

Report to: Licensing and Enforcement Committee



Date of Meeting 17 November 2021

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Exemption applied: None

Review date for release N/A.

Report on Hackney Carriage Fares

Report summary:

Hackney Carriage Fares – To Consider a Request from Hackney Carriage Proprietors to increase the Taxi Fare Tariff and to adopt a New Fare Table

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That the Committee;

1. Considers a request from Hackney Carriage (Vehicle) licence holders to increase the current Hackney Carriage Table of Fares, and
2. If agreed, to set a timescale through the statutory procedure as required.

Reason for recommendation:

The Licensing and Enforcement Committee is asked to consider a request from East Devon Hackney Carriage Licensees to increase the current Hackney Carriage Fare Table

Officer: Steve Saunders, Licensing Manager (Governance and Licensing)

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk; .

Links to background information.

[Link to Council Plan](#)

Priorities (check which apply)

- Better homes and communities for all
 - A greener East Devon
 - A resilient economy
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Report in full

1 Background Information

- 1.1 Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 permits District Councils to set the fares tariff for Hackney Carriages licensed in the District and this Council, in common with most other Councils, have used this power for many years. The setting of fares for hackney carriages is a function for this Council's Licensing and Enforcement Committee.
- 1.2 This Committee approved an increase and adopted the current taxi fare tariff that appears at **Appendix A** in 2020. The tariff sets the maximum fares that taxis can charge the public and although the maximum fares cannot be exceeded, it is possible to charge lower if a driver wishes to.
- 1.3 The previous increase to the taxi fare tariff followed extensive debate over a two year period amongst licensees on the issue, including a district wide ballot as the trade had generally been divided over increasing fares. The taxi fare tariff sets the maximum fares that can be charged during the daytime (Tariff One), during evenings and night time (Tariff Two) and over Bank Holidays (Tariff Three).
- 1.4 The last agreed increase was minimal, being for 50 pence on the initial 'flag' charge resulting in an increase from £3 to £3.50 for Tariff One daytime fares. Tariffs Two and Three were left unchanged with the previous increase before that being in 2012. The soiling charge being the cost that owners charge for cleaning soiled taxis, was increased to £80 for Tariff One.
- 1.5 The process to increase the taxi fare tariff requires due consideration by this Committee which, if resolving to change the fare tariff then requires consultation by officers preparing the necessary public notices to take this forward. Legislation 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 that provides the public and the taxi trade with a period of at least 14 days to comment on the proposals.
- 1.6 If no adverse comment/objection is received to the public notice, the approved changes must take effect. Alternatively if adverse comment/objection is received, then the matter must be returned to allow this Committee to consider the representation(s). The timeline from resolution to adoption can require a number of updates being reported to this Committee.

2 Consideration for a Fare Tariff Increase

- 2.1. This Committee resolved in September 2020 that the Table of Fares be reviewed annually and no earlier than 12 months after a previous review through a procedure agreed at **Appendix B**.

- 2.2. On 10th October 2021, the Licensing Manager met with the Chair of Exmouth Taxi Trade Association following verbal contact from its members seeking an increase in the fare tariff. Although the association has not been meeting during the coronavirus pandemic, taxi proprietors raised the proposal to increase the fares through the Chair. The reasons put forward were helpful to understand regarding ongoing financial challenges, both during and emerging from the pandemic. This is in conjunction with the impact of higher prices of fuel (diesel and petrol). It was also helpful for officers to learn that a number of existing taxi licensees have consolidated work by gaining contracts from Devon County Council Transport and providing a valuable means of transport for passengers with educational and medical needs. The timing of those contracted journeys and the increasing number of licensed drivers taking this work was reported as leaving a void at taxi ranks during key times of the day when the general public may need a taxi.
- 2.3. Feedback from the chair of Exmouth Taxi Trade Association and from some taxi companies through contact with officers, also highlighted the initial costs required for new applicants when applying for a taxi driver licence to gain mandatory aspects (e.g. a medical assessment from a GP, a driving test for proficiency and a DBS certificate) before being able to receive a licence. These necessary requirements have always been a precursor to gaining a licence and some companies meet the cost for new drivers to support them through the licensing process.
- 2.4. Following receipt of the reasons put forward, officers contacted all hackney vehicle licence holders across the district by email or letter on 22nd October 2021 seeking their views on a fare increase. All 68 licensed vehicle proprietors (individuals and companies) were asked to respond by 29th October 2021.
- 2.5. 19 written responses were received, being less than a third of all contacted providing a response (28%). 14 proprietors requested that the fare tariff be increased and 2 proprietors stated that it shouldn't rise. 3 responses were indifferent or unclear in their responses. Officers acknowledged to all who responded that the result will be reported back to this Committee. Unlike the previous fare increases that have occurred, the trade has not proposed specific details for an increase on this occasion which should be a consideration.
- 2.6. A number of proprietors outlined the reason for seeking an increase in the fare tariff being due to increasing fuel costs. Statistics published by the Dept of Business Energy and Industrial Strategy (BEIS) provide average UK retail 'pump' prices on a weekly basis. Figures available on 2 November outlined unleaded petrol prices increased by 30.6 pence a litre over the previous year with the price of diesel increasing by 29.4 pence per litre (**Appendix C**).
- 2.7. To assist consideration today, officers have researched and produced a comparison table of current fares set by this and other authorities in Devon (**Appendix D**). The comparison takes into account the position of highest to lowest fares set by all 352 licensing authorities in England and Wales being based upon the cost of the first two miles journey. The table of comparison is prepared by the national Private Hire and Taxi Monthly magazine.
- 2.8. This Council's tariff sits higher in the Devon table comparison and also in the national comparison for charging against the first two miles of a journey. The increase approved over 2019/20 when EDDC recalculated fares sees it remaining within the top third of all council charging fares, previously being 96th out of 362 Council tariffs (in 2019) and being 42-54 of 352 other Councils currently. The comparison is solely on a first two mile cost comparison. The last recalculation didn't change fares during evening/night time or over Bank Holidays.

3 Conclusion

- 3.1 The taxi trade in East Devon had not received a fare increase for eight years until 2019/20 with the last increase being relatively modest and only for daytime fares under Tariff 1. Taking into account the recent nature of the request to increase the fare tariff, members today may wish to consider that decision in three months at the next meeting of this Committee when more detailed information can be provided to allow clearer understanding of a need for increasing the fares and if approved, by how much.
- 3.2 Taking into account that the current fare tariff took over two years to agree and revise, this new request has been received within the previous month. The recommendation to members today is allow for a period of three months for officers to provide more detailed information and with a revised table of fares before considering to proceed or decline the request.
- 3.3 As explained earlier in this report, Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 outlines legal procedures to move forward requiring a public notice for which it would be necessary to prepare a new table of fares to be considered at that point.
- 3.4 Should members decline the latest request today based on the time since the last review and current comparison with other Council fare tariffs, the procedure agreed last year by this Committee at Appendix B outlines that no further proposal should be no considered for twelve months from the last increase or proposal reviewed.

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 legislative framework is set out within the report.