

Meeting date: 10 November 2022

Report to: Cabinet Member for Resources

Report title: Hackney Carriage Fare Tariff – Review for Consultation

Report from: Alison McGrory – Assistant Director Communities and Partnerships

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Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood | Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle | Lyndon | Meriden | Olton | Shirley East | Shirley South | Shirley West | Silhill | Smith's Wood | St Alphege
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Public/private report: Public

Exempt by virtue of paragraph:

1. Executive Summary

- 1.1 The purpose of this report is to seek approval to consult on a request from the hackney carriage trade to increase the maximum chargeable fares payable by the travelling public for hackney carriage journeys, subject to statutory consultation with the public.
- 1.2 The setting of fares is a power afforded to the Council and it is the Council's responsibility to strike a balance between setting a fare that is acceptable to both the customer and to the hackney carriage driver. Decision making on this matter is a Cabinet responsibility.
- 1.3 A proposal has been received from the RMT Union, who represent a number of licensed hackney carriage drivers in Solihull, asking for an increase in fares, which is attached at **Appendix A**. This is the proposal that approval to undertake statutory consultation is being sought for.

1.4 Following the consultation, a report will be brought back to the Cabinet Member for a decision as to whether to adopt the proposal.

2. Decision(s) Recommended

2.1 That the Cabinet Member approves the commencement of the statutory public consultation, 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 on the proposal in **Appendix A**.

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3. Matters for Consideration

- 3.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides that a council may fix the maximum rate of fares within the district and all other charges in connection with the hire of a hackney carriage vehicle. This is done by means of a table which is to be referred to as the 'table of fares'. It is enforced through the use of a taximeter for all journeys, which measures a combination of time and distance travelled.
- 3.2 The Department for Transport suggests that in reviewing fares, Authorities should pay particular regard to the needs of the travelling public, with reference both to what it is reasonable to expect people to pay, but also to the need to give hackney carriage drivers sufficient incentive to provide a service when it is needed.
- 3.3 Any changes to the table of fares must be decided by Cabinet and published in accordance with Section 65 for a period of not less than fourteen days to allow for objections to be made. In the event that any objections are received within the period allowed, and not withdrawn, then the 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.
- 3.4 The hackney carriage maximum tariffs have not been changed in Solihull since June 2012 when the current tariffs were approved.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 There are two additional options to consider.
- 4.2 Cease regulating fares - hackney carriages are unique in that they can be hailed from the street or picked up from a rank. Where a journey is pre-booked, the hirer has the opportunity to negotiate a price. This opportunity does not exist in the same way when picking up a taxi from a rank and increases the risk of confusion and dispute. Currently only a handful of Local Authorities in England choose this option. The setting of a maximum fare by the Local Authority adds protection for the consumer.
- 4.3 The Authority could keep the fares the same; however, we need to consider that there has not been an increase to tariffs in the last 10 years, and drivers are currently being negatively impacted by inflationary pressures.

5. Reasons for recommending preferred option

- 5.1 It is recommended that the proposal to consult on the suggestions at Appendix A is approved, as it supports a balanced approach when looking at increasing fares and the impact on customers, given that the fare tariff has not increased for 10 years.
- 5.2 Due to a historical case (Young and another v Scampton - [Taxi Driver Online • View topic - legal: Young v Scampton Birmingham Airport Plying 4 hire \(taxi-driver.co.uk\)](#)), hackney carriage drivers licensed by Birmingham City Council have been permitted to

work from Birmingham Airport for a number of years, even though it falls under the jurisdiction of Solihull. For this reason, any fare tariff increases have always been agreed across the two councils, so that there is only one tariff for customers using hackney carriages at Birmingham Airport regardless of which authority they are licensed by. Previously, fare changes have been agreed in step by the two councils. However, unlike in previous years, Birmingham City Council unilaterally approved the proposal to revise fares in September 2022 and has since invited vehicle proprietors for meter calibration checks. The changes enacted by Birmingham City Council, without reference to Solihull MBC, has prompted the Council to propose similar fare revisions.

- 5.3 Should the Council approve a different tariff to the one approved by Birmingham City Council, although it is possible to programme the taximeter in each vehicle with both tariffs, it is likely to create confusion for the public and may be difficult to regulate by the respective licensing authorities.
- 5.4 The Private Hire and Taxi Monthly (PHTM) publishes a list of Hackney Carriage fares at tariff one over 2 miles. It measures this fare across 355 local authorities in England. Solihull is number 235 on the list with a fare of £6.20.
- 5.5 Should the proposed fares be implemented the charge would increase to £7.60 (50th in the list). The fare list can be found at [Hackney Taxi Fare Tables \(phtm.co.uk\)](http://phtm.co.uk).

6. Implications and Considerations

- 6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
People and Communities: <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	Use of hackney carriages has a positive effect on the safety of lone travelers especially at night.
Economy: <ol style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable. 	Hackney carriages play a vital role in our town centres, railways stations and other transport hubs, as well as at entertainment venues such as the NEC. Increasing fares will help facilitate the provision of available hackney carriages in the area.

Priority:	Contribution:
Environment: 8. Enhance our natural environment, improve air quality and reduce net carbon emissions.	The provision of hackney carriages offers reduced personal car use in the borough.
9. Promote employee wellbeing	N/A

6.2 Consultation and Scrutiny:

6.2.1 If the recommendation to consult is approved, then the proposed maximum fare tariff will 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. This will be achieved by placing a public notice in a local newspaper for this period.

6.3 Financial implications:

6.3.1 There are no financial implications for the Council. The consultation will be undertaken by existing officer resource and no additional budget is required for this. The cost of administering the hackney carriage licence scheme is funded through licence fee income on a cost recovery basis.

6.3.2 The resource cost of administering this fare review and implementing any meter changes will be considered as a cost of administering the hackney carriage licence scheme and as such will be included in any subsequent licence fee review.

6.4 Legal implications:

6.4.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 provides that in respect of the charges for hackney carriages, the 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 a vehicle...by means of a table.”

6.4.2 It is a legal requirement of the 1976 Act that when the Council makes or varies a table of fares that it publishes, in at least one local newspaper circulating in the district, a notice setting out the table of fares, or the variations. The notice must give a specified period, of not less than 14 days, within which objections can be made.

6.4.3 If no objections to the table of fares or the variation are received, the table of fares or the variations shall come into operation on the date of the expiration of the period specified in the notice.

6.4.4 If objections are received, and not withdrawn, following further approval the Council shall set a further date, no 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 the Council after consideration of the objections.

6.5 Risk implications, including Risk Appetite:

6.5.1 The hackney carriage trade would like a fare increase as soon as possible. While

their motivations are understood, given current inflationary pressures, it is essential that the Council ensures legislative requirements to consult appropriately and consider the responses to that consultation are met, otherwise the approval of new tariffs may be susceptible to legal challenge.

6.5.2 If approved after the expiry of the minimum 14-day public consultation period (with no objections), all hackney carriages will require their taximeters to be reset, a process that is carried out by an external taximeter calibrator. Officers envisage this to be completed within 4-6 weeks from approval of this report.

6.6 Equality implications:

6.6.1 All groups would see an equal rise in the fares that they pay to use hackney carriages should an increase be decided. There is potential for an increase in fares to impact disproportionately on people with disabilities, in particular wheelchair users. This potential negative impact could be driven by hackney carriage fares being too low and causing drivers to cease providing the service, or fares being too high and this limiting the ability of users of the service. It is therefore necessary to balance any fare increases carefully. On balance it is considered the proposed tariff increase is likely to ensure the service for disabled passengers is maintained rather than withdrawn due to lower tariff availability causing hackney carriages to be taken off the road. This is likely to be more positive in equalities terms than the increase itself.

7. List of appendices referred to

7.1 Appendix A – RMT Proposal

8. Background papers used to compile this report

8.1 None

9. List of Other Relevant Documents

9.1 None