

Report sponsor:
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Proposed increase to hackney carriage vehicle table of fares

Purpose

- 1.1 To consider the proposal from representatives of the hackney taxi trade to an increase in hackney carriage fares.

Recommendation(s)

- 2.1 To consider and determine a request for the variation of the table of fares for the hire of hackney carriages in Derby set out at Appendix 1.
- 2.2 If the committee agree to vary the table of fares, to authorise the Head of Licensing to advertise any proposed variation in the table of fares for a period of 21 days.
- 2.3 If the committee agree to vary the table of fares, that, subject to consideration of any objections to the advertisement, the variation shall come into effect 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.

Reasons

- 3.1 An increase in the hackney carriage metered tariff charges is being proposed, determination of which requires a decision from committee.

Supporting information

- 4.1 The Council has responsibility under the Local Government (Miscellaneous Provisions) Act 1976, for setting the maximum fares that can be charged by hackney carriage vehicles licensed to operate within the district.
- 4.2 Hackney Carriage ("Taxi") fares are made up of an initial hiring charge and a "mileage" rate, both of which are expressed in terms of distance and/or time per unit cost. This is because when a hired taxi is stationary or moving slowly in traffic the meter continues charging, but by time, instead of distance.

- 4.3 The table of fares applies only to hackney carriage vehicles. Private Hire Operators can agree their hiring charges in advance with their customers at the time of booking the journey.
- 4.4 Officers have received a proposal from the Derby Area Taxi Operators Association (DATOA) requesting the Council to consider increasing the current table of hackney carriage fares. The proposal is reproduced at Appendix 1. The number of hackney carriage proprietors supporting the proposal is 118 which represents 64% of the total hackney carriages licensed.
- 4.5 For comparison purposes, the Council's current table of fares are set out at Appendix 2.
- 4.6 The Private Hire and Taxi Monthly (PHTM), a national taxi trade publication, produces a monthly league table of all UK Council hackney carriage fares. This league table shows that in June 2022, Derby City Council's current "fare tariff 1", for a 2-mile journey, sits in 169th place out of 355 licencing authorities listed.
- 4.7 When drawing comparisons between hackney carriage fares in different areas, the normal method used is to compare the cost of a 2-mile journey. Using the PHTM information, officers have produced the table below showing a comparison of the hackney carriage fares charged in other CIPFA family group local authority areas for a 2-mile journey:

| Local Authority | 2-mile fare £ | Ranking |
|------------------------|----------------------|----------------|
| Wolverhampton | 6.80 | 82 |
| Medway Towns | 6.60 | 104 |
| Calderdale | 6.50 | 117 |
| Bury | 6.30 | 150 |
| Coventry | 6.30 | 152 |
| Darlington | 6.30 | 154 |
| Derby | 6.20 | 169 |
| Dudley | 5.90 | 229 |
| Walsall | 5.90 | 236 |
| Oldham | 5.50 | 293 |
| Rotherham | 5.40 | 306 |
| Bolton | 5.20 | 319 |
| Kirklees | 5.00 | 332 |
| Rochdale | 5.00 | 333 |
| Telford and Wrekin | 4.90 | 338 |
| Stockton on Tees | 4.50 | 347 |

The proposal received from DATOA would see a 2-mile journey on "fare tariff 1" rise from £6.20 to £7.20, an increase of just over 16% and place Derby in 42nd place out of the 355 licencing authorities listed in the PHTM publication.

For further information, the national average 2-mile hackney fare on "fare tariff 1" is £6.28. The national maximum 2-mile hackney fare on "fare tariff 1", excluding London (Heathrow) is £9.80. The national minimum 2-mile hackney fare on "fare tariff 1" is £4.40.

- 4.8 According to the data compiled by the Office for National Statistics (ONS), the Consumer Prices Index (CPI) rose by 9.0% in the 12 months to April 2022, up from 7.0% in March. Inflation is widely expected to increase further still later this year.
- 4.9 According to the Bank of England's "Inflation Calculator" goods and services that cost £100 in 2017 would have cost £107.92 in 2021, this represents an average increase of 1.9% a year.

Public/stakeholder engagement

- 5.1 Information has been received from DATOA, a local trade association. If the committee agree to vary the table of fares, they will need to be advertised so comments can be received.

Other options

- 6.1 Committee could decide not to alter the hackney fares or decide on a different variation of fares to the one proposed.

Financial and value for money issues

- 7.1 The costs of carrying out the required statutory consultation on the proposed variations and implementation of the Taxi tariff increase would be contained within existing budgets.
- 7.2 The cost of re-calibrating individual meters will be met by individual hackney carriage proprietors and the meters will then be checked by Licensing Officers as part of the compliance checks. This is a normal part of the work undertaken by Officers.

Legal implications

- 8.1 Section 65(1) of the Local Government (Miscellaneous Provisions) Act 1976 states that a district council may fix the rates or fares within the district as well for time as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section.

8.2 Section 65(2) of the Local Government (Miscellaneous Provisions) Act 1976 goes onto state:

a) When a district council make or vary a table of fares they shall publish in at least one local newspaper circulating in the district a notice setting out the table of fares or the variation thereof and specifying the period, which shall not be less than fourteen days from the date of the first publication of the notice, within which and the manner in which objections to the table of fares or variation can be made.

b) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of fourteen days from the date of the first publication thereof be deposited at the offices of the council which published the notice, and shall at all reasonable hours be open to public inspection without payment.

8.3 If no objection to a table of fares or variation is duly made within the period specified in the notice referred to in section 65 (2), 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.

8.4 If objections are made and are not withdrawn, the district council must 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.

Climate implications

9.1 There are no climate implications noted as part of this report.

Other significant implications

10.1 Members should note that the tariff is the maximum permitted fare that can be charged, and that vehicle proprietors can choose to charge less should they wish. The tariff is only applicable to Hackney Carriages, and not Private Hire Vehicles.

This report has been approved by the following people:

| Role | Name | Date of sign-off |
|---------------------|-----------------------------------|------------------|
| Legal | Olu Idowu, Head of Legal | 21/06/22 |
| Finance | Janice Hadfield, Head of Finance | 21/06/22 |
| Service Director(s) | - | |
| Report sponsor | Samantha Dennis, Service Director | 21/06/22 |
| Other(s) | - | |

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| Background papers: | None |
| List of appendices: | None |