

Cherwell District Council

Executive

4 July 2022

Proposal to Consult on a Hackney Carriage Tariff Increase

Report of Assistant Director Regulatory Services & Community Safety

This report is public

Purpose of report

The Council's Licensing Team have been asked by the Cherwell Valley Taxi Association to increase the fare tariff for hackney carriages. To do so requires public consultation. The Executive are asked to agree to that the council should commence this consultation and implement the statutory procedure for altering the fare tariff pursuant to the Local Government (Miscellaneous Provisions) Act 1976.

Whilst this proposal primarily relates to the way the council discharges its statutory responsibilities, ensuring that there is a strong licensed taxi trade in Cherwell supports the council priority to enable "An enterprising economy with strong and vibrant local centres".

1.0 Recommendations

The meeting is recommended:

- 1.1 To agree to commence the public consultation on increasing the fare tariff for hackney carriages with a view to increasing the maximum fares that licenced Hackney Carriages can charge.

2.0 Introduction

- 2.1 Local authorities have a statutory power to set the maximum fares that licensed hackney carriages can charge for a journey. Under section 65 of the Local Government (Miscellaneous Provisions) Act 1976, local authorities have the power to "...fix the rates or fares within the district as well for time 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."
- 2.2 The current maximum fares for Cherwell were agreed in 2013. These are the maximum fares that hackney carriages licensed by the district can charge. Since the time those maximum fares were set the fares have not been reviewed or amended. The Cherwell Valley Taxi Association have requested these fares be

revised to reflect the increases in fuel costs and the general cost of living since these fares were last reviewed.

3.0 Report Details

- 3.1 Since the last fare increase the cost of living, inflation, and fuel prices have all increased, and as such the current hackney carriage maximum tariffs no longer meet license holders' costs. The process of setting a fare increase is complex and a balance needs to be struck between the legitimate aims of the taxi trade to maintain profitability in the face of increasing costs, while protecting the public from excessive fares.
- 3.2 The Department for Transport's 'Taxi and private hire vehicle licensing: best practice guidance' (March 2010) includes some guidance around taxi fares at paragraphs 52 to 54. Paragraph 52 states "fare scales should be designed with a view to practicality". It notes that it is "good practice to review the fare scales at regular intervals" and goes on to state; "The Department also suggests that in reviewing fares authorities should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed. There may well be a case for higher fares at times of higher demand."
- 3.3 Hackney carriage drivers are not required to charge the maximum fare. This means that hackney carriage drivers are within their rights to negotiate the fare down provided that the final agreed fare is no more than the maximum set. The best practice guidance confirms; "Taxi fares are a maximum, in principle are open to downward negotiation between passenger and driver. It is not good practice to encourage such negotiations at ranks, or for on-street hailing. But local licensing authorities can usefully make it clear that published fares are a maximum. There is a case for allowing any taxi operators who wish to do so, to make it clear that they charge less than the maximum fare".
- 3.4 A number of discussions have taken place with the taxi trade and Cherwell Valley Taxi Association about potential adjustments to these fares. Following these discussions the tariff review has been requested by Cherwell Valley Taxi Association. A revised table of fares has been developed, which reflect the views of the trade whilst also seeking to be reasonable for the public. The proposed changes to the fares are shown in appendix 01.
- 3.5 The proposed revised table of fares provides for an increase in the fee charges for the first one quarter mile (403 metres) of any journey. This change is designed to reflect cost recovery over shorter journeys and are more representative of the local minimal charge of £5 charged by local Private Hire Operators.
- 3.6 Introducing these changes to the tariff would incur a small cost to the license holder of approximately £20 to adjust every vehicle meter.
- 3.7 Any changes to the current table of fares must be subject to a statutory consultation process. This consultation process is unusual in that if no objection to a table of fares or variation is duly made within the consultation period specified in the published notice the table of fares or variation shall come into operation on the date

of the expiration of the period specified in the notice. Therefore, should the Executive decide to consult on the proposed revised table of fares those revisions will come into force if no-one objects to the change without any further decisions being required of the Executive. If objections are received, the Executive will be asked to consider those objections and decide whether to change the table of fares or not.

4.0 Conclusion and Reasons for Recommendations

- 4.1 To enable implementation of new tariff as requested by Cherwell Valley Taxi Association it is recommended that the Executive agree to commence public consultation on the revised table of fares in appendix 1.

5.0 Consultation

- 5.1 The Cherwell Valley Taxi Association is a representative body for the taxi trade in Cherwell. They have approached the council on behalf of their members to request this revision to the table of fares. The public will be consulted through the statutory consultation process.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To propose alternative tariffs in the table of fares. This was rejected as the proposed revisions were determined in discussion with the trade and appear to meet the balance of ensuring the licensed hackney carriage fares allow drivers to recover costs and make reasonable profit whilst not becoming prohibitive to customers.

Option 2: To retain the current fare tariffs. Given the rises in fuel costs since the current tariffs were set not considering an increase in fares charged by drivers could result in a substantial reduction in the number of taxis operating in the district and therefore impacting on the community.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:
Kelly Wheeler, Finance Business Partner, 01295 221570
Kelly.wheeler@cherwell-dc.gov.uk

Legal Implications

- 7.2 The legal requirements are set out in the main body of the report.

Comments checked by:
Syma Akhtar, Solicitor 01295 753 701, Syma.Akhtar@Cherwell-DC.gov.uk

Risk Implications

- 7.3 There are no risk implications in this report. Any arising risks will be managed through the service operational risk register and will be escalated to the Leadership risk register as and when necessary.

Comments checked by:
Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 07580 031776
Celia.Prado-Teeling@Cherwell-dc.gov.uk

Equalities and Inclusion Implications

- 7.4 The council's licensing team has developed an Equality and Climate Impact Assessment for this report, which details how the council evaluated the wider impact of the taxi tariff increase on our residents within the protected characteristics and our communities, overall, to make sure any possible impact is mitigated. One possible impact to rural communities has been identified, mitigating actions are in place, also, failure to allow for increased fees could reduce availability of taxis and impact negatively on accessibility to rural areas.

Comments checked by:
Celia Prado-Teeling, Interim Assistant Director Customer Focus, 01295 221556
Celia.Prado-Teeling@Cherwell-dc.gov.uk

Sustainability Implications

- 7.5 There are no direct climate change impacts from revisiting taxi fares.

Comments checked by:
Ed Potter, Assistant Director Environmental Services
Ed.potter@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision:	Yes
Financial Threshold Met:	No
Community Impact Threshold Met:	No

Wards Affected

All

Links to Corporate Plan and Policy Framework

As outlined in the purpose section in the main report.

Lead Councillor

Councillor Eddie Reeves, Portfolio Holder for Safer Communities

Document Information**Appendix number and title**

- Appendix 1 – Proposed new tariffs
- Appendix 2 – Equality Impact Assessment

Background papers

None

Report Author and Contact Details

Richard Rockall - Licensing Manager

Licensing@cherwell-dc.gov.uk Telephone: 01295 753744