

Licensing Regulatory Committee

RECORD OF DECISION

Date Of Meeting: 21st July, 2016

Agenda Item: 7 – Annual Review of the Hackney Carriage Tariff

Findings of any relevant facts:

- Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides that a District Council may fix the rates or fares relating to hackney carriage vehicles within the Borough.
- Officers have completed a review of the Hackney Carriage Tariff (Table of Fares).
- A new methodology had been used to determine any increase in fares and a direct comparison undertaken against the national average and local fares.
- The Hackney Carriage trade were consulted on the findings.
- Members noted the procedure for the variation of rates or fares.
- At its meeting of the, 21st June, 2012, the Licensing Committee, had approved an increase in the Hackney Carriage Fare and resolved that these fares would be reviewed annually.
- A review had not taken place since 2012.
- Previous reviews had compared any proposed increase in fares with the fares of neighbouring local authorities.
- The new methodology, used to determine any percentage increase, calculated the real costs of running a Hackney Carriage, and compared that to the national average.
- The retail price index (RPI) in relation to transport costs and wages would be used to demonstrate 'how much' owning and running a vehicle had gone up / down (known as the variance), since the last review in 2012.
- The following cost areas would be reviewed individually, and used to calculate a % increase/decrease:

The costs of:

- Purchase of Vehicle
 - Vehicle Maintenance
 - Petrol & Oil
 - Tax & Insurance
 - Wages
 - Licensing Fees Cost
- The Hackney Carriage trade have been consulted on this method but more importantly, the "weighting" that was applied to each of the above costs. i.e. how important or significant, the trade thought the costs in each of the areas affected them. The consultation email was attached to the Officer's report.

- A summary of the responses were reproduced in the Officer's report and considered by Members.
- The representation by Furness Taxi Trade Association was noted as was the Reporting Officers response. The Reporting Officer submitted a table of comparison for T1 fares at 2 miles which was considered by the Committee..
- The overall increase in costs, since the last review, associated with running a Hackney Carriage was 5.68%.
- Attached as an appendix to the Officer's report was a table showing the individually calculated variances and percentage increase.
- The small increase equated to approximately £0.10 on the starting price (Flag on the Normal Tariff) raising it to £2.50. This would automatically increase the starting price for:
 - * T2 (hiring's begun between midnight and 7.00 a.m.) to £3.75 and
 - * T3 (hiring's on all bank holidays, Christmas Eve and New Years Eve) to £5.00
- For Members information, the current Table of Fares was reproduced in the report.
- Members noted the reproduced in the Officer's report showing the fares for neighbouring Councils and the National and Northern averages.
- Barrow Borough Council fares were comparable with the average of neighbours and between the Northern and National Averages for a 2 mile journey during the day.
- Barrow Borough Council fares (2 mile fare at T1) were ranked between 230 and 253 (along with 23 other Local Authorities) out of 365, nationally.
- Officers will continue to work with the Hackney Carriage trade to review the differential between the starting rates with those of the Private Hire trade and the rate per $\frac{1}{10}$ of a mile.
- The previous increase in 2012, saw a rise of 21.4% on the 1 mile fare and 17.4% on the 2 mile fare.
- The Committee questioned whether the cost of changing the taxi meters for 10p increase in the starting price outweighed what a Hackney Carriage driver would receive back.
- The Committee heard that all consultees had been from the Hackney Carriage trade but that the Furness Taxi Trade Association did represent both Hackney Carriage and Private Hire drivers.
- The limited number of responses had been from Hackney Carriage drivers only.

Committee decision:

- a) That the methodology used to determine any future increase in Hackney Carriage fares be approved; and
- b) That no increase in tariff for 2016/17 be agreed.

Reasons for decision:

- The methodology used robust statistics from the Office for National Statistics (ONS), to show the real cost to the Hackney Carriage trade of running and licensing a vehicle.
- The duty placed on the local authority to fix or vary the fares, was a permissive power.
- The cost to the Hackney Carriage trade in changing the tariffs on their meters, was disproportionate to the fare increase.
- There were likely to be objections to the fare increase from the Hackney Carriage trade, requiring a further review and consultation.

Reasons for not adopting other available options:

The Committee accepted that the Hackney Carriage Drivers knew their trade and from the responses received, none of them wanted an increase in fares, therefore, the Committee agreed that there were no reasons to adopt other available options.

Date: 5/8/16.

Signed:



(Chairman)

