

Bath & North East Somerset Council

DECISION MAKER:	Cllr David Dixon, Cabinet Member for Neighbourhoods	
DECISION DATE:	On or after 11 th January 2014	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2613
TITLE:	REVIEW OF HACKNEY CARRIAGE TARIFF RATES	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Please list all the appendices here, clearly indicating any which are exempt and the reasons for exemption Appendix A: Table of Existing Hackney Carriage Tariff Rates Appendix B: Table of Proposed Hackney Carriage Tariff Rates		

1 THE ISSUE

- 1.1 To review the hackney carriage tariff rates charged within the Bath and North East Somerset area for time and distance.

2 RECOMMENDATION

The Cabinet member for Neighbourhoods is asked to approve the following increases in the hackney carriage tariff rates:-

- 2.1 An increase of 3% on the current fares
- 2.2 To introduce a charge of 10%, to a maximum of £1, on top of the fare for the use of a credit or debit card.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The cost of consultation and, advertising the tariff changes in the local papers, is met within existing service budgets and funded via the hackney carriage licence fee.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The authority for the Council to set fares for hackney carriages is given under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. The implications of the Act are that:-
- (1) When a Council makes or varies a table of fares (which may be by time and/or distance), it must publish, in at least one local newspaper a notice setting out the table of fares, or variations to the table, specifying the period (not less than 14 days) within which, and the manner in which, objections to the table, or variations can be made.
 - (2) A copy of the proposed tariff must be available at the Council's Offices for the public to inspect, free of charge, at reasonable hours.
 - (3) If there are no objections the table, or variation, will come into effect on the expiration date or the period specified in the notice.
- 4.2 If there are objections the Council must consider the objection and then set a further date, within two months after that date first specified, on which the table is to come into force with or without modification, as decided.
- 4.3 The legislation allows local authorities to set fares; there is no requirement to review fares annually. However, it is the policy of this Council to review hackney carriage fares annually to ensure a competitive and attractive service.
- 4.4 A copy of the existing tariff is produced in Appendix A.
- 4.5 A copy of the proposed tariff, including all changes, is produced in Appendix B. The proposed structure is a maximum table of fares; the driver may exercise discretion, and charge a lower fare than that shown on the taximeter.

5 RATIONALE

- 5.1 In determining the proposed increase in the tariff rate the percentage increase in the cost of owning a vehicle and the percentage increase of wages, provided by the Office for National Statistics, since the last increase have been used.
- 5.2 The fact that the tariff rate has not been increased since 2011 was also considered.
- 5.3 A meeting was held with representatives from the hackney carriage trade within Bath and North East Somerset and, following discussions, it was decided to propose an increase of 3% on the existing tariff rate and to introduce a 20 pence surcharge to the transaction for the use of debit or credit cards. This proposal was then put to all the hackney carriage proprietors for their comment and also advertised in two local papers as a public notice.

- 5.4 Following the consultation, the proposed introduction of a surcharge for the use of a debit or credit card was reviewed. The fact that the driver has to pay the company who supply the card readers a surcharge or monthly rental has been taken into account and the surcharge allowed by other councils has also been considered. On examining the information available the proposed amount of 20 pence surcharge to the transaction was considered insufficient to cover the cost to the driver of processing the charge and it was decided that a surcharge of 10% up to a maximum of £1 would be more appropriate and would better cover the cost to the driver and would not be too expensive to put the passenger off from paying by this method.
- 5.5 The Council are keen for passengers to start using debit and credit cards as an alternative means of payment as they are a safer and more convenient means of payment than cash.
- 5.6 The new surcharge will be monitored closely and will be evaluated at the next annual review to see if it has had the desired effect.

6 OTHER OPTIONS CONSIDERED

- 6.1 The option of no increase in the tariff rate was considered but rejected as the tariff had not been increased since 2011 and the cost of running a vehicle and wages had gone up since that time.
- 6.2 The option of putting a 12.5% surcharge on the transaction was considered, as this rate is charged in some other authorities, but rejected as this was felt that it would deter people from using their bank card as a means of payment and could also lead to situations where there is conflict between the driver and passenger as the passenger would not understand that there is a high surcharge/rental from the companies who supply the card to taxis.

7 CONSULTATION

- 7.1 Letters were sent to all of the hackney carriage proprietors in both zones 1 and 2 informing them of the proposed percentage increase and requesting comment. Three comments were received:-
- (1) Perhaps a charge of 50p on metered fares would encourage more drivers to take payment by card. On longer journeys out of area such as airports the fare is often pre agreed and discounted anyway so perhaps drivers could give the customer a choice.
 - (2) Yes we will accept that.
 - (3) One verbal response pointing out that the taxi owners would have to pay the companies who rent out the bank card readers a percentage of the transaction so they requested a higher percentage to cover the cost of having a card reader.
- 7.2 As part of the formal process the proposed tariff has been advertised in the Bath Chronicle and the Western Daily Press and also placed on the Council's web site. Copies of the proposed tariff were placed in the Council offices at the Guildhall and Lewis House in Bath, The Hollies in Midsomer Norton and Riverside in Keynsham.

7.3 No objections or comments have been received from the public on the proposed tariff.

8 RISK MANAGEMENT

8.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	Andrew Jones Team Manager: 01225 477557
Background papers	None
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