

Agenda Item No 5
Licensing and Regulatory Committee

Title: Proposed Hackney Carriage Fare Increase

Lead Officer: Rachael Russell Rachael.russell@warwickdc.gov.uk

Portfolio Holder: Councillor Jim Sinnott

Wards of the District directly affected: All

Approvals required	Date	Name
Portfolio Holder	29.02.24	Jim Sinnott
Finance	29.02.24	Chloe Evans
Legal Services	29.02.24	Ross Chambers
Chief Executive	29.02.24	Chris Elliott/Darren Knight
Director of Climate Change	29.02.24	Dave Barber
Head of Service(s)	29.02.24	Marianne Rolfe
Section 151 Officer	29.02.24	Andrew Rollins
Monitoring Officer	29.02.24	Graham Leach
Leadership Co-ordination Group		
Final decision by this Committee or rec to another Cttee / Council?	Recommendation to: Cabinet	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No	
Accessibility Checked?	Yes	

Summary

Requests have been received from the taxi trade for the current Hackney Carriage fare tariffs to be increased. The current tariff has been in place since 2014 and should be reviewed in line with the current economic climate.

Recommendation(s)

- (1) That the Committee notes the outcome of the fare increase survey as set out at Appendix 1.
 - (2) The Committee provides comments to Cabinet on the proposed 30% increase in Hackney Carriage Fares, for inclusion in the April report to Cabinet.
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1 Reasons for the Recommendation

- 1.1 The ability of the Council to set Hackney Carriage fares is derived from S65 of the Local Government (Miscellaneous Provisions) Act 1976. The setting of Hackney Carriage fares is a Cabinet function but the Cabinet are seeking the views of this Committee based upon its knowledge of licensing Hackney Carriage Drivers.
- 1.2 The Council must apply this power reasonably as the fixing of a market price for Hackney Carriage fares within the Council district has a direct impact on the ability for a hackney driver to make a living.
- 1.3 Tariff rates only apply to Hackney Carriages, there is no similar power to set fares for Private Hire vehicles. Private Hire Vehicles have discretion to set whatever charges they consider reasonable, given normal market forces and business competition.
- 1.4 Hackney carriages can set lower fares and offer special discounts if they choose but are unable to charge more than the set fares and tariff maximum. However, when the journey goes beyond the boundary of the district, the tariffs do not apply.
- 1.5 Tariff rates differ according to the time of day, the number of passengers, and whether the journey takes place on a bank holiday. Tariffs directly relate to the unsociable hours worked by drivers, therefore ensuring as far as possible the provision of Hackney Carriage transport is always available.
- 1.6 The current tariff was introduced in 2014. Table 1 - Current tariff:



	Tariff 1	Tariff 2	Tariff 3
	4 or less passengers (Day*)	4 or less passengers (Evening **) 5+ passengers (Day*)	5+passengers (Evening**)
Distance	£3.40	£5.10	£6.80
First 7/10 th Mile			
Subsequent Distance 1/10 th Mile	£0.20	£0.30	£0.40
Waiting Time 30 Seconds	£0.10	£0.15	£0.20

Soiling Charge

£75

Day* = 06:00 to 22:00

Evening = 22:00 to 06:00 and Bank Holidays **

Except on Christmas Eve and New Years Eve = 18:00 to 06:00

- 1.7 Warwick District Council currently licence 143 vehicles as Hackney Carriage vehicles. 100 of these vehicles (69.9%) have 5 or more passenger seats and will use tariff 3 in the evening and on Bank Holidays.
- 1.8 Warwick District Council currently sits at number 310 out of 355 other local authorities on the National Hackney Carriage Fare Table for a 2-mile fare at Tariff 1. With No.1 on the table being the most expensive and 355 the cheapest set fare in the country. Below is a table with how we currently compare with our neighbouring Local Authorities.

Position in National table (As of Feb 24)	Local Authority	2 mil.Fare (in the day)	Last HC fare increase
53	Coventry	£8.00	2022
135	Nuneaton Bedworth	£7.25	2023
158	Rugby	£7.10	2022
197	North Warwickshire	£6.80	2022
235	Stratford	£6.60	2023
310	Warwick	£6.00	2014

- 1.9 The cost-of-living crisis, including increase in fuel and running costs (maintenance and insurance etc) is considered as the main reason why the council has received several enquiries by the taxi trade for a fare increase.
- On 11 December 2023 Cabinet agreed to a fare increase consultation. This consultation was with the owners of Hackney Carriage vehicles only as these vehicles have to use the fare structure decided by WDC. WDC Private Hire vehicles can charge whatever they feel reasonable. An online consultation took place between 18 December 2023 to 15 January 2024. 57% of the licensed HC trade responded. The results of the survey are attached as **Appendix 1**.
- 1.10 When asked what percentage increase would HC vehicle owners consider appropriate the answers ranged from 20% to over 50%.
- 1.11 When considering a suitable percentage increase, the office for national statistics, inflation and prices indices (all items) data has been used as a comparison. Between 2014 and 2023 the sum of the overall CPIH annual rate increase is 27.7%. Inflation has averaged 3.2% a year meaning a 2 mile fare in the day that cost £6.00 in 2014 would cost £7.94 in 2023.
- 1.12 Following the results of the survey, proposed new tariff is set out as **Appendix 2**. This would equate to a 30% increase on the current tariffs, which recognises the CPIH increase between 2014 and 2023, as well as allowing a small amount of growth for 2024. There are no proposed changes to the soiling charge or the tariff times. Below is a table of how the revised tariffs would compare with our

neighbouring Local Authorities and the National Hackney Carriage Fare Table if the proposed 30% increase was implemented.

Position in National table (As of Jan 24)	Local Authority	2 mil.Fare (in the day)
53	Coventry	£8.00
83	Warwick	£7.65
135	Nuneaton Bedworth	£7.25
158	Rugby	£7.10
197	North Warwickshire	£6.80
235	Stratford	£6.60

- 1.13 Current Neighbouring Local Authorities Hackney Carriage tariffs are attached as **Appendix 3.**
- 1.14 If a fare increase is agreed at Cabinet, the table of fares will be advertised in the local newspaper as well as being advertised on the Council website and at the published Council's Head Office (Town Hall) Recognizing the change in locations at present the Council will also ensure that the notice is placed on the public noticeboard outside the Town Hall and outside Riverside House.
- 1.15 If there are no objections, the proposed fare increase will take effect in May 2024.
- 1.16 If there are objections, these will need to be considered by Cabinet. At that point Cabinet can choose to make modifications to the proposed table of fares in light of the objections received or not.
- 1.16 For future Hackney Carriage fare increases it is proposed that the trade will be consulted by means of a survey every 18 months from when the last increase took place to determine if the HC trade feel a fare increase is appropriate at that time.

2. Alternative Options

- 2.1 The Committee could recommend to Cabinet that the proposed fares are not accepted or they could propose. Both of these would need to include reasons for the proposal, based on the evidence within the report.

3. Legal Implications

- 3.1 Local Government (Miscellaneous Provisions) Act 1976:
Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states:
a) A District Council may fix the rates or fares within the District as well as for time and 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 a Hackney Carriage by means of a table (hereafter in this section referred to as a table of fare) made or varied in accordance with the provisions of this section.

- b) When a District Council make or vary a table of fares they shall publish in at least one newspaper circulating in the District, a notice setting out the table of fares or the variation thereof and specifying the period, which shall not be less than fourteen days from the date of the notice, within which and the manner in which objections to the table of fares can be made.

3.2 There is no statutory right of appeal against the fares once set.

4 Financial Services

4.1 There are no financial implications for Warwick District Council.

4.2 There is a small cost to advertising the proposed fees and charges. These will be met from existing budgets.

5. Corporate Strategy

5.1 Warwick District Council has adopted a Corporate Strategy which sets three strategic aims for the organisation.

5.2 Delivering valued, sustainable services –Low cost, low carbon energy across the district.

5.3 Creating vibrant, safe and healthy communities of the future.

6 Environmental/Climate Change Implications

6.1 There are no adverse environmental impacts because of this proposal.

7 Analysis of the effects on Equality

7.1 If a fare increase is decided, then it may have an impact on the elderly and disabled/vulnerable passengers who used licenced vehicles.

8 Data Protection

8.1 All necessary precautions were undertaken when drivers were asked to complete the survey online, with details of the privacy notice sent to drivers.

8.2 The data that was collected for the survey was used solely to determine whether to increase hackney carriage taxi fares.

8.3 All comments are anonymous.

9 Health and Wellbeing

9.1 There are no health and wellbeing implications in this report.

10 Risk Assessment

10.1 A significant increase could lead to less business for the taxi trade which could result in drivers leaving the service. If this were to happen there could be a reduction in Hackney Carriage vehicles, which in turn would see a reduction in wheelchair accessible vehicles (WAV's)

10.2 However choosing to not increase the fares could also lead to drivers leaving the service which would could have the same affect as above.

10.3 The fare increase would need to be fair for both the driver and passenger.

11 Consultation

11.1 The WDC Hackney Carriage Vehicle owners were consulted via an online survey.

There is no requirement for a public consultation, however if there are any objections to the proposed increase when advertised then these objections

would need to be considered by Cabinet which would delay the implementation of the fare increase.

Background papers:

None.

Supporting documents:

None.