

Cheltenham Borough Council
Cabinet – 16 February 2021
Review of Hackney Carriage Fares

Accountable member	Councillor Andrew McKinlay, Cabinet Member for Cyber & Safety
Accountable officer	Mike Redman, Director of Environment
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 permits the authority to set fares for hackney carriage, or taxi, vehicles licensed by it.</p> <p>A review has been undertaken and this report seeks approval from Cabinet to revise the current approved fares in accordance with this report.</p>
Recommendations	<p>Cabinet is recommended to:</p> <ol style="list-style-type: none">1. Approve a 2% increase in the maximum fares charged by a Cheltenham licensed hackney carriage; and2. Delegate authority to the Licensing Team Leader to carry out the necessary advertising requirements to comply with section 65 of the Local Government (Miscellaneous Provisions) Act 1976; and3. Subject to there being no substantive amendments being made following consultation, delegate authority to the Director of Environment to adopt the proposed fares.

Financial implications	<p>There are no direct financial implications to this paper apart from the costs of the consultation which cannot be avoided. These costs are minimal and can be covered by current budgets.</p> <p>Contact officer: Jon Whitlock, Jon.Whitlock@publicagroup.uk</p>
Legal implications	<p>As outlined in the report.</p> <p>Contact officer: Vikki Fennell, Vikki.Fennell@tewkesbury.gov.uk</p>
HR implications (including learning and organisational development)	<p>There are no HR implications arising from this report.</p> <p>Contact officer: Clare Jones, clare.jones@publicagroup.uk</p>
Key risks	As identified in Appendix 1
Corporate and community plan Implications	N/A
Environmental and climate change implications	N/A
Property/Asset Implications	<p>N/A</p> <p>Contact officer: Dominic.Stead@cheltenham.gov.uk</p>

1. Background

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 permits the council to set the maximum fares for hackney carriage vehicles licensed by it.
- 1.2 The last hackney carriage fare review was undertaken in 2017 when Cabinet approved a 6% increase based on the council's adopted fare formula.
- 1.3 A further review of hackney carriage fares has been undertaken and this report seeks approval from Cabinet to revise the current fare table for hackney carriage vehicles.

2. Methodology - Fares linked to inflation

- 2.1 In February 2019, Cabinet approved a fare setting methodology linked to inflation. Under this approach, the current fare level will be used as a baseline and the percentage change in the rate of inflation or deflation be applied to determine the revised maximum fares for Cheltenham licensed hackney carriages.

3. Rate of inflation 2019

- 3.1 According to the Office of National Statistics, the average rate of inflation in 2019 was 1.7%. For the purpose of setting maximum fares for Cheltenham licensed hackney carriages, this number will be rounded to 2% for the sake of rounding of the calculations on the fare card. The 0.3% rounding is too small to make a real tangible difference to the maximum fares.

4. Reasons for recommendations

- 4.1 To ensure the maximum fares chargeable reflect the costs which will be incurred by a good owner-driver who spends whatever is necessary to operate and maintain his hackney carriage to a high standard.

5. Adoption

- 5.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 prescribes that the council must consult if it proposes to set or vary hackney carriage fares.
- 5.2 It must do so by publishing a notice in a local newspaper setting out the variation and specifying a period and means of objecting. The specified period cannot be less than 14 days.
- 5.3 If no objections are made, or any made are withdrawn, the proposed fares will take effect on the specified date. However, if objections are made and not withdrawn, the council must set a further date, not later than two months after the initial date, on which the proposed fares shall come into force with or without modifications as decided after consideration of any objections.

6. Alternative options considered

- 6.1 The council can decide not to increase hackney carriage fares as part of this review although this option is not considered desirable as it would result in an owner-driver not being able to fully recover the costs which will be incurred by them to operate and maintain their hackney carriage to a high standard.

Report author	Contact officer: Louis Krog, louis.krog@cheltenham.gov.uk
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Proposed revised fare card
Background information	<ol style="list-style-type: none">1. Local Government (Miscellaneous Provisions) Act 19762. Cheltenham Borough Council 2019 hackney carriage fares

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the council decides not to approve the recommended increase in fares, licence holders will be unable to recover their costs and earn a proper living, which could result in the council being legally challenged which could adversely affect the council's reputation.	Director of Environment	Jan 21	2	2	4	Reduce	Adopt recommendations		Licensing Team Leader	If the council decides not to approve the recommended increase in fares, licence holders will be unable to recover their costs and earn a proper living, which could result in the council being legally challenged which could adversely affect the council's reputation.
	If the council does not have a proposed basis for calculating hackney carriage fares, the council may be unable to defend a legal challenge on the fares set and the method used.	Director of Environment	Jan 21	3	2	6	Reduce	Adopt recommendations		Licensing Team Leader	If the council does not have a proposed basis for calculating hackney carriage fares, the council may be unable to defend a legal

											challenge on the fares set and the method used.
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Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6
(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close