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# Statutory Consultation on Hackney Carriage Tariffs 2023

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Committee considering report:	Executive
Date of Committee:	23 March 2023
Portfolio Member:	Councillor Tom Marino
Report Author:	Moira Fraser
Forward Plan Ref:	EX4298

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## 1 Purpose of the Report

- 1.1 To review the published hackney carriage fare scale in light of a request from the Taxi Trade to modify the tariffs and to determine the consultation process that must be undertaken if the Executive resolves to vary the current table of fares.

## 2 Recommendations

That the Executive

- 2.1 **NOTES** the existing tariffs which have been in place since 29 July 2022 (Appendix A).
- 2.2 **CONSIDERS** the proposed modifications from the Taxi Trade (Appendix B) and the outcome of the recent non-statutory consultation undertaken with the Taxi Trade as set out in Appendix C.
- 2.3 **RESOLVES**, with the exception of the fouling charge, whether or not to make variations to the current table of fares for hackney carriage tariffs based on the proposals set out in Appendix B this report.
- 2.4 **CONSIDERS** whether or not to include a fouling charge on the tariff card and if so **RESOLVES** that a £100 (interior) and £25 (exterior) charge be consulted on.

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

- 2.5 **RESOLVE** that the period within which objections to the variation(s) can be made (the statutory consultation) will be the 11 May 2023 to the 25 May 2023 or a longer period determined at the meeting.
- 2.6 **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 11 May 2023.

- 2.7 **AGREE** that the consultation will be promoted on the website and a note will be displayed at the Market Street Offices by the 11 May 2023.
- 2.8 **AGREE** that a copy of the notice should be emailed individually to all West Berkshire licensed Hackney Carriage Proprietors for their comments.
- 2.9 **NOTE** that if objections are received, and not withdrawn, the Executive at the 08 June 2023 meeting will consider the objections and determine whether the varied table of fares shall be modified or not, and set a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 closes.
- 2.10 **NOTE** that if no objections are received, or if the objections are withdrawn, the varied table of fares will come into effect on the day after the statutory consultation closes.
- 2.11 **NOTE** that the outcome of the statutory consultation and any subsequent decisions of the Executive will be reported back to the July meeting of the Licensing Committee.

### 3 Implications and Impact Assessment

Implication	Commentary
<b>Financial:</b>	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.
<b>Human Resource:</b>	Any actions will be met from within existing resources.
<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 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/varied table to be made. The remainder of the process is dependent on whether any objections are received (and not withdrawn) or not</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 (which could be</p>

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	<p>exercised in accordance with the Council's Scheme of Delegation).</p> <p>Beth Varcoe has been consulted.</p>			
<b>Risk Management:</b>	None			
<b>Property:</b>	None			
<b>Policy:</b>	Any changes to the tariffs that impact on the Draft Hackney Carriage and Private Hire Licensing Policy will be reflected in that document.			
	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>

Equalities Impact:				
<p><b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?</p>		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>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>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?</p>		X		<p>See above</p>

<b>Environmental Impact:</b>		X		None
<b>Health Impact:</b>		X		None
<b>ICT Impact:</b>		X		None
<b>Digital Services Impact:</b>		X		The notice will be placed on the website by the Public Protection Partnership and will also be placed on the West Berkshire Council consultation portal.
<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>				None
<b>Consultation and Engagement:</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>An informal non-statutory consultation was undertaken with the trade as set out in Appendix C.</p> <p>The Licensing Committee have been consulted outside of the meeting cycle on the proposals in this report. No comments were received.</p>			

## 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 was confirmed by the [Executive on the 07 July 2022](#). A subsequent delegated officer decision taken on the [23 September 2022](#) sought authority to present the published hackney carriage fare table agreed at the 07 July 2022 Executive meeting in an alternative format. This was in order to remove any ambiguity around charges for multi seater vehicles and was designed to assist both the trade and their customers.
- 4.7 It was agreed at the 26 October 2021 meeting that variations to the tariffs would be reflected on at the January Taxi Trade Liaison Group (TTLG) meeting each year. A proposal could then be put forward for consultation and implementation later during that calendar year should the group be minded to propose any variations.
- 4.8 At 09 January 2023 TTLG meeting it was suggested that the trade would like to amend the annual cycle relating to tariffs. They requested that any changes coincide with the financial year i.e. they should be implemented by the 01 April annually. This would require a discussion at the October TTLG meeting and the subsequent timetabling of reports to the Executive to allow an implementation date of the 01 April. The trade accepted that in order to go through due process it would not be possible to achieve this target date in 2023. It was agreed that the proposed modifications would be brought to the March Executive for discussion with a view to any modifications agreed being implemented in June or July 2023 at the latest should the Executive be minded to make any modifications.
- 4.9 The trade representatives present at the TTLG meeting made the following suggestions in relation to modifications to the tariffs as well as operating practices:

- For 2023 they would like to see an uplift of the fees linked to Consumer Price Index (circa 10% in November 2022) to offset the increased costs associated with running their businesses including vehicle costs, parts, tyres, servicing, insurance, electricity costs etc
- If approved they would like the modification to be implemented as close to the 01 April as was practicably possible but accepted that for 2023 the implementation date was likely to be in June or July;
- They would like the maximum fouling charges to be revisited and increased and suggested that a maximum charge of £200 should be implemented;
- They would like to see calendar time and date controlled meters to be mandated;
- They would like the words 'Hiring when journey commences between' to be revisited and replaced to reflect journeys between certain times; and
- The Hackney Carriage and Private Hire Licensing Policy be amended to mandate a requirement for all vehicles to accept card and online payments.

4.10 Following the meeting the trade submitted the proposed modifications to the tariffs as set out in Appendix B. Officers have consulted the wider trade informally to establish their views on modifications to the tariffs as well as the matters raised at the meeting set out in paragraph 4.9 above. The outcome of the non-statutory consultation is set out in Appendix C.

4.11 We received only nine responses to the informal consultation. The responses were from a mixture of hackney carriage and private hire drivers and operators. The majority of the respondents supported a circa 10% increase in the tariffs in 2023, requested that the flag rate remained unchanged and that the tariff modifications be linked to CPI each year. They also supported the modifications being aligned to the financial year. The responses around fouling charges were less conclusive.

<p><b>Interior:</b> 4 respondents stated that £100 would be more appropriate; 1 respondent stated that £150 would be more appropriate; 2 respondent stated that £200 would be more appropriate; 1 respondent stated that £250 would be more appropriate; 1 person did not respond to this question.</p>
<p><b>Exterior:</b> 5 respondents stated that £25 was acceptable; 2 respondents did not respond to this question; 1 respondent stated that £50 was more appropriate; 1 respondent stated that £75 was more appropriate.</p>

4.12 To provide some additional context for the table of fares a comparison of the cost of a two mile fare across 350 local authorities as at 13 March 2023 can be found at: <https://www.phtm.co.uk/newspaper/taxi-fares-league-tables>.

4.13 The proposed modification would see a two mile journey during hours when tariff 1 was in operation in a saloon car increase from £8.00 to £8.70.

4.14 The table below summarises the key changes proposed by the trade:

	Tariff 1	Tariff 2	Tariff 3
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**MAXIMUM fare for any hiring when the journey commences:**

<b>Initial Flag</b>					
<b>Current</b>	£5.00	£7.50	£10.00		
<b>Proposed</b>	£5.00	£7.50	£10.00		
<b>Yardage</b>					
<b>Current</b>	20p/135.385 yards	30p/135.385 yards	40p/135.385 yards		
<b>Proposed</b>	40p/ 243.692 yards	60p/ 243.692 yards	80p/ 243.692 yards		
<b>First Mile</b>					
<b>Current</b>	£5.40	£8.10	£10.80		
<b>Proposed</b>	£5.80	£8.70	£11.60		
<b>Per Mile</b>					
<b>Proposed</b>	£2.60	£3.90	£5.20		
<b>Current</b>	£2.90	£4.30	£5.80		
<b>Waiting time</b>					
<b>Current</b>	20p/ 24 secs £30p/h	30p/ 24 secs £45p/h	40p/ 24 secs £60p/h		
<b>Proposed</b>	40p/43.636 £38p/h	60p/43.636 £49.50p/h	80p/43.636 £66p/h		
<b>Fouling</b>		<b>Interior</b>		<b>Exterior</b>	
<b>Current</b>	£75		£25		
<b>Proposed</b>	£200 * see recommendation 2.4		£50 * see recommendation 2.4		
<b>Applicable Times</b>					
<b>Current</b>	MAXIMUM fare for any hiring when the journey commences:				
<b>Proposed</b>	MAXIMUM fare for any part of a journey dependant on Time, Day and Date:				

4.15 Members at the 23 January 2023 Licensing Committee and Legal Officers raised concern about making the fouling tariff a maximum charge as it could be difficult to quantify the loss of earnings and degree of soiling for example. This could lead to a large number of appeals. The preference would be to set a standard charge to be determined by the Executive. As with the mileage tariffs the trade would not necessarily have to charge the maximum. It has been suggested that irrespective of the proposed charge the Executive agrees that the word 'maximum' be removed in relation to fouling on the tariff card.

4.16 In respect of the fouling charge the Executive is asked to consider the proposal from the trade raised at the January TTLG meeting (£200 interior), the written proposal from the trade (£200 interior and £50 exterior) and the comments received during the consultation as set out in paragraph 4.11 and agree the level of fouling charge they would like to include in the consultation. Some comparator data is set out in the table below. Based on this information Officers recommend that the fouling charge to be consulted on be set at £100 for the exterior of the vehicle and that the current £25 charge for the interior of a vehicle be retained in the consultation.

<b>Licensing Authority</b>	<b>Fouling/Soiling Charge</b>
Reading	Fouling of Vehicle Interior (£40) Fouling of Vehicle Exterior (£10)
Bracknell	Fouling of Vehicle Interior (£50)



**MAXIMUM fare for any hiring when the journey commences:**

	Fouling of Vehicle Exterior (£10)
Wokingham	Fouling of Vehicle Interior (£75) Fouling of Vehicle Exterior (£15)
Windsor and Maidenhead	Soiling interior (£80) Soiling exterior (£20)
Slough	£100 requested by trade
Basingstoke & Deane	Fouling inside or outside the vehicle Tariff 1 (£50), Tariff 2 (£75), Tariff3 (£100)
South Oxfordshire	£150 maximum
Vale of White Horse	£150 maximum
Surrey Heath	Soiling the carriage exterior leaving it unfit for immediate subsequent hiring (not shown on the meter) £20 Soiling the carriage interior leaving it unfit for immediate subsequent hiring (not shown on the meter) £100
Swindon	When the customer has soiled the vehicle requiring off the road valeting £75
Wiltshire	Minimum of £100
Rushmoor	Up to £100
Winchester	Maximum of £75
Oxford City	£50
East Hampshire	£75

4.17 The trade suggested that they would like the current wording on the table of fares to be amended which would require the statement 'Hiring when journey commences between' to be revisited and replaced to reflect journeys between certain times see applicable times in the key changes table. This would deal with the issue of journeys that spanned more than one tariff time. This would not affect set fares which would still be charged at the fare agreed before the journey commenced. Legal Services have confirmed that the wording should reflect the legislation and they would therefore not support making the changes proposed by the trade.

4.18 The Licensing Committee at the 23 January 2023 meeting were supportive of amending the Draft Hackney Carriage and Private Hire Licensing Policy to require the installation of time and date controlled meters and the acceptance of card and online payments in addition to the ability to pay with cash. They did however have concerns about wifi coverage across the district which could impact on the ability to pay by card. The use of card and online payments are not mandated by many authorities. It is therefore not proposed that this is mandated but that the installation of card facilities be encouraged. No charges should be made for making use of these facilities.

**MAXIMUM fare for any hiring when the journey commences:**

## Proposals

4.19 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 adoption or variation of a fares table. The proposed timetable is set out below.

<b>Decision Made to Consult</b>	23 March 2023 Executive
<b>Statutory Consultation</b>	11 – 25 May 2023
<b>If no Objections or Withdrawn Revised Tariffs Implemented on:</b>	26 May 2023
<b>If Objections Received they will be reviewed at</b>	08 June 2023 Executive
<b>Revised Implementation Date (must be within 2 months of consultation closing)</b>	Must be between the 09 June and 24 July 2023.

4.20 If the Executive decide to vary the table of fares the Council must publish a notice setting out the changes in at least one local newspaper. Officers propose that the public 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 and 2022. The example in Appendix D would be amended to reflect any changes agreed by the Executive should they be minded to modify the current tariffs.

4.21 The notice must specify the period that readers will have to object to the changes 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 11 May 2023 and that the consultation period run from this date until at least the 25 May 2023. This is in line with the statutory requirement to consult for a minimum of 14 days. The Executive is asked to consider if they are of the view that the 14 day period is acceptable or not.

4.22 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 and the consultation will be included on the Council's consultation portal. 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.

4.23 If no objections to the variation are 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.

4.24 If objections are received these must be considered and the matter would be discussed by Members at the 08 June 2023 Executive meeting. A further date would then need to be set by the Executive to determine when the varied 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 closes (e.g. 24 July if the consultation runs to the 25 May 2023), but could be earlier.

**MAXIMUM fare for any hiring when the journey commences:**

4.25 A report would be taken to the 10 July 2023 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 make any variations to the tariffs.
- 5.2 To delay the decision to make any variations until later in the year.
- 5.3 To consult on the existing fouling charge or the charges proposed by the trade.

## **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 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 2023.

## **7 Appendices**

- 7.1 Appendix Ai and Aii – Existing Tariffs
- 7.2 Appendix Bi and Bii – Proposed Table of Fares
- 7.3 Appendix C – Outcome of the Non-Statutory Consultation process
- 7.4 Appendix D - Public Notice

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### **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
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**MAXIMUM fare for any hiring when the journey commences:**

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**Wards affected:** All

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