

North Yorkshire County Council

Executive

24 January 2023

North Yorkshire Hackney Carriage Maximum Table of Fares

Report of the Corporate Director – Karl Battersby

1.0 Purpose of Report

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”) 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 (“HC”) vehicle; this is done by means of a table which is to be referred to as “the table of fares”. Private hire (“PH”) vehicles can set their own fares and are therefore not the subject of this report.
- 1.2 The legislation also prescribes a statutory consultation process and a means of ensuring objections are properly considered in relation to a Local Authority’s adoption of or variation to a table of fares, prior to the table coming into effect.
- 1.3 The Executive is due to consider a proposal to adopt one hackney carriage and private hire licensing policy for the whole of the new North Yorkshire administrative area; and to adopt the Local Government (Miscellaneous Provisions) Act 1976 (minus section 45) on the 7 February 2023. If the legislation is adopted the seven legacy district areas will become one hackney carriage zone from the 1 April 2023.
- 1.4 This report is seeking permission to consult on a maximum HC fare to cover the whole of the North Yorkshire administrative area from the 1 April 2023.

2.0 Background

- 2.1 Officers and Legal services established early in the Local Government Reorganisation (‘LGR’) process, that there was a significant risk to the Council if a single HC and PH licensing policy was not in place by day one of the new Council, and had not adopted Part II of the Local Government (Miscellaneous Provisions) Act 1976.
- 2.2 On the 7 February 2023, a report is due before the North Yorkshire Council Executive, seeking approval to adopt a HC and PH taxi licensing policy that is intended to cover the whole of the North Yorkshire, following public consultation. Additionally, the report will recommend that the Executive adopt part 2 of the Local Government (Miscellaneous Provisions) Act 1976 (other than section 45). If the Act is adopted, it will automatically create one ‘controlled district’ to reflect the administrative area of North Yorkshire Council from the 1 April 2023.

- 2.3 The creation of North Yorkshire Council will bring together seven licensing authorities. Each legacy authority has a current maximum HC fare (**Appendix 1**).
- 2.4 As part of the LGR process, officers carried out a risk assessment that showed the following risk factors if the Council was not to introduce one maximum hackney carriage fare from the 1 April 2023. The risks were as follows:
1. Complaints from drivers aggrieved by current different maximum fares than their colleagues in neighbouring zones in North Yorkshire.
 2. Complaints from customers confused by varied fares in areas licensed by the one authority
 3. Additional resources required to consider any subsequent fare increases (i.e., up to seven separate consultations, cabinet meetings, newspaper advertisements etc.
 4. Separate fares
- 2.5 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 (“the Act”) 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 HC vehicle; this is done by means of a table which is to be referred to as “the table of fares”. PH vehicles can set their own fares and are therefore not the subject of this report. Importantly, this allows the trade to levy lower fares but not to exceed a maximum fare set by the Council. Thus, it provides flexibility for the trade and assurance, for customers.
- 2.6 Where tariffs are set by the local authority, drivers of HC vehicles (taxis) cannot charge more to passengers than the fare specified on the meter apart from in certain exceptional circumstances, although they can charge less.
- 2.7 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 sets out the process and requirements for fixing of fares, which includes the requirement for advertising and a statutory 14-day consultation period.
- 2.8 The setting and approval of taxi tariffs is an Executive function.

3.0 The Report

- 3.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gives local authorities the power to fix maximum fares for both time and distance travelled. Local Authorities can set charges for any additional matters such as the collection of passengers away from a taxi rank or the soiling of a vehicle.
- 3.2 Once a maximum tariff of fares has been set, the driver cannot charge more to the passenger than the charge shown on the meter apart from in certain exceptional circumstance, such as where a journey ends outside of the Council area and a fee has been agreed in advance.
- 3.3 There are no national guidelines or guidance for the setting of maximum fares and each local authority uses different methods and information to produce the local maximum rates.
- 3.4 Local authorities are not required by law to set fares for taxis, but the office of Fair Trading conducted a market study in 2003, which found that passengers are in a weak position to compare offers and negotiate prices when hailing taxis or using their services at a rank. The report further stated that this finding reinforced the need for fare regulation of taxis and so it is good practice to set a maximum fare.
- 3.5 On the 7 February 2023, a report is due before the North Yorkshire Council Executive, seeking approval to adopt a HC and PH taxi licensing policy that is intended to cover the whole of the North Yorkshire, following public consultation. Additionally, the report will

recommend that the Executive adopt part 2 of the Local Government (Miscellaneous Provisions) Act 1976 (other than section 45). If the Act is adopted, it will automatically create one 'controlled district' to reflect the administrative area of North Yorkshire Council from the 1 April 2023.

- 3.6 Due to the risks associated with not having one fare to cover the whole of the North Yorkshire area from the 1 April 2023, a table of fares has been created. Officers are now seeking permission to consult on the fare proposal, with a view to implementing from 1 April 2023, subject to any objections received.
- 3.7 Due to the fuel crisis in 2022, legacy areas have all revised and increased their fares.
- 3.8 Various options have been considered in relation to the most appropriate method to be used to produce a single tariff, including using an average, the highest of the legacy tariffs or producing an entirely new set of charges.
- 3.9 Any tariff used must be able to be programmed into hackney carriage vehicle meters and the companies who program the meters must be able to produce a calibration certificate.
- 3.10 The proposed fare, as shown in **Appendix 2**, is based on the maximum fare that is in place in both Harrogate and Selby currently. Increases have been made to the soiling charge, which has been brought in line with Richmondshire, Craven and Ryedale. The date of the additional charge for the Christmas period now covers from 1800 on the 24 December to the 0600 hours on the 27 December. An amendment to the additional charge for carrying five people or more, in line with the highest in Hambleton.
- 3.11 The proposed tariff could provide an increase in earning potential for hackney carriage drivers, across the majority or the new Council area, the only exemptions being Harrogate and Selby, except the amendment shown in section 3.10 of the report.
- 3.12 The usual standard used for benchmarking of tariffs is a two-mile journey on Tariff 1, which is the most common journey on average. The national average cost for this journey, is calculated from the figures provided within 'Private Hire and Taxi Monthly' publication. The proposed cost of the 2-mile journey for the new North Yorkshire Council proposed tariff is £7.40 (as shown on the 29 November 2022, as is the rate for Selby and Harrogate currently. Out of 350 local authorities Harrogate and Selby currently stand at number 76 in the national hackney carriage fare table.
- 3.13 As the proposed fare is a maximum fare, operators can charge less than the fare shown on the meter if they choose to do so. Drivers who feel that the fare is too high for their local area can make use of this and could also set their own rate on the meter, so long as the tariffs are the same as those set by the Council, as long as the tariffs do not exceed the maximum set by the Council.
- 3.14 The proposed maximum fare provides operators with the flexibility to vary the fare charged as a result of external influences. For example, if fuel prices were to significantly increase, operators may need to charge more to cover their operating costs. Conversely, it also permits operators to reduce the fare charged during a cost-of-living crisis for example.
- 3.15 Ultimately the maximum fare adopted by the Council provides the operator the scope that they can operate within. The final fare that the operator chooses is ultimately a business decision.
- 3.16 When considering the maximum fare, the Council needs to balance the ability of the drivers to achieve a reasonable income with the impacts that the fare might have on people who rely on those who are partly or wholly reliant on taxis for transport.

- 3.17 It is necessary to set the tariff at a level that is appropriate for drivers across the whole Council area to provide a consistent maximum tariff for passengers travelling in North Yorkshire.

4.0 The Consultation Process

- 4.1 As part of the consultation process, the Council must publish in at least one local newspaper (which circulates in the relevant area), a notice setting out the table of fares. The notice must specify the period, which shall not be less than 14 days from the date of the first publication. Additionally, it will show the way objections to the table of fares can be made.
- 4.2 A copy of the notice must be available for inspection without payment at the Council offices during normal opening hours for 14 days from the day of publication in the newspaper. This will include all current district main offices.
- 4.3 If no objection to the table of fares is made within the period specified in the notice, or if all the objections made are withdrawn, the table of fares will come into operation on the date of the expiration of the period specified in the notice or the date of withdrawal of the objection or, if more than one of the last objections, whichever date is later.
- 4.4 If an objection is made and not withdrawn, the Council shall set a further date, not 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 after consideration of the objections.
- 4.5 With regard to future tariff reviews and amendments, it is suggested that a simple formula should be adopted in this respect as per the Department of Transport's (DfT's) Best Practice Guidance. It is considered that this should be based on continuing local and national benchmarking whilst also taking into consideration the impact of inflation, both in terms of the Consumer Price Index and the Retail Price Index.

5.0 The Work of the Group

- 5.1 The Licensing Member Working Group is one of seven such groups established by the Executive at its meeting on 21 June 2022.
- 5.2 The Working Groups were set up to engage with Members on the necessary decision-making processes that are required prior to vesting day for the new North Yorkshire Council – 1 April 2023
- 5.3 The Working Groups were also established as cross-party Task and Finish bodies to consider, review, and make recommendations to the decision taking body on areas within their remit. The Licensing Member Working Group is chaired by Councillor Derek Bastiman and comprises of Members with significant licensing experience, supported by Officers from across North Yorkshire.
- 5.4 The Working Group resolved to recommend that the Executive approve the recommendations as shown in section 14.2 below. The Working Group agreed that as this was a maximum fare proposal, the decision can be made by the proprietor of the vehicle to charge less than the proposed fare, as was business decision of the operator and not of the Council. One Councillor abstained from voting.

6.0 Policy Implications

6.1 The proposals support the wider framework of regulatory compliance ensuring public protection and consumer safety.

7.0 Financial Implications

7.1 This will have no financial impact on the Council budgets, but if the fares are set too low, operators could cease to trade, and the Council's Hackney Carriage fee income would be reduced.

8.0 Legal Implications

8.1 The legal implications are as identified in the report.

9.0 Impact on Other Services/Organisations

9.1 There are no impact on other services / organisations.

10.0 Risk Management Implications

10.1 The risk management implications are covered in the report.

11.0 Human Resources Implications

11.1 There are no Human Resources implications.

12.0 Equalities Implications

12.1 As shown in Appendix 3.

13.0 Community Safety Implications

13.1 There are no Community Safety implications

14.0 Reasons For Recommendations

14.1 As shown in section 2 of the report.

15.0 Recommendations

15.1 To approve the proposed table of fares as shown in Appendix 2

15.2 Give permission to carry out a public consultation for 14 days, proposing that the new fares come into effect on 1 April 2023 unless there are objections / or objections that are not withdrawn.

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- Appendix 1– Current Legacy Tariffs
- Appendix 2 – Proposed NY Maximum Hackney Carriage Fares 2023
- Appendix 3 – Equality Impact Assessment
- Appendix 4 - Draft Revised Equality Impact Analysis process