, the tariff either comes into effect once the last objection has been withdrawn or, following consideration of the objections by the Council, within two months of the original date.

#### 3.3 History

The decision to approve fare proposals can be decided by either the Head of Environmental Services or the Licensing Committee. The last fare increase in 2010 was considered by the Licensing Committee given the length of time since the previous increase and the current and continuing economic situation.

3.4 Until 2005, the Transport & General Workers Union (Watford Cab Branch) submitted a request (generally on an annual basis) for an increase based on a wide-ranging basket of measures that incorporated factors such as inflation, insurance, depreciation, fuel and other relevant costs. This request would be considered and challenged by officers prior to agreement and consultation.

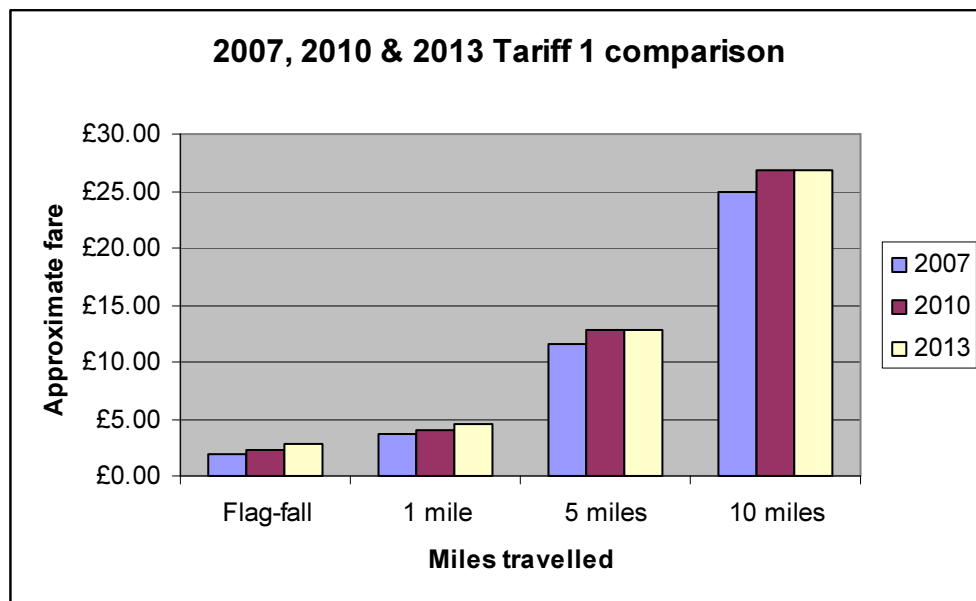
3.5 In 2005 officers and the then-Chair of the Licensing Committee agreed that future requests would be based on increases proposed by the Public Carriage Office/Transport for London, which regulates hackney carriages in London, on the basis that the costs to the trade of operating hackney carriages in Watford are not that dissimilar to those throughout London. The process also entails considerably less time and resources for all concerned, as the PCO take account of similar factors to those already mentioned above.

3.6 Tariffs are calculated according to the distance travelled, and the time taken when the vehicle is stationary. There are currently four fare tariffs in use:

- (1) tariff 1 – for up to 5 passengers between 6 am and 11 pm
- (2) tariff 2 – for up to 5 passengers between 11 pm and 6 am and on public holidays
- (3) tariff 3 – for 6 passengers or more between 6 am and 11 pm
- (4) tariff 4 – for 6 passengers or more between 11 pm and 6 am and on public holidays.

3.7 Tariffs also commonly contain a provision for extra charges to be levied, such as for carrying luggage. As part of the 2005 agreement, the trade agreed that extra charges would not be levied, apart from a discretionary £30 soiling charge. This soiling charge was increased to £50 as part of the 2010 fare review.

3.8 Appendix 1 shows the current fare tariff table, which was introduced in February 2010. The table below shows comparisons between the 2007, current and proposed tariff 1 for the minimum fare, and over 1, 5 and 10 miles.



3.9 The Watford Hackney Carriage Drivers' Association has requested an increase to the current tariff 1 only. The new tariff set out at appendix 2 requests the following changes:

- (1) a new minimum fare of £2.80 instead of £2.20;
- (2) the 60p increase to remain until 3 miles is reached;
- (3) the tariff to then revert to the current level.

3.10 Fare comparisons

Average fares for a one-mile journey on tariff 1 within Watford will rise from around £4.00 to around £4.60. A 10 mile journey on T1 will remain the same as the current T1.

3.11 The current London minimum fare is £2.40 at all times. An average one-mile journey on T1 is £5.60 - £8.60.

3.12 It is difficult to make direct comparisons with other authorities, because of the differing basis on which they set their charges which will vary according to a large number of factors. However, the table at appendix 3 shows the tariffs for other Hertfordshire and Bedfordshire authorities.

3.13 According to Private Hire and Taxi Monthly, the national average starting fare for tariff 1 is now £2.68. The proposed new tariff 1 starting fare for Watford would be £2.80. An average 1 mile day-time journey is £3.82 in the East Anglian region, compared to the approximate £4.60 cost the proposed changes would mean for Watford. In comparison to other neighboring councils for day-time rates, Hertsmere starts at £2.40; Three Rivers at £2.70; Dacorum at £2.80 and St Albans at £2.50. It is not normally ideal to consider like-for-like because of differences in topography, road congestion, size of taxi fleet etc which can alter the reasons why those starting points are chosen.

3.14 The fare tariff only applies to hiring's starting within the Borough although passengers may negotiate a different fare if the journey ends outside of the Borough. In practice, hackney carriages tend to use the metered rates for nearly all journeys. The Committee will be aware that it is unable to control the fares charged by private hire vehicles, which are a private contract between the passenger and the operator.

3.15 This is the first increase sought by the trade since 2010. It is notable that they have had to bear increased costs resulting from increased competition between hackney carriages, increasing levels of traffic, fewer passengers due to the economic downturn and fewer trains stopping at Watford Junction. The WHCDA have taken the decision to only request an increase to tariff 1 which only affects journeys made between 06:00 and 23:00 and shorter than 4.61 miles (approximately).

3.16 In support of their request for an increase to tariff 1 the WHCDA wished for the following information to be taken into account:

“WHCDA after consulting Taxi Operators, Drivers and Members of trade want to see an increase in tariff 1 fare in the radius of the first 3 miles only. All the other tariff rates are not requested for an increase despite not having any fare increase for nearly 3 years. All tariff increase statistics and information of our request is with Taxi Dept. We are aware of the difficulties everybody is facing in the current economical climate. Due to these reasons we held back for 3 years of not requesting a fare increase with great difficulties. I hope our patience for 3 years of no increase is appreciated by the committee when

making the decision. But it is unfair for Taxi drivers to continually keep absorbing high fuel prices, insurance, maintenance and tyres increase in prices ever year. Licensing and other expenses are also increasing.

“After careful analysis of all things concerned we are requesting the committee to allows us this minimal increase request we have given, this request is after our meeting with the Taxi Dept of Watford Council\*. I am also sending the following report of this year(s) prediction on further increases in fuel prices, this will cause further havoc. The following report was on Sky News which was downloaded for your attention.

Kind regards,  
Shafiq Ahmed  
(Chair, WHCDA)”

\*The meeting held with WHCDA was to finalise the changes that the trade were requesting and to look at the practicality of implementing the new tariff. The distances shown on the proposed 2013 tariff were calculated by officers to achieve the changes requested by the trade.

### 3.17 Report from Sky News:

“On 19 Feb 2013 Motorists have been warned that petrol prices may soon reach their highest level ever.

The AA said sterling's slide and market speculation could push prices to record levels by Easter.

The warning comes as tanker drivers at the Grangemouth refinery, which supplies Scotland, Northern Ireland and northern England, begin a three-day strike in a row over pay and pensions.

After surging 5p a litre over a month, the price of petrol at the pumps has gone up a further 1p in the last five days, the AA said.

It revealed that the average cost of petrol in the UK is now 138.32p per litre, with diesel having risen 4.78p from its mid-January price to stand at an average of 145.10p.

The latest figures show that petrol has risen 6.24p since early January, adding £3.12 to the cost of refilling a typical 50-litre tank.

The AA said filling up the 70-litre tank of a Ford Mondeo now costs £4.37 more than it did six weeks ago.

A two-car family's monthly petrol cost has risen £13.25 with the current price surge.

It added that drivers have been caught between the pound weakening against the dollar and soaring wholesale prices, both due to stock market speculation.

Regionally, Yorkshire and Humberside and the north of England are the cheapest for petrol at the moment at 137.6p a litre, with prices in

London and Scotland at an average of 137.8p. Northern Ireland is the most expensive at 138.7p.

Yorkshire and Humberside remains the cheapest region for diesel, averaging 144.2p, while East Anglia, Northern Ireland and southeast England are the most expensive at 145.2p.

AA president Edmund King said: "This latest surge in fuel prices and its impact on spending indicates that UK drivers and families can't take any more.

"We're no longer talking of the motorist as a cash cow for tax and speculator greed, but a horse slowly but surely being flogged to death.

"This is the third 10p-a-litre wholesale price surge in 11 months, given extra vigour by currency speculators betting against the pound."

Government revenue from fuel duty has also been hit hard as Britons reduce spending by cutting back on non-essential journeys.

HM Revenue and Customs figures showed that January's UK petrol sales fell to the lowest tracked by the Government in 23 years.

Drivers consumed 1.465 billion litres of petrol last month, down 14 million litres on the previous all-time low set in March last year and nearly 100 million litres below December's consumption of 1.564bn litres."

- 3.18 Implementation  
If no objections are received during the 14-day consultation period or those received are withdrawn the new fares will come into operation. Hackney carriage proprietors will then take their vehicles to specialist taximeter suppliers for their meters to be re-programmed and re-calibrated and, where possible, sealed against unauthorized tampering. Drivers then present a calibration certificate to the Council within 24 hours of the re-calibration.
- 3.19 Drivers may commit a number of offences relating to fares, such as over-charging, failing to use a sealed meter, failing to display a fare tariff, or concealing the meter display. These are dealt with by the Council's normal enforcement policies including penalty points, warnings and prosecutions.

## 4.0 **IMPLICATIONS**

### 4.1 **Financial**

- 4.1.1 The Head of Strategic Finance comments that there are no direct financial consequences to the Council arising out of this report.

### 4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 The legal implications are contained within the body of the report.

### 4.3 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
<i>Objections received to proposals</i>	1	2	2
<i>Committee resolves not to approve new tariff</i>	2	1	3
<i>Incorrect legal procedure followed to implement change leading to legal challenge</i>	1	1	1

#### Appendices

Appendix 1 – Watford Borough Council taxi tariff 2010

Appendix 2 – Watford Borough Council proposed taxi tariff 2013

Appendix 3 – Tariffs from the Public Carriage Office (PCO) and other Hertfordshire and Bedfordshire authorities

#### Background Papers

Public Carriage Office Taxi fares from 14 April 2012

Private Hire and Hackney Carriage Monthly, January 2013

#### File Reference

2013 Taxi tariff