

Licensing Committee

4 December 2018

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Application for a Hackney Carriage Fare Increase

Final Decision-Maker	Licensing Committee
Portfolio Holder(s)	Councillor Dr Ronen Basu, Sustainability Portfolio Holder
Lead Director	Paul Taylor, Director of Change and Communities
Head of Service	Gary Stevenson, Head of Housing, Health & Environment
Lead Officer/Author	Sharon Degiorgio, Senior Licensing Officer
Classification	Non-exempt
Wards affected	ALL

This report makes the following recommendations to the final decision-maker:

1. Licensing Committee approves the proposed increase in table of fares as set out in appendix B of the report for implementation on 1 April 2019.
2. Should Members be minded to approve the proposed fare increase, the Head of Housing, Health and Environment be authorised to publicise this increase by way of a Public Notice.
3. Should objections be received, this matter is brought back to this Committee for consideration within two months of publication.

This report relates to the following Five Year Plan Key Objectives:

- A Confident Borough

It is important that the Council through its licensing functions protects the public by ensuring that the fares charged by licensed Hackney Carriages are fair and justified and not excessive.

Timetable

Meeting	Date
Licensing Committee	4 December 2018

Application for a Hackney Carriage Fare Increase

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to consider a request from a Hackney Carriage Proprietor to increase the maximum chargeable fares payable by the travelling public for hackney carriage journeys.
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2. INTRODUCTION AND BACKGROUND

- 2.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides that a district council may fix the maximum rate of fares within the Borough and all other charges in connection with the hire of a hackney carriage vehicle; this is done by means of a table which is to be referred to as “the table of fares”. Private Hire vehicles are able to set their own fares and are therefore not the subject of this report.
- 2.2 Any changes to the table of fares must be decided by the Licensing Committee and published in accordance with s.65 for a period of not less than fourteen days to allow for objections to be made. In the event that any objections are received within the period specified, and not withdrawn, the Council must set a further date not later than two months after the first specified date for the table of fares to come into effect with or without modifications as described by them.
- 2.3 The powers to set a maximum fare were considered by the Office of Fair Trading in its report in November 2003. The Government in its response to the report made it clear that it recognised that there was a strong case of negotiating the maximum level of fares in order to protect the interests of the consumers and recommended that local authorities should continue to exercise these powers.
- 2.4 Private Hire Monthly magazine publishes a league table which ranks all the councils in England and Wales in accordance to the cost of hackney carriage fares. In the latest (October 2018) edition Tunbridge Wells is 20th, however this is incorrect and in fact we should be within the range 49-61 as the two mile fare on our current Fare Table is £6.60, and not £7.00 as published.
- 2.5 The last rise in maximum fares took effect on 1st January 2011, not 2017 as indicated in the aforementioned published information.
- 2.6 Should the proposed increase be implemented Tunbridge Wells would be in the same position as Tonbridge & Malling 20th in the table out of a total of 370 local authorities.
- 2.7 A number of meetings were held with the proprietor suggesting the review and the proposals are set out at appendix A. The rationale for the request is as follows:-

The rising cost of living;
Fuel prices;
Cost of vehicle insurance going up due to Government increasing insurance premium tax; and
Road tax increasing every year;

- 2.8 According to the AA fuel price reports for September 2018, the South East has recorded the highest price for unleaded at 132.2p/litre and Diesel at 135.1p/litre.
- 2.9 The effect of this request would be that shorter journeys see a higher increase. However it is more accurate to say any distance of journey will see an increase between 40p and 80p depending whether the next 20p has been triggered or not. In general terms, the further you travel, less overall increase will be seen. See Appendix B for examples.
- 2.10 It is accepted practice nationally that when determining fares the initial hire charge can be modified.
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3. AVAILABLE OPTIONS

- 3.1 The options are to consider are as follows:
1. An increase to the initial hiring charge for tariffs 1, 2 and 3 by reducing the initial distance from 1,760 yards (1 Mile) to 1,408 yards (8/10 mile)... for tariffs 1, 2 and 3.
 2. To reduce the initial charge (first 12 minutes 40 seconds whilst stationary...) to first 10 minutes only.
 3. Remove the reference to Tariff 1+50% on the fare table for Tariff 2
 4. Include Easter Sunday to Tariff 2
 5. Increase the maximum spoilage charge
- 3.2 Do nothing
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That Members consider the contents of the report to determine whether the fare increase should be granted.
- 4.2 The setting of fares is a statutory duty placed upon the Council and it is the Council's responsibility to strike a balance between setting a fare that is acceptable to the customer and to the taxi driver.

- 4.3 It is important that the Council through its licensing functions protects the public by ensuring that the fares charged by licensed Hackney Carriages are fair and justified and not excessive.
- 4.4 The last fare increase was 2011

5. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 5.1 Should Members be minded to approve the increase, the Head of Housing Health and Environment, be authorised to publicise the proposed fare increase as detailed in the report, and if no objections are received, the proposed fare increase takes effect no less that fourteen days from the date of publication.
- 5.2 Should objections be received, this matter is brought back to this Committee for consideration within two months of publication.
- 5.3 By reducing the distance, it's not obvious to customers when they alight the vehicle, therefore should Members be minded to approve the increase, in addition to the public notice, officers to organise additional methods of communication i.e. Council Webpages, 'Twitter' and update the Fare charts currently exhibited at the ranks.

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<p>Legal including Human Rights Act</p>	<p>Local authorities have a discretionary power to determine Hackney Carriage fares, under s.65 of the Local Government (Miscellaneous Provisions) Act 1976.</p> <p>When a district council make or vary a table of fares they shall publish, in at least one local newspaper circulating in the district, a Notice setting out the table of fares or the variation thereof and specifying the period, which shall not be less than 14 days from the date of the first publication of the Notice, within which objections to the table of fares or variation can be made.</p> <p>If no objection to a table of fares or variation is duly made within the period specified in the Notice, or if all objections so made are withdrawn, the table of fares or variations shall come into operation on the date of the expiration of the period specified in the notice, or the date of withdrawn of the</p>	<p>Robin Harris Senior Lawyer (Contentious) 12.11.18</p>

	<p>objection or, if more than one, of the last objection, whichever date is the later.</p> <p>If any objection is duly made the Council shall set a further date, not later than two months after the first specified date on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.</p> <p>There is no right of appeal against the fares once set.</p>	
Finance and other resources	No implications for the Council, however there are to passengers, proprietors and possibly drivers of Hackney Carriages	Sharon Degiorgio Senior Licensing Officer 12.11.18
Staffing establishment	No implications	Sharon Degiorgio Senior Licensing Officer 12.11.18
Risk management	No implications	Sharon Degiorgio Senior Licensing Officer 12.11.18
Data Protection	No implications	Sharon Degiorgio Senior Licensing Officer 12.11.18
Environment and sustainability	No implications	Sharon Degiorgio Senior Licensing Officer 12.11.18
Community safety	The provision of licensed hackney carriages allows the public to travel in safety. This reduces both the opportunity for crime and the fear of crime	Sharon Degiorgio Senior Licensing Officer 12.11.18
Health and Safety	No implications	Sharon Degiorgio Senior Licensing Officer 12.11.18
Health and wellbeing	No implications	Sharon Degiorgio Senior Licensing Officer 12.11.18
Equalities	It is important that the Council, through its licensing functions, protects the public by	Sharon Degiorgio Senior Licensing

	ensuring that the fares charged by the licensed hackney carriages are fair and justified and not excessive.	Officer 12.11.18
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7. REPORT APPENDICES

- Appendix A: Hackney Carriage Fare increase proposals
 - Appendix B: Example of maximum fares that may be charged under the proposals
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8. BACKGROUND PAPERS

- Private Hire and Taxi monthly fare league tables: <https://www.phtm.co.uk/taxi-fares-league-tables>
- Fuel prices
<http://www.theaa.com/driving-advice/driving-costs/fuel-prices>
- Inflation and price indices
<https://www.ons.gov.uk/economy/inflationandpriceindices>
- http://www.tunbridgewells.gov.uk/_data/assets/pdf_file/0016/24136/Hackney-Carriage-Fares.pdf