
Statutory Consultation on Hackney Carriage Tariffs 2022

Committee considering report:	Executive
Date of Committee:	07 July 2022
Portfolio Member:	Councillor Tom Marino
Report Author:	Moira Fraser
Forward Plan Ref:	URGENT ITEM

1 Purpose of the Report

To review the published Hackney Carriage fare scale in light of the current fuel costs and to determine the consultation process that must be undertaken if the Executive resolves to vary the current table of fares.

2 Recommendation

That the Licensing Committee

- 2.1 **NOTES** the existing tariffs in Appendix A.
- 2.2 **CONSIDERS** the reasons for the proposals and the outcome of the recent non-statutory consultation undertaken with the Taxi Trade as set out in Appendix B.

If the Licensing Committee Members are minded to seek a change to the current hackney carriage fare scale, they should:

- 2.3 **CONSIDER** what variation to the current fares may be appropriate.
- 2.4 **OBSERVE** that a copy of the statutory notice should be placed in the Newbury Weekly News, the Reading Chronicle, on the Public Protection Partnership's website and on display at the Market Street Council Offices.
- 2.5 **OBSERVE** that a copy of the notice should be emailed to the trade.
- 2.6 **CONSIDER** if the consultation period should run for the minimum of 14 days set out in statute i.e. 14 July to the 28 July 2022 or if a longer timescale should be applied.
- 2.7 **OBSERVE** that if objections are received and not withdrawn the objections will be discussed and a further decision will be made at the 22 September Executive meeting concerning any modification of the variation decided and the date on which the varied table of fares shall come into operation.

That the Executive

2.8 **NOTES** the existing tariffs which have been in place since 19 November 2021(Appendix A).

2.9 **CONSIDERS** the reasons for the proposals, the outcome of the recent non-statutory consultation undertaken with the Taxi Trade as set out in Appendix B and the views of the Licensing Committee.

2.10 **RESOLVES** whether or not to make variations to the current table of fares for hackney carriage tariffs based on the proposals set out in Appendix C or Ci to this report.

If the Executive decides to make any changes to the current table of fares they are asked to:

2.11 **RESOLVE** that the period within which objections to the variation(s) can be made (the statutory consultation) will be the 14 July 2022 to the 28 July 2022 or a longer period determined at the meeting.

2.12 **AGREE** that a public notice (akin to the one set out in Appendix D) will be placed in the Newbury Weekly News and the Reading Chronicle on the 14 July 2022.

2.13 **AGREE** that the consultation will be promoted on the website and a note will be displayed at the Market Street Offices by the 14 July 2022.

2.14 **AGREE** that a copy of the notice should be emailed individually to all West Berkshire licensed Hackney Carriage Proprietors for their comments.

2.15 **NOTE** that if objections are received, and not withdrawn, the Executive at its meeting on the 22 September 2022 will consider the objections and determine whether the varied table of fares shall be modified or not, and set a date when the varied table of fares, with or without modification, will come into operation. The implementation date must be no later than two months after the period for objections.

2.16 **NOTE** that if no objections are received, or if the objections are withdrawn, the proposed table of fares will come into effect on the day after the consultation closes.

2.17 **NOTE** that the outcome of the consultation will be reported back to the next meeting of the Licensing Committee due to take place on the 07 November 2022.

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:	<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 procedure is prescriptive and requires that a decision to make/vary a table of fares is made first. Following this, there is a statutory consultation requirement, to allow for any objections to the new table to be made. The remainder of the process is dependent on whether any objections are received (and not withdrawn).</p> <p>There is no right of appeal so any legal challenge to the decision(s) made in relation to a new/varied table of fares would be by way of judicial review.</p> <p>The function of making/varying the table of fares for hackney carriages is a function of the Executive Committee (which could be exercised in accordance with the Council's Scheme of Delegation).</p> <p>Laura Knowles consulted.</p>			
Risk Management:	None			
Property:	None			
Policy:	The Council is about to go out to consultation on the Hackney Carriage and Private Hire Licensing Policy.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				

<p>A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?</p>		<p>X</p>	<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>While it is accepted that any changes to the tariffs might have a disproportionate impact on some of the protected groups this report is seeking observations on the impact of those changes if Members are minded to consult on them.</p> <p>Any statutory consultation, as a result of a proposal to change the current fares, will be conducted in accordance with statutory requirements and provide an opportunity for protected groups to comment on impact. 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>Any objections, including those relating to equalities, will be reported back to the Executive.</p>
<p>B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?</p>		<p>X</p>	<p>See above.</p>

Environmental Impact:		X		During the informal consultation we did receive some comments that increasing tariffs due to increasing fuel costs would not act as an incentive to switch to hybrid or electric vehicles.
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 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.”

- 4.3 This legislation does not specify any restrictions on the number of or timings for subsequent changes/variations to the table of fares; a local authority can exercise their power whenever they deem reasonable and appropriate. There is also flexibility in terms of whether the power is exercised to increase or decrease existing rates, or to devise a new table of fares altogether.
- 4.4 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.
- 4.5 Any changes to the current tariffs would need to be subjected to a statutory consultation process.

Background

- 4.6 The current tariff scale as set out in Appendix A was agreed in November 2021. It has previously been agreed that the fares would be discussed annually at the first Taxi Trade Liaison Group meeting of the year. If there was support for modifying the fares a report would be brought to July Licensing Committee meeting for discussion. The Executive would then be asked to make a decision on whether or not to go out to consultation at the September meeting. When the issue of changes to the fares was discussed with the trade at the January 2022 Taxi Trade Liaison Group meeting the trade were broadly supportive of an increase in 2022 in line with the inflation rate which was around 5% at the time.
- 4.7 At the time the current fares came into operation (November 2021) petrol cost around £1.47 a litre and diesel £1.50 per litre. As at the 17 June 2022 petrol costs around £1.86 a litre and diesel around £1.92 per litre. This sharp increase is impacting on the trade’s ability to maintain viable businesses. The April ONS data released on the 18 May 2022 shows that CPI is tracking at 9% and RPI at 11.1%. Inflation is running at 9.1% as of the 22 June 2022. Given these changes in circumstances it was felt that the decision making process needed to be expedited this year.
- 4.8 Officers have written informally to the trade to establish if the trade supported an increase in their fares this year and asked if so if they would like to see an increase of circa 5% or 10%. A summary of the responses and comments made are set out in Appendix B to this report.
- 4.9 Of the 48 responses received 48% (23) of the consultees stated that they would like to see an increase of circa 5% and 46% (22) would like to see a 10% increase. Two respondents indicated that that they would not like to see the fares go up as they were concerned that it might deter people from using taxis.
- 4.10 Officers have also received a request from a member of the trade to delay the implementation until the Hackney Carriage and Private Hire Licensing Policy has been adopted. This Policy is an item which is due to be considered at Licensing Committee on 4 July 2022. It is at an early stage; the Licensing Committee will be looking at the proposal for a policy and going out to consultation in relation to proposals. Any such

policy that may be adopted in due course will relate to the licensing regime for hackney carriages/private hire and standards that apply to members of the trade. The matters covered by the draft Policy relate to licensing functions, separate from fixing the table of fares customers may be charged (drivers' income). For this reason and due to the timings around the adoption of the policy officers are of the opinion that the decision on whether or not to vary the table of fares should not be delayed until the policy is adopted.

- 4.11 To provide some additional context for the table of fares a comparison of the cost of a two mile fare across 349 local authorities as at 17 June 2022 can be found at: <https://www.phtm.co.uk/newspaper/taxi-fares-league-tables>. A selection are set out in Appendix E.
- 4.12 In accordance with best practice guidance, "Fare scales should be designed with a view to practicality". The current table has been developed with this in mind, in particular taking into account the limitations of what can be accommodated on the taximeters. In light of the response from the trade, the current inflation rates and the cost of fuel a proposed set of fares for a 5% increase are set out in the Appendix C. Officers have also set out a proposed set of fares for a circa 8% increase in Appendix Ci. This has been included to reflect the outcome of the informal consultation. Appendix Ci also takes cognisance of the comments received from the trade that the majority of users now pay by electronic means which results in additional expenditure for the trade. If Licensing Committee Members were minded to propose a 10% increase and the Executive resolve to vary the table by 10% the figures set out on the consultation document would be adjusted to reflect this decision.
- 4.13 A 5% increase would see a two mile journey during hours when tariff 1 was in operation increase from £7.40 to £7.60.

Option 1 - Changes to Tariffs Based on a Circa 5% Uplift			
Distance in Miles	Tariff 1 (Current)	Tariff 1 (Proposed)	% Increase
Flag	£3.00	£3.00	0%
1	£5.00	£5.00	0%
2	£7.40	£7.60	2.7%
3	£9.80	£10.20	4%
4	£12.20	£12.80	4.9%
5	£14.60	£15.40	5.5%
6	£17.00	£18.00	5.9%
7	£19.40	£20.60	6.2%
8	£21.80	£23.20	6.4%
9	£24.20	£25.80	6.6%
10	£26.60	£28.40	6.7%

- 4.14 A circa 8% increase would see a two mile journey during hours when tariff 1 was in operation increase from £7.40 to £8.00.

Option 2 - Changes to Tariffs Based on a Circa 8% Uplift			
Distance in Miles	Tariff 1 (Current)	Tariff 1 (Proposed)	% Increase
Flag	£3.00	£5.00	66%
1	£5.00	£5.40	8%
2	£7.40	£8.00	8.1%
3	£9.80	£10.60	8.1%
4	£12.20	£13.20	8.2%
5	£14.60	£15.80	8.2%
6	£17.00	£18.40	8.2%
7	£19.40	£21.00	8.2%
8	£21.80	£23.60	8.3%
9	£24.20	£26.20	8.3%
10	£26.60	£28.80	8.3%

4.15 Officers have also included some proposed changes to the descriptions of the tariffs to address some of the ambiguity in the existing table around change over times. The table of fares also includes provision for fouling charges which are a standard feature of most tables of fares. The proposed maximum fares are designed to take into consideration the costs of cleaning the vehicle as well as any loss of earnings while the vehicle has to be cleaned. Members will need to take a view as to the appropriateness of the charging levels.

Proposals

4.16 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 local authority's proposal to adopt or vary fares.

4.17 If the Licensing Committee are minded to seek any adjustment to the fares, and subsequently a decision is taken by the Executive to make change(s) the Council must publish a notice setting out the proposed changes in at least one local newspaper. Officers propose that any notice should be placed in both the Newbury Weekly News and the Reading Chronicle. This is in line with what was agreed when the fees were consulted on in 2021. The notice must specify the period that readers will have to object to the change set out in the notice (the period must be at least fourteen days from the date of the first publication of the notice). The notice should also set out how the objections should be made. It is proposed that the notice is placed in the newspapers on the 14 July 2022 and that the consultation period run from this date until the 28 July 2022. This is in line with the requirement to consult for a minimum of 14 days. The consultation period in 2021 ran for 28 days and Members may therefore wish to extend the consultation period in 2022. Any ensuing changes will be made to the public notice and table of fares.

4.18 The Licensing Committee and the Executive are asked to consider if they are of the view that this period is acceptable or not.

4.19 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 choose to email a copy of the notice to individual members of the trade. Officers would

recommend that this is done. The matter will also be discussed at the July Taxi Trade Liaison Group meeting.

- 4.20 If no objection to the variation is received within the consultation period or if all objections are withdrawn, the revised fares will come into operation on the date of the expiration of the consultation period specified in the notice or the date of withdrawal of the last objection whichever date is the later.
- 4.21 If objections are received the matter will be discussed by Members at the 22 September 2022 Executive meeting. A further date would need to be set to determine when the new table of fares, with or without modifications following consideration of the objections, would come into force. This date is required to be no later than 2 months after the consultation period (e.g. 28 September 2022/11 October 2022).
- 4.22 A report would be taken to the 07 November 2022 Licensing Committee meeting to inform that Committee of the outcome of the consultation and any further decision taken by the Executive, if they are required to make a further decision.

5 Other options considered

- 5.1 Not to consider or make any variations to the tariffs.
- 5.2 To delay the decision to make any variations until the September Executive meeting.

6 Conclusion

The issue of setting fares for hackney carriage drivers is an important one primarily for two reasons. The fares set by local 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. Having informally consulted the trade, Members are asked to seek a way forward in terms of fare setting in the current circumstances.

7 Appendices

- 7.1 Appendix A – Existing Tariffs
- 7.2 Appendix B – Outcome of the Non-Statutory Consultation process
- 7.3 Appendix C and Ci – Proposed Table of Fares at 5% and 8%
- 7.4 Appendix D - Public Notice
- 7.5 Appendix E – Comparison Data

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

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