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28 May 2010

S U M M O N S

MEETING: Licensing Board
DATE: 8 June 2010
TIME: 6.00pm
PLACE: Council Chamber, Town Hall, Gosport
Democratic Services contact: Lisa Reade

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

Councillor Beavis (Chairman)
Councillor Murphy (Vice Chairman)

Councillor Bradley	Councillor Mrs Cully
Councillor Carter C K	Councillor Foster-Reed
Councillor Carter C R	Councillor Jacobs
Councillor Chegwyn	Councillor Scard

The Mayor (Councillor Allen) (ex officio)
Chairman of P & O Board (Councillor Hook) (ex officio)

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm (continuous ringing sound) sounding, please leave the room immediately.

Proceed downstairs by way of the main stairs or as directed by GBC staff, following any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

RECOMMENDED
MINUTE
FORMAT

PART A ITEMS

1. APOLOGIES FOR NON-ATTENDANCE
2. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

3. MINUTES OF THE MEETINGS OF THE BOARD HELD ON 23 MARCH 2010 and 19 MAY 2010 [copies herewith].
4. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Friday, 4 June 2010. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Friday, 4 June 2010).

6. REVIEW OF HACKNEY CARRIAGE FARE TARIFF

The report advises the Licensing Board of the role of the licensing authority in controlling the Hackney Carriage tariff and advises the Board on a potential increase the Hackney Carriage tariff currently in operation and related fees.

PART II
Contact Officer:
Tom
Dagens/Julian
Bowcher
Ext 5305/5551

7. ANY OTHER ITEMS

Which by reason of special circumstances the Chairman determines should be considered as a matter of urgency

Licensing Board
8 June 2010

8. EXCLUSION OF PUBLIC

To consider the following motion:

That in relation to the following item the public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out.

PART B ITEMS
FOLLOWING THE EXCLUSION OF PRESS AND PUBLIC

Item No.	Item	Paragraph no. of Part I of Schedule 12A of the Act	
9	APPLICATION FOR THE ISSUE OF A PRIVATE HIRE VEHICLE DRIVERS LICENCE	Paragraph 1 The report identifies sensitive personal information	PART II Contact Officer: Gaynor Williams Ext 5503
10	APPLICATION FOR THE ISSUE OF A PRIVATE HIRE VEHICLE DRIVERS LICENCE	Paragraph 1 The report identifies sensitive personal information	PART II Contact Officer Clive Tizard Ext 5609

Board/Committee:	LICENSING BOARD
Date of meeting:	8 JUNE 2010
Title:	REVIEW OF HACKNEY CARRIAGE FARE TARIFF
Author:	ENVIRONMENTAL SERVICES MANAGER & FINANCIAL SERVICES MANAGER
Status:	FOR DECISION

Purpose

The report advises the Licensing Board of the role of the licensing authority in controlling the Hackney Carriage tariff and advises the Board on a potential increase the Hackney Carriage tariff currently in operation and related fees.

Recommendations

The Licensing Board is requested to:-

approve an increase in the maximum level of Hackney Carriage fares chargeable and consider which formula and tariff model should be implemented, subject to public consultation, from 1 August 2010.

Consider the request from license holders that maximum level of Hackney Carriage fares chargeable for Christmas Day, Boxing Day be increased from one and a half to two times the normal fare.

Consider a request for an additional tariff for larger vehicles.

Consider increases in the charges made for extra items identified in the report.

1.0 Background

- 1.1 It is an offence for a Hackney Carriage driver to charge more than the tariff set by the licensing authority for a journey. Any alteration to the tariff must be agreed by the licensing authority and is subject to public consultation prior to implementation.

- 1.2 Previously this Council has reviewed the Hackney Carriage tariff for vehicles operating in the Borough on an annual basis. The means adopted to carry out this review has been a formula which was agreed by the Licensing Sub Committee at its meeting held on the 4 October, 2001, following consultation with the trade. The formula calculates the operating costs of Hackney Carriages with certain elements incurring different weightings to reflect their contribution to the overall costs incurred by the trade.
- 1.3 The tariffs operated by hackney carriages in the borough comprise of tariff 1 (100% of the agreed tariff) between 06:00 and 00:00 (midnight) and tariff 2 (150%) between 00:01 and 06:00 each day. The tariff applied on bank holidays is tariff 2 all day; the tariff is also increased to tariff 2 on New Years Eve from 19:30 until midnight.

2.0 Report

- 2.1 The Hackney Carriage tariff was last presented to the Licensing Board for review on the 8 June 2009. At this meeting the Licensing Board approved the recommendation not to increase in the tariff from that previously agreed in 2008 when an increase of 5.19% had been approved.
- 2.2 A copy of the approved formula is shown in Appendix A and indicates that should the Board be supportive of it being used to determine the increase for the period since the tariff was last amended, an increase of 3.91% is appropriate. Two models for implementing a tariff increase approximately in line with this increase are shown in Appendix B.
- 2.3 Guidance issued by the Department for Transport states that " *Fare scales should be designed with a view to practicality. The Department sees it as good practice to review the fare scales at regular intervals.*" The guidance goes on to say " *The Department also suggests that in reviewing fares authorities should pay regard to the needs of the travelling public, with reference both to what is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed*".
- 2.4 The vehicle licence holders have been consulted on the formula findings and were generally in agreement with the percentage increase originally identified as approximately 3%. The final outcome identified by the formula 3.91%, had not been formally consulted on with the trade at the time of preparing this report.
- 2.5 Operators have requested that the Board consider other matters regarding implementation of the tariffs and related charges these are as follows

- 2.6 On Christmas Day and Boxing Day a tariff equal to 200% of the agreed basic tariff is implemented for the entire day.
- 2.7 Implementation of tariff 2 between 23:30 and 05:00 (excluding bank holidays when the proposed higher tariff if accepted would apply). This will increase the cost of using a hackney carriage for an additional period of 30 minutes in the late evening (23:30 – 00:00), there will be a saving for persons using hackney carriage in the early morning between 05:00 and 06:00.
- 2.8 Implementation of a new tariff for 5 - 7 seat vehicles to offset the increased cost of purchase / operation of this type of vehicle. Implementation of such a tariff could be achieved in two ways. A special tariff to be applied when occupancy of the vehicles exceeds a pre determined number of passengers or an additional tariff structure to be applied at all times for these larger vehicles.

A variable tariff may be subject to abuse and applied irrespective of the number of passengers being carried by unscrupulous operators. A separate tariff structure for large vehicle may deter members of the public from using these vehicles leading to confusion on the hackney carriage ranks as customers avoid were possible these vehicles.

To date none of the licensing authorities in Hampshire have adopted special tariffs for these larger vehicles.

- 2.9 Increases in the charges for extras. The tariff provides an additional charge of 10p for each of the following:
1. Per piece of luggage
 2. For each dog (excluding guide /assistance dogs)
 3. For each person in excess of one

These charges have not been increased since 1991. A means of addressing trade concerns over the cost of operating larger vehicles may be to increase these charges.

The cost of cleaning out a vehicle fouled by a passenger is currently £30.00 this charge has not been increased since 1998. Again an increase in this charge has been requested.

- 2.10 Hackney carriages are permitted to charge for time spent waiting once hired. The current waiting cost / time is 20p / 60 seconds. This cost was last reviewed in 2003 when the waiting period was reduced from 20p / 80

seconds to the current charge. A request to further reduce the waiting time has been received.

- 2.11 A request to remove the fee for cheque acceptance has been made, currently a fee of 0.90p is levied. This is a pre cursor to the trade moving towards the non acceptance of payment by cheque for fares. Any decision to refuse payment by cheque would be a commercial one not governed by the tariff structure.
- 2.12 The trade has been consulted in writing on these matters (with the exception of the variable tariff structure for larger vehicles); Appendix C. The outcome of this exercise is general agreement with amendments to the charges made for extras. The third tariff for larger vehicles was not consulted on as it was not considered a viable option.

3.0 Comparison with other Hampshire Local Authorities

- 3.1 Appendix D shows the comparison of Gosport's existing Hackney Carriage fare with other Hampshire authorities for a journey of two miles.
- 3.2 It can be seen that Gosport's current tariff is below the average of the authorities shown and although an increase in line with the revised formula would be above the current average, a number of the other authorities can also be expected to increase their tariffs in the current year i.e. the average is likely to increase. This is particularly the case in the current year due to the pressure on tariff as a result of the fuel price increases.

4.0 Risk Assessment

- 4.1 Recent guidance received from the Department for Transport recommends regular review of the tariff using a formula approach. Failure to review the tariff may provide grounds for judicial review of the process adopted by the Council for setting the Hackney Carriage tariff.
- 4.2 The main risks relating to the setting of the maximum Hackney Carriage fares charging levels are that the fares are either set too high and will be seen as unfair to the customer and discourage the use of taxi's or set too low and will affect the trade adversely leading to insufficient provision. This risk has been reduced both by the comparison with other Hampshire Local Authorities tariff levels and the consultations with the Gosport Hackney Carriage operators.

5.0 Legal Implications

- 5.1 The Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847 provide licensing authorities with the power to set Hackney carriage tariffs.
- 5.2 It is an offence for Hackney carriage drivers to charge in excess of the tariff set by the licensing authority.
- 5.3 Any variation in the tariff must be advertised in at least one local newspaper not less than 14 days prior to implementation to provide the public with an opportunity to object.
- 6.0 **Conclusion**
- 6.1 An increase of 3.91% has been identified by the hackney carriage tariff formula as the percentage increase in the hackney carriage tariff for 2010/11 in the Borough.
- 6.2 The vehicle licence holders have been consulted and a majority are supportive of a fare increase.. The trade has requested that the board consider revised tariff implementations and review existing fixed costs for extra items.
- 6.3 Any alterations in the tariff structure can only be by agreement of the licensing authority and will be subject to public consultation prior to implementation.

Financial Services comments:	As contained in the report
Legal Services comments:	As contained in the report
Service Improvement Plan implications:	None
Corporate Plan:	None
Risk Assessment:	The Council is committed to an annual review of the Hackney Carriage tariff.
Background papers:	Report to Licensing Sub Committee October 2001
Appendices/Enclosures:	Appendix A – Tariff Formula A Appendix B – Formula A Models Appendix C – Trade consultation exercise.

	Appendix D – Fare Comparison with other Hampshire Authorities
Report author/Lead Officer:	T Dagens / J Bowcher

Appendix A

PRICE INDICES FOR HACKNEY CARRIAGE FARE INCREASES

	2008/09						2009/10 - ZERO 2010/11					
	% Change Feb-07 Feb-08		% Weighting			Expenses weighted using last years % inc. £	% Change Feb-08 Feb-10		% Weighting			Expenses weighted using last years % inc. £
1. Average Weekly Earnings	3.90%	X	45.0%	=	1.75	21,935	1.80%	X	45.0%	=	0.81	22,792
2. Maintenance of Motor Vehicles	5.40%	X	5.6%	=	0.30	2,654	9.93%	X	5.4%	=	0.54	2,870
3. Purchase of Motor Vehicles	-4.70%	X	10.6%	=	-0.50	4,578	1.39%	X	9.4%	=	0.13	4,566
4. Vehicles Tax and Insurance	3.80%	X	5.3%	=	0.20	2,502	24.78%	X	5.1%	=	1.27	3,072
5. Fuel and Oil	25.60%	X	12.7%	=	3.24	7,213	2.80%	X	14.8%	=	0.41	7,291
6. Retail Price Increase	4.10%	X	20.9%	=	0.86	9,860	3.69%	X	20.2%	=	0.75	10,058
Annual Percentage Increase			100.0%		<u>5.86%</u>	48,744			100.0%		<u>3.91%</u>	50,650

Source Documentation

Note - Fuel increase Feb 07 to Apr 08

Note - Fuel Increase Apr 08 to Feb 10

1 Labour Market Trends

http://www.statistics.gov.uk/downloads/theme_labour/AEISupp201003.xls

2 - 5 Consumer Price
Index

http://www.statistics.gov.uk/downloads/theme_labour/AWE_Historic.xls

<http://www.statistics.gov.uk/pdfdir/cpi0410.pdf>

6 RPI

All available from National Statistics Website

Appendix B

HACKNEY CARRIAGE FARES 2010/2011

Model 1

First and second stage distance combined and meter distance reduced from 221 to 205 to achieve an average increase as close to 3.91% as possible

2008/2009				
Distance (metres)	First 353 metres	354 to 706 metres	Subsequent 221 metres	Fare
	£	£		£
250	2.00			2.00
500	2.00	0.80		2.80
750	2.00	0.80	1	3.00
1000	2.00	0.80	2	3.20
1609	2.00	0.80	5	3.80
2000	2.00	0.80	6	4.00
3000	2.00	0.80	11	5.00
3100	2.00	0.80	11	5.00
3218	2.00	0.80	12	5.20
3300	2.00	0.80	12	5.20
3400	2.00	0.80	13	5.40
3500	2.00	0.80	13	5.40
3600	2.00	0.80	14	5.60
3700	2.00	0.80	14	5.60
3800	2.00	0.80	14	5.60
3900	2.00	0.80	15	5.80
4000	2.00	0.80	15	5.80
4100	2.00	0.80	16	6.00
4200	2.00	0.80	16	6.00

2010/2011

First 706 metres	Subsequent 205 metres	Fare	Increase
£		£	%
2.80		2.80	0.00
2.80	1	3.00	0.00
2.80	2	3.20	0.00
2.80	5	3.80	0.00
2.80	7	4.20	5.00
2.80	12	5.20	4.00
2.80	12	5.20	4.00
2.80	13	5.40	3.85
2.80	13	5.40	3.85
2.80	14	5.60	3.70
2.80	14	5.60	3.70
2.80	15	5.80	3.57
2.80	15	5.80	3.57
2.80	16	6.00	7.14
2.80	16	6.00	3.45
2.80	17	6.20	6.90
2.80	17	6.20	3.33
2.80	18	6.40	6.67

Model 2

First and second stage distance combined with an increase of 20p and meter distance reduced from 221 to 219 to achieve an average increase as close to 3.91% as possible

2010/2011			
First 706 metres	Subsequent 219 metres	Fare	Increase
£		£	%
3.00		3.00	7.14
3.00	1	3.20	6.67
3.00	2	3.40	6.25
3.00	5	4.00	5.26
3.00	6	4.20	5.00
3.00	11	5.20	4.00
3.00	11	5.20	4.00
3.00	12	5.40	3.85
3.00	12	5.40	3.85
3.00	13	5.60	3.70
3.00	13	5.60	3.70
3.00	14	5.80	3.57
3.00	14	5.80	3.57
3.00	15	6.00	7.14
3.00	15	6.00	3.45
3.00	16	6.20	6.90
3.00	16	6.20	3.33
3.00	16	6.20	3.33

4300	2.00	0.80	17	6.20	2.80	18	6.40	3.23	3.00	17	6.40	3.23
4400	2.00	0.80	17	6.20	2.80	19	6.60	6.45	3.00	17	6.40	3.23
4500	2.00	0.80	18	6.40	2.80	19	6.60	3.12	3.00	18	6.60	3.12
4600	2.00	0.80	18	6.40	2.80	19	6.60	3.12	3.00	18	6.60	3.12
4700	2.00	0.80	19	6.60	2.80	20	6.80	3.03	3.00	19	6.80	3.03
4827	2.00	0.80	19	6.60	2.80	21	7.00	6.06	3.00	19	6.80	3.03
4900	2.00	0.80	19	6.60	2.80	21	7.00	6.06	3.00	20	7.00	6.06
5000	2.00	0.80	20	6.80	2.80	21	7.00	2.94	3.00	20	7.00	2.94
6000	2.00	0.80	24	7.60	2.80	26	8.00	5.26	3.00	25	8.00	5.26
7000	2.00	0.80	29	8.60	2.80	31	9.00	4.65	3.00	29	8.80	2.33
8045	2.00	0.80	34	9.60	2.80	36	10.00	4.17	3.00	34	9.80	2.08
9000	2.00	0.80	38	10.40	2.80	41	11.00	5.77	3.00	38	10.60	1.92
10000	2.00	0.80	43	11.40	2.80	46	12.00	5.26	3.00	43	11.60	1.75
15000	2.00	0.80	65	15.80	2.80	70	16.80	6.33	3.00	66	16.20	2.53
16090	2.00	0.80	70	16.80	2.80	76	18.00	7.14	3.00	71	17.20	2.38

1609 m = 1 mile

3.98

3.85

CALCULATION OF PROPOSED INCREASE

First click at 353 meters	£2.00	First click at 706 meters	£2.80	First click at 706 meters	£3.00
354 - 706 metres	£0.80				
Subsequent metres	221 £0.20	Subsequent meters	205 £0.20	Subsequent meters	219 £0.20

Appendix C.

Hackney carriage tariff review 2010 / 2011 trade consultation exercise.

78 consultations were sent out, 27 replies were received by 17th May.

Hackney carriage tariff increase of 3%	Agree 18	Disagree 9 ¹
Implement tariff 2 between 23:30 and 05:00	Agree 25	Disagree 2
Christmas Day tariff increase by 100%	Agree 20	Disagree 7
Boxing Day tariff increase by 100%	Agree 15	Disagree 12
Reduce the waiting time period	Agree 13	Disagree 11 ²
Increase the fouling charge	Agree 24	Disagree 3 ³
Remove the reference to cheques on the tariff card	Agree 20	Disagree 4

Comments received.

- ¹ Some concern was raised over a potential loss of trade if the tariff is increased “commercial suicide” and “no brainer”.
- ² The following suggestions were offered, 20p / 40seconds (4), 20p / 30 seconds (1) or 30p / 60 seconds (1).
- ³ The following suggestions were made £50.00 (8), £60.00 (2), £70.00 (1), £100.00 (2) and a suggestion to charge for the actual cost of any cleaning works carried out.

Four operators raised the issue of an additional tariff for more than 4 passengers; this issue is discussed in the report.

Three operators would like any increase to be weighted in favour of shorter journeys i.e. larger increase at the commencement of a journey.

One respondent requested that New Years Day be subject to 200% tariff all day from the current 150% tariff.

Appendix D

Comparison chart for a current 2 mile hackney carriage journey in Hampshire.

AUTHORITY	Fare for journey of 2 miles
EASTLEIGH	£6.00
EAST HAMPSHIRE	£5.70
HART	£5.60
WINCHESTER	£5.60
BASINGSTOKE & DEAN	£5.40
FAREHAM	£5.40
HAVANT	£5.40
ISLE OF WIGHT	£5.40
SOUTHAMPTON	£5.40
GOSPORT	£5.20
PORTSMOUTH	£5.20
RUSHMOOR	£5.20
TEST VALLEY	£4.80

Source Private Hire Monthly May 2010