

Report to: **Licensing and Enforcement Committee**

Date of Meeting: 18 September 2019

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 8

Subject: **Update on Proposed Hackney Carriage (Taxi) Fare Tariff Changes**

Purpose of report: To provide an update to the Licensing and Enforcement Committee regarding a proposed increase to the Hackney Carriage Fare Tariff.

Recommendation: **That the Committee consider the update provided in this report for proposed Hackney Carriage Tariff increase options set out in Appendices C and F following recent consultation with the taxi trade and to approve a further short consultation on a proposal submitted by the taxi trade in Exmouth**

Reason for recommendation: To enable the Hackney Carriage trade within the District to continue to operate economically whilst still maintaining an efficient, safe and cost effective service for those residents of and visitors to East Devon who need to use the services of a Hackney Carriage

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Financial implications: There are minimal costs mentioned in the report as a public notice in the local newspaper will be required before any alteration to charges. Also if there are any objections this will need to be referred to Committee which would incur minimal officer time.

Legal implications: The statutory context is set out within the report and requires no further comment

Equalities impact: Low Impact

Risk: Low Risk

Links to background information: **Appendices:**
Appendix A - Current Taxi Fares Tariff
Appendix B – Consultation Letter Sent to Taxi Proprietors
Appendix C – Proposed Taxi Fare Tariff Increase (July 2019)

Appendix D – Comparison of Taxi Fare Tariffs (Devon, Dorset & Somerset)

Appendix E – Email Response Received to Fare Tariff Increase

Appendix F – Proposal received from Exmouth Trade Association Taxi for a Fare Tariff Increase (Sept 2019)

Appendix G – Comparison Table of All Devon fares (Sept 2019)

Background Papers:

Local Government (Miscellaneous Provisions) Act 1976

Report to Licensing & Enforcement Committee 3rd July 2019

Link to Council Plan: Living in, working in, enjoying and funding this outstanding place

1 Background Information

- 1.1 This report should be considered in conjunction with the previous report on the subject and provides members with an update since it was last considered at its meeting on 3rd July 2019. The Licensing Manager had submitted a proposed increase on the current Hackney Carriage Fare Tariff at that meeting and members then resolved that the taxi trade should be consulted. The consultation has taken place and has prompted the Exmouth Taxi Trade Association to propose an alternative single increase to the taxi fares tariff set by the Council.
- 1.2 The purpose of this report is to inform this Committee of the outcome of the recent consultation and to outline the details proposed by the Exmouth Taxi Trade Association together with seeking approval to consult again district wide on the latest proposal.
- 1.3 The previous report to members set out the reasons and the progress achieved to this point with regard to revising the tariff of fares that can be charged by taxis in East Devon.
- 1.4 Section 65 of the of the Local Government (Miscellaneous Provisions) Act 1976 permits district councils to set the fares tariff for hackney carriages (taxis) licensed in the district. The tariff sets the maximum fares that taxis can charge the public when using their vehicles and taxis can charge below the maximum. The last tariff increase was agreed by this Committee in 2012. A copy of the current tariff table appears at **Appendix A** to this report.
- 1.5 All changes to the hackney carriage tariff table in use in East Devon must be approved by the Licensing and Enforcement Committee.

2 Fare Tariff Pricing Proposals

- 2.1 At the last meeting of this Committee a proposal was considered to increase Tariff 1 of the table of fares with that being an increase to the 'flag' fare in a similar manner to that occurred in 2012. The proposed increase would amount to an additional 20 pence on Tariff 1 which would mean a £3.20 initial 'flag' charge rather than the current £3.00, this being an increase of 6.66%. There would also be an increase for each subsequent mile travelled by 4.76%.
- 2.2 That proposal for just increasing Tariff 1 would revise the position of East Devon in the Devon and the national fare comparison tables taking the first two mile journey cost to **£6.60**. This option would result in EDDC sitting in second place in the Devon fares comparison table and EDDC would also become one of 16 Council's in the national table that have set the charge of £6.60 for the first two miles of a journey.
- 2.3 Following the previous meeting and the requirement for further consultation with the taxi trade, the Licensing Manager circulated the written proposal to all East Devon taxi proprietors

shown in **Appendix B**. The correspondence was sent together with the proposed fare tariff increase shown in **Appendix C** and also the comparison table of the fares being proposed showing how this and other authorities in Devon, Dorset and Somerset would appear at **Appendix D**.

2.4 Because East Devon is a large and widely rural district with towns being widespread there is not one overall taxi trade association and so all vehicle licence holders were invited to respond to the consultation. There is a taxi trade association in Exmouth which is well represented by its members and Licensing Officers attend the quarterly meetings.

3. Response to the Proposed Fare Tariff Increase

3.1 The response to the consultation sent to taxi proprietors was very low with just one email received from a self-employed taxi driver/proprietor shown at **Appendix E**. In summary, the respondent welcomed an increase to soiling charges of £80 and outlined that some drivers may charge less than the tariff (which they are entitled to do). It ended that any increase be considered for all three fare tariffs. There was also mention of possible costs being incurred by the trade when having taxi meters recalibrated, this being a cost to be met by the trade and not the Council when the table of fares change.

3.2 On 2nd September 2019 Licensing Officers attended the quarterly meeting of the Exmouth Taxi Trade Association where the proposed fare tariff increase was discussed under the agenda. The meeting was well attended by taxi proprietors who operate in the town and overall the view of those present was that an increase is now necessary without a need for increases under Tariff 2 (evening/weekend fares) or Tariff 3 (bank holiday fares).

3.3 The association proposed another alternative fare increase to that circulated in **Appendix C**, by proposing that instead of increasing an additional 20 pence on Tariff 1 to the first half mile initial 'flag' charge or the increases for each subsequent mile, that just one increase should be made. The proposed increase is for 50 pence on the initial 'flag' charge resulting in an increase from £3 to £3.50. It was accepted that the proposed soiling charge should increase to £80, this being the cost for cleaning soiled taxis. The new Exmouth proposal is contained in **Appendix F**.

3.4 The latest proposal received from the Exmouth Taxi Trade Association was specific to just the first half mile initial 'flag' charge and without the other increases per mile circulated to the taxi proprietors under **Appendix C**. Officers acknowledged the proposal being put forward at the meeting of the Exmouth Taxi Trade Association whilst reminding the forum that any change will be applicable to all East Devon licensed taxis and not just Exmouth.

3.5 It was reported in the previous report to this committee that market forces are known to come into play for the district and because of the level of competition in Exmouth the charges levied in that area are often less than the maximum tariff.

4 Options Going Forward for Fare Tariff Pricing

4.1 Contact has been made with one of the companies that complete taxi meter calibration following receipt of the Exmouth proposal contained in **Appendix F**. It is understood that the one-off change to just the initial 'flag' charge of £3.50 is achievable without it being necessary to increase costs subsequently mile by mile. The response from the meter engineer also indicated the work to recalibrate just one increase would be less through completing one tariff change rather than that proposed for all the increases considered under **Appendix C**.

4.2 The general response from the meeting of Exmouth Taxi Trade Association supports the overall consideration of this committee to set an increase only against Tariff 1 and maintaining current charges on Tariff 2 and Tariff 3 without change.

- 4.3 The new proposed increase from the meeting of Exmouth Taxi Trade Association has not been considered by the remainder of the taxi trade in East Devon contained in **Appendix F**.
- 5 Recommendation
- 5.1 Members will note from the contents of the previous report in July that the existing fare tariff table in East Devon has not actually fallen significantly behind in comparison with other Devon licensing authorities. An up to date comparison of all authorities in Devon which includes the present, unchanged tariff has been updated in September and is contained in **Appendix G**.
- 5.2 The proposed increases to the fare tariff that was circulated after the July meeting under **Appendix C** now differs to the latest proposal from the Exmouth Taxi Trade Association contained in **Appendix F**.
- 5.3 Members are therefore asked to consider approving a further consultation for the full taxi trade in East Devon to allow all taxi proprietors to consider the Exmouth proposal allowing all the opportunity to respond and comment.
- 5.4 The Licensing Authority propose consulting the East Devon taxi trade subject to approval from this Committee, to commence from 19th September and to end on 10th October for a period of three weeks. Although this is a relatively short period, the time is considered sufficient to allow the taxi trade to consider and respond during that time.
- 6 Conclusion
- 6.1 The purpose of this report is because there are now two separate options to consider for increasing the fare tariff detailed under **Appendix C**, from the last meeting in July with the latest proposal from the Exmouth Taxi Trade Association contained in **Appendix F**.
- 6.2 A third option would be to leave the fare tariff unchanged although the majority of respondents amongst the taxi trade support increasing the fares.
- 6.3 Due to the latest proposal received from the taxi trade it will be necessary to bring back the outcome of the consultation at the next meeting of this committee in October. At that point it may be clearer regarding what the trade considers as preferred option.
- 6.4 As explained earlier in this report Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 requires that before any alteration to the tariff table can take effect a public notice explaining the changes must be placed in a local newspaper. The public then have 14 days to make comment on the proposals. If no adverse comment/objection is received the approved changes can take effect and it is planned that they should come into use in early December.
- 6.5 Alternatively if adverse comment/objection is received then the matter must be returned to allow this Committee to consider the representation(s).