

Matrix to Increase Hackney Carriage Fares Annually

Private Hire and Hackney Carriage Licensing Sub-Committee Date: 15th July 2008

Author: Group Director, Environment and Regeneration

Wards Affected: All

Purpose

- To consider a matrix to increase Hackney Carriage fares annually in line with inflation.

Recommendation

The Sub-Committee is asked to: -

- Agree a matrix to increase Hackney Carriage fares annually from September 2009 based on the mean average of the established indices outlined in paragraph 2 of this report.

1. Reasons

- 1.1 At present the Council relies on the hackney carriage trade to propose rises in hackney carriage fares. At a meeting of this Sub-Committee in May 2008 officers were asked to formulate a proposed matrix to increase fares on an annual basis, in line with inflation. This report is in response to that request.

2. Detail

- 2.1 In considering how best this might be done, officers are mindful that an established formula already exists and is used to calculate the annual inflation increase for each of the Council's home to school transport contracts. This is calculated using three elements, as follows:
 - 2.1.1 Fuel costs. This figure is obtained from the Confederation of Passenger Transport and is available from their website, www.cpt-uk.org. The figures are compiled on behalf of the Confederation of Passenger Transport by an independent consultant and are published twice per annum.
 - 2.1.2 Labour Costs [Average Earnings Index (whole economy)]. This figure is available monthly from the Office of National Statistics and is published on their website, www.statistics.gov.uk.

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2.1.3 All other costs and profit element [Retail Price Index (excluding mortgages)]. Again, this figure is available monthly from the Office of National Statistics and published on their website.

2.2 As an example, for the twelve months ended December 2007 the following figures are available;

Fuel costs (South West England) – increased by 4.3%

Average Earnings index – increased by 4%

Retail Price Index - increased by 4%

Taking a mean average of all three figures gives an inflation increase of 4.1% and it is recommended that this rationale be similarly used to calculate all future hackney carriage fares increases. This use, of course, does not infer any change to children and adult services taxi contracts.

2.3 Acceptance of this proposal will lessen the likelihood of “ad-hoc” requests for fare increases being made during the year by members of the trade.

2.4 It is proposed that the first fare increase following the recommendations contained in this report will occur on 1 September 2009, and then annually on 1 September each year.

2.5 Any proposed fare increase will be subject to public advertisement and any objections reported to this sub-committee for consideration.

Alternative Options

- Allow the status quo to remain and rely on the hackney carriage trade to submit requests for fare increases as and when they feel it necessary.

Risk Management

Financial and Procurement Implications

There are no direct financial implications to the Council itself arising from this report. There are no procurement issues arising from this report. The costs of managing the Council's Hackney Carriage and Private Hire responsibilities are met from existing budgets.

Links to Corporate Plans and Policies (in particular to Swindon 2010 Promises)

A Healthy and Caring Place; An Economically Prosperous Place; An Environmentally Friendly Place; A Safe Place.

Consultees

The Director of Finance (s.151 Officer) and the Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

Further information on the subject of this report can be obtained from Rod Collett on 01793 466212 or e-mail rcollett@swindon.gov.uk.

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Background Papers and Appendices

- None