

**HACKNEY CARRIAGE FARES – CONSIDERATION OF COMMENTS RECEIVED
FOLLOWING CONSULTATION**

COMMITTEE: LICENSING COMMITTEE

DATE: 28 SEPTEMBER 2022

AUTHOR: SENIOR LICENSING OFFICER

[X62]

1.0 ISSUE

1.1 To consider comments submitted in response to the taxi table of fares amendment notice published on Thursday 4 August.

2.0 RECOMMENDATION(S)

2.1 That Members consider the content of this report, and the comments received following the required consultation period (**Appendix 1**), and approve the amended table of fares set out in Table 2 at paragraph 5.2 of this report.

3.0 BACKGROUND

3.1 On Wednesday 27 July 2018 Members considered a detailed report from officers which outlined the reasons why a change to the existing tariff of fares could be justified. Having considered this report, Members authorised Officers to publish a notice of the proposed tariff of fares in accordance with the controlling legislation. In addition to placing this notice, all existing hackney carriage proprietors were notified directly, as well as those registered on the Council's consultation list.

3.2 During the consultation period, a total of six objections were received from members of the licensed trade (**Appendix 1**). One of the objectors operates a large taxi firm with the Council, and represents a large number of drivers working in the District. No comments were received from any other parties consulted, including members of the public.

4.0 SUMMARY

4.1 **Table 1** on the following page provides a summary of the main points raised in the objections received, officer comments on the points raised, and suggested revisions for Member consideration:

Table 1

Objection point	Officer comment	Possible Revision
Reducing the flag rate from one mile to 704yds with a lower £3.20 fare will result in a loss of income for drivers completing short journeys from the station or ranks	This comment is factually accurate. Journeys under $\frac{3}{4}$ of a mile will result in a lower fare than the minimum fare currently in operation of £4.00	Adjust the proposed table of fares to increase the initial flag rate charge, or leave the flag rate at one mile, and increase the current flag rate charge.
Removing non-festive Bank Holidays from Rate 4 will seriously impact the ability to get drivers to work these Bank Holidays.		Move non-festive Bank Holidays into Rate 3 of the proposed tariff.
Non-festive Bank Holiday earning have dramatically reduced not increased.		Move non-festive Bank Holidays into Rate 3 of the proposed tariff
Festive Bank Holiday working rates have decreased.	Longer journeys and journeys under $\frac{3}{4}$ mile will reduce slightly over the current tariff.	Adjust the proposed table of fares to increase the initial flag rate charge, or leave the flag rate at one mile, and increase the current flag rate charge.
Whilst moving the Rate 2 changeover time from 11pm to 9pm is a positive step, there is still a lot of ill-feeling that it was changed from 7pm in 2018. It remains difficult to attract evening drivers.		Move Rate 2 on the proposed tariff to commence at 7pm
Using the DfT mileage figures, and the dead miles used to calculate potential income does not reflect the local situation.	This figure is only used to model a possible income, to give a visual understanding of what impact the proposed tariff would have if implemented. No better figures are currently available.	No alternative readily available
The report does not cover the costs of vehicle cleaning which can amount to £1,560 a year for a car, £2,600 a year for an MPV, and £3,640 a year for minibuses, based on two cleans per week.	This comment is factually accurate. This cost has not been factored into the report. The reason for this is because it is an optional cost i.e. some licence holders choose to use a car wash, others wash their vehicles themselves.	Officers could include vehicle cleaning costs in future reports, adjusted to reflect that most licence holders do not clean their vehicles twice every week.
The frequency of fares reviews is not frequent enough, 2013 then 2018, now 2022, the trade feels	Fare reviews are instigated by the trade. If a request is made, the trade as a whole are asked whether they support the request, and where the level of	None.

like they're always playing catch up.	support outweighs the level of opposition, a fares review would be commenced.	
The increase is not enough to offset the additional costs of living being incurred. The tariff should be left as it is, but with £1 added to the flag rate and an increase in the mileage rate	The licensing authority has to consider all impacts and balance the needs of the trade to earn a living, whilst also reflecting that all members of the public are experiencing the increases in the cost of living.	Increasing fares too much is not likely to receive public support/acceptance, and this could result in fewer journeys and therefore less income overall.
The proposal does not take into account inflation over the previous four years since the last amendment.	This comment is not correct. The original report took inflationary factors into account, and whilst inflation is currently in double figures, this was not the case until early in 2022.	None
The lowering of the initial yardage to 704yrds not only impacts on earnings in a negative manner, it also further encourages shorter journeys that should be discouraged.		Revert the initial yardage to one mile.

5 CONCLUSIONS

5.1 Taking on board the content of the objections received, Officers believe that there is scope to amend the proposal to arrive at a solution that will create a balance between the needs of the public who require affordable access to a suitable number of vehicles at all times of the day and night, whilst not prejudicing those who provide that service.

5.2 **Table 2** shown at the top of the following page is largely based on the table of fares Members approved for consultation in July 2022, but it has been amended to create this balance. It shows the proposed fare amount, the percentage increase over the current tariff, and how this presents itself in monetary terms.

Table 3 on the following page is the tariff consulted upon, and **Table 4** is the current table of fares which has been in force since 2018, for ease of comparison.

Table 2 - Revision

Rate	First mile (% increase over current fare / actual amount in £'s)	For each 160 yards or uncompleted part thereof	Waiting time per minute	Two mile cost (% increase over current fare / actual amount in £'s)	Five mile cost (% increase over current fare / actual amount in £'s)
(1) 7am to 9pm Mon – Sat	£4.60 (15%) (£0.60)	£0.20	£0.40	£6.80 (11.4%) (£0.70)	£13.40 (8%) (£1.00)
(2) 9pm to 7am Mon – Sat and Sunday 7am until 7am Monday	£6.20 (12.7%) (£0.70)	£0.20	£0.40	£8.40 (10.5%) (£0.90)	£15.00 (7.9%) (£1.10)
(3) Bank Holidays & 9pm Christmas Eve to 7am 27 th December and 9pm New Year's Eve to 7am 2 nd January	£8.00 (14.2%) (£1.00)	£0.30	£0.40	£11.30 (11%) (£1.15)	£21.20 (8%) (£1.60)
Each passenger in excess of one (persons under the age of 18, and person(s) accompanying a passenger who requires assistance due to their physical or mental condition shall not be counted)				£0.25 per person, per trip	
Soiling charge				Not to exceed to £150	

Table 3 – Consultation version

Rate	First 704 yards (644 meters)	For each 160 yards (146.3 meters) or uncompleted part thereof	Waiting time per minute	First mile cost	Two mile cost	Five mile cost
(1) 7am to 9pm Mon – Sat	£3.20	£0.20 (£2.20 per mile)	£0.40	£4.60 (15%) (£0.60)	£6.80 (+11.4%) (£0.70)	£13.40 (+8%) (£1.00)
(2) 9pm to 7am Mon – Sat and Sunday 7am until 7am Monday and Bank Holidays (excl. Christmas & New Year)	£4.80	£0.20 (£2.20 per mile)	£0.40	£6.20 (12.7%) (0.70)	£8.40 (+10.5%) (£0.90)	£15.00 (+7.9%) (£1.10)
(3) 9pm Christmas Eve to 7am 27 th December and 9pm	£6.40	£0.25 (£2.50 per mile)	£0.40	£8.15 (16.4%) (£1.15)	£10.65 (+4.9%) (£0.50)	£18.15 (-7.5%) (-£1.45)

New Year's Eve to 7am 2 nd January						
	Each passenger in excess of one (persons under the age of 18, and person(s) accompanying a passenger who requires assistance due to their physical or mental health shall not be counted)				£0.25 per person, per trip	
	Soiling charge				Not to exceed £150.	

Table 4 – Existing fares

Rate	First mile	For each 167.6 yards or uncompleted part thereof	Waiting time per minute	Two mile cost	Five mile cost
Rate 1 (7am to 11pm Monday to Saturday) (excl. Bank Holidays)	£4.00	£0.20 (£2.10 per mile)	£0.40	£6.10	£12.40
Rate 2 (11pm to 7am Monday to Saturday)(excl. Bank Holidays)	£5.50	£0.20 (£2.10 per mile)	£0.40	£7.60	£13.90
Rate 3 (7am Sunday to 7am Monday) (excl. Bank Holidays)	£4.50	£0.20 (£2.10 per mile)	£0.40	£6.60	£12.90
Rate 4 (All Bank Holidays from midnight to 7am the following day)	£7.00	£0.30 (£3.15 per mile)	£0.40	£10.15	£19.60
Each passenger in excess of one (persons under the age of 18, and person(s) accompanying a passenger who requires assistance due to their physical or mental health shall not be counted)			£0.25 per person, per trip		
Soiling charge			Not to exceed £150.		

5.3 If Members are minded to adopt the table of fares in **Table 2** above, it will have the following impacts:

- (i) Reverting the flag rate to the existing one-mile distance will remove the potential for financial loss to occur on journeys under one mile, and will nullify the

concerns raised regarding the potential for it to appear as though we're incentivising people to take shorter journeys, which is contrary to well-being and environmental considerations. Both of these factors raised in the objections had not been foreseen by officers when preparing the previous report.

- (ii) Moving the non-festive Bank Holidays back into the same rate as the festive Bank Holidays removes the concerns raised that obtaining drivers for the non-festive Bank Holidays would be almost impossible, and would impact the service the trade could provide at these times.
- (iii) Increasing the first mile rates to those suggested will counter the reversion back to a one-mile flag rate from the 704yrd flag rate mentioned in point (i) above.
- (iv) Maintaining the proposed reduction from 167.6yards to 160yards for a rolling mile combined with these other revisions enables the percentage increase to remain more stable across all distances travelled, and reflective of those consulted upon.
- (v) Reverting to the £0.30 rolling rate on Rate 3 enables all tariffs to reflect a stable percentage increase, and means that all working times will see proportionate increases. It also ensures operators will be able to get drivers to work on Bank Holidays and festive periods.

5.4 The only objection left outstanding if Members accept the suggested amended tariff is the Rate 2 commencement time of 9pm. Whilst it may be desirable to accommodate the trade's request to move this to 7pm, officers would suggest a staged approach at this time, and consider leaving Rate 2 at 9pm with an agreement to consider reducing it to 7pm at the next review point. Moving the time to 7pm will see a greater number of people paying 55% (£2.20) more for a one-mile journey than they are at present.

5.5 **Table 5** below illustrates the impact the recommendation in this report will have on our fares compared to those in the local area. The revision suggested in this report does not affect our placing compared to the consulted version.

Table 5

Council	Current		Consulted on / Revised	
	2 mile fare (Rate 1)	2 mile fare (Rate 2)	2 mile fare (Rate 1)	2 mile fare (Rate 2)
Fenland	£6.20 (4)	£9.30 (1)	£6.20 (5)	£9.30 (1)
South Cambs	£7.50 (=1)	£8.60 (=2)	£7.50 (=1)	£8.60 (=2)
Hunts	£6.50 (3)	£7.50 (5)	£6.50 (4)	£7.50 (6)
Cambs City	£7.50 (=1)	£8.60 (=2)	£7.50 (=1)	£8.60 (=2)
West Suffolk	£5.80 (5)	£8.60 (=2)	£5.80 (6)	£8.60 (=2)
City of Peterborough	£5.00 (6)	£5.00 (7)	£5.00 (7)	£5.00 (7)
East Cambs	£6.10 (5)	£7.60 (5)	£6.80 (3)	£8.40 (5)

5.6 Whilst **Table 5** is not a factor that should be relied upon in isolation to justify a rate change, (or not, as the case may be), it is useful to see where our rates would sit amongst neighbouring areas with relatively similar economic pressures.

5.7 As I explained on my initial report to Members in July, reviewing a table of fares is a very difficult process to undertake. If you set them too high, the public may choose another option, which can result in lower overall income to the very people that requested the review. If fares are set too low, the trade can't afford to make a living, and the public ultimately suffer from a poor transport service.

5.8 It is clear from the responses received that a number of unintended consequences had not been foreseen by Officers when preparing the previous report. Having now considered all of the information available, it is considered that the rates stated in **Table 2** balance all of the difficult factors mentioned in 5.7 above.

6.0 FINANCIAL IMPLICATIONS

6.1 From a customer point of view, the vast majority of journeys will see increases of no more than £1, and from our trade's feedback it would appear that a large number of journeys in our district are around one mile in duration which in monetary terms would see nominal increases of £0.60 or £0.70 per journey.

6.2 From a proprietor's point of view whenever they work they will see an increase in income, with the average percentage increase being between 10% and 11.5%.

6.3 The table of fares contains the maximums that a driver may charge. A driver is free to charge less, where they consider it appropriate.

6.4 An Equality Impact Assessment (EIA) has been completed showing there is no adverse impact on the community.

7.0 APPENDICES

- 7.1 Appendix 1 Consultation Responses
7.2 Appendix 2 Equality Impact Assessment (EIA)

<u>Background Documents</u>	<u>Location</u>	<u>Contact Officer</u>
Local Government (Miscellaneous Provisions) Act 1976 Button on Taxis – Fourth Edition Taxi Tariff 2018	Room SF208 The Grange, Ely	Stewart Broome Senior Licensing Officer (01353) 616477