

Licensing and Appeals Committee 9 August 2022

Report Title	Hackney Carriage Fares Tariff	
Report Author	Iain Smith, Assistant Director - Regulatory Services	
Contributors/Checkers/Approvers		
North MO		
North S151		
Other Director/SME	George Candler	ED Place & Economy

List of Appendices

- Appendix A: Current Table of Tariffs for Hackney Carriages in each zone
- Appendix B: Fare Increase Request from Corby Hackney Owners Association
- Appendix C: Fare Increase Requests from Kettering Trade
- Appendix D: Fare Increase Request from the Wellingborough Hackney Carriage Association
- Appendix E: Fare increase request from East Hackney Carriage Proprietor
- Appendix F: Options for a harmonised Fare Tariff
- Appendix G: Consultation Responses
- Appendix H: Additional Charges
- Appendix I: Equalities Impact Assessment

1 Purpose of Report

- 1.1 The purpose of this report is to provide information regarding requests received from Hackney Carriage proprietors to implement fare increases for hackney carriage journeys.
- 1.2 The Committee is asked to consider the requested fare increases and decide whether these should be accepted, and if so, whether in whole or in part, having regard to information provided in this report and the submission by the trade, noting that any revised Fares Tariff/Table of Fares recommended are the maximum amount that can be charged and Hackney Carriage Proprietors are at liberty to charge a lower fare

2. Executive Summary

- 2.1 The Licensing Authority has a discretionary power to fix the rate of Hackney Carriage fares within its area and publish a “Table of Fares” which must be displayed in every Hackney Carriage. Once set, the tariff is the maximum amount that can be charged by Hackney Carriage Proprietors for all journeys starting and ending in the prescribed geographical area. Hackney Carriage Proprietors can charge a lower fare if they wish but it is an offence to charge more.
- 2.2 Members should be mindful of the need to balance the interests of Hackney Carriage Proprietors with that of the travelling public who use Hackney Carriages. All parties will be impacted by the cost of living pressures.
- 2.3 Following the previous report to committee on this matter, some members of the taxi trade contacted Members and officers to object to the proposed harmonised rate which was to be considered by the Executive as one of the options on 16th June. A decision was taken to delay the report to Executive, to allow for the matter to be further considered and the trade to be consulted. Further options for an aligned tariff of fares were subsequently identified and the trade have been consulted on these options.

3. Recommendations

- 3.1 The Committee is asked to recommend to the Executive the adoption of updated Hackney Carriage fare tariffs for;
- a. Corby zone
 - b. East zone
 - c. Kettering zone
 - d. Wellingborough zone

4. Report Background

- 4.1 There are currently four separate Hackney Carriage zones aligned to the previous four sovereign council districts and the fares must be separately considered and set for each zone. This will continue until a resolution is passed to remove the zones and designate one new hackney carriage licensing area for the whole of North Northamptonshire. The current tariff of fares for each zone are detailed within **Appendix A**.
- 4.2 This equates to the below fares in each zone for a one, two- and five-mile reference journey;

Zone	1 mile	2 miles	5 miles
Corby	3.40	4.90	9.30
East	3.60	5.20	9.80
Kettering	3.60	6.00	13.20
Wellingborough	3.40	4.90	9.40

- 4.3 A report was brought to the Licensing and Appeals Committee on 9th May 2022 which detailed the current fares within each of the four sovereign areas, the context in respect of fares elsewhere, the requests received for an increase in the fares and a proposal for a potential harmonised fare. Following this meeting, representation against the recommendation of the committee was received by some members of the trade and Members and officers listened to concerns raised and a decision was taken to further consider the matter before taking to the Executive. This report provides updated information to allow for an informed recommendation to be made.
- 4.4 Private Hire & Taxi Monthly publication publishes a monthly table of fare comparisons among all 355 local authorities based on a standard two-mile fare. On 25th July 2022 this showed the following fares for nearby or neighbouring areas:
<https://www.phtm.co.uk/newspaper/taxi-fares-league-tables> (accessed 25/07/2022)
- Daventry was at position 194 with a cost of £6.20 for a two-mile journey
 - Northampton was at position 202 with a cost of £6.20 for a two-mile journey
 - Central Beds was at position 214 with a cost of £6.13 for a two-mile journey
 - Kettering was at position 236 with a cost of £6.00 for a two-mile journey
 - Milton Keynes was at position 239 with a cost of £6.00 for a two-mile journey
 - Bedford Borough was at position 86 with a cost of £6.80 for a two-mile journey
 - East Northants was at position 324 with a cost of £5.20 for a two-mile journey
 - South Northants was at position 337 with a cost of £5.00 for a two-mile journey
 - Corby was at position 338 with a cost of £4.90 for a two-mile journey
 - Wellingborough was at position 341 with a cost of £4.90 for a two-mile journey
- 4.5 To assist members with context in respect of changes to cost of living and cost of motoring since October 2011, the following information in sections 4.6 to 4.11 may assist:
- 4.6 The Bank of England Inflation Calculator shows that £5 of goods or services in 2011 would cost £5.97 in 2021, with inflation averaged at 1.8% per year over that period. This is equivalent to an approximate 16% increase.
<https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator> (accessed 25/07/2022)
- 4.7 The Bank of England shows the current inflation rate to be 9.4% and forecasts that it will keep rising this year. They expect it to slow down next year and be close to 2% in around two years time. They recognise that although the rate of inflation is expected to slow down, the prices of some things may remain at a high level compared with the past.
<https://www.bankofengland.co.uk/knowledgebank/will-inflation-in-the-uk-keep-rising#:~:text=We%20expect%20inflation%20to%20rise,of%20this%20year%20and%20next> (accessed 25/07/2022)
- 4.8 The national minimum wage for anyone over twenty-one years of age in 2011 was £6.08. In 2022 the national minimum wage for the same age group is now £9.18. This is an approximate 51% increase. The national minimum wage for adults over the age of 23 is £9.50 per hour.
<https://www.statista.com/statistics/280483/national-minimum-wage-in-the-uk/> (accessed 25/07/2022)

- 4.9 Licensing fees have increased since 2011, but no records are available to confirm the amount of overall increase during this time.
- 4.10 Fuel (diesel and petrol) prices have fluctuated since 2012 (the first year of available data) and 2022 but have recently increased above the 2012 cost. The price of fuel was cheaper during the period September 2013 to September 2021. On 25 December 2012 a litre of petrol cost 135.44 pence and a litre of diesel cost 141.26 pence. On 4 February 2022 a litre of petrol cost 146.79 pence and a litre of diesel cost 150.23 pence, and on 21 July 2022 a litre of petrol cost 187.54 pence and a litre of diesel cost 196.12 pence
<https://www.racfoundation.org/data/uk-pump-prices-over-time>
 (accessed 25/07/2022)
- 4.11 The RAC calculate motoring costs from Office of National Statistics data and their data is summarised below:
- Purchase cost of motor vehicles has increased 18.43% between April 2012 and June 2022, with the majority of that increase since May 2021.
 - Vehicle tax and insurance costs have increased 98.17% in this period.
 - Maintenance has increased 34.86% in this period.
 - Petrol and oil costs have increased 39.02% in this period.
 - Overall combined motoring costs have increased 36.14% in that period.
 - The overall cost of living has increased by 40.44% in this period.
- <https://www.racfoundation.org/data/cost-of-motoring-index>
 (accessed 25/07/2022)

Corby Zone

- 4.12 The fares for the Corby Hackney Carriage trade were last reviewed in November 2017. The Corby Hackney Owners Association (CHOA) have requested that the maximum fares for Hackney Carriage journeys are increased and a copy of their request is included within **Appendix B**.

- 4.13 The requested increase in fares are set out in the table provided below:

Fare	Current Tariff	Proposed Amendment
Standard minimum charge	£2.20 for the first 387 yards	<u>£2.70</u> for first 387 yards
Subsequent rate	£0.10 for each subsequent 119 yards or uncompleted part thereof	£0.10 for each subsequent <u>111</u> yards or uncompleted part thereof
Fare for a Two-Mile Journey	£4.90	£5.60

- 4.14 The increase requested by the CHOA would result in a 14% increase in the fare for a two-mile journey.

East Northamptonshire Zone

- 4.15 There has been a requested increase in the fares from one of the proprietors in East Northamptonshire although no detail as to the actual increase required has been provided. This is shown within **Appendix E**.

Kettering Zone

4.16 The fares for the Kettering Hackney Carriage trade were last reviewed in June 2011. There is no Hackney Carriage Association currently in place in Kettering, however eight requests have been received for an increase to the maximum fares from the trade and a copy of these are included within **Appendix C**.

4.17 Seven of the requested increases to the fares are set out in the table below, these have been grouped together according to the requested increase:

Fare	Current Tariff	Proposal: Central Taxis / Trade Request / Hackney Carriage Driver 1	Proposal: Kings Kabs	Proposal: Burton Cabs / Easy Cabs / Hackney Carriage Driver 2
Standard minimum charge	£2.40 for the first 880 yards	<u>£3.20</u> for the first 880 yards	<u>£3.30</u> for the first 880 yards	<u>£3.60</u> for the first 880 yards
Subsequent rate	£0.20 for each subsequent 146.66 yards or uncompleted part thereof	£0.20 for each subsequent 146.66 yards or uncompleted part thereof	£0.20 for each subsequent 146.66 yards or uncompleted part thereof	£0.20 for each subsequent 146.66 yards or uncompleted part thereof
Fare for a Two-Mile Journey	£6.00	£6.80	£6.90	£7.20

4.18 It should be noted that the requests also support an increase in rates for tariff 2 (for hiring's which begin between 11.00pm and 6.00am) and tariff 3 (bank holidays), however these rates are normally calculated as a percentage increase on the standard tariff, so these requests are not detailed in the table. It is proposed that the usual standard percentage increases would be applied according to the new standard tariff.

4.19 The increase requested by each proposal would equate to increases of between 13% and 20% above the previous fare for a two-mile journey. There was also one further request for an increase, which requested an increase of between 30-40% as attached in **Appendix C**, however no methodology for calculating this was provided, so it was not included within the table.

Wellingborough Zone

4.20 The fares for the Wellingborough Hackney Carriage trade were last reviewed in October 2011. The Wellingborough Hackney Carriage Association (WHCA) have requested that the maximum fare for Hackney Carriage journeys is increased and a copy of their request is included within **Appendix D**. Following a request for further supporting information, the WHCA provided justification for the requested increase in fares and this is also included.

4.21 The requested increase in fares is set out in the table below:

Fare	Current Tariff	Proposed Amendment
Standard minimum charge	£2.30 for the first 541.54 yards	<u>£3.00</u> for the first 541.54 yards

Subsequent rate	£0.10 for each subsequent <u>117.33</u> yards	£0.10 for each subsequent <u>97.77</u> yards
Waiting Time	£0.10 For each period of <u>35</u> seconds or uncompleted part thereof including periods during the journey when the vehicle is stationary	£0.10 For each period of <u>30</u> seconds or uncompleted part thereof including periods during the journey when the vehicle is stationary
Fare for a Two-Mile Journey	£4.90	£6.10

4.22 It should be noted that the WHCA have also requested the following be considered separately to the above:

- Every second year, an automatic increase of 10 pence per mile to the fare.
- Every fourth year, an automatic increase of 20 pence to the standard minimum charge.

4.23 Members are advised that it is not considered to be permissible under the relevant legislation to allow for the automatic increase in fares requested by the WHCA, due to the need to follow a prescribed statutory procedure which includes consultation, for every potential fare change before it can take effect.

4.24 The increase requested by the WHCA would result in an increase of 24% for a two-mile journey.

Harmonised Fare

4.25 The tariff of fares for Hackney Carriage journeys in each of the four zones must be considered and set separately. Members may however choose to take the opportunity while considering the tariff of fares to achieve parity of fares for a wider section of the travelling public in its area, by providing consistent fare rates across the whole of the new council area. This could be achieved by aligning the fare calculation methodology and making them the same within each of the zones.

4.26 The report presented to committee on 9th May proposed that the lowest of the requested increases from the Kettering trade was used as a basis, if a new harmonised fare structure was considered to be appropriate. This would result in a standard minimum charge of £3.20 for the first 880 yards and £0.20 for each subsequent 146.66 yards or uncompleted part thereof.

4.27 Following representation from some of the trade against the proposal, further options were produced for consideration and a letter was sent to all 184 licensed Hackney Carriage proprietors setting out five different options for consideration. These options are detailed within **Appendix F**. Licensed proprietors were asked to indicate their preference out of the options, or to submit any alternative options which were widely supported by others.

4.28 Following consultation with the trade, six separate consultation responses were received, which indicate the preference over the options of 118 Hackney

Carriage proprietors (64%) and these are included within **Appendix G**. The responses are summarised in the table below;

Representation	Preference
Rep 1 – East based proprietor	<ul style="list-style-type: none"> • Option 2
Rep 2 – Wellingborough based proprietor	<ul style="list-style-type: none"> • Option 1
Rep 3 – Wellingborough based proprietor	<ul style="list-style-type: none"> • Option 1
Rep 4 – East based driver	<ul style="list-style-type: none"> • Option 2
Rep 5 – Corby Hackney Owners Association	<ul style="list-style-type: none"> • Option 1 – 7 preferences (6 Corby based and 1 East based) • Option 3 – 1 preference (Corby based) • Option 4 – 2 preferences (Corby based) • None – 53 preferences (48 Corby based, 1 East based, 4 Wellingborough based)
Rep 6 – Kettering legal representative on behalf of Kettering based drivers	<ul style="list-style-type: none"> • Option 1 – 51 preferences

4.29 This gives the below ranking for the five options based on responses received;

- Rank one: option 1 – favoured by 60
- Rank two: option 2 and option 4 – both favoured by 2
- Rank four: option 3 – favoured by 1

This indicates that out of the options provided, option one is the most popular with Hackney Carriage Proprietors.

4.30 In addition, fifty-three drivers indicated that their preference would be to agree the original requests for fare increases from the trade and retention of individual zones i.e. not have a harmonised tariff. Of these, forty-eight of the responses were from drivers within the Corby zone, four were from the Wellingborough zone and one was from the East zone.

4.31 There were no suggestions for an alternative proposal to be considered.

4.32 Since option one was favoured, this will be used as a basis for comparison for a potential aligned tariff. The below table shows the current fares for each zone for a standard one, two- and five-mile journey and the resultant percentage increase when compared against the current fare, if the proposed fare structure detailed within option one was to replace those currently in place.

Zone	Current 1-mile fare	Increase if proposed harmonised fare is introduced	Current 2-mile fare	Increase if proposed harmonised fare is introduced	Current 5-mile fare	Increase if proposed harmonised fare is introduced
Current Corby fare	£3.40	29%	£4.90	39%	£9.30	51%

Current East fare	£3.60	22%	£5.20	31%	£9.80	43%
Current Kettering fare	£3.60	22%	£6.00	13%	£13.20	6%
Current Wellingborough fare	£3.40	29%	£4.90	39%	£9.40	49%
Option 1 Harmonised Fare Proposal for each zone	£4.40	-	£6.80	-	£14.00	-

4.33 This option would include introduction of the additional charges currently in place for Kettering across all four zones. A table showing each of the additional charges for each zone is included within **Appendix H**

5 Issues and Choices

5.1 Members are invited to consider each of the requests for fare increases for each of the four zones separately and decide upon a new tariff to recommend to Executive for adoption for each zone.

5.2 The options for consideration are;

a. Corby Zone;

- i) To recommend the approval of the CHOA proposed increase in fare tariff
- ii) To recommend the approval of an increase in fares based upon the proposed harmonised fare tariff
- iii) To recommend a different increase in fares
- iv) Refuse any increase

b. East Zone

- i) To recommend the approval of an increase in fares based upon a harmonised fare tariff
- ii) To recommend a different increase in fares
- iii) Refuse any increase

c. Kettering Zone

- i) To recommend the approval of the Central Taxis/Trade Proposal/Kettering Hackney proprietors proposed increase
- ii) To recommend the approval of the Kings Kabs proposed increase
- iii) To recommend the approval of the Burton Cabs/ Easy Cab/Kettering Hackney proprietors proposed increase
- iv) To recommend the approval of an increase in fares based upon a harmonised fare tariff
- v) To recommend a different increase in fares
- vi) Refuse any increase

d. Wellingborough Zone

- i) To recommend the approval of the WHCA proposed increase
- ii) To recommend the approval of an increase in fares based upon a harmonised fare tariff
- iii) To recommend a different increase in fares

iv) Refuse any increase

5.3 Members are also asked to consider whether the automatic increases proposed every second and fourth year by the WHCA should be approved, taking account of the advice set out in paragraph 4.23.

6 Implications (including financial implications)

6.1 Resources, Financial and Transformation

6.1.1 Any changes to the fare tariff will need to be advertised in the local newspaper and cannot come into effect until any objections have been considered.

6.1.2 There are no resource or financial implications arising from the proposals to the council, however there will be potential financial implications for Hackney Carriage proprietors and for the travelling public whatever decision is made.

6.2 Legal and Governance

6.2.1 A Local Authority has the power to set fares for Hackney Carriages under the provisions of section 65 of the Local Government (Miscellaneous Provisions) Act 1976 which stipulates the Council can fix the rates or fares (which can include time as distance and all other charges in connection with the hire of a vehicle) by way of a table of fares (s.65(1))

6.2.2 There is a prescribed process that should be followed by a Local Authority when considering a tariff increase:

6.2.3 Where a council makes or varies a table of fares they shall publish in at least one local newspaper a notice setting out the table of fares and/or variation specifying the period (not less than 14 days from the date of first publication) and the manner in which objections to the table of fares or variation can be made (s.65(2)(a)).

6.2.4 The notice should also be available at the council offices for a period of 14 days from the date of first publication and be open to the public for inspection without payment during reasonable hours (s.65(2)(b)).

6.2.5 If no objection is made within the period specified in the notice or if objections are withdrawn, the fares shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection (whichever date is later). (s.65(3))

6.2.6 If the objection(s) is not withdrawn the Council shall set a further date (not later than two months after the first specified date) on which the table of fares shall come into force with or without modification as decided by them after consideration of the objections (s.65(4)).

6.2.7 Any fares previously made under s.65 fixing the rates and fares or any table of fares previously shall cease to have effect (s.65(6)).

6.3 Risk

6.3.1 Members should be mindful that the rise in the cost of living has increased costs for taxi drivers which they will need to recover and allowing them to increase their fares will assist. Failure to allow taxi drivers to cover their costs could result in a number of them leaving the profession, reducing the number of taxis available. The financial impact of rising taxi fares on the travelling public who also face increased costs should also be considered and increased fares could result in customers using taxi's less, which could also have an impact on the trade.

6.4 Relevant Policies and Plans

6.4.1 Raising Hackney Carriage fares will ensure that the Hackney Carriage trade remains financially viable and will assist the council in achieving its Corporate Plan priority of enabling people to travel across North Northamptonshire, and beyond.

6.5 Consultation

6.5.1 The trade was consulted on options available for an aligned tariff of fares and the results of this consultation are provided within the report.

6.5.2 Once an Executive decision has been made, there is a statutory requirement to advertise the proposals for a period of 14 days for public consultation, prior to implementation. If any consultation responses are received against implementing the suggested changes, these will be formally considered, before the altered fare structure is implemented.

6.6 Consideration by Executive Advisory Panel

6.6.1 This report has not been considered through the Executive Advisory Panel process.

6.7 Consideration by Scrutiny

6.7.1 This report has not been considered by the Scrutiny Commission but could form part of the future work programme.

6.8 Equality Implications

6.8.1 Although an increase in fares applies equally to everyone, people who are more reliant on the use of taxi's, such as those with mobility issues or those who live in more rural communities and are more elderly, may be disproportionately negatively impacted by an increase in fares. There is however insufficient data for us to identify the proportion of these groups of people that regularly use public transport, or whether they would be able to afford any increase in taxi fares.

6.8.2 An initial equalities screening assessment identified a potential negative impact from a change in the tariff of fares on differing age groups and people with a disability, therefore a full equalities impact assessment has been carried out, which is attached as Appendix I.

6.8.3 Consultation will be undertaken following the decision of the Executive and this will be sent to some organisations representing these groups and any consultation responses will be fully considered.

6.9 Climate Impact

6.9.1 There are no significant climate impacts arising from the proposed recommendations in this report, although the Taxi Licensing Policy and Conditions are due to be reviewed this year and the climate impacts of taxi licensing will be considered at that time.

6.10 Community Impact

6.10.1 The Council's discretionary power to determine fares is utilised so as to enable the taxi trade to operate effectively whilst ensuring that the general public can continue to afford to use them. Hackney Carriages provide a valuable door to door service for the community.

6.11 Crime and Disorder Impact

6.11.1 There are no significant crime and disorder impacts arising from the proposed recommendations in this report.

7 Background Papers

7.1 Local Government Miscellaneous Provisions Act 1976: [Local Government \(Miscellaneous Provisions\) Act 1976 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/1976/106)