

**EXTRACT FROM CABINET MINUTES 8 FEBRUARY 2022 -MINUTE 75**

**HACKNEY CARRIAGE FARE REVIEW 2022**

(Cabinet Member with Special Responsibility Councillor Brookes)

Cabinet received a report from the Director for Communities & the Environment to approve the recommendation from the Licensing Committee with regard to a new Hackney Carriage Fare Tariff. Councillor Hartley, the Chair of the Licensing Committee had been invited to the meeting to hear the discussions and participate in the meeting and with the agreement of the meeting, the Chair suspended standing orders (Rule 18) to enable Councillor Hartley to respond to any questions from Cabinet members.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows: Officers have calculated average 1-, 5- and 10-mile journeys using a variety of uplift options, including increasing rolling charges. (A rolling charge is a charge that is applied for distance travelled, eg, for every 330yards 20p is applied to the fare) By increasing the rolling charges by a marginal amount (10p) over these distances creates a significant raise in fare costs between 20-30% for the travelling public, this option is therefore not proposed.

It is thought more appropriate to increase waiting times, by increasing this to 20p per 40 seconds or uncompleted part thereof. There is no suggestion that the maximum soiling charge (£75.00) need adjustment, as it is comparable with neighbouring authorities and would reflect the cost of a valet/time spent off the road through a soiling incident. The additional passenger and luggage costs should remain at 20p, respectfully.

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**Option 1: Maintain current table of fares approved in 2019.**

**Advantages:** Public are aware of expected fares when hiring a hackney carriage.

**Disadvantages:** The current table of fares does not represent rising fuel and insurance costs.

**Risks:** Drivers may decide to leave the trade, if they decide that the profit is marginal.

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**Option 2: Apply retail price index (RPI) to current flag fall.**

**Advantages:** This seems to be a general approach across County and Country, although not a common approach to all.

**Disadvantages:** Allows for a minimal increase.

**Risks:** Drivers may decide to leave the trade, if they decide that the profit is marginal.

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**Option 3: Apply uplift to flagfall across 3 tariffs. Suggested 50p and apply 10p uplift to waiting charges**

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**Advantages:** Trade receives an uplift, proportionate to current climate

**Disadvantages:** The increase is not supported by an agreed or common methodology that reflects the cost of owning and operating a hackney carriage in the district.

**Risks:** Decrease in business for hackney carriages due to fare adjustments.

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#### **Option 4: Deregulate fare setting**

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**Advantages:** Allows licensed trade to calculate their own fares, they may be best placed to calculate costs.

**Disadvantages:** Licensing Authority has no control on charges passed to the public. May create confusion as fares could vary across the trade.

**Risks:** Lack of public confidence in use of Hackney Carriages due to unknown charges. Varying charges between proprietors creating confusion.

The officer preferred option is Option 3: Apply uplift to flag fall across 3 tariffs, suggested 50p and apply 10p uplift to waiting charges. Applying the tariff increase as proposed in option 3, would seem appropriate so as to help ensure that hackney carriage proprietors receive a reasonable increase in fare income. The increase reflects necessary and proportionate adjustments, given that there has been no increases in fares since 2019 and the increase was marginal, based on the annual RPI.

Any concerns from members of the public or licensed trade would be addressed through the consultation process by placing a notice in the local press proposing the revised tariff. An amended table of fares that reflects Option 3 was attached at Appendix 2 to the report.

Councillor Brookes proposed, seconded by Councillor Hamilton-Cox:-

“(1) That Cabinet notes the proposal to apply uplift to flag fall across 3 tariffs by 50p and apply 10p uplift to waiting charges but does not approve advertisement of the updated table of fares at this time.

(2) That Cabinet asks officers to carry out an immediate informal consultation exercise with hackney carriage drivers to gather feedback on options for increasing fares, taking into account the need to increase the rate earned per mile, and the policy position on RPI.

(3) That Cabinet refers the matter back to Licensing Committee for reconsideration following the consultation exercise, including consideration of any proposals arising from hackney carriage drivers.

(4) That Cabinet asks that a further report on the Hackney Carriage Fare Review be brought back to April 12th Cabinet for decision.”

Councillors then voted:-

**Resolved unanimously:**

(1) That Cabinet notes the proposal to apply uplift to flag fall across 3 tariffs by 50p and apply 10p uplift to waiting charges but does not approve advertisement of the updated table of fares at this time.

(2) That Cabinet asks officers to carry out an immediate informal consultation exercise with hackney carriage drivers to gather feedback on options for increasing fares, taking into account the need to increase the rate earned per mile, and the policy position on RPI.

(3) That Cabinet refers the matter back to Licensing Committee for reconsideration following the consultation exercise, including consideration of any proposals arising from hackney carriage drivers.

(4) That Cabinet asks that a further report on the Hackney Carriage Fare Review be brought back to April 12th Cabinet for decision.

**Officer responsible for effecting the decision:**

Director for Communities & the Environment

**Reasons for making the decision:**

The pandemic has brought about many challenges for the licensed trade, with many choosing not to renew licenses and seek alternative employment. The licensing service are working with internal and external partners to support the trade and encourage new applicants into the profession through funding. It is therefore important the fares represent the living wage locally. In addition, any uplift would need to be balanced in terms of public expectation, anything too great would face criticism and potentially result in less work for the hackney carriage trade. The decision enables officers to undertake an immediate consultation exercise to ensure the fare review is fair and sustainable.