

<b>Subject:</b>	<b>LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976 – HACKNEY CARRIAGE FARE TARIFF – REQUEST FOR INCREASE</b>
<b>Meeting and Date:</b>	<b>Cabinet – 7 October 2019</b>
<b>Report of:</b>	<b>Head of Regulatory Services</b>
<b>Portfolio Holder:</b>	<b>Councillor Nigel Collor, Portfolio Holder for Transport and Licensing</b>
<b>Decision Type:</b>	<b>Key Decision</b>
<b>Classification:</b>	Unrestricted
<b>Purpose of the report:</b>	To consider the proposal submitted by the Dover Federation of Licensed Taxi Operators to increase hackney carriage fares
<b>Recommendation:</b>	That Cabinet do not approve the table of fares presented by the Dover Federation of Licensed Taxi Operators

## **1 Summary**

- 1.1 The fixing of maximum fare levels in respect of hackney carriages is a statutory function of the District Council under the provisions of Section 65, Local Government (Miscellaneous Provisions) Act 1976.
- 1.2 The formal statutory procedure for varying the fares requires the Council to publish a notice containing the proposed variation table in at least one local newspaper and specify a period of not less than 14 days from the first publication of the notice during which time objections to the variation can be made.
- 1.3 In the event of any objections being received, the Authority must consider those objections before bringing the variation into operation. The date on which the table of fares comes into operation, with or without modification, shall be not less than 2 months after the date on which it would have come into operation if no objections were received or if objections had been withdrawn.
- 1.4 The current hackney carriage table of fares came into force in January 2012, and is shown at **Appendix A**.
- 1.5 The Licensing Section received a proposal for a revised table of fares from the Dover Federation of Licensed Taxi Operators. On 3 June 2019 Cabinet approved a preliminary non-statutory consultation exercise to be undertaken in advance of invoking the formal procedures identified in paragraphs 1.1 – 1.3 above.
- 1.6 The public consultation took place between 10 June – 21 July 2019.
- 1.7 One representation was received during the consultation period, from a licensed hackney carriage proprietor within the district.

- 1.8 The representation raised concerns that the pricing proposal was not straightforward or easy to follow and could mislead the users. The full representation is shown at **Appendix E**.

## **2 Introduction and Background**

- 2.1 The current tariff has been in place since 2012 (7 years without review). The Dover Federation of Licensed Taxi Operators approached the licensing authority to review the tariff quoting increased running costs as the reason. They presented a proposed revised table of fares (shown at **Appendix B**). They also presented various pieces of background information which can be found at **Appendix C**.
- 2.2 The documents submitted included statistics on price ranking relating to April 2019. However, the latest information shown in the September 2019 issue of The Private Hire and Taxi Monthly, lists Dover District Council as having the 154<sup>th</sup> highest taxi tariff in the country. Canterbury is ranked 77<sup>th</sup> highest, Ashford 70<sup>th</sup>, Folkestone & Hythe 120<sup>th</sup> and Thanet 283<sup>rd</sup>, out of a total of 362 authority areas (**Appendix D**).
- 2.3 The supporting evidence provided is inconclusive in terms of establishing any overall increase in running costs for hackney proprietors. As such, the Licensing Team recommended that additional data be provided by the Federation to support and justify the proposals. No such additional information has been forthcoming.
- 2.4 The tariff presented would be the maximum that can be charged, allowing hackney proprietors to charge less if they wish. In essence the start rate for all journeys is reduced, however, the rate per mile has increased for all journeys. Although this tariff does not have to be used by drivers (because it is the maximum tariff), in accordance with this particular proposal ALL vehicles will have to amend their meters to reflect the initial reduced start rate. This means ALL vehicles will then have to be checked by the Licensing Enforcement Officer to ensure compliance.
- 2.5 As a result of the consultation exercise, one representation was received which raised concerns that the pricing proposal (which includes increases which would not become evident until the journey has begun) will confuse the public and cause them to think they have been overcharged. The suggestion was put forward that a simpler, more transparent method would be to simply increase the start rate on all tariffs.

## **3 Identification of Options**

Two options have been identified.

- 3.1 **Option 1** is to reject the proposed table of fares put forward by the Dover Federation of Taxi Operators and retain the existing table of fares.
- 3.2 **Option 2** is to approve the proposed table of fares put forward by the Dover Federation of Taxi Operators and to facilitate the formal procedure of adoption.

## **4 Evaluation of Options**

- 4.1 **Option 1 – Preferred option**  
The current tariff has been in place for 7 years without review. No conclusive evidence has been submitted to indicate that any increase in maximum fare is required at this stage. In addition the proposed pricing strategy is not straightforward or transparent. The presentation of figures may be difficult for consumers to

understand, may mislead consumers and could inevitably result in a misunderstanding over what may be perceived as hidden costs or charges. For example, whilst the start rate in the proposed table of fares is a lower figure than the current rate, once in transit the cost per mile increases considerably.

Such confusion has the potential to cause confrontation (especially after midnight when consumers may be under the influence of alcohol or recreational substances) resulting in increased risk to drivers etc.

- 4.2 **Option 2** – There is no real evidence to support this option at this stage. Adoption of the proposed scheme could be perceived as misleading and has the potential to result in confusion and confrontation. As such this option is not recommended in relation to the current proposal.

## **5 Resource Implications**

None

## **6 Corporate Implications**

- 6.1 Comment from the Finance Officer: Accountancy has been consulted and has nothing further to add (SB)
- 6.2 Comment from the Solicitor to the Council: The Head of Governance has been consulted during the preparation of this report and has no further comment to make.
- 6.3 Comment from the Equalities Officer: This report does not specifically highlight any equality implications however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.
- 6.4 Other Officers (as appropriate):

## **7 Appendices**

**Appendix A** – Current tariff

**Appendix B** – Proposed table of fares put forward by the Dover Federation of Licensed Taxi operators with summary

**Appendix C** - Presentation provided by the Dover Federation of Licensed Taxi Operators

**Appendix D** – PHTM figures for September 2019

**Appendix E** – representation received during the consultation period

## **Background Papers**

None

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