
Hackney Carriage Tariffs 2024

Committee considering report:	Licensing Committee Executive
Date of Committee:	Licensing Committee 08 January 2024 Executive 14 March 2024
Portfolio Member:	Councillor Lee Dillon
Report Author:	Moira Fraser
Forward Plan Ref:	EX4367

1 Purpose of the Report

- 1.1 To consider a request from the trade for modifications to the existing tariffs and to comment on the proposed methodology and timescales for any ensuing consultation process.

2 Recommendation

That the Licensing Committee

- 2.1 **NOTES** the existing tariffs in Appendix A.
- 2.2 **NOTES** the proposals set out in the request from the trade at Appendix B.
- 2.3 **CONSIDERS** whether any amendments should be made to the consultation process.
- 2.4 **RESOLVES** to propose to the Executive that publication of the statutory notice appears in only one local newspaper.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	There are no specific financial implications for the Council arising from this report. In the event that any consultation is agreed the costs will be met from within existing resources.
Human Resource:	Any actions will be met from within existing resources

<p>Legal:</p>	<p>The procedure for setting fares and public notice requirements is 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 The remainder of the process is dependent on whether any objections are received (and not withdrawn).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 (which could be exercised in accordance with the Council's Scheme of Delegation).</p>			
<p>Risk Management:</p>	<p>None</p>			
<p>Property:</p>	<p>None</p>			
<p>Policy:</p>	<p>Any consultation will be undertaken having regard to section 65 of the Local Government (Miscellaneous Provisions) Act 1976.</p>			
	<p>Positive</p>	<p>Neutral</p>	<p>Negative</p>	<p>Commentary</p>
<p>Equalities Impact:</p>				

<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>Taxis and private hire vehicles are one of the most popular modes of transport for people with mobility difficulties. The national figures set out in the Taxi and private hire vehicle statistics, England: 2023 show that those with mobility difficulties on average undertake 10 taxi trips per person per year compared with those with no mobility difficulties who on average undertake 6 trips per person per year.</p> <p>This data also shows that on average, there was little difference in the number of trips made by taxi or PHV between men (7 trips per person per year) and women (6 trips per person per year). However, there was some variation by age, with women aged 17 to 30 taking more trips on average than men in the same age group.</p> <p>There was little difference in the overall average distance travelled by taxi and PHV between men (35 miles) and women (33 miles).</p> <p>People who are at the age of retirement are more likely to be on fixed incomes such as pensions so would be likely to be affected by any changes to the taxi fares if they rely on taxis for transport.</p> <p>The DfT data also shows that people aged 17 to 29 made the most taxi journeys compared with other age groups. Younger people may be affected by any proposed changes in fares due to the lower minimum wage for people under 23.</p> <p>Any change to fares suggested could impact young women, younger and older people and those with mobility difficulties 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>
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				<p>Changes to fares could also impact those on lower or fixed incomes and those living in the rural parts of the district.</p> <p>While it is accepted that any changes to the tariffs might have a disproportionate impact on some of the protected groups any consultation agreed will seek observations on the impact of those changes.</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.</p> <p>Any review of the current fares will seek 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>
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		See above
Environmental Impact:		X		None
Health Impact:		X		None
ICT Impact:		X		None

Digital Services Impact:		X		None
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 a prosperous and resilient West Berkshire and thriving communities with a strong local voice
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:	<p>The procedure for setting fares and public notice requirements is stipulated within section 65 of the Local Government (Miscellaneous Provisions) Act 1976.</p> <p>Officers are proposing that an informal consultation will be undertaken with the wider trade prior to any proposals being presented to the Executive.</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 is 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.
- 4.6 It was noted at the 09 January 2023 Taxi Trade meeting that the trade would like to have any changes to the tariffs implemented by the 01 April annually to assist them with financial planning. To achieve this the trade would need to submit a proposal by mid-October of the preceding year. The trade also suggested that as a principal they would like any future modifications to the table of fares to be linked to the Consumer Price index (CPI). The Group commented that in principle they were supportive of the proposals brought forward by the trade. The Licensing Committee welcomed the suggestion of an annual review of the tariffs even if the proposal was not to make any changes in any given year.
- 4.7 It was reported at the October 2023 Taxi Trade meeting that to date no requests to modify the tariffs had been made. The trade was informed that the matter would be progressed if and only when a proposal was submitted by the trade. Once, and if submitted, the trade would be notified of the various timescales associated with this statutory process.
- 4.8 On the 30 November 2023 an email was received from a member of the trade requesting *“I just wanted to touch base with you in regards to the annual tariff increase I believe should be in place for April 24. The current rate CPI is 4.6% so I would suggest a 5% increase across all tariffs. We would also be looking for a variable fouling charge in line with the tariff. We also asked to protect the public for locked time & calendar control on the meters.”* The proposed revised table of fares, as set out in Appendix B, was then submitted on the 26 December 2023
- 4.9 The Licensing Committee is asked to comment on the proposals and the proposed methodology and timescales for progressing this request.
- 4.10 Although not a statutory requirement it is proposed that prior to any modifications being taken to the Executive for discussion an informal consultation should be undertaken with the trade to establish the level of support for the proposed changes.

5 Proposals From the Trade

Tariff Increase

- 5.1 As noted above the suggestion from the trade was that the tariff should be amended annually in line with the Consumer Price Index (CPI). The proposal from the trade sets out that CPI rose by 4.6% in the 12 months to October 2023. They initially proposed an uplift of 5% to the current tariffs. Since their initial submission it should be noted that CPI for the 12 months to the end of November fell to 3.9%. That said the effects of inflation are cumulative and the 3.9% is on top of the increases in prices already included in cost bases over the last 18 months which has been challenging for the trade and the wider community.

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5.2 The current cost of a two mile journey, during tariff 1 operating hours, in a saloon vehicle costs £8.60. The proposal as set out in **Appendix B** would result in the same journey costing £8.86 (an increase of 3.02%). Based on the current data on taxi fares published by the [Private Hire Taxi Magazine](#) this would place West Berkshire in 11th place nationally on the table of fares league just below the tariff currently in operation in Reading. Other Councils are no doubt considering increases at the time we would be.

5.3 Table 1 - Detailed Explanation of the six tariffs.

Tariff	Applicability
Tariff 1	06:00 and 21:59 Monday to Saturday (Excluding Bank Holidays, Public Holidays, 24 th , 25 th , 26 th , 31 st December and 1 st January)
Tariff 1b	Hours as per Tariff 1 but where the taxi is carrying 5 or more passengers.
Tariff 2	00:00 and 06.00 Monday to Sunday. 22:00 and 23:59 Monday to Sunday. 06.00 and 21.59 Sundays, Bank Holidays, Public Holidays, 24 th , 26 th , 31 st December & 1 st January.
Tariff 2b	Hours as per Tariff 2 but where the taxi is carrying 5 or more passengers.
Tariff 3	00.0 and 23.59 on 25 th December 00.0 and 05:59 on 26 th December 00.0 and 05:59 on 1 st January
Tariff 3b	Hours as per Tariff 3 but where the taxi is carrying 5 or more passengers

5.4 Table 2 Comparison with Current Tariffs

	Initial Flag		Yardage		Waiting Time	
	Current	Proposed	Current	Proposed	Current	Proposed
Tariff 1	£5.00 incl 1340.307 yards	£5.00 incl 1276.483 yards	40p per 243.692 yards*	40p per 232.088 yards*	40p per 43.636 seconds*	40p per 42 seconds*

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Tariff 1b	£7.50 incl 1340.307 yards	£7.50 incl 1340.307 yards	60p per 243.692 yards*	60p per 243.692 yards*	60p per 43.636 seconds*	60p per 44 seconds*
Tariff 2	£7.50 incl 1340.307 yards	£7.50 incl 1276.483 yards	60p per 243.692 yards*	60p per 232.088 yards*	60p per 43.636 seconds*	60p per 42 seconds*
Tariff 2b	£11.25 incl 1340.307 yards	£11.25 incl 1340.307 yards	90p per 243.692 yards*	90p per 243.692 yards*	90p per 43.636 seconds*	90p per 44 seconds*
Tariff 3	£10.00 incl 1340.307 yards	£10.00 incl 1276.483 yards	80p per 243.692 yards*	80p per 232.088 yards*	80p per 43.636 seconds*	80p per 42 seconds*
Tariff 3b	£15.00 incl 1340.307 yards	£15.00 incl 1340.307 yards	120p per 243.692 yards*	120p per 243.692 yards*	120p per 43.636 seconds*	120p per 44 seconds*

* or part thereof

Fouling Charges

- 5.5 Following the consultation on taxi tariffs in 2023 it was agreed that a sliding scale of charges associated with fouling should be considered in 2024. This proposal is designed to take into consideration that it may be more difficult to get vehicles cleaned at certain times of the day and that could result in greater loss of earnings to the owner and driver.
- 5.6 The trade included a proposal in their request to look “*for a variable fouling charge in line with the tariff*”. Fouling is currently charged at a maximum of (£75 interior) (£25 Exterior) for all tariffs. The trade’s proposal for 2024 is set out below.

	Tariff 1	Tariff 1b	Tariff 2	Tariff 2b	Tariff 3	Tariff 3b
Interior	£150	£150	£225	£225	£300	£300
Exterior	£50	£50	£75	£75	£100	£100

Calendar and Time Controlled Meters

- 5.7 The trade suggested that in order to improve consumer confidence in the trade and prevent unscrupulous operators from selecting the wrong tariff they would like to have calendar controlled meters mandated. They would also like to ensure that meters are locked.
- 5.8 They were of the opinion that the vast majority of meters used in the district were capable of being calendar controlled. There might be a handful of operators using older meters that would not have this capability. It is proposed that this change is considered on the next review of the Hackney Carriage and Private Hire Licensing Policy.

6 Proposed Timetable

- 6.1 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. The consultation must run for a minimum of 14 days. If no objections are received the decision will be implemented the day after the consultation closes. If objections are received the matter will return to the Executive for a decision which will include a date any modifications would be come into effect. This must be within two months of the consultation closing.
- 6.2 In addition, it is also proposed that an informal non-statutory consultation be undertaken with the trade to ascertain a wider view prior to a discussion taking place at the Executive. The views of this Committee will also be reported to the Executive.

Activity/ Decision making body	Date
Initial Discussion at Licensing Committee	08 January 2024
Informal (non-statutory) consultation with the trade	15 January to 29 January 2024
Pre consultation item at Executive (after going through the Council’s internal governance cycle)	14 March 2024
Consultation	21 March – 04 April 2024 (must be a minimum of 14 days)
Implementation if no objections	05 April 2024

If objections are received Executive (after going through the Council's internal governance cycle)	16 May 2024
Implementation	17 May 2024
Report back to Licensing Committee on Outcome	July 2024

- 6.3 If the Executive are minded to consult on any modifications the Council must publish a notice setting out the proposed changes in at least one local newspaper. The Licensing Committee is asked to consider if they would recommend placing a public notice in both the Newbury Weekly News and the Reading Chronicle or if they would recommend only using one of the publications.
- 6.4 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 newspaper(s) on the 21 March 2024 and that the consultation period run from this date until the 04 April 2024.
- 6.5 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 consultation will also be placed 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.
- 6.6 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.
- 6.7 If objections are received the matter will be discussed by Members at the 16 May 2024 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 two months after the consultation period (i.e., 04 June 2024).
- 6.8 A report will be taken to the July 2024 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.

7 Other options considered

- 7.1 Not to consider or make any variations to the tariffs.
- 7.2 To delay the decision to make any variations until later in the year.

8 Conclusion

- 8.1 Taxis play a significant role in our communities. They provide a means of mobility for many elderly and disabled residents, support those that work unsocial hours, are engaged to transport (often vulnerable) children to school and are critical to the night time economy. For all these reasons they are highly regulated for reasons of public safety and public confidence. Running costs can be high with insurance, fuel, repairs and maintenance and regulatory costs. For this reason this report needs to be read in conjunction with the report on the fees and charges consultation elsewhere on this agenda.
- 8.2 The issue of setting of maximum fares for hackney carriage drivers is an important one primarily for two reasons. The maximum fares set by local authorities largely determine the ability of drivers to earn a living but also functions to ensure that passengers receive a fair deal when taking a journey in a licensed hackney carriage. The Council will continue to work with the trade and consult customers and residents with a view to striking the right balance.

9 Appendices

- 9.1 Appendix A – Existing Tariffs (saloon and Multi Seater Vehicles)
- 9.2 Appendix B – Proposed 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:

Hackney Carriage Tariffs 2024

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