

# LICENSING REGULATORY COMMITTEE

## Local Government (Miscellaneous Provisions) Act 1976 Proposed Variation of Hackney Carriage Fares 1 June 2017

### Report of the Food, Safety & Licensing Manager

#### PURPOSE OF REPORT

The report is to enable Members to consider the results of the consultation with hackney carriage proprietors in relation to the proposed variation of the current level of hackney carriage fares in line with the Retail Price Index (RPI) and to determine whether to approve the new table of fares as set out in the attached Appendix 1 to this report.

**This report is public.**

#### RECOMMENDATIONS

1. **The Committee is requested to consider the results of the consultation which has recently taken place with hackney carriage proprietors in relation to a fare increases as set out in the attached Appendix 2.**
2. **To determine whether to approve the new table of fares and to authorise the Chief Officer (Governance) to advertise the new table of fares as required by the legislation.**

#### 1.0 Introduction

- 1.1 The Licensing Authority is required to consider the tariffs for fare charges in respective of hackney carriages on an annual basis and to determine whether a fare adjustment is necessary. There is no nationally agreed formulae for assessing and applying an adjustment.

#### 2.0 Lancaster Hackney Carriage Tariffs

- 2.1 A copy of the current fare card is attached as Appendix 1 to this report. A copy of the proposed table of fares is attached at Appendix 2 to this report.
- 2.2 Members will recall that, at the meeting of the Licensing Regulatory Committee in February 2014, they approved an amendment to procedure in relation to the variation of hackney carriage fares.
- 2.3 Members agreed that they would recommend, in March each year, a proposal taking account of the current annual retail price Index (RPI) rate and that hackney carriage proprietors would then be asked to vote on whether an increase should be applied.

- 2.4 Financial services have confirmed the relevant RPI rate for March 2017 is 3.1%.
- 2.5 The table below shows the effects of the proposed increase at tariff 1 with a comparison with neighbouring authorities.

### **Current and proposed Tariff over the first One Mile**

#### **Lancaster City Council Tariff**

Current	£3.70
<b>Proposed increase</b>	<b>£3.82</b>

#### **Neighbouring Districts**

<b>South Lakeland 2015/16 tariff</b>	<b>£3.70</b>
<b>South Ribble (March 2015 Tariff)</b>	<b>£3.80</b>
<b>Preston City Council (current)</b>	<b>£3.40</b>

- 2.6 Ballot papers were sent out to 109 hackney proprietors during the last week of March 2017 with a request for a vote YES or NO to a proposed increase in line with the RPI in April 2017. Ballot boxes were placed at both Lancaster and Morecambe Town Hall and the Council depot (VMU). On the 28<sup>th</sup> April 2017 all boxes were collected. Of the 15 papers received 12 voted YES to an increase with 3 voting NO.
- 2.7 Members should be aware that during the ballot the Licensing service received 24 copies of an alternative tariff put forward by some of the consultees. This was not requested as part of the consultation.
- 2.8 The proposal put forward as an alternative tariff appears to represent a reduction to £3.50 on tariff 1 over the first mile but introduces a larger increase over longer journeys. For example a trip to Manchester Airport under the proposed RPI increase would cost a single passenger around £115 but applying the alternative tariff the cost would be around £131.

### **3.0 Conclusion**

- 3.1 Members are asked to consider whether to approve the amended table of fares applying the RPI increase, to have effect from the 1 July 2017 or any other date as determined by the committee, and if so to authorise the Chief Officer (Governance) to advertise the table of fares as required by the legislation.
- 3.2 Whilst Members will be aware that the decision outlined in paragraphs 1.1 and 1.2 above set out an agreed mechanism for consulting on and applying a fare increase, this did not include a mechanism for considering an alternative pricing structure or fare increase. However, members may wish to request a review of the mechanism for applying annual fare increases and to compare approaches taken elsewhere at similar Authorities. This would be reported to a future committee for consideration.

**CONCLUSION OF IMPACT ASSESSMENT**

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None applicable to this report.

**FINANCIAL IMPLICATIONS**

Financial Services have advised on the relevant RPI rate.

**LEGAL IMPLICATIONS**

The legal requirement to advertise any proposed change is covered in the report.

**BACKGROUND PAPERS**

None.

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