

# (ADVISORY COMMITTEE TO EXECUTIVE ON LICENSING MATTERS)

**Agenda Item 4**  
Brighton & Hove City Council

**Subject:** Hackney Carriage Fare Review  
**Date of Meeting:** 24 June 2010  
**Report of:** *Director of Environment*  
**Contact Officer:** Name: *Martin Seymour* Tel: 29-2550  
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**Wards Affected:** All

## 1. SUMMARY AND POLICY CONTEXT:

To seek the Committee's recommendation and authority to advertise proposed fare increases following the hackney carriage trade's request for an increase in fares.

## 2. RECOMMENDATIONS:

- 2.1 That Committee recommends the proposed fare increases and authorises the relevant Director to advertise the proposed variation in fares, and invite any objections in accordance with the legal requirements.
- 2.2 Agree that if no objections are made, or if any objections which are made are withdrawn, the varied table of fares will come into force from date specified in the relevant notice.
- 2.3 Reconsider the matter at the next meeting of the Licensing Committee if valid objections are made but not withdrawn.

## 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The council may fix the rates for hackney carriage fares within the district as well as time and distance and all other charges in connection with the hire of a vehicle or with the arrangements for hire of a vehicle to be paid in respect of the hire of a hackney carriage. The council does not have the power to set private hire vehicle fares but historically the local operators follow the hackney carriage tariffs set by the council and meters are sealed by officers. It is council policy to use a formula to establish the highest rate of basic fares it will consider. The maximum fare that the formula would

allow is £2.23 pence per mile. (As of May 2010). Any additions are negotiated separately.

- 3.2 Since the last fare increase and the adoption of the cabinet system there has been a change to how fare changes are agreed. The Cabinet set up an advisory committee to the Executive for the purpose of advising on licensing functions that are the responsibility of the Executive, including setting taxi fares; the Cabinet agreed that membership of the advisory committee should mirror the Licensing Committee membership. The Cabinet delegated power to the Director of Environment to set taxi fares after considering the recommendations of the advisory committee. The advisory committee hears representations and objections in the usual way and then make recommendations. The final decision can then be made either by Cabinet or an Officer with delegated power. It is proposed that the power to set the tariff should be delegated to the Director of Environment after considering the advice of the advisory committee. If the Director is minded to reject the committee's recommendations, the matter would be expected to be referred to Environment CMM or Cabinet.
- 3.3 Applications for hackney carriage fare increases are made through the Taxi Forum in accordance with the agreed formula approved by the Council. If the general consensus of the trade is in agreement with a fare increase, representatives of the trade will be called to a meeting to discuss any proposals with officers of the Council and the lead councilor of the licensing committee who will then present any proposal agreed by that meeting to the next available meeting of the advisory committee of the Council for their consideration and recommendation to the cabinet member for environment.
- 3.4 The formula is a mixture of independent figures for average earnings, for vehicle standing charges and running costs and for vehicle insurance premiums. The figures for standing charges and running costs are produced annually by the AA. They are based upon engine size and new vehicle costs for petrol cars and diesel cars. An average of the two is used to calculate running costs to reflect the mixed nature of the city's taxi fleet.
- 3.5 Since the last fare review the AA has changed the price banding for new vehicles. For the purposes of the fare formula used for this report the price band 14000 to 22000 for petrol cars and 16000 to 24000 for diesel cars has been used to ascertain vehicle-running costs. The previous price bands were for vehicles 13000 to 20000.
- 3.6 The last hackney carriage fare increase occurred in May 2008. The hackney carriage trade now seeks a further increase.
- 3.7 Justification by the trade for an increase in fares is that there has been no tariff fare increase for 2 years and there has been no general proportional rise or reduced yardage during this time. Running costs have risen significantly during this time, particularly fuel prices.

- 3.8 The proposal from the trade is to increase the normal initial fare from £2.40 to £2.60 however the initial distance covered will be increased from 705 yards to 800 yards and or time from 2 minutes 33 seconds to 3 minutes 20 seconds and will apply in all tariffs. An additional charge of 20p will apply to every 160 yards or 40 seconds of waiting time or part thereof, or combination of both time and distance reduced from 176 yards and 48 seconds and will apply to all tariffs.
- 3.9 The current late night fare (existing tariff 2) and the bank / public holiday (existing tariff 4) are to merge reducing the number of tariffs and will have an initial fare of £3.60. The late night Friday and Saturday night (existing tariff 3) initial fare is to increase from £4.20 to £4.40. The additional yardage / waiting time is adjusted in line with the proposed normal tariff. The impact to existing fares can be seen in Appendix 1.
- 3.10 The trade also propose that the current Christmas Day / Boxing Day / New Years Day (existing tariff 5) initial hiring's should be increased from £3.60 to £3.90 and that these charges should come into force at 9pm instead of 10pm and continue until 6am instead of 5am. Similarly the New Years Day tariff (existing tariff 6) should increase from £4.80 to £5.20 and commence at 9pm 31<sup>st</sup> December instead of 10pm to 6am 1<sup>st</sup> January instead of 5am. The additional yardage / waiting time is adjusted in line with the proposed normal tariff.
- 3.11 The proposal from the trade includes a 50% surcharge for vehicles carrying 5 to 8 passengers. The effects of this can be seen in the proposed tariff 6,7,8,9 & 10. It is hoped that the 50% surcharge will encourage more proprietors to exchange their saloon vehicles to wheelchair accessible vehicles thus providing a larger pool of accessible vehicles for disabled passengers at normal fares.
- 3.12 The Trade has sought advice from the National Private Hire Association regarding these tariff changes. Letters, reasoning behind the request for a fare increase and information provided by National Private Hire Association is included an Appendix 4.
- 3.13 Appendix 2 Current tariff card.
- 3.14 Appendix 3 Proposed tariff card.

#### **4. CONSULTATION**

- 4.1 The subject of the fare review is a constant agenda item at the council's hackney carriage and private hire consultation forum where all members of that forum are free to express their opinions. The forum members have delegated negotiations to selected representatives.
- 4.2 The procedure for presenting the trade's request for a review has been followed. This involves the trade's representatives making representations to the lead councillor and officers. The trade's representatives accept the recommendations as reasonable.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

The cost of advertising the proposed fare increases will be met from the existing hackney carriage revenue budget. The fare levels are used by the trade, and are not an income stream to the council.

Finance Officer Consulted: Karen Brookshaw

Date: 27/05/2010

- 7.2 The power to fix fares for hackney carriages comes under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. The procedure is set out in the body of the report.

Lawyer Consulted: Rebecca Sidell Date: 11/06/2010

#### Sustainability Implications:

- 7.5 The role of the taxi trade is included in the Local Transport Plan, which identifies it as a key element in providing sustainable transport choices. It creates important links in the transport network to other forms of sustainable transport providing a seamless connection. It will contribute to three of the government's four shared transport priorities – reducing congestion, improving air quality and accessibility. Use of taxis for school transport, licensed vehicles using bus lanes, locating ranks at railway stations and the city coach station, approved use of liquid petroleum gas all contribute to reducing congestion and moving passengers quickly.

Crime & Disorder Implications:

- 7.6 Sufficient late night transport to reduce public place violent crime is recognised in the community safety, crime reduction and drugs strategy..

Risk and Opportunity Management Implications:

- 7.7 The transport industry should be safe, profitable and be a positive experience for residents and visitors.

Corporate / Citywide Implications:

- 7.8 Tourism needs to provide a warm welcome to visitors and the tourism strategy depends upon effective partnership with transport operators particularly to achieve safe late night dispersal for the night time economy.

**SUPPORTING DOCUMENTATION**

**Appendices: A**

**Appendices: B**

