

# Brighton & Hove City Council

## Licensing Committee (Non-Licensing Functions)

## Agenda Item 26

**Subject:** Hackney Carriage Fare Review

**Date of meeting:** 13 February 2024

**Report of:** Executive Director of Housing, Neighbourhoods, and Communities

**Contact Officer:** Name: Martin Seymour  
Tel: 01273 296659  
Email: martin.seymour@brighton-hove.gov.uk

**Ward(s) affected:** All

**For general release**

### **1. Purpose of the report and policy context**

1.1 To seek the Committee's approval and authority to advertise proposed fare increases following the hackney carriage trade's request for an increase in fares.

### **2. Recommendations**

2.1 That Committee approves the proposed fare increases and authorises the Head of Safer Communities to advertise the proposed variation in fares and invite any objections in accordance with the legal requirements.

2.2 Agree that if no objections are made, or if any objections which are made are withdrawn, the varied table of fares will come into force in accordance with the statutory scheme.

2.3 Reconsider the matter at the next meeting of this Committee if valid objections are made but not withdrawn. As there are strict legal timescales relating to fare reviews a special meeting of this Committee may be required.

### **3. Context and background information**

3.1 The council may fix the rates for hackney carriage fares within the district as well as time and distance and all other charges in connection with the hire of a vehicle or with the arrangements for hire of a vehicle to be paid in respect of the hire of a hackney carriage. The council does not have the power to set private hire vehicle fares but historically the local operators follow the hackney carriage tariffs set by the council.

- 3.2 On the 17 November 2023 the Department for Transport published its updated Taxi and private hire vehicle licensing best practice guidance for licensing authorities in England. [Best Practice Guidance](#)
- 3.3 The Best Practice Guidance refers to Setting taxi fare rates.

#### *10.2 Setting taxi fare rates*

*Maximum fare rates should be designed with a view to practicality and reviewed regularly, including any variability of the fare rates dependent on time of day or day of the week. Authorities should consider adopting a simple formula for deciding on fare changes as this will increase understanding and improve the transparency of the process for passengers. The Department recommends that in reviewing fare rates, 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 taxi drivers the ability to earn a sufficient income and so incentivise them to provide a service when it is needed. There is likely to be a case for higher fare tariffs at times of higher demand to encourage more drivers to make themselves available or when the journeys are required at anti-social times.*

*To ensure that taxi tariffs reflect the costs of the trade they should be reviewed following significant changes in licensing fees and other major costs such as fuel. Regular reviews will assist drivers in maintaining their earnings and so continue to attract those seeking to become taxi drivers and provide existing licensees with greater confidence to remain in the trade and plan for future investment in new vehicles. Regular reviews will also avoid large changes in fares for passengers that infrequent reviews are more likely to result in.*

- 3.4 The Trade have submitted the following reasons for requesting a fare increase at this time:

*As requested I've collected the forum's reasons to justify our request for the agreed fare review.*

- Most importantly to keep tabs on the rate of inflation. As shown in the calculation tables, our detailed fare request matches just under the CPI rate tracked from August 2019 to now.*
- Increased expenditures to keep our vehicles on the road, and licensed to the high standards demanded by the blue book which we are proud to comply with. Fuel has levelled off for now, however it is still a lot higher than back in 2019. Insurance however, has sky rocketed to an average of around 20% increases for most renewal quotes seen this year!*
- Unfortunately we have dropped from 8th to 41st in the national fares table comparing with all the UK LA's. Our calculations simply place us back to 11th in table.*
- Government living wage going to £11.44 per hour so we need to work backwards in costs to make sure this is achievable for the lowest paid*

*ie a journeyman. So a journeyman on 50/50 would need to take at least £22.88 per hour to collect living wage if he wasn't 50/50 on fuel.*

- *We are NOT requesting a flag fall increase. Simply just a yardage decrease to make it a fairer adjustment for journeys of all lengths across the board. Keeping the flag fall low protects those vulnerable customers taking shorter journeys through necessity, whilst not necessarily being able to afford a taxi. Keeping that initial flag fall where it is really does limit the impact for those customers mentioned above, and enables them to manage any increase in their journeys.*

*The way we have engineered this years fare review will enable our drivers and proprietors to maintain their licensed vehicles, whilst simultaneously providing for their families and themselves. The current rate of inflation increase has slowed, however it is still well above the Bank of England's target of 2%. Any rate of inflation means goods and services must follow in order to maintain any reasonable standard of living. We can see the council recognises this, with the proposed increased licensing fees table sent out a couple of months ago. Business sectors up and down the country have demonstrated their empathy towards their workforces, Introducing similar increases to battle the current cost of living crisis. Moving forward, using the calculations table provided we will easily be able to check the suitability and sustainability for any future fare review increases. We will be looking to review this on an annual basis.*

- 3.4 Applications for hackney carriage fare increases are made through the Taxi Forum and based on the Consumer Price Index (CPI) inflation produced by the Office of National Statistics. If the consensus of the trade agrees with a fare increase, representatives of the trade will be called to a meeting to discuss any proposals with officers of the Council and the lead councilor of the licensing committee who will then present any proposal agreed by that meeting to the next available meeting of the Licensing Committee for their consideration.
- 3.5 The proposal from the trade is based on the Consumer Price Index (CPI) inflation produced by the Office of National Statistics which shows the increase in CPI inflation from August 2019 to September 2023 to be 20.12%. The proposal gives an increase of 18.61% since August 2019 which is below the CPI rate and approximately 8.4% increase since the last increase in October 2022.
- 3.6 The proposal from the trade equates to a 30p increase per mile to £3.00 and the proposed Table of fares can be seen at Appendix 1 and a % change tables can be seen at Appendix 2.
- 3.7 Tariffs 6 to 10 are in effect 1.5 x the tariffs of 1 to 5 which was introduced to encourage proprietors purchasing wheelchair accessible vehicles and is applied to vehicles carrying 5 or more passengers.
- 3.8 Currently in the national league tables for fares shows that Brighton & Hove is positioned joint 44th (December 2023) for Tariff 1 at the 2-mile point and



## **9. Equalities implications**

- 9.1 Licensing authorities must ensure that a safe hackney carriage and private hire vehicle service is freely available to meet the demand across all sectors of the public, especially those vulnerable groups to whom a taxi or private hire vehicle is often the only means of completing a journey.

## **10. Sustainability implications**

- 10.1 The role of the taxi trade is included in the Local Transport Plan, which identifies it as a key element in providing sustainable transport choices. It creates important links in the transport network to other forms of sustainable transport providing a seamless connection. It will contribute to three of the government's four shared transport priorities – reducing congestion, improving air quality and accessibility. Use of taxis for school transport, licensed vehicles using bus lanes, locating ranks at railway stations and the city coach station, approved use of liquid petroleum gas and provision of Rapid Charging Hubs all contribute to reducing congestion and moving passengers quickly.

## **11. Other Implications**

None

## **Supporting Documentation**

### **1. Appendices**

1. Proposed Tariff Card
2. % Change Sheets for proposed tariffs
3. League Table

