

Record of Decisions

Hackney Carriage Tariff Increase

Decision Taker

Cabinet on 20 August 2024

Decision

That the proposed amendments to the Hackney Carriage Tariff as set out in the submitted report be approved and the Director of Adults and Community Services be instructed to carry out the public consultation as set out in the prescribed process under Section 65 of the Local Government (Miscellaneous Provisions) Act 1976.

Reason for the Decision

The Tariff was last reviewed in March 2022 and prior to this the Tariff had been updated in October 2019.

Since the last review, the consumer price index (CPI), which represents inflation through the change in the cost of living, had remained high. Inflation had fallen significantly since it reached 11.1% in October 2022, which was the highest rate for 40 years. However, the prices were not falling, they were just rising less quickly. Inflation had remained above the Bank of England's 2% target partly because of high energy and food prices. The price of fuel peaked in June 2022 at 191.1 pence for Petrol and 198.96 pence per litre of diesel but had reduced to its current price of 149 pence for petrol and 155.7 pence for diesel.

The drivers of inflation such as energy, fuel, food and consumer goods along with the impact on the economy from world events such as the Covid-19 pandemic and the world conflicts had continued to hit all business sectors hard, not least the taxi trade. In addition, direct overheads, such as vehicle replacement, servicing and insurance were also significant cost factors for the trade. The general hospitality and evening and night-time economy trade had also not fully recovered since the pandemic due to the cost-of-living crisis and the ongoing impact that the trade would experience financially was uncertain.

The Table of Fares (Tariff) should be set to enable sustainable income for drivers, future investment in vehicles and to clearly set rates that minimise the opportunity for overcharging or confusion.

Implementation

This decision may be implemented on 3 September 2024 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

Information

The common term for Hackney Carriages is 'taxis', a customer can flag down a taxi in the street or at taxi ranks without booking unlike private hire vehicles that must always be booked in advance of the journey.

Section 65 of the Local Government (Miscellaneous Provisions) Act 1976, allows the Council to set the maximum costs and fares that drivers may charge the public for journeys taken in a taxi. The Council does not have powers to set fares for journeys in private hire vehicles.

Taxi fares were made up of an initial hiring charge (flag fall) and a mileage rate, both of which were expressed in terms of distance and or time. The Tariff had to be displayed within all taxis to allow passengers to calculate the approximate cost of their journey.

In accordance with the statutory procedure set out in Section 65 of the Local Government Miscellaneous Provisions Act 1976, Members agree the proposed changes to the Tariff, the Council must then undertake a public consultation prior to making any amendment to the Tariff. A notice must be published in at least one local newspaper circulating in the areas setting out the variation and specifying the period, which cannot be less than 14 days from the date of the first publication of the notice, within which and the manner in which, objections can be made.

If no objections to the variation of the Tariff are received, or if all objections are withdrawn, the revised Tariff will come into operation on the date of the expiration of the consultation period. However, if any objections are made and not withdrawn, the Cabinet will consider the objections and set a further date, not later than two months after the first specified date, on which the tariff shall come into force with or without further modifications.

At the meeting Councillor Tranter proposed and Councillor Billings seconded a motion that was agreed unanimously by the Cabinet, as set out above.

Alternative Options considered and rejected at the time of the decision

The alternative options were to further amend the proposed amendments or reject the proposed amendments. These options were discounted in order to strike a balance between the legitimate right of the trade to a viable and sustainable livelihood and the needs of the travelling public to have a safe and affordable service. The cost-of-living crisis had hit the taxi trade hard most notably through the escalating vehicle purchase, maintenance and fuel costs. These costs were no longer absorbed through the existing Tariff. If the fares were not increased on a regular basis in line with inflation, then many potential drivers would be discouraged from entering or staying in the trade, leading to a shortage of supply and a decline in the quality of the service.

Is this a Key Decision?

Yes – Reference Number: I105626

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

23 August 2024

Signed: _____
Deputy Leader of Torbay Council on behalf of the Cabinet

Date: 23 August 2024