

# Decision Pathway – Report



**PURPOSE:** Key decision

**MEETING:** Cabinet

**DATE:** 12 July 2022

<b>TITLE</b>	<b>Hackney Carriage Fare Review</b>		
<b>Ward(s)</b>	City-wide		
<b>Author:</b> Jonathan Martin	<b>Job title:</b> Licensing & Trading Standards Manager		
<b>Cabinet lead:</b> Cllr Don Alexander, Cabinet Member for Transport	<b>Executive Director lead:</b> Stephen Peacock, Executive Director Growth and Regeneration		
<b>Proposal origin:</b> <i>Other</i>			
<b>Decision maker:</b> Cabinet Member <b>Decision forum:</b> <i>Cabinet</i>			
<b>Purpose of Report:</b>			
<ol style="list-style-type: none"> <li>To seek approval from Cabinet for a revised table of fares for Hackney Carriage Vehicles.</li> </ol>			
<b>Evidence Base:</b>			
<ol style="list-style-type: none"> <li>The ability of the Council to set fares lies with the Council’s Executive and can assist with the delivery of an efficient public transport system.</li> <li>The Council must apply this power reasonably as the fixing of a market price for fares within the city boundary has a direct impact on the ability for a hackney driver to make a living.</li> <li>The authority to fix fares for Hackney Carriages operating in the council boundary is derived from S.65 of the Local Government (Miscellaneous Provisions) Act 1976.</li> <li>It is one of the few areas of taxi licensing decision making that does not fall to the Public Safety and Protection Committee.</li> <li>The last fare review took effect in October 2018 with significant percentage increases across the tariffs with some in excess of 11%</li> <li>Prior to this review it was set in 2013.</li> <li>The relative gap between the fare setting processes explains the above inflationary increases across the different tariffs.</li> <li>To avoid a repeat of this position, the council committed to undertake annual fare reviews. This has been done, however, in successive years trade representatives have requested that fares are not increased and have remained static since 2018.</li> <li>On 17<sup>th</sup> March 2022 a revised fare submission was received from trade representatives. It proposes a number of changes to the existing tariff. In addition to increases in certain it also proposes some key changes to timings and start and end time of weekends: <ul style="list-style-type: none"> <li>Bringing forward the night rate to start at 20.00hrs. Currently it is 21.00 hrs, with a proposed change to 20.00. The same proposal was advanced by the trade at the last fare review when the end/start time was 22.00hrs. The compromise agreed and in the current fare tariff is 21.00.</li> <li>Bring forward the weekend rate to start at 20.00hrs Friday evening. As a concession to this, end the weekend rate at 20.00pm Sunday evening i.e. treating a weekday night.</li> </ul> </li> </ol>			

- N.B there is no proposed change to tariff 5 & 6 covering bank holidays and Christmas periods

10. Changes to the tariff in addition to the timings outlined above:

Tariff Rate	1 Mile Journey			3 Mile Journey		
	Current Cost	Proposed cost & % change		Current cost	Proposed cost & % change	
<b>1- Day Rate</b>	£4.40	£4.80	9%	£8.40	£9.20	9.5%
<b>2- Night Rate</b>	£5.50	£5.70	3.6%	£10.10	£10.70	5.9%
<b>3- Weekend day rate</b>	£5.00	£5.40	8%	£9.00	£9.80	8.8%
<b>4- Weekend night rate</b>	£5.60	£5.80	3.6%	£10.40	£11.00	5.8%
<b>5- Public holidays</b>	£6.40	Freeze		£13.00	Freeze	
<b>6- Xmas &amp; New Year</b>	£7.40	Freeze		£14.00	Freeze	

11. To help advance discussions, and following briefings with Cllr Alexander, Executive Member for Transport, and informal consultation with trade representatives the following agreement was reached:

- **Increases to Tariff 1,2,3,4 as proposed as set out above.**
- **Request to begin night tariffs at 20.00 rejected and be maintained at current start time of 21.00.**
- **Weekend night rate to start at 00.01hrs Saturday morning therefore targeting night-time economy.**
- **Sunday night to be maintained as current weekend night rate tariff.**

12. Once a decision is made to vary the table of fares the legislation requires the Council to allow a period of at least 14 days in which objections can be made. If no objections to the variation are made or are withdrawn, the variations to the table of fares will come into operation. Any objections which are received and are not withdrawn, should be considered and a new date set for the table of fares to come into force within two months, either with or without modifications.

#### **Cabinet Member / Officer Recommendations:**

That Cabinet

1. Approve the revised table of fares in respect of Hackney Carriage Vehicles.
2. Note the statutory objection process as outlined in this report.
3. Authorise the Executive Director for Growth & Regeneration in consultation with the Cabinet Member for Transport, in the event objections are received and not withdrawn, to consider the objections and decide when the table of fares should come into force and whether this should be with or without modifications.

**Corporate Strategy alignment:** A thriving taxi industry provides cross-cutting contributions to the corporate strategy, As part of the public transport solution, increased use of the taxi's has a positive contribution towards carbon neutrality and reducing the effects of poor air quality. A balanced fare structure helps provide economic equality and growth for drivers and the wider Bristol economy.

**City Benefits:** Taxi's form an important part of the local public transport infrastructure. A taxi fare structure that provides a reasonable standard of living for drivers will help improve the relationship with the council. Faced with increased competition from app based booking providers, this is recognised as a difficult balance to maintain as any increase to the tariff may reduce their competitiveness within the marketplace.

#### **Consultation Details:**

- This is laid out in statute and comprises placement of advertisement in local press giving at least 14 days for objections to be made and a specified date when the revised tariff will have effect. Further advertisements must also be placed in council buildings.
- If no objections received the revised tariff has effect from specified date.
- If objections are received these must be considered and brought back for further direction within 2 months of original date leading to a decision to agree to the original table of fares or production of a revised fare tariff.

**Background Documents:**

[Local Government \(Miscellaneous Provisions\) Act 1976 \(legislation.gov.uk\)](http://legislation.gov.uk)

<b>Revenue Cost</b>	£n/a	<b>Source of Revenue Funding</b>	n/a
<b>Capital Cost</b>	£n/a	<b>Source of Capital Funding</b>	n/a.
<b>One off cost</b> <input type="checkbox"/>	<b>Ongoing cost</b> <input type="checkbox"/>	<b>Saving Proposal</b> <input type="checkbox"/>	<b>Income generation proposal</b> <input type="checkbox"/>

**Required information to be completed by Financial/Legal/ICT/ HR partners:**

**1. Finance Advice:** The report is requesting approval to increase the Hackney Carriage Fare Tariff as a result of the escalating costs of living. The last Annual reviews of the fare tariffs that resulted in an increase took place in 2018, so prices have remained static for 4 years.

The increase could be justifiable given the current economic climate, fuel price increases and with Consumer Price Index (CPI) for April 2022 running at 9.0% (March 2022 it was 7.0%). However, care needs to be taken to balance the needs of drivers to earn a living and customers who rely on the service. The table of tariffs is proposing a range of inflation changes from a freeze on Bank Holidays and Christmas up to 9.5% for a 3-mile journey day rate. Given current UK inflation rates and that backdated inflationary increases could be applied, these percentage increases seem reasonable.

There is no significant direct financial implication to Bristol City Council in the report proposal (as the Taxi owners will benefit from any fare increase). Any minor communication costs will be funded by Licensing Service revenue budget.

**Finance Business Partner:** Kayode Olagundoye, Interim Finance Business Partner for Growth and Regeneration – 27 May 2022

**2. Legal Advice:**

The proposals set out in the report are lawful. The fixing of fares is governed by section 65 of the Local Government (Miscellaneous Provisions) Act 1976 and provides that the Council may fix or vary a table of fares as well for a time as distance, and all other charges in connection with the hire of a hackney carriage vehicle. There is no legal requirement to consult upon the table of fares prior to it being varied although in the present case, a detailed non-statutory consultation was undertaken with members of the trade in conjunction with the relevant executive member.

Once a decision is made to vary the table of fares the legislation requires the Council to publicise the table in at least one local newspaper allowing a period **of at least 14 days** in which objections may be made. Consideration should be given to extending this statutory timescale.

If no objection to the variation is duly made within the objection period (the “Specified Period”) or if all objections so made are withdrawn, the variations to the table of fares shall automatically come into operation on the Specified Period or the date of withdrawal of the objection(s), whichever date is the later.

in the event objections are received and not withdrawn the Council must consciously consider them and set a further date upon which the table of fares shall come into force, with or without modifications, within two months of the

Specified Period.

The “decision” sought from Cabinet is to approve the proposed variation to the table of fares but due to the tight timescales involved in bringing a report back to Cabinet, in the event objections are received and not withdrawn, consideration should be given to the Mayor delegating authority to the Executive Director for Growth & Regeneration in consultation with the Executive Member for Transport to consciously consider the objections and decide when the table of fares should come into force with or without modifications.

**Legal Team Leader:** Anne Nugent in consultation with Regulatory Specialist Lawyer, Lynne Harvey 26 May 2022

**3. Implications on IT:** There are no direct IT implications evident. However, one of several barriers to digital inclusion is poverty and the cost of digital access to citizens, and therefore the cumulative financial impact of this proposal on regular taxi customers may impact what they can afford to spend in other areas of their lives, including internet access and/or mobile data.

**IT Team Leader:** Tim Borrett, Director: Policy, Strategy and Digital – 30 May 2022

**4. HR Advice:** There are no HR implications evident

**HR Partner:** Celia Williams, HR Business Partner 26 May 2022

<b>EDM Sign-off</b>	<b>Stephen Peacock, Executive Director Growth and Regeneration</b>	<b>24<sup>th</sup> May 2022</b>
<b>Cabinet Member sign-off</b>	<b>Clr Don Alexander, Cabinet Member for Transport</b>	<b>26<sup>th</sup> May 2022</b>
<b>For Key Decisions - Mayor’s Office sign-off</b>	<b>Mayor’s Office</b>	<b>30<sup>th</sup> May 2022</b>

<b>Appendix A – Further essential background / detail on the proposal</b>	<b>NO</b>
<b>Appendix B – Details of consultation carried out - internal and external</b>	<b>NO</b>
<b>Appendix C – Summary of any engagement with scrutiny</b>	<b>NO</b>
<b>Appendix D – Risk assessment</b>	<b>YES</b>
<b>Appendix E – Equalities screening / impact assessment of proposal</b>	<b>YES</b>
<b>Appendix F – Eco-impact screening/ impact assessment of proposal</b>	<b>YES</b>
<b>Appendix G – Financial Advice</b>	<b>NO</b>
<b>Appendix H – Legal Advice</b>	<b>NO</b>
<b>Appendix I – Exempt Information</b>	<b>NO</b>
<b>Appendix J – HR advice</b>	<b>NO</b>
<b>Appendix K – ICT</b>	<b>NO</b>