

Licensing Committee

Hackney Carriage Fare Review 2023

5 January 2023

Report of Licensing Manager

PURPOSE OF REPORT

This report is to update members on proposals to introduce a new fare tariff in relation to licensed hackney carriages operating in the Lancaster district.

Members of the Licensing Committee are required to refer their findings for decision to the next Cabinet meeting.

This report is public

RECOMMENDATIONS

- (1) It is recommended that members consider proposals in relation to a new fare tariff for hackney carriages operating in the Lancaster district, and;
- (2) Refer their findings to the next Cabinet meeting for approval.

1.0 Introduction

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 makes provision for the Council to fix the rates of fares within the district for time, distance and all other charges in connection with the hire of a hackney carriage. The table of fares is attached to the inside of a hackney carriage; this allows members of the public to view all charges when hiring a vehicle.
- 1.2 The current table of fares took effect on 4th May 2022 and is attached at **Appendix 1**.
- 1.3 The setting of fares is an Executive function as it is not one that is listed in the Local Authorities (Function and Responsibilities) (England) Regulations 2000 and therefore falls to the Cabinet to make the decision. In its capacity as an advisory Committee to Cabinet, the Licensing Committee are required to refer any decision to Cabinet for approval.

2.0 Background

- 2.1 The current hackney carriage table of fares, the frequency of tariff reviews and method for fare setting in future years was approved by the Councils Cabinet on 12th April 2022. This was following a period of engagement and consultation with the licensed trade.
- 2.2 It was approved that, retail price index (RPI) would be applied annually across the tariff, including flag fall and rolling rate, rounding down to the nearest 5p. The statutory requirement for advertisement and consultation would then follow before an updated table of fares would be published, with an updated table of fares coming into effect on a specified date.
- 2.3 The last review of hackney carriages tariff was undertaken in April 2022, prior to this there was no fare review or uplift in hackney carriages fares since 2019. Before that RPI was not consistently applied and the table of fares did not reflect the approved methodology or a wage reflective to the cost of living for the average licensed driver.

The review and subsequent uplift earlier this year saw the cost of smaller journeys subject to a minor uplift with journeys over 5 miles being subject to a 10-15% increase. The time and a half/double time rates on this tariff saw fares raised between 10-24%. The increase therefore was significant for the trade and public, but it represented the cost of living and rising fuel costs at that time.

- 2.4 It was agreed that the methodology would be applied to the tariff annually, using the retail price index (RPI) from November. With lead times into Cabinet and with advertisement and consultation requirements, any amendments should be effective from April 1st 2023.

3.0 Current Position

- 3.1 Since the update, very little feedback has been received by licensing from members of the public, No complaints have been received by way of allegations of overcharging or challenges to fares paid. Similarly, because of input from the licensed trade through the consultation period they were as a collective, happy with the updated tariff.
- 3.2 The retail price index for November 2022 was 14%, this has been applied across the tariff as approved by Cabinet. The table of fares reflecting those updates is attached at **Appendix 2**.

Members may wish to consider amending soiling charges as applying RPI to this charge was not included in the approved methodology. The soiling charge is a maximum charge vehicle proprietors can charge members of the public should they soil the vehicle. It should represent to cost of cleaning the vehicle and/or loss of earnings for the take taken to ensure the vehicle is roadworthy.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 The options available to members are listed in the table, along with the advantages/disadvantages and risks associated with each option.

	Option 1: Maintain current table of fares approved in April 2022.	Option 2: Apply retail price index (RPI) across the tariff. (14%) Rounding down to the nearest 5p.	Option 3: Deregulate fare setting
Advantages	Public are aware of expected fares when hiring a hackney carriage.	Drivers income is increased in line with rising cost of living The licensed profession may be perceived as a career option for local people.	Allows licensed trade to calculate their own fares, they may be best placed to calculate costs.
Disadvantages	The current table of fares may not represent current cost of living.	Second increase in quick succession may lead to a decrease in public use.	Licensing Authority has no control on charges passed to the public. May create confusion as fares could vary across the trade.
Risks	Not consistently applying the methodology approved by Cabinet Drivers may decide to leave the trade, fares do not meet the demands of the rising costs of living.	Increase too much for service users. Drivers may see reduced income due to lack of public use.	Lack of public confidence in use of Hackney Carriages due to unknown charges. Varying charges between proprietors creating confusion

5.0 Officer preferred option

- 5.1 Option 2 - Apply retail price index (RPI) across the tariff. (14%) Rounding down to the nearest 5p.
- 5.2 Any concerns from members of the public would be addressed through the consultation process by placing a notice in the local press proposing the revised tariff.

5.3 The retail price index (RPI) for November is published mid-December, due to Christmas deadlines for publishing it has not been possible to include the views of the licensed trade as part of the report. They will however be available at the meeting in January for members consideration.

5.4 Members are requested to make recommendations to Cabinet on their preferred option.

6.0 Conclusion

6.1 Earlier in 2022, following a period of consultation with the public and licensed trade, the Councils Cabinet, on recommendation of Licensing Committee agreed a methodology for fare reviews in relation to hackney carriages operating in the district.

6.2 The approved methodology has been applied to the relevant parts of the hackney carriage tariff, with a 14% increase to flag-fall and rolling rate (rounded down to the nearest 5p). It represents a 40/60/80p increase in flagfall across the 3 tariffs with little difference to rolling rates (until tariff 3 where a 5p increase would be applied).

6.2 The cost of living is rising; licensed drivers need to ensure the profession is sustainable; whereby the table of fares allows drivers to earn a fair salary.

6.3 Members will need to balance the views of the licensed trade with expectations of the public and ensure that any decision to depart from the approved methodology is documented, along with the reasons for doing so.

6.3 As this is an Executive decision the Licensing Committee is not the decision-making body so must refer this to Cabinet for their approval.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

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FINANCIAL IMPLICATIONS

There are no direct financial implications to the Council as a result of this report.

SECTION 151 OFFICER'S COMMENTS

Not applicable

LEGAL IMPLICATIONS

Pursuant to Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, the advertising requirements are as follows:-

1. Putting a notice in the local paper
2. Notice must specify a date, not less than 14 days from the date that the notice is published to allow for objections and is the date, if no objections are made, that the revised fare will come into force.
3. If objections are made, and not withdrawn the Council must consider those objections and the fares then will come into effect (modified or unmodified) within 2 months of the original date.

MONITORING OFFICER'S COMMENTS

Not applicable

BACKGROUND PAPERS

None.

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