

# LICENSING COMMITTEE (NON LICENSING ACT 2003)

## Agenda Item 9

Brighton & Hove City Council

<b>Subject:</b>	<b>Hackney Carriage Fare Review</b>		
<b>Date of Meeting:</b>	<b>27 June 2013</b>		
<b>Report of:</b>	<b>Head of Regulatory Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b><i>Martin Seymour</i></b>	<b>Tel: 29-4429</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 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 authorises the proposed fare increases and authorises the Head of Regulatory Services 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- 2.2 Agree that if no objections are made, or if any objections which are made are withdrawn, the varied table of fares will come into force in accordance with the statutory scheme.
- 2.3 Reconsider the matter at the next meeting of this Committee if valid objections are made but not withdrawn. As there are strict legal timescales relating to fare reviews a special meeting of this 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 £2.36 pence per mile. (As of April 13). Any additions are negotiated separately. The running cost per mile on the proposed tariff sheet equates to £2.20 and is within the formula limit.

- 3.2 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.
- 3.3 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.
- 3.4 For the purposes of the fare formula used for this report the middle price band of £18,000 to £25,000 for petrol cars and £22,000 to £26,000 for diesel cars has been used to ascertain vehicle-running costs.
- 3.5 The last hackney carriage fare increase occurred in July 2012. The hackney carriage trade now seeks a further increase.
- 3.6 Justification by the trade for an increase in fares is that there has been a significant rise in fuel prices.
- 3.7 The proposal from the trade is for a reduction of the initial yardage from 640 yards to 480 yards in tariff 1, 2, 4 and 5. This equates to a 20p increase to the initial fares.
- 3.8 Amend tariffs 6, 7, 9 and 10 to 1.5 x the equivalent normal fare for less than 5 passengers. This change was omitted on the last fare change.
- 3.9 Currently in the national league tables for fares Brighton & Hove is positioned 26 for Tariff 1 and 154 for Tariff 2 after the proposed increase it is estimated that the position will be 15 for Tariff 1 and 118 for Tariff 2.
- 3.10 Appendix 1 Current tariff card.
- 3.11 Appendix 2 Proposed tariff card.
- 3.12 Appendix 3 % Change Sheet.
- 3.13 Appendix 4 Fares Formula.
- 3.14 Appendix 5 AA motoring and fuel costs.
- 3.15 Appendix 6 Annual changes for Southern Region since 1999.
- 3.16 Appendix 7 National League Table for Tariff 1.

3.17 Appendix 8 National League Table for Tariff 2.

#### **4. COMMUNITY ENGAGEMENT AND 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 Licensing Committee (non Licensing Act 2003) and officers. The trade's representatives accept the recommendations as reasonable.

4.3 A meeting with the trade representatives, council officers and the chairman Licensing Committee (non Licensing Act 2003) was held on 10 May 2013 where a proposal was agreed in principle to go to the advisory committee.

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

##### Financial Implications:

5.1 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: Jeff Coates

Date: 17/05/13

##### Legal Implications:

5.2 The power to fix fares for hackney carriages is provided by 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: 13/06/13

##### Equalities Implications:

5.3 The Law Commission's interim statement recommends that taxi legislation should make it clear that drivers are not allowed to charge passengers more for the time it takes them to board the vehicle, reflecting the Department for Transport best practice guidance.

##### Sustainability Implications:

5.4 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:

- 5.5 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:

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

Public Health Implications:

- 5.7 None.

Corporate / Citywide Implications:

- 5.8 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.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Licensing authorities have discretion to fix the table of hackney carriage fares within the licensing district. Demand of a fare greater than shown on the meter is prohibited except by prior agreement for journeys outside the district. Exercising this power offers passengers protection.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 Following hackney carriage trade's request for an increase in fares.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Current tariff card.
2. Proposed tariff card.
3. % Change Sheet.
4. Fares Formula.
5. AA motoring and fuel costs.
6. Annual changes for the Southern Region since 1999.
7. National League Table for Tariff 1.
8. National League Table for Tariff 2.

**Documents in Members' Rooms**

1. None.

## **Background Documents**

1. None.

