

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Licensing Committee/ Environmental Services Portfolio Holder 26 June 2008
AUTHOR/S: Corporate Manager Health & Environmental Services/ Licensing Officer

HACKNEY CARRIAGE TARIFFS

Purpose

1. To advise and make recommendations to the Portfolio Holder on the adoption of a new table of fares, known as a tariff, applicable to Hackney Carriages in respect of the public undertaking journeys.
2. This is not a key decision.

Background

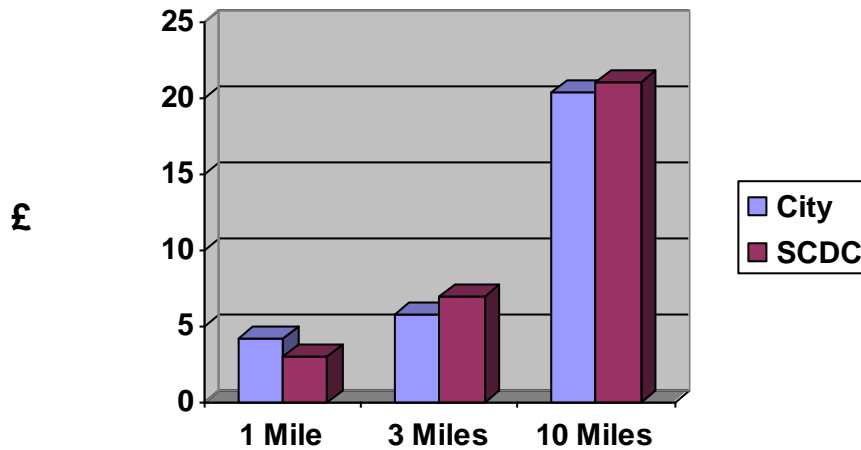
3. The Town Police Clauses Act 1847 creates a statutory duty for Local Authorities to licence Hackney Carriage vehicles. As part of this Act the District Council may set the tariffs that such vehicles can charge members of the public who undertake journeys in Hackney Carriages.
4. Private Hire vehicles are controlled under the Local Government (Miscellaneous provisions) Act 1976; under this legislation District Council has no jurisdiction to enforce any tariffs on the Private Hire trade.
5. At present there are 5 Hackney Carriage vehicles licensed by South Cambridgeshire District Council all of which will be subject to any amendments to the structure of existing tariffs or changes in fees to be charged. It is normal procedure that South Cambridgeshire District Council only reviews the tariffs when requested to do so by the trade. The last tariff review was in 2002. The current fees set are shown in **Appendix A**.
6. When applying an increase or change to the existing tariffs there is a set procedure that Local Authorities must follow, this is:
 - Recommendation of a tariff to the relevant Member body.
 - Publicly advertise any proposals agreed or made by the relevant Member body, allowing for a period of 20 days for the general public to raise any objections.
 - If objections are received the matter must be referred back to the Member body for a final decision.
 - If no objections are received the increase can be implemented at a time as agreed by the Member body either directly or by delegation.
7. On the 26 November 2007 a request was made a Hackney Carriage operator that SCDC considers an increase in fares to bring the charges in line with that of other authorities and in particular that of Cambridge City Council.

Considerations

8. As a result of the request officers consulted with the trade on two sets of proposals.
 - a. A fare increase that would allow for an overall increase but keep the general existing tariff structure, which would allow the driver to make additional charges for such items as excess luggage, number of persons being carried etc. and
 - b. A proposal that SCDC's tariff followed that of Cambridge City Council, which does not allow such extra charges (proposals attached as **Appendix B**).
9. In total 4 hackney Proprietors responded and all 4 asked that our tariffs be directly in line of that of Cambridge City Council. A number of reasons both in writing and verbally were given but the key areas for requesting the same tariff structure as Cambridge City were as follows:
 - Current confusion caused to customers who find it difficult to distinguish between a Cambridge City Hackney Carriage and a South Cambridgeshire Hackney Carriage.
 - The cost of getting meters reset by the relevant meter companies. There is a minimum charge, which in general is split between the number of Hackneys requiring the new settings.
 - Any future increases, if in line with Cambridge City, would follow the Public Carriage Office (London cabs) formulation for working out a reasonable increase, which is calculated and assessed by independent auditors.
10. Cambridge City review their Hackney Carriage tariffs on an annual basis and in general follows the Public Carriage Office annual recommendations for London Hackney Carriages, which this year is 4.7%. This is usually implemented in September each year.
11. There are currently significant differences between the structure of the tariffs charged by Cambridge City Council and South Cambridgeshire District Council. The City tariff structure is based solely on distance and time of journey and does not allow for extra charges. Whereas South Cambridgeshire's tariffs have historically had a lower starting charge over the first mile with additional charges being levied dependant on number of persons travelling and whether excess luggage is carried.
12. The majority of journeys taken within the City are for shorter urban journeys therefore a simple tariff based on time and distance is quite appropriate, however such a tariff could penalise single travellers taking short journeys when compared to the current South Cambridgeshire tariff.
13. The cost on single and family travellers of the two tariffs have been modelled in Graph 1 and 2 respectively. (It should be noted that the City rates are assuming that the current 4.7% increase recommended has been accepted).
14. The graphs show that for single travellers the SCDC tariff is more beneficial over shorter distances but this position is reversed over longer journeys. Whereas in graph 2, modelled using a typical group of 4 people travelling with 3 suitcases, the City tariff has cost advantages across all distances. Due to the rural nature of the district it is likely that journeys would be in general over a longer distance.
15. Adopting a tariff structure in line with the City would allow the SCDC licensed Hackney Carriage fleet to compete fairly with Cambridge City on the grounds of a

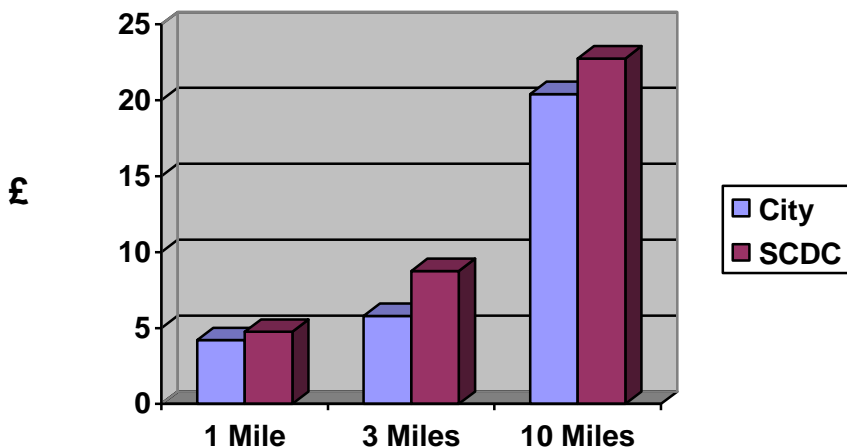
more straight forward service for the public and significantly reduce cost of implementing any future tariffs for the trade.

Graph 1: Cost comparison between SCDC and Cambridge City Tariffs on single person journey



Single Journey

Graph 2: Cost comparison between SCDC and Cambridge City Tariffs on Family Journey



Family Journey

16. All fares set by the Licensing Authority are maximum fares and are only applicable for journeys taken within the district boundaries. Hackney Carriages may charge less than the stated fare if they wish and may negotiate fares when journeys go outside of the district boundaries.
17. If a new tariff is agreed by Members the proposals will be advertised and, if no objections are received, will come into effect 28 days after a public notice is inserted in a local newspaper. If objections are received the matter will be reported back to the Member body for a final decision. Once a tariff has been set by South Cambridgeshire District Council, officers will liaise with the trade and meter manufacturers to recalibrate existing vehicle meters as soon as is practicably possible.

Options

18. Members may:
- (a) Adopt the tariff structure and fees in line with Cambridge City Council as requested by the majority of the Hackney Carriage trade in SCDC (Appendix B).
 - (b) Keep the current tariff structure in place and implement the increase as referred to in **Appendix C**.
 - (c) Keep the existing tariffs and make no increase.

Implications

Financial	There are no financial implications to the Council in implementing a new tariff other than an advert in a newspaper
Legal	Any applicant would have a right of objection to any proposed tariff as indicated in the report
Staffing	None
Risk Management	There is a reputation risk if tariff are agreed which substantially disadvantages either the travelling public or the trade. The recommendations ensure that both benefit.
Equal Opportunities	None arising from this report.

Consultations

19. As detailed earlier in the report.

Effect on Annual Priorities and Corporate Objectives

20.	Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future
	N/A
	Delivery high quality services that represent best value and are accessible to all our community
	The new tariffs would make the charging system easier to understand for the general public and benefit those taking longer journeys. A tariff change will not adversely affect this objective
	Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work
	N/A

Conclusions/Summary

21. The current tariffs were last reviewed in 2002. Since this time costs have significantly increased and it is the view of the trade, supported by officers, that a further review is now required.
22. The trade would largely welcome any increase in tariffs, however there would be cost advantages to the trade and travelling public (except for single travellers over short

distances) by adopting an ongoing tariff structure in line with that of Cambridge City Council.

Recommendations

23. It is recommended that the Licensing Committee recommends to the Environmental Services Portfolio Holder that Cabinet:
- (a) Approves the new tariff structure and fees for advertising as set out in the Cambridge City tariff (Appendix B).
 - (b) Agrees to future fee increases being in line with that of Cambridge City Council i.e. follow the Public Carriage Office (London Cabs) formulation.
 - (c) That if, after advertising the proposed tariffs, no objections are received then the Corporate Manager Health & Environmental Services be delegated to set an implementation date as soon as possible with the trade and meter manufacturers.

Background Papers: the following background papers were used in the preparation of this report: Town Police Clauses Act 1847

Contact Officers: Myles Bebbington – Licensing officer
Telephone: (01954) 713132
Dale Robinson – Corporate Manager Health & Environmental Services
Telephone: (01954) 713229