

## Request for a variation to the Hackney Carriage Tariff

### Report of the Director of Place Management

#### 1. INTRODUCTION AND PURPOSE OF REPORT

- 1.1 To inform the Committee of a request to increase the current Hackney Carriage tariff;
- 1.2 To inform the Cabinet Member of the intention to propose the compulsory acceptance of card payments in Hackney Carriage vehicles in addition to cash payments and to seek the committees views on this point.

#### 2. BACKGROUND

- 2.1 The Local Authority is responsible for setting Hackney Carriage fares charged by drivers via the on-board sealed meters, situated within the vehicle. The legislation is prescriptive in the process to be followed. The responsibility for setting Hackney Carriage fares is an Executive Cabinet Member decision with an associated call-in period. Members of the Licensing, Safety and Environment Committee are being directly consulted during the consultation period as part of this process.
- 2.2 The current fares has been in place since January 2023 and are shown alongside the proposed fares at **Appendix A**.
- 2.3 TASK (Taxi Association Stockport), the recognised Trade Association for our licensed Hackney drivers and vehicle proprietors, approached Licensing Officers in to request an increase to the Hackney Carriage fare with a view to introduction on or around 1<sup>st</sup> April 2024.
- 2.4 Since January 2023, numerous licensing authorities have further reviewed their Hackney fares and Stockport is currently at position 145 our of 344 councils. This is a ranking of the cost of a 2 mile journey on Tariff 1.
- 2.5 Licensing officers support this proposal given the recently introduced Hackney Carriage licensing fee increases and also the high standard of vehicles required by Stockport Council in terms of accessibility, emissions compliance and frequency of testing.  
There is also an expectation that many vehicle licensees will invest in compliant, wheelchair accessible vehicles in order to meet vehicle standards by 31<sup>st</sup> December 2025, the costs for which have risen substantially over the last few years. Hackney carriage proprietors are required to make significantly more investment than Private Hire vehicle proprietors do in order to comply with vehicle standards.
- 2.6 There is no set formula for calculating Hackney Carriage fares and the legislation does not limit the Council in the external factors it may take into consideration, neither the amount by which it may vary the fare tariff subject to reasonable decision making.

### 3. REQUEST FOR A FARE REVIEW

3.1 The proposals are outlined at **Appendix A**.

3.2 The proposed rise equates to an additional 20p on the first mile on tariff 1 and subsequent cost per mile. On Tariff 2 it represents £0 on the first mile.

3.3 The flag-fall yardage is reduced by 54 yards on Tariff 1 and increased by 100 yards on tariff 2.

3.4 The tariff 2 (5.43%) proposal is less of an overall % increase than tariff 1 (6.20%).

3.5 Tables 1, 3 and 5 in **Appendix A** give an overview of the requested increases as they appear on the fare card.

3.6 Tables 2, 4 and 6 in **Appendix A** show how this cost translates to actual journeys.

3.7 A summary of the main reasons for the request to vary the tariff are as follows:

- The ongoing challenge for licensees to afford, maintain and replace older vehicles in the current economic climate
- Retention of drivers in the trade
- To support the Stockport Hackney trade to maintain a reasonable income whilst complying with vehicle standards and conditions of licence.

3.8 In addition to the fare review, the trade have also requested that a policy be adopted making it mandatory to accept card payments for a number of reasons, mainly:

- It is the preference of a large proportion of customers
- It is accepted by all private hire competitors
- Mitigates the risk of passengers being stranded if they have no cash
- Trade representatives want to address the problem caused by those drivers that use non-acceptance of cards as a reason to refuse a passenger, this can be for a number of reasons and the trade are keen to mitigate the damage that this causes to the reputation of the trade and the number of complaints received by the Council would support this.
- Any additional fees incurred by the use of cards are a deterrent to use, however this is accounted for in the overall rationale to reduce the flag fall yardage on Tariff 1.

A separate policy on the mandatory acceptance of card payment will be put before the Cabinet Member and Licensing, Environment and Safety Committee.

### 4. OFFICER COMMENTS

4.1 Officers support this request to increase fees for hackney carriages fares, particularly given the taxi fee increases, need to ensure compliance with vehicle standards by December 2025 and proposal to implement a compulsory acceptance of card payment policy.

4.2 Although there is no consistent or preferred formula for calculating hackney carriage fares amongst local authorities, Table 8 in **Appendix A**, shows comparison of the current and proposed fares with our neighbouring Greater Manchester Authorities. This is in relation to a 2 mile fare, and so shorter or longer fares do vary depending on a number of variables, however does give a broad indicator of how much a 2 mile

journey varies. The last date of review is also provided to give some context to those figures.

- 4.3 Officers do not consider the proposed increases to adversely impact customers. Whilst we acknowledge that cost of living pressures are felt across the board, there is an element of choice in respect of accessible transport provision and so passengers are not compelled to use Hackney Carriages for this purpose. In terms of general transport provision, there are several options, particularly with the opening of the new transport interchange, and so customers can choose whichever mode of available transport best suits their needs and are not solely reliant on Hackney Carriages.
- 4.4 Officers support the assertion that the proposals strike a balance between a reasonable charge for travel in a Hackney Carriage, income for the driver and licensee, and ability to comply with vehicle standards and conditions of licence.

## **5. RECOMMENDATIONS**

- 5.1 Officers are asking for LEAS comments on the proposed fare increase for Hackney Carriages and on the proposal to prepare a further report outlining the case to make credit card payments compulsory for taxis while maintaining the ability to allow cash payments.

### **BACKGROUND PAPERS**

Appendix A – Current and proposed fees

Anyone wishing to inspect the above background papers or requiring further information should contact Ian O'Donnell on telephone number 0161 474 4175 or alternatively email [ian.odonnell@stockport.gov.uk](mailto:ian.odonnell@stockport.gov.uk)