

# CABINET

## Hackney Carriage Fare Review 2023

11 April 2023

### Report of Licensing Manager

PURPOSE OF REPORT				
Cabinet members are asked to consider consultation responses as required by s65 Local Government Miscellaneous Provisions act 1976 and set a new Hackney Carriage fare tariff; including determination of the date any such change will take effect.				
Key Decision		Non-Key Decision	X	Referral from Cabinet Member
Date of notice of forthcoming key decision	Not applicable			
This report is public				

#### RECOMMENDATIONS

- (1) In considering consultation responses, members are asked to determine the Hackney Carriage Tariff for 2023/24 with or without modification and set a date of implementation.

##### 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.

The current table of fares is attached at **Appendix 1**.

- 1.2 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 Proposal Details

- 2.1 At a meeting of the Councils Cabinet on 7 February 2023, the recommendation of Licensing Committee was approved on a proposed hackney carriage tariff. It was decided that there would be an increase on the

flag fall of 20p, from £3.00 to £3.20 (7% increase) and the rolling rate increased by 10% by reducing the incremental charge from 176 yards to 160 yards per 20p. This principle would be applied across tariff.

The proposed tariff is attached at **Appendix 2**.

### 3.0 Details of Consultation

3.1 The statutory requirement for advertisement and consultation was duly followed. A public notice was placed in the Lancaster Guardian on Thursday 23rd February 2023 inviting comments/objections on the proposed tariff, additionally notices were placed for public consideration at Morecambe and Lancaster Town Hall throughout the 14-day period.

3.2 As part of the consultation, 2 responses were received from members of the local licensed trade.

The first from a Private Hire Driver:

*“I don't think this is a good idea and think it will do more harm than good to the trade as the cost of living is effectively damaging the trade as it is without having a tariff increase so soon after the last one so I formally object to the increase of tariff”.*

Secondly, from a licensed dual driver and proprietor of 3 Hackney Carriages:

*“I believe another fare increase is unnecessary and unjustified. We had a fare increase last year and there is no good reason to increase the cost of taxis again - fuel is actually cheaper than it was when the last fare increase was implemented. It would seem that other taxi drivers agree with me and I have told them to also email their objections. A fare increase would possibly do more harm to the trade than good. People are struggling to pay their home bills due to astronomical increases in day to day living costs and I believe another fare increase would put people off using taxis and therefore cost taxi drivers money rather than make us more money”.*

3.3 Cabinet may wish to revisit comments made by other members of the licensed trade. (See Appendix 3 of previous report – February 2023). 19 individual responses were received during the initial non-statutory consultation with the licensed trade. At that time, of the responses received 13 agreed with proposals and 6 did not.

### 4.0 Options and Options Analysis (including risk assessment)

	<b>Option 1:</b> Maintain current table of fares approved in April 2022.	<b>Option 2:</b> Apply retail price index (RPI) across the tariff. (14%) Rounding down to the	<b>Option 3:</b> Deregulate fare setting.	<b>Option 4:</b> Increase flag-fall by 7%  Increase rolling rate by 10% by reducing the
--	---	--	--	--

		nearest 5p.		increment from 176yds to 160yds.
Advantages	Public are aware of expected fares when hiring a hackney carriage.	Drivers income is increased in line with rising cost of living  This was identified as the preferred methodology to the trade through consultation.  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.	The uplift is consistently applied across the tariff, not disadvantaging service user groups. e.g, those on long/short journeys.
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.	The changes across the tariff and amending incremental charges may cause public confusion, leading to an increase in complaints.
Risks	Not consistently applying the methodology approved by Cabinet and supported by the trade.  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.	Not consistently applying the methodology approved by Cabinet and supported by the licensed trade.  Fares will increase earlier in journeys; regular users of taxis may feel penalised by the uplift.

--	--	--	--	--

## 5.0 Licensing Committee Preferred Option

- 5.1 Licensing Committee have not considered the consultation responses and therefore make no recommendations to Cabinet.

## 6.0 Conclusion

- 6.1 At an earlier meeting of the Councils Cabinet in February 2023, members approved an updated rate of fares for hackney carriage operating in the district; additionally approved the licensing manager to undertake the statutory consultation.

- 6.2 As part of the public consultation 2 responses were received from members of the local licensed trade. Both of which objected to the proposed tariff.

Currently there are 878 active hackney carriage and private hire licences in the district. These licence holders have had time to consider the proposals and respond within the consultation period, members are requested to determine what weight to place on the responses received balanced with the number of active licences.

- 6.3 Cabinet will need to consider the options set out above and determine the hackney carriage table of fares for the coming year (2023/24). Cabinet will also be required to set the date of implementation. Legislation dictates that any update must take effect (modified or unmodified) within 2 months of the original date. Officers would recommend a lead time of 5 working days to allow the trade to be sufficiently updated and the service prepared to manage the transition. Officers propose the new table of fares be implemented from Midday on Wednesday 19<sup>th</sup> April 2023.

- 6.4 Cabinet are reminded to provide full and detailed reasons for their decision.

### **RELATIONSHIP TO POLICY FRAMEWORK**

This method of reviewing fares was first adopted by this Council in February 2014 when the proposal to use the RPI model was reported to the then Licensing Regulatory Committee.

### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)**

Lancaster City Council set the fares for Hackney Carriages operating in the district, in determining the charges for time/distance it must consider the impact on setting fares too low/too high on both the licensed trade and public who use Hackney Carriages, whilst balancing the rising cost of living and building a sustainable trade; one capable of earning a fair salary.

### **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.

#### **FINANCIAL IMPLICATIONS**

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

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

Not applicable

##### **Information Services:**

Not applicable

##### **Property:**

Not applicable

##### **Open Spaces:**

Not applicable

#### **SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and has no further comments.

#### **MONITORING OFFICER'S COMMENTS**

Should any objections be received then the matter will be brought back to Cabinet for a decision.

#### **BACKGROUND PAPERS**

[Agenda for Cabinet on Tuesday, 7th February 2023, 6.00 p.m. - Lancaster City Council](#)

**Contact Officer:** Jennifer Curtis

**Telephone:** 01524 582732

**E-mail:** [jcurtis@lancaster.gov.uk](mailto:jcurtis@lancaster.gov.uk)

**Ref:** HCF2023