

CABINET

Hackney Carriage Fare Review 2024 20 February 2024

Report of Licensing Manager

PURPOSE OF REPORT			
Cabinet members are asked to approve the recommendation from Licensing Committee to maintain the current table of fares for Hackney Carriages operating in the District for the coming year.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>
Date of notice of forthcoming key decision		Not applicable	
This report is public			

RECOMMENDATIONS OF COUNCILLOR WOOD

- (1) That Cabinet members accept the recommendations of the Councils Licensing Committee and approve that the table of fares will be maintained for 2024/25 and,
- (2) Approve the Licensing Manager to advertise the table of fares as required by Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.

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 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.
- 1.3 The current table of fares is attached at **Appendix 1**.
- 1.4 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.

- 1.5 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.

2.0 Proposal Details

- 2.1 The Licensing Manager applied the approved methodology to the current table of fares and presented options to members at a meeting of the Licensing Committee in January (2024), options included maintaining the current table of fares, deregulation of fare setting and setting additional charges. Additionally, a further option that amended yardage was carried forward to form part of consultation options.
- 2.2 At that meeting members resolved to consult directly with the licensed trade regarding all options, additionally to seek feedback on proposals to introduce extra charges post 21.00 and provide insight into the potential impact on local trade.
- 2.3 Members of Licensing Committee were keen to ensure the views of the licensed trade were considered prior to making recommendations to Cabinet and before the wider public consultation.

3.0 Details of Consultation

- 3.1 An email detailing the options was sent to over 400 members of the local licensed trade, this included drivers, vehicle proprietors and private hire operators.
- 3.2 It detailed the options for consideration, along with a brief description on how that translates to the current table of fares. Along with a preferred option, opinions were sought on the proposal to introduce an additional charge for journeys taken after a certain time. This was in response to the perceived lack of drivers operating in the evening and early hours.
- 3.3 A total of 28 responses were received as part of the trade consultation. Not all 28 responses included a definitive answer to a preferred option, instead preferring to provide insight into hackney carriage fares and other matters affecting the local licensed trade.
- 3.4 A total of 15 responses provided a definitive answer that fares should be maintained for a further 12 months, 7 responses were received supporting the option to apply retail price index (RPI) (6.1%). None felt that deregulation was a viable option and 2 supported the additional option to amend yardage and apply RPI.
9 responses were against introducing a separate charge for journeys made after a specific time and 5 supported the proposal.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: Maintain current table of fares implemented in April 2023.	Option 2: Apply retail price index (RPI) across the tariff. (6.1%)	Option 3: Deregulate fare setting	Option 4: In addition to option 1 or 2, apply an additional charge for fares taken after a set time. Eg 20.00, 21.00 or 22.00.	Option 5: Maintain flagfall, amend rolling rate to 25p per 176 yards (1/10 th mile).
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.	It would encourage more drivers to work in the evening when there are limited vehicles available. Regular daytime users of licensed vehicles will not be affected by the introduction of the charge. The council is responding to local pubwatch and business improvement district requests for assistance with the recruitment and availability of licensed vehicles in the nighttime economy.	This would work out as a 5.3% increase for a 2-mile journey. Allows for an increase representative of the approved methodology.
Disadvantages	The current table of fares may not represent current cost of living.	A further increase in quick succession is laborious procedurally and in terms of administration, as one update	Licensing Authority has no control on charges passed to the public. May create	It may have a negative reaction, resulting in the public using licensed vehicles less.	Results in fares amounting to 5p. (always been in multiples of 10p)

		takes effect, it is time to calculate further change. Annual cost of calibration to drivers.	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	The public do not utilise the services of hackney carriages in the nighttime economy and take risks to get home. ie, walking.	Amending yardage will increase rolling rate in a shorter distance, it may cause confusion for regular service users.

5.0 Licensing Committee Preferred Option (and comments)

5.1 Members of Licensing Committee voted unanimously in maintaining the current table of fares for 2024/25 and have referred their recommendation to Cabinet for approval.

6.0 Conclusion

6.1 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 Based on the approved methodology, the review has been undertaken, and options presented to Licensing Committee. Members were keen to hear the views of the local licensed trade on those options and have considered responses prior to making their recommendations to Cabinet.

6.3 Although few responses were received as part of the consultation, the majority were satisfied with the current table of fares and did not wish to see an increase in fares in the coming year. Members felt the lack of appetite for an increase was enough to make that recommendation to the Councils Cabinet for decision.

- 6.4 As this is an Executive decision the Licensing Committee is not the decision-making body so must refer this to Cabinet for their approval.
- 6.5 Cabinet is requested to approve the recommendation of Licensing Committee and approve the Licensing Manager to advertise the table of fares as required by Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.

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 bought back to Cabinet for a decision.

BACKGROUND PAPERS

Contact Officer: Miss J Curtis
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Ref: Fares 2024/25