

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

4621

Author:

John Davis

Department:

Resident Services

Contact:

John Davis

(Job Title: Taxi Licensing Compliance Manager, Email: john.davis@nottinghamcity.gov.uk, Phone: 07572262275)

Subject:

Hackney Carriage Fares Tariff Increase

Total Value:

N/A (Type: Nil)

Decision Being Taken:

1. The Hackney Carriage Table of Fares in appendix 1(b) and draft notice of fare increase attached be approved for publication and display in accordance with s 65 of the Local Government (Miscellaneous Provisions) Act 1976. The Director of Community Protection be given delegated power to publish and display the Table of Fares in accordance with that Act and to set an appropriate period for the submission of objections and date upon which those fares shall come into operation (in the event that there are no objections to it)³. The Director of Community Protection be given delegated power to seek to negotiate the withdrawal of any objections to the Table of Fares, it being noted that if all objections are withdrawn the table of Fares shall come into operation on the date specified or the date of the last withdrawn objection which ever is the later³. In the event that any outstanding objections remain they shall be referred back to the Portfolio Holder to consider whether any modifications shall be made to the Table of Fares and the date that it shall come into operation (such date to be no later than 2 months after the date that the Table of Fares was originally notified to come into operation.)

1. For journeys by Hackney Carriage wholly within the City boundary, the Council may fix the rates or fares within the district for time and distance, and all other charges in connection with the hire or with the arrangements for the hire. These are specified in a "Table of Fares". The setting of fares and consideration of objections thereto has to comply with the process set out in section 65 of the Local Government (Miscellaneous Provisions) Act 1976 ("the Act"). Whilst proprietors of a Hackney Carriage cannot charge more, they can charge less than the rates specified in the Table of Fares, if they choose to do so. To charge more would constitute a criminal offence under the Act.

2. A joint request has been made by the Nottingham Licensed Taxi Owners Drivers Association and Nottingham City Hackney Taxi Organisation proposing a variation by way of an increase in the current permitted fares specified in the current Table of Fares. The request consists of an increase in the daytime and night-time rates of tariff, extension of the time for the fare and a half tariff on Christmas Eve to 12 noon, an increase in the charge for waiting and for an additional £1 charge per journey on Bank Holidays. There were also some administrative requests to the Table of Fares such as inclusion of a statement that making off without payment is an offence.

3. Since the last fare increase in 2018, it is claimed that insurance costs have increased to between £1500 and £2500 per year depending on the type of vehicle insured, compared with £1200 to £1800 3 years ago and that diesel prices have increased by 24% since the last fare increase, from 135.1p to 177.5p per litre. Also, due to the recent implementation of the Council's Age & Emissions Policy, investment in new vehicles is particularly high and ranges between £35,000 and £72,000. The Consumer Price Index (CPI) rose by 7.0% in the 12 months to March 2022.

4. Appendix 1(a) contains the current Table of Fares with the proposed increases shown in Appendix 1(b). Appendix 1(c) shows the percentage increase in tariff together with information relating to average fare and fuel costs, should the proposals be approved.

5. The average daytime proposed increase is 15.36% whilst the average night-time proposed increase is 12.3%. Such an increase is seen as proportionate and necessary balancing the interests of paying taxi passengers and hackney carriage proprietors. It will also enable the proprietors to maintain their vehicles in good order to the benefit of passengers, by offsetting some of the pressures of previous increases in inflation and fuel increases in the intervening 3 years since the last increase, all of which have heightened running and maintenance costs. The increase will also enable proprietors to fulfil the requirements brought about by changes to the Age & Emissions Policy approved by the Regulatory and Appeals Committee on 18 December 2017 which has had some financial impact in that proprietors have, and will have to, fund new vehicles to be compliant with the requirements of that policy, namely Euro 6 or Ultra Low Emission Vehicles.

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| Briefing notes documents: | Report appendix 1 110422 draft.docx, Notice of fare increase - draft 13042022.docx |
| Other Options Considered: | <p>OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS</p> <p>Refusing the application for a tariff increase has been considered but rejected due to the rises in the cost of diesel and the cost of living. The trade has been particularly hit hard by the pandemic and lockdowns which resulted in a significant fall in business customers and the closure of the night time economy with a number of Hackney drivers moving to the Private Hire Trade who can set or change their fares without Council approval. The proposed variation is a reasonable increase to coincide with the inflated cost of living and maintaining a safe and suitable Hackney Carriage vehicle.</p> |
| Background Papers: | N/A |
| Published Works: | N/A |
| Affected Wards: | Citywide |
| Colleague / Councillor Interests: | N/A |
| Consultations: | If the fare increase is approved by the Portfolio Holder then a notice of the fare increase will be published as a public notice in the Nottingham Post for 14 days to allow representations to be made by members of the public. |
| Crime and Disorder Implications: | None |
| Equality: | EIA not required. Reasons: The proposal if introduced would be applied to all journeys carried out by hackney carriage drivers and will therefore impact on all users. |
| Decision Type: | Portfolio Holder |
| Subject to Call In: | Yes |
| Call In Expiry date: | 16/05/2022 |

Advice Sought:

Legal, Finance

Legal Advice:

The Council has a wide discretion to determine hackney carriage fares subject to the statutory process in s65 of the Act being followed. This is an Executive decision and within the remit of the Portfolio Holder.

The Council is obliged to advertise the proposals and their proposed implementation date but it must allow at least 14 days for objection. If no objections are received the proposals come into effect on the date specified. If objections are received they will require detailed consideration. The decision delegates power to the Director of Community Protection to seek to negotiate with those making objection and if all such objections are withdrawn then the Table of Fares will come into effect on the date the last objection is withdrawn. Any outstanding objections will be referred back to the Portfolio holder for a further decision.

The ultimate decision is, like all local government decisions, open to challenge by way of Judicial Review on the normal administrative law grounds

Advice provided by Ann Barrett (Team Leader) on 03/05/2022.

Finance Advice:

The cost of placing the public notices as part of Nottingham City Council's (NCC) obligation to advertise the proposals is expected to be met within existing budgets. There are no other specific financial implications arising to NCC from this report. There is the potential that licensing income could reduce should the decision have a detrimental impact on the number of drivers and operators working in the area. This will need to be monitored closely by the Service. Advice provided by Susan Turner (Senior Commercial Business Partner) on 04/05/2022.

Signatures

Neghat Khan (PH Neighbourhoods, Safety and Inclusion)

SIGNED and Dated: 06/05/2022

Andrew Errington (Director of Community Protection)

SIGNED and Dated: 09/05/2022