



Taxi Fare Tariff increase

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| Chief Officer Responsible: | Lydia Rusling , Director for Place and Prosperity Tel: 01664 502582 lrusling@melton.gov.uk |
| Lead Member/Relevant Portfolio Holder | Cllr Steve Carter Chair of Taxi and General Licensing Committee |

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| Corporate Priority: | SHAPING PLACES – Sustainable growth & Infrastructure |
| Wards Affected: | All Wards |
| Date of consultation with Ward Member(s): | N/A |
| Exempt Information: | No |

1 Summary

- 1.1 The purpose of this report is to present to the Licensing Committee, a request made by 14 Hackney Carriage drivers within Melton to increase the tariff charges and amend the time to the daytime & nighttime hours.

2 Recommendations

That Committee:

- 2.1 Support the tariff and time changes proposed or considers any further changes which may be appropriate.
- 2.2 Delegates authority to the Director for Place and Prosperity to undertake the statutory public consultation.
- 2.3 Delegate authority to the Director of Place and Prosperity to consider any objections received and, in consultation with the Chair, to approve the final table of fares.

3 Reason for Recommendations

- 3.1 It is 5 years since the last fare increase. Since that time the Taxi trade have experienced inflationary costs and have provided a service through the pandemic. The increase will

take into consideration the increased impact to drivers of the cost of living, increases in the national minimum wage and running costs for vehicles.

- 3.2 The drivers concerned have highlighted the issue of taxi availability in the evening & nighttime and proposes amendment to the nighttime rate to 7pm – 7am and the daytime rate from 7am to 7pm in an effort to encourage more drivers to work the nighttime economy.

4 Background

- 4.1 The request to consider an increase to the Hackney Carriage Tariff was received by the Licensing section from a representative of the Melton Hackney Carriage drivers, supported by 14 drivers **Appendix 1**. The drivers that were canvassed felt that the fares required increasing due to inflation, particularly the cost of insurance and cost of living and because it has been 4 years since they were last reviewed and increased.
- 4.2 A district council has the power to set fares for Hackney Carriages under the provisions of s65 of the Local Government (Miscellaneous Provisions) Act 1976 ('the Act').
- 4.3 There is a prescribed process that should be followed by a Local Authority when considering a tariff increase, this is attached as **Appendix 2**.
- 4.4 If there is to be an increase in the tariff, this should be a balanced approach that ensures that the demand for the use of Hackney Carriages continues and that the cost of providing the service reasonably reflects the cost of running such a service.
- 4.5 The increases requested reflect the increase in cost of providing a taxi service since the last increase in 2021, taking into consideration running cost increases, e.g. insurance, fuel, minimum wage increases etc.
- 4.6 A table of current and proposed fares has been created **Appendix 3**. The new proposed figures were calculated by a hackney driver representative in consultation with a company who installs and programs taxi meters, to ensure the fares calculated offer a workable and proportionate increase without being excessive.
- 4.7 A minimum running cost was calculated using the same formula used back in 2014 to justify the basic mileage rate starting in Tariff 1 **Appendix 4**.
- 4.8 The justification the drivers have provided for requesting a fare review can be found in **Appendix 5**.
- 4.9 The Table of Fares applies to journeys starting and finishing within the Melton Borough and is there to regulate the cost for residents of the Borough. Any fare for a journey outside the Borough may be at a fare fixed by prior agreement with the driver and hirer.

5 Main Considerations

- 5.1 The new proposed fares seek to add a small amount to the basic fare whilst the vehicle is moving.
- 5.2 The driver proposing the fare increase has referenced a league table published on 'The Private Hire and Taxi Monthly' website which compares the cost of a 2 mile journey in all 341 Councils (**Appendix 6**) and can be viewed here:
<https://www.phtm.co.uk/newspaper/taxi-fares-league-tables>.
- This shows that Melton is 273 / 341, so only 20% of authorities have a lower fare rate.
- 5.3 A look at the Bank of England inflation calculator
<https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>.

A £10.00 fare in 2021 is equivalent to a £12.11 fare (Nov 2024).

- 5.4 The proposed fare increase would equate to roughly the following, for a 2 mile journey not including any waiting time*:

| Tariff | Currently | Proposed |
|---------------|------------------|-----------------|
| 1 | £6.40 | £7.70 |
| 2 | £7.90 | £9.20 |
| 3 | £9.70 | £10.90 |
| 4 | £12.80 | £14.00 |
| 5 | £19.00 | £20.40 |

*Please note these are estimates due to variations in waiting times at traffic lights, road junctions etc.

6 Options Considered

- 6.1 Reject the proposed increase in fares.
- 6.2 Amend the proposed fares and commence the public consultation process.
- 6.3 Approve the increase in fares and commence the public consultation process.

7 Consultation

- 7.1 The proposed fare increase would be advertised in The Melton Times and a minimum of 14 days allowed for comments to be submitted. It would also be displayed on the Melton Borough Council website and be available for viewing at reception during office opening times.

8 Next Steps – Implementation and Communication

- 8.1 After consultation if no objections are received, the table of fares or variation shall come into operation on the date of the expiration of the period specified in the notice for making objections.
- 8.2 If objections are received, the council shall set a further date, not later than two months after the first specified date, on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.
- 8.3 The date for implementation is delayed allowing time to consider any objections received and, in accordance with section 65 of the Act, a new date is set for the table of fares to come into force. This may be that they are accepted as proposed, further modified or rejected. The Committee is being asked to consider the proposal and delegate authority to the Director of Place & Regeneration to decide whether to accept or reject the new fare structure in consultation with the Chair.

9 Financial Implications

- 9.1 An increase in the taxi tariff would not impose additional costs nor generate any income for the Council.
- 9.2 There is 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 proposed tariff in the newspaper. The newspaper advert costs £980.84 + VAT plus officer time. The exact

quantity of this cost has not yet been established but is estimated to be in the region of £1,500. This can be met from existing budgets.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 The legal process for considering and implementing changes to the tariff of fares is set out above. Once any new tariff of fares comes into effect the existing tariff shall cease to have effect and all Hackney taxi drivers will be entitled to charge the revised fares. In practice, it is suggested that a 2 week grace period is allowed for all drivers to move to the new fare structure, to allow time to have their meters recalibrated and a new calibration certificate issued.
- 10.2 When considering whether to approve the proposed increases the Committee should have regard to the likely impact on the licensed trade and of those who use licensed vehicles. This will include balancing any potential negative impact on drivers if the fares are not increased and the potential negative impact on users if they are increased.

Legal Implications reviewed by: Monitoring Officer

11 Equality and Safeguarding Implications

- 11.1 We have considered those with disabilities and other mobility issues who are reliant on Hackney carriages as a means of transport could be disadvantaged by this increase. Therefore, the consultation will engage with representative groups and draw their attention to the process for revising fares so they have a chance to participate.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed for the following reasons because there are no risks/issues to the rights and freedoms of natural persons.

13 Community Safety Implications

- 13.1 There are no community safety implications

14 Environmental and Climate Change Implications

- 14.1 There are no implications for Climate Change.

15 Other Implications (where significant)

- 15.1 None

16 Risk & Mitigation

| Risk No | Risk Description | Likelihood | Impact | Risk |
|---------|---|-------------|------------|------|
| 1 | Negative public reaction to the increase in fares | Low | Negligible | 1 |
| 2 | Cost to drivers to recalibrate their meter. | Significant | Negligible | 1 |
| 3 | Impact on drivers' income if fare increase isn't approved after 5 years | Significant | Critical | 3 |

| | | Impact / Consequences | | | |
|------------|---------------------|-----------------------|----------|----------|--------------|
| | | Negligible | Marginal | Critical | Catastrophic |
| Likelihood | Score/ definition | 1 | 2 | 3 | 4 |
| | 6 Very High | | | | |
| | 5 High | | | | |
| | 4 Significant | 2 | | 3 | |
| | 3 Low | 1 | | | |
| | 2 Very Low | | | | |
| | 1 Almost impossible | | | | |

| Risk No | Mitigation |
|---------|--|
| 2 | The request to consider a fare increase has come from drivers themselves who have carried out their own research and have had input into the proposed fees |

17 Background Papers

17.1 www.melton.gov.uk/hackney-carriage-and-private-hire-licensing-policy-2021.pdf

17.2 <https://www.phtm.co.uk/newspaper/taxi-fares-league-tables>

18 Appendices

18.1 Appendix 1: Proposed rates and signatures

18.2 Appendix 2: Fare / Tariff increase process

18.3 Appendix 3: Table of current & Proposed fares

18.4 Appendix 4: Formula to calculate running costs

18.5 Appendix 5: Justification for fare review

18.6 Appendix 6: Comparison to other authority's fares