

CAMBRIDGE CITY COUNCIL

REPORT OF: Head of Refuse & Environment

TO: Licensing Committee

27/1/2014

WARDS: All

CARD PAYMENTS FOR HACKNEY CARRIAGE JOURNEYS

1 INTRODUCTION

- 1.1 The City Council is responsible for setting the maximum level of charges for journeys within the city taken in a Hackney Carriage.
- 1.2 A request has been received from Cambridge City Licensed Taxis (CCLT), one of the organisations which represent drivers of Hackney Carriages, for the Council to consider an amendment to the charges which would permit a surcharge to be added to fares where payment is made by means of a credit or debit card.

2. RECOMMENDATIONS

- 2.1 Members are asked to determine whether to allow a charge to be made for card payments for hackney carriage journeys and, if so:
 - a. in what form and at what level the charge is to be made and
 - b. to undertake the required consultations, as set out in Section 4, before the charge may come into force.

3. BACKGROUND

- 3.1 Fares charged for Hackney Carriage journeys within the city are regulated by the City Council. The maximum charge is set out in a table, known as the Fare Card, which must be displayed in all licensed vehicles.
- 3.2 Whilst many passengers pay in cash, there is a growing trend towards cashless transactions, as in commerce, generally. These can be used to overcome difficulties where passengers arrive at destinations without sufficient funds to settle the bill and the potential for conflict to occur.

- 3.3 Fewer people carry cash on a regular basis in modern times and there is an increased expectation of being able to pay by card for goods and services.
- 3.4 Many Hackney Carriage drivers are already using mobile card reader devices to charge passengers for journeys which are not wholly within the city, as the law does not require such journeys to be carried out “on the meter” and passengers are at liberty to accept a quotation for such journeys in advance of the journey commencing.
- 3.5 In most cases, the quotation will include a surcharge for the use of the facility to pay by credit or debit card.
- 3.6 Charges for journeys made by private hire vehicle are not regulated by means of the Fare Card and most local Operators are already including a card surcharge in their quoted prices.
- 3.6 CCLT has requested that the Council consider amending the charges to permit a surcharge of 5% on the fare as shown on the meter for journeys within the city. It is stated by CCLT that this is the fee which drivers are charged by the provider of the card reader system, and represents the cost incurred by drivers in offering the facility. CCLT’s letter is attached as Appendix A.
- 3.7 It is stated that many other licensing authorities already allow surcharges and that, in some cases, these are set at 10% - 20%. For example, Transport for London has set the level at a maximum charge of £1 or 12.5% of the metered fare, whichever is the greater.
- 3.8 Members may wish to consider whether to permit a surcharge to be levied in a different form, for example a flat fee, set at a level to be determined, for example £1 or £2 per journey. Whilst this might not, in every case, represent the actual cost to the driver, Members might consider it easier for passengers to understand the charge.
- 3.9 In the event that Members determine to permit a surcharge, in whatever form, it may be considered that passengers requesting or being offered the facility to pay by card, should be advised that a surcharge will be applied, in advance of the journey commencing.

4. **CONSULTATIONS**

- 4.1 In accordance with the statutory procedure set out in Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, the Council is required to undertake a public consultation prior to making any amendment to the Hackney Carriage Table of Fares.
- 4.2 A notice must be published in at least one local newspaper circulating in the district setting out the variation and specifying the period, which cannot be less than fourteen days from the date of the first publication of the notice, within which and the manner in which objections can be made.

- 4.3 If no objection to the variation of the table of fares is made, or if all objections are withdrawn, the revised Table of Fares will come into operation on the date of the expiration of the consultation period. However, if any objections are made and not withdrawn, the Committee will consider the objections and set a further date, not later than two months after the first specified date, on which the table of fares shall come into force with or without modifications.

5. OPTIONS

- 5.1 Members may determine to agree the principle of levying a surcharge for card payments for Hackney Carriage journeys within the city or not.
- 5.2 If the principle in 5.1 is agreed, the method of charging should be determined as either:
- a. a percentage of the metered fare, added at the end of the journey or
 - b. a flat fee for a credit card payment, added at the end of the journey or
 - c. another method which Members consider appropriate.

6. CONCLUSIONS

- 6.1 The Council needs to consider the request from CCLT to permit a surcharge of 5% to be added to the charge for Hackney Carriage journeys within the city when payment is made by credit or debit card.
- 6.2 In determining whether to agree to the request, Members should take into account what they consider to be the interests of the public in making use of licensed Hackney Carriages in the city.
- 6.3 If Members determine that they are in agreement with the principle of allowing a surcharge, they should then determine whether the method and level of the surcharge proposed by CCLT are appropriate or whether to set the surcharge in another form.

7. IMPLICATIONS

(a) Financial Implications

Hackney Carriage passengers will incur an additional cost for the facility to pay by card for journeys within the city

(b) Staffing Implications

There should be no significant staffing implications

(c) **Equal Opportunities Implications**

Nil

(d) **Environmental Implications**

Nil

(e) **Consultation and communication**

If Members are minded to amend the fare card, a statutory consultation process will be followed, as set out in section 4 above.

APPENDICES

Appendix A - Letter from CCLT dated 29th November 2013

Appendix B – Current Hackney Carriage fare card

BACKGROUND PAPERS: The following are the background papers that were used in the preparation of this report:

None, not included as appendices.

The author and contact officer for queries on the report is Robert Osbourn on extension 7894.

Report file: M:LICENSE/Licensing Committee mtgs/2014/Committee Report – Credit Card Payments for Hackney Carriage journeys – 27.1.14

Date originated: 15 January 2014

Date of last revision: 15 January 2014

Appendix A



Cambridge City Licensed Taxis Limited.
(Est. 2009)

29th November 2013

Dear Robert

CCLT would like to submit a request to the January Licensing Committee to add a 5% surcharge to the fare chart for card payments taken by taxis in the City bringing it in line with all the other companies that operate in the City. The three taxi companies being Panther /Camcabs /A1 who are already adding 5% for all card payments.

CCLT customers arrive at the station rank asking to pay by card, only to be refused, but are told they can ring one of the above companies to pay on card, then they have to walk down Station Road to be collected.


To improve service for customers CCLT has installed card machines in their taxis so customers can pay by card if they want to, for their convenience. They can still pay with cash but the demand for cards is growing and is expected by more customers all the time.

CCLT have looked at other Cities and their fare chart charges for credit cards, which range from 5% to 12% and one is up to 15%.

This would put a maximum of £0.50 on £10 job in the City and £5.00 on a £100 job. This is already set in the credit card devices and managed by CCLT.

Regards
David Wratten
Director
CCLT Ltd

Current Fare card

Cambridge City Hackney Carriage	
Maximum rate of charges from 15th August 2012	
Local Government Miscellaneous Provisions Act 1976	
Fares are calculated on a combination of distance or time or parts thereof. The meter must only be switched on when passengers are safely in the vehicle and the trip is about to commence. Please be aware that all journeys taken in Hackney Carriages within the Cambridge city boundaries must be charged on the meter; this is the maximum legal fare.	
Tariff 1: Between 07:00 – 19:00 hours	£2.80
Tariff 2: Between 19:00 – 07:00 and Sundays and Bank Holidays	£3.80
Tariff 3: 19:00 Christmas Eve – 07:00 Boxing Day 19:00 New Years Eve – 07:00 New Years Day	£4.80
Each tariff includes initial distance of 92 metres or part thereof	
For each subsequent 183 metres or part thereof	20p
HIRING CHARGES – WAITING TIME AS INDICATED BELOW – will be charged when the vehicle is motionless or when it is travelling below the changeover speed of 16.79 km/p/h	
For each period or part thereof 40 seconds	20p
EXTRA CHARGES	
1. For each journey with 5 or more passengers	£3
2. Fuel Surcharge (only applicable if the national retail price of diesel, as measured by the Arval index, has exceeded 179.9p per litre since 15 August 2012) **There will be a separate notice in this vehicle if this extra charge is payable.	£0.40
3. Vehicle unfit to continue working	£80
Exclusions: the Taxicard scheme	
Any fare calculated in accordance with the Table of Fares may be subject to any concession scheme approved by the council provided the driver of this vehicle is a participant in such a scheme and the passenger has provided any necessary proof of entitlement to the benefit of such a scheme to the satisfaction of the driver	
Complaints about the vehicle or driver should be made to: Jas Lally, Head of Refuse and Environment PO Box 700 Cambridge, CB1 0JH 01223 457888	
 CAMBRIDGE CITY COUNCIL	