

Three Rivers District Council

Extraordinary Regulatory Services Committee

12th October 2023

REGULATORY SERVICES COMMITTEE

PART I

APPLICATION FOR HACKNEY CARRIAGE FARE INCREASE (ADIEP)

1. Summary

- 1.1 This report provides details and recommendations following receipt of a request from Mealings Taxis to increase the current Hackney Carriage Table of Fares (dated July 2022). The initial request from Mealings Taxis is dated 21 April 2023 and explains that it has stemmed from the cost of living crisis, inflationary pressures and the general increased costs of running a vehicle (including an electric vehicle). Further supporting evidence was submitted on 12 May which was accepted. Both the initial request and supporting evidence are shown at **Appendix 1**.
- 1.2 Mealings Taxis have stated that to mitigate the above risk, they suggest two price increases to the tariff, an increase of £1 to **£4.00** to the “first 1015 metres or part thereof” and a £1 increase to the “night time charge” to **£4.50**.
- 1.3 The request clarifies that Mealings Taxis have agreed to work alongside South Oxhey Radio Taxis (SORT) to consolidate their respective fleet, to reduce wait times and to improve the overall efficiency of the Hackney Carriage services in South Oxhey.
- 1.4 The current Hackney Carriage Table of Fares is attached at **Appendix 2** and is also publicly available on the Council’s website¹.
- 1.5 The table of fares was last reviewed last year (2022) following a request from SORT. The proposal put forward by SORT was largely agreed and has been effective since 25 July 2022.
- 1.6 SORTs 2022 proposal was as follows:
- Propose a 20p increase to the existing Tariff 1 from £2.80 to **£3.00** for the first 1015 meters or part thereof;
 - Maintain the existing 10p rise thereafter but for every additional **90** meters up to **2030** meters (currently is additional 95 metres up to 2155 metres);
 - Maintain the existing 10p rise but for every additional **50** metres (or part thereof) in excess of **2030** (currently 55 metres in excess of 2155 metres);
 - Propose a change to the night time charge from £3.20 to **£3.50**
 - Propose a change to the night time hours from 23:00 hrs to 06:00 hrs to **20:00 hours** to 06:00 hrs.

¹<https://www.threerivers.gov.uk/eqcl-page/hackney-carriage-and-private-hire-licences>

- 1.7 The above was all agreed with the exception of the proposed change in the night time hours. It was agreed that the nighttime hours should be from **21.30** hrs to 06.00 hrs rather than starting from 23.00 hrs. Members also agreed that a review of the tariffs would not be considered within 6 months of the existing fare tariff period. The Committee minutes can be found at **Appendix 3**.
- 1.8 This new request from Mealings Taxis is over 6 months from the last review so can be considered.
- 1.9 On receipt of the request to review the fares, letters were sent to all those licenced as Hackney Carriage drivers (x14) within Three Rivers, providing them with an opportunity to make comments by 22 June 2023. No comments were received.
- 1.10 Officers in considering this request have followed the previous methodology used in 2013 and 2022 to provide data showing the price increases via various means.
- 1.11 Officers' note that the cost of living has increased both for taxi drivers and taxi consumers and consideration is required to make sure the fares are sufficient for the drivers to make a living, but not too high to deter customers, recognising the important role the taxi trade plays in society, especially for transporting vulnerable passengers.

2. Details

- 2.1 Journeys undertaken in a taxi (hackney carriage) are restricted to the maximum as displayed on the meter with customers paying the meter price. The legal power to set fares is a discretionary function but in practice taxi fares are capped to create a level playing field and to provide public protection from unscrupulous charging practices.
- 2.2 A request by way of email, has been received from Mealings Taxis in connection with the proposed Hackney Carriage fare.
- 2.3 Mealings Taxis have set out that the request has stemmed from the cost of living crisis, inflationary pressures and the general increased costs of running a vehicle (including an electric vehicle). They have also highlighted the following:
- According to [Confused.com](https://www.confused.com), vehicle insurance costs have increased by 22% in the past 12 months from April 2023.
 - The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 8.9% in the 12 months to March 2023.
 - The largest upward contributions to the annual CPIH inflation rate in March 2023 came from housing and household services (principally from electricity, gas and other fuels), and food and non-alcoholic beverages.
 - 40% of the Hackney Carriage fleet in TRDC is electric and electricity prices in the UK rose by 66.7% and gas prices by 129.4% in the 12 months to March 2023 whilst other fuel prices have remained static.
 - We estimate vehicle repair costs to have increased by 10% in the past 9 months based on feedback from drivers in our fleet. This is backed up by this [article](#) from July 2022.

- Approximately less than 10% of payments Hackney Carriage vehicles received was by card. This has increased to over 50% which has increased the costs drivers pay for processing fees from the provider. This increase in card payments has also reduced the amount of tips driver receive.

2.3.1 The proposed Hackney Carriage Fare Table is shown at **Appendix 4**.

2.3.2 Any increase if agreed would cover the whole of the Three Rivers District.

3 Process

3.1.1 Section 65(2) to (6) of the Local Government (Miscellaneous Provisions) Act 1976 sets out the legislative requirements for the fixing of fares for hackney carriages.

3.1.2 If the table of fares is varied, the Council will be required to publish the varied version in at least one local newspaper circulating in the district which should not be less than 14 days from the date of the first publication of the notice (date of the Committee). The legislation requires the council to make available to the public the varied Table of Fares for a minimum of 14 days. It is however anticipated that officers will display a varied notice of the table of fares for a period of 21 days. The copy of the notice shall also be available at the Council Office and shall at all reasonable hours be open to public inspection without payment. Officers will ensure that a copy of the notice is made available for inspection at reception and will also display on the TRDC website.

3.1.3 If no objection to the variation is made 21 days from the date it first appears in the local newspaper, the varied fares shall come into operation on the 21st day. All licenced drivers will be made aware of the changes.

3.1.4 If an objection is made and not withdrawn, under section 65(4) the Council must set a further date, not later than 2 months after the first specified date, on which the table of fares shall come into force with or without modifications as decided by Members after consideration of the objections. A meeting would therefore need to be set within 2 months of the expiry of the objection period, to confirm the tariffs to be applied, taking into consideration the objections received.

4. Research

4.1 As per the 2013 and 2022 fare review the same methodology has been used to guide officers and Members. This includes a comparison of the percentage increase of the fare to the Retail Price Index (RPI), a price index calculated and published by the Office of National Statistics (ONS) and comparison to surrounding authorities. To assist this comparison, officers have provided the current fare tables for Watford (2017), St Albans (2014), Chiltern, South Bucks, Aylesbury Vale (Buckinghamshire Council) (2021), High Wycombe (2019) and Uttlesford (2021) which are all shown at **Appendix 5** and provided the [National Hackney Fares Table](#), dated August 2023, shown at **Appendix 6**.

4.2 The National Hackney Fares Table shown at **Appendix 6** is based on a two mile hackney fare (tariff one). The National Hackney Fares Table shows that as of August 2023 the fare ranges from £14.20 (London, Heathrow) to £4.40 (Pendle). Based on the current Three Rivers fare table this same journey is £6.70. If the proposed fare increase is to go ahead, this same two mile day journey would equate to £7.50 (rounded), a 15% rise (see workings shown at **Appendix 6** which include other useful comparisons).

- 4.3 As per the Office of National Statistics, the Consumer Price Index rose by 7.9% in the 12 months to May 2023. The ONS states that overall motor fuel prices fell by 13.1% in the year to May 2023 with average petrol and diesel prices standing at 144.4 and 154.6 pence per litre, compared with 165.9 and 179.7 pence per litre in May 2022.
- 4.4 The current tariff came into effect in July 2022 and the ONS produces figures for inflation attached to the RPI and the latest statistics are reproduced below. For ease of reference officers have shown the average annual change in the RPI for years 2012, 2021 and 2022 and the percentage change over the months of January 2013, January 2022, May 2022, January 2023 and June 2023 for motoring expenditure only.

	Average 2012 %*	Jan 2013 %*	Average 2021 %	Jan 2022 %	May 2022 %	Average 2022%	Jan 2023%	June 2023%
Motoring Expenditure	0.8	-0.8	6.8	16.3	18.5	15.2	8.0	5.7
Purchase of Motor Vehicles	-2.0	-0.2	8.3	17.1	16.1	9.6	-0.9	4.5
Maintenance of Motor Vehicles	1.8	2.4	3.2	5.5	6.9	7.1	7.1	6.8
Petrol & oil	1.9	-0.6	13.9	23.9	33.0	27.9	8.6	-22.1
Vehicle tax & Insurance	2.1	-4.9	-1.4	12.5	16.4	20.5	29.9	48.9

*Data produced from Committee report from June 2013 for comparison purposes

5. Options and Reasons for Recommendations

- 5.1 From the legislation it is clear that it is a Council function to review the Hackney Fare tariff for its area and the decision to do so should be made by the Council concerned. Officers suggest that to avoid the more or less annual requests from sources outside the Council to review the Hackney Fare tariff, the Committee could consider whether or not to impose a time limit as to how long a tariff should last before being reviewed, for example a minimum for 2 years, subject to an event of exceptional circumstances.
- 5.2 Officers have used data provided by the ONS, which are taken from a wide range of suppliers, are a reliable source of statistics and are nationally accepted as a general guide to pricing costs etc.
- 5.3 The figures produced from the ONS appear to show the rates of inflation for the costs of motoring expenditure are rising, but down from May 2022 when the last review took place, with the exception of petrol/oil costs which have significantly decreased. However, this is off set by the significant rise in tax and insurance which corroborates the evidence submitted by Mealings Taxis via Confused.com.
- 5.4 In addition, it is recognised that the cost of applying for a Hackney Carriage vehicle licence has risen since the previous review from £190 (new licence) to £203.30 from April 2023, an increase of 7%. For a renewal of a vehicle licence it has risen from £159 to £170.13 in April 2023, an increase of 7%. A new one year driver's licence has also increased from £166 to £177.62 (7% rise) and for a three year renewal it has risen from £434 to £464.38 (7% rise). A further review of fees and charges for 24/25 is imminent and could increase again in line with inflation from April 2024.
- 5.5 It is also recognised that the number of licenced Hackney Carriage drivers are falling, which is in line with national trends which is, in part, due to the recent economic climate. Officers also acknowledge local concerns in respect of encouraging more drivers to become drivers. Consequently it is evident that the Council plays an important role in ensuring that the service is maintained within

the district whilst not impacting users.

5.6 In light of the proposal and the methodology used, including the current financial climate, the fee increases as proposed are considered to be acceptable.

5.7 If a varied tariff is agreed it is officers view that it will stay in place for a minimum of 6 months starting from the time it finally takes effect, unless exceptional circumstances prevail, such as a further significant rise in the cost of living. This accords with the approach taken in 2013 and 2022 when the fares were last varied.

5.8 Therefore, it is the Officer's recommendation that:

The claim for an increase in the Hackney Fare Table should be agreed and for no review to come forward for the next 6 months.

5.9 Notwithstanding the above recommendation, all options available to the Committee for consideration are listed below:-

- 1) To refuse the proposal in full or in part; or,
- 2) To allow the proposal in full or in part; or,
- 3) To vary the proposal and approve an alternative; or,
- 4) To defer the proposal for an alternative fare table to be submitted

And,

- 1) To adopt a review every 2 years, with the caveat stating that in the event of exceptional circumstances the Head of Regulatory Services in consultation with the Lead Member to make a decision as to whether the fare tariff should be reviewed earlier; or,
- 2) To not adopt a review every 2 years: or,
- 3) To adopt an alternative review time period.

6. Policy/Budget Reference and Implications

6.1 The recommendations in this report are within the Council's agreed policy and budgets. Costs associated with a press notice are to be subsumed within existing licensing budgets. Regulatory Services Committee has the remit under the Council Constitution – Functions of Committees – to determine applications for Hackney Carriage fare increases. There are budgetary implications in respect of advertising a fare increase which are discussed below.

6.2 The recommendations in this report relate to the achievement of the following performance indicators.

7. Financial Implications

7.1 Should the application for the fare increase be approved, it will be necessary to advertise the proposed fare changes. There is budgetary provision in the licensing budget for this.

8. Legal Implications

8.1 As above, the legislation concerning fare tariff increases for Hackney Carriages

is covered by the Local Government (Miscellaneous Provisions) Act 1976 and in particular section 65, which states that:

“A district council may fix the rates or fares within the district as well for time as distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle to be paid in respect of the hire of Hackney Carriages by means of a table of fares made or varied in accordance with this section”.

- 8.2 It is recommended that the Head of Regulatory Services in consultation with the Lead Member be delegated to consider any objections received from the consultation.

9. Staffing Implications

- 9.1.1 None.

10. Equal Opportunities Implications

- 10.1 It is considered that a full impact assessment is not required.

10.2 Impact Assessment

- 10.3 The change in the fare table is likely to impact those that rely on taxis as their means of transport as well as the drivers. On the other hand it is possible that many others may rely more heavily on public transport in the coming months/years given the rising cost of petrol and on-going car maintenance costs. Therefore any fee increase could have a further impact on demand of the service.

11. Climate Change and Sustainability Implications

- 11.1 Not applicable.

12. Community Safety Implications

- 12.1 Not applicable.

13. Public Health implications

- 13.1 Not applicable.

14. Customer Services Centre Implications

- 14.1 The CSC will be made aware of the varied fare table, the requirement to make a copy of the notice available for inspection at reception and on the TRDC website.

15. Communications and Website Implications

- 15.1 If agreed, an update will be added to the licensing pages of the Three Rivers website. Letters will also be sent to those licenced as Hackney Carriage drivers informing them of the decision.

16. Risk and Health & Safety Implications

- 16.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties

under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

- 16.2 Any risks resulting from this report will be included in the risk register and, if necessary, managed within this/these plan(s).

Nature of Risk	Consequence	Suggested Control Measures	Response <i>(tolerate, treat, terminate, transfer)</i>	Risk Rating <i>(combination of likelihood and impact)</i>
Option 1: To refuse the proposal in full or in part.	Licenced Hackney drivers may raise complaints and/or leave the trade due to lack of revenue, reducing the pool of drivers, the competition and therefore the quality of the service which would affect local service provision, especially those that are vulnerable.	Members to consider information provided before reaching this view.	Tolerate	6 – Medium
Option 2: To allow the proposal in full or in part	Licenced Hackney drivers may raise complaints and/or request further fare reviews in the future.	Members to consider information provided before reaching this view.	Tolerate	2 - Low
Option 3: To vary the proposal and approve an alternative	A balance will need to be struck against any price rise and the consequences this could have on the demand for the service and the impacts on the	Members to consider information provided before reaching this view.	Tolerate	3 - Low

	wider community (i.e. those that rely on taxis)			
Option 4: To defer the proposal for an alternative fare table to be submitted	Will delay the ability for increased fares across the district and could give rise to complaints. Some drivers may leave the trade due to lack of revenue, reducing the pool of drivers, the competition and therefore the quality of the service.	Members advised against this option given current financial climate, although it is unlikely that the current situation will change any time soon.	Tolerate	5 - Medium
AND Option 1: To adopt a review every 2 years, with the caveat stating that in the event of exceptional circumstances the Head of Regulatory Services in consultation with the Lead Member to make a decision as to whether the fare tariff should be reviewed earlier	Enables the Council to take a pro-active approach rather than relying on applications from the trade. Prevents the trade from submitting further requests within the next two years, unless in exceptional circumstances.	Members to consider information provided and consider whether 2 years is proportionate in the current climate (see Option 3).	Tolerate	3 – Low
Option 2: To not adopt a review every 2 years	Opens up the ability for multiple applications from the trade to be submitted for review.	Members to consider current economic climate.	Tolerate	3 – Low
Option 3: To adopt an alternative review.	Subject to the decision, it could either prevent or encourage more applications for reviews.	Members to set regular reviews, for which the trade will be consulted, this will avoid reviews being led by	Tolerate	3 – Low

		the trade and enable the Council to be more pro-active.		
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16.3 The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

Very Likely	Low 4	High 8	Very High 12	Very High 16
	Low 3	Medium 6	High 9	Very High 12
	Low 2	Low 4	Medium 6	High 8
	Low 1	Low 2	Low 3	Low 4
Likelihood ↓ Remote	Impact			
	Low	----->		Unacceptable

Impact Score

- 4 (Catastrophic)
- 3 (Critical)
- 2 (Significant)
- 1 (Marginal)

Likelihood Score

- 4 (Very Likely (≥80%))
- 3 (Likely (21-79%))
- 2 (Unlikely (6-20%))
- 1 (Remote (≤5%))

16.4 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of the management of operational risks is reviewed by the Audit Committee annually.

17. Recommendation

17.1 That the Members of the Committee:

a) Agree the increase of HC fares as follows:

- A £1 increase to the 'first 1015 metres or part thereof to £4
- A £1 increase to the 'night time charge' to £4.50

b) Agree for Officers to publish the agreed varied version of the Hackney Fare Table in the Watford Observer for 21 days (the legislation requests

not less than 14 days) and for the Head of Regulatory Services to consider any objections in consultation with the Lead Member.

- c) If no objections are received for the varied tariff to take effect following the expiration of the press notice.
- d) If objections are received and not withdrawn, for Officers to arrange an Extraordinary Regulatory Services Committee by 12 December 2023 to consider the representations received.

Report prepared by: Lorna Fryer (Lead Licensing Officer)

Data Quality

Data sources:

- The DATA used for comparing the fare change requested by SORT came from the Office for National Statistics published on 18 May 2022.
- [Consumer price inflation: UK June 2023](#)
- Local Government (Miscellaneous Provisions) Act 1976.

Data checked by:

Matthew Roberts Team Leader, Development Management.

Data rating:

1	Poor	
2	Sufficient	
3	High	X

Background Papers: None.

APPENDICES / ATTACHMENTS

Appendix 1: Fare request from Mealings Taxi

Appendix 2: Existing Hackney Carriage Table of Fares (July 2022)

Appendix 3: Committee minutes from June 2022

Appendix 4: Proposed Hackney Carriage Table of Fares (2023)

Appendix 5: Fare comparison with other neighbouring authorities

Appendix 6: National Hackney Fares Table (August 2023)

Appendix 7: Comparisons over 2 and 5 miles between current and proposed fares

