

Meeting: GENERAL PURPOSES

Agenda Item:

Date: 15 July 2008

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TARIFF INCREASE

Author - Emma Rose Ext No. 2271
Lead Officer - Emma Rose Ext No. 2271
Contact Officer - Heather Morris Ext No. 2175

1 PURPOSE

To consider a proposal to apply a £0.40p fuel surcharge to the existing Hackney Carriage table of maximum fares (hereafter referred to as the 'tariff').

2 RECOMMENDATIONS

That the Committee consider the objection received from a member of the public during the consultation period and decide whether any amendment to the existing tariff is necessary.

3 BACKGROUND

Fuel prices have increased substantially since the last amendment to the tariff at the end of February 2008. Figures obtained from the AA monthly fuel price report confirm, during that period, average diesel prices in the South East have risen from 109.6p to 131.8p per litre. As a result, a request was received from the taxi trade for an emergency fuel surcharge of £0.40p per trip to be added to the existing Hackney Carriage table of maximum fares (Appendix 1). The proposal is to allow this surcharge to be applied as an 'extra' which means that the driver may apply it for any journey, but there is no compulsion to do so.

The proposed tariff increase was advertised in the Comet on June 5th 2008 with a closing date for objections of 19th June 2008. One objection was received by a member of the public (appendix 2).

Taking an average journey length of 3 miles and average fuel consumption of 6.9 miles per litre (based on published figures, urban driving for a Peugeot 406) an average taxi will make 2.3 journeys per litre of fuel. Based on those figures, the proposed fuel surcharge would result in an average of £0.92p per litre increase in income compared with an increase in fuel price per litre of £0.22p since the last tariff amendment.

Fuel prices are continuing to rise , with June 2008 showing the highest monthly increase ever recorded according to the AA.

4 REASONS FOR RECOMMENDED COURSE OF ACTIONS AND OTHER OPTIONS

Following consideration of the objection, the options available to the Committee are:

1. To make no changes to the existing tariff
2. To add the £0.40p per trip surcharge to the existing tariff
3. To add a different amount of surcharge to the existing tariff
4. To amend the standard tariff

5 IMPLICATIONS

5.1 Financial Implications

There are no direct financial implications for the Council.

5.2 Legal Implications

There is a statutory procedure for setting tariffs and this is contained within section 65 of the Local Government (Miscellaneous Provisions) Act 1976. When a district council varies a table of fares, the changes must be advertised for at least 14 days in at least one local newspaper. If no objections are made, the variation is duly made. If an objection is made and not withdrawn, the district council must set a further date no more than 2 months after the first specified date, on which the table of fares shall come into force with or without modification.

BACKGROUND PAPERS

- AA monthly fuel price reports http://www.theaa.com/motoring_advice/fuel/

APPENDICES

- Appendix 1 - Hackney Carriage Table of Maximum Fares 27th February 2008
- Appendix 2 - Objection received