

LICENSING AND REGULATORY COMMITTEE

14th JANUARY 2019

REPORT OF ASSISTANT DIRECTOR OF PLANNING AND REGULATORY SERVICES HACKNEY CARRIAGE TARIFF INCREASE

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to present to the Committee a request made by the Hackney Carriage drivers within Melton to consider an increase in the tariff charges.

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- (i) the tariff is proposed to be increased in line with the prevalent opinion of the drivers expressed in the letter provided by a representative of the Drivers on 18 October 2018 (it is not recommended to change the table of fares to apply other than the Borough of Melton Mowbray as this will have serious affect on other sections of the Hackney carriage and Private Hire trade).
- (ii) It is further recommended that Assistant Director of Planning and Regulatory Services the be delegated authority to consider any objections against an increase of the tariff. If the objection is considered to be contentious, the objection will be reported back to the Committee at the next meeting for consideration.
- (iii) It is recommended that the Assistant Director of Planning and Regulatory Services be delegated authority to consider an annual increase to the Hackney Carriage Tariff in line with the guidelines below (see para 3.7), i.e., authority to determine an increase up to, but not exceeding, the RPI on an annual basis.

3.0 KEY ISSUES

- 3.1 The request to consider an increase to the Hackney Carriage Tariff was received from a representative of the Melton Hackney Carriage drivers. The drivers explain that he has canvassed felt that the fares required increasing due to inflation, particularly the cost of fuel and because it has been over 4 years since they were last reviewed. **Appendix 4 (a) & (b)**
- 3.2 A Local Authority has the power to set fares for Hackney Carriages under the provisions of s65 of the Local Government (Miscellaneous Provisions) Act 1976.
- 3.3 There is a prescribed process that should be followed by a Local Authority when considering a tariff increase, this is attached as **Appendix 1**.
- 3.4 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.
- 3.5 The increases requested may not adequately reflect the increase in cost of providing a taxi service since the last increase in 2014, taking into consideration

running cost increases, e.g. fuel, insurance, minimum wage increases etc as no supporting evidence has been supplied.

- 3.6 The increase that has been proposed shows an increase of around 11 - 20% on the first 1/3 mile and 12.5% on each mile thereafter. A table of proposed fares has been created **Appendix 2**.
- 3.7 Objections are anticipated against the tariff increase and s65 of the LG(MP)Act 1976 requires that the objections must be considered. It is considered that unless an objection is contentious, it is suggested that the objection could be reasonably dealt with by the Assistant Director of Planning and Regulatory Services.
- 3.8 It was also requested that the fare system apply only for the LE13 postcodes as the drivers do not find it financially viable to travel to the outlying villages to provide transportation.
- 3.9 The Table of fares currently applies to journeys starting and finishing within the Melton Borough and are there to regulate the cost for residents of The Borough. Any fare being outside the borough is permitted to be by prior agreement with the driver and hirer.
- 3.10 Private hire vehicles are available to be booked by prior agreement and if it were allowed would adversely affect that trade.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 If the tariff increase is agreed as per the recommendation there would be no changes to the existing taxi policy, nor any corporate implications.
- 4.2 If the fare structure was not to apply to the whole Borough then the Policy would need to be amended **Appendix 3**.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 An increase in the taxi tariff would not impose additional costs nor generate any income for the Council.
- 5.2 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 proposed tariff in the newspaper. The exact quantity of this cost has not yet been established but is estimated to be in the region of £1500. This can be met from existing budgets.

6.0 **LEGAL IMPLICATIONS/POWERS**

- 6.1 The legal basis for considering changes to the tariff and the procedure to be followed is set out above. Upon the adoption of a new taxi tariff the existing tariff within the Borough shall cease to have any effect and all drivers will be bound to the new approach.

7.0 **COMMUNITY SAFETY**

- 7.1 There are no community safety issues to be considered with a taxi tariff increase.

8.0 **EQUALITIES**

- 8.1 There are no equalities issues to be considered.

9.0 **RISKS**

9.1 Risks associated with this proposal are considered as follows:

L I K E L I H O O D	A	Very High				
	B	High				
	C	Significant				
	D	Low			1,2	
	E	Very Low				
	F	Almost Impossible				
			Negligible 1	Marginal 2	Critical 3	Catastrophic 4
		IMPACT				

Risk No.	Description
1.	Negative public reaction to the increase in fares
2.	Opposition from some drivers resulting in a protracted process and disputes played out in public
3.	Reduced competitiveness for Melton taxis

10.0 **CLIMATE CHANGE**

10.1 There are no implications for Climate Change.

11.0 **CONSULTATION**

11.1 Consultation would be carried out as part of the process of adopting any tariff increase.

12.0 **WARDS AFFECTED**

12.1 All.

Contact Officer: Simon Greensmith, Licensing & Compliance Officer

Date: 18th December 2018

Appendices :
1 - Statutory procedure
2 - Tariff Proposals
3 – Hackney Carriage & Private Hire Policy 2018
4 – Letters from Taxi representative

Reference : Q : Committee