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# Hackney Carriage Tariffs

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<b>Committee considering report:</b>	Executive on 18 November 2021
<b>Portfolio Member:</b>	Councillor Hilary Cole
<b>Date Portfolio Member agreed report:</b>	21 October 2021
<b>Report Author:</b>	Moira Fraser
<b>Forward Plan Ref:</b>	EX4140

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## 1 Purpose of the Report

- 1.1 To feedback on the statutory consultation in relation to the hackney carriage table of fares.
- 1.2 The Executive is asked to determine whether or not to modify the hackney carriage fare scale, following the Delegated Officer Decision on 08 September 2021 to vary the current fare scale by an increase of 5%, in light of the objection received (and not withdrawn) during the consultation period.

## 2 Recommendations

The Executive is asked to:

- 2.1 **CONSIDER** the objection received during the statutory consultation; and
- 2.2 **DETERMINE** any modifications to be made to the table of fares at Appendix D in light of the objection; or
- 2.3 **DETERMINE** no modifications are to be made to the table of fares at Appendix D having taken into account the objection; and
- 2.4 **CONFIRM** a date of 19th November 2021 for the table of fares, with or without modification, to come into effect.

## 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	The cost of placing the public notices was around £700 which was met from within existing budgets. There are no other specific financial implications arising from this report. There is a potential for licensing income to reduce should the decision made have a detrimental impact on the number of drivers and

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	operators working in the district. This will be monitored and managed through the Joint Management Board.
<b>Human Resource:</b>	None
<b>Legal:</b>	<p>The procedure for setting fares and public notice requirements are stipulated within section 65 of the Local Government (Miscellaneous Provisions) Act 1976.</p> <p>The statutory process for consultation under s.65 has been followed.</p> <p>Section 65 of the of the Local Government (Miscellaneous Provisions) Act 1976 requires that where objections are duly made during the statutory consultation period, and are not withdrawn, the Council has to:</p> <ul style="list-style-type: none"> <li>i) Decide whether or not to make modifications to the table of fares in Appendix D after consideration of the objections;</li> <li>ii) Set a date, <i>no later</i> than 14 December 2021, on which the table of fares at Appendix D will come into force with or without modification.</li> </ul> <p>In addition to having regard to the objections, other decision-making considerations apply, namely due regard should be given to how the decision may affect people who are protected under the Equality Act 2010 pursuant to the Public Sector Equality Duty. See equalities information below.</p> <p>Legal Services have been consulted.</p>
<b>Risk Management:</b>	There would be a risk of challenge to the decision should the statutory process not be followed.
<b>Property:</b>	None
<b>Policy:</b>	None

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	Positive	Neutral	Negative	Commentary
<b>Equalities Impact:</b>				
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		<p>Nationally young women are one of the largest groups to use taxis. Other groups, such as those who are disabled and those who are elderly may also use taxis more frequently.</p> <p>Any change to fares suggested could impact these groups financially, but equally there needs to be a viable taxi trade to provide a taxi service for these groups and all residents/visitors to West Berkshire.</p> <p>The review of the current fares is seeking to protect the public from excessive fares but at the same ensuring that this remains a profitable sector and therefore retaining drivers and operators to provide the service to those who rely on it.</p> <p>No comments relating to equalities were received during the consultation. No comments on the proposed increase to the fares were received from members of the public.</p>
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		See above
<b>Environmental Impact:</b>		X		A well-functioning taxi sector will assist with promoting public transport in the district.

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<b>Health Impact:</b>		X		None
<b>ICT Impact:</b>				None
<b>Digital Services Impact:</b>		X		The revised table of fares (with or without modification) will be published on the Councils website along with the Public Protection Partnership Website.
<b>Council Strategy Priorities:</b>		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.
<b>Core Business:</b>		X		Providing support to the taxi trade forms part of the business as usual for the Public Protection Partnership.
<b>Data Impact:</b>		X		None
<b>Consultation and Engagement:</b>	In making this decision Members will be cognisant of the comments made during statutory consultation process undertaken in accordance with section 65 of the Local Government (Miscellaneous Provisions) Act 1976.			

## 4 Executive Summary

- 4.1 The Local Government (Miscellaneous Provisions) Act 1976 section 65 gives a Local Authority the power to determine the table of fares for the hire of hackney carriages. This legislation also prescribes a statutory consultation process and a means of ensuring objections are properly considered in relation to a Local Authority's adoption of or variation to a table of fares prior to the table coming into effect.
- 4.2 The current table of fares has not been varied since 2013. There have been ongoing discussions with the trade about potentially increasing the fares to offset their rising costs. It should be noted though that increasing the fares is not universally supported by the trade. To provide some additional context a comparison with a selection of other authorities of the cost of a two mile fare as at July 2021 is included in Appendix E.
- 4.3 Options for amending the tariffs were discussed at the 21 June 2021 Licensing Committee meeting. Members decided at this meeting that they would like the trade to be informally consulted (non-statutory) and their views established prior to considering whether or not any changes should be taken forward for statutory consultation. The

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Council received 35 responses to the non-statutory consultation and the outcome is set out in Appendix B.

- 4.4 The question as to whether or not the fares should be increased produced mixed results, albeit that around 77% of the respondents to the non-statutory consultation did support the fares being increased. The findings of the consultation were presented to the Licensing Committee at a special meeting on the 06 September 2021. The Committee noted the findings and recommended that the Service Director (Development and Regulation) vary the table of fares for hackney carriage tariffs based on a 5% increase and proceed with statutory consultation.
- 4.5 On 08 September 2021 the Service Director (Development and Regulation) signed off a delegated officer decision to commence statutory consultation on the table at Appendix D, having considered the Licensing Committee's observations.
- 4.6 As an objection to the varied table of fares has been received (see Appendix A) and not withdrawn the matter must be considered further to decide whether or not to modify the table of fares before it comes into effect and to set a further date for the table to come into effect. The objection was discussed by Members of the Licensing Committee at the meeting on the 08 November 2021.
- 4.7 They determined to recommend to the Executive that the revised table of fares come into operation on the 19 November 2021. The Committee noted that the majority of the trade supported this proposal, that they had not had an increase in the tariffs since 2013, that costs had increased significantly over the last eight years, that Covid had had a severe impact on this sector and that drivers would not have to implement the increase should they not wish to.
- 4.8 The table of fares must come into operation by the 14 December 2021 i.e. no later than two months after the last date for making objections (14 October 2021) with or without modification. The Licensing Committee recommended an implementation date of the 19 November 2021.

## 5 Supporting Information

### Introduction

- 5.1 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.
- 5.2 Local 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, local 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."

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5.3 Any changes to the current table of fares must be subjected to a statutory consultation process. Where objections to the proposed table of fares are received and not withdrawn, decisions are required as to whether or not to modify the revised table of fares and to set an implementation date.

5.4 The Department for Transport's 'Taxi and private hire vehicle licensing: best practice guidance' (March 2010) includes some guidance around taxi fares at paragraphs 52 to 54. It notes that it is "*good practice to review the fare scales at regular intervals*". The guidance emphasises that "*Fare scales should be designed with a view to practicality*" and goes on to state;

*"The Department also suggests that in reviewing fares authorities should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand."*

5.5 The trade are not obligated to charge the maximum fare. This means that hackney carriage drivers are within their rights to negotiate the fare down provided that the final agreed fare is no more than the maximum set. The best practice guidance confirms;

*"Taxi fares... in principle are open to downward negotiation between passenger and driver. It is not good practice to encourage such negotiations at ranks, or for on-street hailings... But local licensing authorities can usefully make it clear that published fares are a maximum..."*

*"There is a case for allowing any taxi operators who wish to do so to make it clear... that they charge less than the maximum fare..."*

## Background

5.6 The current table of fares as set out in Appendix C was agreed in 2013. Since then the fares have been reviewed and a number of discussions have taken place with the trade about potential adjustments to these fares. The trade have had mixed views on any changes to the table of fares.

5.7 Options for amending the tariffs were discussed at the 21 June 2021 Licensing Committee meeting. Members decided at this meeting that they would like the trade to be consulted (non-statutory) and their views established prior to considering whether or not any changes should be taken forward to statutory consultation. Thirty five responses were received to this non-statutory consultation (see Appendix B for the outcome).

5.8 The question as to whether or not the fares should be increased produced mixed results. Eight respondents did not answer this question. The comments received would indicate that perhaps this was because they felt that the fares should not be increased at all. Eighteen of the 35 respondents stated that they would like to see an increase of circa 5% and nine respondents indicated that they would like to see an increase of circa 10%. These nine responses included a response from CABCO, on behalf of their 71 drivers, who have indicated that because the fares have not been increased since 2013 and costs have risen considerably over this time they would like to see the fares increased by circa 10%.

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- 5.9 The findings of the consultation were presented to the Licensing Committee at a special meeting on the 06 September 2021. The Committee noted the findings and recommended that the Service Director (Development and Regulation) agree that a statutory consultation be undertaken on a variation to the table of fares for hackney carriage tariffs based on a 5% increase.
- 5.10 The Service Director (Development and Regulation), in coming to their decision, considered the recommendation of the Licensing Committee. The Licensing Committee took a number of factors into consideration on 06 September 2021 including the fact that inflation between 2013 and 2021 equated to circa 17.5%, the fact that the Covid-19 pandemic had meant that over the last year the trade had lost about 80% of their business and that some members of trade were concerned that a significant increase to fares could result in a further loss of business.
- 5.11 They noted that that any proprietor or driver of a licensed hackney carriage could lawfully charge lower fares if they so wished, but the fare could not exceed the tariffs set by the Council or charge for items not appearing on the table of fares. Overall, the Licensing Committee felt an increase was justified in the circumstances, and that a 5% increase could be easily calculated, was workable for taxi meters and would be a compromise of the range of opinions from the taxi trade.
- 5.12 The Service Director agreed with the observations of the Licensing Committee, and based on the recommendation from the Licensing Committee and their reasoning, decided a 5% increase in fares would be appropriate. The Service Director also noted that any variation would be subject to statutory consultation before coming into effect.
- 5.13 The Service Director decided the statutory consultation would run from the 16 September 2021 to the 14 October 2021 (which exceeds the statutory requirement of a minimum of 14 days), that a public notice be placed in the Newbury Weekly News and in the Reading Chronicle on the 16 September 2021 (triggering the start of the consultation), that the consultation be placed on the Public Protection Partnership's website, a note be displayed at the Market Street Council Offices from the 16 September 2021 and that a copy of the proposals be sent to all trade representatives, to encourage participation in the statutory consultation.
- 5.14 The Table of Fares decided on 08 September 2021 is set out in full in Appendix D to the report. The summary is set out below:
- |    |   |
|----|---|
| T1 | £3.00 initial distance (flag) / initial 69.1 seconds/ 352 yards<br>£0.20 per unit / 146.7 yards     |
| T2 | £4.50 initial distance (flag) / initial 69.1 seconds/ 352 yards<br>£0.30 per unit/ 146.7 yards      |
| T3 | £6.00 initial distance (flag) / initial / f 69.1 seconds/ 352 yards<br>£0.40 per unit / 146.7 yards |
- 5.15 It was noted that as an objection was received during the statutory consultation period and not withdrawn the objections would be considered at the 08 November Licensing Committee. The Licensing Committee are well placed to consider the objection from their knowledge of the taxi trade in West Berkshire and taxi licensing, to assist the

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Executive with their consideration of the objections. While the final decision could, constitutionally, be taken by the Service Director it has been determined that it would be more appropriate for this decision to be made by the Executive in light of the objection.

### Decisions to be taken

- 5.16 During the consultation the Council received one objection to the variations. The objection is set out in full in Appendix A to the report. The consultee who objected does not want any increase to fares at this time and suggests deferring the decision a year. In essence the objection to the 5% increase was based on the current economic climate, the ongoing Covid pandemic and the fact that the majority of the trade has been well looked after by central and local government with the provisions of loans and grants during the pandemic.
- 5.17 As an objection has been received and not withdrawn the Executive is required to decide whether or not the revised table of fares should be modified before it is implemented and decide the date for implementation. These decisions cannot be deferred under the statutory process.
- 5.18 The objector has commented that given the financial toll that the Covid -19 pandemic had had on many residents “now is the wrong time to be considering a rise”. They were concerned that increasing the fares could lead to a further diminution in passenger numbers.
- 5.19 The Executive will also need to decide a date for the table of fares as set out at Appendix D to come into effect, with or without modification. This must be by 14 December 2021 in accordance with the requirements under s.65 Local Government (Miscellaneous Provisions) Act 1976. Officers are proposing that this be the 19 November 2021 which should give the trade sufficient time to have their meters recalibrated, whatever is decided, following the meeting of the Executive on 18 November 2021.
- 5.20 The Licensing Committee recommended that the Executive make no modifications to the table of fares at Appendix D and confirm a date of 19th November 2021 for the table of fares to come into effect.

## 6 Options

- 6.1 The Executive can either
- (a) Modify the table of fares at Appendix D; or
  - (b) Approve the revised table of fares at Appendix D as drafted, without modification, leading to an increase in fares across the tariffs of 5%.

## 7 Other options considered

- 7.1 The options are outlined above in accordance with the statutory framework.
- 7.2 Other options, such as not introducing an increase or varying the table of fares by circa 10%, have been considered at earlier stages in the process and rejected. However, the



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specifics of any modification now to the table of fares set at Appendix D, are for the Executive to determine, taking into account all the information referred to in this report and Appendices.

- 7.3 The only decisions that can be taken now are as outlined above. There are no restrictions or limitations on when or how often the Council reviews the table of fares after decisions to be made on 18 November 2021. Future changes by way of decrease or increase to fares, or amendments to the tariff model or method of calculation of fares, can take place at the Council's discretion in line with the process under s.65 Local Government (Miscellaneous Provisions) Act 1976.

## 8 Appendices

- 8.1 Appendix A – Table of Objection Received During the Statutory Consultation
- 8.2 Appendix B – Outcome of the Non-Statutory Consultation
- 8.3 Appendix C – Current Tariff Scale (2013)
- 8.4 Appendix D – Table of Fares varied on 08 September 2021
- 8.5 Appendix E – Comparison data of a two mile journey

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### Background Papers:

Local Government (Miscellaneous Provisions) Act 1976  
<http://www.legislation.gov.uk/ukpga/1976/57>

[Department for Transport Taxi and Private Hire Vehicle Licensing: Best Practice Guidance \(March 2010\)](#)

### Subject to Call-In:

Yes:  No:

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

**Wards affected:** All

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