

Birmingham City Council

Report to Cabinet

18 March 2025



Title:	HACKNEY CARRIAGE MAXIMUM FARE TARIFF REVIEW
Lead Cabinet Portfolio:	Councillor Majid Mahmood, Cabinet Member for Environment and Transport
Relevant Overview and Scrutiny Committee:	Neighbourhoods Overview and Scrutiny Committee
Has this report been shared with the relevant Overview and Scrutiny Committee Chair?	Yes
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Authorised by:	Sajeela Naseer, Director of Regulation & Enforcement City Operations
Is this a Key Decision?	Yes
If this is a Key Decision, is this decision listed on the Forward Plan?	Yes
Reason(s) why not included on the Forward Plan:	Not Applicable
Is this a Late Report?	No
Reason(s) why Late:	Not Applicable.
Is this decision eligible for 'call in?'	Yes
If not eligible, please provide reason(s):	Not Applicable.

Wards: All
Does this report contain exempt or confidential information? No

1 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek ratification of a revised fare table to increase the maximum chargeable fares payable by the travelling public for Hackney Carriage journeys.
- 1.2 The setting of fares is a power afforded to the Council, and it is the Council's responsibility to strike a balance between setting a fare that is acceptable to the customer and to the taxi driver. Cabinet has the responsibility for decision making.
- 1.3 Two separate proposals were presented to Cabinet on 12th November 2024, detailed below:
- 1.2 Proposal A was submitted by the RMT and is attached at Appendix 1. This version corrects a typographical error confirming the waiting time charge in tariff 1 as £18.60 per hour instead of £19.20 as reported on 12th November.
- 1.3 Proposal B was submitted by an individual on behalf of Birmingham Hackney Carriage drivers, and is attached at Appendix 2
- 1.4 Officers assessed both proposals and recommended Proposal A be approved, this was approved by Cabinet.
- 1.5 Following publication of the proposal and the statutory 14 day notice period for comment, this report provides feedback of an objection document from a group of Hackney Carriage drivers, and seeks ratification of the original recommendation.

2 COMMISSIONERS' REVIEW

- 2.1 The commissioners have no observations on this report.

3 RECOMMENDATIONS

That Cabinet:

- 3.1 Approves the "2025 Proposed Maximum Fare Tariff" shown in Appendix 1 as the preferred tariff for implementation.
- 3.2 Approves the implementation of the proposed fare table commencing 1st April 2025.

4 KEY INFORMATION

Context

- 4.1 In 2024 two requests were made to Birmingham City Council requesting an increase in maximum chargeable Hackney Carriage fares.
- 4.2 Officers considered the proposals and recommended that Proposal A be approved by Cabinet. This Proposal A is called the “2025 Proposed Maximum Fare Tariff” and is shown in Appendix 1.
- 4.3 Approval was given by Cabinet on 12th November 2024 to proceed to vary the table of fares in accordance with Proposal A. Officers undertook the required publication and 14-day notice period for comments and, had no objections been received the revised fare table would have come into effect. As an objection was received, further consideration and ratification is required by Cabinet.
- 4.4 Following consideration of the objection, this report seeks ratification of the original recommendation to introduce Proposal A.

Proposal and Reasons for Recommendations

- 4.5 Proposal A was a streamlined approach to introduce potential fare increases in that it reduced the number of tariffs from 4 to 3. It is still considered to be the most appropriate proposal as it balances the needs of the trade with the expectation of customers. A public survey was conducted during the notice period which showed overwhelming support for this proposal. Of 622 responses received, 618 were from the Hackney Carriage trade.
- 4.6 Proposal B proposed a new fare table with higher rates than Proposal A. Whilst the objection received from a group of Hackney Carriage drivers during the notice period raised several arguments in support of this, much of the justification was that this proposal had the support of the trade and that the RMT proposal had not been published. The public survey conducted during the notice period therefore provided information on both proposals and identified significant support for the RMT proposal. In addition, it was claimed that the RMT do not represent the trade, we have been unable to verify this either way.
- 4.7 The objection further argued that the RMT proposal is an insufficient increase, however as with the original recommendation the Council must consider the effects of any rise on fare payers.
- 4.8 The Private Hire and Taxi Monthly (PHTM) publishes a table of hackney carriage fares at tariff one over 2 miles. It measures this fare across 344 local authorities in England. Birmingham is number 135 on the list with a fare of £7.40.

Should Proposal A be implemented the charge will increase to £7.60 and Birmingham’s would be equivalent to the fare charges by numbers 109 to 122 in this table. The fare table can be found at [Hackney Taxi Fare Tables \(phtm.co.uk\)](https://phtm.co.uk) Proposal B would increase the charge to £8.00 which equates to number 66-80

in the table. Looking at neighbouring authority's fares, comparisons are Coventry (69), Solihull (141), Bromsgrove (185), Sandwell (199), Wolverhampton (232), Walsall (234), Dudley (244), Redditch (286) and Lichfield (321).

- 4.10 Considering the support from the trade once both proposals were presented, the impact of rises on the fare paying public, particularly vulnerable groups, and benchmarking with other authorities, officers consider that Proposal A remains the preferred option.

5 RISK MANAGEMENT

- 5.1 The Hackney Carriage trade would like a fare increase as soon as possible. While their motivations are understood given current inflationary pressures, it is essential that the City Council ensures legislative requirements are met and that objections are properly considered otherwise the approval of new tariffs may be susceptible to legal challenge.

6 CONSULTATION

- 6.1 Following the approval of the recommendation at the Cabinet meeting on 12th November 2024 the proposed fare tariff was published in the Birmingham Post for public comment in accordance with Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 for a period of not less than fourteen days to allow for objections to be made. In addition, all drivers, that we had registered email addresses for, were sent the proposal directly.
- 6.2 An objection was received from a group of Hackney Carriage drivers. Following a meeting with the group, an objection document was received supporting Proposal B and is included at Appendix 4. It was agreed that both proposals would be the subject of a public survey to further inform the decision making process.
- 6.3 At the conclusion of the public survey, the result of Hackney Carriage drivers and other interested parties showed that 72% were in favour of Proposal A.

7 MEMBER ENGAGEMENT

Overview and Scrutiny

- 7.1 The Chair of the Neighbourhoods Overview and Scrutiny Committee has been consulted on the proposals in this report and has not made any comments.

Other

- 7.2 The Chair of The Licensing & Public Protection Committee has been consulted on the proposals in this report.

8 IMPACT AND IMPLICATIONS

Finance and Best Value

- 8.1 There are no financial implications for the Council. The publication and survey were undertaken using existing officer resource and no additional budget is required for this. The cost of administering the hackney carriage licence scheme is funded through licence fee income on a cost recovery basis.
- 8.2 The resource cost of administering this fare review and implementing any meter changes will be considered as a cost of administering the hackney carriage licence scheme and as such will be included in any subsequent licence fee review.

Legal

- 8.3 Section 65 Local Government (Miscellaneous Provisions) Act 1976 sets out the process and requirements for the fixing of hackney carriage fares, which includes the requirement for advertisement and a statutory 14-day period in which objections to the table of fares or variation can be made. If no objections are raised within this period, the revised table of fares shall come into operation on the date specified in the notice. If objections are raised and not withdrawn, the council should set a further specified date, not later than two months after the first specified date on which the revised schedule of fares shall come into force with or without modifications as decided by them after consideration of the objections.
- 8.4 Any challenge to the decision of the council to implement the new table of fares would be by way of Judicial Review

Equalities

- 9.1 An equality assessment was undertaken and is found in Appendix 3.
- 9.2 All groups would see an equal rise in the fares that they pay to use Hackney Carriages should an increase be decided. There is potential for an increase in fares to impact disproportionately on people with disabilities, in particular wheelchair users. This potential negative impact could be driven by Hackney Carriage fares were too low and causing drivers to cease providing the service or fares being too high and this limiting the ability of users of the service. It is therefore necessary to balance any fare increases carefully. On balance it is considered the proposed tariff increases is likely to ensure the service for disabled passengers is maintained rather than withdrawn due to lower tariff availability causing hackney carriages numbers to decline. This is likely to be more positive in equalities terms than the increase itself.

Procurement

- 9.3 There are no procurement implications arising from this report.

People Services

- 9.4 All human resource issues will be within existing officer resource.

Climate Change, Nature and Net Zero

- 9.5 Birmingham City Council Route to Net Zero team were consulted on the proposed increase and the ESA and their response was "...we don't have enough information to say whether an increase in fares would impact on the city's journey to net zero, but we think it would be negligible."

Corporate Parenting

- 9.6 There are no implications or opportunities in relation to the Corporate Parenting responsibility arising from the recommendations in this report.

Other

- 9.7 There are no other implications arising from the recommendations in this report.

10 APPENDICES

Appendix 1 – Proposal A

Appendix 2 – Proposal B

Appendix 3 – Equality Assessment

Appendix 4 – Birmingham Hackney Carriage drivers' objection document

11 BACKGROUND PAPERS

- 11.1 There are no background papers.