

APPLICATION FOR A HACKNEY CARRIAGE FARE INCREASE

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

AGENDA ITEM: 2

Reason for this Report

1. To consider an application made by Dragon Taxis to vary the current rate of hackney carriage fares in Cardiff.

Background

2. The Council may fix or vary the rate of fare for the hire of a hackney carriage under the provisions of Section 65 of the Local Government (Miscellaneous Provisions) Act, 1976. The Section requires that any variation of the fare must be advertised in a local paper and that a period of notice of at least 14 days be given to enable any person to make objections.
3. The current tariff of fares has been in place since 12 March 2018 and is shown in appendix A.
4. An application made by taxi operator Dragon Taxis, Martin Road, Tremorfa Industrial Estate, Cardiff, to increase the rate of fares was submitted to the Licensing Section.

Issues

5. Dragon Taxi's application proposes to increase the charge of the first 103 yards by 10p to £2.60. After 103 yards, 20p will be charged for each subsequent 185 yards, this has been decreased from 195 yards. It is also proposed to amend the time that an additional £1 is added to journeys so this will be added between 10pm to 6am (currently midnight to 6am). All other charges remain the same as the current table of fares. Full details of the request, including supporting information, are shown in Appendix B.
6. The proposal would increase the cost of an average 2 mile journey by 4.92%, in monetary terms this would be an increase from £6.10 to £6.40. A journey of 10 miles would result in an increase during the day from £20.50 to £21.60 (5.37%). There would be no increase in waiting time and the additional charge of £1 will be applied from 10pm instead of midnight, as it is at present. The following tables provide details of the current

maximum fares for journeys within Cardiff at the daytime and night time rates, with a comparison to the proposed tariffs.

Journey Length (6am – 10pm)	Current (6am – 12am)	Dragon Proposal	Percentage increase
2 mile	£6.10	£6.40	4.92%
5 mile	£11.50	£12.00	4.35%
10 mile	£20.50	£21.60	5.37%

Journey Length (10pm – 6am & bank holidays)	Current (12am – 6am & bank holidays)	Dragon Proposal	Percentage increase
2 mile	£7.10	£7.40	4.23%
5 mile	£12.50	£13.00	4%
10 mile	£21.50	£22.60	5.12%

7. Due to the proposed additional £1 charge being introduced 2 hours earlier than at present, if the proposals were introduced, a 2 mile journey at 10pm that currently costs £6.10 would rise to £7.40, an increase of 21.3%.
8. The application made by Dragon is above the rate of inflation since the previous fare increase. The annual rate of inflation was 2.48% in 2018 and 1.81% in 2019.
9. The AA Fuel Price Report shows that the cost of diesel has increased from a Wales average of 122.3p per litre in March 2018 to 129.7p per litre in November 2019 an increase of 6%. Unleaded 95 Octane petrol has also increased by 5% during the same period from 119.3p per litre to 125.4p per litre.
10. The Hackney Carriage vehicle licence fee has increased since March 2018 from £154 to £160 for a 12 month renewal, an increase of approximately 3.9%. During the same period, the fee for a 3 year Hackney Carriage/Private Hire Driver licence renewal has decreased from £100 to £89, a decrease of 11%.
11. 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.

12. For information the following table provides details of the daytime rate of the 2 mile fare currently authorised by the Council together with a comparison with the proposed fares and also the fares authorised by a sample of other licensing authorities:

Authority	Cost per 2 mile journey
Watford	£8.40
London	£7.80
Bath	£6.80
Swindon	£6.70
Exeter	£6.60
Hereford	£6.40
Dragon Proposed Tariff	£6.40
Plymouth	£6.00
Vale of Glamorgan	£6.00
Gwynedd	£6.00
Cardiff (Current Tariff)	£6.10
Newcastle upon Tyne	£5.80
Bridgend	£5.80
Swansea	£5.70
Newport	£5.60
Caerphilly	£5.40
Powys	£5.40
Blaenau Gwent	£5.20
Rhondda Cynon Taff	£5.20
Merthyr Tydfil	£4.50

13. Cardiff is currently 141st in the 2 mile fare league table out of 363 local authorities, as printed in the December edition of Private Hire & Taxi Monthly. Dragon's proposed increase would move Cardiff to the same rate as the authorities between 81st and 103rd out of 369 local authorities.
14. Should the Cabinet agree to vary the tariff, the variation would need to be advertised for a period of at least 14 days to permit persons to make an objection. Should there be no objections; the variation would then come into effect on the date of the expiry of the period of notice. However, should an objection be received the objection would need to be considered by the Cabinet before the variation is implemented.
15. The report seeks determination of the application to vary Cardiff Council's Hackney Carriage tariff of fares. It is a legal requirement that the approved tariff applies to all hackney carriage journeys that start and end within the Cardiff boundary.

Reason for Recommendations

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

Financial Implications

17. 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

18. If Cabinet decides to amend the fare tariff it will be necessary to give public notice in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976. The Cabinet will then have to consider any objections that are received.
19. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

HR Implications

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

Property Implications

21. There are no property implications as a result of this report.

RECOMMENDATIONS

Cabinet is recommend to

1. Note the issues and impacts to taxi fares set out in the report
2. Approve the application put forward by Dragon Taxis with an implementation date of 1st April 2020 (provided that there are no objections).
3. Authorise the advertisement of the variation in a local newspaper.

SENIOR RESPONSIBLE OFFICER	Andrew Gregory
	14 February 2020

The following appendices are attached:

Appendix A: Current Hackney Carriage Tariff

Appendix B: Details of the Dragon Taxis application

The following background papers have been taken into account

Private Hire & Taxi Monthly (December edition)