

**11 November 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. Recommendations**

- 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 in December 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 A previous request for an increase in tariff was submitted at the TTCG held on 4 August 2014, which was considered and rejected by Licensing Committee on 13 October 2014.
- 3.5 Following the Licensing Committee held on 13 October 2014, the trade submitted a revised proposal, which is attached as **Appendix A**. This proposal was discussed and formally submitted at a TTCG meeting held on 3 November 2014.
- 3.6 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 process is attached at **Appendix B**.
- 4.4 Whilst there is no formal consultation process other than identified in paragraph 4.1, it is normal practice to consult all existing drivers, vehicle proprietors and companies to make them all aware of the proposed increase in tariff and to give opportunity to comment or propose any alternative solution. Whilst traditionally this has been undertaken prior to a committee meeting it is proposed on this occasion that it be undertaken in unison with the newspaper advert. This will still ensure that full consultation takes place and that all drivers will be adequately informed.

- 4.5 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.
- 4.6 The trade believe that given the increase in operating costs the proposed revised increase in tariff represents a modest request, which retains fares in real terms at a lower level that when last increased in August 2011.
- 4.7 The following chart illustrates a comparison between the current and the proposed fares on the basic **tariff 1** charge which has effect during the day (except Sunday) between 6am and 8pm (until only 6pm Saturdays):

	<b>Start</b>	<b>1 Mile</b>	<b>2 Miles</b>	<b>5 Miles</b>	<b>10 Miles</b>
Current Maximum Tariff	£2.80	£3.66	£5.81	£12.25	£22.98
Proposed Maximum Tariff	£3.00	£3.89	£6.12	£12.81	£23.95

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 1053 yards and a further addition of 20p after each subsequent 158 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 C** provides full benchmarking figures for Essex authorities, however, these are for information only and **must not** influence a decision on any increase, which must be based on the relevance to Brentwood alone.

- 5.4 It should be noted however; that most Essex authorities have not increased their maximum fares for at least 2 to 3 years.

## **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** - Essex Comparison Chart

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