

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET MEETING OF 29th November 2021

PUBLIC REPORT: Y

EXEMPT REPORT: N

Report Title	Review of Taxi Tariff Rates.
KEY DECISION	Yes
Report Author	Jess Nichols – Senior Licensing Officer
Purpose of Report	To consider and approve the increase in the taxi tariff set by the Council for Hackney Carriage Fares in Harborough District.
Reason for Decision	To provide a transparent and evidence-based process for calculating Taxi fees
Portfolio (holder)	Cllr P Dann
Corporate Priorities	Supporting businesses and residents to deliver a prosperous local economy
Financial Implications	<p>There are no direct financial implications for the Council with respect to this report as the taxi tariffs set the maximum amount the trade can charge their passengers (no income is receivable by the Council).</p> <p>The financial impact on the taxi trade is set out in the body of the report.</p>
Risk Management Implications	None in this report directly impacting the Council.
Environmental Implications	None in this report directly.
Legal Implications	By virtue of Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, a local authority may fix the rate of fares within the district in respect of hire of hackney carriages. Under this legislation the Council has the power to set the fares charged for hackney carriage journeys and thereby effectively controlling the income of hackney carriage proprietors. This is the only power Councils have to set the level of income for other people.
Equality Implications	None in this report
Data Protection Implications	None in this report
Consultation	Any proposed increase must be advertised in at least one local newspaper specifying the date, not less than 14 days from the publication of notice, on which, subject to there being no objections, the changes come into effect.

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Options	<p>Option 1 to do nothing would not allow the increase to be implemented.</p> <p>Option 2 is to allow the increase, subject to the outcome of the consultation, which meets the request received from the Taxi Trade.</p>
Background Papers	
Recommendation	<ol style="list-style-type: none">1. That the increase in Hackney Carriage Fares be agreed for public consultation as set out in Appendix A;2. Delegation is given to the Director, Law and Governance and Monitoring Officer (VW) in consultation with the relevant Cabinet Member to consider any representations received and;3. Subject to the outcome of the consultation set out in 1 and 2 above the new Hackney Carriage Fare would take effect in accordance with the timeframes set out in section 2.8 in the body of the report.

1. Introduction

1.1 Section 65 of the Local Government Miscellaneous Provisions Act 1976 gives a Local Authority the power to fix the rates or fares of Hackney Carriages within its area (as well as all other charges in connection with the hire of the vehicle) by means of a table of fares.

2 Key Facts

2.1 It has been over 4 years since the last fare increase was approved by the committee and at the last review in 2018 the proposal was rejected. In real terms this means that drivers have not had a pay increase since 2017.

2.2 The tariff was last increased by 5% on 1st September 2017 following approval of the tariffs at an Executive Meeting on the 24th July 2017.

2.3. It is important to ensure that the tariff reflects a maximum charge that covers the costs incurred by good proprietors who spend whatever is necessary to ensure high standards of Hackney Carriage Vehicles, which in turn increases passenger safety and public confidence in the trade.

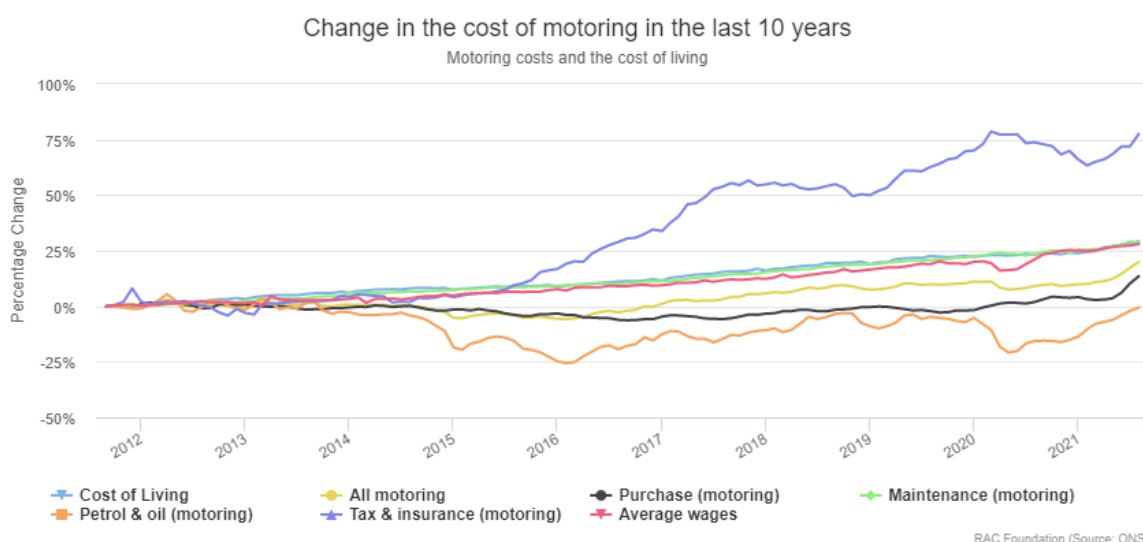
2.4 Taxi Tariffs in Harborough District are currently the most expensive across Leicestershire. Across the English Councils Harborough is in the top quartile of most expensive taxi tariffs being 61st out of 359 Councils. The table below compares the prices of a two-mile journey in a Hackney Carriage amongst Local Councils and across the UK:

Local Authority	Position	Current Two-Mile Hackney Fare in Tariff 1.
Blaby District Council	298/359	£5.30
Charnwood Borough Council	160/359	£6.05
Hinckley and Bosworth Borough Council	255/359	£5.60
Harborough District Council	61/359	£6.68
Leicester City Council	220/359	£5.80
Melton Borough Council	303/359	£5.30
North West Leicestershire District Council	290/359	£5.60
Oadby and Wigston Borough Council	351/359	£4.40

*Sourced from the “Private Hire and Taxi Monthly – Taxi Fare League Tables – October 2021” (<https://www.phtm.co.uk/taxi-fares-league-tables/2021-10>)

2.5 That said it is acknowledged that there has been a significant increase in costs to proprietors to operate their vehicles, including the provision of staff, fuel, and insurance premiums. In view of this the proposed increase has been calculated on the current RPI figure of 4.8%. Based on this increase a two mile Hackney fare in tariff 1 would increase to £7.09.

2.6 The RAC foundation tracks changes in petrol and diesel prices based on weekly data provided by the Office of National Statistics. They provide a useful graph which shows the change in motoring costs of the past 10 years. (There is an interactive link here: <https://www.racfoundation.org/data/cost-of-motoring-index>)



2.7 Hackney drivers are licenced by the Council and the duration of each licence is three years. There is an annual review of the licence fees, and the table below sets out the costs of the licence for the past three years.

Total Cost for Hackney Carriage Three Year Drivers Licence				
	2016-17	2017-18	2018-19*	2020-21**
New Application	£280 ≈ £93.33 per annum	£300 ≈ £100.00 per annum	£346 ≈ £115 per annum	£387 ≈ £129 per annum
Renewal	£216 ≈ £72.00 per annum	£240 ≈ £80.00 per annum	£261 ≈ £87.00 per year	£295 ≈ £98.34 per annum

* The introduction of Child Sexual Exploitation training for new drivers in 2018-19 and increased costs associated with processing Disclosure and Barring Service (DBS) checks for all drivers has increased the cost of the licence fee.

** There are additional pricing structures available to reduce the cost, including provision of DBS by 3rd Party.

2.8 The proposed tariff structure for 2021 is set out in Appendix A. Subject to the approval of Recommendation 1, the tariff structure must be open for public consultation. The Local Government (Miscellaneous Provisions) Act 1976 lays down a statutory procedure for varying fares charged by hackney carriage drivers. This procedure involves giving public notice of the proposed changes and a 14-day objection period. If objections are made, they must be considered by the Cabinet Member before the proposed fare changes or any alternative can be implemented.