



Report Reference Number: E/22/14

To: Executive Committee
Date: 1 September 2022
Status: Non-Key Decision
Ward(s) Affected: Whole District
Lead Executive Member: Councillor Tim Grogan, Lead Member for Health and Culture
Author: Sharon Cousins, Licensing Manager
Lead Officer: Drew Fussey, Operational Service Manager

Title: Local Government (Miscellaneous Provisions) Act 1976, Section 65 – increase of Hackney Carriage Maximum Fares (Fuel Cap)

Summary:

On the 26 May 2022, the Executive Committee approved a maximum taxi fare increase for the Selby Hackney Carriage trade. The proposal was in line with the recent Hackney Carriage Fare increase in Harrogate that considered the current increases in fuel prices at the pump.

It is anticipated that fuel costs are likely to increase further over the next year and the Council's proposal would allow some breathing space for the trade.

A soft consultation with the Hackney Carriage trade, was carried out between the 26 May and the 10 June 2022. This is not a legal requirement but helps the Council to gauge the trade response. The response to this was low, 9%. Following on from this an additional email was sent to all the drivers who had not responded to the initial soft consultation to seek their views. A 5-day period was given for them to submit their view on the Council's proposal. A further 12 responses were received increasing to total response to 28%.

Officers are asking the Executive to agree one option (A to D). If B to D is the preferred option, it is a legal requirement to carry out a public consultation on the proposal, this report seeks that approval.

Recommendations:

- 1. That the Executive consider and agree an option as set out in paragraph 3 (A to D).**
- 2. That, if the Executive agree one of the options to increase fares (B to D), permission be given to carry out the legally required public consultation, as set out below.**

Details of the formal Consultation

- The consultation shall run from the 8 September to 22 September 2022.
- A copy of the notice will be placed in the Selby Times and on the Licensing Webpages.
- A copy of the notice will be emailed individually to all licensed Hackney Carriage Proprietors for their comments.
- At the end of the legal consultation, if there are no objections the new fare (fuel cap) will commence on the 1 October 2022.
- If objections are received and not withdrawn a further Executive meeting will be needed to consider the objections and agree a way forward.

1. Introduction and background

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”) provides that a district council may fix the maximum rate of fares within the district and all other charges in connection with the hire of a HC vehicle; this is done by means of a table which is to be referred to as “the table of fares”. Private Hire vehicles can set their own fares and are therefore not the subject of this report.
- 1.2 Any changes to the table of fares must be decided by the Executive Committee and published in accordance with Section 65, for a period of not less than fourteen days to allow for objections to be made.
- 1.3 If any objections are received within the period allowed, and not withdrawn, then the district council must set a further date not later than two months after the first specified date for the table of fares to come into effect with or without modifications as described by them.
- 1.4 Three requests have been made to the Licensing Authority the trade asking to consider a fare increase due to rising fuel costs, this is likely to continue for the foreseeable future.
- 1.5 The last fare increase took effect on the 1 April 2019

2.0 The Report

- 2.1 Local Government Reorganisation (LGR), between all the current 7 North Yorkshire Districts takes place on the 1 April 2023. Work streams are already working on how each area of the Council will function from vesting day and beyond.
- 2.2 The aim of the Licencing LGR subgroup is to harmonise fares prior to the vesting day. Harrogate had the highest fare cap at present and has just reviewed their fares to take on board the current increase in fuel prices. Since the consultation document was put together, Craven District Council have also increased their fares in line with Harrogate

- 2.3 The full proposal, agreed by the Council Executive in May 2022, can be seen in the informal consultation document (Appendix A) and is in line with Harrogate's current maximum Hackney Carriage Fare review, and as such has taken on board the rise in fuel costs currently.
- 2.4 For comparison, below is a table which shows the different fees across other North Yorkshire councils who are undergoing LGR. All the districts within North Yorkshire have different tariffs, so it is very difficult to get a direct comparison, but the Private Hire Magazine publish a list of fares, and this is where the information below stems from. The table below shows the current comparison for a 2 miles journey, and the ranking of the fare for the Country (on the 27 July 2022).

| Council | Fare per 2-mile journey | Ranking in Private Hire Magazine for the county |
|------------------|-------------------------|---|
| Harrogate BC | £7.40 | 39 |
| Scarborough BC | £6.60 | 139 |
| Selby DC | £6.06 | 225 |
| Ryedale DC | £6.00 | 247 |
| Richmondshire DC | £6.00 | 239 |
| Hambleton DC | £5.50 | 305 |
| Craven DC | £6.99 | 80 |

- 2.5 Appendix B shows Craven district council's, another rural district within North Yorkshire, increased their fares by 33% making it almost on parr with Harrogate.
- 2.6 The table below shows other councils neighbouring Selby District, and how they sit currently in the Private Hire Magazine comparison.

| Council | Fare per 2-mile journey | Ranking in Private Hire Magazine for the county |
|---------------------|-------------------------|---|
| East Riding Council | £5.15 | 331 |
| York | £7.20 | 57 |
| Leeds | £6.40 | 166 |

- 2.7 For comparison Appendix C shows East Riding Council's current proposal that has just gone through the statutory public consultation, and Appendix D shows the current maximum fares for Leeds Council, both neighbouring authorities to Selby.
- 2.8 It is envisaged that fuel prices will continue to increase over the next year. The previously approved proposed taxi fare is a maximum fare, a fuel cap. If the drivers use the fuel cap wisely and charge the best possible price for the customer according to the cost of fuel at the pump at the time of the journey, the Council should not need to review fares again in the foreseeable future. The current proposal should see drivers through a considerable amount of time. This is of benefit to the drivers, as they will not lose time waiting for further proposals, consultations, and decisions to be made, which can take months.

- 2.9 Charging under the maximum fare is not new. The current fare for Selby is also the maximum fare. Drivers can charge under the maximum fare, as this is what the legislation permits. As fuel prices have increased so much, very few drivers are likely to be reducing fares currently.
- 2.10 The Executive Committee approved the proposal as shown in Appendix A, and a soft consultation with the trade was carried out between 26 May and the 10 June 2022. The trade union and every driver were sent the consultation via email and the post. All had an opportunity to respond if they so required.
- 2.11 Of the 64 Hackney Carriage drivers currently licensed by Selby Council, 6 Responded, this equates to 9% only of the trade.
- 2.12 Due to the low response to the initial soft consultation, a second email was sent to all the drivers who had not responded to the soft consultation. Providing them with an additional 5 days to share their view about the proposal. Officers are fully satisfied that every HC driver has received a posted copy of the consultation document and 2 emails inviting them to comment on the proposal prior to the formal consultation. As a result, 28 % of the trade have now responded. A summary of the responses can be found in Appendix E.
- 2.13 Of the 18 responses received to both consultations, 7 drivers agreed with the Executive approved proposal as shown in Appendix A, which was used in the soft consultation. 10 drivers disagreed with the proposal. 1 driver agreed with tariff 1 of the proposal, but not tariff 2, and they provided no comments surrounding tariff 3.
- 2.14 1 driver proposed that the hours mentioned in tariff 3 of the proposal in Appendix A (Christmas & New Year periods), should be kept to the timings in Selby's current HC Fares. As this could be seen as a reasonable proposal due to the bank holiday, we have included this one response as a consideration.

3. Options to be considered

- a. Not to increase fares - Drivers are expecting an increase
- b. Endorse Appendix A - Potentially aligning with future LGR proposal
- c. Endorse Appendix G - Supported by 3 drivers during the consultation
- d. Endorse Appendix F - Proposed by 1 driver during the consultation

- 3.1 If option A is agreed no consultation is required, any other option will require the formal, legal consultation as outlined above.

4. Public Notice

- 4.1 Any changes to the table of fares must be published for public comment in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 for a period of not less than fourteen days to allow for objections to be made.

5. Implications

5.1 Legal Implications

The Council has the power under the provisions of section 65 of the Act, to make a variation to the table of fares in connection with the hire of a Hackney Carriage. Section 65 requires the variation to the fares to be advertised in a local newspaper for a period of notice of at least 14 days to allow for objections against the proposal. Any objections received will have to be considered in line with the Act. If no objections are received or are withdrawn, the fares will be implemented.

5.2 Financial Implications

5.3 The public would have an increase in fare costs. Hackney Carriages have the option to charge a lower rate than the approved higher rate if they chose. This effectively creates a fuel cap as the Higher rate. Hackney Carriages cannot charge above higher rate, as is permitted within the regulations.

5.4 The Hackney Carriages current maximum rate was set in 2019, since then fuel prices have risen considerably and look to remain high and unstable for the foreseeable future.

5.5 Policy and Risk Implications

There are no policy or risk implications

6. Conclusion

6.1 As per the recommendation above.

7. Background Documents

www.selby.gov.uk/taxi-information

8. Appendices

Appendix A – Proposed Hackney Carriage Informal Consultation Document

Appendix B – Craven Hackney Carriage Maximum Fares

Appendix C - East Riding recent Consultation Document of Fares

Appendix D – Leeds Hackney Carriage Maximum Fares

Appendix E – Summary of soft consultation response with the trade

Appendix F – Driver Proposal backed by 3 drivers

Appendix G – Driver Proposal

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