

HAVANT BOROUGH COUNCIL

LICENSING COMMITTEE

PROPOSED HACKNEY CARRIAGE FARE INCREASE

Report by Licensing officer

Key Decision: N/A

1.0 Purpose of Report

1.1 The purpose of this report is to consider a possible increase in HackneyCarriage fares.

2.0 Recommendation

2.1 That the Members decide which of the options they wish to pursue

3.0 Summary

3.1 The licensing team was formally approached by a Hackney Carriage driver with a request for an increase in the fares that are charged.

A consultation of the members of the Hackney Carriage trade was conducted and out of forty possible responses, twenty-six were in favour of an increase and eight were against it. The positive responses received are shown at appendix B and the negative responses at appendix C.

The last fare increase was implemented in September 2008.

Currently a two mile journey in a Hackney Carriage licensed by Havant Borough Council costs a maximum of £5.40. The national average for a two mile Journey at the moment is £5.62 and the average amongst the Hampshire Licensing Authorities is £5.86.

4.0 Subject of Report

4.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that "a District Council **may** fix the rates or 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 (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section."

By 'fixing' the fares, the Council is effectively setting the maximum fare that hackney carrages can charge. Legally, hackney carriage drivers may charge less than this rate but may not charge more than this rate. In practice, it is customary for hackney carriage drivers to set the fares at the rate fixed by the Council.

There is no requirement to consult with the trade but it is considered good practice to do so.

A request for a fare increase was declined by the Licensing Committee at their meeting on 13th May 2013.

- 4.2** A survey of the 40 hackney carriage drivers was carried out. A copy of the consultation letter is shown at appendix A. There was an overwhelming majority in favour of a fare increase. 34 drivers returned the survey form of which 26 were in favour of an increase and 8 were against any change.
- 4.3** From the drivers against the fare increase, the consensus of opinion was that the charges made by Hackney Carriages are already more than the fares charged by private hire operators and any further increase would result in further loss of business by further reducing the small amount of customers currently using their services.
- 4.4** The drivers in favour of an increase had the general opinion that there has not been a fare increase for 6 years and other charges, such as licence fees and fuel costs, have increased steadily over that same period. They further state that a fare increase is badly needed as many of them are currently working for a rate of pay equivalent to well below the national minimum wage in this country which is currently £6.50 per hour.

In addition to licence fees paid by the hackney Carriage vehicle proprietors, they also pay a fee of £420 each year to South West Trains for use of the hackney carriage rank outside Havant Railway station. I have been informed that this is being increased to £462 each year later this year.

- 4.5** From those drivers in favour of an increase they were asked for their suggestions for the way the fare should be increased. Several options have been proposed and are shown below.

- 4.6** The following options are for consideration:-

- 4.7** **Option 1** (8 out of 34 drivers in favour of this option)

Leave the fare charges as they are currently as per the current fare card shown at appendix E. A two mile journey currently costs £5.40. A ten mile journey currently costs £17.60.

- 4.8** **Option 2** – (12 out of 34 in favour of this option)

The request is for no increase to the 'flag drop' but change the mileage aspect from 'For the first 171 metres or part thereof' to 'first 154 meters' and 'For each succeeding 210 metres' to 189 metres. All other charges to remain the same.

This change would result in the charge for a two mile journey increasing to £5.80 and a ten mile journey to £19.40.

4.9 Option 3 – (1 out of 34 in favour of this option)

As per option two but including and increase to the waiting time from 20 pence for each period of 60 seconds to 25 pence.

4.10 Option 4 – (1 out of 34 in favour of this option)

The request is for a 20p increase in the 'flag drop' from £2.40 to £2.60 which remains at 171 metres or part thereof.

Each successive increase in fare of 22p is then requested at every 210 metres.

All other charges to remain the same.

This change would result in the charge for a two mile journey increasing to £5.70 and a ten mile journey to £19.32.

4.11 Option 5 – (1 out of 34 in favour of this option)

The request is for no increase to the 'flag drop' but change the mileage aspect from 'For the first 171 metres or part thereof' to 'first 153 meters' and 'For each succeeding 210 metres' to 170 metres. All other charges to remain the same.

This change would result in the charge for a two mile journey increasing to £6.20 and a ten mile journey to £21.20.

4.12 Option 6 – (1 out of 34 in favour of this option)

As per option 5 and to include increase the waiting time to 25 pence per 60 second period.

4.13 Option 7 – (3 out of 34 in favour of this option)

The request is for an extra 60 pence to be added to the flag drop making it £3.00 and decreasing the mileage for the first 171 metres or part thereof to 161 metres, the each succeeding 190 meters or part thereof instead of 210 metres. Also to add 30 pence on each fare on Sundays.

This change would result in the charge for a two mile journey increasing to £6.40 and a ten mile journey to £19.80.

4.14 Option 8 – (3 out of 34 in favour of this option)

This request is for an extra £1 to be added to the flag drop making it £3.40. All other mileage and charges to remain the same.

This change would result in the charge for a two mile journey increasing to £6.40 and a ten mile journey to £18.60.

4.15 Option 9 – (3 out of 34 in favour of this option)

The request is for an extra 40 pence to be added to the flag drop making it £2.80, decreasing the mileage for the first 171 metres or part thereof to 160 metres and for each succeeding 190 metres instead of 210 metres.

This change would result in the charge for a two mile journey increasing to £6.20 and a ten mile journey to £19.60.

4.16 Option 10 – (1 out of 34 in favour of this option)

The request is for an extra 60 pence to be added to the flag drop and 40 pence for every 210 metres thereafter. Also to change the waiting time charge to 30 pence for each 60 second period.

This change would result in the charge for a two mile journey increasing to £9.00 and a ten mile journey to £33.40.

4.17 Option 11

Local Authorities are not obliged to fix the maximum fare but all have chosen to do so. The possibility of deregulating the fares was not part of the driver consultation. It is, however, an option.

This option would involve removing the current maximum fares that have formally been applied. This would leave the hackney carriage proprietors free to set their own level of charges unconstrained by a maximum rate.

They would have to produce a fare card which would have to be permanently displayed and adhered to. They would continue to have their meters tested as they do currently.

Should the members choose to not fix the fares it would be left to the hackney carriage proprietor/driver to set their own fare table. They would also have the option of changing the charges as and when they see fit.

For each change, the meter would have to be rechecked by a Council Officer in order to ensure that the correct fare is being charged in accordance with the fare tables. This could create a large increase in officer time spent testing meters.

This would create confusion for customers and on the ranks as people look for the cheapest fare. It could also cause disputes amongst members of the trade as customers would no longer take the first vehicle in the queue.

4.12 If the Members choose option one, then no further action needs to be taken.

4.13 Should the Members be minded to authorise one of the other options then the following procedure will be initiated:

1. The Solicitor to the Council be instructed to initiate the necessary statutory procedure to lead to the variation in the rate of fares as proposed above.
2. Any objections to the above proposals following the newspaper advertisement be considered by this Committee at its next meeting.
3. If there are no objections within 28 days of the advertisement being published then the increase can be implemented at a date to be set by this Committee.

4.14 It should be noted that the meters must be calibrated to the maximum fare and the maximum fare must be displayed. However, technically a driver may still choose to charge less than that shown on the meter, by providing a discounted fare, if he wishes. It is not customary for drivers to choose to follow this course as it risks causing friction in the trade.

5.0 Implications

5.1 Resources:

HBC will have to pay approximately one hundred pounds to advertise the proposed fare change. Subsequently, if the proposed fare change goes ahead, proprietors will have to pay for recalibration of the hackney carriage meters by a specialist at a cost of £20.00 each HBC Staff will be required to carry out tests to ensure that Hackney Carriage meters have been calibrated correctly to reflect any changes in the fares charged. This is about 8 officer hours.

5.2 Legal:

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides the powers for local authorities to set maximum fares for hackney carriages.

A statutory notice displaying any proposed increase is required to be placed in a local newspaper.

5.3 Strategy:

The principles in the HBC corporate strategy state that: 'We will seek to fulfil our regulatory responsibilities with fairness and sensitivity to the needs of local businesses in a joined-up way'

5.4 Risks:

Option 11 may involve the risk of expending significant amounts of time for Licensing Officers setting and checking meters and regulating disputes.

5.5 Communications:

Members / drivers of the Hackney Carriage trade were consulted and asked whether they wanted a fare increase (Appendix A). Responses are shown at appendices B and C.

5.6 For the Community:

Fare increases may affect the affordability of local transport for the community. Not increasing maximum fares may affect the economic viability of the taxi trade and may affect the level of provision.

5.7 The Integrated Impact Assessment (IIA) has been completed and concluded the following:

An increase in the fare charges could affect customer access to this service for economic reasons. (IIA shown at Appendix F)

6.0 Consultation

Members/drivers of the Hackney Carriage trade were consulted and asked whether they wanted a fare increase. Responses are shown at appendices A and B.

Appendix A – Copy of the consultation letter sent to HC proprietors/drivers

Appendix B – Copies of positive responses to the consultation.

Appendix C – Copies of negative responses to the consultation.

Appendix D – Copy of letter detailing the result of the consultation

Appendix E – Current Hackney Carriage fare card

Appendix F – Integrated Impact Assessment

Agreed and signed off by:

Legal Services: 17/10/2014

Executive Head of Governance & Logistics: N/A

Relevant Executive Head: 28/10/2014

Portfolio Holder: N/A

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