
Review of Hackney Carriage Tariffs

Committee considering report:	Licensing Committee
Date of Committee:	21 June 2021
Portfolio Member:	Councillor Hilary Cole
Report Author:	Moira Fraser
Forward Plan Ref:	n/a

1 Purpose of the Report

- 1.1 To review the current hackney carriage fare scale, agree options and outline the consultation process that will be undertaken on these options if Members are minded to amend them.

2 Recommendation

That the Committee

- 2.1 **NOTES** the existing tariffs.
- 2.2 **CONSIDERS** the options as set out in paragraph 4.12 and Appendix B and agrees which, if any, of the proposals should be consulted on.
- 2.3 **CONSIDERS** whether the timings associated with Tariff 1, which are currently set at 06:00 to 22:00 Monday to Saturday other than bank holidays, public holidays, Christmas and Boxing Days, should be amended to 06:00 to 23:00 Monday to Saturday other than bank holidays, public holidays, Christmas and Boxing Days.
- 2.4 **CONSIDERS** how many tariffs are needed and whether or not it would be appropriate to remove tariff 3.

If Members are minded to consult on any changes

- 2.5 **AGREES** that a copy of the notice should be placed in the Newbury Weekly News, the Reading Chronicle, on the Council's website and on display at the Market Street Council Offices.
- 2.6 **AGREES** that a copy of the notice should be emailed to the trade.
- 2.7 **AGREES** that the consultation should run from the 1 July 2021 to 15 July 2021.
- 2.8 **AGREES** that if no objections to the changes are received the revised maximum fares would come into effect from 1 August 2021.

2.9 **AGREES** that if objections are received and not withdrawn a Special Licensing Committee meeting will be convened to consider the objections and agree a way forward.

3 Implications and Impact Assessment

Implication	Commentary			
Financial:	There are no specific financial implications for the Council arising from this report. The consultation, including the cost of notices in newspapers, will be undertaken using existing resources.			
Human Resource:	Any actions will be met from within existing resources			
Legal:	The procedure for setting fares and public notice requirements are stipulated within section 65 of the Local Government (Miscellaneous Provisions) Act 1976.			
Risk Management:	None			
Property:	None			
Policy:	None			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		Not required because the setting of fares in relation to this statutory function is not considered to cause any discrimination. The fees are set in accordance with Government guidance.

Review of Hackney Carriage Tariffs

B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		This report is seeking permission to consult on proposals.
Environmental Impact:		X		None
Health Impact:		X		None
ICT Impact:		X		None
Digital Services Impact:		X		The notice will be placed on the website by the Public Protection Partnership
Council Strategy Priorities:	X			The provision of a viable taxi trade in the district will support a number of the priorities in the Council Strategy, in particular they are associated with supporting businesses to start, develop and thrive in West Berkshire.
Core Business:		X		Providing support to the taxi trade forms part of the business as usual for the Public Protection Partnership.
Data Impact:				None
Consultation and Engagement:	The procedure for setting fares and public notice requirements are stipulated within section 65 of the Local Government (Miscellaneous Provisions) Act 1976.			

4 Supporting Information

Introduction

- 4.1 The process of setting a fare increase is complex and a balance needs to be struck between the legitimate aims of the taxi trade to maintain profitability in the face of increasing costs, while protecting the public from excessive fares.
- 4.2 Any decisions also need to take cognisance of the current situation the taxi trade finds itself in arising from the Covid pandemic. Anecdotal information received from the trade

Review of Hackney Carriage Tariffs

is that their income has been reduced by around 75% over the last financial year. The trade are also mindful that any proposal to increase fares significantly could also potentially drive customers away.

- 4.3 The trade have requested that the fares charged by neighbouring authorities be borne in mind when making any suggested amendments to the fares in West Berkshire.
- 4.4 Licensing authorities have a statutory power to set the maximum fares that licensed hackney carriages (taxis) can charge for a journey. Under section 65 of the Local Government (Miscellaneous Provisions) Act 1976, licensing authorities have the power to "...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."
- 4.5 The trade are not obligated to charge the maximum fare. This means that hackney carriage drivers are well within their rights to negotiate the fare down provided that the final agreed fare is no more than the maximum set.
- 4.6 Any proposed changes to the current tariffs would need to be subjected to a statutory consultation process.

Background

- 4.7 The current tariff scale as set out in Appendix A was agreed in 2013. Since then a number of discussions have taken place with the trade about potential adjustments to these fares.
- 4.8 The current scheme comprises three tariffs
 - Tariff 1 - Which is applied between 06:00 and 22:00 Monday to Saturday (excludes bank holidays and public holidays, Boxing Day and Christmas Day)
 - Tariff 2 – Which is applied between 22:00 and 06:00 Monday to Saturday, on Sundays, bank holidays and public holidays, between 06:00 and midnight on Boxing Day, between 19:00 and midnight on Christmas Eve and New Year's Eve and for any journey with five or more passengers between 06:00 and 22:00 Monday to Saturday.
 - Tariff 3 - Which is applied to journeys commencing on Christmas Day until 06:00 on Boxing Day and journeys commencing between midnight and 06:00 on New Year's Day.
- 4.9 A Task and Finish Group was set up by the Licensing Committee in 2019 to consider operator licence fees as well as fares. Cabco were invited to draft a proposal in relation to the fares. The proposal that they put forward was a 9% fare increase for tariffs 1 and 2 but that no increase should be applied to tariff 3. This proposal was discussed at the 18 November 2019 Licensing Committee meeting.
- 4.10 In considering these proposals the Licensing Committee noted that because the fares had grown organically the three tariffs were confusing. A counter proposal was put forward for a more logical system which was based on tenths of a mile. The fare would comprise a flag charge (which included two units) and then the units cost would be

Review of Hackney Carriage Tariffs

broken down into tenths of a mile. Tariffs 2 and 3 would be set as a factor of tariff 1. It was agreed that the trade would go away and look at these proposals. It was subsequently noted that in order for the meters to accommodate the tariffs the waiting times would have to be factored in too.

4.11 Two subsequent meetings have been held with the trade where the tariffs were discussed. The representatives at the trade meeting stated that

- Only two tariffs were needed and that tariff 3 should no longer be applied. This proposal has been disputed by some members of the trade.
- They were supportive of basing the fares on a flag charge (which included two units) and then unit costs which were broken down into tenths of a mile (i.e. each unit equated to 176 yards).
- Tariff 2 (flag amounts excluded) should be a direct multiplication of Tariff 1. (The ratio would be determined through the consultation process)
- They were generally supportive of a small increase to the fares but would not welcome any substantial uplift to the scales.

Proposals

4.12 Appendix B sets out three options which are proposed for consultation arising from the discussions with the trade. Members are asked to agree which, if any, of the proposals they would like to consult on.

Tariff 1

Applies for any hiring when the journey commences between 06:00 and 22:00 Monday to Saturday, other than Bank Holidays, Public Holidays, Boxing Day or Christmas Day.

Tariff 2

Applies at all other times

Both Tariffs:

Initial distance not exceeding 352 yards (1/5 mile)

Initial waiting time 72 seconds or a combination of time and distance

Subsequent distances – each 176 yards or part thereof (1/10 mile)

Subsequent waiting times – every period of 36 seconds or part thereof.

Options – Tariff 1

	Option 1	Option 2	Option 3
initial distance (flag) / initial 72 seconds	£2.80	£3.00	£3.00

Review of Hackney Carriage Tariffs

	Option 1	Option 2	Option 3
per unit / further 36 seconds thereafter	£0.215	£0.22	£0.24
per hour waiting time	£21.50	£22.00	£24.00

Options – Tariff 2

	Option 1	Option 2	Option 3
initial distance (flag) / initial 72 seconds	£3.80	£4.50	£4.25
per unit / further 36 seconds thereafter	£0.33	£0.33	£0.36
per hour waiting time	£32.68	£33.00	£36.00 per

4.13 Members are asked to consider if the timings associated with the various tariffs as set out in paragraph 4.8 are still appropriate and if these need to be revised at all.

4.14 In order to set maximum fares, the 1976 Act prescribes a statutory consultation process and a means of dealing with objections in relation to a licensing authority's proposal to adopt or vary fares.

4.15 If Members are minded to make any adjustment to the fares the Council must publish a notice setting out the proposed changes in at least one local newspaper. The notice must specify that readers will have at least fourteen days from the date of the first publication of the notice to object to the change. The notice should also set out how the objections should be made.

4.16 A copy of the notice must be displayed at the Council's Office and in addition a copy will also be placed on the Public Protection Partnership's website. The Council could also email a copy of the notice to individual members of the trade.

4.17 If no objection to the variation is received within the fourteen day period or if all objections are withdrawn, the revised fares will come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the last objection whichever date is the later.

Review of Hackney Carriage Tariffs

- 4.18 Members are asked to consider if they believe that a date of the 01 August 2021 is achievable if no objections are received as the trade will need to ensure that they have sufficient time to recalibrate their meters.
- 4.19 If objections are received and not withdrawn, the Licensing Committee will have to meet again (not later than two months after the first specified date,) to consider the objections and agree a way forward.

5 Other options considered

- 5.1 Not to consider any variations to the tariffs.
- 5.2 Any additional options proposed by the Members at the meeting.

6 Conclusion

- 6.1 The issue of setting fares for hackney carriage drivers is an important one primarily for two reasons. The fares set by licensing authorities largely determine the ability of drivers to earn a decent living but also functions to ensure that passengers receive a fair deal when taking a journey in a licensed hackney carriage. Given the importance of setting hackney carriage fares, it is important that local authorities have a proper way of calculating fares in their local areas. The proposed revised methodology provides a more logical approach to fare setting.

7 Appendices

- 7.1 Appendix A – Existing Tariffs
- 7.2 Appendix B – Options for Revised Tariffs

Background Papers:

None

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
- Delays in implementation could have serious financial implications for the Council
- Delays in implementation could compromise the Council's position
- Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months
- Item is Urgent Key Decision
- Report is to note only
-

Wards affected: All

Officer details:

Name: Moira Fraser
Job Title: Policy and Governance Principal Officer
Tel No: 01635 519045
E-mail: moira.fraser@westberks.gov.uk
