

Licensing and Appeals Committee 9 May 2022

Report Title	Hackney Carriage Fares Tariff
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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

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.

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 Operators for all journeys starting and ending in the prescribed geographical area. Hackney Carriage Operators can charge a lower fare if they wish but it is an offence to charge more.
- 2.2 Members should be mindful of the fact that there is a balance between the interests of Hackney Carriage Operators and that of the travelling public who use Hackney Carriages. All parties will be impacted by the cost of living pressures.

3. Recommendations

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

4. Report Background

4.1 There are currently four separate Hackney Carriage zones aligned to the previous 4 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	5.60	7.20	11.80
Kettering	3.60	6.00	13.20
Wellingborough	3.40	4.90	9.40

4.3 To assist Members with context in respect of fares elsewhere, 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 25 April 2022 this showed the following fares for nearby or neighbouring areas:

<https://www.phtm.co.uk/newspaper/taxi-fares-league-tables> (accessed 25/04/2022)

- Daventry was at position 146 with a cost of £6.20 for a two-mile journey
- Northampton was at position 153 with a cost of £6.20 for a two-mile journey
- Central Beds was at position 163 with a cost of £6.13 for a two-mile journey
- Kettering was at position 190 with a cost of £6.00 for a two-mile journey
- Milton Keynes was at position 192 with a cost of £6.00 for a two-mile journey
- Bedford Borough was at position 223 with a cost of £5.80 for a two-mile journey
- East Northants was at position 330 with a cost of £5.00 for a two-mile journey
- South Northants was at position 335 with a cost of £5.00 for a two-mile journey
- Corby was at position 336 with a cost of £4.90 for a two-mile journey
- Wellingborough was at position 339 with a cost of £4.90 for a two-mile journey

4.4 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 4.5 to 4.10 may assist:

4.5 The Bank of England Inflation Calculator shows that £5 of goods or services in 2011 would cost £6.48 in 2021, with inflation averaged at 2.6% per year over that period. This is equivalent to an approximate 30% increase.

<https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>
(accessed 25/04/2022)

- 4.6 The Bank of England are forecasting a further inflationary rise to approximately 8% in spring 2022, with potential further increases later this year. They are then citing that they expect the rate of inflation to fall considerably over the next couple of years to around their 2% target in two or three years' time, although they also comment that whilst the rate of inflation will slow down, the prices of some things may stay 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 25/04/2022)
- 4.7 The national minimum wage for anyone over twenty-one years of age in 2011 was £6.08. In 2021 the national minimum wage for the same age group was £8.91. This is an approximate 46.6% increase. From April 2022 the national minimum wage for adults over the age of 23 in the UK will be £9.50 per hour.
<https://www.statista.com/statistics/280483/national-minimum-wage-in-the-uk/>
(accessed 25/04/2022)
- 4.8 Licensing fees have increased since 2011, but no records are available to confirm the amount of overall increase during this time.
- 4.9 Fuel (diesel and petrol) prices have fluctuated since 2012 (the first year of available data) and 2021 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 22 April 2022 a litre of petrol cost 162.16 pence and a litre of diesel cost 176.11 pence
<https://www.racfoundation.org/data/uk-pump-prices-over-time>
(accessed 25/04/2022)
- 4.10 The RAC calculate motoring costs from Office of National Statistics data and their data is summarised below:
- Purchase cost of motor vehicles has increased 19.84% between April 2012 and March 2022, with the majority of that increase since May 2021.
 - Vehicle tax and insurance costs have increased 83.18% in this period.
 - Maintenance has increased 33.44% in this period.
 - Petrol and oil have increased 13.54% in this period.
 - Overall combined motoring costs have increased 27.33% in that period.
 - The overall cost of living has increased by 33.4% in this period.
- <https://www.racfoundation.org/data/cost-of-motoring-index>
(accessed 25/04/2022)

Corby Zone

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

4.12 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

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

East Northamptonshire Zone

4.14 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

4.15 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.

4.16 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

4.17 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.

- 4.18 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

- 4.19 The fares for the Wellingborough Hackney Carriage trade were last reviewed in October 2011. The Wellingborough Hackney Carriage Association (WHCA) has requested that the maximum fares 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.

- 4.20 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

- 4.21 It should be noted that the WHCA has 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.

- 4.22 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.

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

Harmonised Fee

- 4.24 The fare for Hackney Carriage journeys in each of the four zones must be considered and set separately. Members may however choose to consider harmonising the fare calculation methodology and making them the same within each of the zones. In which case it is proposed that the current fee structure in Kettering is considered as the standard, since the current fares are fairly average across the areas for a one or two mile journey and represents the highest fee for a longer 5 mile journey, which should satisfy the requirements for the trade in all zones.
- 4.25 If a harmonised fee is considered appropriate, it is proposed that the lowest of the requested increases from the Kettering trade is used as a basis. 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. 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 this proposed harmonised fee structure were 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	50%
Current East fare	£5.60	-21%	£7.20	-6%	£11.80	19%
Current Kettering fare	£3.60	22%	£6.00	13%	£13.20	6%
Current Wellingborough fare	£3.40	29%	£4.90	39%	£9.40	49%
New Harmonised Fare Proposal for each zone	£4.40	-	£6.80	-	£14.00	-

- 4.26 Given the different fare calculation methodology within the East zone, one- and two-mile journeys currently cost more than the proposed fare. The proposed harmonised calculation method would therefore result in reductions in the fare to bring them in line with other areas.
- 4.27 It is proposed that if the uplifted Kettering tariff calculation methodology is used, all costs within this tariff are transferred across to all zones to allow for greater harmonisation.

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 4.22.

6 Implications (including financial implications)

6.1 Resources and Financial

- 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 will be potential financial implications for Hackney Carriage Operators and for the travelling public whatever decision is made.

6.2 Legal

- 6.2.1 Local authorities have a discretionary power to determine Hackney Carriage Fares, under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
- 6.2.2 Any changes in the fares must be advertised for a period of 14 days by way of a notice at the Council offices and in a locally circulating newspaper for public consultation, prior to implementation.
- 6.2.3 If no objection to any variation is duly made within the period specified, or if all objections so made are withdrawn, the table of fares or variation 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 or, if more than one, of the last objection, whichever date is the later.
- 6.2.4 If an objection is duly made and 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 modifications as decided by them after consideration of the objections.

6.3 Risk

- 6.3.1 There are no significant risks arising from the issues within this report if statutory processes are followed.

6.4 Consultation

- 6.4.1 Consultation with the public will be facilitated through the statutory requirements set out in the Act.

6.5 Consideration by Scrutiny

- 6.5.1 Not considered

6.6 Climate Impact

- 6.6.1 No climate impact.

6.7 Community Impact

- 6.7.1 The Council's discretionary power to determine fares is largely utilised 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 disabled community.
- 6.7.2 The legislation (Local Government Miscellaneous Provisions Act 1976) sets out the statutory framework for Hackney Carriage Tariffs.

7 Background Papers

None