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NON-EXEMPT

# HAVANT BOROUGH COUNCIL

Licensing Committee

11 January 2022

## VARIATION TO THE HACKNEY CARRIAGE TABLE OF FARES FOR RECOMMENDATION

**Cabinet Lead: Cllr Narinder Bains**

**Head of Service: Natalie Meagher**

**Key Decision: No**

**Report Number: [HBC/422/21]**

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### 1. Purpose

This paper is submitted to the Licensing Committee to consider and make recommendation about a request from the Hackney Carriage trade to vary the current Hackney Carriage Table of Fares, which is detailed in Appendix A. The recommendation from the Licensing Committee will be submitted to Full Council on 26th January 2022.

### 2. Recommendation

2.1. The Licensing Committee is requested to -

- a. Recommend varying the Table of Fares in line with one of the options detailed in this report, or
- b. Make no change to the existing Table of Fares, or
- c. Make an alternative recommendation to those detailed.

### 3. Executive Summary

3.1. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that 'a district council may fix the rates of fares within the district for time as well 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 made or varied in accordance with the provision of this section.’

- 3.2. A request to vary the table of fares has been received from the local taxi trade.
- 3.3. The Licensing Committee will make a recommendation in respect of the variation to full Council to make a decision
- 3.4. If approved by full Council steps will be taken to publish the variation in at least one local newspaper for at least 14 days.
- 3.5. If no objections are received or any objections are withdrawn, the variation will come into operation on expiry of the date specified in the notice or the date of withdrawal of the objection, whichever date is the later.
- 3.6. If an objection is not withdrawn, a further date will be set, not later than 2 months after the first specified date, on which the table of fares will come into force with or without modifications, as decided by the Council, after consideration of the objections.

#### **4. Additional Budgetary Implications**

- 4.1. None

#### **5. Background and relationship to Corporate Strategy and/or Business Plans**

- 5.1. Hackney carriage proprietors obtain their fares by plying for hire from hackney carriage ranks or by being hailed in the street. They have a taximeter which dictates the maximum fare a proprietor may charge for each journey. The Table of Fares is displayed in each hackney carriage.
- 5.2. Hackney carriage proprietors cannot charge more than the fares detailed in the Table of Fares, although they have discretion to charge less than the maximum.
- 5.3. A variation to the Table of Fares was last approved in 2015 when the fare tariff was increased.
- 5.4. The hackney carriage trade now seeks an increase in the table of fares. The current table of fares that a hackney carriage proprietor may charge is shown at Appendix A.
- 5.5. The table of fares has only one tariff, a waiting time charge and a list of additional charges that can be made in specified instances.
- 5.6. As a result of discussions between the local taxi trade, a request to increase the fare tariff together with a number of extra charges was received on 5<sup>th</sup> August 2021. The request was reviewed by the Licensing Officer and comments were sent back

to the trade in respect of the request. The trade then confirmed the final details of their request on 23 September 2021.

- 5.7. The proposal is to increase the fares and specifically:
- a. to increase the flag drop rate from £2.40 to £3.0,
  - b. to increase the rolling mile from £1.70 to £1.80 and
  - c. to charge Christmas Day and New Year's Day at double time instead of time and half.

A copy of the email request can be found at Appendix B.

- 5.8. There are currently 40 Hackney Carriage vehicles licensed in the Borough. There is a cap on the number of vehicles. The vehicles are operated by 30 Hackney Carriage proprietors
- 5.9. As a result of receiving the request, a consultation letter was sent out to all the Hackney Carriage proprietors detailing the requested increase and seeking their views on the proposal. A copy of the letter and the consultation form is shown in Appendix C.
- 5.10. 16 responses were received from hackney carriage proprietors (which relate to 26 of the hackney carriage vehicles). In addition, 2 responses were received from hackney carriage drivers who had been given the consultation letter and form by the proprietor of their vehicles. The responses from the hackney carriage proprietors are included in Appendix D. The responses from the drivers are included in Appendix E.
- 5.11. 17 of the respondents agreed with all the proposed increases in the fares detailed in paragraph 5.7 above.
- 5.12. 1 respondent agreed with proposals a) and b) but disagreed with proposal c)
- 5.13. In addition to the original request detailed in para 5.7 above, individual respondents made the following additional variation requests –
- a. 2c should include all bank holidays.
  - b. Can we charge the customer the Portsmouth or any other city Clean Air Zone fee if the journey enters the zone?
  - c. It will be much appreciated if you provide one pound extra for the station job like other councils (Fareham) which cover the yearly station pass.
  - d. Suggest current midnight threshold for fare +50% is moved to start at 23.30hrs as there are very few requests after midnight so no incentive for drivers to stay out. It would be more in line with other boroughs.
  - e. The soil charge should be £75.00 not £50.00.
  - f. 100% increase in c) would be too much. 50% on the new rates is plenty.
  - g. Soiling charge increase to cover increased cleaning costs and loss of earnings.

- 5.14. The following comments were also made relating to the frequency at which fares should be reviewed:
- a. Fares should be reviewed yearly
  - b. Increase every two years
  - c. Annual fare increases be aligned with national inflation rates
  - d. Have an annual review of fares every year in the autumn for implementing on December the 1<sup>st</sup> if deemed necessary/required. Costs are always rising, but we seem only to address this about every 5 years. Even HBC put their licence fees up every year.
  - e. There should be a small increase in fares every year.
  - f. I think it would be a good idea to have an annual rate of inflation increase.
- 5.15. The following comment was made about the proposed fare increase:
- a. I think a £3.00 flag drop is a bit too much, it's a 25% increase but we have not had one for 6 years, so I have to agree.
- 5.16. There is no standard method for calculating fares. Each local authority must determine how the fares should be calculated or determined and the method must be fair and appropriate. Aspects to be taken into consideration include feedback from the public, trade and other bodies, review of motoring costs such as fuel prices, licensing fees and a comparison of fares set by other Local Authorities.
- 5.17. The Councils license fees for hackney carriage and private hire licensing were last increased in April 2020. Prior to that they had not been subject to an increase since 2015.
- 5.18. The initial cost to an applicant to be licensed as a driver and to licence a vehicle is approximately £800. This takes into account the licence fees, medical fee, driving assessment, driving licence check, knowledge test, criminal record check and vehicle mechanical test. In addition there is an annual fee of £676 to South West Trains for a permit to use of the hackney carriage rank outside Havant Railway Station.
- 5.19. Upon renewal, the drivers licence fee is reduced but the vehicle licence fee remains the same. The frequency of vehicle mechanical tests and medicals depend on the age of the vehicle and the age of the driver respectively
- 5.20. Costs of motoring have changed over time, particularly over the last few years. Table 1 below shows figures from the RAC Foundation (Source: Office of National Statistics) detailing the change in total motoring costs, which includes purchase, tax and insurance, maintenance, petrol and oil.

**Table 1**

Year	% change in the cost of motoring
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December 2015	-6.07
December 2016	-1.16
December 2017	4.36
December 2018	6.94
December 2019	9.22
December 2020	8.48
November 2021	22.08

- 5.21. The biggest ongoing cost to the vehicle owner is fuel. Fuel prices have fluctuated over the period December 2015 to December 2021. Table 2 below shows the (average) fuel prices over this time obtained from the RAC foundation (Source: Office of National Statistics).

**Table 2**

Year	Petrol (ppl)	Diesel (ppl)
December 2015	102.85	106.15
December 2016	115.34	117.85
December 2017	120.75	123.22
December 2018	121.28	130.91
December 2019	125.25	129.58
December 2020	115.09	118.55
December 2021	146.66	149.94

- 5.22. Average weekly earnings (AWE) have increased over the period December 2015 to December 2021. Table 3 below shows the AWE figures published by the Office of National Statistics.

**Table 3**

Year	AWE (£) (whole economy)	Cumulative % increase
December 2015	487	
December 2016	496	1.8
December 2017	511	4.9
December 2018	527	8.2
December 2019	540	10.9
December 2020	569	16.8
December 2021	586	20.3

- 5.23. The cost data detailed above is as independent as possible of the Council and Taxi representatives and used robust data sources such as the RAC and the Office for National Statistics.

- 5.24. Table 5 below shows a comparison of the proposed variation to fares of neighbouring authorities as provided by the December 2021 edition of Private Hire

and Taxi monthly. The soiling charges for each authority have also been included in the table.

- 5.25. The 'flag' refers to the initial charge at the start of the journey and would be the minimum charge of a taxi fare.

**Table 5**

<b>Council</b>	<b>National league table extract sorted by 2mile fare</b>	<b>Flag (£)</b>	<b>2 miles (£)</b>	<b>Soil charge (£)</b>	<b>Last fare variation</b>
<b>Basingstoke &amp; Deane</b>	65	3.0	<b>6.60</b>	50 -100 (depending on tariff)	2013
<b>East Hants</b>	95	3.0	<b>6.40</b>	75.00	2018
<b>Rushmoor</b>	105	3.0	<b>6.40</b>	Up to 100	2018
<b>Chichester</b>	135	4.0	<b>6.20</b>	50.00	2013
<b>Portsmouth</b>	144	3.0	<b>6.20</b>	50.00	2019
<b>Winchester</b>	153	2.80	<b>6.20</b>	75.00	2011
<b>Havant (current)</b>	222	2.40	<b>5.80</b>	50.00	2015
<b>National Average</b>			<b>6.06</b>		
<b>London (Heathrow)</b>	1		<b>11.40</b>		2020
<b>Middlesbrough</b>	353		<b>4.30</b>		
<b>Havant (Proposed)</b>		3.0	<b>6.40</b>		

- 5.26. As detailed each local authority is ranked on the fare for the two-mile journey out of 359 local authority areas.
- 5.27. Any changes to the tariff will require taxi meters to be recalibrated, within one month of implementation, at a cost of approximately £30.00 to the owner.
- 5.28. A thriving borough economy – as detailed in the Corporate Strategy the wages for those working within Havant are below the average for Great Britain (ONS annual survey of hours and earning, workplace average). The Department of Transport suggests in reviewing fares, authorities should pay particular regard to the need of the travelling public with reference to both what it is reasonable to expect people to pay but also the need to give taxi drivers sufficient incentive to provide a service when needed.
- 5.29. A revitalised borough with infrastructure that meets our ambitions – the corporate strategy includes the development of sustainable transport options and the need to

improve the speed and accessibility of transport links for commuters, visitors and residents

## 6. Options considered

### 6.1. Option 1 (17 out of 18 in favour of this option)

- a. Increase the flag drop to £3.00
- b. Increase the rolling mile to £1.80 and reducing the distance to 179m @20p
- c. From 18.00hrs on Christmas Eve to 24.00 on Christmas Day and from 18.00hrs on New Year's Eve to 24.00hrs in New Year's Day to increase to fare plus 100%

### 6.2. Option 2 (1 out of 18 in favour of this option) - as per option 1 but to include all bank holidays in c)

### 6.3. Option 3 (1 out of 18 in favour of this option) - to include the charge of the Portsmouth or any other city Clean Air Zone if the journey enters the zone, in the fare. The Portsmouth CAZ charge is £10.00 per day.

### 6.4. Option 4 (1 out of 18 in favour of this option) - as per option 1 but to include a £1.00 additional charge to customers picked up at Havant Station.

### 6.5. Option 5 (1 out of 18 in favour of this option) - as per option 1 and amend the current midnight threshold for fare +50% to start at 23.30hrs.

### 6.6. Option 6 (1 out of 18 in favour of this option) - as option 1 a) and b) but keep c) at fare + 50%.

### 6.7. Option 7 (2 out of 18 in favour of this option) - as option 1 but with an increase in the soiling charge made by both respondents. An increase to £75.00 suggested by 1.

## 7. Resource Implications

### 7.1. Financial Implications – costs for advertising, producing new tariff cards are included within existing budgets and are recovered through the license fees.

### Section 151 Officer comments

Date:23/12/21

No additional financial implications included in this report

- 7.2. Human Resources Implications - none
- 7.3. Information Governance Implications - none
- 7.4. Links to Shaping our Future Programme - none
- 7.5. Other resource implications - none

### **Shaping our Future Lead comments/sign-off**

Date: 23/12/21

This specific proposal is not directly impacted by Shaping our Future plans. The report evidences the rationale for the increase drawing on near neighbour equivalents and the increased cost of driving in recent years. Consultation with the user group is also evident. All of the above represent good practice in terms of proposals for service change.

## **8. Legal Implications**

- 8.1. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides the powers for local authorities to set maximum fares for hackney carriages.
- 8.2. A statutory notice displaying any proposed variations to the table of fares must be advertised in a local newspaper and at the council offices for a period of 14 days. The advertisement would state that the changes would come into force on a specified date.
- 8.3. If no objections are received or the objections submitted are withdrawn, the proposed variations come into effect on the date stated in the notice or the day the objections are withdrawn, whichever is the later.
- 8.4. If objections are made and not withdrawn the Council must consider any comments received during the consultation period. It must also publish a revised implementation date which must be within two months of the original implementation date on which the table of fares will come into force with or without modification

## **9. Risks**

- 9.1. There is no right of appeal against the level at which the council determines the table of fares. However, any decision taken should be based upon proper reasoning as it may be liable to legal challenge by way of judicial review.
- 9.2. Full consideration of any objections received in response to the publication of the notice would mitigate risk of challenge to any decision taken.

## **10. Consultation**



- 10.1. As a result of discussions amongst some of the taxi drivers a request was made to increase hackney carriage fares.
- 10.2. All hackney carriage proprietors were subsequently consulted on the proposal.
- 10.3. Any proposed variation to the table of fares must be advertised in a local newspaper.

## **11. Communication**

- 11.1. The variation to the table of fares will be communicated through:
  - a. Advertisement in a local newspaper and display at the council offices
  - b. The council website
  - c. The committee process and Full Council
  - d. The new table of fares will be displayed in every hackney carriage vehicle.

## **12. Appendices**

Appendix A – Current Hackney Carriage Table of Fares

Appendix B – Copy of request from the taxi trade

Appendix C – Copy of consultation letter and response form sent to hackney carriage proprietors.

Appendix D – Completed response forms from Hackney Carriage proprietors

Appendix E – Completed response forms from drivers

## **13. Background papers**

Website address for Private Hire and Taxi Magazine:  
[www.phtm.co.uk/taxi-fares-league-tables](http://www.phtm.co.uk/taxi-fares-league-tables)

Agreed and signed off by:

Cabinet Lead: 23/12/21

Director: 23/12/21

Monitoring Officer: 23/12/21

Section 151 Officer: 23/12/21

## **Contact Officer**

Name: Catherine Rayner

Job Title: Environmental Health Manager (Food, Safety & Licensing)

Telephone: 01730 234306

E-mail: [catherine.rayner@easthants.gov.uk](mailto:catherine.rayner@easthants.gov.uk)