

# Request for a Hackney Carriage Fare Increase

Licensing Committee on 5<sup>th</sup> April 2022

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## Summary

**Lead Member:** Councillor Jane March – Portfolio Holder for Environment, Culture and Leisure

**Lead Director:** Paul Taylor – Director for Change and Communities

**Head of Service:** Gary Stevenson – Head of Housing, Health & Environment

**Report Author:** Sharon Degiorgio – Senior Licensing Officer

**Classification:** Public document (non-exempt)

**Wards Affected:** All

Approval Timetable	Date
Licensing Committee	5 April 2022
Licensing Committee	3 May 2022 for consideration of any unresolved written objections

## Recommendations

1. Licensing Committee consider the proposed increase in the table of fares as set out in appendix D of the report for implementation on 27<sup>th</sup> April 2022.
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.

# 1. Introduction and Background

- 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.
- 1.2 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 can set their own fares and are therefore not the subject of this report.
- 1.3 Any changes to the table of fares must be decided by the Licensing Committee and a notice must be published in accordance with s.65 setting out 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 In the event that any objections are received within the period specified, and not withdrawn, the Council must set a further date not later than two months after the first specified date (being the last date for objections) for the table of fares to come into effect with or without modifications as described by them.
- 1.4 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.
- 1.5 The Private Hire Monthly magazine publishes a league table which ranks all the Councils in England and Wales in accordance with the cost of a 2-mile hackney fare on Tariff 1. Tunbridge Wells Borough Council is currently 22 out of a total of 355 councils. Should the proposed increase be approved TWBC will be 8<sup>th</sup> out of the 355 councils. Resulting in this Authority having the most expensive taxi fares in Kent.
- 1.6 The last rise in maximum fares took effect on 1<sup>st</sup> April 2019.
- 1.7 The proprietor, Clayton Berry is suggesting the review and his proposals are set out at appendices A, B, C & D. 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;  
Vehicle licence fees: and  
Road tax increasing every year;

- 1.8 The suggested proposals equates to a 20% increase on tariffs 1 and 2.
- 1.9 The additional passenger capacity charge from 2 to 4 passengers equates to a 150% increase.
- 1.10 The spoilage charge increase equates to a 17.65% increase.
- 1.11 According to the AA fuel price reports for February 2022, the South East has recorded the highest price for unleaded at 149.2p/litre and Diesel at 152.8p/litre. Since then prices have increased significantly as a result of the conflict in Ukraine, however the government announced a reduction in fuel duty of 5 pence per litre on 23<sup>rd</sup> March 2022 to offset some of the rising costs.
- 1.12 The increase is in response to rising inflationary, fuel and running costs and is considered reasonable. Many local authorities have received requests to increase fares, this has included 2 from the Licensing Partnership, namely Sevenoaks District and Maidstone Borough Council's.
- 1.13 It is accepted practice nationally that when determining fares, the initial hire charge can be modified.

## **2. Options Considered**

- 2.1 An increase to the initial hiring charge for tariffs 1 and 2
- 2.2 Change additional passenger capacity charge from **2** passengers to **4** passengers and increase these charges by 30p to 50p
- 2.3 Remove the weekend surcharge
- 2.4 Increase the maximum spoilage charge; or
- 2.5 To propose no changes to the existing fares

## **3. Preferred Option and Reason**

- 2.6 That Members consider the contents of the report and determine whether the fare increase should be granted.
- 2.7 The setting of fares is a statutory power available to 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.
- 2.8 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.
- 2.9 The last fare increase was 2019

### 3. Consultation on Options

- 3.1 If the increase as detailed in the report is approved, a notice must be published in a local newspaper giving at least 14 days for objections to be received. If no objections, the proposed fare increase takes effect on the last date for objections to be made as specified in the publication. The Licensing team will notify the trade where we have up to date email addresses.

### 4. Implementation

- 4.1 If no objections, the proposed fare increase takes effect on the date specified on the notice.
- 4.2 Once the fares have been set, the meter should be set to the agreed rate by an approved installer at a cost to the proprietor/driver.
- 4.3 Should objections be received, this matter is brought back to this Committee for consideration within two months of the last date for objections to be made as specified in the publication.

### 5. Appendices and Background Documents

Appendices:

- Appendix A: Hackney Carriage (HC) Fare increase request email 07.03.22
- Appendix B: Hackney Carriage (HC) Fare increase request email 20.03.22
- Appendix C: Hackney Carriage (HC) Fare increase PDF 20.03.22
- Appendix D: Hackney Carriage Fare increase request in a table format.

Background document:

- 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>
- [https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/february2022#:~:text=The%20Consumer%20Prices%20Index%20\(CPI,of%200.1%25%20in%20February%202021.](https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/february2022#:~:text=The%20Consumer%20Prices%20Index%20(CPI,of%200.1%25%20in%20February%202021.)
- <https://tunbridgewells.gov.uk/licensing/taxis-and-private-hire/taxi-fares/hackney-carriage-fares>

## **6. Cross Cutting Issues**

### **A. Legal (including the Human Rights Act)**

Local authorities have a discretionary power to determine Hackney Carriage fares, under s.65 of the Local Government (Miscellaneous Provisions) Act 1976.

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.

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 objection or, if more than one, of the last objection, whichever date is the later.

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.

There is no right of appeal against the fares once set.

Helen Ward, Mid Kent Legal Services Lawyer (Contentious), 25.03.2022

### **B. Finance and Other Resources**

No implications for the Council, however there may to passengers, proprietors and possibly drivers of Hackney Carriages

Sharon Degiorgio, Senior Licensing Officer, 25.03.2022

### **C. Staffing**

The report does not propose any changes to staffing

Sharon Degiorgio, Senior Licensing Officer, 25.03.2022

### **D. Risk Management**

No risks identified

Sharon Degiorgio, Senior Licensing Officer, 25.03.2022

## **E. Environment and Sustainability**

No issues identified.

Sharon Degiorgio, Senior Licensing Officer, 25.03.2022

## **F. Community Safety**

No issues identified. 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, 25.03.2022

## **G. Equalities**

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

Sharon Degiorgio, Senior Licensing Officer, 25.03.2022

## **H. Data Protection**

No issues identified.

Sharon Degiorgio, Senior Licensing Officer, 25.03.2022

## **I. Health and Safety**

No issues identified.

Sharon Degiorgio, Senior Licensing Officer, 25.03.2022

## **J. Health and Wellbeing**

No issues identified.

Sharon Degiorgio, Senior Licensing Officer, 25.03.2022