

## 5. REQUEST FOR INCREASE IN HACKNEY CARRIAGE FARES 2014 AND AN ANNUAL TARIFF INCREASE BASED ON A PERCENTAGE FORMULA

REPORT OF: Head of Housing, Environmental Health and Building Control  
Contact Officer: Alec Lee Licensing Officer  
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Wards Affected: All  
Key Decision No  
Report to: Licensing Committee  
12th March 2014

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### Purpose of Report

The purpose of the report is for the Licensing Committee to consider an application from the Mid Sussex Taxi Association for an increase in the Hackney Carriage fares, and to consider in principle the introduction of a formula, the detail of which would be agreed at a later date by Committee, for future annual tariff changes.

### Recommendations

- 2 Members are recommended to:
- (i) Increase the Hackney Flag Tariff on 1<sup>st</sup> April by 20p with a reduction in yardage by 8 yards.
  - (ii) Reduce the distance covered for 20p from 170 yard to 160 yards.
  - (iii) Instruct the Taxi Licensing Officers in conjunction with Mid Sussex Taxi Association to develop a mechanism for setting fares in the future and report back to the Committee their proposal for adoption.
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### Background

- 3.0 The Mid Sussex Taxi Association has requested an increase in Hackney Carriage fares from 1<sup>st</sup> April 2014 on the grounds that since the last tariff increase there has been a general increase in the cost of living, fuel costs and maintenance costs, and the continued impact of the Private Hire fleet currently working in Mid Sussex. (Appendix 1) (Appendix 2) (Appendix 3) The last change to the tariffs was agreed by the Licensing Committee on 6<sup>th</sup> March 2013 and included an increase in the tariff, an increase in the Fuel Surcharge start point and a discretionary Booking Fee. The Association has requested consideration being given to an automatic annual fare increase in the future based on an agreed formula in order to simplify the application process for both the council and the Taxi Association.
- 3.1 The proposal is to:
- Reduce the minimum fare (flag) distance from 338 yards to 330 yards.
  - Increasing the flag fare by 20p.
  - Reduce the distance travelled for every 20p from 170 yards to 160 yards.
  - Waiting time to be retained at 20p for 40 seconds, this equates to £18 per hour.
- 3.2 The current tariff is shown as Appendix 4, and the proposed tariff is shown as Appendix 5.

- 3.3 Currently the Taxi fares for Brighton and Hove, Crawley and Horsham are very similar to Mid Sussex Fares with a 1 mile fare of between £4:20p and £4:30p. . According to the Table published in the February edition of Taxi and Private Hire Monthly, Mid Sussex was placed 23<sup>rd</sup> out of 364 local authorities with Adur, Brighton and Hove and Crawley in higher positions. Other neighbouring areas such as Wealden, Arun, Horsham, Lewes and Hastings are ranked below Mid Sussex

### **Policy Context**

- 4 By virtue of the Town Police Clauses Act 1847, The Local Government (Miscellaneous Provisions) Act 1976 and the Transport Act 1985 the Council is required to administer and enforce the activities of Hackney Carriages throughout the district.

### **Financial Implications**

- 5 Amendments to the Hackney Carriage tariffs cost the Council approximately £900 for advertising the changes in the local newspapers. This cost is met within the existing budget.

### **Risk Management Implications**

- 6 The proposed changes will be advertised so that members of the public will be given ample opportunity to submit objections prior to implementation. All representations will be considered and will be reported to the committee as necessary.

### **Equality and Customer Service Implications**

- 7 The fare increase is likely to affect users on low income but the fares are the maximum cost a driver can charge. All users can negotiate their fares or shop around for an alternative transport provider e.g. private hire operator or public transport.

### **Other Material Implications**

- 8 None

### **Background Papers**

- 9 None



A VOICE FOR THE HACKNEY CARRIAGE TRADE IN MID SUSSEX

A Milton, Secretary to the Association,  
6 Rumbolds Lane, Haywards Heath, West Sussex RH164NY

**An MSTA submission to the Mid Sussex District Council in the matter of proposed Taxi Tariffs to be applied to the local Hackney Taxi trade from 1<sup>st</sup> April 2014 .**

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**Date 30<sup>th</sup> January 2014**

A recent postal ballot of the total MSTA membership was held to consider a fare increase to the meter rate for Licensed Hackney vehicles.

At a meeting held 9<sup>th</sup> December 2013 to decide on a postal ballot 38 members were present and the motion to apply for an increase and proceed to a postal ballot of the full membership was passed on a show of hands with 28 in favour and 10 against. The postal ballot of the full membership returned 34 valid ballot papers with 25 in favour, 8 against and 1 abstain.

The motion was passed to submit the Tariff increases as per the attached sheet.

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At the meeting held 9<sup>th</sup> December 2013, the membership were also asked to vote on a motion to submit to MSDC a proposal that Hackney Tariffs be increased annually on a percentage based on RPI or CPI or another agreed percentage applicable from April 2015. This proposal was passed by show of hands 28 in favour 10 against. The motion was included in the postal ballot of the full membership and returned 28 in favour, 3 against and 3 abstains.

The motion was passed to submit an application for annual percentage based tariff increases from 2015 to MSDC for their consideration.

We look forward to receiving the councils decisions on the above 2 proposals.

Yours sincerely,

Tony Milton (Secretary)..



A VOICE FOR THE HACKNEY CARRIAGE TRADE IN MID SUSSEX

A Milton, Secretary to the Association.  
6 Rumbolds Lane, Haywards Heath, West Sussex RH164NY

11<sup>th</sup> February 2014

**Subject: MSTA Proposal for a Hackney Carriage Tariff Increase.**

Further to our earlier submission to the council with regard to the above, below we outline the reasoning behind our submission.

The submission by the MSTA to MSDC for a Tariff increase was the result of a proposal and subsequent postal ballot of the MSTA members. The proposal was approved by the majority of the returned ballots. The reasoning of individual members in approving the proposal is not known to the committee and we can only give an overall impression of supporting arguments.

Direct costs to the trade and to the general cost of living have increased since the last tariff increase and this would normally be sufficient to trigger a submission for a tariff increase, however, the trade is additionally faced with a significant investment burden which we need to plan for. Most of the Hackney fleet will require replacement by 2017 to comply with MSDC new regulations concerning vehicle age and colour and this will be substantial.

We have given evidence to the licensing office of, what we would term, a blatant disregard of the rules regarding private hire and Road Runners. As an example, you will recall the advert seen in Crawley posted by Road Runners requesting PH drivers with Wealden plated vehicles to work in their new office in Horsham. We could add that, with little evidence of Roadrunners being monitored or controlled in any way, and with their evident increase in stopping adjacent to ranks and venues, with no immediate pickup, it follows that we must be suffering a reduction in demand for authorised cabs. Furthermore, the failure to police the ranks for illegally parked cars, generates the illusion that taxis are not using the facility. Yesterday (Sunday 9th Feb) mid-morning, there was not a single space on the rank in South Road and the shops were busy. This restriction to our ability to trade must stop. If our earning potential is reduced, we will inevitably be asking to increase our rates for reasons beyond our control. This latter point is compounded by the proposed reduction in rank availability in Church Road, Burgess Hill. MSTA have made representation to Mike Thomas (MSDC), and Cllrs Anne Jones and Andrew Barrett-Miles without response to date.

It will also not have escaped the notice of the council that the condition of the roads has deteriorated dramatically in recent years. As taxis generally do substantially more miles than the average motorist, it follows that we inevitably sustain more damage from potholes than they do. Of course we can claim for some of the damage but we do not get paid for the time we spend submitting and monitoring /chasing our claim, time off road for repair etc. and what about damage which is not apparent immediately, e.g. suspension struts, anti-roll bar bushes etc.

We are sure we could give you other examples of how we are having to provide additional resources to maintain our vehicles but suffice to say that our opinion is that the requested increase in the current fares is more than justified.

All of the above has serious consequence on Licensed MSDC vehicles and questions the viability of the trade i.e. the ability to maintain our vehicles, our standard of living and our continuance in the trade.

The reasoning behind the MSTA asking for a discussion on future Tariff increases to be based on a percentage was to simplify matters for us and for MSDC. For example, we understand there is a formula whereby local government salaries are agreed upon annually. Perhaps this could be used or maybe the CPI or RPI index.

Kind Regards

A. W. Milton Secretary.

On behalf of the Mid Sussex Taxi Association.



CURRENT TARIFF		Mid Sussex December 2013 (1)	
<b>TARIFF 1</b>			
Name :	TARIFF 1	Name :	TARIFF 2
Date :	12/01/13	Date :	12/01/13
Selling charge:	£40.00	Selling charge:	£40.00
Wait:	20 (secs)	Wait:	20 (secs)
Flag fall:	£2.00 A	Flag fall:	£4.20 A
Initial yardage:	330 B	Initial yardage:	330 B
Unit thereafter:	170 C	Unit thereafter:	170 C
Price unit :	0.2 D	Price unit :	0.2 D
Initial Waiting Time (secs):	40	Initial Waiting Time (secs):	40
<b>TARIFF 3</b>			
Name :	TARIFF 3	Name :	TARIFF 3
Date :	12/01/13	Date :	12/01/13
Selling charge:	£40.00	Selling charge:	£40.00
Wait:	20 (secs)	Wait:	20 (secs)
Flag fall:	£5.00 A	Flag fall:	£5.00 A
Initial yardage:	330 B	Initial yardage:	330 B
Unit thereafter:	170 C	Unit thereafter:	170 C
Price unit :	0.4 D	Price unit :	0.4 D
Initial Waiting Time (secs):	40	Initial Waiting Time (secs):	40
<b>PROPOSAL 3 / NEW TARIFF</b>			
<b>TARIFF 1</b>			
Name :	TARIFF 1	Name :	TARIFF 2
Wait:	19.5 (secs)	Wait:	19.5 (secs)
Flag fall:	£3.00 A	Flag fall:	£4.50 A
Initial yardage:	330 B	Initial yardage:	330 B
Unit thereafter:	160 C	Unit thereafter:	160 C
Price unit :	0.2 D	Price unit :	0.2 D
Initial Waiting Time (secs):	40	Initial Waiting Time (secs):	40
<b>TARIFF 3</b>			
Name :	TARIFF 3	Name :	TARIFF 3
Wait:	19.5 (secs)	Wait:	19.5 (secs)
Flag fall:	£6.00 A	Flag fall:	£6.00 A
Initial yardage:	330 B	Initial yardage:	330 B
Unit thereafter:	160 C	Unit thereafter:	160 C
Price unit :	0.4 D	Price unit :	0.4 D
Initial Waiting Time (secs):	40	Initial Waiting Time (secs):	40
<b>TARIFF 1</b>			
Current	Proposed	% Change	
£2.00	£3.00	7.14%	
£4.00	£4.80	4.35%	
£6.00	£7.80	5.06%	
£8.00	£9.20	4.55%	
£10.00	£11.40	5.50%	
£12.00	£13.60	6.25%	
£15.00	£16.60	5.33%	
£17.00	£18.80	5.80%	
£19.00	£20.20	6.32%	
£21.00	£22.40	5.66%	
£23.00	£24.60	6.03%	
<b>TARIFF 2</b>			
Current	Proposed	% Change	
£4.20	£4.50	7.14%	
£6.90	£7.20	4.35%	
£9.80	£10.50	6.06%	
£13.20	£13.80	4.55%	
£16.20	£17.10	5.50%	
£19.20	£20.40	6.25%	
£22.50	£23.70	5.33%	
£25.50	£27.00	5.80%	
£28.50	£30.30	6.32%	
£31.90	£33.60	5.66%	
£34.80	£36.90	6.03%	
<b>TARIFF 3</b>			
Current	Proposed	% Change	
£5.60	£6.80	7.14%	
£8.20	£9.60	4.35%	
£13.20	£14.80	6.06%	
£17.60	£19.40	4.55%	
£22.80	£24.20	5.50%	
£25.60	£27.20	6.25%	
£30.00	£31.60	5.33%	
£36.00	£38.40	5.80%	
£42.40	£44.80	6.32%	
£48.40	£49.20	5.66%	
<b>TARIFF 3</b>			
Current	Proposed	% Change	
£5.60	£6.80	7.14%	
£8.20	£9.60	4.35%	
£13.20	£14.80	6.06%	
£17.60	£19.40	4.55%	
£22.80	£24.20	5.50%	
£25.60	£27.20	6.25%	
£30.00	£31.60	5.33%	
£36.00	£38.40	5.80%	
£42.40	£44.80	6.32%	
£48.40	£49.20	5.66%	

Maximum Hackney Carriage Fares from 8<sup>th</sup> April 2013

Local Government (Miscellaneous Provisions) Act 1976 Section 65



<b>Tariff 1-</b>	<b>Applies to all hirings except those mentioned in Tariffs 2 and 3</b>	
Initial distance not more than 309 metres (338 yards) or a combination of distance and time, or part thereof.		<b>£2.80p</b>
For the next 155 metres (170 yards, or part thereof)		<b>20p</b>
Waiting time for each period of 40 seconds		<b>20p</b>
<b>Tariff 2-</b>	<b>Applies to all hirings begun between 12 midnight and 6am on weekdays and 12 midnight and 8.30am on Sundays, after 8pm on 24 and 31 December, all day 26 December, Good Friday, Easter Sunday and public and bank holidays, and all Sundays which are followed by a bank holiday in lieu.</b>	
Initial distance not more than 309 metres (338 yards) or a combination of distance and time, or part thereof.		<b>£4.20p</b>
For the next 155 metres (170 yards, or part thereof)		<b>30p</b>
Waiting time for each period of 40 seconds		<b>30p</b>
<b>Tariff 3 -</b>	<b>Applies to hirings from 00.01 hours on December 25 until midnight December 25</b>	
Initial distance not more than 309 metres (338 yards) or a combination of distance and time, or part thereof.		<b>£5.60p</b>
For the next 155 metres (170 yards, or part thereof)		<b>40p</b>
Waiting time for each period of 40 seconds		<b>40p</b>
<b>Additional Charges</b>		
Subject to the licensed capacity of the vehicle, the driver, when carrying <b>five passengers or more</b> is allowed to charge <b>Tariff 2 when Tariff 1 charges apply, and Tariff 3 charges at times when Tariff 2 charges apply.</b>		
<b>Soiling charge</b>		<b>£40</b>
<b>Booking Fee (Optional / only when advance booking made)</b>		<b>50p</b>
<b>Emergency Fuel Surcharge</b>		
To be applied to each £5 of indicated metered fare, or part thereof, <b>during periods</b> when pump prices reach		
<b>A</b>	<b>£1.90 - £2.24p per litre</b>	<b>20p</b>
<b>B</b>	<b>£2.25 - £2.49p per litre</b>	<b>40p</b>
<b>C</b>	<b>£2.50 per litre</b>	<b>60p</b>

Any enquiries, please contact:

Mid Sussex District Council  
 Oaklands Road  
 Haywards Heath  
 West Sussex  
 RH16 1SS

01444 458166  
[www.midsussex.gov.uk/taxi](http://www.midsussex.gov.uk/taxi)

**Maximum Hackney Carriage Fares from 1<sup>st</sup> April 2014****Local Government (Miscellaneous Provisions) Act 1976 Section 65**

<b>Tariff 1-</b>	<b>Applies to all hirings except those mentioned in Tariffs 2 and 3</b>	
Initial distance not more than 302 metres (330 yards) or a combination of distance and time, or part thereof.		<b>£3.00p</b>
For the next 146 metres (160 yards, or part thereof)		<b>20p</b>
Waiting time for each period of 40 seconds		<b>20p</b>
<b>Tariff 2-</b>	<b>Applies to all hirings begun between 12 midnight and 6am on weekdays and 12 midnight and 8.30am on Sundays, after 8pm on 24 and 31 December, all day 26 December, Good Friday, Easter Sunday and public and bank holidays, and all Sundays which are followed by a bank holiday in lieu.</b>	
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For the next 146 metres (160 yards, or part thereof)		<b>30p</b>
Waiting time for each period of 40 seconds		<b>30p</b>
<b>Tariff 3 -</b>	<b>Applies to hirings from 00.01 hours on December 25 until midnight December 25</b>	
Initial distance not more than 302 metres (330 yards) or a combination of distance and time, or part thereof.		<b>£6.00p</b>
For the next 146 metres (160 yards, or part thereof)		<b>40p</b>
Waiting time for each period of 40 seconds		<b>40p</b>
<b>Additional Charges</b>		
Subject to the licensed capacity of the vehicle, the driver, when carrying <b>five passengers or more</b> is allowed to charge <b>Tariff 2 when Tariff 1 charges apply, and Tariff 3 charges at times when Tariff 2 charges apply.</b>		
<b>Soiling charge</b>		<b>£40</b>
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