

LICENSING COMMITTEE

DATE OF MEETING: 5 September 2023

TITLE OF REPORT: Hackney Carriage Fare Review

Report of: Executive Director - Place

Cabinet Portfolio: Regulatory

PURPOSE OF REPORT

- 1 Review the current Hackney Carriage tariff as requested by the Licensing Committee in August 2022.

OFFICER RECOMMENDATION

- 2 Licensing Committee is recommended to:
 - to maintain the current Hackney Carriage tariff, and
 - continue ongoing annual reviews of the Hackney Carriage tariff, or sooner if required while monitoring external factors.

BACKGROUND

- 3 In August 2022 Licensing Committee approved an increase to the Hackney Carriage tariff following public consultation. In early 2022 the Hackney Carriage trade had 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 increase in fuel prices and the cost-of-living crisis. The revised tariff was set to reflect increasing costs within the trade.
- 4 While approving the increase in the Hackney Carriage fare tariffs, the Committee also agreed that there should be 'ongoing reviews of no more than 12 months ...to be undertaken by both the Shared Service and Licensing Committee.'
- 5 The Hackney Carriage tariffs do not apply to Private Hire journeys.
- 6 The tariff sets the maximum fares that can be charged by the Hackney trade while working within the Hart district. Lower fares than those set out in the fare table can be agreed between the driver and the passenger.
- 7 The maximum tariff does not apply to any journey which will cross the district boundary into another council area. In this situation the fare is to be agreed with the driver and the table of fares does not apply. These journeys are more representative of the Private Hire trade.

CONSIDERATION

- 8 The current hackney carriage fare table is attached at Appendix A.

- 9 Appendix B sets out the national 2-mile tariff information dated July 2023. Hart district is number 32 in the list out of 344 authorities. The 2-mile tariff in Hart district is £8.20 compared with the national average tariff which is £7.15.
- 10 Appendix C sets out a local 2-mile tariff comparison data dated July, which looks at the tariff rates in Hart district compared with our adjacent authorities, and the dates when the rates were last set.
- 11 In setting the setting of the tariffs in 2022, the Licensing Committee were keen to strike a careful balance between the need for drivers to make a living and the ability of the public to afford to travel. The residents of Hart district are also dealing with the pressures of inflation and the cost-of-living crisis.
- 12 There are a number of variables in the cost of running a Hackney Carriage business including fuel, insurance, servicing, repairs and vehicle replacement. Businesses that employ drivers have a different cost base to drivers who are owner/operators.
- 13 Fuel prices have fallen since last year (see Appendices D and E). Falling fuel prices made the largest downward contribution to last month's change to the Consumer Price Inflation (CPI) annual rates. It is noted that fuel prices do fluctuate, and it would not be appropriate to amend the tariffs each time there was a major change to fuel prices.
- 14 It is also noted that the impact of inflation has had an impact upon the costs of insurance, servicing, repairs, and vehicle replacement. While there has been a decrease in fuel costs this is offset by other costs.
- 15 The current tariffs set in 2022 were the first time the tariffs had increased since 2014. Normally tariff rates are expected to be in place for a number of years, which accepts there will be fluctuations in costs to the trade over the period.
- 16 While the Licensing Authority has promised to monitor and review the tariff on a regular basis there has not been an external request to change the tariff. Setting a tariff is a complex exercise. The current financial situation brings a range of pressures on both drivers and passengers.
- 17 It is therefore recommended to maintain the current Hackney Carriage tariffs which were set in 2022.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 18 **Decrease the current tariff: return to the Hackney Carriage tariffs prior to the 2022 fare increase.** This would increase financial pressures upon the hackney carriage trade at a time when they are facing the same cost-of-living impacts as every other resident. Most employees are seeking pay rises to cover the cost of inflation. Cutting drivers' income at this time would feel punitive.

- 19 **Decrease the current tariff: align the Hackney Carriage tariff with Basingstoke & Deane.** Licensing authorities have different policies and vehicle specifications that impact upon the Hackney Carriage trade. The Hackney Carriage trade in Basingstoke & Deane has a very different operation to that in Hart district not least of which is in regard to vehicle requirements. While this option may promote the principles of the Shared Licensing Service and harmonisation between the two authorities it is not considered appropriate in this case.
- 20 **Increase the current tariff.** This would negatively impact the public during a cost-of-living crisis. If an excessive tariff is set, some drivers may 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.

CORPORATE GOVERNANCE CONSIDERATIONS

21 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

Legal and Constitutional Issues

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

Financial and Resource Implications

- 23 There are no direct financial or resource implications arising from this recommendation.

EQUALITIES

24 There are no direct equalities impacts arising from the recommendations.

CLIMATE CHANGE IMPLICATIONS

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

ACTION

26 If Members of Licensing Committee agree to maintain the current Hackney Carriage tariffs there is no action except to inform the trade.

27 The Shared Licensing Service will continue the annual reviews of the Hackney Carriage tariff, or sooner if required while monitoring external factors. Next review due September 2024.

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APPENDICES

Appendix A: Current hackney carriage fare table

Appendix B: National 2-mile tariff information July 2023

Appendix C: Local 2-mile tariff comparison July 2023

Appendix D: Fuel price report June 2022

Appendix E: Fuel price report June 2023