

Committee Name and Date of Committee Meeting

Cabinet – 22 January 2024

Report Title

Hackney Carriage Fare Increase

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

Report Author(s)

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Ward(s) Affected

Borough-Wide

Report Summary

A representation has been received on behalf of members of the Rotherham Hackney Carriage Association requesting a rise in the metered fares currently being charged by Hackney Carriages in Rotherham.

In addition, the association is requesting changes to the times that the different tariffs are applied, along with an increase in the soiling charge that must be paid by the passenger if the vehicle is fouled (for example, spilled food or drink).

The tariffs are set by the Council in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. This is an executive function and must therefore be exercised by Cabinet.

Recommendations

1. That the amendments to the Hackney Carriage tariffs and soiling charge detailed in this report and Appendix 1 be approved along with a 14-day consultation period.
2. That following the period of consultation, if no objections are received or any objections received are subsequently withdrawn, then the amended tariffs and soiling charge are to take effect immediately.

3. Should any objections be received following the period of consultation then a further report will be presented to Cabinet to determine whether the fares should be agreed and introduced, or amended prior to their introduction.

List of Appendices Included

- Appendix 1 Current and recommended Hackney Carriage Tariffs
- Appendix 2 Hackney Carriage Tariff Comparison Information
- Appendix 3 Initial Equality Screening Assessment
- Appendix 4 Carbon Impact Assessment

Background Papers

None.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None.

Council Approval Required

No

Exempt from the Press and Public

No

Hackney Carriage Tariffs

1. Background

- 1.1 A request has been received on behalf of members of the Rotherham Hackney Carriage Association requesting a rise in the metered fares currently being charged in Hackney Carriage vehicles.
- 1.2 The request was received by the Council at the end of May 2023, and was made by the Chair of the Rotherham Hackney Carriage Association. A period of discussion then took place and the proposed tariffs were finalised in July 2023. Due to the workload of the service and several Policies which needed to be reviewed during 2023 it has not been possible to bring this forward until now.
- 1.3 Hackney Carriages are able to take bookings directly from a taxi rank, or be flagged down in the street (as opposed to Private Hire Vehicles that must be booked via a licensed operator).
- 1.4 The fares charged by Private Hire Vehicles are set by the operator (the company that takes the booking). However, the fares charged by Hackney Carriages are set by the Council by way of agreed tariffs. These tariffs are set in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
- 1.5 Unlike many other licensing functions, the setting of Hackney Carriage fares is an executive function, and therefore the fares must be set by the Cabinet and not the Licensing Board.

2. Key Issues

- 2.1 The current and recommended tariffs are detailed in Appendix 1.
- 2.2 The tariffs set out the fares that passengers must pay when taking a journey in a Hackney Carriage, and the recommended tariffs are considered by the Association to be a fair balance between profit and customer affordability.
- 2.3 The tariffs generally comprise two elements:
 - The “flag” – this is the initial charge made as soon as the vehicle is hired. It covers the hire of the vehicle and journey up to a specified distance (a percentage of a mile). This is usually the minimum fare that is paid for using the Hackney Carriage.
 - A charge for distance – this is a charge for a specified unit of distance and increases by a set amount incrementally throughout the journey, and is known as the “drop”.
- 2.4 The current tariffs were set in 2022. Since this time, the costs associated with running a licensed vehicle have increased. Licence holders are therefore

requesting this increase to cover running costs and allow them to see sufficient return for their business.

2.5 The amendments to the tariffs are based on the increase that has been requested by the Hackney Carriage trade and are detailed below:

2.6 Tariff 1 – Standard Tariff

2.7 The current charge for the first mile is £4.50, with each additional mile costing the passenger £1.50. The proposals are for this to increase to £4.80 for the first mile (an increase of 6.7%), and £1.70 for each additional mile thereafter (an increase of approximately 13%).

2.8 In addition, it is proposed that the charge for waiting is increased from 20p per minute (or part thereof) to 30p per minute (or part thereof). This represents an increase of 50%.

2.9 The current tariff is set in such a way so as to recover the majority of the cost of the first mile charge within the first half mile. This means that the fare for the first half mile will increase at a higher rate than the rest of the first mile that is travelled (the charge for the first mile is £4.80, but £4.00 of this will have accumulated over the first half mile). This has been done to account for the time the journey takes, and allows for the time it will take for the vehicle to be in a position to take another booking as the vehicle progresses along the rank (after joining the rank at the back of the queue). This arrangement will remain in place following the proposed increase in tariffs.

2.10 Tariff 2 – Night time, Sunday and Bank Holiday Tariff (except Christmas and New Year)

2.11 Increased tariffs for night time and Bank Holiday bookings are common across South Yorkshire, however increased tariffs on a Sunday are unique to Rotherham. The trade have previously stated that the additional charge on a Sunday is necessary as there is insufficient work on a Sunday to justify working at the standard rate.

2.12 The current charge for the first mile at tariff 2 is £4.70, with each additional mile costing the passenger £1.70. The proposals are for this to increase to £5.10 for the first mile (an increase of 8.5%), and £1.90 for each additional mile thereafter (an increase of 11.8%).

2.13 Unlike tariff 1, the proposed charge for the first mile would increase incrementally after the initial flag. This means that the charge for the first half mile under tariff 2 is actually less than that for the first half mile under tariff 1 – but the cost of the first mile is higher.

2.14 It has also been proposed that the times during which tariff 2 is applicable should be amended.

2.15 Currently, tariff 2 is applied all day on Sundays and Bank Holidays and is activated at 9pm on other days (except those days covered by tariff 3). It is

proposed that the starting time on days other than Sundays or Bank Holidays is changed to 8pm (the finishing time will remain at 6am).

2.16 In addition, it is proposed that the charge for waiting is increased from 30p per minute (or part thereof) to 40p per minute (or part thereof). This represents an increase of 33%.

2.17 Tariff 3 – Christmas and New Year Tariff

2.18 The current charge for the first mile is £7.00, with each additional mile costing the passenger £1.90. The proposals are for this to increase to £7.30 for the first mile (an increase of 4.3%), and £2.20 for each additional mile thereafter (an increase of 15.8%).

2.19 It is proposed that Tariff 3 will increase incrementally similar to tariff 2, but the times during which tariff 3 is active are unchanged.

2.20 As with tariff 2, it is proposed that the charge for waiting is increased from 30p per minute (or part thereof) to 40p per minute (or part thereof).

2.21 Charges applicable to all tariffs

2.22 There are 2 types of charge that are applied to all tariffs – these are detailed below:

2.23 • Soiling charge.

2.24 This charge is paid by the customer in the event that a passenger is sick, or spills food or drink in the vehicle. In the event that this happens, the vehicle must be taken off the road and cleaned before it can operate as a licensed vehicle. The trade believe that the current charge of £50 is insufficient to cover the cost of both an interior valet and the associated “down time” and therefore it is proposed that this charge is increased to £60 (an increase of 20%).

2.25 • Large Group Surcharge

2.26 The current tariffs provide the driver with the ability to activate an additional surcharge in the event that five or more passengers are being carried in the vehicle. This surcharge comprises of a multiplier of 1.5 being applied to whichever tariff is in operation, and would be applied for the whole of the fare if five or more passengers are present in the vehicle during any part of the journey. This additional surcharge would be activated manually by the driver.

2.27 The rationale behind the multiplier is as follows:

- Vehicles that are licensed to carry five or more passengers are larger and often purpose built vehicles – they are therefore more expensive to purchase.

- Larger / purpose built vehicles are more expensive to run and maintain (fuel, insurance, servicing etc.).
 - Larger vehicles are often wheelchair accessible. The surcharge may encourage drivers to provide larger vehicles, which will increase the number of wheelchair accessible vehicles in the Hackney Carriage fleet. The surcharge will only be applied in cases where there is a group of five or more people – the surcharge cannot be applied solely as a result of a wheelchair being carried within the vehicle.
 - The surcharge only being applied when there are five or more passengers in the vehicle is considered (by the trade) to be a compromise between covering the costs to the driver, and ensuring that the tariffs remain competitive with smaller vehicles and affordable for passengers.
- 2.28 There is no proposal to make any amendments to this surcharge or its application to all tariffs.
- 2.29 In order to illustrate the effect of the proposed increase, a direct comparison of the current and proposed Hackney Carriage tariffs is shown at Appendix 1.
- 2.30 This is complemented by the following information which is provided at Appendix 2:
- 2.31 Firstly, comparisons with tariffs set by other South Yorkshire councils. Secondly, the cost of a 2-mile journey by a Hackney Carriage in all four South Yorkshire Authorities, along with those local authority areas which are considered to be similar to Rotherham. A 2-mile journey is generally accepted as the standard benchmark when comparing Hackney Carriage fares charged in different local authority areas.
- 2.32 Any change in the proposed tariffs must be advertised in the local press (through the publication of a public notice), this will take place if there is agreement of the proposed tariffs by Cabinet. Should any objections be received, a further report will be presented to Cabinet for consideration. This will propose that the fares are either introduced as advertised or amended prior to their introduction.
- 2.33 If no objections are received (or objections are made but subsequently withdrawn) the revised tariffs will come into effect on a date to be agreed with the Hackney Carriage Trade (allowing sufficient time for practical arrangements to be completed).
- 2.34 On implementation, the meters fitted in Hackney Carriages will require reprogramming – this activity will be undertaken by specialist meter programmers under supervision from licensing officers, and officers will verify the accuracy of the meter following reprogramming. The costs associated with the reprogramming of the meters will be met by the licence holder.

2.35 The proposed tariffs will only apply to Hackney Carriages licensed by Rotherham MBC. Private Hire Vehicles licensed by Rotherham MBC are at liberty to set their tariffs at whatever level they deem appropriate.

3. Options considered and recommended proposal

3.1 Cabinet may either accept or reject the proposal in relation to the tariff increases. The proposed tariffs have been reviewed and are comparable with those charged in other local authority areas. As a result, this report is recommending that the tariffs as detailed in Appendix 1 are approved (this is the recommended option).

3.2 Alternatively, Cabinet may choose to accept the proposals in part. This option is not recommended, but if such a situation was to arise, it is recommended that the revised proposal is brought to the attention of the licensed trade representatives for their information and comment prior to publication in the local press. This will give the trade the option to provide further information to the Council in relation to their proposal should they consider this to be necessary.

4. Consultation on proposal

4.1 Rotherham Hackney Carriage Association are representative of the Hackney Carriage Trade in Rotherham and have been fully involved in the development of the proposed tariffs.

4.2 There is a statutory 14-day consultation period which must take place prior to the introduction of the proposed tariffs. The Council is required to place a notice in the local press allowing no less than 14 days for comments regarding the proposed tariffs to be submitted to the Council.

4.3 Should any objections be received then these will need to be considered in accordance with the procedure detailed above.

4.4 If no objections are received (or objections are made but subsequently withdrawn) the revised tariffs will come into effect at a date to be determined by the Council in liaison with the trade.

5. Timetable and Accountability for Implementing this Decision

5.1 If the proposed tariffs are agreed, they will be communicated to the local licensed trade representatives by email. In addition, a notice will be placed in the local press as detailed in the consultation section above.

5.2 The trade and members of the public will be given a period of 14 days within which to comment on the proposed tariffs.

5.3 The final tariffs will be introduced with effect from a date which is agreed between licensing officers and the trade, and subject to any objections being received, in line with the above procedure.

6. Financial and Procurement Advice and Implications

- 6.1 All activity undertaken by the Licensing Service in relation to this proposal is funded by means of the licensing fees that are attached to applications of this nature. These fees are reviewed as part of the Council's annual budget setting process.
- 6.2 As a result, the delivery of the functions outlined in this report and the implementation of the proposals will be contained within existing approved revenue budgets.
- 6.3 There are no procurement related implications introduced by this report.

7. Legal Advice and Implications

- 7.1 Local Authorities have a discretionary power to determine Hackney Carriage Fares. The legal process which must be followed when implementing a change to Hackney Carriage fares is set out within Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.
- 7.2 The Council must undertake a consultation in respect of the proposed variation to Hackney Carriage fares and in order to do so the Council must publish in at least one local newspaper, which circulates within the district, a notice setting out the variation and specify the period within which and the manner in which objections to the variation can be made. The period of consultation must be no less than 14 days from the date of the first publication of the notice.
- 7.3 A copy of the notice published in the local newspapers must also be deposited at the office of the Council which published the notice and be open to public inspection at all reasonable hours. As above this must be for a period of at least 14 days from the date of the first publication.
- 7.4 If no objection is received within the period specific in the notice or if all objections made are withdrawn then the variation shall come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the last objection, whichever date is later.
- 7.5 If objections are made and not withdrawn the Council must set a further date, no later than two months after the first specified date in the notice, on which the variation shall come into force with or without modifications as decided after consideration of the objections. On coming into operation any table of fares previously made under section 65 will cease to have effect.
- 7.6 The legal process outlined above must be followed and the Council must ensure compliance with the statutory time frames set out within section 65.

8. Human Resources Advice and Implications

- 8.1 There are no direct HR implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no specific implications for Children, Young People or Vulnerable Adults introduced by this report.

10. Equalities and Human Rights Advice and Implications

10.1 There are no specific Equalities and Human Rights implications introduced by this report. An Initial Equality Screening Assessment is attached at Appendix 3.

11. Implications for CO2 Emissions and Climate Change

11.1 This report proposes increases to the fares that are charged by Hackney Carriages. There is the potential that this increase will push customers away from Hackney Carriages and towards Private Hire Vehicles.

11.2 However, Hackney Carriages and Private Hire Vehicles must both meet the same emissions standards, as defined by the Council's Hackney Carriage and Private Hire Licensing Policy. Appendix I of the Policy (updated 2023) specifies enhanced quality standards for vehicles over 10 years since their date of registration, which include a requirement that vehicles should comply with or exceed Euro 6 emissions standards. Euro 6 emissions standards set a target for vehicle manufacturers, that all vehicles sold in a year should produce no more than 98g per km, on average. As such any modal shift between Hackney Carriages and Private Hire Vehicles due to increased tariffs and charges is expected to have only a small carbon impact.

11.3 A Carbon Impact Assessment is provided at Appendix 4.

12. Implications for Partners

12.1 There are no specific implications for partners introduced by this report.

13. Risks and Mitigation

13.1 Setting the tariffs excessively high may cause fewer people to use Hackney Carriages.

13.2 Fewer people using Hackney Carriages may also lead to difficulties in clearing the areas of high demand during peak hours. This may lead to an increase in disorder. However, the proposed rates compare favourably with those in the rest of the region, and it is felt that the impact of the increased tariffs would be negligible.

13.3 The trade have previously expressed concern that a reduction in the number of Hackney Carriages will increase the likelihood of private hire drivers illegally plying for hire.

14. Accountable Officers

Alan Pogorzelec, Licensing Manager

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	08/01/24
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	20/12/23
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	20/12/23

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