

HACKNEY CARRIAGE TABLE OF FARES

Relevant Portfolio Holder	Councillor P Thomas
Portfolio Holder Consulted	No
Relevant Head of Service	Simon Wilkes – Head of Worcestershire Regulatory Services
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	

1. SUMMARY OF PROPOSALS

The Council has responsibility under the Local Government (Miscellaneous Provisions) Act 1976, for setting the maximum fares that can be charged by hackney carriage vehicles licensed to operate within the district.

Officers have recently received a request submitted on behalf of a number of hackney carriage licence holders for the current table of fares to be varied to increase the maximum fares that can be charged.

2. RECOMMENDATIONS

That the Licensing Committee considers the request and, if they agree to make the requested variations to the table of fares, RESOLVE that:

- a) **The proposed table of taxi fares as set out in Appendix 2 be advertised as a public notice and objections from the public invited in accordance with the requirements of section 65, Local Government (Miscellaneous Provisions) Act, 1976.**
- b) **If no objections are received from the public within 14 days of publication of the notice that the proposed tariff will come into effect on 16 May 2022.**
- c) **If objections are received in the stated time, that the matter will be considered further at the next meeting of the Licensing Committee, and a decision made as to whether the variations to the table of fares should be made**

3. KEY ISSUES

Financial Implications

- 3.1 The costs of advertising any proposed variations to the table of fares for hackney carriages would be met from existing budgets held by Worcestershire Regulatory Services.

Legal Implications

- 3.2 Section 65 (1) of the Local Government (Miscellaneous Provisions) Act 1976 states that a district council may fix the rates or fares within the district as well for time as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a “table of fares”) made or varied in accordance with the provisions of this section.
- 3.3 Section 65(2) of the Local Government (Miscellaneous Provisions) Act 1976 goes on to state:
- a) When a district council make or vary a table of fares they shall publish in at least one local newspaper circulating in the district a notice setting out the table of fares or the variation thereof and specifying the period, which shall not be less than fourteen days from the date of the first publication of the notice, within which and the manner in which objections to the table of fares or variation can be made.
 - b) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of fourteen days from the date of the first publication thereof be deposited at the offices of the council which published the notice, and shall at all reasonable hours be open to public inspection without payment.
- 3.4 If no objection to a table of fares or variation is duly made within the period specified in the notice referred to in section 65 (2), or if all objections so made are withdrawn, the table of fares or variation shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection or, if more than one, of the last objection, whichever date is the later.
- 3.5 If objections are made and are not withdrawn, the district council must 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 as decided by them after consideration of the objections.

Service / Operational Implications

- 3.6 The Council has responsibility under the Local Government (Miscellaneous Provisions) Act 1976, for setting the maximum fares that can be charged by hackney carriage vehicles licensed to operate within the district.
- 3.7 Hackney Carriage (“Taxi”) fares are made up of an initial hiring charge and a “mileage” rate, both of which are expressed in terms of distance and / or time per unit cost. This is because when a hired taxi is stationary or moving slowly in traffic the meter continues charging, but by time, instead of distance.
- 3.8 The table of fares applies only to hackney carriage vehicles. Private hire operators are free to agree their hiring charges in advance with their customers, normally at the time of booking the journey.
- 3.9 The current table of fares can be seen at **Appendix 1**. The current table of fares was approved by the Licensing Committee at its meeting on 24th June 2013 took effect on 1st August 2013.
- 3.10 The structure of the current table of fares is somewhat complex. The table of fares is structured so as to set out one single tariff of charges and then allows the driver to charge extra depending on a number of factors including the time and date when the journey commences, how many passengers are being carried, how the vehicle was booked and the visibility conditions.
- 3.11 Officers recently received correspondence, sent on behalf of a number of hackney carriage licence holders, requesting that the Council gives consideration to varying the table of fares. The initial request was for a £1 increase to the charge for the first mile and for subsequent miles to increase from the current level of around £1.77 per mile to £2 per mile.
- 3.12 Officers acknowledged this request and asked representatives of the hackney carriage trade whether they would like to try and use this opportunity to simplify the table of fares for drivers and passengers, as well as with a view to providing those in the hackney carriage trade with a fair and reasonable increase to the amount they can charge for journeys.
- 3.13 The hackney carriage trade representatives were receptive to this idea and following liaison with officers regarding a more simplified structure for the table of fares, have put forward a proposal that the table of fares be varied to that shown at **Appendix 2**.

3.14 When drawing comparisons between hackney carriage fares in different areas, the normal method used is to compare the cost of a 2-mile journey on Tariff 1. A table showing a comparison of the hackney carriage fares charged for a 2-mile journey on Tariff 1 in other local districts can be seen at **Appendix 3**.

3.15 If the table of fares proposed by the trade were to be implemented, this would see the cost of a two mile journey on Tariff 1 increase from the current level of £5.80 to £7.00, an increase of £1.20 or 20.7%.

3.16 According to the AA Fuel Price Report, the average prices of fuel in the West Midlands in August 2013 when the existing tariff took effect were:

Unleaded 95 Octane (pence per litre)	Diesel (pence per litre)	Super Unleaded (pence per litre)	LPG pence per litre)
137.2	141.4	146.0	72.9

3.17 According to the latest AA Fuel Price report (January 2022) the average prices of fuel in the West Midlands are now:

Unleaded 95 Octane (pence per litre)	Diesel (pence per litre)	Super Unleaded (pence per litre)	LPG (pence per litre)
145.2	148.9	157.9	85.9
+5.8%	+5.3%	+8.2%	+ 17.8%

3.18 Both diesel and standard unleaded fuel prices were therefore around 5.5% higher than when the current table of fares took effect.

3.19 The cost of fuel is of course only one factor that Members should consider when determining whether it is appropriate to vary the table of fares. Also of relevance will be other general increases in the cost of living for hackney carriage proprietors.

3.20 According to the data compiled by the Office for National Statistics (ONS), the Consumer Prices Index (CPI) rose by 5.5% in the 12 months to January 2022, up from 5.4% in December 2021. Inflation is widely expected to climb above 7% later this year, partly driven by the unprecedented increase in energy prices.

- 3.21 According to the Bank of England's "Inflation Calculator" goods and services that cost £100 in 2013 would have cost £121.94p in 2021, an increase of nearly 22%
- 3.22 The fuel price and inflation figures quoted above are based on the most recent data available to officers at the time that this report was prepared. Officers anticipate being able to provide further updated information to the Committee at their meeting.
- 3.23 Legislation requires that any changes to the table of fares are published as a public notice and objections invited. If no objections are received the fares come into force on the named date. If there are objections, then the Council must consider them and re-set the fares with or without variations. No further statutory consultation is required at that time.
- 3.24 Members are asked to consider the request received and, if they agree to make the variations requested, to direct officers to undertake the legal processes required to advertise the varied tariff shown at **Appendix 2** with a view to this taking effect on 16th May 2022.
- 3.25 However, if objections are received when the proposed variations are advertised, then the variations cannot take effect until after those objections have been considered at a future meeting of the Licensing Committee.

4. RISK MANAGEMENT

- 4.1 None

5. APPENDICES

- Appendix 1 – Current Table of Fares
- Appendix 2 – Proposed Table of Fares
- Appendix 3 – Comparison of Fares for a Two-Mile Journey

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