

# LICENSING COMMITTEE (NON LICENSING FUNCTIONS)

## Agenda Item 30

Brighton & Hove City Council

<b>Subject:</b>	<b>Hackney Carriage Fare Review</b>		
<b>Date of Meeting:</b>	<b>05 March 2015</b>		
<b>Report of:</b>	<b>Director of Public Health</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Martin Seymour</b>	<b>Tel: 29-2550</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

### 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 Regulatory Services 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- 2.2 Agree that if no objections are made, or if any objections which are made are withdrawn, the varied table of fares will come into force in accordance with the statutory scheme.
- 2.3 Reconsider the matter at the next meeting of this Committee if valid objections are made but not withdrawn.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. The maximum fare that the formula would allow is £2.26 pence per mile. (As of January 2015). Any additions are negotiated separately. The running cost per mile on the proposed tariff sheet is not changing and equates to £2.20 which is below the formula limit.

- 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 are 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.
- 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 July 2013. The hackney carriage trade now seeks a further increase.
- 3.6 Justification by the trade for an increase in fares is that the last change was in July 2013 since when the trade have absorbed fuel price increases. They recognise that fuel has fallen recently but may increase at any time and that fares have run consistently below the level that the Council's fare formula allows so is justified to ensure that businesses remain profitable whilst the proposed increase remains below the formula. The trade also require an increase so proprietors can maintain the high level of vehicle standard and specification for Brighton & Hove.
- 3.7 The proposal from the trade is for a reduction of the initial yardage from 480 yards to 320 yards in tariff 1, 2,4,5,6,7,9 & 10. This equates to 20p per journey.
- 3.8 Tariffs 3 & 8 remain unchanged.
- 3.9 Currently in the national league tables for fares Brighton & Hove is positioned 24 for Tariff 1 and 147 for Tariff 2 after the proposed increase it is estimated that the position will be 14 for Tariff 1 and 137 for Tariff 2.
- 3.10 The trade have requested that Credit/Debit card surcharges to be included in the tariff but officers have not had sufficient time to consult stakeholders but will do so if requested for any future proposals.

#### **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 trade's representatives accept the recommendations as reasonable.
- 5.3 A meeting with the trade representatives, council officers and the Chair 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 and regulation of the taxi trade 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: Steven Bedford

Date: 21/01/15

### **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: 23/01/15

### **7.3 Equalities Implications:**

The Law Commission's interim statement recommends that taxi legislation should make it clear that drivers are not allowed to charge passengers more for the time it takes them to board the vehicle, reflecting the Department for Transport best practice guidance.

### **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 Current tariff card.**

**Appendix 2 Proposed tariff card.**

**Appendix 3 % Change Sheet. (Tariffs 1,2 & 3)**

**Appendix 4 % Change Sheet (Tariffs 6,7 & 8)**

**Appendix 5 Fares Formula.**

**Appendix 6 AA motoring and fuel costs.**

**Appendix 7 National League Table for Tariff 1.**