
Meeting	General Purposes Committee
Portfolio Area	Communities, Community Safety and Equalities
Date	24 March 2022

HACKNEY CARRIAGE TARIFF REVIEW

NON KEY DECISION

Authors	Christine Walker-Wells 2247
Lead Officers	Christine Walker-Wells 2247
Contact Officer	Christine Walker-Wells 2247

1 PURPOSE

- 1.1 To review the current hackney carriage fares tariffs following a request from hackney carriage drivers to revise them.

2 RECOMMENDATIONS

- 2.1 That the Committee determines whether the proposed tariff should be imposed without modification, imposed with amendments or abandoned.

3 BACKGROUND

- 3.1 The fixing of fares for hackney carriages within the district is governed by the Council by virtue of section 65 of the Local Government (Miscellaneous Provisions) Act 1976. This must be published by means of a tariff table. The last change in fares took effect on 3 July 2017; a copy of the current tariff table is attached as Appendix 1.
- 3.2 At a Taxi Forum on 14 December 2021, members of the trade requested that the current tariffs should be revised. They were advised by the Licensing Officer to submit this request in writing, explaining why an increase was considered necessary.
- 3.3 A written request to consider an increase was received by the Licensing team on 5 January 2022 from 8 drivers of ABC Taxis Limited, co-ordinated by Paul Barrett. A

copy of the written request and the list of supporting drivers is attached as Appendix 2.

- 3.4 Following clarification of the detail of the proposal with Paul Barrett, the proposed tariff table was consulted upon. Drivers and operators were consulted via email and letter for the period of 24 January to 11 February 2022. Due to an administration error, this notice was not placed in the local paper for the required 14 days. Hence a further, updated Notice was advertised in the local press from 17 February to 24 February and 3 March to 10 March 2022 and a copy made available for inspection at the Council offices for the same period in accordance with the legislation. Copies of the newspaper notices are attached as Appendix 3 and a copy of the public notice is attached as Appendix 4.
- 3.5 In addition, a letter was sent to all licensed drivers and licensed private hire operators in the Council's area advising recipients of the review proposal. A copy of this letter is attached as Appendix 5.
- 3.6 The public notices required any objections to the proposal to be made in writing. The consultation period extended until 11 February for drivers and operators. Due to the administration error discussed in 3.4 above, the public consultation ran from 17-24 February and 3-10 March 2022. For drivers and operators, objections had been received from four persons, all dual licensed drivers. Copies of the four individual objections are attached as Appendices 6 to 9.

4 DISCUSSION

- 4.1 The proposed Tariff 1 charge for a 2 mile journey represents an increase of 9.3% on the current Tariff 1 charge. The new proposal is to reduce the length of the first charge from 0.5 mile to 0.3 of a mile and for each subsequent 0.1 of a mile travelled, twenty pence will be added for the length of the journey. Tariff 2 & 3 have also been updated and demonstrates a 9.3% increase for Tariff 2 and an 11.1% increase for Tariff 3.
- 4.2 The Private Hire and Taxi Monthly magazine, a trade publication, maintains a national fare table which provides useful comparisons of taxi tariffs between local authorities. The proposed tariff would place Stevenage at 29th equal in the national ranking compared with the current ranking of 111th out of 365 licensing authorities in the country. The position in Hertfordshire and Bedfordshire is summarised in table 1 below.
- 4.3 If the proposed tariff were adopted Stevenage fares would be on a par with Edinburgh, Harrogate, Stroud and locally Hertsmere & Welwyn-Hatfield.; a total of 7 local authorities currently have a charge of £7.00 for a two mile journey.
- 4.4 The proposed increase was considered warranted due to costs resulting from COVID (masks, cleaning equipment), the common use of card payment facilities that incur a transaction fee and the rising costs of living, incorporating fuel, maintenance, replacing vehicles and station permits. In July 2017 the average price of a litre of unleaded petrol was 114.33 pence while a litre of diesel was 115.02 pence. In February 2022 the average prices were 151.16 pence and 154.75 pence respectively (source: RACfoundation.org)

Table 1: Comparison of local taxi fares

National ranking	Local authority	Tariff One two mile fare
5	Watford	£8.40
29	Stevenage (<i>proposed</i>)	£7.00
32	Hertsmere	£7.00
35	Welwyn Hatfield	£7.00
76	North Herts	£6.60
88	Luton	£6.50
123	Dacorum	£6.30
150	St Albans	£6.20
155	Central Beds	£6.13
159	East Herts	£6.00
195	Three Rivers	£6.00
204	Broxbourne	£5.90
215	Bedford	£5.80

- 4.5 In regard to other motoring costs over the same period, all costs of motoring have increased by 23.9% with maintenance costs having increased by an average of just under 16% while tax and insurance have increased by an average of 25% (source: RACfoundation.org).
- 4.6 In terms of changes in the cost of living in cost of living, the Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month rate of 2.6% for July 2017. The level in 2017 was at a peak and at the start of a general fall in the cost of living until January 2021. From January 2021 until December, there has been a very steep rise in the cost of living, with December 2021's figure at 4.8% (source:www.ons.gov.uk).
- 4.7 The four objections have cited very similar reasons as to why a tariff increase is not warranted. Two of the four objections see taxis as a luxury and all are concerned in the general rising cost of living affecting usage. All are concerned that this will enable UBER to undercut fares charged by drivers within Stevenage.
- 4.8 Uber's operating model enables them to price journeys very competitively during certain periods and they are not subject to hackney carriage tariffs. The trade's fear is that implementing the new tariff would put hackney carriage drivers at an even greater competitive disadvantage. However it is worthy of note that the proposed hackney carriage tariff is designed to limit *maximum* fares and it is within the gift of a hackney carriage driver to charge less than the tariff fare. Uber's pricing structure is complex and does not bear easy comparison but anecdotally it is known that their

fares do not necessarily differ significantly from those of other providers, often depending on the time of day and level of demand in real time.

- 4.9 In Stevenage hackney carriages are required by licence conditions to be fitted with taximeters. Private hire vehicles may also fit taximeters, and in practice many do, but the tariff only applies by law to hackney carriages. The extant tariff must be programmed into hackney carriage taximeters, which are then bound by the fare displayed on the meter at the end of the journey; that is they must not charge any more than the figure displayed. Private hire drivers and operators have an interest in the hackney carriage tariff since it may be programmed into their taximeters but in practice they are entitled to charge any fare they desire, provided it has been agreed with the passenger or passengers before a journey begins.
- 4.10 A number of the larger operators in Stevenage charge in accordance with fixed price promotions on a permanent basis; £8 maximum fee for one pick up and drop off in the Stevenage area from 9am to 9pm. In certain instances this could result in fares for longer journeys within the town made with private hire vehicles and drivers operated by these companies undercutting the cost of equivalent journeys in a Hackney Carriage. Journeys in a private hire vehicle could only be made following advanced booking however. It should also be noted however that the income of large operators depends largely on the number of drivers they have on their circuits and the extent of their penetration of the corporate and contract markets rather than fare levels per se.
- 4.11 In summary, the proposed tariff revision appears reasonable given the increased fuel costs associated with running a vehicle but there is a limited but clear objection to the tariff rise; there are concerns that the rise will isolate customers from using hackney carriage or private hire vehicles.

5 OPTIONS FOR ACTION

- 5.1 Committee is now invited to review the proposed taxi tariff change. The options are to:

Accept the proposal as submitted and apply the new tariff effective from a date not more than two months after the operational date specified in the public notice (2 April 2022).

- b) Modify the submitted proposal and apply the new tariff effective from a date not more than two months after the operational date specified in the public notice (2 April 2022).
- c) Leave the current tariff in place unaltered. There is no specific facility in the legislation to enable this and so in effect the current tariff would have to be re-implemented following the process at b) above.

6. IMPLICATIONS

6.1 Financial Implications

- 6.1.1 There are no direct resource implications for the Council arising from the content of this report.

6.2 Legal Implications

- 6.2.1 There is no right of appeal against the fares once set. The only remedy for an aggrieved party would be to seek a judicial review.
- 6.2.2 The Committee's attention is also drawn to section 17 of the Crime and Disorder Act 1998, which requires local authorities to consider the community safety implications of all their activities. This is a corporate responsibility of the authority as a whole.

6.3 Policy implications

- 6.3.1 There are no policy implications arising from the content of this report.

6.4 Equalities and Diversity Implications

- 6.4.1 Any decision by the Committee is based on evidence before it at the meeting; there are no equalities and diversity implications arising from this report.

7 BACKGROUND DOCUMENTS

Local Government (Miscellaneous Provisions) Act 1976;
Town Police Clauses Act 1847

8 APPENDICES

- 1. Current Tariff Table
- 2. Letter of request for review and list of supporting drivers
- 3. Newspaper notices of the proposal for review
- 4. Public notice of the proposal for review
- 5. Letter to drivers and licensed private hire operators
- 6. Objection from Mr S Boyce
- 7. Objection from Mrs M Boyce
- 8. Objection from Mr K Godfrey
- 9. Objection from Ms E Barker