

LICENSING COMMITTEE (NON LICENSING FUNCTIONS)

Agenda Item 6

Brighton & Hove City Council

Subject:	Hackney Carriage Fare Review		
Date of Meeting:	27 June 2019		
Report of:	Executive Director of Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Martin Seymour	Tel: 29-6655
	Email:	martin.seymour@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 To seek the Committee's approval and authority to advertise proposed fare increases following the hackney carriage trade's request for an increase in fares.

2. RECOMMENDATIONS:

- 2.1 That Committee approves the proposed fare increases and authorises the Head of Safer Communities to advertise the proposed variation in fares, and invite any objections in accordance with the legal requirements.
- 2.2 Agree that if no objections are made, or if any objections which are made are withdrawn, the varied table of fares will come into force in accordance with the statutory scheme.
- 2.3 Reconsider the matter at the next meeting of this Committee if valid objections are made but not withdrawn. As there are strict legal timescales relating to fare reviews a special meeting of this Committee may be required.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The council may fix the rates for hackney carriage fares within the district as well as time and distance and all other charges in connection with the hire of a vehicle or with the arrangements for hire of a vehicle to be paid in respect of the hire of a hackney carriage. The council does not have the power to set private hire vehicle fares but historically the local operators follow the hackney carriage tariffs set by the council and meters are sealed by officers. It is council policy to use a formula to establish the highest rate of basic fares it will consider (see paragraph 3.3). It is proposed that the running cost per mile on the proposed tariff sheet is increased, from £2.20 to £2.40 which remains below the formula limit of £2.43.

- 3.2 Applications for hackney carriage fare increases are made through the Taxi Forum in accordance with the agreed formula approved by the Council. If the general consensus of the trade is in agreement with a fare increase, representatives of the trade will be called to a meeting to discuss any proposals with officers of the Council and the lead councillor of the licensing committee who will then present any proposal agreed by that meeting to the next available meeting of the Licensing Committee for their consideration.
- 3.3 The formula is a mixture of independent figures for average earnings, for vehicle standing charges and running costs and for vehicle insurance premiums. The figures for standing charges and running costs were produced annually by the AA. They are based upon engine size and new vehicle costs for petrol cars and diesel cars. An average of the two is used to calculate running costs to reflect the mixed nature of the city's taxi fleet. As the AA have not updated these figures since 2014 an inflation figure based on CPI from March 15 to December 18 has been added to the last updated AA figures.
- 3.4 For the purposes of the fare formula used for this report the middle price band of £18,000 to £25,000 for petrol cars and £22,000 to £26,000 for diesel cars has been used to ascertain vehicle-running costs.
- 3.5 The last hackney carriage fare increase occurred in March 2015. The hackney carriage trade now seeks a further increase.
- 3.6 Justification by the trade for an increase in fares is that the fares have not changed since March 2015 since which they have absorbed increasing of fuel prices and other costs associated with running a Hackney Carriage Vehicle. The trade also require an increase so proprietors can maintain the high level of vehicle standard and specification for Brighton & Hove. The full BHTTFA (Brighton & Hove Taxi Trade Forum Association) submission can be found at appendix 1.
- 3.7 The proposal from the trade is for 20p increase to the initial fare (flag) for tariffs 1 & 2, 30p for tariffs 4, 6, 7, 40p for tariffs 3 & 5, 45p Tariff 9 & 60p for tariffs 8 & 10, and a reduction of the initial yardage from 320 yards to 293yards in all tariffs except 3 & 8 where it will increase from 640 yards to 660 yards.
- 3.8 Tariffs 6 to 10 are in effect 1.5 x the tariffs of 1 to 5 which was introduced to encourage proprietors purchasing wheelchair accessible vehicles and is applied to vehicles carrying 5 or more passengers.
- 3.9 The fouling charge is to increase from £50 to 'UPTO £100'.
- 3.10 Currently in the national league tables for fares shows that Brighton & Hove is positioned 28 (June 19) for Tariff 1 at the 2 mile point and after the proposed increase it is estimated that the position will be 6 out of 363 Local Authorities.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

Licensing authorities have discretion to fix the table of hackney carriage fares within the licensing district. Demand of a fare greater than shown on the meter is prohibited except by prior agreement for journeys outside the district. Exercising

this power offers passengers protection. Not undertaking a hackney carriage review may make businesses unprofitable and inadequate number of taxis to meet demand.

5. COMMUNITY ENGAGEMENT AND CONSULTATION

- 5.1 The subject of the fare review is a constant agenda item at the council's hackney carriage and private hire consultation forum where all members of that forum are free to express their opinions. The forum members have delegated negotiations to selected representatives.
- 5.2 The procedure for presenting the trade's request for a review has been followed. This involves the trade's representatives making representations to the chair of The Licensing Committee (non Licensing Act 2003) and officers. The trades Representatives accept the recommendations as reasonable.
- 5.3 A meeting with the trade representatives, council officers and the chairman Licensing Committee (non Licensing Act 2003) was held on 19 January 2015 where a proposal was agreed in principle to go to the committee.

6. CONCLUSION

- 6.1 That members confirm their support for an increase in maximum fares and that the Head of Regulatory Services advertises the proposed variation in fares, and invites any objections in accordance with the legal requirements.

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

The cost of advertising the proposed fare increases will be met from the existing hackney carriage revenue budget. The fare levels are used by the trade, and are not an income stream to the council.

Finance Officer Consulted: Michael Bentley Date: 22/05/19

7.2 Legal Implications:

The power to fix fares for hackney carriages is provided by Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. The procedure is set out in the body of the report.

Lawyer Consulted: Name Rebecca Sidell

Date: 22/05/19

7.3 Equalities Implications:

The survey will provide information from various categories of society in Brighton & Hove, which the council will use to ensure that taxis in the city are licensed to best serve the needs of all. The results will assist the Council in planning for the future ensuring that no group of persons will be disadvantaged through using taxis.

7.4 Sustainability Implications:

The role of the taxi trade is included in the Local Transport Plan, which identifies it as a key element in providing sustainable transport choices. It creates important links in the transport network to other forms of sustainable transport providing a seamless connection. It will contribute to three of the government's four shared transport priorities – reducing congestion, improving air quality and accessibility. Use of taxis for school transport, licensed vehicles using bus lanes, locating ranks at railway stations and the city coach station, approved use of liquid petroleum gas all contribute to reducing congestion and moving passengers quickly.

7.5 Any Other Significant Implications:

None

SUPPORTING DOCUMENTATION

Appendix 1 Trade Submission

Appendix 2 Current tariff card.

Appendix 3 Proposed tariff card.

Appendix 4 % Change Sheet. (Tariffs 1,2,3,4,5)

Appendix 5 % Change Sheet. (Tariffs 6,7,8,9,10)

Appendix 6 Fares Formula.