

Hackney Carriage Fare Increase 2020

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| Final Decision-Maker | Licensing Committee |
| Lead Head of Service | John Littlemore, Head of Housing and Community Services |
| Lead Officer and Report Author | Lorraine Neale |
| Classification | Non-exempt |
| Wards affected | All |

Executive Summary

This report sets out the reasons for the request from the Hackney trade for a fare increase.

Purpose of Report

To consider the Maidstone Taxi Proprietor Association's request for an increase in fares for hackney carriage journeys.

This report makes the following recommendations to this Committee:

1. That the table of fares set out in Appendix 3 to this report be agreed.
2. That the Head of Housing and Community Services be authorised to give public notice of the Council's intention to fix this table of fares for Hackney Carriage vehicles in accordance with Section 65(2) of the Local Government (Miscellaneous Provisions) act 1976 to take effect from April 2020.
3. Should objections be received, this matter is brought back to Licensing Committee for consideration within two months of publication.

Timetable

| Meeting | Date |
|---------------------|--------------|
| Licensing Committee | 18 June 2020 |
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Hackney Carriage Fare Increase 2020

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

| Issue | Implications | Sign-off |
|---------------------------------------|--|---|
| Impact on Corporate Priorities | <ul style="list-style-type: none"> <i>No implications have been identified</i> | [Head of Service or Manager] |
| Cross Cutting Objectives | <ul style="list-style-type: none"> <i>No implications have been identified</i> | [Head of Service or Manager] |
| Risk Management | <ul style="list-style-type: none"> <i>No implications have been identified</i> | [Head of Service or Manager] |
| Financial | <ul style="list-style-type: none"> <i>No implications have been identified</i> | [Section 151 Officer & Finance Team] |
| Staffing | <ul style="list-style-type: none"> <i>No implications have been identified</i> | [Head of Service] |
| Legal | <ul style="list-style-type: none"> <i>Under Section 65 of The Local Government (Miscellaneous Provisions) Act 1976, the Council may fix the rate for fares for Hackney Carriage vehicles within the Borough, for time, distance and all other charges in connection with hire of the vehicle. To meet the requirements, it is necessary to advertise the agreed variation and allow for 14 days for any objections to be made</i> | [Legal Team] |
| Privacy and Data Protection | <i>No additional impact identified from a data protection or record management perspective.</i> | Equalities and Corporate Policy Officer |
| Equalities | <i>No impact identified.</i> | Equalities and Corporate Policy Officer |
| Public Health | <ul style="list-style-type: none"> <i>No implications have been identified</i> | [Public Health Officer] |
| Crime and Disorder | <ul style="list-style-type: none"> <i>No implications have been identified</i> | [Head of Service or Manager] |
| Procurement | <ul style="list-style-type: none"> <i>No implications have been identified.</i> | [Head of Service & Section 151 Officer] |

2. INTRODUCTION AND BACKGROUND

- 2.1 Under section 65(1) of the Local Government (Miscellaneous Provisions) Act 1976, the Local Authority has the power to set the maximum fares for the hire of a Hackney Carriage vehicle.
- 2.2 The current fares set have been in place for 6 years and the trade has requested a review of the current fare structure. There are currently 48 licensed Hackney Carriages that are allowed to ply for hire in Maidstone. Fares charged by Hackney Carriages cannot be more than the fare set by Maidstone Borough Council. The council do not set the fares for private hire vehicles.
- 2.3 A request has been received from the Maidstone Taxi Proprietors' Association for an increase in fares, by means of a decrease in the meterage on the meter and an increase in the first 550m of hire charge, see letter of request at Appendix 1. The comparison table shows the effect the request will have on fares.

| Miles | Current Tariff 1 | Proposed Tariff 1 | Current Tariff 2 | Proposed Tariff 2 | Current Tariff 3 | Proposed Tariff 3 | Av % increase |
|----------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|---------------|
| 2 (3.22km) | £6.53 | £7.26 | £9.80 | £10.90 | £13.06 | £14.54 | 11.24% |
| 10 (16km) | £24.85 | £27.82 | £37.32 | £41.78 | £49.52 | £55.74 | 12.15% |
| 20 (32m) | £47.45 | £53.52 | £71.72 | £80.38 | £95.50 | £107.24 | 12.38% |
| 50 (80.4km) | £116.45 | £130.62 | £174.92 | £196.18 | £232.90 | £261.74 | 12.23% |
| Waiting time | | | | | | | |
| 15 mins | £6.64 | £7.80 | £9.96 | £11.70 | £13.28 | £15.60 | |
| 30 mins | £11.48 | £13.80 | £17.22 | £20.70 | £22.96 | £27.60 | |

The request will cause an average increase in fares of 11.24% for customers travelling a 2 mile journey on all 3 tariffs.

- 2.4 It is usual practice to review fares on receipt of such a request. The Association have made their request because of increasing effects of inflation. The change in fares relates to the distance travelled and the waiting time.
- 2.5 The Office for National Statistics shows the inflation increase as a table from 2013 – 2020 and an overall increase of 17.49%.

| Year | Pound Value | Inflation Rate |
|------|-------------|----------------|
|------|-------------|----------------|

| Year | Pound Value | Inflation Rate |
|------|-------------|----------------|
| 2013 | £146.36 | 3.04% |
| 2014 | £149.82 | 2.36% |
| 2015 | £151.30 | 0.99% |
| 2016 | £153.92 | 1.74% |
| 2017 | £159.44 | 3.58% |
| 2018 | £163.40 | 2.48% |
| 2019 | £166.34 | 1.80% |
| 2020 | £168.84 | 1.50% |

- 2.6 A comparison of all the Kent authorities for Tariff one as published by Private Hire Monthly (February 2020) for a two mile journey is as follows:-

| Council | Cost £ per 2 miles | Proposed |
|-----------------------|--------------------|----------------|
| Dartford | £7.10 | |
| Tunbridge Wells | £7.20 | |
| Gravesham | £6.80 | |
| Maidstone | £6.53 | £7.26 (11.18%) |
| Sevenoaks | £7.06 | |
| Swale | £6.80 | |
| Tonbridge and Malling | £7.00 | |
| Ashford | £6.50 | |
| Shepway | £6.20 | |
| Canterbury | £6.40 | |
| Dover | £6.00 | |
| Medway | £6.60 | |
| Thanet | £5.40 | |

- 2.7 The increase is in line with the level of inflation and is reasonable, as can be seen from the table the increase requested is not disproportionate to the fares charged in other Kent areas. Whilst Maidstone will be the highest fare level it still remains competitive with other authorities. Therefore, it is considered that agreement to the request can be recommended and the scheme of Hackney Carriage fares amended accordingly Appendix 3.
- 2.8 The trade have requested that a "likely fares destination table" be displayed alongside the tariff. The Licensing department very rarely receive complaints of overcharging by Hackney drivers . This table will encourage more complaints being received from the public . The public expectation will be that the fare displayed is set in stone and will be what they are charged, however the cost of a journey can vary. A customer who

is stuck in traffic will have waiting time added to the meter and a 2 mile, tariff 1 journey held up in traffic for 15 minutes will increase from £7.26 to £15.06, this is not clear on that table and therefore the Licensing department does not support this request.

3. AVAILABLE OPTIONS

- 3.1 An increase to the initial hiring charge for tariffs 1, 2 and 3 by reducing the initial distance from 598.5m to 550m and each additional 140.4 m to 125.
 - 3.2 To reduce the waiting from the first 3m 5s to 2m 30s and every additional 37.2s to 30 s.
 - 3.3 Do nothing.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 Members consider the contents of the report to determine whether the fare increase should be granted.
 - 4.2 The setting of fares is a statutory duty placed upon the Council and it is the Council's responsibility to strike a balance between setting a fare that is acceptable to the customer and to the taxi driver.
 - 4.3 It is important that the Council, through its licensing functions, protects the public by ensuring that the fares charged by licensed Hackney Carriages are fair and justified and not excessive.
 - 4.4 The last fare increase was 2013.
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5. RISK

- 5.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. [That consideration is shown in this report at [paragraph 4]. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
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6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Should Members be minded to approve the increase, the Head of Housing and Community Services, be authorised to publicise the proposed fare increase as detailed in the report, and if no objections are received, the proposed fare increase takes effect no less than fourteen days from the date of publication.

6.2 Should objections be received, this matter is brought back to this Committee for consideration within two months of publication.

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

7.1 Officers will update the Council Webpages and update the Fare charts currently displayed in Taxis.

8. REPORT APPENDICES

1. Trade request from trade
 - 2 Current Fare Chart
 - 3 Proposed Fare Chart
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9. BACKGROUND PAPERS

Local Government (Miscellaneous Provisions) Act 1976

<http://www.legislation.gov.uk/ukpga/1976/57/section/65>

Inflation calculator

<https://www.in2013dollars.com/uk/inflation/2013?amount=146.36>

Private Hire Monthly – Hackney fare table

<https://www.phtm.co.uk/taxi-fares-league-tables>