

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 04 July 2023

TITLE	Hackney Carriage Fare Review					
Ward(s)	City-wide					
Author: Dan Feeney	Job title: Interim Head of Culture & Creative Industries					
Cabinet lead: Cllr Donald Alexander, Cabinet Member for Transport	Executive Director lead: John Smith, Interim Executive Director Growth and Regeneration					
Proposal origin: <i>Other</i>						
Decision maker: Cabinet Member Decision forum: <i>Cabinet</i>						
Purpose of Report: To seek approval for a revised table of fares for Hackney Carriage Vehicles.						
Evidence Base:						
<ol style="list-style-type: none"> 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. 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. 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. It is one of the few areas of taxi licensing decision making that does not fall to the Public Safety and Protection Committee. The last fare review took effect in August 2022 with increases ranging between 5.8% to 9.5% based upon a mile journey. Due to the cost of living crisis, trade representatives submitted a request for a new revised table of fares to take effect (subject to agreement and necessary legal processes) from March 2023, however, due to the proximity of the last increase (August 2022) the decision was taken that no change was necessary at this time. As part of our ongoing commitment to the trade, representatives were instead invited to submit a new proposal in Spring 2023. This has been received and proposes fare increases across all tariffs, with the exception of tariff 5 (public holidays) which will remain frozen. The increases are detailed in the table below and based upon a 3-mile journey will see increases ranging from between 5.4% to 9.8%. In addition to the fare increases, across the various tariffs, a further request has been made to increase the cost of carrying additional passengers from 30p/passenger to 50p/ passenger. These increases are being justified on the basis of general cost of living rises and associated costs the trade are so sensitive to such as increased vehicle prices, parts, fuel and other general increases. Proposed changes to the tariff: 						
	Tariff Rate		1 Mile Journey		3 Mile Journey	
		Current Cost	Proposed cost & % change	Current cost	Proposed cost & % change	
	1- Day Rate	£4.80	£5.10 6.25%	£9.20	£10.10	9.8%
	2- Night Rate	£5.70	£5.90 3.5%	£10.70	£11.30	5.6%

3- Weekend Day rate	£5.40	£5.70	5.5%	£9.80	£10.70	9.2%
4- Weekend night rate	£5.80	£6.00	3.4%	£11.00	£11.60	5.4%
5- Public holidays	£6.40	Freeze		£13.00	Freeze	
6- Xmas & New Year	£7.40	£7.70	4%	£14.00	£14.90	6.4%

12. To assist Cabinet inform their decision, detailed below is comparative core city data (where available) of the two most common tariffs (accurate as of Spring 2023).

Tariff 1: Day Rate Comparisons		
Local Authority	1 Mile	3 Mile
	Current & (Proposed)	Current & (Proposed)
Bristol	£4.80 (£5.10)	£9.20 (£10.10)
Cardiff	£5.27	£9.41
Nottingham	£6.08	£10.48
Leeds	£5.90	£10.50
Manchester	£4.49	£9.33
Sheffield	£4.80	£8.40
Birmingham	£4.78	£8.62

Tariff 2: Night Rate Comparisons		
Local Authority	1 Mile	3 Mile
	Current & (Proposed)	Current & (Proposed)
Bristol	£5.70 (£5.90)	£10.70 (£11.30)
Cardiff	£5.51	£10.19
Nottingham	£6.27	£11.07
Leeds	£6.70	£11.30
Manchester	£6.09	£12.73
Sheffield	£5.00	£8.60
Birmingham	£5.44	£9.52

13. 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:

No consultation. If agreed, the statutory process is triggered which includes the need for statutory consultation.

Background Documents:

Proposal submitted by the Bristol Blue Licence Taxi Association- see appendix A.

[Local Government \(Miscellaneous Provisions\) Act 1976 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/1976/10)

Revenue Cost	£n/a	Source of Revenue Funding	n/a
Capital Cost	£n/a	Source of Capital Funding	n/a.
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <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 in line with the Council's committed to reviewing fares on annual basis to ensure that Fares are sufficient to cover cost increases brought about by various costs pressure including the escalating costs of living, fuel and other transport related costs.

The last annual review of the fare tariffs took place in August 2022 and resulted in increased prices. This Spring 2023 review has also resulted in fare increases of between 5.4% to 9.8% depending on the tariff (see table above).

The increase is justifiable given the current economic climate, increase vehicle running costs (fuel, repairs, tax and insurance costs) and with the Consumer Price Index (CPI) for March 2023 running at 10.1% (*CPI has increased above 10% since August 2022, when the last fare tariff review occurred*). 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, up-to 9.8% for a 3-mile journey day rate. Given current UK inflation rates, these proposed percentage increases seem reasonable.

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

Finance Business Partner: Kayode Olagundoye, Interim Finance Business Partner, Growth & Regeneration, 4 May 2023

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: Kate Burnham Davies, Team Manager - Litigation, Regulatory and Community Team 13 June 2023

3. Implications on IT: I can see no implications on IT in regard to this activity.

IT Team Leader: Alex Simpson- Senior Solution Architect 28 April 2023

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams, HR Business Partner, Growth & Regeneration 3 May 2023

EDM Sign-off	John Smith, Interim Executive Director Growth and Regeneration	10 May 2023
Cabinet Member sign-off	Cllr Donald Alexander, Cabinet Member for Transport Mayor’s Office	20 April 2023 18 May 2023
For Key Decisions - Mayor’s Office sign-off	Mayor’s Office	5 June 2023

Appendix A – Further essential background / detail on the proposal Proposed Fare Submission Spring 2023	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO

Appendix J – HR advice	NO
Appendix K – ICT	NO