

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.

In March 2022, the Licensing Committee approved the advertisement of a revised table of fares which was subsequently implemented. At the time this decision was reached, Members also decided that the table of fares should be reviewed annually and that an interim review should take place during the second half of 2022 if the circumstances merited this.

Officers have also recently received a request submitted on behalf of hackney carriage licence holders for the table of fares to be further varied to address some unintended consequences that have been noticed by licence holders since the implementation of the revised table of fares in May 2022.

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 7th November 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 14th March 2022 and took effect on 16th May 2022.
- 3.10 At the time that the table of fares was approved, Members requested that the table of fares should be reviewed annually in the future and that an interim review should be conducted later in 2022 if the circumstances merited this.

- 3.11 According to weekly fuel price data provided by the Department for Business, Energy and Industrial Strategy (BEIS), the average price of fuel in the week commencing 14th March 2022 was

	Price per litre
Ultra-low sulphur unleaded petrol	159.96p
Ultra-low sulphur diesel	169.48p

- 3.12 In the week commencing 12th September 2022, according to the same statistics, the average price of fuel was:

	Price per litre	Change
Ultra-low sulphur unleaded petrol	167.72p	+4.9%
Ultra-low sulphur diesel	182.30p	+7.6%

- 3.13 This shows that fuel prices have continued to rise since March 2022. Fuel prices peaked in July 2022 but have been coming down gradually since then. The increase in fuel prices since March 2022 is despite the temporary 5p per litre reduction in fuel duty, effective from 6pm on 23rd March 2022.
- 3.14 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.
- 3.15 According to the data compiled by the Office for National Statistics (ONS), the Consumer Prices Index (CPI) rose by 9.9% in the 12 months to August 2022, up from 7.0% in March 2022 but down slightly from 10.1% in July 2022. The Bank of England has predicted that inflation will climb to around 13% later this year, driven by the unprecedented increase in energy prices. Inflation is then predicted to remain high throughout much of 2023 before beginning to fall towards the Bank of England target of 2%

- 3.16 Since the current table of fares took effect, officers have been approached by representatives of the hackney carriage trade in Bromsgrove in respect of some unintended consequences that have been created by the new table of fares.
- 3.17 These include the fact that drivers of vehicles capable of carrying more than 4 passengers are now often not able to charge as much for journeys involving more than four passengers as they were under the previous table of fares from that was in operation from 1st August 2013 to 15th May 2022.
- 3.18 This is because the structure of the table of fares was amended in such a way as to remove the ability for drivers to charge 50% more than the standard tariff for those journeys involving the carriage of more than 4 passengers. Although an additional charge was included in the table of fares to allow the charging of £1 for every passenger in excess of 4, this does not provide the same level of recompense to drivers, particular for longer journeys involving the carriage of 5 or 6 passengers.
- 3.19 The trade representatives have therefore requested that the table of fares be amended to allow drivers to charge the Tariff Two rates for any journey where the number of passengers being transported exceeds four. As a consequence, the extra charge per passenger in excess of four would need to be removed from the table of fares.
- 3.20 Additionally it has been pointed out that under the current table of fares, the mileage rate is the same on both Tariff One and Tariff Two – equivalent to £2.00 per mile. The flag charge is higher on Tariff One than it is on Tariff Two, but the trade representatives feel that the mileage rate should also be higher on Tariff Two to provide an additional incentive and recompense for drivers to work after midnight.
- 3.21 They have therefore requested that the mileage rate on Tariff Two be increased from 20p per 176 yards to 30p per 176 yards.
- 3.22 The trade have also requested that the mileage rate on Tariff Three be increased from 30p per 176 yards to 40p per 176 yards to provide further incentive and recompense for drivers to work on Christmas Day, Boxing Day and New Year's Day
- 3.23 Finally the trade representatives have asked that the maximum soilage charge be increased from £75.00 to £100.00. Whilst soilage charges very rarely have to be charged, the trade representatives believe the maximum charge needs to cover the likely cost of cleaning the vehicle and provide a level of compensation for the income lost whilst the vehicle is off the road being cleaned.

- 3.24 Taking account of the requests made by the trade representatives, officers have drafted a revised table of fares that can be seen at **Appendix 2**.
- 3.25 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.
- 3.26 Members are asked to consider the requests 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 7th November 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

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