

Licensing and Regulatory Committee

CHAIRMAN:

DATE: 28 July 2022

REPORT OF: Licensing Manager

SUBJECT: Request for Tariff Increase for Hackney Carriages
including Fuel Surcharge

PART I

RECOMMENDATION

That the Licensing and Regulatory Committee considers the outcome of an initial request from the trade for an increase to the tariff and to reintroduce a surcharge to be added to each fare, due to the ongoing threat of fuel price surge. This surcharge was removed from the 2013 tariff. This subsequently is not the direction the trade appear to have opted for and have chosed increase to tariff 1 and 2 or use of tariff 2 in place of tariff 1 for a time limit.

1. PURPOSE

The Council sets the fares that can be charged to customers by Hackney Carriage drivers and in 2022 received a request from a number of the trade for an increase in the current tariff and/or to introduce a surcharge due to the surge in the cost of fuel. Following this request the Licensing Team put four questions to all drivers, these were emailed in March 2022:

1. Do you want a fuel surcharge added to the tariff?
YES / NO
2. If yes, how much would you want to be added to the end of the fare?
for example, 20p, 30p
3. At what price per litre would like this additional cost to have effect?
for example, £1.55 – this, however, may be based on a national average fuel figure
4. If No, what increase on the tariff would you like to see?
for example, 10% increase on pull off and first whole mile and each mile thereafter on
Tariff 1 and Tariff 2 etc

Due to the number of various responses, four options were put to the trade to indicate their preference(s) this was emailed in May 2022. See Appendix A.

Option 1

No change to the current Tariff - Tariff to be revisited once fuel prices have stabilised

Option 2

A 40p surcharge may be added to each fare until fuel oil is less than £1.60 per litre

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Option 3

The use of Tariff 2 instead of Tariff 1, at the discretion of the driver, until 31 March 2023 or until such time as the cost of fuel is £1.60 per litre or less as set out in the UK average fuel prices date [Weekly road fuel prices - GOV.UK \(www.gov.uk\)](http://www.gov.uk).

Option 4

Increase Tariff 1 and 2 – Select one of the following:

(a) 10% (b) 12% or (c) 15%

Annual Review of Tariff

The tariff was previously increased by 7.5% and commenced October 2020.

2. BACKGROUND

Section 65 of the Act allows for the Council to set the fares for Hackney Carriage vehicles and requires that before any alteration to the tariff table can take effect a public notice showing the changes must be placed in a local newspaper. The public then must be provided with a period of at least 14 days to make comment on the proposals. If no adverse comment/objection is received, the approved changes must take effect. Alternatively, if adverse comment/objection is received then the matter must be returned to allow the Committee to consider the representations. Please note: the Council is not responsible for setting the fares for Private Hire Vehicles.

Contact with all **247** drivers took place in March 2022 via email and then Options for their preference in May 2022 via email.

The summarised results of the March email are as follows:

Tariff increase	Drivers	Percentage of respondents
Agree	25	10.12
Disagree	3	1.21
No Response	219	88.66

The summarised results of the May consultation on Options are as follows:

Options	Drivers	Percentage of respondents
1	0	0
2	1	0.40
3	15	6.07
4 (a) 10%	7	2.83
4 (b) 12%	6	2.42
4 (c) 15%	29	11.74
Total Response	68	27.53

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3. THE PROPOSALS

Proposal A – Option 3

This is the use of Tariff 2 instead of Tariff 1, at the discretion of the driver, until 31 March 2023 or until such time as the cost of fuel is £1.60 per litre or less as set out in the [National Statistics weekly road fuel prices](#). See Appendix B for current figures.

Tariff 2 table is as follows -

For the first 447 yds or part thereof and 20p, 30p or 40p per 164 yds thereafter depending on Tariff	£4.20
For the first whole mile	£6.80
Waiting time per 44 secs. (at the hirers request)	30p
PRICE GUIDE 2 miles	£9.80
5 miles	£18.80
10 miles	£33.80

This proposal would include Monday to Saturday between 7am and 11pm plus all hiring between 11pm and 7am, all day Sunday, Bank Holidays and from 6pm to 11pm 24 December and 31 December. This was proposed by 15 drivers.

Proposal B – Option 4(a)

The tables below show the proposed increase to tariff 1 and tariff 2 of 10%. No change to tariff 3. This was proposed by 17 drivers.

Tariff 1- if increase set with initial pull off at £3.08 for the first 447 yds and .22p per 164 yds thereafter

Distance	Current Fare	Proposed Fare	% Increase	Increase in £'s / p's
1 Mile	4.60	5.06	10	.46
2 Miles	6.60	7.26	10	.66
3 Miles	8.60	9.68	10	.88
5 Miles	12.60	14.30	10	1.30
10 Miles	22.60	26.18	10	2.38

Tariff 2 – if increase set with initial pull off at £4.62 for the first 447 yds and .33p per 164 yds thereafter

Distance	Current Fare	Proposed Fare	% Increase	Increase in £'s / p's
1 Mile	6.80	7.59	10	.69
2 Miles	9.80	10.89	10	.99
3 Miles	12.80	14.52	10	1.32
5 Miles	18.80	21.45	10	1.95
10 Miles	33.80	39.27	10	3.57

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Proposal C – Option 4(c)

The tables below show the proposed increase to tariff 1 and tariff 2 of 15%. No change to tariff 3. This was proposed by 29 drivers.

Tariff 1- if increase set with initial pull off at £3.22 for the first 447 yds and .23p per 164 yds thereafter

Distance	Current Fare	Proposed Fare	% Increase	Increase in £'s / p's
1 Mile	4.60	5.29	15	.69
2 Miles	6.60	7.59	15	.99
3 Miles	8.60	10.12	15	1.32
5 Miles	12.60	14.95	15	1.95
10 Miles	22.60	27.37	15	3.57

Tariff 2 – if increase set with initial pull off at £4.83 for the first 447 yds and .35p per 164 yds thereafter

Distance	Current Fare	Proposed Fare	% Increase	Increase in £'s / p's
1 Mile	6.80	7.98	15.65	1.04
2 Miles	9.80	11.48	15.96	1.49
3 Miles	12.80	15.33	16.14	1.98
5 Miles	18.80	22.68	16.31	2.93
10 Miles	33.80	41.58	16.47	5.36

The National Average for a two mile hackney fare on tariff one as of July 2022 is **£6.33** out of 355 Local Authorities.

Devon Authorities:

Position 1 to 355 Local Authorities	Local Authority	First 2 mile Fare Cost	Last Fare Increase
12	Torridge	£8.00	2022
73	East Devon	£6.80*	2020
89	Torbay	£6.75*	2019
101	South Hams	£6.66	2022
108	Exeter	£6.60*	2013
116	Plymouth	£6.60	2022
121	Teignbridge	£6.60	2020
122	North Devon	£6.55*	2016
272	Mid Devon	£5.70	2010

*these authorities have amended their tariff but it is not reflected in this data obtained from the Private Hire Monthly magazine.

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Position nationally based on the two proposed increase options:

Proposed Increases	Two Mile – Tariff One Fare	Position Nationally
10%	£7.26	40 – 32 - £7.20 31 – 21 - £7.30
15%	£7.59	17 – 23 - £7.60

4. CONCLUSIONS

Please note - Drivers do not have to charge the full amount on the meter and do not have to add any extras should they not wish too. The purpose of the tariff is that it is the maximum amount that can be charged.

27.53% of the trade responded, with 23.07% of those responding wanting an increase. It is extremely difficult to get the opinion of the overall trade when 72.47% did not respond to the consultation.

Section 65(6) of the Local Government (Miscellaneous Provisions) Act 1976 states ‘...any table of fares previously made under this section for the district, as the case may be, shall cease to have effect.’

It is an offence under Section 67 of Local Government (Miscellaneous Provisions) Act 1976 (the Act) to charge more than the metered fare in a hackney carriage. Please note: Drivers do not have to charge the full amount on the meter and do not have to add any extras should they not wish too. The purpose of the tariff is that it is the maximum amount that can be charged.

Option A - This option would not require the meters to be recalibrated but would still be required to be advertised.

Option B and C – will require to be advertised and also for all meters to be recalibrated. This would be a financial implication for the trade of approximately in £30 to have the meter calibrated to a new tariff.

4. FINANCIAL IMPLICATIONS

If the request for Proposals A, B or C is granted the Committee are asked to authorise the proposal to be advertised. Should any additional comments be received, the matter may need to be reconsidered by the Committee. Proposals B and C would also include the cost of producing and printing new tariff cards and resource in contacting all drivers regarding recalibration of meters. The cost of advertising Proposals A, B and C - tariff is approximately £590.

5. OPTIONS

The Committee may:

1. Grant the proposal A, B or C;
2. Refuse the proposals; or

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3. Authorise an increase in fares different to the proposals with full written reasons.

In addition the committee are asked to consider the suggestion of an annual review of the tariff:

1. Grant the proposal; or
2. Refuse the proposal

Andrea Furness
Licensing Manager

Wards affected	All
Contact for any more information	Andrea Furness
Background Papers (For Part I reports only)	Local Government (Miscellaneous Provision) Act 1976, Section 65
Key Decision	N
In Forward Plan	Y
In O&S Work Programme	N
Community Impact Assessment attached:	N
Appendices attached:	A: Tariff Consultation B: Weekly Road Fuel Prices