

BH T T F A

Brighton & Hove Taxi Trade Forum Association

United Taxi Drivers Association - Brighton Sudanese Taxi Forum - Independent Taxi Drivers
 City Cabs - Radio Cabs - Streamline Taxis - NPTTU - Unite the Union - GMB BHTS
 Brighton & Hove Private Hire Association - email: info@bhtffa.co.uk

HCO Brighton & Hove Council

June 3 2019

Brighton & Hove Hackney Carriage Fare Review 2019

Background

The Brighton & Hove Taxi trade has a combined workforce of around 1500+ people.

The council can only control Hackney Carriage fares. Private Hire rates are not controlled by the council and such it is down to the Operator of the vehicle to determine what rates would apply.

There is no obligation for a PHV to utilise the facility of a meter. However if a PHV utilises a meter then this must be calibrated to a 'Table of Fares' and be displayed in just the same way as where a Hackney Carriage must display the councils controlled 'Hackney Carriage Fares'.

The historic standard procedure to initiate any Fare Review is for the combined hackney carriage and PHV trade to consult and debate within the Trade Forum. This has been the procedure for a number of years.

It should be noted that a cab company that exclusively has a fleet of PHV's and no hackney carriages could charge whatever rates that it wished just as Uber does.

However as all the cab companies run a mix of hackney carriages and private hire vehicles the Hackney Carriage 'Fare Table' is applied as standard for uniformity. For example if two cars were needed at the same time and a hackney carriage and a PHV were both sent then the charging rate would be identical.

This has allowed standardisation for the local fares with the competition aspect based on service and reliability. Effectively the public knows what the cost of a cab is in the city when using a local company.

At each review the trade seeks advice from the HCO for the acceptable parameters based on the well used Brighton & Hove 'Fare Formula' which was adopted many years ago.

The 'Fare Formula' is based on specific set variables which are updated to provide a sustainable level of income for the trade.

These variables include:

AA Vehicle Running Costs (Fuel/Repairs) – Average Public Hire Vehicle Insurance

SE Average Earnings *1 (Median gross weekly earnings) £29,900

The recently updated figures show that the trade should be running at £2.43 per mile. Currently the trade runs at £2.20 per mile.

The AA Fuel Price Report for January 2015 and December 2018 (Appendix 1) shows an increase for:

Petrol from 108.4L to 122.6L = 13% increase Diesel: 116.2L to 133.4 L = = 14.8% increase

This gives an average of a 13.9% increase in fuel costs over four years

A fare review took place in 2013. The last fare review took place two years later in 2015 which simply added a basic 20p all fares. (Current Hackney Carriage Table of Fares Appendix 2)

The following is taken from the Minutes of the March 5 2015 Licensing Committee Minutes:

LICENSING COMMITTEE (NON LICENSING ACT 2 003 FUNCTIONS) 5 MARCH 2015

30 HACKNEY CARRIAGE FARE REVIEW

30.5 Councillor Simson stated that whilst noting that these figures had been put forward by the Taxi Forum she considered that the trade needed to be mindful that there should be a suitable time lapse before there were any further increases. Other Members of the Committee concurred in that view.

It was stated at that meeting ***“...the trade needed to be mindful that there should be a suitable time lapse before there were any further increases”***

To date the trade has complied with this directive of over four years ago and after advice from the HCO with regards to the data calculations for the ‘Fare Formula’ the trade is now seeking to move from a running miles of £2.20 to a running mile of £2.40.

It should be noted that it is not advisable to leave such a long time of a four and a half year period between Fare Reviews and a better practice is an annual review for the Financial Year much like every other institution and an inflation related adjustment. For example the new council practice or licensing fees set at 2% per year.

The established ‘National Fares League Table’ published by Private Hire & Taxi Monthly currently shows Brighton & Hove at the 25th. This is national table is based on a two mile journey on Tariff 1.

To compare the Tariffs the following shows some examples (see Appendix 3 for full chart)

1: London (Heathrow) 10.60*
*includes £2.80 airport supplement
2: Luton Airport - £9.20
3: Watford - £8.40
4: Epsom & Ewell - £7.80
5: London - £7.80
6: Carrick - £7.30
7: Reading - £7.20
8: Dartford - £7.10
9: Penworth - £7.10
10: Bournemouth - £7.00
11: Herstsmere £7.00
12: Mid-Sussex £7.00

13: Poole - £7.00
14: Stroud - £7.00
15: Tonbridge & Malling - £7.00
16: Tunbridge Wells - £7.00
17: Wiltshire - £7.00
18: Jersey - £6.99
19: Restormel - £6.95
20: Vale of white Horse - £6.90
21: Wealdon - £6.90
22: Weymouth & Portland - £6.90
23: Adur - £6.80 (Rise in 2016)
24: Bath & NE Somerset – £6.80
25: Brighton & Hove £6.80 (Rise in 2015)

The Uber Effect

Since the last review in March 2015 the city has seen the arrival of Uber of which only uses locally licensed 'Private Hire Vehicles' on its Uber Brighton Operator Licence and not locally licensed 'Hackney Carriage Taxis' other than a mixture of both these types brought in from other areas.

Because of this model of operating this is now a unique position in the city as Uber Brighton is exclusively a Private Hire service exclusively using Brighton & Hove licensed PHV's where controls on pricing are not determined by the council. Indeed as there is no control on such pricing Uber often raises the cost of its service by 3 to 4 times the standard fare known as 'Surge Pricing'.

This is opposed to the established cab companies in the city who have always run a mixture of PHV's and Hackneys within their respective fleets thus both types of vehicles comply with the council controlled fares which allows the public to have a 'Fair Fare' within the city with no such 'Surge Pricing'.

It should be emphasised that for many years the whole trade has worked closely with the council to ensure that the trade has a sustainable income to ensure that standards are high.

18 months ago the BBC carried an experiment by ordering both a Brighton & Hove licensed vehicle from one of the main cab companies and an Uber vehicle (licensed area unknown) to go from Queens Road Brighton to Sussex University. As Uber was not on its Surge Pricing mode both fares came out the same at £13.

Whilst it has been established that Uber is not cheaper than the local companies the facility to increase the fares by '**Surge Pricing**' on a whim has had the effect of enticing drivers to its platform where they can earn more when it rains and indeed at any other time that Uber considers fit to raise prices. For example during Pride 2018 we were informed that Uber was frequently on 'Surge Pricing' mode where the local trade were working on the council controlled rate. 'Surge Pricing' is of course a commercial decision.

The Brighton & Hove council controlled fares used by both the Hackney and PH trade quite rightly does not allow for such 'Surge Pricing'. However with the arrival of Uber the drivers have an incentive to leave the local cab companies that have used the 'council controlled charging' system for many years to work on the Uber platform that allows for fares to be massively inflated when demand is greater and thus achieve a higher income.

Maybe one day Uber may have dominance in the city where 'Surge Pricing' throughout the day is common rather than where we currently are with the long established circuits using the 'council controlled fares' having disappeared though lack of drivers having gone to Uber who rely on such inflated fares due to 'Surge Pricing'.

So whilst the trade has never had any issues at all with Uber as a commercial competitor it is a paradoxical situation that the system Uber uses to calculate fares via 'Surge Pricing' has now given further reasons for the local trade to raise fares to compete on a fair basis in order to retain drivers on the local companies.

Without these drivers the local companies would cease to exist and international companies will take over the city.

Tariff Proposal

The Brighton & Hove Taxi Trade is applying for a fare review after four years of keeping fares down and complying with the statement from the March 5 2015 Licensing Committee of a "...suitable time lapse".

The increase is to move from £2.20 per mile to £2.40 per mile which is in line with the 'Fare Formula' as provided by the council via the HCO which is in fact £2.43 per mile (as of February 2019) with an increase in the flag fall (meter start rate). This coincides with licensing authorities such as Mid-Sussex and Lewes.

Information has been provided that Worthing will also be adjusting the flag fare accordingly.

There is no application to increase the rate of current waiting time.

Radio Relay – Taxi Meter Consultants

Radio Relay serves a wide area of licensing authority's and extensive consultation has taken place with the trade to ensure that the technical complexities of the meter calibrations provide completely accurate calculations that range from the five tariffs rates for the saloon cars and the further 5 tariff rates for multi-seater cars.

There is also a proposal for the 'Fouling' charge to increase from £50 to £100 as the current fouling charge has remained the same for a number of years.

The November 2018 Licensing Committee Meeting it was recommended that all licensing fees should now be raised at a rate of 2% each year. The proposal amounts to around 1.92% per year since the last Fare Review in 2015.

The trade would like to respectfully make the point to the council that the taxi trade is exactly the same as any other business in the city and has taken into consideration many factors for the proposed Fare Review.

The position is that whilst each taxi driver is an individual self-employed business... under Bylaws the council is uniquely given the power to determine what the trade charges... which under general business practice is quite a unique situation.

With the current situation of other Licensing Authorities having lower standard than Brighton & Hove meaning that we now have hundreds of those drivers/vehicles working in the city there is no incentive to recruit new drivers for the trade.

One solution is to lower our standards. However it is much more preferable to provide an income that matches the standards expected.

Trade & Council Meeting February 13 2019

On February 13 a meeting took place for the trade to make a presentation on the Fare Review based on the proposal for the meter to go from £2.20 to £2.40 per mile.

Present at the meeting for the trade was Andrew Peters (GMB), George Beresford (Independent Hackney Carriage Drivers) and Dervish Bayram. For the council Martin Seymour HCO, Jim Whitelegg Regulatory Services Manager (Licensing & Trading Standards) and Michael Bentley Finance Officer.

We are pleased to state that Mr. Bentley raised no objection to the principle of the proposal.

Since that meeting Radio Relay has looked at the technical intricacies for the meter capabilities and has set out the tariff card to ensure accuracy.

The conclusion of the meeting was that it was agreed to forward the proposal from the trade to the Licensing Committee with the new 'Fouling Charge' to be worded as;

"Fouling Up to £100"

It should be noted that photographic evidence was provided of a recent case of such fouling in a taxi to demonstrate the extent of what can happen.

It was also recommended by the trade to utilise the rear of the new Fare Card to show important contact numbers for matters such as Safe Guarding.

Andrew Peters
GMB Brighton & Hove Taxi Section

On behalf of the Brighton & Hove Taxi Trade Forum

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