

Review of the Hackney Carriage Tariff

Licensing Committee

Date: 8 September 2016

Author:	Licensing Manager
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1 To consider a change to the maximum scale of fares for licensed Hackney Carriage operators in the Borough. There is one proposal before the Committee.
- 1.2 It is requested by Mr Mark Bates the Chairman of the Swindon Hackney Association that the Councils Licensing Committee consider a reduction in the current Fare table which has the support of 90 drivers. A letter from the Swindon Hackney Association and signed by the ninety licensed drivers is at Appendix A.
- 1.3 The current scale of fares which has been in operation since 1 August 2016 is shown at Appendix B
- 1.4 The proposed scale of fares which has a reduction from 30p to 20p on the night rate only is shown at Appendix C

2. Recommendations

That Committee:

- 2.1 Considers the proposal for a decrease in the Hackney Carriage Tariff as Appendix A;
- 2.2 Based on the information available, agrees a draft maximum scale of fares for consultation which is lower than the existing scale of fares will be subject to consultation as required by the Local Government (Miscellaneous Provisions) Act 1976.

3. Detail

- 3.1 It is at the Council's discretion to set a meter tariff for licensed Hackney Carriages operating within the Borough.
- 3.2 Councils are not obliged to set a maximum fare for their area, and they could decide instead to rely on market forces to establish the going rate, and at the same time promote competition.
- 3.3 In the past and in accord with the approach taken by most other Councils, Swindon Borough Council has chosen to set a tariff. The Office of Fair Trading does not recommend that Councils remove pricing restrictions for taxis and recognises that whilst there may be some good reason for deregulating fares, on balance, arguments for applying controls are stronger. It does however, recommend that local authorities should only set fare tariffs which represent the

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maximum that can be charged, and not set fixed or minimum fares. This statement is shown on the tariff card that is currently issued to all vehicle proprietors.

- 3.4 The current scale of taxi fares set by Swindon Borough Council is attached as part of Appendix B to this report. The last increase became effective on 1st August 2016 following a committee decision to approve an increase in the previous tariff. Since the implementation of the current tariff the trade have realised that unit price of 30p on the night rate has the effect of increasing the fare disproportionately to that of the same journey on the day rate. The difference has been put at around 50% and they feel this should be adjusted at the earliest opportunity. This reduction will of course benefit the travelling public. Attached as Appendix D and E; are examples which have been supplied by the Swindon Hackney Association in the difference in cost between journeys of the same time and distance on the current day rate compared to the night rate.

As you can see there is a substantial difference, not until these new fares were actually in operation for customers did it become apparent that the increase to 30p in the unit price on the night rate, after the meter had reached £11.10 would be so significant. The trade are of the opinion that their business cannot sustain this level of increase.

- 3.5 The taxi tariff may be reviewed at any time and is usually done so at the request of the trade.
- 3.6 Any taxi tariff set by the Council is the maximum any hackney carriage driver can charge for a journey although they are at liberty to charge less than the approved tariff if they choose to do so. They do, however have to activate their meter for any journey commencing within the Borough.
- 3.7 Committee may also resolve that the taxi tariff be reviewed at regular intervals no greater than 24 months or sooner if changing circumstance require, without the need for application from the trade. This would also be subject to the statutory consultation.
- 3.8 The tariff does not apply to private hire drivers who set their own fares, without council intervention.

4. Consultation with the trade

- 4.1 There is only one proposal for a revised Hackney Carriage tariff from the trade as attached as Appendix A. Whilst there has been no direct or formal consultation with individual drivers this proposal has been considered through the Taxi Forum Members.
- 4.2 There are currently 163 hackney carriage drivers licensed by SBC.

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- 4.4 It is normal practice that the trade reach agreement through a majority vote amongst licence holders, and a recommendation reflecting this is normally given by Officers.
- 4.5 Members may recall that at the 7th June 2016 Licensing Committee, the current tariff was approved and it was agreed that there would be a review in six months. The tariff was advertised as required by the Local Government (Miscellaneous Provisions) Act 1976, and no objections were submitted and the tariff was implemented. However it has become apparent that the fares on the night rate once having reached the tick over rate of £11.10 are increasing at a rate far higher than anticipated.
- 4.6 If approved, the tariff will be subject to a 14 day consultation and is anticipated to be implemented on 1st October 2016. Where an objection is received within the 14 day period, the Council will set a date no later than 2 months after the first specified period, on which the table of fares will come into force with or without modification as decided by them after having considered all objections.

5. Conclusion

- 5.1 There is evidence of a majority vote; it is recommended that the Committee agree the decrease for consultation.

The options for the Committee are as follows:

- To remain with the existing tariff
- To agree with the proposal as Appendix A

- 5.2 If Members choose to reject the request the tariff will remain at that set in August 2016.

6. Implications, Diversity Impact Assessment and Risk Management

- 6.1 A DIA has not been undertaken at this stage as it is only proposed for consultation

7 Financial and Procurement Implications

- 7.1 There are no direct financial implications arising from the report.
- 7.2 An increase in the taxi tariff would not impose additional costs nor generate any income for the Council.
- 7.3 There will be cost to the Council in terms of officer time in the carrying out of the consultation and implementing any change and financially for the advertising of the proposed tariff in the newspaper. The exact quantity of this cost has not yet

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been established but is estimated to be in the region of £1000. This can be met from existing budgets.

8 Legal and Human Rights Implications

- 8.1 Legal and Human Rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention Rights as they fully in accord with the requirements of relevant legislation. The Council is required to comply with the statutory provisions referred to in the report, which the adoption of this policy \ regime will ensure it does. All legal, human rights and other relevant implications have been considered in the preparation of this report.

9. Consultees

The Director of Law and Democratic Services (Monitoring Officer) is consulted in respect of all reports.

10. Appendices

- 10.1 Appendix A – Driver petition in support of Fare proposal from Mr Mark Bates Swindon Hackney Carriage Drivers Association
- 10.2 Appendix B Current fare tariff (in force since August 2016)
- 10.3 Appendix C Amended fare proposal from the Hackney Association
- 10.4 Appendix D examples of the difference in fares (Author Andrew Lucas)
- 10.5 Appendix E examples of the difference in fares (Author Mark Bates)