

<b>Hackney Carriage Fare Review</b>	
<b>Executive Summary</b>	Hackney Carriage Fares (maximum chargeable) are set by the District Council under a provision made in Local Government Misc. Provision Act 1976. The Council have been requested by the taxi trade to review these maximum fares.
<b>Options considered</b>	Whether to increase fares or not increase fares and by what amount.
<b>Consultation(s)</b>	Consultation has taken place with representatives the North Norfolk taxi trade. Further public consultation will occur if the recommendations are accepted through press publication.
<b>Recommendations</b>	Increase the current Hackney Carriage fare charges by 15%
<b>Reasons for recommendations</b>	Hackney Carriage Fares have not been reviewed by the authority for a number of years. Members of the taxi trade have requested a review, due to the increasing cost of providing this service.
<b>Background papers</b>	<p>NNDC Hackney Carriage and Private Hire Policy.</p> <p>Taxi and private hire vehicle licensing best practice guidance for licensing authorities in England <a href="#">Taxi and private hire vehicle licensing best practice guidance for licensing authorities in England - GOV.UK (www.gov.uk)</a></p>

<b>Wards affected</b>	All
<b>Cabinet member(s)</b>	Cllr C Ringer
<b>Contact Officer</b>	Nicky Davison, Licensing Officer: <a href="mailto:nicky.davison@north-norfolk.gov.uk">nicky.davison@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	Investing in our local economy and infrastructure.
Medium Term Financial Strategy (MTFS)	Not applicable.
Council Policies & Strategies	None.

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	Yes

Details of any previous decision(s) on this matter	A previous review of fares last occurred in 2018.
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## 1. Purpose of the report

- 1.1 This report reviews the current Hackney Carriage fares within North Norfolk, benchmarking them against other Council's. The report explores the options available in relation to reviewing Hackney Carriage fares within the District of North Norfolk.

## 2. Introduction & Background

- 2.1 The Council has responsibility under the Local Government (Miscellaneous Provisions) Act 1976, for setting the maximum fares that can be charged by hackney carriage vehicles licensed to operate within the District. The table of fares applies only to Hackney Carriage vehicles. Private Hire Operators are able to agree their hiring charges in advance with their customers at the time of booking the journey.
- 2.2 The Licensing Authority received five requests from the taxi trade in January and February 2023, for an increase to the hackney carriage tariff rate. This is due to the period of time since the current fares came into effect together with the rise in fuel and running costs since 2018.
- 2.3 On 20 March 2023, the Council circulated the request to all licensed Hackney Carriage and Private Hire drivers and both Hackney Carriage and Private Hire Operators for their views. This consisted of 345 drivers, 50 Hackney Carriage Operators and 28 Private Hire Operators. A copy of this email can be seen in Appendix A. An email was also sent to the Chairman of North Norfolk Taxi and Private Hire Association.
- 2.4 The Licensing Team has received 69 responses which represents 22% of the trade. The general consensus of the responses received from the trade is that they are in agreement with a fare increase. The table below shows the responses received.

### Hackney Carriage Fare Table - Consultation outcome

	Total sent	Responses received	Yes	No	No comment	% of responses
Drivers	345	65	47	11	7	19
Operators	79	25	20	5		32

Figure 1.

- 2.5 Hackney Carriage ("Taxi") fares are made up of an initial hiring charge and a "mileage" rate, both of which are expressed in terms of distance and/or time per unit cost. This is because when a hired taxi is stationary or moving slowly in traffic the meter continues charging, but by time, instead of distance.
- 2.6 The 'flag drop' is the fixed cost that can be charged for an initial distance. It is universal in its application and is included in the cost of all journeys. It offers

the taxi driver a minimum return for every journey encouraging the supply of journeys that cover a short distance.

- 2.7 The current table of Hackney Carriage fares was increased in April 2018. The current fares can be seen in **Appendix B**.
- 2.8 Taxi fares are a maximum, and in principle are open to downward negotiation between customer and driver/operator.
- 2.9 In January and February 2023 officers received written correspondence from representatives of the North Norfolk taxi trade, in which requests were put forward for the Council to consider increasing the current table of fares.
- 2.10 Out of the responses which voted yes for an increase to the Hackney Carriage fare table, 63 provided recommended fees or percentage increase for the separate tariff rates. These proposed tariff charges can be seen in **Appendix C**.
- 2.11 According to the data compiled by the Office for National Statistics (ONS), the Consumer Prices Index (CPI) rose by 26.0% from April 2018 to September 2023. With this in mind and in relation to the representations from the trade, a draft version 1 of the proposed hackney carriage fares was produced and can be seen as **Appendix D**.
- 2.12 A meeting took place on 03 November 2023 between the Licensing Enforcement Officer and the Chairman of the North Norfolk Taxi and Private Hire Association to discuss this proposal. During this meeting, it was considered that the proposed increase was too high in one review and may have a negative impact on services provided by the taxi trade. Although the proposed fares are maximum fares and the Operator/Proprietor can provide discounts, we do not want customers to be put off from using the taxi service within North Norfolk. The public have a reasonable expectation that the services available will be accessible and affordable. With the higher cost of living and a high proportion of customers relying on the taxi service to enable them to carry out their food shopping and attend medical appointments, a reduced increase was deemed more appropriate at this time.
- 2.13 From this meeting, a 2<sup>nd</sup> version of the hackney carriage fares was drafted, based on a 15 % increase (rounded to the nearest 10 pence). The draft version 2 of the proposed hackney carriage fares can be seen in **Appendix E**.
- 2.14 Historically, Tariff 2 (night rate between 23:00 hours to 07:00 hours) is charged at one and a half times Tariff 1 (day rate). Tariff 3 (Sunday rate between 07:00 hours and 23:00 hours) is charged as one and a quarter times Tariff 1. Tariff 4 (Christmas/New Year and Bank Holiday periods) is charged at double Tariff 1. This calculation has been carried over in the draft version of the proposed fares.
- 2.15 The Private Hire and Taxi Monthly (PHTM), a national taxi trade publication, produces a monthly league table of all UK Council hackney carriage fares. This league table shows that North Norfolk District Council's current "fare tariff 1", for a 2-mile journey, sits in 318<sup>th</sup> place out of 340 licencing authorities listed. **Appendix F** shows the current position of North Norfolk as of 15<sup>th</sup> December 2023.

- 2.16 When drawing comparisons between hackney carriage fares in different areas, the normal method used is to compare the cost of a 2-mile journey. Officers have researched and produced a table showing a comparison of the hackney carriage fares charged in other neighbouring local authority areas for a 2-mile journey. This can be seen below:

### PHTM stats 15/12/23

Local Authority	2-mile fare £	Last Increase	Ranked out of 340
Great Yarmouth BC	£ 8.50	2022	19
East Suffolk North	£ 8.40	2022	22
Breckland DC	£ 8.00	2022	51
Mid Suffolk	£ 7.50	2023	101
South Norfolk	£ 7.50	2023	105
Norwich City	£ 7.30	2023	129
West Suffolk	£ 7.20	2022	145
Kings Lynn and WNBC	£ 7.00	2022	169
East Cambs	£ 6.80	2022	188
East Suffolk South	£ 6.20	2020	278
Fenland	£ 6.20	2022	280
<b>North Norfolk DC</b>	<b>£ 5.80</b>	<b>2018</b>	<b>318</b>

Figure 2.

- 2.17 Using the table above, the below table highlights where we would sit in the comparison table and neighbouring authority if a 15% was agreed by members:

Proposed 2 mile journey	
Increase	
15.0%	<b>Ranked</b>
<b>£6.70</b>	<b>218</b>

Figure 3.

- 2.18 The cost of fuel is only one factor that Members should consider when determining whether it is appropriate to vary the table of fares. Also, of relevance will be other general increases in the cost of living for hackney carriage proprietors.
- 2.19 In terms of next steps, following a decision by Council. If the increase was agreed the proposed hackney carriage fare charges will be published in one local newspaper setting out the table of fares, in accordance with the

regulations. The notice will specify the 14-day consultation period and the manner in which objections to the table of fares or variation can be made. A copy of the notice will be available at the Council Offices and posted on the Councils website. Current drivers and operators in the North Norfolk District Council area would directly be sent the proposal.

2.20 If there are no objections to the table of fares, the table of fares shall come into operation on the date of the expiration of the period specified in the notice.

2.21 If objections are received, the Council will set a further date, not later than two months after the first specified date, on which the table of fares shall come into force with or without modifications as decided by them after consideration of the objections.

### **3. Proposals and Options**

3.1 Following consultations with representative of the taxi trade in North Norfolk and a benchmarking exercise with neighbouring authorities and other local authorities across the UK an increase of 15% on hackney carriage fares is proposed.

#### **3.2 Option 1**

Committee agree the 15% increase to the hackney carriage (maximum) fares operating within the District of North Norfolk.

#### **3.3 Option 2**

Committee do not accept the proposal to increase hackney carriage (maximum) fares by 15% operating within the District of North Norfolk.

#### **3.4 Option 3**

Committee agree that the proposed hackney carriage (maximum) fares should be increased but by a different percentage.

### **4. Corporate Priorities**

4.1 A review of the hackney carriage fares contributes to the corporate plan priority Investing in Our Local Economy and infrastructure. The Council reviewing the maximum fares which can be charged provides support to rural businesses allowing them to thrive. Given the rural nature of the district and its demographics some sections of our communities are heavily reliant on the taxi trade for shopping and hospital appointments, therefore having a sustainable taxi trade operating in the district also contributes to the corporate priority Developing Communities.

### **5. Financial and Resource Implications**

5.1 There are no financial implications to the Council therefore the S151 officer has not been consulted, however there are some short-term resource implications. The Licensing team will have to manage the public consultation process which will follow if the recommendation to increase fares is approved by Committee.

## **6. Legal Implications**

- 6.1 As there are no legal implications the Monitoring Officer has not been consulted. However legal advice has been received in relation to the process.

## **7. Risks**

- 7.1 There are no perceived risks to North Norfolk District Council.

## **8. Net ZeroTarget**

- 8.1 Whilst this paper relates to taxis which contribute to the wider District's carbon emissions, the fare review and the associated process and outcomes do not directly lead to increased emissions.

## **9. Equality, Diversity & Inclusion**

- 9.1 The Licensing Committee should ensure it has regard to the desirability of exercising its functions with regard to the need to eliminate discrimination and to increase equality of opportunity.

## **10. Community Safety issues**

None

## **11. Conclusion and Recommendations**

- 11.1 To ensure that taxi tariffs reflect the costs of the trade they should be reviewed periodically. Regular reviews will assist drivers in maintaining their earnings and so continue to attract those seeking to become taxi drivers and provide existing licensees with greater confidence to remain in the trade and plan for future investment in new vehicles. Regular reviews will also avoid large changes in fares for passengers that infrequent reviews are more likely to result in.
- 11.2 Committee are asked to consider the information within this report, including the proposal to increase the Hackney Carriage fares as detailed within the report.
- 11.3 When considering, what is an appropriate amount to increase the current Hackney Carriage fare tariff by, information has been provided within this report to support the Committee in making an informed decision having regard to the taxi trade and that of paying customers.
- 11.4 Members are asked to consider an increase of 15% on the current Hackey Carriage Fares.