

REGULATORY SERVICES COMMITTEE – 29 JUNE 2022

PART I - DELEGATED

5. APPLICATION FOR HACKNEY CARRIAGE FARE INCREASE (DCES)

1 Summary

- 1.1 To advise Members that the Licensing department is in receipt of a request from South Oxhey Radio Taxis (SORT) to seek an increase to the current Hackney Carriage Table of Fares, dated 2013, shown at **Appendix 1**. The request from SORT is dated 4 March 2022 but was received by the department on 9 March 2022.
- 1.2 The current Hackney Carriage Table of Fares is attached at **Appendix 2** and is also publically available on the Council's website¹.
- 1.3 The table of fares was last reviewed in June 2013 following a request from SORT. The 2013 proposal was to increase the start fare from £2.70 to £2.90 for the first 1015 metres, an increase of 7.4% and for the period for which a night charge is added to the fare to be extended from 05:00 to 06:00 hours. The reasoning for this request was due to the high percentage increase in the cost of fuel at the time. It was agreed by Members in 2013 to grant an increase of 10p (to £2.80) for the first 1015 metres or part thereof and to implement a night-time charge from 23:00 to 06:00, as per the initial request.
- 1.4 On receipt of the application in March 2022, letters were sent to all those licenced as Hackney Carriage drivers within Three Rivers (x 20) as well as advising all licenced operators, providing them with an opportunity to make comments by 27 May 2022. No comments have been received.
- 1.5 Officers have followed the previous methodology used in 2013 to provide data showing the price increases via various means.
- 1.6 Officers' note that the cost of living has increased both for taxi drivers and taxi consumers and consideration is required to make sure the fares are sufficient for the drivers to make a living, but not too high to deter customers, recognising the important role the taxi trade plays in society, especially for transporting vulnerable passengers.
- 1.7 Officers agree to the increases, with the possible exception of the change in night time charging hours, explained in more detail below.

2 Details

- 2.1 Journeys undertaken in a taxi (hackney carriage) are restricted to the maximum as displayed on the meter with customers paying the meter price. The legal power to set fares is a discretionary function but in practice taxi fares are capped to create a level playing field and to provide public protection from unscrupulous charging practices.
- 2.2 An application, by way of letter, has been received by SORT in connection with the proposed Hackney Carriage fare increase for 2022. SORT have set out that there has not been a fare increase in Three Rivers for many years but there has continued to be a steady increase in fuel prices, insurance premiums and in all aspects of vehicle maintenance, coupled with increases and extras to pay for TRDC Hackney

¹ <https://www.threerivers.gov.uk/egcl-page/hackney-carriage-and-private-hire-licences>

Carriage and Vehicle Licences.

2.3 The application seeks the following changes:

- Propose a 20p increase to the existing Tariff 1 from £2.80 to **£3.00** for the first 1015 meters or part thereof;
- Maintain the existing 10p rise thereafter but for every additional **90** meters up to **2030** meters (currently is additional 95 metres up to 2155 metres);
- Maintain the existing 10p rise but for every additional **50** metres (or part thereof) in excess of **2030** (currently 55 metres in excess of 2155 metres);
- Propose a change to the night time charge from £3.20 to **£3.50**
- Propose a change to the night time hours from 23:00 hours to 06:00 hours to **20:00 hours** to 06:00 hours.

2.3.1 Within their application SORT set out two examples as a way of comparison, for example, currently a 1.04 mile journey (1680m) costs £3.50; at the proposed rate the same journey would cost £3.80. Again, a journey of 1.48 miles (2375m) is £4.40 but would be £4.90 and 2.50miles (4025m) is £7.40 and would be £8.20.

2.3.2 The proposed Hackney Carriage Fare Table is shown at **Appendix 3**.

2.3.3 Any increase if agreed would cover the whole of the Three Rivers District.

3 Process

3.1.1 Section 65(2) to (6) of the Local Government (Miscellaneous Provisions) Act 1976 sets out the legislative requirements for the fixing of fares for hackney carriages.

3.1.2 If the table of fares is varied, the Council will be required to publish the varied version in at least one local newspaper circulating in the District which should not be less than 14 days from the date of the first publication of the notice (date of the Committee). The legislation requires the council to make available to the public the varied Table of Fares for a minimum of 14 days. It is however anticipated that Officers will display a varied notice of the table of fares for a period of 21 days. The copy of the notice shall also be available at the offices of the Council and shall at all reasonable hours be open to public inspection without payment. Officers will ensure that a copy of the notice is made available for inspection at reception and will display on the TRDC website.

3.1.3 If no objection to the variation is made 21 days from the date it first appears in the local newspaper, the varied fares shall come into operation on the 21st day. All licenced drivers will be made aware of the changes.

3.1.4 If an objection is made and not withdrawn, under section 65(4) the Council must set a further date, not later than 2 months after the first specified date (29 June 2022), on which the table of fares shall come into force with or without modifications as decided by Members after consideration of the objections. A meeting would therefore need to be set within 2 months of the expiry of the objection period, to confirm the tariffs to be applied, taking into consideration the objections received.

3.1.5 If a varied tariff is agreed it is Officers view that it will stay in place for a minimum of 2 years starting from the time it finally takes effect, unless exceptional circumstances

prevail, such as a further significant rise in the cost of living. This accords with the approach taken in 2013 when the fares were last varied.

4 Research

- 4.1 As per the 2013 fare review the same methodology will be used to guide Officers and Members. This includes a comparison of the percentage increase of the fare to the Retail Price Index (RPI), a price index calculated and published by the Office of National Statistics (ONS) and comparison to surrounding authorities. To assist this comparison, Officers have provided the current fare tables for Watford (2017), St Albans (2014), Chiltern, South Bucks, Aylesbury Vale (Buckinghamshire Council) (2021), High Wycombe (2019) and Uttlesford (2021) which are all shown at **Appendix 4** and provided the National Hackney Fares Table, dated May 2022, shown at **Appendix 5**.
- 4.2 The current night time charge is from 23:00 to 06:00 which is generally consistent with other local authorities, although it is noted that Uttlesford's night time charge is now from 22:30 hours to 7:00 hours. The proposed change to 20:00 hours from 23:00 hours is significantly earlier than neighbouring authorities. Whilst recognising the requested change, it is Officers opinion that 20:00 hours is potentially too early and may deter people from getting a taxi. Instead a more reasonable change is considered, to start at 22:00 hours until 6am.
- 4.3 The National Hackney Fares Table shown at **Appendix 5** is based on a two mile hackney fare (tariff one). The note provided within the table states that:
- "This month sees the single biggest rise in an average two-mile taxi fare nationwide in our tables with this month's additions. On average a two-mile fare increased by 7p across all our listings."*
- 4.4 The National Hackney Fares Table shows that as of May 2022 the national average two mile hackney fare (tariff one) is £6.24. Based on the current Three Rivers fare table this same journey is £6 (Officers have worked this out to be £5.90), which is below the national average. If the proposed fare increase is to go ahead, this same two mile day journey would equate to £6.49, an 8.3% rise (see workings shown at **Appendix 6** which include other useful comparisons).
- 4.5 As per the Office of National Statistics the Consumer Price Index rose by 7.8% in the 12 months to April 2022. The ONS states that the largest upward contributions to the annual inflation rate came from housing and housing services and transport, principally from motor fuels and second-hand cars. The ONS state that the rise has mainly been caused by changes in the price of motor fuels. The average petrol prices stood at 161.8 pence per litre in April 2022 (the highest recorded) compared with 125.5 pence per litre a year earlier. The average price of diesel in April 2022 was 176.1 pence per litre, also a highest on record with recent reports within the national press that petrol prices are predicted to go up to £2 per litre. The ONS state that the 12 month rate for motor fuels and lubricants was 31.4%, the highest since data was collected in January 1989.
- 4.6 The current tariff came into effect in June 2013 and the ONS produces figures for inflation attached to the RPI and the latest statistics are reproduced below. For ease of reference Officers have shown the average annual change in the RPI for years 2012 and 2021 and the percentage change over the months of January 2013, January 2022 and April 2022 for motoring expenditure only.

	Average 2012 %*	Jan 2013 %*	Average 2021 %	Jan 2022 %	April 2022 %
Motoring Expenditure	0.8	-0.8	6.8	16.3	18.5
Purchase of Motor Vehicles	-2.0	-0.2	8.3	17.1	17.2
Maintenance of Motor Vehicles	1.8	2.4	3.2	5.5	6.7
Petrol & oil	1.9	-0.6	13.9	23.9	31.6
Vehicle tax & Insurance	2.1	-4.9	-1.4	12.5	15.4

*Data produced from Committee report from June 2013 for comparison purposes

5 Options and Reasons for Recommendations

5.1 From the legislation it is clear that it is a Council function to review the Hackney Fare tariff for its area and the decision to do so should be made by the Council concerned. Officers suggest that to avoid the more or less annual request from sources outside the Council to review the Hackney Fare tariff, the Committee could consider whether or not to impose a time limit as to how long a tariff should last before being reviewed, for example a minimum for 2 years, subject to an event of exceptional circumstances.

5.2 Officers have used data provided by the ONS, which are taken from a wide range of suppliers, are a reliable source of statistics and are nationally accepted as a general guide to pricing costs etc.

5.3 The figures produced from the ONS appear to show significant rates of inflation for the costs of motoring expenditure, at level far higher than when the previous fare review took place, when Officers previously considered that the previous proposal was out of line with the inflation of the RPI.

5.4 In addition it is recognised that the cost of applying for a Hackney Carriage vehicle licence has risen from £133 (new licence) to £190 from 2019 to 2022, an increase of 42.8%. For a renewal of a vehicle licence it has risen from £133 in 2019 to £159 in 2022, an increase of 19.5%. A new driver's licence has also increased from £375 to £434 (15.7% rise) and for a three year renewal it has risen from £375 to £399 (6.4% rise).

5.5 Having regard to the proposal and the methodology used, including the current financial climate, it is the Officer's recommendation that:

The claim for an increase in the Hackney Fare Table should be agreed in part with the exception of the change in the hours of the night time charge from 20:00 hours to 06:00 hours, with Officers of the view that it the night time charge should be varied from 22:00 hours to 06:00 hours.

5.6 Notwithstanding the above recommendation, all options available to the Committee for consideration are listed below:-

- 1) To refuse the proposal in full or in part; or,
- 2) To allow the proposal in full or in part; or,
- 3) To vary the proposal and approve an alternative; or,
- 4) To defer the proposal for an alternative fare table to be submitted

And,

- 1) To adopt a review every 2 years, with the caveat stating that in the event of exceptional circumstances the Director of Community and Environmental Services in consultation with the Lead Member to make a decision as to whether the fare tariff should be reviewed earlier; or,
- 2) To not adopt a review every 2 years: or,
- 3) To adopt an alternative review time period.

6 Policy/Budget Reference and Implications

- 6.1 The recommendations in this report are within the Council's agreed policy and budgets. Costs associated with a press notice are to be subsumed within existing licensing budgets. Regulatory Services Committee has the remit under the Council Constitution – Functions of Committees – to determine applications for Hackney Carriage fare increases. There are budgetary implications in respect of advertising a fare increase which are discussed below.

7 Financial Implications

- 7.1 Should the application for the fare increase be approved, it will be necessary to advertise the proposed fare changes. There is budgetary provision in the licensing budget for this.

8 Legal Implications

- 8.1 As above, the legislation concerning fare tariff increases for Hackney Carriages is covered by the Local Government (Miscellaneous Provisions) Act 1976 and in particular section 65, which states that:

"A District Council may 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 of fares made or varied in accordance with this section".

- 8.2 It is recommended that the Director of Community and Environmental Services in consultation with the Lead Member be delegated to consider any objections received from the consultation.

9 Equal Opportunities Implications

- 9.1 Relevance Test

Has a relevance test been completed for Equality Impact?	Yes
Did the relevance test conclude a full impact assessment was required?	No
No medium or high detrimental impact considered to take effect. It is recognised there is an impact on equal opportunities i.e. disabled and families that rely on taxis,	

and the trade themselves.	
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10 Impact Assessment

- 10.1 The change in the fare table is likely to impact those that rely on taxis as their means of transport as well as the drivers. On the other hand it is possible that many others may rely more heavily on public transport in the coming months/year's given the rising cost of petrol and on-going car maintenance costs. Therefore any fee increase could have a further impact on demand of the service.

11 Customer Services Centre Implications

- 11.1 The CSC will be made aware of the varied fare table, the requirement to make a copy of the notice available for inspection at reception and on the TRDC website.

12 Communications and Website Implications

- 12.1 If agreed, an update will be added to the licensing pages of the Three Rivers website. Letters will also be sent to those licenced as Hackney Carriage drivers informing them of the decision.

13 Risk and Health & Safety Implications

- 13.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.
- 13.2 The subject of this report is covered by the Regulatory Services Service Plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

Nature of Risk	Consequence	Suggested Control Measures	Response (tolerate, treat terminate, transfer)	Risk Rating (combination of likelihood and impact)
Option 1: To refuse the proposal in full or in part.	Licenced Hackney drivers may raise complaints given that the fare table has not been reviewed since 2013. Some drivers may leave the trade due to lack of revenue,	Members to consider information provided before reaching this view.	Tolerate	6 – Medium

	reducing the pool of drivers, the competition and therefore the quality of the service.			
Option 2: To allow the proposal in full or in part	Licenced Hackney drivers may raise complaints and/or request further fare reviews in the future.	Members to consider information provided before reaching this view.	Tolerate	2 - Low
Option 3: To vary the proposal and approve an alternative	A balance will need to be struck against any price rise and the consequences this could have on the demand for the service and the impacts on the wider community (i.e. those that rely on taxis)	Members to consider information provided before reaching this view.	Tolerate	3 - Low
Option 4: To defer the proposal for an alternative fare table to be submitted	Will delay the ability for increased fares across the district and could give rise to complaints. Some drivers may leave the trade due to lack of revenue, reducing the pool of drivers, the competition and therefore the quality of the service.	Members advised against this option given current financial climate, although it is unlikely that the current situation will change any time soon.	Tolerate	5 - Medium
AND	Enables the Council to take	Members to consider	Tolerate	3 – Low

Option 1: To adopt a review every 2 years, with the caveat stating that in the event of exceptional circumstances the Head of Regulatory Services in consultation with the Lead Member to make a decision as to whether the fare tariff should be reviewed earlier	a pro-active approach rather than relying on applications from the trade. Prevents the trade from submitting further requests within the next two years, unless in exceptional circumstances.	information provided and consider whether 2 years is proportionate in the current climate (see Option 3).		
Option 2: To not adopt a review every 2 years	Opens up the ability for multiple applications from the trade to be submitted for review.	Members to consider current economic climate.	Tolerate	3 – Low
Option 3: To adopt an alternative review.	Subject to the decision, it could either prevent or encourage more applications for reviews.	Members to set regular reviews, for which the trade will be consulted, this will avoid reviews being led by the trade and enable the Council to be more pro-active.	Tolerate	3 – Low

13.3 The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

Ver y Lik ely	Low	High	Very High	Very High
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	4	8	12	16
	Low 3	Medium 6	High 9	Very High 12
	Low 2	Low 4	Medium 6	High 8
	Low 1	Low 2	Low 3	Low 4
	Impact Low -----> Unacceptable			

Impact Score

4 (Catastrophic)

3 (Critical)

2 (Significant)

1 (Marginal)

Likelihood Score

4 (Very Likely (≥80%))

3 (Likely (21-79%))

2 (Unlikely (6-20%))

1 (Remote (≤5%))

- 13.4 In the Officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of the management of operational risks is reviewed by the Audit Committee annually.

14 Recommendation

14.1 That the Members of the Committee:

- Agree the increase of HC fares as mentioned in the Hackney Fare Table.
- Agree the change in the hours of the night time charge from 23:00 – 06:00 to 22:00 hours - 06:00 hours (a change in one hour).
- Agree for Officers to publish the agreed varied version of the Hackney Fare Table in the Watford Observer for 21 days (the legislation requests not less than 14 days) and for the Head of Regulatory Services to consider any objections in consultation with the Lead Member.
- If no objections are received for the varied tariff to take effect following the expiration of the press notice.
- If objections are received and not withdrawn, for Officers to arrange an Extraordinary Regulatory Services Committee by 29 August 2022 to consider the representations received.

- f) To agree that the tariffs be reviewed on a routine basis every two years from the date of this meeting.

Report prepared by: Matthew Roberts, Team Leader

Data Quality

Data sources:

The DATA used for comparing the fare change requested by SORT came from the Office for National Statistics published on 18 May 2022.

[Consumer Price Inflation, UK: April 2022](#)

Local Government (Miscellaneous Provisions) Act 1976.

Data checked by: Matthew Roberts, Team Leader, Development Management.

Data rating:

1	Poor	
2	Sufficient	
3	High	X

Background Papers: None

APPENDICES / ATTACHMENTS

Appendix 1: Letter from SORT

Appendix 2: Existing Hackney Carriage Table of Fares (2013)

Appendix 3: Proposed Hackney Carriage Table of Fares (2022)

Appendix 4: Fare comparison with other neighbouring authorities

Appendix 5: National Hackney Fares Table (May 2022)

Appendix 6: Comparisons over 2 and 5 miles between current and proposed fares