



LICENSING COMMITTEE
Monday, 01 August 2022

Subject	Fuel Surcharge for Hackney Carriage Vehicles in the East Suffolk District
Report by	Councillor Mary Rudd – Cabinet Member with responsibility for Community Health
Supporting Officer	Martin Clarke Licensing Manager and Housing Lead Lawyer 01502 523226 Martin.clarke@eastsuffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

To report to the Licensing Committee:

- 1) The outcome of the recent consultation exercise on the proposals from a group of licensed hackney carriage drivers for a fuel surcharge.
- 2) The reasons why the suggestion made by the lone respondent to the consultation would be unlawful.

Options:

Taking into account the one response to the consultation:

- 1) Further consider the possibility of introducing a fuel surcharge.
- 2) To not introduce a fuel surcharge.

Recommendation/s:

Due to the fact that there is no easy way to introduce a fuel surcharge and that there has only been one response to the consultation, no fuel surcharge is introduced at this time.

Corporate Impact Assessment

Governance:

Licensing is a Council function exercised by Licensing Committee and Licensing Sub-Committees.

ESC policies and strategies that directly apply to the proposal:

Hackney carriage and private hire licensing policy.

Environmental:

No impact

Equalities and Diversity:

No impact

Financial:

No impact

Human Resources:

No impact

ICT:

No impact

Legal:

No impact

Risk:

No impact

External Consultees:

All licensed Hackney Carriage Drivers within East Suffolk were contacted directly by way of a letter in April 2022. The consultation ran for 28 days from 16 April to 13 May 2022. One response was received.

Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input checked="" type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input type="checkbox"/>	<input type="checkbox"/>

How does this proposal support the priorities selected?

Licensing plays an important role in the themes in the Council's Strategic Plan of growing our economy and enabling our community's Hackney carriage (and private hire vehicles) are a key part of the public transport system, enabling people without their own private transport or without easy access to other means of public transport to travel for education, employment, and entertainment, to shop and to attend medical appointments or deliver/receive care.

Background and Justification for Recommendation

1 Background facts	
1.1	<p>The Council is responsible for licensing hackney carriage and private hire drivers and vehicles, and private hire operators. It has the power to set and vary fares for hackney carriages under section 65 of the Local Government (Miscellaneous Provisions) Act 1976.</p> <p>Section 55 of the Town Police Clauses Act 1847 prohibits the driver of a hackney carriage from charging more than the set fare.</p>
1.2	<p>At its meeting on 11 April 2022 the Licensing Committee considered a proposal for a fuel surcharge from Mr Stokell on behalf of a number of licensed drivers.</p>
1.3	<p>The Committee rejected the proposal and instead suggested a proposal for a fuel surcharge of 20p per journey for a temporary period of 3 months.</p>
1.4	<p>All licensed Hackney Carriage Drivers within East Suffolk were consulted directly by way of a letter in April 2022. The consultation ran for 28 days from 16 April to 13 May 2022. One response was received from Mr Ian Pescott and this is attached as Appendix A.</p>
1.5	<p>Private hire operators are able to set and amend their own fare prices so any fuel surcharge agreed will not apply to private hire vehicles.</p>
1.6	<p>If a fuel surcharge is approved by the Committee, a notice must be published in a local newspaper setting out the proposed variation. The notice must specify a date (not less than 14 days from publication), and manner by which any objections should be made and if no objections are received then the new fares will come into force on the date specified. The Council must consider any objections that have been made and have not been withdrawn.</p>

2 Current position

2.1	The Council does not currently have any surcharge in place.
2.2	A fuel surcharge is an extra charge added to the fare according to the fluctuation of fuel costs outside the existing fare adjustment mechanism meaning that a driver can add the additional charge at the start of the journey without the need to have the vehicle meter recalibrated and tested.
2.3	<p>The one respondent to the consultation, Mr Pescott, states:</p> <p><i>If it is accepted that fuel prices have risen dramatically in recent times and that there is a fair case for an increase in fares to compensate for the extra costs, surely it is logical that the increase should reflect the amount of fuel used on the job undertaken. To have a set amount for all jobs regardless of distance involved, be it 60p or 20p, just doesn't make sense. There is also a degree of inequality shown to our customers to charge the same amount to those who only travel perhaps half a mile as those who travel twenty.</i></p> <p><i>Since our last fare increase in November 2020, fuel has reached a figure of something like 30p per litre more than it was. Very much in round figures, I estimate that a twenty mile fare (forty mile round trip back to the starting point) would cost between £1.30 and £1.40 more than it did at that time. 20p barely covers it.</i></p> <p><i>I would suggest that an increase should be pro rata to the distance involved in the metered fare, perhaps something like 20p per four miles. A driver could use his tripmeter to measure the distance and show the customer if required. An explanatory notice from the Council could be displayed next to the fare chart in the cab to avoid the inconvenience and cost of having meters changed and a three monthly review would be reasonable.</i></p>
2.4	<p>A surcharge of 20p for every 4 miles travelled, calculated by the trip meter, is not lawful for a hackney carriage.</p> <p>The Town Police Clauses Act 1847, s58, states it is an offence to charge more than the fare shown on the meter. The previous suggestion for a surcharge for each journey would have been lawful as 'extras' could be added to the meter and the final fare would have been displayed for the passenger.</p> <p>Any charge made by a hackney carriage driver for a journey within the district must not exceed that specified on the table of fares. Any additional charge for distance shown on the 'trip' meter would not show on the meter as a final fare.</p> <p>The council could modify the table to increase the mileage rate, or add a flat rate surcharge, although for the reasons outlined by the driver that would be unfair for a number of passengers.</p> <p>A solution could be to increase the mileage rate under the table of fares. This could then be reduced in future if fuel prices drop dramatically. However, any change to the fare table would mean that each vehicle taximeter would need to be recalibrated. This would be at a cost to the driver of approximately £60</p>

	-£70 to have the meter recalibrated, and then the same cost again to reduce fares if fuel prices dropped again.
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3 How to address current situation

3.1	The one consultation response is attached to this report as Appendix A .
3.2	The Committee is asked to consider the consultation response and the fact that the suggestion made may be unlawful.

4 Reason/s for recommendation

4.1	No solution has been provided by licensed drivers since the original proposal made by Mr Stokell in March 2022, which the Committee rejected.
4.2	Only one response to the consultation was received and the suggestion made by Mr Pescott is deemed unlawful.

Appendices

Appendices:

Appendix A	Response to consultation – Mr I Pescott
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Background reference papers:

None
