

Response to consultation on request for hackney carriage fare increase

Date: 29 June 2022

Report of: Taxi & Private Hire Licensing Manager

Report to: Chief Officer Elections and Regulatory

Will the decision be open for call in? ☐ Yes ☒ No

Does the report contain confidential or exempt information? ☐ Yes ☒ No

What is this report about?

Including how it contributes to the city's and council's ambitions

- Hackney carriage fares are regulated, unlike private hire fares.
- The council has received a request from trade representatives for hackney carriage fares to be increased in order to meet the general higher cost of living and specific increase to the cost of fuel. The fares were last reviewed and increased in 2018. In recognition of these challenges, the council has consulted on a proposed increase of 50p on hackney carriage fares.
- The council has a legal requirement to engage/consult, and this report provides feedback on the consultation method, the responses received, and the decision required.

Recommendations

- a) That the Chief Officer Elections and Regulatory approves an increase of 50p on hackney carriage fares.

Why is the proposal being put forward?

- 1 The request received refers to the significant general increase in the cost of living in the UK and the considerable specific increase in the cost of fuel. The request received is for 50p to be added to the taximeter at the start of every journey, but for all other costs to remain unchanged. The taximeter reading is the maximum fare a driver can charge to a customer. The request also suggests that this could be a temporary, rather than a permanent, increase in fares.

What impact will this proposal have?

Wards affected:

Have ward members been consulted?

☐ Yes

☒ No

- 2 If approved, the fare increase would add 50p to the maximum cost of every journey made by hackney carriage in Leeds, as shown on the vehicle's taximeter. It would not affect directly private hire fares, which are by UK law not regulated, but may be viewed as contributing to an upward increase in the costs of the general public to use both hackney carriages and private hire vehicles.
- 3 The council licences a maximum of 537 hackney carriage vehicles, and the fare cards would need to be amended and taximeters would need to be updated for each vehicle. There are plans for a comprehensive review of vehicle conditions later in 2022-23, which would also ordinarily involve a review of hackney carriage fares.

What consultation and engagement has taken place?

- 4 This report follows consultation which took place in June 2022. The responses to previous hackney carriage fare reviews have been noted, including objections to the fare increases, on behalf of some passenger groups. The engagement or consultation will need to weigh up the additional costs to passengers against the additional benefits to drivers and vehicle owners.
- 5 The most recent annual report on taxi statistics for England draws attention to which people report using hackney carriages and private hire vehicles. An increase of 50p per journey would have a disproportionate impact on some people more than others and would raise a 2 mile journey from £6.40 to £6.90. Most people (58%) rarely use a taxi or PHV (at most twice a year). However, around a quarter (28%) travel by taxi or PHV at least once a month and 9% of people travel by taxi or PHV on a weekly basis. People with mobility difficulties, women (especially women aged over 70), and families without a car are all likely to take more journeys by hackney carriage or private hire vehicle.
- 6 The most recent annual report on taxi statistics for England also draws attention to the national drop of around 30% in hackney carriage and private hire drivers in 2021 from before Covid pandemic, indicating a potential shortage of hackney carriage and private hire drivers. Leeds currently licenses 800 hackney carriage drivers, compared to 894 at the start of March 2020, a drop of around 12%.
- 7 Fuel is one of the major costs for hackney carriage and private hire vehicle owners and drivers. The UK Office for National Statistics reports that petrol has increased in cost by 34p per litre, and diesel by 47p, in the last 12 months. It is possible that fuel prices may fall in the longer term, but they have been increasing very rapidly in 2022, and may well continue to increase. A small fare increase of 50p per journey would go a small way to covering some of the increased costs.
- 8 The council consulted on the request for 50p to be added to each fare between 14 and 28 June 2022. The consultation was shared with 60 stakeholder organisations and 1,340 individuals who had registered an interest in receiving updates on taxi licensing matters.
- 9 The council received four responses objecting to the proposed fare increase, and these responses and the council's answers to each are attached at **Appendix 1** at the end of this report. Two of the responses were from hackney carriage drivers, who felt 50p was not a large enough increase. The other two responses were from members of the public – one claimed that hackney carriage fares were usually higher than private hire, and didn't need increasing,

and a second didn't object in detail to the proposed fare increase but requested a hackney carriage rank in Wetherby.

- 10 The council is initiating a vehicle conditions review later in 2022, which will include review of hackney carriage fares and provision of ranks, and the consultation responses will be used to feed into those reviews.
- 11 Four objections out of 1,400 people/organisations contacted is a very low level of objection to the proposal. The claim that hackney carriage fares are significantly higher than private hire fares may have been true before Covid and lockdown but is currently not the case.
- 12 The report recommends that the fare increase be approved by delegated decision.

What are the resource implications?

- 13 There are some resource implications of changing hackney carriage fares once a decision to do so is made. These relate to the requirement to make changes to the hackney carriage vehicle fare cards, and the alterations and resealing of the hackney carriage taximeters.
- 14 While there is some discretion over how fully consultation may take place, as a minimum the following steps have to be followed:
 - If objections are received they must be considered, and (whether or not amended as a consequence) the council shall set a further date within two months of the consultation closing, on which the final table of fares and charges shall come into force.
- 15 In order to ensure that hackney carriage passengers are aware of the fare increase, the council would add stickers to all 537 fare cards from the vehicles stating 'new 50p fare increase'.
- 16 Similarly, in order to ensure that all taximeters show the same fares, the council should require all taximeters to be updated and resealed with a different colour sealant. The taximeter companies will also charge vehicle owners for the updating and resealing of taximeters.

What are the legal implications?

- 17 The proposal constitutes a change in connection with the hire of a hackney carriage. Accordingly, the requirement of section 65 of the Local Government (MP) Act 1976 would be engaged, and the statutory process for amending the existing fares and charges regime has been followed.
- 18 This process includes responding to any objections.

What are the key risks and how are they being managed?

- 19 There are two main risks arising from the increase in fuel costs for hackney carriage drivers and owners.
- 20 First, high and rising fuel costs limit the availability of hackney carriages, with implications for people who regularly use hackney carriages. Because hackney carriage fares are regulated, in contrast to private hire fares, this gives private hire an advantage in responding to higher operating costs (in this case fuel and general cost of living).
- 21 Second, higher hackney carriage fares are seen as unaffordable to people who regularly use hackney carriages. This may or may not result in objections to the proposed fare increases.
- 22 The risks can be managed through the council supporting a comparatively small fare rise, which should maintain the number of vehicles being available and enable hackney carriage owners and drivers to continue to work without having to absorb all of the higher fuel costs. Using the most common fare index of hackney carriage tariffs, increasing the cost of a 2 mile journey from

£6.40 to £6.90 would raise Leeds from being the 125th highest in the country to the 57th highest, and remaining below York and Harrogate in neighbouring authorities.

Does this proposal support the council's three Key Pillars?

☐ Inclusive Growth ☒ Health and Wellbeing ☐ Climate Emergency

23 The proposal supports the health and wellbeing priority by recognising that provision of safe and comfortable hackney carriages in the city supports the independence and mobility of a range of people.

Options, timescales and measuring success

What other options were considered?

24 The council is legally required to respond to a request from the hackney carriage trade for a fare review. The fares were last reviewed in 2018, so it has been some time since the last review, since when operating costs have increased significantly.

25 The council was keen to hear the views of passenger groups and stakeholders who would be particularly affected by a fare increase, and whether they suggested any alternative options. In this instance, other than a recommendation for a hackney carriage rank in Wetherby, the absence of feedback from the consultation may indicate that the passengers and stakeholders accept the need for a fee increase.

How will success be measured?

26 Success will be measured by gauging ease of transition to any new fare.

What is the timetable for implementation?

27 The timetable will be:

- 29 Jun 22 - Delegated decision to implement
- 1 Jul 22 - New fare implemented
- From 1 Jul 22 - 537 fare cards amended/updated
- From 1 Jul 22 - 537 taximeters recalibrated and resealed

Appendices

A - Responses to the consultation.

B - Request from Unite the Union, subsequently endorsed by the Hackney Carriage Joint Trade Council.

Background papers

Taxi and private hire vehicle statistics, England: 2021, Department for Transport:

[Taxi and private hire vehicle statistics, England: 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/taxi-and-private-hire-vehicle-statistics-england-2021)

Weekly fuel prices 2022, Office for national statistics:

[Weekly road fuel prices - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/weekly-road-fuel-prices)

Private Hire Trade Monthly current hackney carriage fare table:

[Hackney Taxi Fare Tables \(phtm.co.uk\)](http://phtm.co.uk)