

**GENERAL LICENSING COMMITTEE
25 JANUARY 2022**

VARIATION TO HACKNEY CARRIAGE FARES

Purpose of the Report

1. The purpose of this report is for Members to consider an application to revise the tariffs levied in respect of hackney carriage fares.

Information and Analysis

2. Section 65 of The Local Government (Miscellaneous Provisions) Act 1976 provides for a District Council to fix the rates of fares for Hackney Carriage Vehicles (HCV). It may fix the fares on time as well as distance and any other charges that may be made in connection with the hiring of the vehicle. The relevant section is reproduced in full at **Appendix 1**.
3. A formal request for an increase in tariffs has been made by the trade. Following consultation and taking into consideration the changing dynamics within the taxi trade due to Covid-19, three options for potential changes were proposed by representatives of the trade. A fourth option is that the tariffs remain unchanged.
4. Darlington Borough Council have 146 licensed HCV's and these are owned between 117 proprietors, who were all sent a letter outlining this request with the choice of tariffs (**Appendix 2**.) This represents a 100% sample rate and there were 44 replies to this letter, which is a 37.6% response rate. Typical response rates for postal surveys are between 30% and 40% with a high response rate generally indicating high levels of motivation or demonstrating a strong feeling about a particular subject matter.
5. The last increase in hackney carriage tariffs took place in July 2012

Options

6. Responses from the trade have been collated in relation to the following options presented at **Appendix 3** and are as follows :

- Option 1 – tariffs to remain unchanged - **13**
- Option 2 – Increase in first 290 yards - **15**
- Option 3 – Increase in additional 147 yards - **7**
- Option 4 – Increase in additional 147 yards and waiting time – **9**

7. 31 out of the 44 responses indicated that they would like to see a tariff increase, which represents 70.4% of those respondents.
8. In light of these responses, Members must decide whether to approve any change in the current tariffs or for them to remain unchanged. If a change is to be made, Members must

decide upon one of the three options available. When considering this issue, the impact of any increase in tariffs must reflect a balance between allowing licensed drivers to generate a reasonable income, whilst representing value for money for the travelling public.

9. To enable Members to consider the alternative tariffs proposed in this report, tariff's from each of the Tees Valley local authorities have been produced at **Appendix 4**. It is however difficult to draw direct comparisons as there are a number of variables to consider within each tariff and how they are calculated.
10. As a straight forward comparison, a table of fares has been prepared using data from taxi trade magazine Private Hire Monthly with comparative fares for a 2 mile daytime journey for each of the 12 north-east local authorities (Tees Valley authorities have been highlighted.) This table also provides their national position, however it must be noted that some local authorities may have the same fares, but given sequential positions. (**Appendix 5**).
11. Members will be aware that any tariff set is the maximum that can be charged for a fare. Hackney carriage proprietors are perfectly at liberty to charge less than the metered fare and it is common practise for some to do this in Darlington.

Statutory Consultation Requirement

12. If Members are minded to approve any proposal to increase the tariffs, that decision will be subject to statutory consultation by way of an advertisement in a local newspaper, when a 14 day consultation period will commence. In the event of objections as a result of the statutory consultation there is a requirement for these to be considered by Cabinet and a further implementation date will be set.
13. The proposed increase in tariffs applies only to hackney carriages, as licensing authorities have no power to set fares for private hire vehicles.

Recommendations

If Members are minded to approve the proposal to increase the tariff they must decide which option that will be and this will be subject to the statutory advertising.

Dave Winstanley
Services Group

Background Papers

- 1 Local Government (Miscellaneous Provisions) Act 1976

Appendices

- 1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976
- 2 Letter from Trade Member requesting increase in tariffs
- 3 Table of all alternative proposals
- 4 Comparison table of neighbouring authorities tariffs
- 5 Comparison table of NE local authorities for a 2 mile journey

THE LEGISLATION

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976

- (1) 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 the 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 (hereafter in this section referred to as a "table of fares") made or varied in accordance with the provisions of this section.
- (2)(a) When a District Council make or vary a table of fares they shall publish in at least one local newspaper circulating in the District a notice setting out the table of fares or the variation thereof and specifying the period, which shall not be less than 14 days from the date of the first publication of the notice, within which and the manner in which objections to the table of fares or variation can be made.
- (2)(b) A copy of the notice referred to in paragraph (a) of this subsection shall for the period of fourteen days from the date of the first publication thereof be deposited at the offices of the Council which published the notice, and shall at all reasonable hours be open to public inspection without payment.
- (3) If no objection to a table of fares or variation is duly made within the period specified in the notice referred to in subsection (2) of this section, or if all objections so made are withdrawn, the table of fares or 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 objection or, if more than one, of the last objection, whichever date is the later.
- (4) If objection is duly made as aforesaid and is not withdrawn, the District Council shall 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.
- (5) A table of fares made or varied under this section shall have effect for the purposes of the Act of 1847 as if it were included in hackney carriage byelaws there under.
- (6) On the coming into operation of the table of fares made by a Council under this section for the District, any hackney carriage byelaws fixing rates and fares or any table of fares previously made under this section for the District, as the case may be, shall cease to have effect.
- (7) Section 236(8) (except the words "when confirmed") and Section 238 of the Local Government Act 1972 (except paragraphs (c) and (d) of that section) shall extend and apply to a table of fares made or varied under this section by a District Council in England as they apply to byelaws made by a District Council in England.

Appendix 2

Dear Member of the Trade

Re: Taxi Tariff Increase

You will be aware that earlier this year a formal request was made by the trade to increase our current tariff and there is a legal process to follow under the Local Government (Miscellaneous Provisions) Act 1976 before any increase can be approved. The response rate to our letter was 18.5%, with slightly more in favour of retaining the current tariff. The letter did however say that if we did not receive a response there would be an assumption that an increase would be supported. Responses also suggested other potential tariffs that have not yet been taken into consideration.

As covid restrictions have been relaxed in recent weeks there have been significant developments within the taxi trade, with many drivers choosing alternate employment. This has become a national problem and as you know this has led to shortages of taxis during peak times. The dynamics within the taxi trade have changed significantly and there is now a great deal of uncertainty about the future, however signs are very encouraging that Darlington will be at the forefront of a recovery both regionally and nationally.

Before submitting a report to the Licensing Committee we thought that it would be fair for other tariff suggestions to be considered and in hindsight of the previous letter to remove any assumptions, whereby we will deal with the data that is presented to us by way of responses. The report that is submitted needs to reflect the current situation within the taxi trade. When deliberating a new tariff, the Licensing Committee must consider the impact of any increase, as it needs to reflect a balance between allowing licensed drivers to generate a reasonable income, whilst representing value for money for the travelling public.

We have prepared an supplement separate to this letter with the proposed tariff's and would ask that you indicate your preferred option or if you would like it to remain the same. Could you then return your response to the licensing office or email taxilicensing@darlington.gov.uk. We have also prepared a comparison table from local authorities across the North East and Tees Valley of fares for a two mile journey based on information from your taxi trade magazine. (see Appendix 1)

I would be grateful if you could respond to this letter no later than 30 November 2021.

Appendix 3

OPTIONS – ALTERNATIVE PROPOSED TARIFF INCREASES

Option 1 - current table of fares

Tariff	First 290 yards or 265.06 metres	Each additional 147 yards or 134.35 metres	Waiting time per 30 seconds
Tariff 1 (06:00 hrs to 23:00 hrs)	£2.50	15p	15p
Tariff 2 (23:00 hrs to 06:00 hrs) and the 24 hrs of all public holidays other than those included in Tariff 3.	£3.00	20p	20p
Tariff 3 18:00 hrs 24 December to 06:00 hrs 27 December and 18:00 hrs on 31 December to 06:00 hrs on 2 January	£3.50	25p	25p
Soiling Fee			£50.00

Option 2 - increase in first 1760 yards

Tariff	First 1760 yards or 1609.34 metres	Each additional 147 yards or 134.35 metres	Waiting time per 30 seconds
Tariff 1 (06:00 hrs to 23:00 hrs)	£4.50	15p	15p
Tariff 2 (23:00 hrs to 06:00 hrs) and the 24 hrs of all public holidays other than those included in Tariff 3.	£5.00	20p	20p
Tariff 3 18:00 hrs 24 December to 06:00 hrs 27 December and 18:00 hrs on 31 December to 06:00 hrs on 2 January	£6.50	25p	25p
Soiling Fee			£50.00

Option 3 - increase in additional 147 yards

Tariff	First 290 yards or 265.06 metres	Each additional 147 yards or 134.35 metres	Waiting time per 30 seconds
Tariff 1 (06:00 hrs to 23:00 hrs)	£2.50	20p	15p
Tariff 2 (23:00 hrs to 06:00 hrs) and the 24 hrs of all public holidays other than those included in Tariff 3.	£3.00	25p	20p
Tariff 3 18:00 hrs 24 December to 06:00 hrs 27 December and 18:00 hrs on 31 December to 06:00 hrs on 2 January	£3.50	30p	25p
Soiling Fee			£50.00

Option 4 - increase in additional 147 yards and waiting time

Tariff	First 290 yards or 265.06 metres	Each additional 147 yards or 134.35 metres	Waiting time per 30 seconds
Tariff 1 (06:00 hrs to 23:00 hrs)	£2.50	20p	20p
Tariff 2 (23:00 hrs to 06:00 hrs) and the 24 hrs of all public holidays other than those included in Tariff 3.	£3.00	25p	25p
Tariff 3 18:00 hrs 24 December to 06:00 hrs 27 December and 18:00 hrs on 31 December to 06:00 hrs on 2 January	£3.50	30p	30p
Soiling Fee		£50.00	

DARLINGTON BOROUGH COUNCIL

Tariff 1 - £2.50 first 290 yards and 15p for every 174 yards thereafter, waiting time 15p for 30 sec

Tariff 1 - £3.00 first 290 yards and 20p for every 174 yards thereafter, waiting time 20p for 30 sec

Tariff 1 - £3.50 first 290 yards and 25p for every 174 yards thereafter, waiting time 25p for 30 sec

HARTLEPOOL BOROUGH COUNCIL

Tariff 1 - £2.50 plus 30p for the first 174 yards and 10p for every 174 yards thereafter

Tariff 2 - £2.50 plus 30p for the first 143 yards and 10p for every 131 yards thereafter

Tariff 1 - £2.50 plus 30p for the first 131 yards and 10p for every 109 yards thereafter

MIDDLESBROUGH COUNCIL

Tariff 1 - £2.80 first mile or 8 minutes and 10p each 1/15 mile or 45 seconds

Tariff 1 - £3.80 first mile or 8 minutes and 20p each 1/15 mile or 45 seconds

REDCAR AND CLEVELAND BOROUGH COUNCIL

Tariff 1 - £3.00 first mile – 15p each 1/10 mile

Tariff 2 - £3.50 first mile – 18p each 1/10 mile

STOCKTON-ON-TEES BOROUGH COUNCIL

Tariff 1 - £2.50 first half mile – 10p each following 136 yards or part

Tariff 2 - £2.80 first half mile – 15p each following 136 yards

Tariff 3 - £3.00 first half mile – 20 each 146 yards

Appendix 5

Hackney Taxi Fare Tables

Taxi trade magazine update on the cost of a 2 mile hackney taxi fare on Tariff 1 for the north-east region local authorities, and their position out of 364 (lower position number represents more expensive fare)

NE Council	National position	2 mile fare
Durham	86	£6.50
South Tyneside	191	£6.00
Northumberland	208	£5.90
Darlington	202	£5.80
Newcastle	227	£5.80
North Tyneside	230	£5.80
Sunderland	268	£5.60
Gateshead	326	£5.10
Hartlepool	344	£4.80
Redcar and Cleveland	349	£4.50
Stockton	350	£4.50
Middlesbrough	353	£4.30

An **option 2** fare for a 2 mile hackney taxi fare would increase to £6.30, placing Darlington as second most expensive in the region behind Durham. It would position Darlington at **123** in the national table.

An **option 3** fare for a 2 mile hackney taxi fare would increase to £6.90 placing Darlington as most expensive in the region. It would position Darlington at **38** in the national table.