

LICENSING

DATE OF MEETING: 7th June 2022

TITLE OF REPORT: Hackney Carriage Fare Review

Report of: Head of Place

Cabinet member: Cllr Tina Collins, Regulatory

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to consider an increase to the Hackney Carriage fares and to approve a proposal for public consultation.

2 OFFICER RECOMMENDATION

- 2.1 The Licensing Committee is recommended to:
- 2.2 to approve an increase to the current Hackney Fare table, set out in Annex G to this report, for public consultation.
- 2.3 authorise the Head of Place to make minor administrative amendments to the documents prior to consultation.

3 BACKGROUND

- 3.1 The Hackney Carriage trade approached the Shared Licensing Team and requested a review of the tariffs they are permitted to charge, following the impact to the trade from the COVID-19 pandemic compounded by the current increase in fuel prices and living costs.
- 3.2 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides that a District Council may fix the rates or fares. This can be done in respect of both time and distance as well as all other charges in connection with the hire of a vehicle.
- 3.3 Three different proposals were presented to the Shared Licensing team, these are attached at Appendix B and summarised in paragraph 3.8 below.
- 3.4 An urgent delegation decision was taken to commence a consultation with the trade to review the three proposals that had been put forward. This was to avoid delay the process.
- 3.5 Licensing Committee on the 5 April 2022 was informed that the consultation was underway with the trade to review the three proposals that have been put forward. Once the majority of the trade had responded the options would be brought back to Licensing Committee to approve an option for wider consultation.

- 3.6 An initial consultation started on 31 March 2022 to the 7 April 2022. At this stage only 29% of the industry responded.
- 3.7 In light of this the Shared Licensing Service undertook a further consultation which took place from 8 April 2022 to 21 April 2022. This also included 2 further options. The results are:

	Option 1 / A	Option 2 / B	Option 3 / C	Option 4 / D	Option 5 / E
Vote 1	27	26	17	N/A	N/A
Vote 2	37	52	13	2	1
Duplicate Votes	15	19	9	0	0
Total for Consultation	49	59	21	2	1
Percentage (rounded)	37%	45%	16%	2%	1%

- 3.8 Summary of the options (they are more complicated than this – please see Appendix B) which have focused on the Standard Day Rate:

Proposal A: 1st mile flag, £4.00 for the first 5/10th of the mile, for the following 5/10th of a mile it should be 40p per 10th. That makes the first mile £6.00. After that the mile should be divided into 10 equal segments each segment has a value of 30p which would give a rolling mile of £3.00

Proposal B: Flag of £7.00 which will cover all or part of the first mile. This would be followed by 10 equal segments of £0.32 making a rolling mile £3.20

Proposal C: For the first 1,200 yards £4.00, for each subsequent mile £3.00. That makes the first mile £5.00. This means the rolling mile is £3.00.

Proposal D: An increase of £1.00 be added to the current flag fares.

Proposal E: Happy with the current tariff and do not want a change.

- 3.6 The additional time allowed for a greater response from the trade with a clear majority responding (57.5% of the trade). Any duplicate votes were removed from the total with all votes from the initial consultation being carried over. (Detailed results in Appendix C).

4 CONSIDERATION

- 4.1 The last tariff increase to Hackney Carriage Vehicle (HCV) fares was approved by this Committee in 2013 and came into force in 2014. The current fare table is attached at Appendix A.
- 4.2 While the trade was consulted on the tariff, the setting of the tariff is the responsibility of the Licensing Authority.

- 4.3 The licensing authority needs to ensure a careful balance between the need for drivers to make a living and the ability of the public to afford to travel safely needs to be met.
- 4.4 If an excessive tariff is set, the trade may look to set their fares below the maximum rate to attract custom. This practice causes confusion for users and creates a situation where people walk the rank seeking out the cheapest fare rather than just taking the vehicle at the head of the rank with all fares being consistent.
- 4.5 There are a number of variables in the cost of running a HC business including fuel, insurance, servicing, repairs and vehicle replacement. These, allied with the variations in annual mileage make it difficult to be precise in arriving at the component costs that could be considered.

The national average price of diesel in 2013 was 141.9p per litre with a local average of 142.3p per litre. The national average price of unleaded in 2013 was 137.5p per litre with a local average of 137.7p per litre.

The UK Average price of diesel in April 2022 (latest figures available at the time of drafting this report) was 175.9 p per litre with a local average of 174.6p per litre. The national average price of unleaded in April 2022 was 162.2p per litre with a local average of 160.4p per litre.

This is an increase of 34.0p for diesel and 24.7p for unleaded nationally and 32.3p for diesel and 32.7p for unleaded locally. (All figures sourced from the AA). At the time of drafting this report fuel prices at local stations are in excess of £1.60 a litre (unleaded) and £1.70 (diesel).

- 4.6 Proposal B received the most votes (59 votes, 25% of the trade / 45% of those who responded) and represents the most expensive proposal.
- 4.7 Proposal B would make Hart the most expensive tariff in the Country not including Heathrow (see Appendix F and G) and is not supported by Officers fearing this would be likely to discourage consumer use and have an overall detrimental impact on taxi trade custom levels. Taxi users are also subject to their own living cost increases and are likely to have less disposable income too.
- 4.8 Appendix H shows an alternative tariff that officers believe provides financial support to the trade, remains competitive with neighbouring districts and is reasonable for taxi users. Using the feedback from the trade the new tariff will be divided into 10ths of a mile as they feel this will make it easier for the public to understand.
- 4.9 A notice of any variation to the table of fares that may be agreed by this Committee will be advertised in a local newspaper. This notice is funded by licence fees and would cost approximately £200. The consultation will also be available on the Council's website for review.
- 4.10 The proposed table of fares will be deposited at the Council offices for a period of 14 days. Any objections received within 14 days of publication of

the notice and not withdrawn will be considered at a future meeting of the Licensing Committee and any variations agreed would come into effect the following day (or as soon as it is reasonably practicable to update vehicle fare meters).

- 4.11 If there are no objections, the revised fares will become effective as soon as reasonably practicable following the expiry of the 14 days' notice period (as soon as the Shared Licensing team are able to arrange for the taxi meters to be updated).

5 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 No change to the current fare table. This would not meet the concerns of the hackney carriage trade or address the affordability issues of entering the trade.
- 5.2 The adoption of one of the tariffs proposed by the trade. Depending upon the option chosen this could cause a significant increase in fares that would prove divisive within the trade.
- 5.3 Adopt a different tariff to those outlined with this report. Setting a tariff is a complex and non-trivial exercise. Setting a new tariff or making fundamental changes to a tariff is best done in a less time sensitive arena than a committee hearing.

6 CORPORATE GOVERNANCE CONSIDERATIONS

6.1 Service Plan

Is the proposal identified in the Service Plan?	No
Is the proposal being funded from current budgets?	Yes
Have staffing resources already been identified and set aside for this proposal?	Yes

6.2 Legal and Constitutional Issues

- 6.2.1 All decisions taken by or on behalf of the Council must:
- (a) be within the legal powers of the Council;
 - (b) comply with any procedural requirement imposed by law;
 - (c) be within the powers of the body or person exercising powers on behalf of the Council;
 - (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. standing orders and financial regulations;
 - (e) be fully and properly informed;
 - (f) be properly motivated;
 - (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and
 - (h) be reasonable and proper in all the circumstances.

6.3 Financial and Resource Implications

- 6.3.1 A notice of any variation to the table of fares that may be agreed by this Committee will be advertised in a local newspaper. This notice is funded by licence fees and would cost approximately £200.

7 EQUALITIES

- 7.1 There are no direct equalities impacts arising from the recommendations.

8 CLIMATE CHANGE IMPLICATIONS

- 8.1 There are no direct carbon/environmental impacts arising from the recommendations.

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APPENDICIES

Appendix A: Current Fare Chart

Appendix B: Proposals Voted on by the trade

Appendix C Vote Results

Appendix D: Fuel Price Data 2013

Appendix E: Fuel Price Data 2022

Appendix F: 2 Mile Test Information April 2022

Appendix G: Local Area Comparison Table

Appendix H: Proposed Fare Chart

Appendix I: Newspaper Advert

Appendix J Members of the Trade Consultation Email for New Tariff