

APPLICATION FOR A HACKNEY CARRIAGE FARE INCREASE

TRANSPORT & STRATEGIC PLANNING (COUNCILLOR DAN DE'ATH)

AGENDA ITEM: 3

Reason for this Report

1. To consider an application made by the Unite the Union/Cardiff Hackney Carriage Alliance 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 March 2018 and is shown in Appendix A
4. An application has been made by Unite the Union/Cardiff Hackney Carriage Alliance (The Alliance), who are the formally recognised taxi trade organisation in Cardiff, to increase the tariff of fares that hackney carriages can charge for journeys that start and end within the city.

Hackney Carriage Alliance's Request

5. The Alliance's application introduces changes to the structure of the tariff, resulting in three tariffs in operation depending on the time and day. This fare structure results in higher fares during evenings, weekends, nights and bank holidays.

This structure results in increased fares during weekday evenings and weekends (Tariff 2), and further increased fares on weekday nights, weekend evenings and bank holidays (Tariff 3).

All tariffs start at £3.50 and the price increases in increments of 20p, the difference between the tariffs is the distance travelled for each 20p

increment (otherwise known as the click). For example, Tariff 1 increments are every 170 yards, Tariff 2 are every 150 yards, and Tariff 3 are every 130 yards. Full details of the request, including supporting information, are shown in Appendix B.

6. In support of the application the Alliance states:

“This is an overhaul of how the meter system currently works in Hackney vehicles yet keeps the rates at a reasonable and affordable price to the public while assisting the future of the trade in Cardiff. Consideration was also given to the unsociable hours and working bank holidays in tariff 2&3 as all other workplaces compensate their workforce when working at such times.

The proposed raise would bring Cardiff from number 156 on the table of all UK Hackney rates to a modest 54th position and in line with other districts such as Glasgow, Adur and Nottingham to name a few which have had their rates last increased as far back as 2014 and are due to undergo the same exercise as Cardiff is currently undertaking.

While the initial figures look to be a leap of increase, these figures compared to the increase of the cost of living since 2017 (12.1%) and the increase in fuel for the same period (56%) you will recognise that great care has been taken in considering this proposal”.

7. The proposal would increase the cost of an average 3-mile journey by 21.8% during the day, 32.1% during the evening and weekends, and 28.4% during the night and bank holidays. The waiting time will increase from 20p for each period of 48 seconds, to 30p for each period of 30 seconds. The charge for soiling the vehicle will also increase from £50 to £60.
8. The following tables provide details of the current maximum fares for journeys within Cardiff with a comparison to the proposed tariffs.

Monday to Friday 05:00 – 20:00

Journey Length	Current Tariff	Alliance Proposal	Percentage increase
1 mile	£4.20	£5.30	26.2%
2 mile	£6.00	£7.50	25%
3 mile	£7.80	£9.50	21.8%
4 mile	£9.60	£11.50	19.8%
5 mile	£11.40	£13.70	20.2%
10 mile	£20.40	£24.10	18.1%

Monday to Friday 20:00 – 22:00

Saturday & Sunday 05:00 – 22:00

Journey Length	Current Tariff	Alliance Proposal tariff 2	Percentage increase
1 mile	£4.20	£5.50	30.1%
2 mile	£6.00	£7.90	31.2%
3 mile	£7.80	£10.30	32.1%
4 mile	£9.60	£12.70	32.3%
5 mile	£11.40	£14.90	30.1%
10 mile	£20.40	£26.70	30.1%

Any Day 22:00 – 05:00 and all-day Bank Holidays

Journey Length	Current Tariff After midnight	Alliance Proposal tariff 3	Percentage increase
1 mile	£5.20	£5.90	13.5%
2 mile	£7.00	£8.70	24.3%
3 mile	£8.80	£11.30	28.4%
4 mile	£10.60	£14.10	33%
5 mile	£12.40	£16.70	34.7%
10 mile	£21.40	£30.30	41.6%

Considerations

9. The average annual rate of inflation (CPI) between March 2018 and February 2022 was 2%, therefore, the proposed increase is above the rate of inflation since the previous fare increase. However, the rate of inflation in February 2022 is 5.5% and this is forecast to rise throughout 2022.

(Please also note that CPI may not be truly representative of the additional costs associated with the taxi trade, which include the cost of fuel and used cars. The cost of used cars has increased significantly since the start of the Covid 19 pandemic and fuel costs have also risen significantly above inflation and are forecast to rise further in 2022).

10. The [AA Fuel Price Report](#) shows that the cost of diesel has increased from a Wales average of 122.2p per litre in March 2018 to 151.0p per litre in February 2022 (23.6% increase). Unleaded 95 Octane petrol has also increased during the same period from 119.3p per litre to 147.2p per litre (23.4% increase).
11. It should be noted that since February 2022 (the latest AA fuel report available at time of writing) the cost of fuel has risen significantly. On 30th May 2022, the cost of fuel at Tesco, Western Avenue is 178.9p per litre for diesel and £163.9p per litre for petrol. This is an increase of 46.4% for diesel and 37.4% for petrol, compared to the Wales average price in March 2018.
12. Hackney Carriage Vehicle Licence fees have increased by 3.9% since March 2018 from £154 to £160 for a 12-month renewal.
13. 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.
14. For information the following table provides details of the daytime rate of the 2-mile fare currently authorised by the Council alongside the proposed fare and fares authorised by a sample of licensing authorities in March 2022:

Authority	Cost per 2-mile journey
London	£8.60
Watford	£8.40
Reading	£8.00
Oxford	£7.60
Alliance Proposed Tariff	£7.50
Cheltenham	£7.40
Brighton	£7.40
Bath and North East Somerset	£7.20
Wiltshire	£7.00
Carmarthenshire	£6.80
Somerset West & Taunton	£6.80
Plymouth	£6.60
Bristol	£6.40
Leeds	£6.40
Birmingham	£6.20
Cardiff (Current Tariff)	£6.00
Conwy	£6.00
Vale of Glamorgan	£6.00
Manchester	£5.90
Bridgend	£5.80
Swansea	£5.70
Newport	£5.60
Powys	£5.40
Blaenau Gwent	£5.20
Rhondda Cynon Taf	£5.20

15. Cardiff is 161st in the 2-mile fare league table out of 358 local authorities, as printed in the [March 2022 edition of Private Hire & Taxi Monthly](#). The proposed increase would move Cardiff to 10th out of 358 local authorities.
16. However, there are several fare increases being implemented by Local Authorities since the March report. Therefore, Cardiff would be 23rd out of 358 local authorities as of 30th May 2022. Comparable authorities on 30th May 2022 are:

Authority	Cost per 2-mile journey
London	£9.80
Watford	£8.40
Reading	£8.00
Brighton	£7.80
Oxford	£7.60
Southampton	£7.60
Alliance Proposed Tariff	£7.50
Cheltenham	£7.40
Bath and North East Somerset	£7.20
Wiltshire	£7.00
Carmarthenshire	£6.80
Somerset West & Taunton	£6.80
Plymouth	£6.60
Bristol	£6.40
Leeds	£6.40
Birmingham	£6.20
Cardiff (Current Tariff)	£6.00
Conwy	£6.00
Vale of Glamorgan	£6.00
Manchester	£5.90
Bridgend	£5.80
Swansea	£5.70
Newport	£5.60
Powys	£5.40
Blaenau Gwent	£5.20
Rhondda Cynon Taf	£5.20

17. The highest fare increase in March, April and May was implemented by Southampton moving the 2-mile fare by £3.20 from £6.20 to £9.40.
18. Should 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 Cabinet before the variation is implemented.

Reason for Recommendations

14. 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

15. The decision maker needs to be content with the rationale for the fee increase which will include evidence of rising costs and fairness in the supplier market and consideration of the customer.
16. It should also be noted that the Council is a major customer of the taxi industry in areas such as Additional Learning Needs Schools Transport and consideration will need to be given to the solutions required to resolve any additional financial impact on related budgets in the short and medium term.
17. 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 recommended to:

1. Note the issues and impacts to taxi fares set out in the report
2. Approve the application put forward by the Cardiff Hackney Alliance/Unite with an implementation date of 1 September 2022 (provided that there are no objections).
3. Authorise the advertisement of the variation in a local newspaper.

SENIOR RESPONSIBLE OFFICER	Neil Hanratty Director of Economic Development
	17 June 2022

The following appendices are attached:

Appendix A: Current Hackney Carriage Tariff

Appendix B: The Alliance's application to increase hackney carriage fares

Appendix C: [Private Hire & Taxi Monthly Fare League Table](#)