

13 October 2014

Licensing Committee

Hackney Carriage Proposed Tariff Change

Report of: Ashley Culverwell – Head of Borough Health, Safety and Localism

Wards Affected: All

This report is: Public

1. Executive Summary

- 1.1 This report is to consider an application received via the Taxi Trade Consultative Group (TTCG) for an increase in the maximum fares permitted to be charged by licensed Hackney Carriage Vehicles within the Borough of Brentwood.

2. Recommendation(s)

- 2.1 **It is recommended that Members consider the proposed increase and either:**
- a) **Agree in principle the increase in the maximum fare/tariff as attached at Appendix A, to be advertised in accordance with the relevant legislative requirements; and that the increased tariff should come into force at the end of a period of 14 days from the first date of advertisement if no objections are received; or be reported back to Licensing Committee for further determination on 11 November 2014 if one or more objections are received; or**
 - b) **Refuse the application to increase the fare tariffs at this time in favour of retaining the current table of maximum fares/tariff as adopted in July 2011.**

3. Introduction and Background

- 3.1 The setting of fare tariffs in respect of Hackney Carriage Vehicles is legislated under provision of section 65 the Local Government (Miscellaneous Provisions) Act 1976 (the Act). There is no provision for the Council to set tariffs in respect of private hire vehicles.
- 3.2 From time to time the fare tariffs may be amended in accordance with the legislation, usually following a request from the Taxi trade and appropriate advertising of the proposals in accordance with the provisions of the Act.
- 3.3 The current fares have been in place since August 2011, meaning that there has been no increase in taxi fares within the Borough of Brentwood for three years.

- 3.4 At TTCG held on 4 August 2014, the trade submitted a request for an increase in tariff as attached at **Appendix A**.
- 3.5 The proposal is a maximum fare/tariff only and it is therefore up to the individual hackney carriage proprietor as to whether they wish to charge the maximum. There is no legal obligation to charge the maximum, although it is unlawful to charge more.

4. Consultation and Legal Requirements

- 4.1 If the TTCG request for an increase to the maximum tariff that may be charged by Brentwood licensed Hackney Carriage vehicles is agreed in principle by Members it must then be advertised in a local newspaper along with an implementation date of not less than 14 days from the date of publication of the notice.
- 4.2 If any written objections to the proposed increase are received by the Council within the 14 day period, these must be considered by the Licensing Committee at a further meeting to be held not later than 2 months after the date that the maximum tariff was scheduled to come into force. At this time the Licensing Committee could either implement the fares as originally advertised or revise them accordingly, in either case having fully considered the objection(s) made.
- 4.3 If following the advertising of any proposed increase to the tariffs there are no objections received, the new fares will come into effect at the end of the 14 day period without further need for consideration by Licensing Committee. A flow chart to illustrate the full process is attached at **Appendix B**.
- 4.4 By way of consultation, all existing drivers, vehicle proprietors and companies were written to on 12 August 2014 with details of the proposed increase in tariff and given opportunity to comment or propose any alternative solution. A copy of the letter is attached as **Appendix C**.
- 4.5 Following consultation, two responses were received both of which fully support the increase in tariff. However, whilst in support, one response in particular proposed an amendment to the level of fee charged for 'extras'. Extras have not been increased for at least 9 years and are a supplementary charge to the metered fare in respect of each additional passenger over one.
- 4.6 The TTCG members were emailed on 16 September 2014, with full details of the consultation responses and asked for any comment in order

to inform the content of this report and to assist to establish the most appropriate recommendation going forward. There were no further comments received other than the matter highlighted in 4.7.

- 4.7 Since sending the email as identified in 4.6, the element of the representation relating to the 'extras' has been withdrawn in writing meaning in essence that all drivers and proprietors are in agreement with the proposed increase in tariff as originally submitted.
- 4.8 Tariffs in Brentwood have not been increased for over three years although clearly the costs to the trade have increased, for example higher fuel prices, increased maintenance costs, increases in insurance premiums, inflation etc.
- 4.9 The trade believe that given the increase in operating costs the proposed increase in tariff represents a modest request, which retains fares in real terms at a lower level that when last increased in August 2011.
- 4.10 The following chart illustrates a comparison between the current and the proposed fares on the basic tariff one charge:

	Start	1 Mile	2 Miles	5 Miles	10 Miles
Current Maximum Tariff	£2.80	£3.80	£6.00	£12.40	£23.00
Proposed Maximum Tariff	£3.00	£4.20	£6.40	£13.00	£24.00

All other elements of the current tariff, such as extras, soiling charges, London Congestion charge etc, are proposed to remain the same.

5. Comparison with other Essex Authorities

- 5.1 Comparing tariffs between different authorities is not straight forward as there are differences not only in the rates charged but also with the distance covered.

For example under the new proposal, a Brentwood meter commences at £3.00 with an addition of 20p after the first 840 yards and a further addition of 20p after each subsequent 189 yards. By comparison, Harlow meters (which also commence at £3.00) increase by 20p after the first 219 yards and by a further 20p with each subsequent 148 yards. This means that the authority with the cheapest initial fare is not necessarily the cheapest over 1 mile, 2 miles etc.

- 5.2 The fares on tariff 1, taking into account the proposed increase will leave Brentwood approximately around the median figure for fares within Essex on journeys of up to 1 mile.
- 5.3 The chart at **Appendix D** highlights that there are four cheaper Essex authorities on journeys of a mile although there are 6 authorities that charge the same as Brentwood.
- 5.4 As shown on the fares comparison Brentwood's position within Essex becomes progressively higher with each additional mile covered. At two miles Brentwood would be the third highest in Essex and at 5 miles Brentwood becomes the highest.
- 5.5 Nationally Brentwood currently sit 98th of 365 authorities when comparing costs for tariff 1 over a distance of 2 miles. Colchester (13), Chelmsford (jt 68), Maldon (jt 68) and Harlow (72) are higher on the National average tables.
- 5.6 It should be noted however; that most Essex authorities have not increased their maximum fares for at least 2 to 3 years and that the above comparisons are likely to change on the basis that a number of the other authorities have indicated that they are looking at a possible increase in the near future.

6. References to Corporate Plan

- 6.1 The proposals contained within this report link directly to the following priorities of the corporate plan:

A prosperous Borough – “Safeguarding public safety through a risk based regulation and licensing service.”

7. Implications

Financial Implications

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- 7.1 There are costs involved in advertising the proposals and in dealing with any other matters that may arise from the proposed increase, including the costs associated with printing of new tariff cards and calibration of taxi meters. However, these costs are directly attributable to the taxi trading accounts and recovered by the Council through licence fees. It is not anticipated that there will be any additional or hidden costs relating to any increase in tariffs.

Legal Implications – Monitoring Officer Comment

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Any decision to increase tariffs may be challenged by way of appeal to the Magistrates Court or by Judicial Review of the decision. It is essential that all procedures are conducted in full accordance with the provisions of section 65 (1) to (7) of the Act as failure to do so may result in heavy cost implications in respect of any successful litigation.

8. Appendices to this report

- **Appendix A** – Current and Proposed Tariff
- **Appendix B** – Process Flow chart
- **Appendix C** - Consultation Letter to Proprietors and Drivers
- **Appendix D** - Essex Comparison Chart

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