

COMMITTEE: GENERAL LICENSING SUB-COMMITTEE
DATE: 5th July 2005
SUBJECT: Proposed fare increases received from the Trade
REPORT OF: Head of Environmental Health

Ward(s): All

Purpose: To decide upon a fare increase for Taxis within Eastbourne

1. Introduction

1.1 The Council exercises a discretionary power to set the maximum fares for taxi journeys in the Borough. There are currently 84 licensed taxis that are allowed to ply for hire in Eastbourne. Fares charged by taxis within the Borough can not be more than the fare set by Eastbourne Borough Council. Journeys that extend out of the Borough must not exceed agreed tariffs unless a prior contract is agreed with the hirer. The council do not set the fares for private hire vehicles.

1.2 Following a proposed fare increase in January and February it was decided that *all taxi proprietors* should be consulted in order to increase transparency.

2. Consultation

2.1 A letter was sent to all taxi proprietors on the 7th of March 2005 (please see figure 1). Owners were asked to propose changes to the existing fare/tariff system and provide details or vote for no change. This was to allow owners the greatest leeway with regard to their response.

2.2 The aforementioned letter raised a number of points for the taxi owners to consider as follows:

- Motoring costs have increased by 1% since January 2003 as per the ONS
- The RPI increased by 2.6% between January 2003 and January 2004. A subsequent rise of 3.2% has been recorded between January 2004 and January 2005. Therefore a total rise of 5.8%
- As of the 18th February 2005 underlying inflation was steady at 2.7%

2.3 Owners were requested to respond to this letter by the 1st of April 2005.

2.4 89 drivers were consulted in total of which 36 responded (turnout 40.45%)

- 2.5 89% stated they wanted an increase in fares. 8% wanted no change to fares and 3% were undecided (see figure 2)
- 2.6 Of those that indicated that they wanted an increase 59% were in accordance with the E&C Chairman, Mr Barry Morris. A further 22% voted for a fair increase and provided details. The remaining 19% indicated that they wanted an increase in fares but did not provide further details (see figure 3).
- 2.7 Further to the voting it was decided that those individuals that had either proposed a tariff change or voted against it should be invited to a meeting to determine commonality and reduce the number of options that committee would consider.
- 2.8 Correspondence was sent to the individuals concerned (see figure 4) inviting them to the meeting held on the 12th of April 2005. Figure 5 indicates the signatures of attendees.
- 2.9 Eventually after much discussion the individuals concerned could not agree on one proposal. Subsequently four proposals have been forwarded for committee to consider.

3. Proposals

- 3.1 Please find a breakdown of the current and four proposed tariffs in the table below. For further details of the tariffs proposed please see the appendix.

Rate 1: 7am to 9pm Mon to Sat

	Current	Morris	Reeves	Doxford & Lester	Smith
Meter Start	£1.80	£1.90	£2.20	£2.00	£2.00
1 st mile	£3.20	£3.30	£3.50	£3.40	£3.40
Each mile up to 5	£1.20	£1.30	£1.30	£1.30	£1.30
Each mile after 5	£1.50	£1.50	£1.30	£1.50	£1.70
Waiting time	10p/30 secs	10p/28 secs	10p/25 secs	10p/ 28 secs	10p/20 secs

Rate 2: 5am to 7am; 9pm to midnight Mon to Sat; 5am to midnight Sun & Bank holidays

	Current	Morris	Reeves	Doxford & Lester	Smith
Meter Start	£2.10	£2.20	£2.50	£2.30	£2.30
1 st mile	£3.50	£3.60	£3.80	£3.70	£3.70
Each mile up to 5	£1.20	£1.30	£1.30	£1.30	£1.30
Each mile after 5	£1.50	£1.50	£1.30	£1.50	£1.70
Waiting time	10p/30 secs	10p/28 secs	10p/25 secs	10p/28 secs	10p/20 secs

Rate 3: Midnight to 5 am every day. Also Christmas & New Years Eve 6pm to Midnight; New Years Day 5am to midnight

	Current	Morris	Reeves	Doxford & Lester	Smith
Meter Start	£2.40	£2.60	£2.80	£2.60	£2.60
1 st mile	£3.90	£4.20	£4.60	£4.20	£4.10
Each mile up to 5	£1.60	£1.60	£1.80	£1.60	£1.70
Each mile after 5	£1.80	£1.80	£1.80	£1.80	£2.00
Waiting time	10p/25 secs	10p/22 secs	10P/20 secs	10p/22 secs	10p/15 secs

Rate 4: All Christmas Day to 5am 27th Dec; New Years Day to 5am

	Current	Morris	Reeves	Doxford & Lester	Smith
	Double rate 1	Double proposed rate 1	Double proposed rate 1	Double proposed rate 1	Double proposed rate 1

	Current	Morris	Reeves	Doxford & Lester	Smith
Vehicle Fouling	£25	£40	£45	£50	
Domestic Pets	40p	60p	90p	£1	60p

Extras:

	Current Rates 1,2,4	Morris Rates 1,2,3,4	Reeves Rates 1,2,3	Doxford & Lester 1,2,3,4	Smith Rates 1,2,3,4
Each person over 1	20p	20p	30p	20p	30p
Children >3 years old	Free	Free	30p	Free	
Luggage	20p	20p	30p	20p	30p
Max extra charge	£1.40	£5.00	No limit	£5.00	
5 or More Passengers	Rates 1-4 plus 50%	Rates 1-4 plus 50% (inc removals)		Rates 1-4 plus 50%	Rates 1-4 plus 50%

3.2 Mr Reeves also proposes the following change to the timings connected to rates.

Rate 1	6am – 11pm Mon to Sat
Rate 2	11pm – 6am Mon to Sat 6pm – 11pm Christmas & New Years Eve 6am – 11pm New Years Day
Rate 3	6am – 11pm Sundays & Bank Holidays

Rate 4	11pm Xmas day to 6am 27 th Dec 11pm New Years Eve to 6am New Years Day
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4. Health, Safety and Enforcement implications

4.1 Please find a breakdown of the current and four proposed tariffs in the table below. For further details of the tariffs proposed please see the appendix.

4.2 Taxis provide a safe means of transport for passengers and are an invaluable resource used to help clear the town at night when the pubs and clubs turn out. Therefore taxi drivers should be encouraged and supported in fulfilling this function.

4.3 Fares should not rise dramatically (unless there is a high inflationary period) for the following reasons:

- Members of the public may not be able to afford the fares
- Vulnerable and often financially disadvantaged persons often rely on taxis as their primary or secondary mode of transport
- If people are deterred from using taxis then members of the trade in turn may suffer as earning capacities are reduced
- Crime hotspots (especially at night) may become further inflamed if people are unwilling to pay for a taxi and confrontational situations may increase

4.4 There is concern with regard to the maximum extra charge proposals. Unscrupulous members of the trade may overcharge members of the public. If there is a relatively low cap then this can be kept to a minimum. There is a great deal of difficulty successfully gaining evidence and securing a conviction in relation to overcharging involving extras. It is a matter of the passenger's word against the driver. Many authorities do not have extras at all.

5. Human Resource & Financial Implications

5.1 A significant amount of time was spent by the Licensing Team in the consultation process. The costs involved in this are recouped via the licence fees. However the process was time consuming and therefore diverted resources from other licensable activities.

5.2 It may be prudent for members to decide to set fares against an inflationary index, for example the RPI. This would dispense with the consultation process and the lack of agreement demonstrated by the parties concerned. For example fares could be reviewed by the Licensing Team every two years and fares would increase in line with inflation.

6. Outcome of decision by members

Any fare agreed by members is subject to objections from members of the public (see figure 6)

- 6.1
- An advert must be placed in a local newspaper, allowing 14 days for objections
 - A copy of the agreed proposal must be deposited at the council offices for 14 days to allow for objections

6.2 Objections received must then be considered by members. The fare structure is then subject to revision and must come into effect within two months of the original fare structure originally agreed by members.

6.3 Any agreed tariff/fare structure agreed by members is constrained by technical implications. Tariffs/fares need to be compatible with the meters that are utilised in the town. The fare structure agreed may have to be materially altered to cater for these meters.

7. Summary of Options

The panel can approve or refuse any part of the proposals put forward or indeed decide on an alternative option as the panel sees fit.

8. Background Information

i) Button, JTH, 2004, *Taxis*. 2nd ed, London: LexisNexis Butterworths