

# ADVISORY COMMITTEE FOR EXECUTIVE LICENSING FUNCTIONS

## Agenda Item 5

Brighton & Hove City  
Council

**Subject:** Hackney Carriage Fare Review  
**Date of Meeting:** 23 June 2011  
**Report of:** *Head of Planning and Public Protection*  
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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- 2.2 Agree that if no objections are made, or if any objections which are made are withdrawn, the varied table of fares will come into force from date specified in the relevant notice.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matter at the next meeting of the Advisory Committee to the Executive Committee if valid objections are made but not withdrawn. As there are strict legal timescales relating to fare reviews a special meeting of the Advisory Committee may be required.

### 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 £2.31 pence per mile. (As of April 2011). Any additions are negotiated separately.

- 3.2 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 has delegated power to the Strategic Director of Place to set taxi fares after considering the recommendations of the advisory committee. The advisory committee also hears representations and objections in the usual way and then makes further 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 Strategic Director of Place. 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 middle price band of £16,000 to £20,000 for petrol cars and £17,000 to £20,000 for diesel cars has been used to ascertain vehicle-running costs.
- 3.6 The last hackney carriage fare increase occurred in August 2010. 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 a significant rise in fuel prices.
- 3.8 The proposal from the trade is for no changes to the normal initial fares in all tariffs. However, the initial yardage would be reduced from 800 yards to 640 yards in all tariffs. The initial waiting time in all tariffs would also be

reduced from 3 minutes 20 seconds to 2 minutes 24 seconds. The additional waiting time is reduced from 40 seconds to 36 seconds in all tariffs. The bank / public holiday tariffs would now end at midnight instead of 6am the following morning. The impact to existing fares can be seen in Appendix A.

3.9 Appendix B Current tariff card.

3.10 Appendix C 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 chair of the advisory committee to the Executive and officers. The trade's representatives accept the recommendations as reasonable.

4.3 A meeting with the trade representatives, council officers and the chairman and deputy chairman of the advisory committee was held on the 19th April 2011 where a proposal was agreed in principle to go to the advisory committee.

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

##### **5.1 Financial 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:      Date:

##### **5.2 Legal Implications:**

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: Date:

5.3 Sustainability Implications:

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.

5.4 Crime & Disorder Implications:

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

5.5 Risk and Opportunity Management Implications:

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

5.6 Corporate / Citywide Implications:

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**

