

COMMITTEE: REGULATION

DATE: 23rd FEBRUARY 2011

SUBJECT: HACKNEY CARRIAGE VEHICLES PROPOSED CHANGES TO THE MAXIMUM TABLE OF FARES

APPLICANTS: 1. MOHAMMED SULAIMAN REPRESENTING THE HACKNEY CARRIAGE OWNERS ASSOCIATION

2. KHALID HUSSAIN

3. MUHAMMAD ARSHAD RAJA

REPORT BY: HEAD OF ENVIRONMENTAL AND CONSUMER SERVICES

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IMPLICATIONS:

LEGAL ☐

COMMUNITY ☐

SAFETY

EQUALITIES ☐

ENVIRONMENT ☐

FINANCIAL ☐

OTHER ☐

STAFFING ☐

WARDS AFFECTED: ALL

PURPOSE

1. To enable the Regulation Committee to consider three different applications for changes to the current Hackney Carriage Vehicles Maximum Table of Fares.

BACKGROUND

2. On 25 February 2009, Regulation Committee last agreed changes to the Maximum Table of Fares. A copy of the current table is attached as Appendix A.
3. On 28 September 2010 a request was received from Mr Khalid Hussain, a Luton Borough Council licensed hackney carriage driver, for a change to the existing Table of Fares, Appendix B.
4. On 14 October 2010 a request was received from Mr Sulaiman, a Luton Borough Council licensed hackney carriage driver, on behalf of the Hackney Carriage Owners Association, for a change to the existing Table of Fares,

Appendix C. The Hackney Carriage Owners Association is a “trade body” which represents vehicle owners who operate from London Luton Airport. It is understood that the Association represents 101 vehicle owners.

5. Following clarification on the exact nature of the changes requested by both parties, on 3 December 2010 a consultation letter was sent to all hackney carriage vehicle owners, hackney carriage drivers and dual drivers, Appendix D. The list of people consulted was “cleansed” and any persons whose name appeared on separate lists were only sent one consultation letter to avoid any distortion in the responses received.
6. A summary of the responses received appears below.

| | Hackney Carriage Vehicle Owners | Hackney Carriage Drivers | Dual Drivers |
|--|--|---|---------------------|
| Total number of consultation letters sent. | 163 | 119 | 138 |
| Total number of responses. | 57 | 18 | 8 |
| No. of responses voting for no change. | 2 | 1 | 2 |
| No. of responses voting for Proposal A. | 38 | 15 | 3 |
| No. of responses voting for Proposal B. | 16 | 2 | 3 |
| No. of responses voting for Other. | 1 | 0 | 0 |

7. As a result of the consultation a further proposal was received on 28 December 2010 from Mr Mohammed Arshad Raja, a Luton Borough Council licensed hackney carriage driver, for changes to non airport fares i.e. Rates 1 and 2, Appendix E.

PROPOSALS

8. Three proposals have been submitted for consideration by the Committee. Proposals A and B take into account negotiations with each applicant by the Licensing Service and the wording in the consultation letter was agreed by both parties prior to despatch.

9. Proposal A. Submitted by Mr Sulaiman on behalf of the Hackney Carriage Owners Association

- a) No change to the distance or the fares charged for such distances.
- b) Introduction of a surcharge for the following tolls that the driver has paid during the journey, namely
 - Midland Expressway (M6 Toll Road)
 - Dartford- Thurrock River Crossing (Dartford Tunnel)
 - Severn River Crossing
- c) Introduction of a surcharge for any drop off or collection, at the rate as advertised in the public Drop Off/ Collection Zone at London Luton Airport, which the driver has to pay for using this Zone.
- d) Introduction of a £2 surcharge for fares collected from the designated taxi waiting area at London Luton Airport

10. The introduction of the £2 surcharge has been requested to assist the Association in funding the contract awarded by the airport for the exclusive use of the designated taxi waiting area by Association members.

11. Proposal B. Submitted by Mr Khalid Hussain

- a) No change to the distance or the fares charged for such distances.
- b) Introduction of a surcharge for the following tolls that the driver has paid during the journey, namely
 - Midland Expressway (M6 Toll Road)
 - Dartford- Thurrock River Crossing (Dartford Tunnel)
 - Severn River Crossing
- c) Introduction of a surcharge for any drop off or collection, at the rate as advertised in the public Drop Off/ Collection Zone at London Luton Airport, which the driver has to pay for using this Zone.

12. Proposal C. Submitted by Mr Muhammad Arshad Raja

- a) No change to the distance or the fares charged for the initial distances in Rates 1 and 2, namely 1189 meters and 1000 metres respectively.
- b) Reduce the subsequent distances for Rate 1 10p fare increments from 89 to 84 metres
- c) Reduce the subsequent distances for Rate 2 10p fare increments from 70 to 62 metres.

FINANCIAL IMPLICATIONS

13. Whilst all the proposals will have financial implications for the general public, hackney carriage drivers and vehicle owners, Proposals A and B are fixed costs, depending upon where the journey commences and ends.

14. A comparison of some sample journeys, if Proposal C is adopted, is detailed below.

| DISTANCE MILE(S) | KILOMETRE(S) | CURRENT FARE | PROPOSED FARE | % AGE INCREASE |
|-----------------------------|---------------------|-------------------------|--------------------------|---------------------------|
| RATE 1 | | | | |
| 1 | 1.609 | £3.50 | £3.60 | 2.9% |
| 3 | 4.828 | £7.10 | £7.40 | 4.2% |
| 5 | 8.046 | £10.80 | £11.20 | 3.7% |
| 10 | 16.093 | £19.80 | £20.80 | 5.0% |
| 30 | 48.280 | £55.90 | £59.10 | 5.7% |
| RATE 2 | | | | |
| 1 | 1.609 | £4.90 | £5.00 | 2.0% |
| 3 | 4.828 | £9.50 | £10.20 | 7.4% |
| 5 | 8.046 | £14.10 | £15.40 | 9.2% |
| 10 | 16.093 | £25.60 | £28.40 | 10.9% |
| 30 | 48.280 | £71.60 | £80.30 | 12.2% |

ADDITIONAL INFORMATION

15. The increase in the RPI figures for the period December 2008, quoted in Panel Report February 2009, to November 2010, the latest figures available at the time of writing the report, is 6.5%.
16. The average price for diesel has increased from 98.7p/litre in January 2009 to 126.2p/litre in December 2010, an increase of 27.9%. However, it should be noted that fuel prices have been prone to drastic fluctuations on a monthly basis. However the December 2010 prices have to be adjusted in line with the 2.5% increase in VAT and the opinion, expressed by the AA, is that fuel prices will increase over the next 12 months.
17. If the Committee approve a change to the Table of Fares then the Council are legally obliged to advertise the proposed increase by Public Notices in the local press and within the public area of the Town Hall. If objections are received within the specified time scale, the Committee must consider these objections.
18. An e-mail has been received from the Hackney Carriage Owners Association which states they can not endorse Proposal C "in this current financial climate". Appendix F.
19. Under Proposal C, the fares charged for a 30 miles journey will exceed those that are currently charged at the airport for the comparative rates.
- Proposed Rate 1 compared to present Rate 3 will be £1.80 higher
Proposed Rate 2 compared to present Rate 4 will be £7.50 higher
20. The national trade journal Private Hire and Taxi Monthly regularly publish a table of national hackney carriage fares for 380 authorities throughout England,

Scotland and Wales. The October 2010 table show Luton Airport Fares as been the second highest in the national table under the Flag, 1 mile and 2 mile fares. The town fares are listed at 147 in the table.

RECOMMENDATIONS

21. The Regulation Committee consider the various applications received for changes to the existing Maximum Table of Fares.
22. If the Committee agree to the introduction of a surcharge as detailed in 9 d) of this report, it is recommended that the surcharge not be introduced until such time that notices be erected/ displayed in the immediate vicinity of the designated taxi waiting area advising the public of the surcharge. The means of display, the wording on the notice and the location of the notices must be agreed with the Council. London Luton Airport have indicated, that in principle, they would be in agreement to the erection/ display of signs. Any costs in connection with the notices be borne by the Hackney Carriage Owners Association.

LEGAL IMPLICATIONS

23. There are no legal implications in this report. this has been agreed by John Newman, Solicitor, Legal Services on 27th January 2010.

APPENDICES

24. The following Appendices are attached to this report:

| | |
|------------|---|
| Appendix A | Current Table of Fares |
| Appendix B | Proposals from Mr K Hussain dated 28 September 2010 |
| Appendix C | Proposals from Mr Sulaiman dated 14 October 2010 |
| Appendix D | Consultation letter dated 3 December 2010 |
| Appendix E | Proposals from Mr Muhammed Arshad Raja dated 28 December 2010 |
| Appendix F | Copy of e-mail from Hackney Carriage Owners Association dated 15 January 2011 |

LIST OF BACKGROUND PAPERS

LOCAL GOVERNMENT ACT 1972, SECTION 100D

There are no background papers to this report