

Chichester District Council

General Licensing Committee 12th October 2022

Proposed increase to Hackney Carriage Table of Fares

1. Contacts

Report Author

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2. Executive Summary

This Licensing Authority received a formal request from holders of Hackney Carriage Licences requesting that the local Table of Fares (the 'tariff') be reviewed. Officers have conducted a review and Members are asked to approve the revised increase in tariff which will be subject to consultation.

3. Recommendation

- 3.1 That the General Licensing Committee considers and approves the proposed increase in the local Table of Fares (the 'tariff') as shown at Appendix A. This will take effect unless objections are received in response to a public consultation.**

4. Background

- 4.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 allows the Council to fix the rates or fares within the district for waiting time and distance travelled along with all other charges in connection with the hire of a hackney carriage vehicle, or with the arrangements for the hire of a vehicle, to be paid by means of a tariff. Once determined, the fees are charged consistently to passengers whether they be hailing a hackney carriage in the street or boarding at designated hackney carriage stand.
- 4.2 The Council's current tariff was last reviewed in 2013 with the rates and fares at that time being increased on the 22nd April 2013. When setting the rates and fares, the Council seeks to set these at a reasonable and fair amount for both the licence holder and passenger.
- 4.3 During late 2021, the Council was contacted by two current holders of hackney carriage licences. The two individuals explained that they were acting as representatives on behalf of other hackney carriage licence holders and were requesting that the Council undertakes a review of the current tariff. In support of this

request, a document containing the signatures of 28 licensed hackney carriage drivers (currently 45 are individuals licensed to drive hackney carriage vehicles) was provided demonstrating a clear support for the review.

- 4.4 Officers subsequently met with the two representatives of hackney carriage licence holders in order to discuss the current tariff. It was accepted that the tariff worked well in terms of its overall structure however, due to the passage of time, there was a clear need to review and increase some charges.

5. Outcomes to be Achieved

- 5.1 To ensure that the various charges associated with the use of hackney carriage vehicles are set at an appropriate level for both licensees and the travelling public and reflect the true cost of providing this service in the current economic climate.
- 5.2 To ensure the continuation of affordable and safe local hackney carriages which are integral to and support the local public transport infrastructure. Such provision is essential to the needs of those visiting, working or residing within the Chichester district.

6. Proposal

- 6.1 Given the current cost of living pressures affecting everyone, the two representatives of the licensed trade were acutely aware that any increase must be measured, appropriate and proportionate. In order to calculate an appropriate increase, the Bank of England's inflation calculator was used indicating that the average rate of inflation for the past 10 years had been approximately 1.6% per annum. This was therefore agreed to be an acceptable formula to determine any potential increase since the last review of the tariff.
- 6.2 On the basis of inflation averaging 1.6% per annum for the last 10 years, it is believed appropriate to increase most of the current tariff by a single one-off increase of 16%, rather than compounding the percentage increase year on year which would result in a higher increase. The representatives of the licensed trade were in support of this approach as they were concerned that a higher increase might be detrimental to the trade. The only proposed exception to the 16% increase, is in relation to 'waiting time' where it is proposed to increase this by 50%. Presently the waiting time is calculated at 10p per 30 seconds, thereby resulting in an hourly rate of £12.00. This is now believed to be far too low, and the proposal is to increase this to 10p per 20 seconds, thereby resulting in an hourly rate of £18.00.
- 6.3 With respect to the 'Extra' charges on the current tariff, the intention is to increase the 'Soiling Charge' from £50.00 to £100.00. The point has been made that if a vehicle is soiled, then quite often the cost to clean or repair the vehicle is not only far more than £50.00, but also the licence holder suffers a period of loss of earnings as they are unable to work whilst the vehicle is being cleaned/ repaired. Having reviewed other Council's charges, £100 is consistent and now seems reasonable. The only other amendment to the 'Extra' charges is simply to add a reference making it clear that the 30p 'Fuel Surcharge' only has effect when the cost of fuel is in excess of £2.00 per litre. The Department for Business, Energy & Industrial Strategy publishes road fuel price statistics providing average UK retail 'pump' prices on a weekly basis. This provides a measure as to when it may be appropriate for this extra charge to be

levied. As at 26th September 2022 prices were 163.75p per litre for ultra-low sulphur unleaded petrol and 180.31p for ultra-low sulphur diesel and therefore presently well under £2.00.

- 6.4 In the last couple of years local and statutory changes have been made to various licensing processes associated with hackney carriage licences. These changes have all been essential in promoting public safety, however in some cases they have naturally resulted in additional cost to licence holders e.g. more frequent vehicle inspections. Like everyone, licence holders are also facing the obvious pressures caused by general inflation. It is therefore crucial that those licensed by the Council can charge such that they are appropriately remunerated for the service that they provide.
- 6.5 'The National Hackney Fares Tables' published in September 2022, show the fares set nationally by councils for a two mile journey on Tariff 1. Our proposed charge would be £7.08 which would put the Council in 83rd position nationally out of 355, we are presently 206th. The national average two mile hackney carriage fare is currently £6.55. The national table is shown at Appendix B.
- 6.6 The proposed updated tariff incorporating all the changes referred to above, is shown at Appendix A.

7. Alternatives Considered

- 7.1 Note the concerns of the current hackney carriage licence holders but take no action. This potentially will result in hackney carriage licence holders financially being unable to sustain their operation and consequently leaving the trade.
- 7.2 Work in collaboration with current hackney carriage licence holders and interested parties to amend our current tariff appropriately.

8. Resource and Legal Implications

- 8.1 If Committee determines to approve the proposed increases, a public notice to this effect must be placed in the local newspaper enabling any person to object to the proposed increase. The proposed fare tariff must also be available at the Council's office for 14 days for scrutiny by the public to allow objections to be made. Any objections that are received, and not withdrawn or successfully mediated, must be considered by the Committee, which must then set a new date for the consideration of the new fares with, or without, modification.

9. Consultation

- 9.1 As mentioned above, it is a requirement that a statutory notice is placed in a local newspaper advertising the proposed increase. In addition, all existing holders of a hackney carriage licence will be formally written to inviting them to consider and submit any objections they may have to the proposed increases.

10. Community Impact and Corporate Risks

- 10.1 Hackney carriages provides an important part of the local transport infrastructure. If licence holders are unable to generate sufficient income to sustain their operation,

they might very well leave the profession. This would have a direct negative impact on our local transport network and the movement of people.

11. Other Implications

Are there any implications for the following?		
	Yes	No
Crime and Disorder It is essential that licence holders have a suitable and sufficient charging mechanism to secure an appropriate income. This in turn not only encourages licence holders to remain in the profession and serve the local community, but provides an affordable and safe means of transport for the travelling public, particularly late at night.	✓	
Biodiversity and Climate Change Mitigation		✓
Human Rights and Equality Impact.		✓
Safeguarding and Early Help		✓
General Data Protection Regulations (GDPR)		✓
Health and Wellbeing		✓
Other (please specify)		✓

12. Appendices

12.1 Appendix A – Proposed ‘Table of Fares’

12.2 Appendix B - ‘The National Hackney Fares Tables’ published in September 2022.

13. Background Papers

13.1 None