

**APPLICATION FOR A HACKNEY CARRIAGE FARE
INCREASE**

**CLEAN STREETS, RECYCLING AND ENVIRONMENT
(COUNCILLOR MICHAEL MICHAEL)**

AGENDA ITEM: 2

DIRECTOR OF CITY OPERATIONS

Reason for this Report

1. On 14 December 2017, Cabinet approved a proposal to vary the current rate of hackney carriage fares in Cardiff, subject to a statutory public notice period inviting objections to the proposal.
2. During the public notice period, 3 objections were received. Cabinet are requested to consider the objections and to determine whether to approve the original decision to vary the table of fares.

Background

3. On 14 December 2017 Cabinet considered an application put forward by Dragon Taxis to vary the current rate of hackney carriage fares in Cardiff. A copy of this report and relevant considerations is in Appendix A.
4. Cabinet resolved to approve the application, subject to a statutory 14 day public notice period, which invited objections to the proposed variation.
5. Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 states that the Council has the power to fix the rates or fares within the district for time and distance, and all other charges in connection with the hire of a vehicle or with the arrangements for the hire of a vehicle, to be paid in respect of the hire of hackney carriages by means of a table of fares, made or varied.
6. Any change in fares agreed by Cabinet must be displayed as a public notice inviting objections, advertised in a local newspaper circulating in the district for a period of 14 days before the change takes effect.
7. When setting hackney carriage fares there is no requirement under the Act to take into account external factors, and there is no limit on the amount of increase or variation.

Responses to the Public Notice

8. Following the publication of the proposed changes to the hackney carriage fares, 3 responses were received and are set out in Appendix B.
9. All of the responses object outright to the proposed fare increase and as such there are no modifications to be considered.
10. In summary, response 1 objects to the proposed increase on the following grounds:
 - The application has been made by the directors of a hackney carriage/private hire vehicle operator, the responder believes that only taxi drivers should be allowed to apply to increase fares;
 - The responder believes that an increase in fares will be used by Dragon Taxis to increase the costs that they charge to their drivers, resulting in little benefit to those that drive for them;
 - The responder states that Dragon Taxis could choose to solely operate private hire vehicles [that are not subject to the hackney carriage fares]. They believe that the proposed increase is to increase the price of their competition;
 - The responder believes that hackney carriage drivers are losing work to Uber, as they are often cheaper and more convenient for passengers. They believe that any increase in the rate of fares will make Cardiff hackney carriages less competitive.
11. Response 2 has been received from a taxi user. In summary it objects to the proposed increase on the grounds that a large number of taxi drivers do not have sufficient knowledge of the streets of Cardiff.
12. In summary, response 3 objects to the proposed increase on the following grounds:
 - The responder believes that the proposal is for the commercial interests of a business to increase profits, rather than in the interests of drivers or the general public;
 - The responder states that Dragon Taxis offer account contracts that are cheaper than the hackney carriage fares. However, drivers who contract with Dragon are not allowed to opt out of this account work and as such are paid below the metered rate, which can sometimes result in an overall loss to the driver;
 - The responder states that after the last fare increase in December 2015, Dragon increased the costs to their drivers twice in 9 months, wiping out any benefit to the driver.

Officer Comments

13. There are no restrictions under the Act as to who may apply for a variation of the hackney carriage fares. Dragon Taxis operate a number of hackney carriages within Cardiff and their application to vary the table of fares was considered valid

14. The proposed increase will apply to all hackney carriage drivers. Drivers are self-employed and may choose to contract with an operator to receive jobs, alternatively they may choose to work independently from designated ranks or pick up fares from the roadside.
15. The hackney carriage table of fares specifies the maximum amount that a hackney carriage may charge for journeys that start and end within Cardiff. Self-employed drivers/businesses are permitted to charge less than the legal fare if they believe that it will give them a commercial advantage.
16. The payment a driver receives from an operator for work carried out is a private contractual matter. This should not be a consideration for the purposes of determining whether to vary the table of fares.
17. Consideration should be given to obtaining a balance between increasing the fare to compensate in the increase of costs of running a hackney carriage, and ensuring that the increase does not deter the public from using hackney carriages.
18. In order to become a hackney carriage/private hire driver in Cardiff, applicants are required to pass 2 knowledge tests on the topography of Cardiff, including a point to point route test. The Council have a complaints procedure to deal with a driver's fitness and propriety. Therefore, officers do not believe that a lack of knowledge from individual drivers should be a consideration when determining a hackney carriage fare increase.
19. Given the nature of this assessment of comments we do not believe a need to any modification of the Order.

Reason for Recommendations

20. The report seeks determination of the application to vary Cardiff Council's Hackney Carriage table of fares. It is a legal requirement that the approved table of fares applies to all hackney carriage journeys that start and end within the Cardiff boundary.

Financial Implications

21. This report does not result directly in any additional financial implications. The increase in fares will need to be publicly advertised and the associated costs of advertising will be borne by the Licensing Service from within its existing budget

Legal Implications

22. The proposed variation in the Table of Fares has been published and representations have been received. Cabinet must now consider those representations and decide whether to approve the variation. If Cabinet approves the variation it must set a date for the variation to come into force, which must not be later than 1 April 2018.

HR Implications

23. There are no HR implications as a result of this report.

RECOMMENDATIONS

Cabinet is recommended to:

1. Note the contents of the report and representations received in Appendix B in consideration of the decision taken by Cabinet on the 14 December 2017 to amend the table of fares.
2. Approve the application submitted by Dragon Taxis with an implementation date of 12 March 2018.

ANDREW GREGORY
Director of City Operations
9 February 2018

The following appendices are attached:

- Appendix A: Report to Cabinet of 14 December 2017 - Application for a Hackney Carriage fare Increase
Appendix B: Representations made during public consultation period
Appendix C: Public Notice of Table of Fares